Omeo District Health

Delivers better outcomes for our rural community



ANNUAL REPORT

2025-26

Acknowledgement of Traditional Owners

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.

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Responsible body's 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 2026.



Dr Jeremy Sternson
Board Chair
Omeo District Health
15 October 2026

2025-2026 year in review: A message from the Board Chair and Chief Executive Officer

It is with great pride that we reflect on another year of strong performance at Omeo District Health. The 2025-2026 financial year was one of strengthening more care delivered locally, investment in our workforce and facility, and deeper collaboration with our regional partners.

Improved access and care

122% increase in acute inpatient bed days, the highest level in at least four years — supporting patients to be safely care for locally rather than having to be transferred elsewhere.

223% increase in Transition Care bed days, improving flow across the sub-region and supporting people to recover closer to home.

39% increase in Urgent Care Centre presentations – the largest percent increase in Victoria – helping people to access more timely emergency care.

94% occupancy sustained at Lewington House, providing stable residential aged care for older people in their own community.

Over 6,000 home-based services contacts across our entire catchment, from Dartmouth to Tambo Crossing – supporting people to age in place and live safely and independently at home for longer.

10% increase in general practice appointments following the transition of Omeo Community Health Centre to a Medicare Bulk Billing Clinic in November 2025, reducing cost as a barrier to accessing primary care.

Medical imaging more than doubled with a third of patients being children after acquiring a new state of the art digital mobile x-ray system in August 2025, with five more Registered Nurses attending interstate training to obtain radiography licences – all made possible thanks to the support of the Good Friday Appeal and The Royal Children's Hospital Foundation.

Omeo District Health was awarded three-year accreditation against the NSQHS Standards in September 2025. We implemented the strengthened Aged Care Quality Standards, commenced Support at Home, and are progressing improvement work at Lewington House ahead of provider renewal.

A stronger workforce

In 2025-26, we completed the Omeo Key Worker Accommodation Project, supported by the Victorian Government's Regional Worker Accommodation Fund. The new quality housing now attracts clinical workforce who previously had nowhere to live — and directly enabled ODH to re-establish its Graduate Registered Nurse Program. We also invested in advanced rural clinical skills and training for our nursing staff, including CareFlight's *Sick Kids in the Bush* paediatric training, as well as fracture and suturing courses.

Our staff tell us this is working. In the 2026 People Matter Survey, 87% are proud to tell people where they work, up from 61% in 2024. 83% would recommend a friend or relative be treated here, up from 68% in 2024, and against a Victorian average of 74%. When the people who deliver the care would choose it for their own family, it says something no other measure can. We take equal note of where staff asked us to do better — workload, feedback and career development — and are acting on it.

Innovation & moving from competition to collaboration

The Gippsland Local Health Service Network (GLHSN) commenced on 1 July 2025. We

contributed to the regional Clinical Services Plan, with our Chief Executive chairing the GLHSN Access, Equity and Flow Sub-Committee. We have also deepened our sub-regional partnerships with our neighbouring health services – attributing to improved flow between our services.

The Swifts Creek Virtual Care Pod shows what innovation and collaboration make possible. A 12-month pilot commenced in January 2026 with the Royal Flying Doctor Service Victoria, the Virtual Emergency Department, Swifts Creek Bush Nursing Centre and CareZen. The pod gives residents free, around-the-clock access to an emergency practitioner, no appointment needed, recording vital signs in real time. It extends access rather than replacing the local services our communities rely on.

Prudent, sustainable and effective use of resources

Despite ongoing sector pressures, Omeo District Health maintained a stable financial position and met all obligations under the *Financial Management Act 1994* — while absorbing substantial activity growth and investing in workforce and capability.

Isolation makes self-reliance a clinical issue here, not just an environmental one. We expanded our solar generation, converted lighting to energy-efficient LED and installed a 144kWh battery system, reducing running costs and exposure to power disruption. We also secured a Regional Health Infrastructure Fund grant for our Fire Safety Project, including expanding water storage and strengthened bushfire defences, for completion in 2026-27.

Thank you, Simon

On 30 June 2026, Mr Simon Lawlor concluded nine years as Board Chair of the Omeo District Health Board of Directors. Simon led this organisation through a demanding period with steadiness, integrity and an unwavering focus on what was right for the region and communities we serve. Much of what this report describes rests on foundations laid under his leadership. He leaves Omeo District Health measurably stronger than he found it, and we thank him.

Looking ahead

In 2026–27, Omeo District Health will:

- Consolidate 2025-26's growth while keeping workforce, quality and infrastructure aligned with demand;
- Complete preparation for aged care provider renewal;
- Grow our workforce through accommodation, graduate and advanced practice pathways;
- Empower and grow our own through targeted investment in training and upskilling of our staff;
- Deliver our fire safety and clinical infrastructure projects;
- Advance Aboriginal cultural safety and employment; and
- Continue advocating within the Gippsland Local Health Service Network for equitable access for the East Gippsland High Country.

We extend our deepest gratitude to our staff, volunteers, Visiting Medical Officers, Board Directors and community partners for their commitment to excellence and compassionate care. Together, we continue to build a resilient, connected and thriving health service for our region.





Dr Jeremy Sternson
Board Chair

Daniel Cziperle
Chief Executive Officer

General information

Establishment and relevant Ministers

Omeo District Health is a public health service established under the *Health Services Act 1988* (Vic). The responsible Minister(s) for the reporting period were:

Minister for Health **Minister for Ambulance Services**	The Hon Mary-Anne Thomas MP	1 July 2025 to 14 April 2026
Minister for Health **Minister for Ambulance Services** **Minister for Water**	Hon Harriet Shing MP	15 April 2026 to 30 June 2026
Minister for Health Infrastructure	The Hon Melissa Horne MP	1 July 2025 to 30 June 2026
Minister for Mental Health **Minister for Ageing**	The Hon Ingrid Stitt MP	1 July 2025 to 30 June 2026
Minister for Disability/Minister for Children	The Hon Lizzie Blandthorn MP	1 July 2025 to 30 June 2026

Our vision, strategic focus and core values

Omeo District Health operates under a guiding Strategic Plan 2024 – 2027 which outlines a clear vision, mission statement, and set of strategic objectives.

Our vision: Omeo District Health delivers better outcomes for our rural community.
We deliver appropriate services that not only meet standards but improve health outcomes for our community ensuring that people **age well**, **keep well** and are **connected to care**.

Our purpose: To promote and enhance the health and wellbeing of the people of the East Gippsland High Country.
We are here to improve our community's health and wellbeing, to care for the sick and to ensure that our community can access appropriate healthcare.

Overview of services provided by Omeo District Health

Omeo District Health is a small rural health service that provides broad based health and support services to the towns of Benambra, Cobungra, Dinner Plan, Ensay, Omeo, Swifts Creek, and surrounding areas. Omeo and surrounding communities are in the heart of the Victorian High Country, in the East Gippsland Shire. The Shire is home to upward of 100 small communities and is Victoria's second largest municipality.

As a small rural health service, Omeo District Health is expected to provide a range of services that best meets its community's needs. The services we provide include:

Acute care
- Four acute beds for general medical care
- Urgent Care Centre (24/7)

Allied health & community services
- Community gym
- Dietetics
- Equipment loan program
- High Country Men's Shed
- Occupational therapy
- Physiotherapy
- Podiatry
- Speech pathology
- Youth program

Ancillary services
- Pathology
- Radiology
- Other diagnostic tests

Dental services
- Delivered on-site by the Royal Flying Doctor Service

Home based services
- Allied health
- Clinical care and district nursing
- Community transport
- Domestic assistance
- Home maintenance
- Home respite care
- Meals on wheels
- Personal care and support
- Post-acute support
- Social support group
- Transitional care program (community)

Medical services
- Chronic disease management
- Primary care consultation and referral
- Skin checks and lesions removal
- Visiting Paediatrician
- Women's Health
- Other infusions and other minor procedures

Residential aged care
- 14 beds as individual rooms with ensuites
- Allied health
- Aged care family liaison officer
- Lifestyle program
- Gentle exercise program for residents
- Respite care

Subacute care
- Rehabilitation
- Transitional care program (on-site)

Visiting services
- Bone densitometry
- Breast screening
- Diabetes education
- Palliative care
- Optometry

Additional referral services to:
- Counselling and social work
- Mental health



Board of Directors

Omeo District Health's Board of Directors (the Board) consists of up to nine independent, non-executive members. Each Director is appointed for a term of up to three years, with the possibility of reappointment for a maximum cumulative service of nine years.

The Board is accountable to the Minister for Health under the *Health Services Act 1988*. The Board's role is to provide strategic leadership, exercise sound governance, and oversee the provision of high-quality, safe care. The Board also fosters a supportive environment for staff and works to deliver on the health service's objectives outlined in the 2024-2027 Strategic Plan and the annual Statement of Priorities.

The following individuals served as members of the Board during the 2025-2026 financial year:

Mr Simon Lawlor
Board Chair

Ms Penny Barry
Board Director

Ms Johanna Marianne Shearer
Board Director

Ms Melita Ryan
Vice Chair

Ms Olivia Rofe
Board Director

Dr Jeremy Sternson
Board Director

Mr Ryan Brown
Treasurer

Ms Margaret Ann Ferguson
Board Director

Mr Harry Thomas
Board Director

Board Committees

In accordance with the *Health Services Act 1988 (Vic)* and the Victorian Government's *Public Entity Executive Remuneration Policy*, the Board has established several committees to strengthen governance and oversight. These committees provide advice and assurance to support the Board in fulfilling its responsibilities.

Committee	Role and responsibilities
Building, Land and Assets	Oversees the strategic and sustainable management of land, buildings, equipment, and digital infrastructure, and supports long-term capital works and master planning.
Clinical Governance	Provides assurance on the quality and safety of care, monitors accreditation readiness, clinical risk management, incidents, and consumer feedback, ensuring care is safe, high-quality, and respectful of dignity.
Community Advisory	Embeds consumer and community voices in governance, service planning, and improvement. Ensures decision-making reflects community perspectives and supports person-centred, inclusive, and culturally safe care.
Credentialing and Scope of Clinical Practice (including Appeals Committee)	Confirms the qualifications and scope of practice of medical, dental, and nurse practitioners (in partnership with Bairnsdale Regional Health Service and Orbost Regional Health), ensuring safe and high-quality clinical care.

Committee	Role and responsibilities
Finance, Risk and Audit	Supports oversight of financial governance, risk management, compliance, and audit. Reviews financial reporting, internal controls, and internal and external audit processes to maintain transparency and accountability.
Nomination and Remuneration	Oversees Board and CEO succession, recruitment, induction, performance, and remuneration. Promotes strong governance culture, diversity, inclusion, and alignment with Environmental, Social and Governance (ESG) principles.

Together, these committees ensure that Omeo District Health upholds high standards of accountability, transparency, and strategic leadership in delivering safe, person-centred care for the communities it serves.

Committee membership 2025-2026

Building, Land and Assets Committee

- Dr Jeremy Sternson (Chair)
- Mr Ryan Brown
- Ms Margaret Ann Ferguson
- Mr Harry Thomas

Clinical Governance Committee

- Ms Johanna Marianne Shearer (Chair)
- Ms Penny Barry
- Dr Jeremy Sternson
- Mr Harry Thomas

Community Advisory Committee

- Ms Penny Barry (Chair)
- Ms Johanna Marianne Shearer
- Appointed community members

Credentialing and Scope of Clinical Practice Committee (including Appeals Committee)

- Ms Johanna Marianne Shearer
- Dr Jeremy Sternson
- *Note: Joint committee chaired by Bairnsdale Regional Health Service.*

Finance, Risk and Audit Committee

- Mr Ryan Brown (Chair)
- Ms Margaret Ann Ferguson
- Ms Melita Ryan
- Mr Harry Thomas

Nomination and Remuneration Committee

- Ms Melita Ryan (Chair)
- Ms Margaret Ann Ferguson
- Mr Simon Lawlor
- Dr Jeremy Sternson

Executive team

Chief Executive Officer (CEO)

Mr Daniel Cziperle MHA, MBA, GAICD, AFCHSM

Leads Omeo District Health in partnership with the Board to deliver the organisation's vision, mission and strategic direction. The CEO provides overall leadership for the organisation, ensuring effective governance, resource allocation and financial stewardship, and overseeing delivery of safe, high-quality care aligned with community needs and the health service's Statement of Priorities. The position also performs the functions of Chief Procurement Officer for Omeo District Health.

Director of Community Health & Partnerships

Mr Darren Fitzpatrick (12 May 2026 – 30 June 2026)
Responsible for the leadership and management of community health, partnerships, health promotion and community-based service delivery.

Director of Nursing

Ms Anne Marie Gielis (25 May 2026 – 30 June 2026)
Ms Brooke Morvinson (12 May 2026 – 25 May 2026)
Responsible for nursing leadership, clinical governance, workforce management and the delivery of safe, high-quality patient care.

Director of Healthy Ageing

Ms Brooke Morvinson (14 July 2025 – 11 May 2026)

Responsible for leadership and governance of residential aged care, transitional care, home-based services and community/district nursing. The position provides strategic oversight to ensure compliance with the *Aged Care Quality Standards*, *Home Care Common Standards* and *National Disability Insurance Scheme (NDIS) Standards*. The role promotes innovation in aged care models, workforce capability and continuous improvement to enhance consumer experience and outcomes. The Director also co-leads organisational clinical governance and workforce development initiatives across the health service with the Director of Health Services.

Director of Health Services

Mr Darren Fitzpatrick (01 July 2025 – 11 May 2026)

Responsible for the provision of high-quality, safe and person-centred care across acute, urgent care, allied health and community health centre services. The role provides strategic leadership, operational management and clinical governance oversight, ensuring effective workforce planning and alignment with the *National Safety and Quality Health Service (NSQHS) Standards*. The Director also co-leads organisational clinical governance and workforce development initiatives across the health service with the Director of Healthy Ageing.

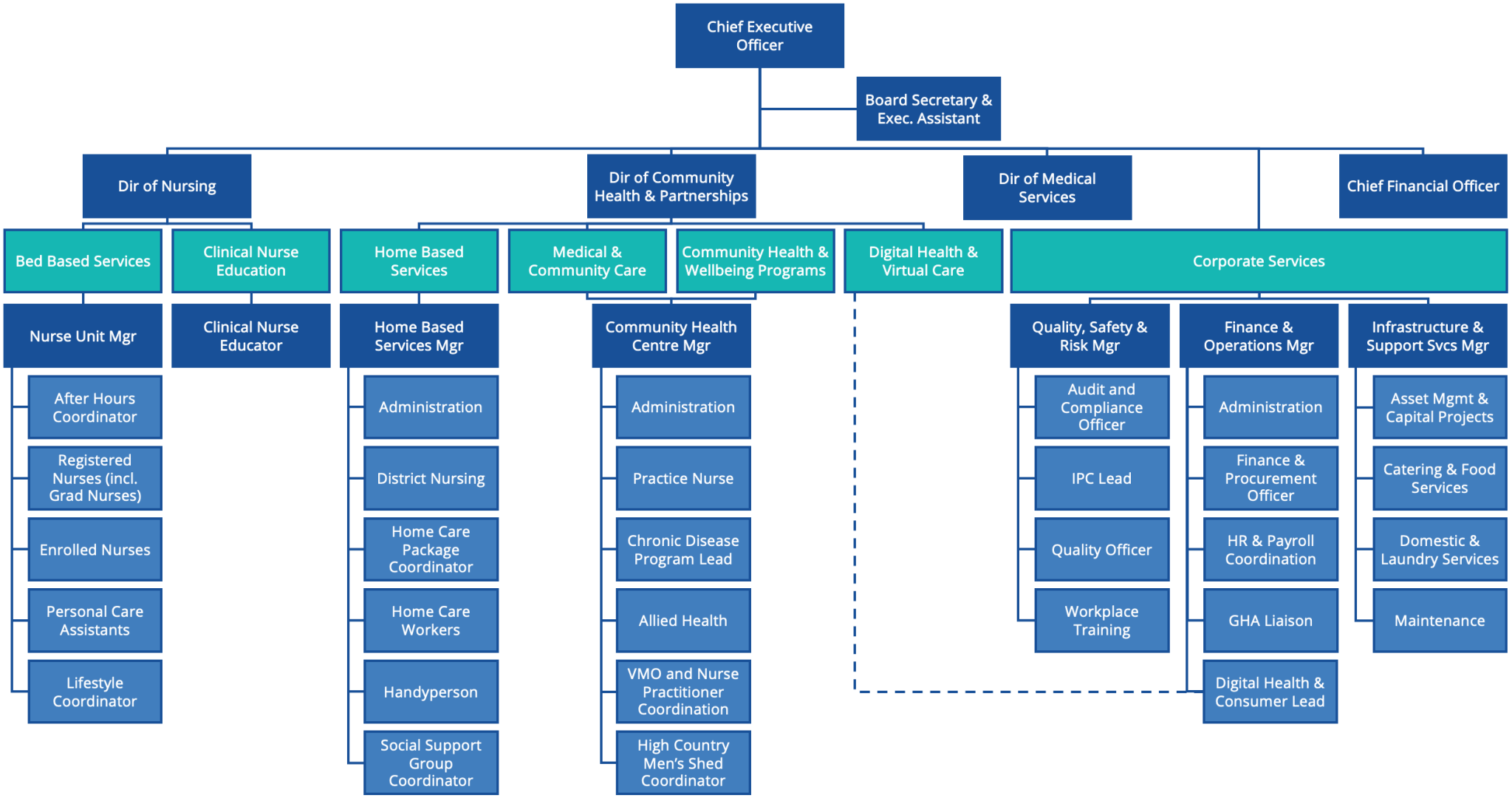
Director of Corporate Services

Mr Michael Rowell (01 July 2025 – 10 October 2025)

Responsible for the Corporate Services portfolio, encompassing financial and business performance, legislative compliance, procurement, infrastructure, and governance of quality, safety and risk systems. The role supports effective organisational performance and ensures compliance with statutory, regulatory and funding obligations.

Organisation structure

As at 30 June 2026



Key

Dir – Director Mgr – Manager

Workforce information

Omeo District Health's goal is to support our staff to deliver great care by enabling better learning, growth and innovation opportunities.

In 2025-2026, Omeo District Health employed 51.34 staff across the Omeo and district region. The largest category of employees is nursing staff.

Hospitals labour category	June Current Month FTE		Average Monthly FTE	
	2025	2026	2025	2026
Nursing	16.22	19.01	17.90	18.15
Administration and Clerical	11.18	10.66	11.62	11.81
Medical Support	1.44	1.44	1.11	1.11
Hotel and Allied Services	6.62	10.27	7.50	9.38
Medical Officers	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)	10.66	8.96	10.15	8.5
Grand Total	**47.12**	**51.34**	**49.28**	**49.95**

Note: FTE stands for Full-Time Equivalent. These do not include overtime or contracted staff (for example, agency nurses and fee-for-service visiting medical officers) who are not regarded as employees for this purpose.

Equal Employment Opportunity (EEO)

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

Workforce Inclusion Policy

Omeo District Health continues to uphold its obligations under the *Gender Equality Act 2020* (Vic) as a defined public sector entity. In alignment with the Act, Omeo District Health has:

- Developed a Gender Equality Action Plan (GEAP) with measurable targets to improve gender equity across the organisation.
- Conducted a Workplace Gender Audit to assess current performance and inform strategic priorities.
- Submitted biennial progress reports to the Commission for Gender Equality in the Public Sector, detailing achievements and areas for improvement.
- Undertaken Gender Impact Assessments (GIAs) for relevant policies and programs.

As part of our Workforce Inclusion Policy, Omeo District Health is committed to:

- Setting and monitoring measurable inclusion targets.
- Reporting on progress and providing transparency where initiatives are delayed or not yet implemented.
- Tracking long-term trends to evaluate the effectiveness of our inclusion strategies.

These efforts reflect Omeo District Health's ongoing commitment to fostering a fair, inclusive, and equitable workplace for all staff.

Occupational health, safety and wellbeing

Omeo District Health is committed to maintaining a safe and healthy work environment for all staff, patients, and visitors.

Occupational health and safety (OH&S)

Approach

Omeo District Health adopts a proactive and continuously improving approach to occupational health and safety. Our framework prioritises the identification and management of risks in alignment with WorkSafe Victoria standards. This commitment drives our efforts to create a safe environment for all staff, patients, and visitors.

Monitoring and reporting

O&HS performance is routinely monitored and discussed at the Safe Environment and Sustainability Operational Committee meetings. Detailed minutes and reports from these meetings are then presented to the Quality, Safety and Risk Operational Committee and Clinical Governance Committee of the Board on a bi-monthly basis. Through this process, incidents, feedback, and identified risks are thoroughly reviewed, and appropriate actions are taken to address them.

Incident reporting system

To support these activities, Omeo District Health has implemented the electronic 'RiskMan' incident reporting system. This system enhances our ability to capture, track, and manage incidents efficiently across all areas of our organisation.

Staff engagement and escalation

Each work discipline within the organisation is empowered to voice concerns regarding OH&S matters. Staff members have the opportunity to escalate any issues to their elected Health and Safety Representatives (HSRs), ensuring that all concerns are appropriately addressed within the OH&S framework.

Occupational health and safety statistics	2023-24	2024-25	2025-26
The number of reported hazards/incidents for the year per 100 FTE	44.23	16.02	159.72
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	1.43	0.00	0.00
The average cost per WorkCover claim for the year ('000)	$41	$0	$0

Occupational violence

Omeo District Health is committed to ensuring a safe working environment for all staff. Occupational violence is recognised as a serious concern in healthcare settings. Omeo District Health continues to monitor, report and respond to incidents in accordance with Department of Health guidelines, and actively promotes a culture of safety and incident reporting.

In 2025-2026, 32 occupational violence incidents were reported, compared to seven incidents in the previous year. The increase reflects both a continued focus on strengthening the organisation's reporting and 'speak up' culture, along with the increased complexity of patients and older persons with high behavioural and support needs in our care during the 2025-26 fiscal year. Staff are encouraged to report and escalate all incidents and hazards, supporting effective risk management and continuous improvement in workplace health and safety.

Occupational violence statistics	2024-25	2025-26
WorkCover accepted claims with an occupational violence cause per 100 FTE	0.00	0.00
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0	0
Number of occupational violence incidents reported	7	32
Number of occupational violence incidents reported per 100 FTE	14.20	64.06
Percentage of occupational violence incidents resulting in a staff injury, illness, or condition	0.00%	0.00%

Definitions

- **Occupational violence:** Any incident where an employee is abused, threatened, or assaulted in circumstances arising out of, or in the course of their employment.
- **Incident:** An event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during a planned or unplanned Code Grey, it must be included.
- **Accepted WorkCover claims:** Claims accepted and lodged in 2025-26.
- **Lost time:** Defined as greater than one day.
- **Injury, illness, or condition:** Includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.



Disclosures required under legislation

Freedom of Information Act 1982

The *Freedom of Information Act 1982 (Vic)* provides members of the public with a legally enforceable right to access documents held by Omeo District Health, subject to limited exemptions. In accordance with section 7 of the Act, individuals may request access to information and documents.

Applications can be submitted via:

- **Phone:** (03) 5159 0100
- **Post:** Freedom of Information Officer, Omeo District Health, PO Box 42, Omeo VIC 3898
- **Email:** reception@omeohs.com.au

The application fee for 2025-26 was $33.60. Additional access and processing charges may apply depending on the nature and scope of the request.

Further information on how to make a Freedom of Information request is available on the Omeo District Health website: https://www.odh.net.au/health-services-a-z/freedom-of-information

During the 2025-26 reporting period, no Freedom of Information applications were received by Omeo District Health.

Accordingly, no Freedom of Information decisions were made during the reporting period.

During 2025-26, no applications were reviewed by the Office of the Victorian Information Commissioner (OVIC), and no matters were appealed to the Victorian Civil and Administrative Tribunal (VCAT).

Building Act 1993

In the year ending 30 June 2026, all buildings owned by Omeo District Health were fully compliant with the *Building Act 1993*. All reasonable steps were taken to ensure the building and maintenance provisions of the Act were met, including adherence to the processes outlined in Omeo District Health's Asset Management Plan and through scheduled preventative maintenance programs conducted monthly, quarterly and annually.

Major works undertaken during 2025–26 include:

- Completion of exterior painting works;
- Completion of interior painting works;
- Completion of floor replacement works to enhance consumer experience and improve infection prevention and control;
- Construction and practical completion of key worker accommodation project, funded under the Regional Worker Accommodation Fund;
- Acquisition and renovation of Sebastopol Hill Road apartments for workforce accommodation;
- Increased solar harvest capacity by 12kWh; and
- Installation of 144kWh facility batter system – increasing our energy efficiency and energy resilience during power outages.

Public Interest Disclosure Act 2012

In accordance with the *Public Interest Disclosures Act 2012 (Vic)*, Omeo District Health is committed to ensuring that individuals who make protected disclosures, or who cooperate with investigations into protected disclosures, are afforded the protections available under the Act.

Omeo District Health's Public Interest Disclosure Policy and Procedure is available via the organisation's policy and procedure portal.

Omeo District Health was not required to disclose any issues under the *Public Interest Disclosures Act 2012 (Vic)* in the financial year 2025-2026. Information on how to access any disclosure under Part 9 of the Act can be found via the Independent Broad-based Anti-

Corruption Commission (IBAC) website (https://www.ibac.vic.gov.au/).

National Competition Policy and Competitive Neutrality

Omeo District Health continues to comply with the principles of the National Competition Policy, including Victoria's Competitive Neutrality Policy and subsequent reforms.

Competitive neutrality requires government businesses to ensure that where services compete, or potentially compete, with the private sector, any net advantage arising from government ownership is appropriately accounted for where required and where it is not in the public interest to retain that advantage.

Omeo District Health maintains policies and procedures that support compliance with national competition principles, including procurement, contract management and financial management practices that promote fair, transparent and accountable use of public resources.

The Chief Executive Officer affirms that Omeo District Health has complied with the requirements of Victoria's Competitive Neutrality Policy during 2025-26.

During 2025-26, Omeo District Health did not undertake any significant business activities subject to the application of competitive neutrality pricing arrangements.

Carers Recognition Act 2012

Omeo District Health recognises and values the vital role of carers in the community and is committed to supporting their rights in accordance with the *Carers Recognition Act 2012 (Vic)*. During 2025-26, Omeo District Health took all practical measures to comply with its obligations under the Act. These measures included:

- promoting the principles of the Act to people in care relationships who receive our services and to the wider community (for example, distributing information about the Act and providing access to relevant government resources);
- ensuring staff have an awareness and understanding of the care relationship principles outlined in the Act through induction, education and professional development activities;
- considering the care relationship principles when developing policies and delivering services, including supporting flexible workplace practices and engaging carers in care planning, assessment and review processes; and
- supporting the objectives of the Victorian Carer Strategy 2025-2035 by recognising carers as partners in care, promoting carer inclusion and participation in decision-making, and facilitating access to information, supports and services that enhance carers' health, wellbeing and capacity to continue in their caring role.

Local Jobs First Act 2003

The *Local Jobs First Act 2003 (Vic)* requires public health services to apply the Victorian Industry Participation Policy and the Major Projects Skills Guarantee to applicable projects above the threshold values. For rural health services, this applies to projects valued at $1 million or more.

No projects undertaken by Omeo District Health during 2025-26 met the threshold for Local Jobs First Policy application. As such, no Local Industry Development Plans were required or submitted. The Key Worker Accommodation Project, funded under the Regional Worker Accommodation Fund, was assessed by the Department of Jobs, Skills, Industry and Regions as not subject to the Local Jobs First Policy.

Safe Patient Care Act 2015

In accordance with section 40 of the *Safe Patient Care Act 2015 (Vic)*, Omeo District

Health has no matters to report for the 2025-26 financial year.

Gender Equality Act 2020

Omeo District Health is a defined entity under the *Gender Equality Act 2020 (Vic)* and is committed to promoting workplace gender quality. In accordance with the Act, Omeo District Health has developed a Gender Equality Action Plan and reports to the Commissioner for Gender Equality in the Public Sector on progress against workplace gender equality indicators.

Status: Ongoing

- Omeo District Health Completed the 2025 Gender Equality Audit and developed the 2026/2030 Gender Equality Action Plan, strengthening ODH's approach to workforce inclusion, flexibility and workplace culture.
- Omeo District Health has continued with the implementation of workforce initiatives that support employee wellbeing, flexibility, career development and compliance with the Gender Equality Act 2020, with further actions scheduled throughout the term of the Gender Quality Action Plan.

Car Parking Fees

Omeo District Health does not operate any fee-based car parking facilities and therefore has no disclosures to make under the requirements of FRD22.

Additional information available on request

In compliance with the requirements of the Standing Directions 2018 under the Financial Management Act 1994, details in respect of the items listed below have been retained by the health service and are available on request to the relevant Ministers, Members of Parliament and the public, subject to the provisions of the Freedom of Information Act 1982.

The following information must be retained and made available upon request:

a) a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
b) details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
c) details of publications produced by the entity about itself, and how these can be obtained;
d) details of changes in prices, fees, charges, rates, and levies charged by the entity;
e) details of any major external reviews carried out on the entity;
f) details of major research and development activities undertaken by the entity;
g) details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
h) details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
i) details of assessments and measures undertaken to improve the occupational health and safety of employees;
j) a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
k) 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
l) details of all consultancies and contractors including:
    i. consultants/contractors engaged;
    ii. services provided; and
    iii. expenditure committed to for each engagement

For further information, please contact:

Phone: (03) 5159 0100
Email: reception@omeohs.com.au

Financial information

Financial information

	2026 $000	2025 $000	2024 $000	2023 $000	2022 $000
OPERATING RESULT*	**33**	**118**	**(415)**	**21**	**0**
Total revenue	12,059	10,297	8,806	8,604	8,911
Total expenses	11,654	10,735	9,922	8,990	9,215
Net result from transactions	**405**	**(438)**	**(1,116)**	**(386)**	**(304)**
Total other economic flows	64	31	10	(10)	86
Net result	**469**	**(407)**	**(1,106)**	**(396)**	**(218)**
Total assets	13,503	13,515	12,928	10,459	10,163
Total liabilities	4,716	5,197	4,203	3,269	2,577
Net assets/Total equity	**8,787**	**8,318**	**8,725**	**7,190**	**7,586**

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

Note: Years described in this table refer to financial years ended 30 June of the relevant year.

Omeo District Health's financial position remains stable and sustainable, underpinned by effective governance and sound financial stewardship.

For 2025-26, Omeo District Health reported total revenue of $12.06 million, an increase of $1.76 million (17%) compared to 2024-25. The growth primarily reflects higher State operating and capital grants, together with growth in own-source income and activity particularly in the Omeo Community Health Centre and Transition Care Program activity.

Total expenses increased by 9% ($0.92 million) to $11.65 million, driven by higher employee costs and inflationary pressures on supplies. Depreciation and amortisation also rose following capital investment in infrastructure and equipment.

The 2025-26 operating result was a $0.03 million surplus, compared to a $0.12 million surplus in 2024-25. After non-cash depreciation, the net result from transactions was $0.40 million, a marked improvement on the $0.40 million deficit record in the prior year.

Cash holds reduced to $3.80 million (down from $4.68 million). This decrease was due to the purchase of $1.68 million of property, plant and equipment during the year of which $1.17 million was purchased through capital grants.

Significant changes in financial position

There were no significant changes to Omeo District Health's financial position in 2025-26, with both total assets and total liabilities remaining relatively stable from 2024-25 to 2025-26.

No impairments were recorded, and Omeo District Health maintained a strong equity position with no long-term debt.

Performance against operational and budgetary objectives

Omeo District Health achieved all 2025–26 Statement of Priorities (SoP) financial deliverables and the majority of operational deliverables while maintaining strong governance and accountability throughout the year.

- Operating result exceeded budget expectations, reflecting effective cost control and higher-than-forecast revenue.
- Liquidity and current ratios remained above Department of Health benchmarks, confirming short-term financial resilience.
- SoP indicator measuring variance between forecast and actual Net Result from Transactions (NRFT) within 5% was achieved.

Financial sustainability continued to be supported by robust internal controls, proactive oversight from the Finance, Risk and Audit Committee (FRAC), and ongoing collaboration with the Department of Health to align funding and capital priorities with statewide objectives.

Subsequent events occurring after balance date

At the date of this report, the Board and Accountable Officer are not aware of any matter or circumstance that has arisen since 30 June 2026 that has significantly affected, or may significantly affect, the operations, financial position or results of Omeo District Health.

Reconciliation of net results from transactions and operating result

	2025-26 $000
OPERATING RESULT*	**33**
Capital purpose income	1,482
Expenditure for Capital Purposes	(71)
Depreciation and amortisation	(1,039)
Net result from transactions	**405**

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

Note: Years described in this table refer to financial years ended 30 June of the relevant year.

Consultancies information

All consultancies in 2025-26 were conducted in compliance with the procurement policies of Omeo District Health and the Victorian Government.

Consultancies less than $10,000

In 2025-26 financial year, there were 4 consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2025-26 in relation to these consultancies is $16,086 (excluding GST).

Consultancies $10,000 or greater

In 2025-26, there were no consultancy in which the total fees payable to the consultant was $10,000 or greater.

Information and communication technology (ICT) expenditure

For the 2025-26 reporting period, Omeo District Health had a total ICT expenditure of $1.007 million (excluding GST), with the details shown below.

All operational ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
Business as usual (BAU) ICT expenditure (Total)	Non-business as usual (non-BAU) ICT expenditure (Total = Operational expenditure and capital expenditure)	Operational expenditure	Capital expenditure
$0.429	$0.578	$0.555	$0.023

Social procurement activities

Omeo District Health acknowledges the Victorian Government's *Social Procurement Framework* and its role in promoting inclusive, sustainable, and value-driven procurement practices across the public sector.

While Omeo District Health is not required to develop a formal Social Procurement Strategy under the *Social Procurement Framework* — due to our annual procurement spend being below the $10 million threshold — we remain committed to integrating social procurement principles into our procurement activities.

Social Procurement objectives prioritised in 2025-26

- Supporting local and regional suppliers where value for money requirements are met.
- Promoting sustainable and environmentally responsible procurement practices.
- Supporting local employment and economic participation through procurement activities.
- Encouraging ethical sourcing and supplier diversity where opportunities arise.

Key activities in 2025-26

- Consideration of local economic participation and support for regional suppliers, in line with the Victorian Industry Participation Policy (VIPP).
- Inclusion of environmental sustainability and ethical sourcing principles in procurement decisions, consistent with our Procurement Framework and Environmental Management Plan.
- Ongoing development of internal procurement capability, including planning for a future Social Procurement Policy aligned with *Social Procurement Framework* objectives.

Key achievements in 2025-26

- Engagement with local and regional suppliers across construction, maintenance, and health service delivery, contributing to community resilience and economic development.
- Social procurement principles embedded in the planning and delivery of capital projects, including the Crisp Street accommodation project, and repairs & maintenance projects, including floor replacement and painting works (external and internal), which prioritised the use of local trades.

Emergency Procurement and Procurement Complaints Disclosures

Procurement complaints

Nil reports – Omeo District Health did not receive any formal procurement complaints through its procurement complaints management process during 2025-26.

Emergency Procurement

Nil reports – Omeo District Health did not activate emergency procurement during 2025-26. Accordingly, there was no emergency procurement expenditure during the reporting period.

Government advertising campaign expenditure

Not applicable – Omeo District Health did not undertake any government advertising campaigns with a total media spend of $100,000 or greater during the 2025-26 financial year.

Reviews and studies expenditure

Not applicable – Omeo District Health did not incur any expenditure on reviews or studies during the 2025-26 financial year.

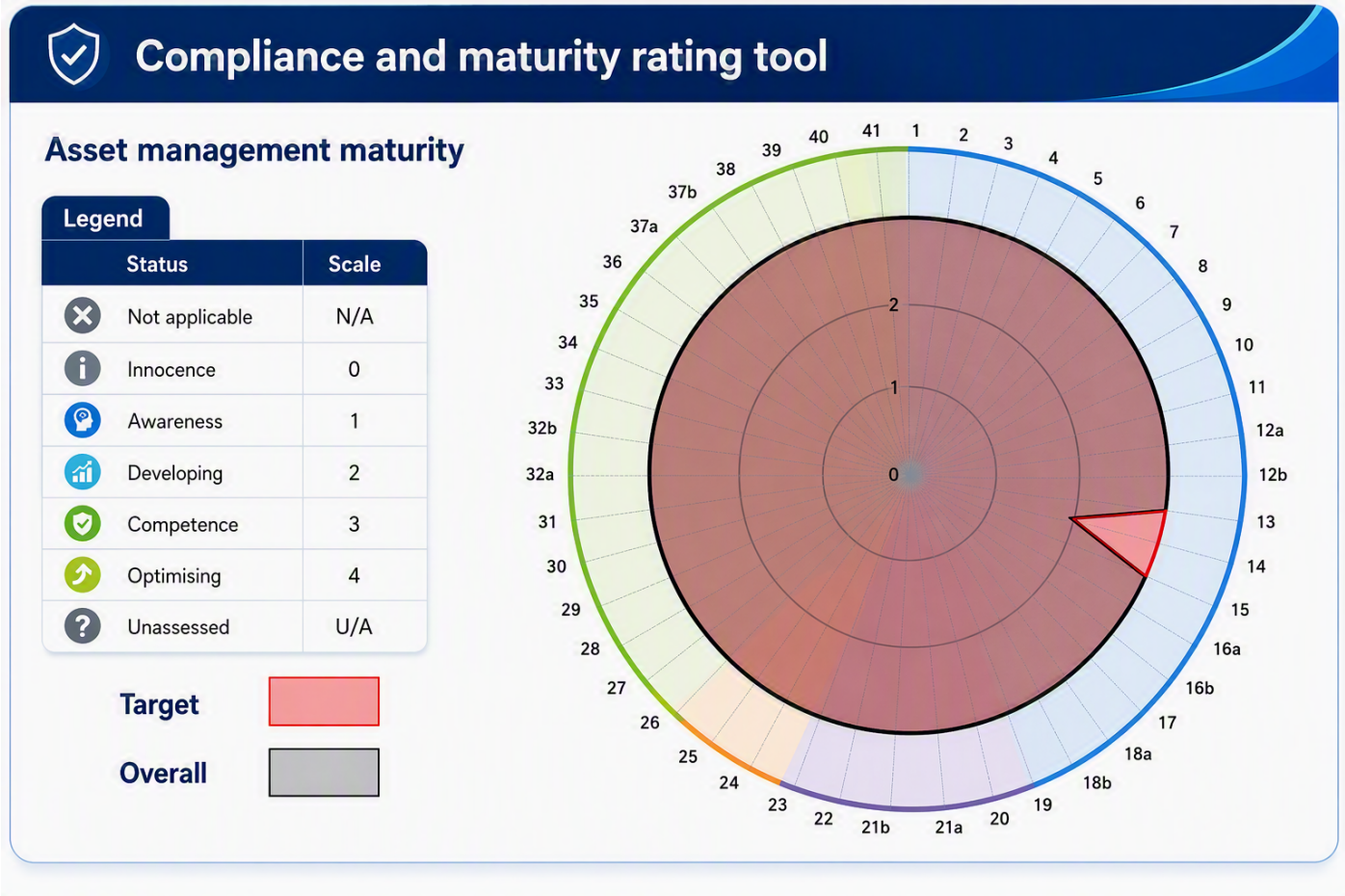
Grants and transfer payments

Not applicable – Omeo District Health did not administer any grants, transfer payments or Commercial-in-Confidence grants in 2025-26 financial year.



Asset management accountability framework

The following section summarises Omeo District Health'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://dtf.vic.gov.au).



The overall Omeo District Health target maturity rating is 'competence,' meaning systems and processes are fully in place, consistently applied and systematically meeting AMAF requirements, including a continuous improvement process to expand system performance above AMAF minimum requirements. Omeo District Health has met its target maturity against most requirements, with no material compliance deficiencies noted. Work is ongoing to ensure 'competence' rating and to move towards an 'optimising' rating in our pursuit of best practice asset management

Leadership and accountability (requirements 1-19)
Omeo District Health has met its target maturity level against most of the requirements in this category. While not classified as material, a partial compliance has been identified against one requirement related to monitoring asset performance. Action is underway to address this deficiency with resolution expected in the 2025-26 financial year.

Asset planning (requirements 20-23)
Omeo District Health has met its target maturity level against all requirements in this category.

Asset acquisition (requirements 24-25)
Omeo District Health has met its target maturity level against all requirements in this category.

Asset operation (requirements 26-40)
Omeo District Health has met its target maturity level against all requirements in this category.

Asset disposal (requirement 41)
Omeo District Health has met its target maturity level against all requirements in this category.

Environmental performance information

Reporting boundary for environmental data

For the purpose of environmental performance reporting, unless stated otherwise, the organisational boundary is the Omeo District Health facility at 12 Easton Street, Omeo, Victoria, including the Lewington House Residential Aged Care Facility and Omeo Community Health Centre. Environmental data reported covers the period 1 July 2025 to 30 June 2026.

Environmentally sustainability

Omeo District Health is committed to reducing its environmental impact and improving environmental performance through responsible management of energy, water, waste and fleet resources. Environmental performance is monitored through asset management, infrastructure planning and operational practices that support continuous improvement and compliance with relevant Victorian Government requirements.

Climate related risks and opportunities

Omeo District Health recognises that climate change may impact its operations, assets and the communities it serves. Climate-related risks, including extreme weather events, energy reliability and infrastructure resilience, are considered through the organisation's risk management processes, capital planning activities and emergency management arrangements.

Electricity use	2025-26	Notes
EL1. Electricity consumption segmented by source (MWh)		
Purchased electricity	164.80	
Not directly purchased but from outside the organisation		
Self-generated	15.60	
EL1. Total electricity consumption	**180.40**	
EL2. On-site electricity generated segmented by usage and source (MWh)		
Consumption behind-the-meter		
Solar photovoltaic (PV)	15.60	
Total consumption behind-the-meter	**15.60**	
Exports		
For use outside the facility other than for supply to the grid		
EL2. Total on-site electricity generated	**15.60**	
EL3. On-site installed generation capacity segmented by source (MW)		
EL3. Total on-site installed generation capacity	**N/A**	
EL4. Electricity offsets segmented by offset type (MWh)		
EL4. Total electricity offsets	**113**	

Stationary fuel use

	2025-26	Notes
F1. Fuels used in buildings and machinery (MJ)		
Buildings		
Liquefied petroleum gas (LPG)	1,304,018	
Diesel	0	
Total fuels used in buildings	**1,304,018**	
Fuels used in machinery	-	
F1. Total fuels used in buildings and machinery	**1,304,018**	
F2. Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (Tonnes CO_2-e)		
LPG	79	
Diesel		
F2. Total greenhouse gas emissions from stationary fuel consumption	**79**	

Transportation

	2025-26	Notes
T1. Energy used in transportation within the entity segmented by fuel type and vehicle category (MWh)		
Road Vehicles		
Petrol	84.24	
Diesel	34.94	
T1. Total energy used in transportation	**119.18**	
T2. Number and proportion of vehicles in the organisational boundary segmented by vehicle category and engine / fuel type		
Road vehicles: Passenger vehicles		
Internal combustion engines		
Petrol	5	55%
Diesel/biodiesel	3	33%
LPG	0	0%
Total internal combustion engine road passenger vehicles	**8**	**88%**
Hybrid	1	12%
Electric propulsion	0	0%
Total number of vehicles	**9**	**100%**
T3. Greenhouse gas emissions (Tonnes CO_2-e)		
Road Vehicles		
Petrol	20.47	
Diesel	8.80	
T3. Total greenhouse gas emissions	**29.27**	
T4. Distance travelled by commercial air travel (passenger km)		
T4. Total distance travelled by commercial air travel	**6,424**	

Total energy use	2025-26	Notes
E1. Energy usage from fuels (MJ)		
E1. Total energy usage from fuels	**1,733,070**	
E2. Energy usage from electricity (MJ)		
E2. Total energy usage from electricity	**593,309**	
E3. Energy usage segmented by renewable and non-renewable sources (MJ)		
Renewable	56,160	
Non-renewable	2,326,379	
E3. Total energy usage	**2,382,539**	
E4. Units of energy used normalised by floor area (m^2)		
E4. Total units of energy used normalised by floor area	**916.36**	

Sustainable buildings and infrastructure	2025-26	Notes
B3. NABERS energy ratings of newly completed/occupied entity-owned office buildings and substantial tenancy fit-outs		
7 Crisp Street, Omeo VIC 3898	1	
B4. Environmental performance ratings of newly completed entity-owned non-office building or infrastructure projects or upgrades with a value over $1 million		
7 Crisp Street, Omeo VIC 3898	7 stars	
B5. Environmental performance ratings achieved for entity-owned assets portfolio segmented by rating scheme and building, where these ratings have been conducted		
NABERS Energy		
Omeo District Health (12 Easton Street, Omeo VIC 3898)	**3.5**	

The National Australian Built Environment Rating System (NABERS), evaluates the environmental performance of public buildings by measuring energy and water consumption. It compares these buildings to similar public hospitals using a star rating system, with six stars indicating superior performance. For more information, visit the Victorian Health Building Authority website (https://www.vhba.vic.gov.au/news/victorian-hospital-rating-energy-and-water-efficiency-released).

Water use	2025-26	Notes
W1. Water consumption by Omeo District Health (kilolitres)		
Potable water consumption (town water supply)	2,195	
Metered rainwater collection consumption	-	
Metered alternate supply consumption (e.g., river, stream, aquifer)	-	
Metered reused water consumption (e.g., grey or black water)	-	
W1. Total water consumption	**2,195**	
W2. Units of metered water consumed normalised by floor area (m^2)		
W2. Total units of metered water consumed normalised by floor area	**0.84**	

Waste and recycling

	2025-26	Notes
WR1. Units of waste disposed of by waste stream (kg)		
Landfill (disposal)	16,740	82%
Recycling/recovery (disposal) estimate	3,744	18%
Other	-	0%
WR1. Total units of waste disposed	**20,484**	
WR2. Percentage of office sites covered by dedicated collection services for each waste stream		
Printer cartridges	Not measured	
Batteries	Not measured	
e-waste	Not measured	
Soft plastics	Not measured	
WR2. Total percentage of office sites covered by dedicated collection services	**N/A**	
WR3. Units of waste disposed of normalised by floor area (kg/m^2)		
WR3. Total units of waste disposed of normalised by floor area	**7.88**	
WR4. Recycling Rate (%)		
WR4. Recycling Rate	**18**	
WR5. Greenhouse gas emissions associated with waste disposal (tonnes CO_2-e)		
Landfill	26.8	
Other	-	
WR5. Total greenhouse gas emissions associated with waste disposal	**26.8**	

Greenhouse gas emissions

	2025-26	Notes
G1. Scope 1 (direct) greenhouse gas emissions (tonnes CO_2-e)		
Total carbon dioxide (CO_2)	108.27	
Total methane (CH_4)	0	
Total nitrous oxide (N_2O)	0	
Total other	0	
G1. Total Scope 1 (direct) greenhouse gas emissions	**108.27**	
F2. Greenhouse gas emissions from stationary fuel consumption segmented by fuel type	79	
T3. Greenhouse gas emissions from vehicle fleet segmented by fuel type and vehicle category	29.27	
G2. Scope 2 (indirect electricity) greenhouse gas emissions (tonnes CO_2-e)		
G2. Total Scope 2 (indirect electricity) greenhouse gas emissions	**128.55**	
G3. Total Scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO_2-e)		
Waste disposal	26.8	
Commercial air travel	1.11	
G4. Total Scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal	**27.91**	

Statement of Priorities

The Statement of Priorities is an annual accountability agreement between Victorian public healthcare services and the Minister for Health. They outline the key performance expectations, targets, and funding for the year, as well as government service priorities.

The Omeo District Health Statement of Priorities 2025-26 is comprised of three sections:

- Part A: Strategic Priorities
- Part B: Performance Priorities
- Part C: Activity and Funding

Year-end results reflect the available data at the time of writing.

Part A: Strategic Priorities

The Statement of Priorities Part A deliverables reflect the government's current core priorities and are aligned with the *Department of Health Strategic Plan 2023-2027*.

Innovate and improve access and care	
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	
Align with the Victorian Clinical Governance Framework to strengthen clinical governance systems, ensuring safe, high-quality care.	
Health service deliverables	**Achievements / Outcome**

Demonstrate high quality care in which consumer engagement and input is actively sought, facilitated and used to drive system change to improve consumer experience and outcomes.	**Achieved**
	<u>Community Advisory Committee (CAC)</u>
	• In 2025-26, ODH implemented and recruited a new Community Advisory Committee with representatives across our catchment.
	• This committee met three times in 2025-26 to:
	  ○ Represent the views and diversity of local communities served by ODH;
	  ○ Provide input into service improvement, policy development, and public and patient/resident communications;
	  ○ Strengthen transparency and trust between ODH and the communities it services;
	  ○ Promote consumer partnership, continuous improvement, cultural safety, accessibility of care, and person-centred care; and
	  ○ Ensure the voices of patients and their families, and older persons their supporters, are included in ODH's governance.

	Consumer Register • In 2025-26 ODH established a new Consumer Register with an ongoing recruitment process. • This has been utilised to seek proactive engagement and input in targeted areas to improve experience and outcomes.
Ensure that health service reporting, reviews and decision-making are underpinned by a safety culture and systems that are transparent, accurate and fair for staff and consumers.	**Achieved** • New health service quality & safety reporting established in 2025-26, facilitating transparent and accurate reporting to Board, staff and consumers. • Three new operational committees established to enhance reviews and decision-making underpinned by safety culture and systems. • 2025-26 People Matter Survey results indicate an 18 pt increase since 2024/25 in the percentage of staff with an overall positive response to safety culture survey questions.
Health services are able to show evidence of a comprehensive training program approach that includes performance management, accountable, and continuous improvement.	**Ongoing** • Established a Clinical Nurse Educator role and a new Graduate Nurse Program with onboarding support. • Implemented a strengthened mandatory training program, with structured investment in clinical and non-clinical training, including remote nurse x-ray, urgent care and plastering & suturing training. • This remains an ongoing focus for ODH into 2026-27. The 2025-26 People Matter Survey shows 43% of staff agree the health service trains new and existing staff well, a 13-percentage-point improvement since 2023-24 – further work is needed to embed these gains.

Prudent, sustainable and effective use of resources	
We are innovative and resourceful in balancing improved patient care, operational performance, and system management to ensure a financially secure health system. We invest in a skilled and future-ready workforce, maintaining a modern, safe, and resilient healthcare system for all Victorians.	
Goal	
Develop and implement initiatives to strengthen financial sustainability. By delivering sustainable, responsible budgets, we can ensure a well-managed, viable, and sustainable health system for the future.	
Health service deliverables	**Achievements / Outcome**
Deliver the key initiatives outlined in the Budget Action Plan within Government parameters.	**Achieved** • Achieved 245% of efficiency initiative 2025-26 targets. • No expenditure control directive breaches.
Utilise data analytics and performance metrics to identify areas of inefficiency and waste and make evidence-based decisions to improve financial sustainability and operational performance.	**Ongoing** • Implementation of data analytics and performance metrics in Omeo Community Health Centre to improve financial sustainability and operational performance. • Ongoing work required to build upon business intelligence capabilities, utilising Gippsland Local Health Service Network and regional ICT alliance, where possible.
Use funding efficiently and effectively to optimise patient facing services. Undertake programs to reduce the cost of service delivery, improve safety, capacity and reduce unnecessary waiting.	**Achieved** • Targeted investments made to improve safety, capacity and reduce unnecessary waiting – as outlined in "Innovate and improve access and care". • Targeted Omeo Community Health Centre cost optimisation and capacity improvements resulting in the successful transition to Bulk Billing Clinic in November 2025 along with a 7% increase in unique active patients and 10% in appointments vs 2024-25.

A stronger workforce

We strive to foster an equitable, skilled and supported workforce that builds professional capabilities to meet current and future roles.

Goal

Position Victoria as a leader in employee experience, capability, and capacity by focusing on future roles and professional development in line with the Victorian Health Workforce Strategy to ensure a regenerative and sustainable workforce.

Health service deliverables	Achievements / Outcome
Implement processes to sustain workforce supply and fulfill obligations, including those under the Gender Equality Act 2020 by improving employee experience in leadership, health and safety, flexibility, career development, and agility to ensure safe, high-quality care.	**Achieved** • Completed all Gender Equality Act 2020 obligations. • Invested in workforce education and professional development across clinical and non-clinical roles. • Delivered strong gains in People Matter Survey results, including a 19-percentage-point rise (2023-24 to 2025-26) in staff who would tell people ODH is a good place to work.
Collaborate with the Department to improve workforce data analytics, generate actionable insights, and enhance strategic planning.	**Achieved** • Supported the Gippsland Local Health Service Network's workforce analysis with the Department. • Completed the payroll and talent modernisation project, enabling richer workforce data analytics. • Adopted new dashboard reporting to generate actionable insights and inform strategic planning.



Improving Aboriginal health and wellbeing	
Strengthen cultural safety in Victoria's health service system by fostering strong connections to Aboriginal culture, creating a holistic, accessible, and empowering health system.	
Goal	
Enhance Delivery and Access to Culturally Safe Services, fostering strong connections to culture. Address racism and provide Aboriginal people with culturally safe healthcare and referral pathways between mainstream and community-controlled health services.	
Health service deliverables	**Achievements / Outcome**
Deliver high-quality cultural safety training to all executives and staff using independent, expert, community-controlled organisations or a registered Aboriginal business.	**Ongoing** • 100% staff completion rate of annual Aboriginal and Torres Strait Islander Cultural Awareness training. • ODH Executive and Management team attended Krowathunkooloong Keeping Place on the grounds of Gippsland and East Gippsland Aboriginal Cooperative (GEGAC) – building our understanding and appreciation of the living, vibrant and continuing culture of the Gunaikurnai people.
Health service executives and senior leaders establish and maintain strong, ongoing partnerships with Aboriginal community-controlled organisations and/or recognised Aboriginal leaders within their local catchments. These partnerships must be based on regular, proactive engagement that prioritises the voices, self-determined priorities, and cultural knowledge of Aboriginal communities in the design, delivery, and evaluation of health and wellbeing services.	**Ongoing** Partnership established with East Gippsland Aboriginal Community Controlled Health organisations and health services, meeting bi-monthly to quarterly to deepen understanding and inform the design and delivery of culturally safe cancer care services.
Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander patients and implement responsive discharge plans and referral pathways.	**Achieved** Implementation of new intake and discharge forms and processes to ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander patients are in place.

Moving from competition to collaboration	
We are committed to transforming Victoria's health system by partnering with care providers and health services to share knowledge, information, and resources.	
Goal	
Collaborate within the Local Health Service Network to build a more integrated health system, with better access and experience for patients, strengthened workforce, consistently high-quality care, and more sustainable healthcare delivery.	
Health service deliverable	**Achievements / Outcome**
Meet all objectives agreed to in the Local Health Service Network *Statement of Expectations* across priority areas (access, equity and flow, workforce, safety and quality, and shared services).	**Ongoing** • The Gippsland Local Health Service Network has made substantial progress in delivering against its four priority areas, with the majority of key milestones achieved and remaining initiatives progressing as planned. • Performance against the Outcomes Framework indicates that all Year 1 measures have been achieved or remain on track within agreed timeframes. Significant achievements include the successful establishment of the Network and the development of the Gippsland Local Health Service Network Strategic Plan and Workforce Plan 2026–2028, which will guide coordinated regional action in the years ahead.



Part B: Performance Priorities

Key performance measure	Target	Actual
High quality and safe care		
Infection prevention and control		
Percentage of healthcare workers immunised for influenza	94%	99%
Adverse events		
Percentage of reported sentinel events for which a root cause analysis (RCA) report was submitted within 30 business days from notification of the event	100%	No sentinel events occurred.
Aged care		
Public sector residential aged care services overall star rating	Minimum rating of 3 stars	100%
Patient experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	-[1]
Aboriginal Health		
Difference between the percentage of Aboriginal patients and non-Aboriginal patients who left against medical advice	0%	-[2]
Strong governance, leadership, and culture		
Organisational culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions **Changes to the 2025-26 Health Sector People Matter Survey has affected the 'Percentage of staff with an overall positive response to safety culture survey questions' measure. Historical results are not directly comparable and should be interpreted with consideration of a break in the time series.*	80%	73%
Effective financial management		
Operating result ($M)	0.00	0.03
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.02
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	5% movement in forecast revenue and expenditure forecasts	Achieved

[1] Less than 10 responses were received for the period due to the relative size of the Health Service.

[2] No Aboriginal patients during the reporting period, or the numerator was less than two or denominator less than ten.

Part C: Activity and Funding

Funding Type	2025-2026 Activity Achievement
Aged Care	
Residential aged care	4,822 bed days
HACC	276 visits

Note: 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.



Attestations and declarations

Omeo District Health Financial Management Compliance Attestation Statement

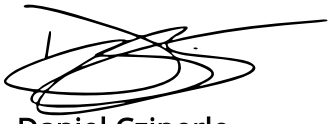
I, Jeremy Sternson, on behalf of the Responsible Body, certify that Omeo District Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Dr Jeremy Sternson
Board Chair (Responsible Officer)
Omeo District Health
15 October 2026

Data Integrity Declaration

I, Daniel Cziperle, 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.



Daniel Cziperle
Chief Executive Officer (Accountable Officer)
Omeo District Health
15 October 2026

Conflict of Interest Declaration

I, Daniel Cziperle, 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 documentation at each executive board meeting.



Daniel Cziperle
Chief Executive Officer (Accountable Officer)
Omeo District Health
15 October 2026

Integrity, Fraud and Corruption Declaration

I, Daniel Cziperle, 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.



Daniel Cziperle
Chief Executive Officer (Accountable Officer)
Omeo District Health
15 October 2026

Compliance with HealthShare Victoria (HSV) Purchasing Policies

I, Daniel Cziperle, on behalf of Omeo District Health, certify that Omeo District Health is fully compliant with respect to the HSV Purchasing Policies as required by the *Health Services Act 1988 (Vic)*. Omeo District Health has implemented appropriate internal controls, which have been critically reviewed throughout the year.



Daniel Cziperle
Chief Executive Officer (Accountable Officer)
Omeo District Health
15 October 2026

Disclosure index

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

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Notes:

(a) *References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.*

(b) *Refer to the Model financial statements section (Part two) for further details.*

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 2026 • 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 2026 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 Australian Accounting Standards – Simplified Disclosures.
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 (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the 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.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

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
7 October 2026

Simone Bohan
as delegate for the Auditor-General of Victoria

Financial Statements
Financial Year ended 30 June 2026

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 Minister for Finance 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 2026 and the financial position of Omeo District Health at 30 June 2026.

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 6th October, 2026.

Board Member	**Accountable Officer**	**Chief Finance & Accounting Officer**
Jeremy Sternson	Daniel Cziperle	Steven Jackel
Board Chair	Chief Executive Officer	Chief Financial and Accounting Officer
Omeo 6th October, 2026	Omeo 6th October, 2026	Omeo 6th October, 2026

Comprehensive Operating Statement
Omeo District Health
For the Financial Year Ended 30 June 2026

	Note	2026 $'000	2025 $'000
Revenue and income from transactions			
Revenue from contracts with customers	2.1(a)	4,361	4,323
Government Grants	2.1(b)	6,279	4,907
Other sources of income	2.1(c)	1,419	1,067
Total revenue and income from transactions		**12,059**	**10,297**
Expenses from transactions			
Employee expenses	3.1(a)	(7,639)	(6,874)
Finance costs		(2)	(8)
Depreciation and amortisation	4.1(a)	(1,039)	(1,001)
Other operating expenses	3.1(b)	(2,974)	(2,852)
Total expenses from transactions		**(11,654)**	**(10,735)**
Net result from transactions - net operating balance		**405**	**(438)**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets		31	16
Other gain/(loss) from other economic flows		33	15
Total other economic flows included in net result		**64**	**31**
Net result		**469**	**(407)**
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus		-	-
Total other comprehensive income		**-**	**-**
Comprehensive result		**469**	**(407)**

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

Balance Sheet
Omeo District Health
As at 30 June 2026

	Note	2026 $'000	2025 $'000
Financial assets			
Cash and cash equivalents	6.2	3,799	4,681
Receivables	5.1	525	342
Total financial assets		**4,324**	**5,023**
Non-financial assets			
Prepayments		124	147
Property, plant and equipment	4.1	9,055	8,345
Total non-financial assets		**9,179**	**8,492**
Total assets		**13,503**	**13,515**
Liabilities			
Payables	5.2	788	1,259
Contract liabilities	5.3	243	190
Borrowings	6.1	284	257
Employee benefits	3.1(a)	995	905
Monies held in trust	5.4	2,406	2,586
Total liabilities		**4,716**	**5,197**
Net assets		**8,787**	**8,318**
Equity			
Reserves		8,756	8,756
Contributed capital		1,793	1,793
Accumulated surplus/(deficit)		(1,762)	(2,231)
Total equity		**8,787**	**8,318**

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

Cash Flow Statement
Omeo District Health
For the Financial Year Ended 30 June 2026

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Operating grants from State Government		5,531	5,444
Operating grants from Commonwealth Government		2,652	2,616
Capital grants from State Government		1,035	49
Donations and bequests received		16	7
GST received from ATO		169	199
Interest and investment income received		190	220
Other receipts		2,763	2,615
Total receipts		**12,356**	**11,150**
Payments to employees		(7,612)	(6,655)
Payments to suppliers and consumables		(1,200)	(72)
GST paid to ATO		(102)	(270)
Other payments		(2,453)	(2,288)
Total payments		**(11,367)**	**(9,285)**
Net cash flows from/(used in) operating activities		**989**	**1,865**
Cash flows from investing activities			
Proceeds from sale of non-financial assets		31	16
Purchase of non-financial assets		(1,682)	(745)
Net cash flows from/(used in) investing activities		**(1,651)**	**(729)**
Cash flows from financing activities			
Repayment of borrowings and principal portion of lease liabilities		(40)	(44)
Repayment of accommodation deposits		(1,525)	(1,184)
Receipt of accommodation deposits		1,345	1,075
Net cash flows from/(used in) financing activities		**(220)**	**(153)**
Net increase/(decrease) in cash and cash equivalents held		**(882)**	**983**
Cash and cash equivalents at beginning of year		4,681	3,698
Cash and cash equivalents at end of year	6.2	**3,799**	**4,681**

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

Statement of Changes in Equity
Omeo District Health
For the Financial Year Ended 30 June 2026

	Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Reserve	Contributed Capital	Accumulated Surplus/(Deficit)	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2024	**8,650**	**106**	**1,793**	**(1,824)**	**8,725**
Net result for the year	-	-	-	(407)	(407)
Other comprehensive income for the year	-	-	-	-	-
Balance at 30 June 2025	**8,650**	**106**	**1,793**	**(2,231)**	**8,318**
Net result for the year	-	-	-	469	469
Other comprehensive income for the year	-	-	-	-	-
Balance at 30 June 2026	**8,650**	**106**	**1,793**	**(1,762)**	**8,787**

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

Notes to the Financial Statements
Omeo District Health
For the Financial Year Ended 30 June 2026

Structure

- ***1.1 Basis of preparation***
- ***1.2 Material accounting estimates and judgements***
- ***1.3 Reporting entity***
- ***1.4 Economic dependency***

Note 1 About this Report

These financial statements represent the financial statements of Omeo District Health for the year ended 30 June 2026.

Omeo District Health is a not-for-profit entity established as a public agency under the *Health Services Act 1998* . A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

This section explains the basis of preparing the financial statements.

Note 1.1 Basis of preparation

These financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and Financial Reporting Direction 101 *Application of Tiers of Australian Accounting Standards* (FRD 101).

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AASs), which include interpretations, issued by the Australian Accounting Standards Board (AASB).

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

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

Consistent with the requirements of AASB 1004 *Contributions* , contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of Omeo District Health.

The financial statements have been prepared on a going concern basis (refer to Note 1.4 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 6th October 2026.

Note 1.2 Material accounting estimates and judgements

Management makes estimates and judgements when preparing the financial statements.

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

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

Material accounting judgements and estimates include accounting for employee benefits (Note 3.1(a)) and propert, plant and equipment (Note 4).

The material accounting judgements and estimates used, and any changes thereto, are disclosed within the relevant accounting policy.

Note 1.3 Reporting Entity

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

Omeo District Health’s principal address is:
12 Easton Street
Omeo, Victoria 3898

Note 1.4 Economic dependency

Omeo District Health 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. Omeo District Health 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 Omeo District Health's operations and on that basis, the financial statements have been prepared on a going concern basis.

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 predominantly receives income (grants) for the provision of health service outputs. Omeo District Health also receives income from the supply of services.

Significant judgement - Grant revenue

Omeo District Health has made the judgement that amounts received in relation to activity based funding should be recognised under AASB 15 on the basis where the Health Service does not achieve the relevant target or occupancy levels, funding will be recallable. State operating grants are not activity or performance based, as a result has been recognised under AASB 10158.

Structure

2.1 Revenue and income from transactions

Note 2.1 Revenue and income from transactions

	Note	2026 $'000	2025 $'000
Revenue from contracts with customers	2.1(a)	4,361	4,323
Government grants	2.1(b)	6,279	4,907
Other sources of income	2.1(c)	1,419	1,067
Total revenue and income from transactions		**12,059**	**10,297**

Note 2.1(a) Revenue from contracts with customers

	2026 $'000	2025 $'000
Government grants (Commonwealth) - Operating	2,517	2,481
Patient and resident fees	1,758	1,375
Commercial activities	86	467
Total revenue from contracts with customers	**4,361**	**4,323**

How we recognise revenue from contracts with customers

Government grants

Revenue from government operating grants that are enforceable and contain sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15.

In contracts with customers, the 'customer' is the funding body, who is the party that promises funding in exchange for Omeo District Health's goods or services. Omeo District Health's 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 material revenue streams:

Government grant	Performance obligation
Commonwealth Residential Aged Care Grants	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 accommodation 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.
Commonwealth CHSP	The Commonwealth Home Support Program provides entry level support for older people who need help to stay at home. Omeo District Health is required to perform a set number of unit deliveries. Revenue is recognised as the delivery of services under the funding arrangement is incurred.

Patient and resident fees

Patient and resident fees are charges incurred by patients for services they receive. Patient and resident fees are recognised under AASB 15 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.

Notes to the Financial Statements
Omeo District Health
For the Financial Year Ended 30 June 2026

Note 2.1(b) Government grants

	2026 $'000	2025 $'000
Government grants (State) - Operating	5,244	4,858
Government grants (State) - Capital	1,035	49
Total Government grants	**6,279**	**4,907**

How we recognise Government grants

Government grants

Omeo District Health recognises income of not-for-profit entities under AASB 1058 where it has been earned under arrangements that are either not enforceable or linked to sufficiently specific performance obligations.

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

- contributions by owners, in accordance with AASB 1004 *Contributions*
- revenue or contract liability arising from a contract with a customer, in accordance with AASB 15
- a lease liability in accordance with AASB 16 *Leases*
- a financial instrument, in accordance with AASB 9 *Financial Instruments*
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets.*

Capital grants

Where Omeo District Health receives a capital grant it recognises a liability, equal to the financial asset received less amounts recognised under other Australian Accounting Standards.

Income is recognised in accordance with AASB 1058 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.

Non-cash contributions from the Department of Health

The DH 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 with the DH.

Notes to the Financial Statements
Omeo District Health
For the Financial Year Ended 30 June 2026

Note 2.1(c) Other sources of income

	Note	2026 $'000	2025 $'000
Assets received free of charge or for nominal consideration	2.1(d)	16	7
Other income from operating activities		694	292
Joint Venture income	8.7	519	548
Income from non-operating activities		190	220
Total other sources of income		**1,419**	**1,067**

Note 2.1(d) Fair value of assets and services received free of charge or for nominal consideration

	2026 $'000	2025 $'000
Cash donations and gifts	16	7
Total fair value of assets and services received free of charge or for nominal consideration	**16**	**7**

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

Contributions of assets received free of charge or for nominal consideration are recognised at their fair value when Omeo District Health obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

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

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 costs associated with the provision of services are disclosed.

Structure

3.1 Expenses incurred in the delivery of services

Note 3.1 Expenses incurred in the delivery of services

	Note	2026 $'000	2025 $'000
Employee expenses	3.1(a)	7,639	6,874
Other operating expenses	3.1(b)	2,974	2,852
Total expenses incurred in the delivery of services		**10,613**	**9,726**

Note 3.1(a) Employee expenses

	2026 $'000	2025 $'000
Salaries and wages	5,649	5,153
Superannuation expense[1]	599	504
Agency expenses	706	600
Fee for service medical officer expenses	685	617
Total employee expenses	**7,639**	**6,874**

(1) Defined contribution superannuation expense and defined benefit superannuation expense have been combined.

How we recognise employee expenses

Employee expenses include salaries and wages, fringe benefits tax, leave entitlements, termination payments, WorkCover payments and agency expenses.

The amount recognised in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

Notes to the Financial Statements
Omeo District Health
For the Financial Year Ended 30 June 2026

Note 3.1(a) Employee related provisions

	2026 $'000	2025 $'000
Current provisions for employee benefits		
Accrued days off	39	51
Annual leave	512	449
Long service leave	338	272
Provision for on-costs	46	40
Total current provisions for employee benefits	**935**	**812**
Non-current provisions for employee benefits		
Long service leave	53	81
Provision for on-costs	7	12
Total non-current provisions for employee benefits	**60**	**93**
Total provisions for employee benefits	**995**	**905**

How we recognise employee-related provisions

Employee related provisions 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 settlement of these liabilities.

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

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

Long service leave

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where 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. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

Provisions

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred. The on-costs provision is immaterial in 2026.

Notes to the Financial Statements
Omeo District Health
For the Financial Year Ended 30 June 2026

Note 3.1(b) Other expenses

	2026 $'000	2025 $'000
Drug supplies	21	12
Medical and surgical supplies (including Prostheses)	107	115
Other supplies and consumables	256	215
Fuel, light, power and water	116	113
Repairs and maintenance	351	276
Medical indemnity insurance	94	83
Other administration expenses	2,029	2,038
Total other operating expenses	**2,974**	**2,852**

How we recognise other operating expenses

Expense recognition

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

Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

The DH 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 (Refer to Note 2.1(b)) and recording a corresponding expense.

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 services.

Structure

4.1 Property, plant and equipment
4.2 Depreciation and amortisation

Note 4.1 Property, plant and equipment

Significant judgement - Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Land at fair value - Crown	140	140	-	-	140	140
Land at fair value - Freehold	597	597	-	-	597	597
Buildings at fair value	6,950	6,463	(1,489)	(743)	5,461	5,720
Works in progress at cost	1,105	266	-	-	1,105	266
Plant, equipment and vehicles at fair value	4,208	3,820	(2,456)	(2,198)	1,752	1,622
Total property, plant and equipment	**13,000**	**11,286**	**(3,945)**	**(2,941)**	**9,055**	**8,345**

How we recognise property, plant and equipment

Items of property, plant and equipment are initially measured at cost, and are subsequently measured at fair value less accumulated depreciation and impairment. 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.

Notes to the Financial Statements
Omeo District Health
For the Financial Year Ended 30 June 2026

Note 4.1(a) Reconciliation of the carrying amounts of each class of asset

	Land $'000	Buildings $'000	Works in progress $'000	Plant, equipment and vehicles $'000	Total $'000
Balance at 1 July 2025	**737**	**5,720**	**266**	**1,622**	**8,345**
Additions	-	487	839	434	1,760
Disposals	-	-	-	(11)	(11)
Depreciation	-	(746)	-	(293)	(1,039)
Balance at 30 June 2026	**737**	**5,461**	**1,105**	**1,752**	**9,055**

Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that the movements were not material (less than or equal to 10%). As such, an independent revaluation was not required per FRD 103. In accordance with FRD 103, Omeo District Health has elected to apply the practical expedient in FRD 103 *Non-Financial Physical Assets* and has therefore not applied the amendments to AASB 13 *Fair Value Measurement* . The amendments to AASB 13 will be applied at the earlier of the interim revaluation or next scheduled independent revaluation in 2029, in accordance with Omeo District Health's revaluation cycle

Note 4.1(b) Right-of-use assets included in property, plant and equipment

The following tables are right-of-use assets included in the property, plant and equipment balance, presented by subsets of buildings and plant and equipment.

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Plant, equipment and vehicles[1]	350	315	(91)	(64)	259	251
Total right-of-use assets	**350**	**315**	**(91)**	**(64)**	**259**	**251**

	Plant, equipment and vehicles $'000	Total $'000
Balance at 1 July 2025[1]	**251**	**251**
Additions	67	67
Disposals	(12)	(12)
Net transfers between classes	-	-
Depreciation	(47)	(47)
Balance at 30 June 2026	**259**	**259**

[1] As a result of changes in FRD 104 *Leases* effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for reporting period 2026. The comparative information for reporting period 2025 is not restated and is reported at the previously determined fair value.

How we recognise right-of-use assets

Initial recognition

When Omeo District Health enters a contract, which provides the health services 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.

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

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

Subsequent measurement

Right-of-use assets are subsequently measured at cost less accumulated depreciation, impairment and any adjustments for remeasurement of the lease liability.

4.1(c) Impairment of property, plant and equipment

The recoverable amount of the primarily non-financial physical assets of Omeo District Health, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement* , with the consequence that AASB 136 *Impairment of Assets* does not apply to such assets that are regularly revalued.

Omeo District Health has assessed all right-of-use assets for impairment, and no indicators of impairment are identified as at 30 June 2026.

Note 4.2 Depreciation and amortisation

How we recognise depreciation

All 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 exercising a purchase option, the specific right-of-use asset is depreciated over the useful life of the underlying asset.

How we recognise amortisation

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

Useful lives of non-current assets

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

	2026	2025
Buildings	20 - 100 years	20 - 100 years
Leasehold buildings	2 - 60 years	2 - 60 years
Plant, equipment and vehicles (including leased assets)	3 - 10 years	3 - 10 years

Note 5 Other assets and liabilities

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

Structure

5.1 Receivables
5.2 Payables
5.3 Contract liabilities
5.4 Monies held in trust

Note 5.1 Receivables

	Note	2026 $'000	2025 $'000
Current receivables			
Contractual			
Inter hospital debtors		70	28
Trade receivables		102	49
Patient fees		175	88
Other receivable		112	-
Total contractual receivables		**459**	**165**
Statutory			
GST receivable		27	94
Total statutory receivables		**27**	**94**
Total current receivables		**486**	**259**
Non-current receivables			
Contractual			
Long service leave - Department of Health		39	83
Total contractual receivables		**39**	**83**
Total non-current receivables		**39**	**83**
Total receivables		**525**	**342**
(i) Financial assets classified as receivables			
Total receivables		525	342
GST receivable		(27)	(94)
Total financial assets classified as receivables	7.1	**498**	**248**

An expected credit loss assessment of aged receivables has been undertaken. There were no material credit losses identified, as a result no allowance for impairment losses has been reported in the financial statements.

How we recognise receivables

Receivables consist of:

- **Contractual receivables**, including debtors that relate to goods and services. These receivables are classified as financial instruments and are categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds 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.

Note 5.2 Payables

	Note	2026 $'000	2025 $'000
Current payables			
Contractual			
Trade creditors		144	584
Accrued salaries and wages		83	249
Accrued expenses		351	399
Other		210	27
Total contractual payables		**788**	**1,259**
Total current payables		**788**	**1,259**
Total payables		**788**	**1,259**
(i) Financial liabilities classified as payables			
Total payables		788	1,259
Total financial liabilties classified as payables	7.1	**788**	**1,259**

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 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

	2026 $'000	2025 $'000
Current		
Contract liabilities	243	190
Total current contract liabilities	**243**	**190**
Total contract liabilities	**243**	**190**

How we recognise contract liabilities

Contract liabilities include consideration received in advance from the Department of Health in respect of funding for staff training and development and the a new grant received in 2025-26 from Department of Transport and Planning for preventative fire safety management.

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

Notes to the Financial Statements
Omeo District Health
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Note 5.4 Monies held in trust

	Note	2026 $'000	2025 $'000
Current monies held in trust			
Refundable accommodation deposits		2,406	2,586
Total current monies held in trust		**2,406**	**2,586**
Total other liabilities		**2,406**	**2,586**
*** Represented by:**			
- Cash assets	6.2	2,406	2,586
		2,406	**2,586**

How we recognise monies held in trust

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.

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

Note 6 How we finance our operations

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

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

Structure

6.1 Borrowings
6.2 Cash and cash equivalents
6.3 Commitments for expenditure

Note 6.1 Borrowings

	Note	2026 $'000	2025 $'000
Current borrowings			
Lease liability	6.1(a)	169	52
Total current borrowings		**169**	**52**
Non-current borrowings			
Lease liability	6.1(a)	115	205
Total non-current borrowings		**115**	**205**
Total borrowings	7.1	**284**	**257**

How we recognise borrowings

Borrowings refer to interesting bearing liabilities raised through lease liabilities arrangements.

Borrowings are classified as financial instruments. Interest bearing liabilities are classified at amortised cost and recognised at the fair value of the consideration received directly attributable to transaction costs and subsequently measured at amortised cost using the effective interest method.

Notes to the Financial Statements
Omeo District Health
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Terms and conditions of borrowings

					Maturity Dates				
30 June 2026	**Note**	**Weighted average interest rate (%)**	**Carrying Amount $'000**	**Nominal Amount $'000**	**Less than 1 Month $'000**	**1-3 Months $'000**	**3 months - 1 Year $'000**	**1-5 Years $'000**	**Over 5 years $'000**
Lease liabilities	6.1	3.88%	284	284	5	15	149	115	-
Total Financial Liabilities			**284**	**284**	**5**	**15**	**149**	**115**	**-**

					Maturity Dates				
30 June 2025	**Note**	**Weighted average interest rate (%)**	**Carrying Amount $'000**	**Nominal Amount $'000**	**Less than 1 Month $'000**	**1-3 Months $'000**	**3 months - 1 Year $'000**	**1-5 Years $'000**	**Over 5 years $'000**
Lease liabilities	6.1	3.87%	257	257	4	4	44	205	-
Total Financial Liabilities			**257**	**257**	**4**	**4**	**44**	**205**	**-**

Note 6.1(a) Lease liabilities

Omeo District Health's lease liabilities are summarised below:

	2026 $'000	2025 $'000
Current lease liabilities		
Lease liability	169	52
Total current lease liabilities	**169**	**52**
Non-current lease liabilities		
Lease liability	115	205
Total non-current lease liabilities	**115**	**205**
Total lease liabilities	**284**	**257**

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

	2026 $'000	2025 $'000
Not longer than one year	177	62
Longer than one year but not longer than five years	118	209
Minimum future lease liability	**295**	**271**
Less unexpired finance expenses	(11)	(14)
Present value of lease liability	**284**	**257**

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:

Leased vehicles	2 to 5 years

All leases are recognised on the balance sheet, with the exception of low value leases (less than $10,000 AUD) and short-term leases of less than 12 months. Omeo District Health has elected to apply the practical expedients for short-term leases and leases of low-value assets. As a result, no right-of-use asset or lease liability is recognised for these leases; rather, lease payments are recognised as an expense on a straight-line basis over the lease term, within "other operating expenses" (refer to Note 3.1).

Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Omeo District Health's incremental borrowing rate. Our lease liability has been discounted by rates of between 1.25% to 5.25%.

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,
- the exercise price of the purchase option for [details of lease], which the health service is reasonably certain to exercise at the completion or the lease and
- payments arising from purchase and termination options reasonably certain to be exercised.

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 of 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	2026 $'000	2025 $'000
Cash at bank (excluding monies held in trust)		1,393	2,095
Total cash held for operations		**1,393**	**2,095**
Cash at bank (monies held in trust)		2,406	2,586
Total cash held as monies in trust	5.4	**2,406**	**2,586**
Total cash and cash equivalents	7.1	**3,799**	**4,681**

Note 6.3 Commitments for expenditure

30 June 2026: Nil

30 June 2025	Less than 1 year $'000	1-5 Years $'000	Over 5 years $'000	Total $'000
Capital expenditure commitments	650	-	-	650
Operating expenditure commitments	-	-	-	-
Non-cancellable short term and low value lease commitments	-	-	-	-
Total commitments (inclusive of GST)	**650**	**-**	**-**	**650**
Less GST recoverable	(59)			(59)
Total commitments (exclusive of GST)	**591**	**-**	**-**	**591**

How we disclose our commitments

Our commitments relate to expenditure and short term and low value leases.

Expenditure commitments

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

Short term and low value leases

Omeo District Health discloses short term and low value lease commitments which are excluded from the measurement of right-of-use assets and lease liabilities. Refer to Note 6.1 for further information.

Note 7 Financial instruments, contingencies and valuation judgements

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

Structure

7.1 Financial instruments
7.2 Contingent assets and contingent liabilities
7.3 Fair value determination

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.

30 June 2026	Note	Carrying amount $'000	Total interest income/ (expense) $'000
Financial assets at amortised cost			
Cash and cash equivalents	6.2	3,799	190
Receivables		498	-
Total financial assets [i]		**4,297**	**190**
Financial liabilities at amortised cost			
Payables	5.2	788	
Borrowings	6.1	284	(15)
Other financial liabilities - Refundable Accommodation Deposits	5.4	2,406	-
Total financial liabilities [i]		**3,478**	**(15)**

[i] The carrying amount excludes statutory receivables (i.e. GST receivable) and statutory payables (i.e. GST payable and revenue in advance).

30 June 2025	Note	Carrying amount $'000	Total interest income/ (expense) $'000
Financial assets at amortised cost			
Cash and cash equivalents	6.2	4,681	220
Receivables		248	-
Total financial assets [i]		**4,929**	**220**
Financial liabilities at amortised cost			
Payables	5.2	1,259	-
Borrowings	6.1	257	(8)
Other financial liabilities - Refundable Accommodation Deposits	5.4	2,586	-
Total financial liabilities [i]		**4,102**	**(8)**

[i] The carrying amount excludes statutory receivables (i.e. GST receivable) statutory payables (i.e. GST payable and revenue in advance).

How we categorise financial instruments

Financial assets at amortised cost

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

- the assets are held by Omeo 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 and
- receivables (excluding statutory receivables).

Categories of financial liabilities

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).

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

Note 7.3 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, with the exception of right-of-use assets arising under AASB 16, which are measured using the cost model, and

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.

Fair value determination: non-financial physical assets

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities amended AASB 13 Fair Value Measurement by adding Appendix F Australian Implementation Guidance for Not-for-Profit Public Sector Entities. Appendix F explains and illustrates the application of the principals in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable annual reporting periods beginning on or after 1 January 2024. FRD 103 permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation process (whichever is earlier).

Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that the movements were not material (less than or equal to 10%). As such, an independent revaluation was not required per FRD 103. In accordance with FRD 103, Omeo District Health has elected to apply the practical expedient in FRD 103 Non-Financial Physical Assets and has therefore not applied the amendments to AASB 13 Fair Value Measurement. The amendments to AASB 13 will apply if there is a full revaluation before the next scheduled independent revaluation, which is planned to be undertaken in 2029, in accordance with Omeo District Health's revaluation cycle.

The last scheduled full independent valuation of all of Omeo District Health's non-financial physical assets was performed by VGV on 30 June 2024. The annual fair value assessment for 30 June 2026 using VGV indices does not identify material changes in value. In accordance with FRD 103, Omeo District Health will reflect Appendix F in its next scheduled formal revaluation on 30 June 2029 or interim revaluation process (whichever is earlier). All annual fair value assessments thereafter will continue compliance with Appendix F.

For all assets measured at fair value, Omeo District Health considers the current use as its highest and best use.

Non-specialised land and non-specialised buildings

Non-specialised land, 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. From this analysis, an appropriate rate per square metre has been applied to the asset.

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.

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.

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.

For Omeo District Health, the current replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation.

Vehicles

Vehicles are valued using the current replacement cost method. 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 experienced fleet managers at Omeo District Health who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Furniture, fittings, plant and equipment

Furniture, fittings, plant and equipment (including medical equipment, computers and communication equipment) are held at fair value. When plant and equipment is specialised in use, such that it is rarely sold, fair value is determined using the current replacement cost method.

Significant assumptions

Asset class	Valuation technique	Significant assumption	Range (weighted average)[(i)]
Specialised land	Market approach	Community Service Obligations adjustment	50-70% (60%)[(ii)]
Specialised buildings	Current replacement cost approach	Cost per square metre Useful life	$1,000 - $1,500/m^2 ($1,300) 7 - 26 years (45 years)
Vehicles	Current replacement cost approach	Cost per unit Useful life	$9,000 - $10,000 ($9,500 per unit) 5 - 10 years (7 years)
Plant, equipment, furniture and fittings	Current replacement cost approach	Cost per unit Useful life	$1,000 - $65,000 ($8,500 per unit) 5 - 10 years (7 years)

[(i)] Illustrations on the valuation techniques and significant assumptions and unobservable inputs are and indicator and should not be directly used without consultation with the health services independent valuer.

[(ii)] CSO adjustments ranging from 50% to 70% were applied to reduce the market approach value for Omeo District Health's specialised land, with the weighted average 60% reduction applied.

Note 8 Other disclosures

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

Structure

8.1 Ex-gratia expenses
8.2 Responsible persons disclosures
8.3 Remuneration of executives
8.4 Related parties
8.5 Remuneration of auditors
8.6 Events occurring after the balance date
8.7 Joint arrangements

Notes to the Financial Statements
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Note 8.2 Responsible persons disclosures

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

	Period
The Honourable Mary-Anne Thomas MP:	
Minister for Health	1 Jul 2025 - 14 April 2026
Minister for Ambulance Services	1 Jul 2025 - 14 April 2026
The Honourable Harriet Shing MP:	
Minister for Health	15 April 2026 - 30 June 2026
Minister for Ambulance Services	15 April 2026 - 30 June 2026
The Honourable Melissa Horne MP:	
Minister for Health Infrastructure	1 Jul 2025 - 30 June 2026
Minister for Prevention of Family Violence	15 April 2026 - 30 June 2026
The Honourable Ingrid Stitt MP:	
Minister for Mental Health	1 Jul 2025 - 30 June 2026
Minister for Ageing	1 Jul 2025 - 30 June 2026
Minister for Multicultural Affairs	15 April 2026 - 30 June 2026
The Honourable Lizzie Blandthorn MP:	
Minister for Children	1 Jul 2025 - 30 June 2026
Minister for Disability	1 Jul 2025 - 30 June 2026
Governing Boards	
Mr. S. Lawlor	1 Jul 2025 - 30 Jun 2026
Mrs. M. A. Ferguson	1 Jul 2025 - 30 Jun 2026
Dr. J. Sternson	1 Jul 2025 - 30 Jun 2026
Mrs. J.M. Shearer	1 Jul 2025 - 30 Jun 2026
Mrs. P. Barry	1 Jul 2025 - 30 Jun 2026
Mr H. Thomas	1 Jul 2025 - 30 Jun 2026
Ms. M. Ryan	1 Jul 2025 - 30 Jun 2026
Mr. R. Brown	1 Jul 2025 - 30 Jun 2026
Ms. O. Rofe	17 Dec 2025 - 30 Jun 2026
Accountable Officers	
Mr Daniel Cziperle (Chief Executive Officer)	1 Jul 2025 - 30 Jun 2026

Notes to the Financial Statements
Omeo District Health
For the Financial Year Ended 30 June 2026

Remuneration of Responsible Persons

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

Income Band	2026 No	2025 No
$0 - $9,999	9	9
$40,000 - $49,999	-	-
$80,000 - $89,999	-	-
$130,000 - $139,999	-	1
$140,000 - $149,999	-	1
$270,000 - $279,999	1	-
Total Numbers	**10**	**11**

	2026 $'000	2025 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**317**	**326**

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

Note 8.3 Remuneration of executives

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

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis.

The key factor affecting total remuneration payable to executives over the year was the increase in the annualised employee equivalent. Although we had 4 Executives at 30 June 2025 one of these employees started late in the financial year. In 2026 this employye was employed for the full year.

Remuneration of executives officers
(including Key Management Personnel disclosed in Note 8.3)

	Total Remuneration	
	2026 $'000	2025 $'000
Total remuneration [i]	470	314
Total number of executives	4	4
Total annualised employee equivalent [ii]	4.0	3.0

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 8.3 Related Parties.

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

Note 8.4 Related parties

The 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 –the Gippsland Health Alliance and
- all health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

Significant transactions with government related entities

The Omeo District Health received funding from government related entities of $6.1m (2025: $4.8m) and indirect contributions of $0.1m (2025: $0.1m).

There were no outstanding balances with governemnt related entities at year end (2025:nil).

Expenses incurred by Omeo District Health in delivering services 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 Minister for Finance 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.

Key management personnel

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

The Board of Directors and the Executive Directors of the Omeo District Health and its controlled entities are deemed to be KMPs. This includes the following:

Entity	KMPs	Position Title
Omeo District Health	Mr. S. Lawlor	Board Chair (resigned 30 June 2026)
Omeo District Health	Dr. J. Sternson	Board Chair (appointed 30 June 2026)
Omeo District Health	Mrs. M. A. Ferguson	Board Member
Omeo District Health	Mrs. J. M. Shearer	Board Member
Omeo District Health	Mrs. P. Barry	Board Member
Omeo District Health	Mr H. Thomas	Board Member
Omeo District Health	Ms. M. Ryan	Board Member
Omeo District Health	Mr R. Brown	Board Member
Omeo District Health	Ms O. Rofe	Board Member (appointed 17 December 2025)
Omeo District Health	Mr Daniel Cziperle	Chief Executive Officer
Omeo District Health	Mr Michael Rowell	Director of Corporate Services (resigned 10 October 2025)
Omeo District Health	Ms Brooke Morvinson	Director of Healthy Ageing (21 July 2025 - 21 May 2026)
Omeo District Health	Mr Darren Fitzpatrick	Director of Health Services

Remuneration of key management personnel

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 State's Annual Report.

	2026 $'000	2025 $'000
Total compensation - KMPs [i]	786	641

[i] KMPs are also reported in Note 8.1 Responsible Persons or Note 8.2 Remuneration of Executives.

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 occurs 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 the 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 2026 (2025: 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 2026 (2025: none).

Note 8.5 Remuneration of Auditors

	2026 $'000	2025 $'000
Victorian Auditor-General's Office		
Audit of the financial statements	22	20
Total remuneration of auditors	**22**	**20**

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 2026 %	Ownership Interest 2025 %
Gippsland Health Alliance	Information Technology	2.17	2.24

	2026 $'000	2025 $'000
Total revenue and income	519	548
Total expenses	(570)	(525)
Total net result	(51)	23
Total other economic flows	-	-
Comprehensive result for the year	(51)	23
Total assets	428	486
Total liabilities	80	87
Total equity	348	399

Contingent liabilities and capital commitments

There are no known contingent liabilities or capital commitments held by the jointly controlled operations at balance date. Omeo District Health is involved in joint arrangements where control and decision-making are shared with other parties. Omeo District Health has determined the entities detailed in the above table are joint operations and therefore recognises its share of assets, liabilities, revenues and expenses in accordance with its rights and obligations under the arrangement.

Omeo District Health

Care. Connection. Community.

Omeo District Health

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