



Orbost Regional Health Annual Report 2023/24

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Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the report of operations for Orbst Regional Health for the year ending 30 June 2024.



Peter van den Oever
Board Director
Orbst
30 June 2024



Orbst Regional Health acknowledges the support of the Victorian and Commonwealth Governments.

Orbst Regional Health (ORH) acknowledges the Gunaikurnai people as the traditional owners of the land on which ORH is located. We pay our respects to the Aboriginal and Torres Strait Islander cultures, and to Elders both past and present, and thank them for their ongoing contribution to our health service.

Charter and Purpose

Manner of establishment and the relevant Ministers

Orbst Regional Health (ORH) is a Multi-Purpose Service (MPS) established under an agreement between the Commonwealth and Victorian Governments and incorporated under the *Health Services Act 1988 (Vic)*.

Orbst Regional Health is governed by a Board of Directors, appointed by the Governor-In-Council upon the recommendation of the Victorian Minister for Health The Hon Mary-Anne Thomas MP, from 1 July 2023 to 30 June 2024.

Located in Far East Victoria in the East Gippsland Shire, Orbst Regional Health's health region consists of the townships of Orbst and smaller communities scattered along the Snowy River, up into the Alpine mountains and along the Wilderness Coast to the New South Wales border. The health region covers an area of over one million hectares and a population of approximately 6,727. In our community the people aged over 70 years is projected to increase 37% by 2041, as shown by the East Gippsland Shire Community Population Profile and Forecast on their website.

Purpose, functions, powers and duties

Our Vision

Outstanding Rural Healthcare; leading our community to a healthy future.

Our Mission

Accessible high-quality care to a diverse range of consumers in Far East Gippsland.

Our Values

- Respect
- Integrity
- Compassion
- Excellence
- Community

Our Strategic Objectives

- **People**
Supporting and motivating our people to continue on a path of professional development and maintain a highly-skilled and engaged workforce.
- **Quality & Safety**
Ensuring robust governance through transparency and accountability to provide high quality care and safety across our organisation.
- **Services**
Maximising our capabilities and identifying community needs through our provision of services and utilisation of innovative technological infrastructure.
- **Community**
Partnering with our stakeholders and utilising opportunities to build a stronger organisation and connection with the community.

Nature and range of services provided

Orbost Regional Health provides a range of Primary, Community Health, Acute and Aged Care services. These include:

Acute Services

Orbost Regional Health offers both inpatient and outpatient services to the community of Orbost and our surrounding districts including; radiology, medical, palliative care, dialysis, supportive therapies, post-acute care and transitional care programs. Clinical educator nurses provide training and supervision to support student placements across many areas of the organisation.

Urgent Care & After-Hours Medical Treatment

A specialist nurse assessment (triage) led model supported by virtual medical services delivers Urgent Care and After Hours (e.g. week nights and weekends) treatment for medical emergencies.

Aged and Residential Care

Waratah Lodge Nursing Home (High Care) and Lochiel House Hostel (Low care) provide a home-like atmosphere with the security of assistance when required. Respite care is also available.

Orbost Medical Clinic

Orbost Medical Clinic provides a range of Primary Care Services with medical services led by 3 General Practitioners. The General Practitioners provide outreach services to Moogji Clinic, Buchan and Cann River communities. Other services and support provided include Practice Nurses, Women's & Adolescent Health Nurse, Chronic Disease Nurse, Head to Help Clinic, Continence Nurse, Diabetes Educator, Drug & Alcohol services, International Normalised Ratio (INR) Clinic blood testing, Perinatal counsellor, Podiatrist and community Mental Health Services. Visiting Specialists include a Paediatrician, Cardiologist, and Rheumatologist; as well as Urologists (via telehealth).

Community Home Support Services

Community Home Support Services (previously Home and Community Care), includes Domestic assistance, Personal care, Home and Garden Maintenance, Allied Health, Shopping assistance, Respite, Meals on Wheels, Volunteer programs, Planned Activity Groups, and District Nursing.

The services are provided to support and assist frail and aged older people or younger people with disabilities living at home or in the community and their families. Community Home Support services also provide care and support to palliative clients and families.

Community Services

Community Services are aligned to the needs of the Orbest community through the delivery of a range of primary health and welfare services both onsite and in community-based support settings. Access to services is available to the whole community as well as targeted services for vulnerable population groups. A Koori Health Liaison worker provides assistance to Aboriginal and Torres Strait Islander people in the hospital, medical clinic, and the wider community.

Early years services, including family and maternal child health nursing, and Early Childhood Early Intervention (ECEI) services are co-located with child and parent development programs including supported playgroups to help all children and families develop to the best of their potential.

A comprehensive range of nursing and allied health services are offered to manage and prevent health conditions, with a focus on chronic disease management including diabetes management, and exercise programs, rehabilitation, lifestyle, and wellbeing programs. Allied health services include Occupational Therapy, Physiotherapy, Exercise Physiology, and Dietitian Services.

Welfare services include Homelessness Support, Financial Counselling, Generalist Counselling, Social Worker, Psychology services, and Family Violence Outreach support.

Oral Health

The dental clinic provides general oral health services, both public and private, Community Dental Benefit Scheme (CDBS), school dental, and denture services.

Medical Imaging

X-ray services are provided at ORH by radiographers and imaging nurses one day a week.

Neighbourhood House

Orbest Neighbourhood House is auspiced and managed by ORH, providing socialisation opportunities for the Orbest community.

Chair and CEO's report – The Year in Review

On behalf of the staff and Board of Management we are pleased to present the Orbest Regional Health Annual Report for 2023-2024.

As Orbest Regional Health has worked towards the restoration of services and business as usual, the Board of Management would like to acknowledge the hard work and dedication of our staff to continue to providing services to the Orbest community through some difficult and challenging times. Recruitment of staff has remained one of our biggest challenges over the past year, with a reliance on agency nursing staff to fill vacancies. Although we have been fortunate to recruit a number of new staff to the health service, the recruitment of permanent staff remains an industry wide challenge.

The use of agency nursing staff and locum doctors in the medical clinic has been a financial challenge for ORH to manage over the year. By the end of the financial year, we were pleased to report that we have some stability in the medical clinic, with one part-time and two full-time permanent General Practitioners providing medical services to the area. ORH welcomed Dr Edwina Brown to the clinic in February 2024 and Dr Roisin Kinsella back from maternity leave to ably support Dr Nadira Anis.

The 2023-2024 year has seen continued planning for ORH's future and of services that can be provided to the local community. The Board of Management and Executive team understand not only the importance of having access to a health service locally, but the significance to the area by adding employment opportunities and maintaining Orbost as a vibrant community.

- Planning has continued for the new aged care build. Designs and costings have been finalised and a tender process undertaken for construction. Due to delays in the tender process and the need to undertake value management to ensure the build is within budget, the anticipated build commencement date of June 2024 has been deferred to August 2024.
- In anticipation of the new aged care build commencing, the Lochiel House residents were relocated to a designated area in the main hospital building on the 27 June 2024. This has been a big move for the residents, their families and the Lochiel House staff. We thank them all immensely for working with us through the uncertainty of the timing of the building works commencing and looking at this move as an exciting step towards the development of a modern facility that will serve the community well for many years to come.
- Planning to enable the provision of endoscopy services at ORH is ongoing. Due to changes in sterilisation standards, amendments were required to the original plans and additional funding was provided by the Department of Health through a Rural Health Infrastructure Fund to ensure completion. It is anticipated the capital works will be completed by February 2025.
- ORH implemented a Virtual Admission Service model to manage patients admitted to the acute hospital beds.
- ORH was successful in an expression of interest round for Rural Worker Accommodation Fund to construct purpose-built worker accommodation, and progressed to submit a formal application. We currently await the outcome.
- After launching the Errinundra to Snowy project last year, ORH successfully recruited an experienced nurse to provide services at Bonang, Bendoc and Tubbut.
- The Dialysis unit at ORH reopened in June 2024 allowing the local community to dialyse closer to home.

ORH welcomed two new Directors to the management team in 2023, with Kylie Foltin commencing in the role of Director Clinical and Aged Care Services in July and Nikki Brown commencing in the role of Director Community Health in September. Both Kylie and Nikki are welcome additions to the ORH team and have embraced the Orbost community.

In April 2024, ORH underwent our first 'short notice accreditation assessment', where the Australian Council of Healthcare Standards provides health services with 48 hours notice of an accreditation visit. ORH was assessed against all 8 of the National Safety and Quality Health Service Standards as well as the 6 Aged Care Modules for Multi-Purpose Services. Staff demonstrated throughout the assessment, how well they care for the local community and the high standard of service they provide. ORH met all accreditation requirements with no recommendations and received a glowing report from the surveyors. Well done to all staff for this outcome.

The ORH Board of Management and Executive were saddened to learn of the sudden passing of Board member, George Neophytou in December 2023. George was a well respected member of the ORH Board and will be sadly missed. Vale George.

The 2024-2025 financial year will bring its own challenges and rewards. The Board and Executive look forward to taking on new challenges and seeing the progress of existing projects such as the aged care build and endoscopy services.



Peter van den Oever
President, Board of Directors
Orbost Regional Health
30 June 2024



Vicki Farthing
Chief Executive Officer
Orbost Regional Health
30 June 2024

Management and Structure

Board of Directors as at 30 June 2024

The Orbest Regional Health Board oversees the strategic direction and management of Orbest Regional Health and ensures that all services provided are consistent with the health service's by-laws, the *Health Services Act 1988* and any applicable Victorian and Commonwealth legislation.

Board Members

President Peter van den Oever

Vice President Deborah Miller

Members

Robyn Francis

Emily Richardson

Thelma Hutchison

George Neophytou (up to December 2023)

Wayne Pease

Royce Andrews

Tabatha Cole

Finance & Risk Committee (Audit)

Members

Independent Members

Thelma Hutchison (Chair)

Peter van den Oever

Emily Richardson

Wayne Pease

Royce Andrews

Deborah Miller

Glenn Ingram (External Independent Member)

Management Members

Vicki Farthing - Chief Executive Officer

Dr Lindy Washington - Interim Chief Executive Officer

Jess Callaghan - Finance Manager

Executive Management

Orbost Regional Health's Executive Management is responsible for the implementation and management of the health service's strategic direction and delivery of services to the community.

Chief Executive Officer

Vicki Farthing – 28 February to 30 June 2024

The CEO is responsible for the effective operation, leadership and general direction of all ORH business. The CEO enables systems that support the delivery of safe, integrated care. The CEO role advises and makes recommendations to the Board supporting the delivery of the strategic objectives and future planning. The CEO directs and redirects resources as required to ensure business can be delivered. The CEO translates strategy into operational business. The ORH CEO is a member of regional and sub-regional partnerships.

Interim Chief Executive Officer

Dr Lindy Washington – 1 July 2023 to 27 February 2024

Director Clinical and Aged Care Services

Kylie Foltin

The Director Clinical and Aged Care Services holds operational responsibility for clinical services at ORH to meet the goals and objectives of the Strategic Plan and Department of Health agreed priorities. Services in the Directorate include acute care, residential aged care, district nursing, infection prevention and control and clinical education. The Director provides leadership for the nursing workforce and oversight of their professional standards.

Director Community Services

Vacant – 1 July 2023 to 3 September 2024

Director Community Health

Nikki Brown – 4 September 2023 to 30 June 2024

The Director Community Health leads a group of clinical services focused on the provision of keeping people well, restoring health and enhancing wellbeing across the age spectrum and particularly for older people in our community. The Director's responsibilities include, allied health, medical clinic, dental clinic, community home support program, allied health assistants and welfare services, to meet the goals and objectives of the Strategic Plan and Department of Health agreed priorities.

Director Medical Services/Chief Medical Officer

Dr Mau Wee

The Director of Medical Services supports the operational and strategic development of the medical workforce at ORH. The Director is a sub-regional role, based at Bairnsdale Regional Health Service, providing support and professional guidance to the medical workforce at ORH and Omeo District Hospital.

Visiting Medical Officers (General Practitioners)

Dr Nadira Anis – 1 July 2023 to 21 April 2024

General Practitioner

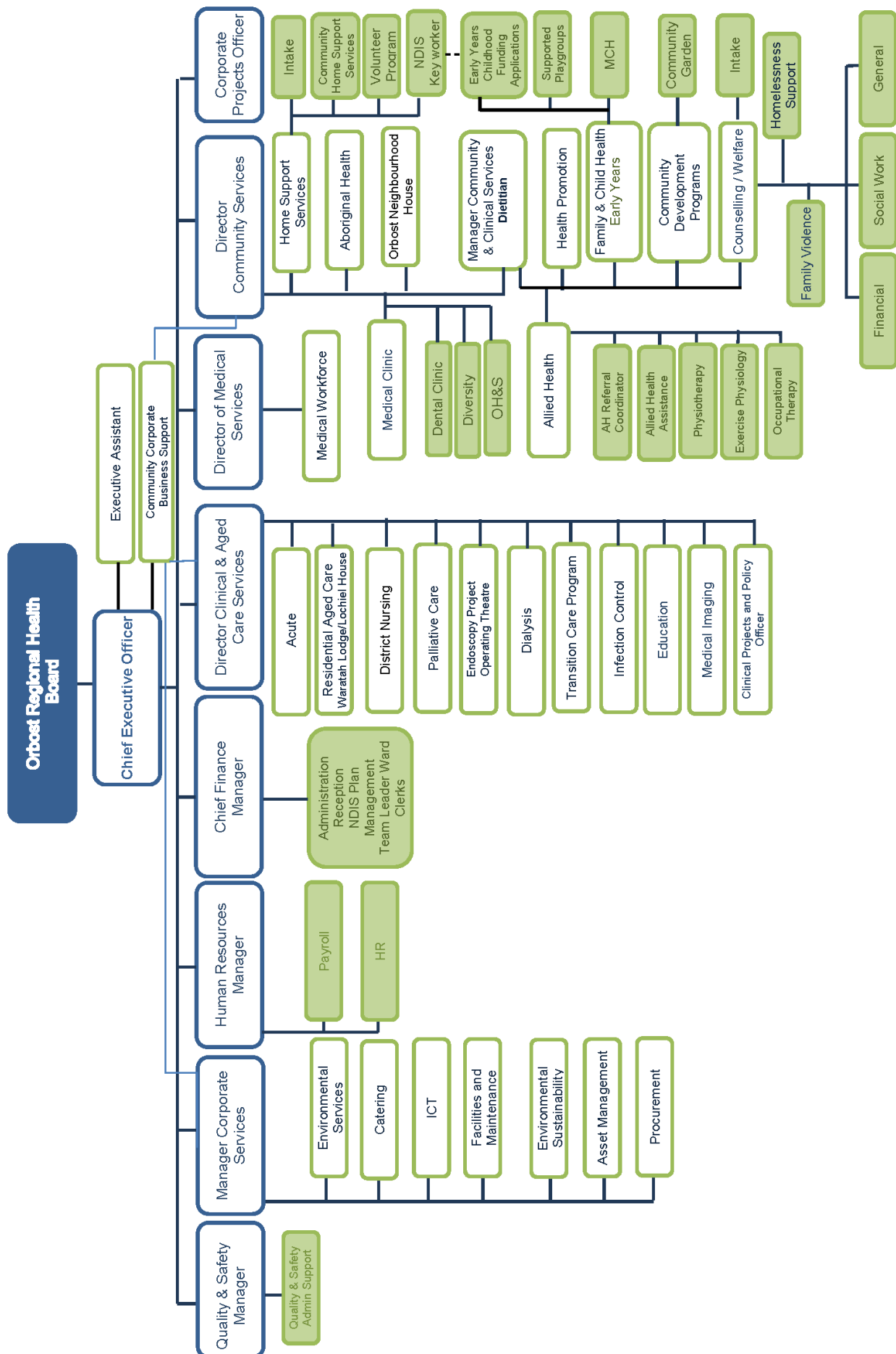
Dr Nadira Anis – from 22 April 2024

Dr Jane Maxwell

Dr Roisin Kinsella

Dr Edwina Brown – from 07 February 2024

Organisational structure



Workforce data

Hospitals Labour Category	JUNE		AVERAGE	
	Current Month FTE		MONTHLY FTE	
	2023	2024	2023	2024
Nursing	22	33	26	30
Administration and Clerical	32	33	31	33
Medical Support	4	28	5	28
Hotel and Allied Services	44	23	42	21
Medical Officers	NA	NA	NA	NA
Hospital Medical Officers	NA	NA	NA	NA
Sessional Clinicians	2	0	1	1
Ancillary Staff (Allied Health)	8	7	8	8
Total	112	124	113	121

***Employees have been correctly classified in workforce data collections.**

Recruitment, selection and employment within Orbost Regional Health comply with employment conditions as specified in relevant Health Awards and Enterprise Bargaining Agreements.

The employment of staff satisfies equal employment opportunity requirements, legislative and moral obligations, and terms and conditions of the *Fair Work Act*, Australia including National Employment Standards.

Orbost Regional Health staff are also expected to embrace and work in accordance with the Code of Conduct for Victorian Public Sector Employees and the public sector values of:

- Responsiveness
- Integrity
- Impartiality
- Accountability
- Respect
- Leadership
- Human Rights

Occupational Health and Safety (OH&S)

ORH acknowledges its moral, financial and legal responsibility to effectively manage all of its OH&S risks.

The health service's approach is to enhance a safe working environment for staff, contractors, consumers and visitors by mitigating all health and safety risks.

To ensure effective management of health and safety, ORH is committed to regular consultation with staff and other workplace users. This is supported by the maintenance of an Occupational Health and Safety framework that provides direction for managing a safe work environment; including roles and responsibilities, OH&S committee, incident management and return to work programs.

The health service's 2023-2024 OH&S performance against the established measure is summarised below.

Occupational Health and Safety Statistics	2021-2022	2022-2023	2023-2024
Number of reported hazards/incidents for the year per 100 FTE	42.1	39.9	32.9
Number of 'lost time' standard WorkCover claims for the year per 100 FTE	1.5	2.0	0.8
The average cost per WorkCover claim for the year ('000)	\$4,911	\$6,725	\$4,572

Occupational Violence reporting

Occupational violence statistics	2023-2024
Workcover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0
Number of occupational violence incidents reported	14.0
Number of occupational violence incidents reported per 100 FTE	11.5
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

For the purposes of the above statistics the following definitions apply:

- **Occupational violence** – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- **Incident** – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.
- **Accepted Workcover claims** – accepted Workcover claims that were lodged in 2023-2024.
- **Lost time** – is defined as greater than one day.
- **Injury, illness or condition** – this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

Financial Information

	2024 \$000	2023 \$000	2022 \$000	2021 \$000	2020 \$000
OPERATING RESULT	63	869	1,435	738	676
Total revenue	24,042	22,360	20,486	18,791	17,593
Total expenses	25,108	21,774	20,441	19,302	18,262
Net result from transactions	(1,066)	586	45	(511)	(669)
Total other economic flows	182	39	83	38	52
Net result	(884)	625	128	(473)	(617)
Total assets	33,294	23,680	22,346	19,174	19,603
Total liabilities	8,296	8,744	8,037	6,449	6,406
Net assets/Total equity	24,998	14,936	14,309	12,725	13,197

Reconciliation of Net result from Transactions and Operating Result

	2023-2024 (\$000)
Operating result	63
Capital purpose income	1358
Specific income	0
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	43
State supply items consumed up to 30 June 2024	(43)
Assets provided free of charge	N/A
Assets received free of charge	0
Expenditure for capital purpose	(32)
Depreciation and amortisation	(2,455)
Impairment of non-financial assets	0
Finance costs (other)	0
Net result from transactions	(1,066)

Significant changes in financial position

The current asset ratio at 30 June 2024 has increased to 1.65 (2022-2023; 1.52).

The ongoing positive operating results for Orbost Regional Health continue to provide additional reserves, enabling us to meet our debts as and when they fall due.

Operational and budgetary objectives and performance against objectives and significant achievements

Each year the health service establishes an operational budget which is matched to the strategic objectives of the organisation and aims for a balanced budget outcome. In addition, the budget takes account of the service delivery profile which has been designed to meet community needs.

The Operating Result for the year is a surplus of \$63,000 compared to a result of \$869,000 in the previous year. There was still a lot of sick leave and Nursing Vacancy which caused higher Agency Staff costs. However, this growth has slowed in recent months with the hire of more Nursing FTE. Salary and Wages have grown by \$1.4m on last year, up by 13 FTE at 30 June 2024. The Operating Result is also affected by the results of Gippsland Health Alliance (GHA) which Orbost Regional Health recognises as a jointly controlled operation. ORH has recognised \$158,000 as a share of the GHA Surplus (2022-2023 \$197,000 share of surplus).

Capital grants of \$1,283,000 were received from the Department of Health for an upgrade to Lochiel aged care facility and a new Endoscopy suite.

Events subsequent to balance date

At the time of this report management is not aware of any events that have occurred since balance date that may have a significant effect on the operations of the health service in subsequent reporting periods.

Details of consultancies (under \$10,000)

In 2023-2024, there was one consultancy where the total fees payable to the consultants was less than \$10,000. The total expenditure incurred during 2023-2024 in relation to this consultancy is \$1,200 (excl. GST).

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

In 2023-2024, there were five consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2023-2024 in relation to these consultancies is \$435,354 (excl. GST). Details of these consultancies can be viewed below:

Consultancies over \$10,000

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2023-2024 (excluding GST)	Future expenditure (excluding GST)
Insurance House PL	Workers Compensation Brokerage	01 July 2023	30 June 2024	\$20,000	\$20,000	\$0
Nathan Farrow	Clinical Governance Review	01 July 2023	30 September 2023	\$20,941	\$20,941	\$0
Health Legal	Employment Law	01 July 2023	30 June 2024	\$14,065	\$14,065	\$6,500
Tanya Heaney-Voogt	Leadership Training	01 July 2023	30 June 2024	\$41,065	\$41,065	\$0
Connected Medical Solutions	Virtual Doctors	01 July 2023	30 June 2024	\$339,283	\$339,283	\$426,000

Information and communication technology (ICT) expenditure

The total ICT expenditure incurred during 2023-2024 is \$1.18 million (excluding GST) with the details shown below:

ICT Expenditure

Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT expenditure		
Total (excluding GST)	Total=Operational expenditure and Capital Expenditure (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
\$1.18 million	\$0	\$0	\$0

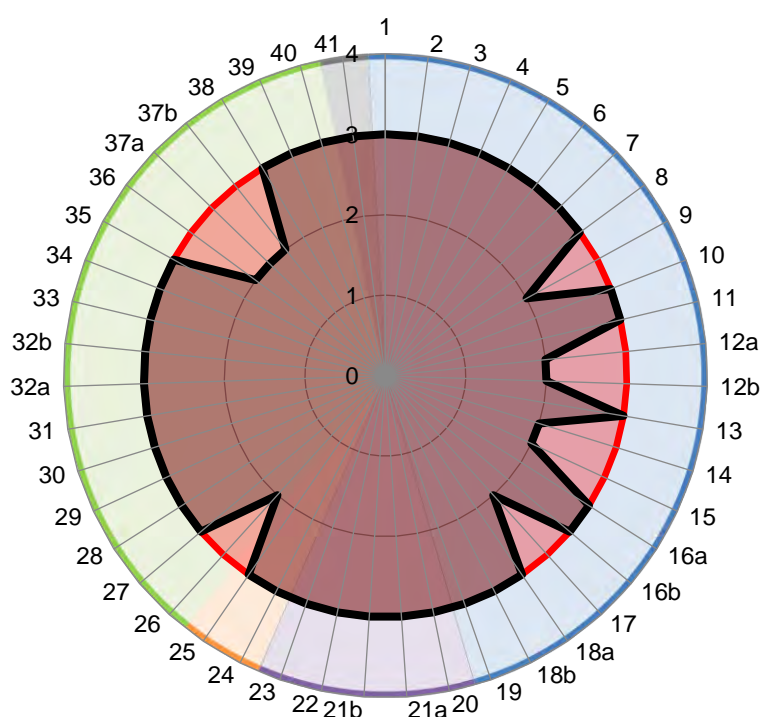
Asset Management Accountability Framework

Asset Management Accountability Framework (AMAF) maturity assessment

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

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

Results:



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

Target



Overall



Leadership and Accountability (requirements 1-19)

Orbost Regional Health has met its target maturity level under requirements within this category for 13 areas within this section.

Orbost Regional Health partially complied with some requirements in the areas of allocating asset management responsibility. There is no material non-compliance reported in this category. A plan for improvement is in place for Orbost Regional Health's maturity rating in these areas.

Planning (requirements 20-23)

Orbost Regional Health has met its target maturity level in this category.

Acquisition (requirements 24 and 25)

Orbost Regional Health has met its target maturity level in this category.

Operation (requirements 26-40)

Orbost Regional Health has met its target maturity level for 13 requirements within this category. Orbost Regional Health partially complied with four requirements in the areas of monitoring and preventative action and information management. Monitoring and preventative action has no areas of material non-compliance. Orbost Regional Health is developing a plan for improvement to establish processes to proactively identify potential asset performance failures and identify options for preventive action.

Disposal (requirement 41)

Orbost Regional Health has met its target maturity level in this category.

Social Procurement

SOCIAL PROCUREMENT ACTIVITIES AND COMMITMENTS	
Reporting period:	2023–2024
Reporting entity:	Orbost Regional Health
Overall social procurement activities	2023–2024
Number of social benefit suppliers engaged during the reporting period:	1
Total amount spent with social benefit suppliers (direct spend) during the reporting period (\$ GST exclusive):	\$2040.00
Total number of mainstream suppliers engaged that have made social procurement commitments in their contracts with the Victorian Government:	10
Total number of contracts that include social procurement commitments:	0

Disclosure of review and study expenses

There have not been any reviews or studies conducted at Orbost Regional Health in 2023-2024.

Disclosures required under legislation

Freedom of Information Act 1982

The *Freedom of Information (FOI) Act 1982* allows the public a right of access to documents held by Orbest Regional Health.

Applications under Freedom of Information are requests by individuals, or agencies, who act on their behalf, (such as solicitors or insurance companies), to access their personal medical information.

In line with Orbest Regional Health's commitment to protecting consumer privacy, all care is taken to ensure information is released only to the individual to whom it pertains, an authorised representative, or to a recognised guardian.

Orbest Regional Health holds medical records in a variety of formats and systems, including electronic and paper-based records.

Applications shall be made in writing to the Freedom of Information Officer on an Orbest Regional Health Freedom of Information Application form. Sufficient detail concerning the information requested should be provided to be able to process the request. All requests should be accompanied by an application fee of \$31.80, and proof of identity such as driver's license or passport.

During 2023-2024, Orbest Regional Health received 49 requests for patient information. There were 34 Freedom of Information requests granted in full, and acceded to within the statutory time periods. In addition to the 34 requests received, there were a total of 15 non personal information requests received, to which the FOI Act did not apply. These included, four requests from the Coroners Court, four requests from Worksafe, four requests from Victoria Police, one request from Department of Health, one request from Safer Care Victoria, and one request from Advanced Child Protection. A further 126 requests for patient information were received from external health services for the transfer of patient clinical records. There were zero decisions made outside the statutory time periods and there were zero mandatory extensions applied or extensions to be agreed upon by an applicant.

Information regarding FOI is available from the Freedom of Information Officer.

Phone: 03 51 54 6666

Fax: 03 51 54 2366

Email: FOI@orh.com.au

Further information may also be found on FOI website, FOI Act.

All these applications were processed in accordance with the provisions of *Freedom of Information Act 1982* within the 30-day legislated timeframes.

Building Act 1993

During 2023-2024, Orbest Regional Health's building complied with the *Building Act 1993* as evident in the annual certificate of compliance of essential services.

It has also been the health service's practice to ensure all buildings and renovations comply with the Australian Standards and Building Codes of Australia, along with obtaining relevant building permits, certificates of occupancy or certificates of final inspection for all new and renovation building projects.

An ongoing maintenance program, including routine inspections and rectification, also assist to ensure the health service's buildings are maintained to a safe and functional condition.

Public Interest Disclosures Act 2012

The Public Interest Disclosures Act 2012 enables people to make disclosures about improper conduct within the public sector without fear of reprisal. The Act aims to provide openness and accountability by encouraging people to make disclosures and protecting them when they do so. Protected Disclosure policy and procedure are in place and available that are compliant with the Act. Orbest Regional Health was not required to disclose any issues under the *Public Interest Disclosures Act* in the financial year 2023-2024.

Statement on National Competition Policy

Orbest Regional Health complied with all the government policies regarding competitive neutrality. Orbest Regional Health has implemented policies, procedures and frameworks to ensure compliance with the National Competition Policy, including tendering for the provision of goods and services where required and undergoing and internal procurement audit to measure compliance.

Carers Recognition Act 2012

Orbost Regional Health is aware of and complies with the requirements of the *Carers Recognition Act 2012* and was not required to make any disclosures during the 2023-2024 reporting period.

The Health Service has taken all practical measures to comply with its obligations under the Act. These include considering the care relationships principles set out in the Act when setting policies and providing services (e.g. reviewing our employment policies such as flexible working arrangements and leave provisions to ensure that these comply with the statement of principles in the Act; including assessment and review meetings between workers, carers and those receiving care).

Safe Patient Care Act 2015

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

Local Jobs First Act 2003

During 2023-2024, Orbost Regional Health had no projects that commenced or were completed to which the Local Jobs First Policy applied.

Gender Equality Act 2020

Orbost Regional Health adheres to the principles of the Gender Equality Act 2020 and continues to progress actions in our Gender Equality Action Plan 2022-2025. Progress to date include:

- Improvement in Human Resources systems to collect intersectional data
- Scheduling of education opportunities for staff to raise awareness and highlight issues
- Review of recruitment advertising to encourage a diversity of applicants to apply
- Provision of information to staff regarding parental, carers and family violence leave
- Review of information provided to staff on induction
- Development of an ORH Gender Impact Assessment Toolkit in progress

The first Gender Equality Action Plan progress report was submitted to the Gender Equality Commission in February 2024. In 2024-2025, work will continue to develop actions in the plan.

Results of the 2023 Gender Audit suggest that ORH is performing well in managing the risk of gender inequality in the workplace, however has the opportunity to improve in the areas of sexual harassment and bullying. In 2024-2025, the focus will be training in the areas of psychological safety, acceptable behaviours and bystander reporting.

Additional information available on request

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

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- details of publications produced by the entity about itself, and how these can be obtained;
- details of changes in prices, fees, charges, rates, and levies charged by the entity;
- details of any major external reviews carried out on the entity;
- details of major research and development activities undertaken by the entity;
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
- details of assessments and measures undertaken to improve the occupational health and safety of employees;

- a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- details of all consultancies and contractors including:
 - (I) consultants/contractors engaged;
 - (II) services provided; and
 - (III) expenditure committed to for each engagement

Environmental performance

ELECTRICITY USE	Apr-23 to Mar-24	Apr-22 to Mar-23	Apr-21 to Mar-22
EL1 Total electricity consumption segmented by source [MWh]			
Purchased	393.55	408.23	381.50
Self-generated	135.88	175.30	160.53
EL1 Total electricity consumption [MWh]	529.43	583.53	542.03
EL2 On site-electricity generated [MWh] segmented by:			
Consumption behind-the-meter			
Solar Electricity	135.88	175.30	160.53
Total Consumption behind-the-meter [MWh]	135.88	175.30	160.53
Exports			
EL2 Total On site-electricity generated [MWh]	135.88	175.30	160.53
EL3 On-site installed generation capacity [kW converted to MW] segmented by:			
Diesel Generator	0.28	0.28	0.28
Solar System	0.15	0.15	0.15
EL3 Total On-site installed generation capacity [MW]	0.43	0.43	0.43
EL4 Total electricity offsets segmented by offset type [MWh]			
RPP (Renewable Power Percentage in the grid)	73.99	76.50	71.30
EL4 Total electricity offsets [MWh]	73.99	76.50	71.30
STATIONARY ENERGY	Apr-23 to Mar-24	Apr-22 to Mar-23	Apr-21 to Mar-22
F1 Total fuels used in buildings and machinery segmented by fuel type [MJ]			
LPG	2,028,835.00	2,048,595.70	2,202,212.50
Diesel	31,292.70		
F1 Total fuels used in buildings [MJ]	2,060,127.70	2,048,595.70	2,202,212.50
F2 Greenhouse gas emissions from stationary fuel consumption			
LPG	122.95	124.15	133.45
Diesel	2.20		
F2 Greenhouse gas emissions from stationary fuel consumption [Tonnes CO2-e]	125.14	124.15	133.45
TRANSPORTATION ENERGY	Apr-23 to Mar-24	Apr-22 to Mar-23	Apr-21 to Mar-22
T1 Total energy used in transportation (vehicle fleet) within the Entity			
Executive fleet - Gasoline	188,469.50	279,396.80	581,122.90
Non-executive fleet - Gasoline	945,038.40	792,352.40	422,085.90
Petrol	1,133,507.90	1,071,749.20	1,003,208.80
Executive fleet - Diesel			12,271.00
Non-executive fleet - Diesel	140,168.00	68,893.10	33,122.80
Diesel	140,168.00	68,893.10	45,393.80
Total energy used in transportation (vehicle fleet) [MJ]	1,273,675.90	1,140,642.30	1,048,602.60
T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type			
Executive fleet - Gasoline	12.74	18.89	39.30
Non-executive fleet - Gasoline	63.90	53.58	28.54
Petrol	76.65	72.47	67.84
Executive fleet - Diesel			0.86
Non-executive fleet - Diesel	9.87	4.85	2.33
Diesel	9.87	4.85	3.20
Total Greenhouse gas emissions from transportation (vehicle fleet) [tonnes CO2-e]	86.52	77.32	71.03
TOTAL ENERGY USE	Apr-23 to Mar-24	Apr-22 to Mar-23	Apr-21 to Mar-22
E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1)			
Total energy usage from stationary fuels (F1) [MJ]	2,060,127.70	2,048,595.70	2,202,212.50
Total energy usage from transport (T1) [MJ]	1,273,675.90	1,140,642.30	1,048,602.60
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]	3,333,803.60	3,189,238.00	3,250,815.10
E2 Total energy usage from electricity [MJ]			
Total energy usage from electricity [MJ]	1,905,965.47	2,100,696.49	1,951,322.93
E3 Total energy usage segmented by renewable and non-renewable sources [MJ]			
Renewable	755,539.57	906,494.53	834,592.73
Non-renewable (E1 + E2 - E3 Renewable)	4,973,414.21	5,014,520.16	4,945,450.50
E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser			
Energy per unit of Aged Care OBD [MJ/Aged Care OBD]	614.33	454.47	409.86
Energy per unit of LOS [MJ/LOS]	3,817.22	3,311.49	2,219.95
Energy per unit of bed-day (LOS+Aged Care OBD) [MJ/OBD]	529.17	399.62	345.98
Energy per unit of Separations [MJ/Separations]	29,820.25	10,639.21	5,479.60
Energy per unit of floor space [MJ/m2]	628.54	657.57	658.25
WATER USE	Apr-23 to Mar-24	Apr-22 to Mar-23	Apr-21 to Mar-22
W1 Total units of metered water consumed by water source (kl)			
Potable water [kl]	3,630.74	3,635.04	4,777.14
Total units of water consumed [kl]	3,630.74	3,635.04	4,777.14
W2 Units of metered water consumed normalised by FTE			
Water per unit of Aged Care OBD [kl/Aged Care OBD]	0.56	0.40	0.47
Water per unit of LOS [kl/LOS]	3.49	2.90	2.55
Water per unit of bed-day (LOS+Aged Care OBD) [kl/OBD]	0.48	0.35	0.40
Water per unit of Separations [kl/Separations]	27.30	9.32	6.30
Water per unit of floor space [kl/m2]	0.58	0.58	0.76

WASTE AND RECYCLING	Apr-23 to Mar-24	Apr-22 to Mar-23	Apr-21 to Mar-22
WR1 Total units of waste disposed of by waste stream and disposal method [kg]			
Landfill (total)			
General waste - bins	52,979.53	59,608.11	66,433.23
Offsite treatment			
Clinical waste - incinerated	578.35	2,217.80	35.70
Clinical waste - sharps	101.07	99.15	164.27
Clinical waste - treated	2,783.54	394.54	1,187.96
Recycling/recovery (disposal)			
Cardboard	8,503.01	8,868.41	8,664.08
Commingled	4,409.00	2,820.62	1,872.00
Paper (confidential)	699.33	2,883.53	2,342.14
Toner & print cartridges	40.03	90.03	
Total units of waste disposed [kg]	70,093.85	76,982.19	80,699.38
WR1 Total units of waste disposed of by waste stream and disposal method [%]			
Landfill (total)			
General waste	75.58%	77.43%	82.32%
Offsite treatment			
Clinical waste - incinerated	0.83%	2.88%	0.04%
Clinical waste - sharps	0.14%	0.13%	0.20%
Clinical waste - treated	3.97%	0.51%	1.47%
Recycling/recovery (disposal)			
Cardboard	12.13%	11.52%	10.74%
Commingled	6.29%	3.66%	2.32%
Paper (confidential)	1.00%	3.75%	2.90%
Toner & print cartridges	0.06%	0.12%	
WR3 Total units of waste disposed normalised by FTE, headcount, floor area, by disposal method			
Total waste to landfill per patient treated [(kg general waste)/PPT]	6.95	5.53	5.21
Total waste to offsite treatment per patient treated [(kg offsite treatment)/PPT]	0.45	0.25	0.11
Total waste recycled and reused per patient treated [(kg recycled and reused)/PPT]	1.79	1.36	1.01
WR4 Recycling rate [%]			
Weight of recyclable and organic materials [kg]	13,651.36	14,662.59	12,878.22
Weight of total waste [kg]	70,093.85	76,982.19	80,699.38
Recycling rate [%]	19.48%	19.05%	15.96%
WR5 Greenhouse gas emissions associated with waste disposal [tonnes CO₂-e]			
tonnes CO ₂ -e	73.13	80.08	88.15
GREENHOUSE GAS EMISSIONS	Apr-23 to Mar-24	Apr-22 to Mar-23	Apr-21 to Mar-22
G1 Total scope one (direct) greenhouse gas emissions [tonnes CO₂e]			
Carbon Dioxide	210.52	200.38	203.36
Methane	0.43	0.43	0.46
Nitrous Oxide	0.71	0.66	0.66
Total	211.66	201.47	204.49
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) [tonnes CO ₂ -e]	125.14	124.15	133.45
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) [tonnes CO ₂ -e]	86.52	77.32	71.03
Medical/Refrigerant gases			
Total scope one (direct) greenhouse gas emissions [tonnes CO₂e]	211.66	201.47	204.49
G2 Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO₂e]			
Electricity	262.20	285.44	284.15
Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO₂e]	262.20	285.44	284.15
G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal			
Waste emissions (WR5)	73.13	80.08	88.15
Indirect emissions from Stationary Energy	74.32	66.84	39.51
Indirect emissions from Transport Energy	21.92	15.91	3.78
Paper emissions	3.09	3.15	3.13
Any other Scope 3 emissions	6.11	6.32	8.77
Total scope three greenhouse gas emissions [tonnes CO₂e]	178.56	172.30	143.34
G(Opt) Net greenhouse gas emissions (tonnes CO₂e)			
Gross greenhouse gas emissions (G1 + G2 + G3) [tonnes CO ₂ e]	652.43	659.21	631.97
Net greenhouse gas emissions [tonnes CO₂e]	652.43	659.21	631.97
NORMALISATION FACTORS	Apr-23 to Mar-24	Apr-22 to Mar-23	Apr-21 to Mar-22
Aged Care OBD	6,456.00	9,130.00	10,134.00
ED Departures	0.00	0.00	0.00
FTE	125.00	113.00	119.00
LOS	1,039.00	1,253.00	1,871.00
OBD	7,495.00	10,383.00	12,005.00
PPT	7,628.00	10,773.00	12,763.00
Separations	133.00	390.00	758.00
TotalAreaM2	6,310.00	6,310.00	6,310.00

Orbost Regional Health's environmental performance and activity reporting is accessible on the health service's website: www.orbostregionalhealth.com.au

Attestations

Orbost Regional Health Financial Management Compliance Attestation Statement

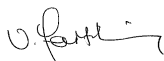
I, Deborah Miller, on behalf of the Responsible Body, certify that Orbost Regional Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Deborah Miller
President, Board of Directors
Orbost Regional Health
29 July 2024

Data Integrity Declaration

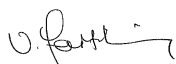
I, Vicki Farthing certify that Orbost Regional Health has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Orbost Regional Health has critically reviewed these controls and processes during the year.



Vicki Farthing
Chief Executive Officer
Orbost Regional Health
29 July 2024

Conflict of Interest Declaration

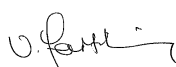
I, Vicki Farthing, certify that Orbost Regional Health has put in place appropriate internal controls and processes to ensure that it has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Orbost Regional Health and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.



Vicki Farthing
Chief Executive Officer
Orbost Regional Health
29 July 2024

Integrity, Fraud and Corruption Declaration

I, Vicki Farthing certify that Orbost Regional Health has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Orbost Regional Health during the year.



Vicki Farthing
Chief Executive Officer
Orbost Regional Health
29 July 2024

Multipurpose Services financial and service performance reporting

MPS Service Plan: Key achievements and challenges

MPS Key achievement reporting

Objective	Action	Deliverable	Outcome
People Supporting and motivating our people to continue on a path of professional development and maintain a highly-skilled and engaged workforce	Provide an attractive physical and social environment for staff	Significant work has been undertaken to develop strategies to welcome staff to ORH, including the commencement of a Staff Welcoming Committee and development of welcoming representative volunteers	Achieved
	Provide a working environment that is desirable and supportive for the retention and recruitment of staff	Introduction of a personal development template in the annual performance review to support individual growth, and contribute to organisation understanding of similar training requirements to assist in providing a coordinated approach to staff development	Achieved
	Promote and enable healthcare careers in our community	Professional development activities occur across all levels of the organisation and include a wide variety of topics from emergency response training to activities to improve understanding of workplace culture and diversity	Achieved
	Grow and support a motivated and engaged workforce	Development of a staff feedback strategy to capture information and inform discussions at Staff Forums using a "You said, We did" approach	Achieved

Community Partner with our stakeholders and utilise opportunities to build a stronger organisation and connection with the community	Develop productive partnerships with our stakeholders	Established partnerships with Gippsland Lakes Complete Health for place-based health promotion and credentialling Allied Health Assistants to fit mobility aids	Achieved
	Grow and integrate relationships with the community that are visible and valued	Developed a structured and comprehensive approach to improving the health and wellbeing of First Nations people through a Reconciliation Action Plan and examining our cultural learning needs	Achieved
	Develop our role as an active and connected community health partner	Facilitated access to Federation University's virtual physiotherapy clinic and improved access to General Practitioner and Occupational Therapy video consultations	Achieved
	Organisational decision-making with an ethical lens	Developed a plan to implement the Partnering with Consumers Framework to support genuine and meaningful consumer partnerships, resulting in the recruitment of three new Community Advisory Committee members	Achieved
Services Maximise our capabilities and identification of community needs through our provision of services and utilisation of innovative technological infrastructure	Maximise service delivery by adopting contemporary and innovative digital healthcare solutions	Implementation of a Virtual Admission Service (VAS) for the management of ORH inpatients	Achieved
	Enhance future facilities to complement services in line with expansion and community needs	Design of new aged care facility to meet current design guidelines	Achieved
		Design endoscopy procedure room and Central Sterile Supply	Achieved

		Department (CSSD) area to meet current standards	
	Strengthen collaboration with partners to enhance future provision of health services	Participate in the Future of Orbost meetings and activities as well as members of the P13+ meetings to discuss educational opportunities in Orbost	In progress (ongoing project for 2024-2025)
		Working in partnership with Bairnsdale Regional Health Service (BRHS) to establish an endoscopy unit at ORH	In progress (ongoing project for 2024-2025)
	Deliver services for the role ORH plays in the Far East Gippsland community	In collaboration with other local industries, provide flu vaccination clinics for workers	Complete
		Further development of virtual care models to enhance access to timely care	Partially completed
Quality and Safety Ensure robust governance through transparency and accountability to provide high quality care and safety across our organisation	Provide a skilled, valued, and compassionate workforce	Educational opportunities provided to staff to increase knowledge and skills such as: Rural Urgent Care Nursing program, care of paediatric patients, advanced life support, occupational health & safety, occupational violence & aggression, fire warden and manual handling	Complete
	Exceed compliance with all relevant statutory requirements	Accreditation surveys for Australian Council of Healthcare Standards (ACHS) National Standards, Aged Care modules, Radiology, Dental Services and Community Services completed, meeting all requirements and receiving no recommendations	Complete

	Right care, right time, right place	Review of service delivery models and organisational capability to meet community health needs	In progress
	Patient is the centre of the care journey	Community needs analysis survey undertaken, analysed and presented to the Community Advisory Committee	Complete

MPS Performance Priorities

MPS Performance Priority Reporting

Quality and safety		
Key performance indicator	Target	Result
Health service accreditation	Full compliance	Achieved
Compliance with cleaning standards	Full compliance	Achieved
Compliance with the Hand Hygiene Australia program	85%	90%
Percentage of healthcare workers immunised for influenza	92%	96%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses	95% positive experience	NA*
Governance and leadership		
Key performance indicator	Target	Result
People Matter Survey – Safety Culture Among Healthcare Workers	62%	66%
Financial sustainability		
Key performance indicator	Target	Result
Operating result (\$m)	\$0.00	\$0.06
Trade creditors	60 days	42 days
Patient fee debtors	60 days	4 days
Adjusted current asset ratio	0.7	1.5
Number of days available cash	14 days	69 days

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

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.

Multi-Purpose Services Activity Reporting

MPS Funded flexible aged care places

Campus	Number
Flexible high care	19
Flexible low care	20

MPS Utilisation of flexible aged care places

Campus	Number	Occupancy level %
Flexible high care	19	72%
Flexible low care	19	38%
Respite	1	100%
Total	39	

MPS Acute care activity

Service	Type of activity	Actual Activity 2023-2024
Medical inpatients	Bed days	1,028
Urgent care	Presentations	1,824
Outpatients	Presentations	473
Radiology	Number of clients	706
Renal dialysis	Number of clients	5

MPS Community care activity

Community Home Support Services	Hours of Service 2023-2024 *HACC PYP and CHSP	Hours of Service 2023-2024 *HCP
Meals	1,633	2,904
Domestic Assistance	4,735	10,204
Personal Care	963	7,996
Social Support Group	4,813	10,897
Property Maintenance	707	3,281
Volunteer Services		
Volunteer network - hours	1,323	
Volunteer network - kilometres	16,723	

***HACC PYP and CHSP** – Home and Community Care Program for Younger People and Commonwealth Home Support Program

***HCP** – Home Care Package

MPS Primary health care activity

Service	Actual activity 2023-2024 (hours of service)
District Nursing all services	3,594
Initial Needs Identification	1,736
Diabetes Education	36
Dietetics*	125
Social Work	971
Counselling	991
Occupational Therapy	1,486
Physiotherapy	37
Exercise Physiology	1,344
Women's Health Clinics	236
Nurse led Mental Health Outreach	552
NDIS Community access & AH Referral includes OT & support coordination	807
Post-Acute Care Allied Health	15
Homelessness Support # Occasions of Service	# 967
Family Violence Outreach #Occasions of Service	# 1,327

***Includes services which are not funded or only part funded through the MPS Tripartite Agreement**

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.

Disclosure Index

The annual report of Orbest Regional 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.

Legislation	Requirement	Page Reference
Ministerial Directions		
Report of Operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	2
FRD 22	Purpose, functions, powers and duties	3
FRD 22	Nature and range of services provided	3-4
FRD 22	Activities, programs and achievements for the reporting period	4-5
FRD 22	Significant changes in key initiatives and expectations for the future	4-5
Management and structure		
FRD 22	Organisational structure	8
FRD 22	Workforce data/ employment and conduct principles	9
FRD 22	Occupational Health and Safety	10
Financial information		
FRD 22	Summary of the financial results for the year	11
FRD 22	Significant changes in financial position during the year	11
FRD 22	Operational and budgetary objectives and performance against objectives	12
FRD 22	Subsequent events	12
FRD 22	Details of consultancies under \$10,000	12
FRD 22	Details of consultancies over \$10,000	12
FRD 22	Disclosure of ICT expenditure	13
FRD 22	Asset Management Accountability Framework	13-14
FRD 22	Reviews and Studies expenditure	14
Legislation		
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	15
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	15

Legislation	Requirement	Page Reference
FRD 22	Application and operation of <i>Public Interest Disclosures Act 2012</i>	15
FRD 22	Statement on National Competition Policy	15
FRD 22	Application and operation of <i>Carers Recognition Act 2012</i>	16
FRD 22	Additional information available on request	16-17
FRD 24	Environmental data reporting	18-19
FRD 25	<i>Local Jobs First Act 2003</i> disclosures	16
SD 5.1.4	Financial Management Compliance attestation	20
SD 5.2.3	Declaration in Report of Operations	29
Attestations		
	Attestation on Data Integrity	20
	Attestation on managing Conflicts of Interest	20
	Attestation on Integrity, fraud, and corruption	20
Other reporting requirements		
	Occupational Violence reporting	10
	Gender Equality Act 2020	16
	Reporting obligations under the <i>Safe Patient Care Act 2015</i>	16

Financial Statements
Financial Year ended 30 June 2024

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

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

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

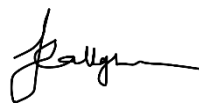
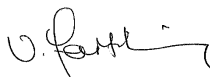
At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 23rd October, 2024.

Board member

Accountable Officer

Chief Finance & Accounting Officer



Deborah Miller
Chair

Vicki Farthing
Chief Executive Officer

Jessica Callaghan
Chief Finance and Accounting Officer

Orbost
23rd October, 2024

Orbost
23rd October, 2024

Orbost
23rd October, 2024

Independent Auditor's Report

To the Board of Orbost Regional Health

Opinion	<p>I have audited the financial report of Orbost Regional Health (the health service) which comprises the:</p> <ul style="list-style-type: none"> balance sheet as at 30 June 2024 comprehensive operating statement for the year then ended statement of changes in equity for the year then ended cash flow statement for the year then ended notes to the financial statements, including material accounting policy information board member's, accountable officer's and chief finance & accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2024 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. 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 <i>Code of Ethics for Professional Accountants</i> (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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Other Information	<p>The Board of the health service is responsible for the Other Information, which comprises the information in the health service's annual report for the year ended 30 June 2024 but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
Board's responsibilities for the financial report	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>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.</p>

**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
31 October 2024

Dominika Ryan
as delegate for the Auditor-General of Victoria

Orbost Regional Health
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2024

		Total 2024 \$'000	Total 2023 \$'000
Note			
Revenue and income from transactions			
Operating activities	2.1	22,479	20,854
Non-operating activities	2.1	418	310
Share of revenue from joint operations	8.7	1,145	1,196
Total revenue and income from transactions		24,042	22,360
Expenses from transactions			
Employee expenses	3.1	(16,741)	(15,008)
Supplies and consumables	3.1	(2,209)	(1,715)
Finance costs	3.1	(17)	(12)
Depreciation and amortisation	3.1	(2,455)	(1,180)
Other administrative expenses	3.1	(1,981)	(2,024)
Other operating expenses	3.1	(717)	(856)
Share of expenditure from joint operations	8.7	(988)	(979)
Total Expenses from transactions		(25,108)	(21,774)
Net result from transactions - net operating balance		(1,066)	586
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.2	143	54
Other gain/(loss) from other economic flows	3.2	39	(15)
Total other economic flows included in net result		182	39
Net result for the year		(884)	625
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.3	10,946	-
Total other comprehensive income		10,946	-
Comprehensive result for the year		10,062	625

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

Orbost Regional Health
Balance Sheet
As at 30 June 2024

		Total 2024 \$'000	Total 2023 \$'000
Note			
Current assets			
Cash and cash equivalents	6.2	9,019	9,684
Receivables	5.1	691	680
Prepaid expenses		309	224
Total current assets		10,019	10,588
Non-current assets			
Receivables	5.1	401	286
Property, plant and equipment	4.1 (a)	22,128	12,366
Right of use assets	4.2	746	440
Total non-current assets		23,275	13,092
Total assets		33,294	23,680
Current liabilities			
Payables	5.2	1,779	1,369
Contract liabilities	5.3	512	1,472
Borrowings	6.1	297	303
Employee benefits	3.3	3,124	2,813
Other liabilities	5.4	1,984	2,474
Total current liabilities		7,696	8,431
Non-current liabilities			
Borrowings	6.1	467	166
Employee benefits	3.3	133	147
Total non-current liabilities		600	313
Total liabilities		8,296	8,744
Net assets		24,998	14,936
Equity			
Property, plant and equipment revaluation surplus	4.3	23,685	12,739
Restricted specific purpose reserve	SCE	2,136	2,136
Contributed capital	SCE	7,689	7,689
Accumulated deficit	SCE	(8,512)	(7,628)
Total equity		24,998	14,936

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

Orbost Regional Health
Cash Flow Statement
For the Financial Year Ended 30 June 2024

		Total 2024 \$'000	Total 2023 \$'000
Note			
Cash Flows from operating activities			
	Operating grants from State Government	10,117	10,357
	Operating grants from Commonwealth Government	2,930	3,603
	Capital grants from government - State	1,703	661
	Capital grants from government - Commonwealth	-	263
	Patient fees received	4,694	3,766
	Private practice fees received	1,717	1,568
	Donations and bequests received	-	3
	GST received from/(paid to) ATO	(30)	(30)
	Interest and investment income received	418	310
	Commercial Income Received	42	21
	Other receipts	679	903
	Total receipts	22,270	21,425
	Employee expenses paid	(13,248)	(13,171)
	Payments to contractors and consultants	(3,106)	(2,054)
	Payments for supplies and consumables	(2,227)	(1,288)
	Payments for medical indemnity insurance	(70)	(66)
	Payments for repairs and maintenance	(418)	(577)
	Finance Costs	(17)	(12)
	Other payments	(2,295)	(2,202)
	Total payments	(21,381)	(19,370)
	Net cash flows from/(used in) operating activities	889	2,055
8.1			
Cash Flows from investing activities			
	Purchase of non-financial assets	(1,106)	(2,885)
	Capital donations and bequests received	-	2
	Other capital receipts	75	-
	Proceeds from sale of non-financial assets	242	90
	Net cash flows from/(used in) investing activities	(789)	(2,793)
Cash flows from financing activities			
	Repayment of borrowings	(275)	(223)
	Net Movement in accommodation deposits	(490)	535
	Net cash flows from /(used in) financing activities	(765)	312
	Net increase/(decrease) in cash and cash equivalents held	(665)	(426)
	Cash and cash equivalents at beginning of year	9,684	10,110
6.2	Cash and cash equivalents at end of year	9,019	9,684

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

Orbost Regional Health
Statement of Changes in Equity
For the Financial Year Ended 30 June 2024

	Property, Plant and Equipment Revaluation Surplus \$'000	Restricted Specific Purpose Reserve \$'000	Contributed Capital \$'000	Accumulated Deficit \$'000	Total \$'000
Total					
Balance at 1 July 2022	12,739	2,136	7,689	(8,253)	14,311
Net result for the year	-	-	-	625	625
Other comprehensive income for the year	-	-	-	-	-
Balance at 30 June 2023	12,739	2,136	7,689	(7,628)	14,936
Net result for the year	-	-	-	(884)	(884)
Other comprehensive income for the year	10,946	-	-	-	10,946
Balance at 30 June 2024	23,685	2,136	7,689	(8,512)	24,998

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

Orbost Regional Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024

Note 1: Basis of preparation

Structure

- 1.1 Basis of preparation of the financial statements*
- 1.2 Abbreviations and terminology used in the financial statements*
- 1.3 Joint arrangements*
- 1.4 Key accounting estimates and judgements*
- 1.5 Accounting standards issued but not yet effective*
- 1.6 Goods and Services Tax (GST)*
- 1.7 Reporting entity*

Orbost Regional Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 1: Basis of preparation

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

This section explains the basis of preparing the financial statements.

Note 1.1: Basis of preparation of the financial statements

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

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

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

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

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

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

The financial statements are presented in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of Orbost Regional Health on 23 October 2024.

Orbost Regional Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 1.2 Abbreviations and terminology used in the financial statements

The following table sets out the common abbreviations used throughout the financial statements:

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

Orbost Regional Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 1.3 Joint arrangements

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

Orbost Regional Health has the following joint arrangements:

- Gippsland Health Alliance - Joint Operation

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

Note 1.4 Material accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

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

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

Orbost Regional Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 1.5 Accounting standards issued but not yet effective

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

Standard	Adoption Date	Impact
AASB 2022-5: <i>Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback</i>	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: <i>Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector</i>	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: <i>Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-profit Public Sector Entities</i>	Reporting periods beginning on or after 1 January 2024.	The impact of adopting this standard has not yet been assessed by management.

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

Orbost Regional Health

Notes to the Financial Statements

For the Financial Year Ended 30 June 2024

Note 1.6 Goods and Services Tax (GST)

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

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

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

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

Note 1.7 Reporting Entity

The financial statements include all the controlled activities of Orbost Regional Health.

Orbost Regional Health's principal address is:

104 Boundary Road
Orbost, Victoria 3888

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

Note 2: Funding delivery of our services

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

Structure

2.1 Revenue and income from transactions

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

Material judgements and estimates

This section contains the following material judgements and estimates:

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

Note 2.1 Revenue and income from transactions

	Total 2024 \$'000	Total 2023 \$'000
Operating activities		
Revenue from contracts with customers		
Government grants (State) - Operating	465	87
Government grants (Commonwealth) - Operating	573	657
Patient and resident fees	4,697	3,796
Private practice fees	1,717	1,568
Commercial activities ¹	42	21
Total revenue from contracts with customers	7,494	6,129
Other sources of income		
Government grants (State) - Operating	9,983	10,048
Government grants (Commonwealth) - Operating	3,175	2,978
Government grants (State) - Capital	1,283	661
Government grants (Commonwealth) - Capital	-	263
Other capital purpose income	75	-
Capital donations	-	2
Assets received free of charge or for nominal consideration	43	67
Other revenue from operating activities (including non-capital donations)	426	706
Total other sources of income	14,985	14,725
Total revenue and income from operating activities	22,479	20,854
Non-operating activities		
Income from other sources		
Capital interest	418	310
Total other sources of income	418	310
Total income from non-operating activities	418	310
Total revenue and income from transactions	22,897	21,164

1. Commercial activities represent business activities which Orbost Regional Health enter into to support their operations.

Note 2.1 Revenue and income from transactions (continued)

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

Orbost Regional Health disaggregates revenue by the timing of revenue recognition.

Goods and services transferred to customers:

At a point in time

Over time

Total 2024 \$'000	Total 2023 \$'000
6,921	5,472
573	657
7,494	6,129

Total revenue from contracts with customers

How we recognise revenue and income from operating activities

Government operating grants

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

When both these conditions are satisfied, the health service:

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

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

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

In contracts with customers, the 'customer' is typically a funding body, who is the party that promises funding in exchange for Orbost Regional Health's goods or services. Orbost Regional 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.

Note 2.1 Revenue and income from transactions (continued)

This policy applies to each of Orbost Regional Health's revenue streams, with information detailed below relating to Orbost Regional Health's significant revenue streams:

Government grant	Performance obligation
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	<p>NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid.</p> <p>The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity.</p> <p>Revenue is recognised at point in time, which is when a patient is discharged.</p>
Commonwealth Home Support Programme	<p>Funding is provided to support older people who need support to remain in their homes. Services are provided in accordance with a service level agreement to help them maintain their independence.</p> <p>The performance obligations are based on a number of activities to be provided across the community area we represent.</p> <p>Revenue is currently recognised over time with final reconciliation completed at the end of each financial year.</p>

Capital grants

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

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

Patient and resident fees

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

Private practice fees

Private practice fees includes revenue raised from the operations of a medical practice. Private practice fees are recognised at a point in time as services are provided to patients.

Interest Income

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

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

	Total 2024 \$'000	Total 2023 \$'000
Cash donations and gifts	-	3
Personal protective equipment	43	64
Total fair value of assets and services received free of charge or for nominal consideration	43	67

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

Donations and bequests

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

Personal protective equipment

Under the State Supply Arrangement, Health Share Victoria supplies personal protective equipment to Orbost Regional Health for nil consideration.

Contributions of resources

Orbost Regional Health may receive resources for nil or nominal consideration to further its objectives. The resources are recognised at their fair value when Orbost Regional 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 Orbost Regional Health as a capital contribution transfer.

Volunteer Services

Orbost Regional Health receives volunteer services from members of the community to support and assist our residents in aged care and patients within the hospital setting.

Orbost Regional Health recognises contributions by volunteers in its financial statements, if the fair value can be reliably measured and the services would have been purchased had they not been donated.

Orbost Regional Health greatly values the services contributed by volunteers but it does not depend on volunteers to deliver its services.

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

Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of Orbost Regional Health as follows:

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

Note 3: The cost of delivering our services

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

Structure

3.1 Expenses from transactions

3.2 Other economic flows included in net result

3.3 Employee benefits in the balance sheet

3.4 Superannuation

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Classifying employee benefit liabilities	<p>Orbost Regional Health applies material judgement when measuring and classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if Orbost Regional Health does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.</p> <p>Employee benefit liabilities are classified as a non-current liability if Orbost Regional Health has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p>
Measuring employee benefit liabilities	<p>Orbost Regional Health applies material judgement when measuring its employee benefit liabilities.</p> <p>The health service applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.</p> <p>Expected future payments incorporate:</p> <ul style="list-style-type: none"> • an inflation rate of 4.45%, reflecting the future wage and salary levels • durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 10% and 80% • discounting at the rate of 4.348%, as determined with reference to market yields on government bonds at the end of the reporting period. <p>All other entitlements are measured at their nominal value.</p>

Note 3.1 Expenses from transactions

	Total 2024 \$'000	Total 2023 \$'000
Salaries and wages	11,857	10,551
On-costs	1,211	1,087
Agency expenses	3,114	2,054
Fee for service medical officer expenses	403	1,231
Workcover premium	156	85
Total employee expenses	16,741	15,008
Drug supplies	37	39
Medical and surgical supplies (including Prostheses)	247	455
Diagnostic and radiology supplies	38	50
Other supplies and consumables	1,887	1,171
Total supplies and consumables	2,209	1,715
Finance costs	17	12
Total finance costs	17	12
Other administrative expenses	1,981	2,024
Total other administrative expenses	1,981	2,024
Fuel, light, power and water	208	198
Repairs and maintenance	325	440
Maintenance contracts	93	137
Medical indemnity insurance	70	66
Expenditure for capital purposes	21	15
Total other operating expenses	717	856
Total operating expense	21,665	19,615
Depreciation and amortisation	2,455	1,180
Total depreciation and amortisation	2,455	1,180
Total non-operating expense	2,455	1,180
Total expenses from transactions	24,120	20,795

Note 3.1 Expenses from transactions

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

- amortisation of discounts or premiums relating to borrowings
- finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases*.

Other operating expenses

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

- Fuel, light and power
- Repairs and maintenance
- Other administrative expenses
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of \$4,000).

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

Non-operating expenses

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

Note 3.2 Other economic flows included in net result

Net gain/(loss) on disposal of property plant & equipment

Total net gain/(loss) on non-financial assets

Net gain/(loss) arising from revaluation of long service liability

Total other gain/(loss) from other economic flows

Total gain/(loss) from other economic flows

Total 2024 \$'000	Total 2023 \$'000
143	54
143	54
39	(15)
39	(15)
182	39

How we recognise other economic flows

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

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

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

Net gain/(loss) on non-financial assets

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

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

Note 3.3 Employee benefits and related on-costs

Current employee benefits and related on-costs

Accrued days off

Unconditional and expected to be settled wholly within 12 months ⁱ

Total 2024 \$'000	Total 2023 \$'000
34	24
34	24

Annual leave

Unconditional and expected to be settled wholly within 12 months ⁱ

Unconditional and expected to be settled wholly after 12 months ⁱⁱ

1,029	957
165	153
1,194	1,110

Long service leave

Unconditional and expected to be settled wholly within 12 months ⁱ

Unconditional and expected to be settled wholly after 12 months ⁱⁱ

281	234
1,253	1,140
1,534	1,374

Provisions related to employee benefit on-costs

Unconditional and expected to be settled within 12 months ⁱ

Unconditional and expected to be settled after 12 months ⁱⁱ

170	141
192	164
362	305

Total current employee benefits and related on-costs

3,124	2,813
--------------	--------------

Non-current provisions and related on-costs

Conditional Long Service Leave

Provisions related to employee benefit on-costs

Total non-current employee benefits and related on-costs

117	130
16	17
133	147

Total employee benefits and related on-costs

3,257	2,960
--------------	--------------

ⁱ The amounts disclosed are nominal amounts.

ⁱⁱ The amounts disclosed are discounted to present values.

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

	Total 2024 \$'000	Total 2023 \$'000
Current employee benefits and related on-costs		
Unconditional accrued days off	34	24
Unconditional annual leave entitlements	1,348	1,241
Unconditional long service leave entitlements	1,742	1,548
Total current employee benefits and related on-costs	3,124	2,813
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	133	147
Total non-current employee benefits and related on-costs	133	147
Total employee benefits and related on-costs	3,257	2,960
Attributable to:		
Employee benefits	2,879	2,638
Provision for related on-costs	378	322
Total employee benefits and related on-costs	3,257	2,960

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

	Total 2024 \$'000	Total 2023 \$'000
Carrying amount at start of year	322	299
Additional provisions recognised	251	134
Net gain/(loss) arising from revaluation of long service liability	(39)	15
Amounts incurred during the year	(156)	(126)
Carrying amount at end of year	378	322

How we recognise employee benefits

Employee benefit recognition

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

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

Annual leave and accrued days off

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

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

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

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

Provision for on-costs related to employee benefits

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

Note 3.4 Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Total 2024 \$'000	Total 2023 \$'000	Total 2024 \$'000	Total 2023 \$'000
Defined benefit plans:ⁱ				
Aware Super	15	15	-	-
Defined contribution plans:				
Aware Super	512	487	-	-
Hesta	362	314	-	-
Other	322	271	-	-
Total	1,211	1,087	-	-

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

How we recognise superannuation

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

Defined benefit superannuation plans

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

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

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

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

Defined contribution superannuation plans

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

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

Note 4: Key assets to support service delivery

Orbost Regional 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 Orbost Regional Health to be utilised for delivery of those outputs.

Structure

4.1 Property, plant & equipment

4.2 Right-of-use assets

4.3 Revaluation surplus

4.4 Depreciation

4.5 Impairment of assets

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Estimating useful life of property, plant and equipment	Orbost Regional Health assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	<p>The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset.</p> <p>Orbost Regional Health applies material judgement to determine whether or not it is reasonably certain to exercise such purchase options.</p>

Material judgements and estimates (continued)

Material judgements and estimates	Description
Estimating restoration costs at the end of a lease	Where a lease agreement requires Orbost Regional Health to restore a right-of-use asset to its original condition at the end of a lease, the health service estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.
Identifying indicators of impairment	<p>At the end of each year, Orbost Regional Health assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment.</p> <p>The health service considers a range of information when performing its assessment, including considering:</p> <ul style="list-style-type: none"> ▪ If an asset's value has declined more than expected based on normal use ▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset ▪ If an asset is obsolete or damaged ▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life ▪ If the performance of the asset is or will be worse than initially expected. <p>Where an impairment trigger exists, the health services applies material judgement and estimate to determine the recoverable amount of the asset.</p>

Note 4.1 Property, plant and equipment

Note 4.1 (a) Gross carrying amount and accumulated depreciation

	Total 2024 \$'000	Total 2023 \$'000
Land at fair value - Crown	600	308
Land at fair value - Freehold	685	660
Total land at fair value	1,285	968
Buildings at fair value	18,889	11,188
Less accumulated depreciation	-	(860)
Total buildings at fair value	18,889	10,328
Works in progress at fair value	764	-
Total land and buildings	20,938	11,296
Plant and equipment at fair value	720	700
Less accumulated depreciation	(380)	(340)
Total plant and equipment at fair value	340	360
Motor vehicles at fair value	132	170
Less accumulated depreciation	(79)	(110)
Total motor vehicles at fair value	53	60
Medical equipment at fair value	2,012	1,748
Less accumulated depreciation	(1,307)	(1,234)
Total medical equipment at fair value	705	514
Computer equipment at fair value	215	230
Less accumulated depreciation	(162)	(135)
Total computer equipment at fair value	53	95
Furniture and fittings at fair value	236	229
Less accumulated depreciation	(197)	(188)
Total furniture and fittings at fair value	39	41
Total plant, equipment, furniture, fittings and vehicles at fair value	1,190	1,070
Total property, plant and equipment	22,128	12,366

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

		Land	Buildings	Building works in progress	Plant & equipment	Motor vehicles	Medical Equipment	Computer Equipment
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022		673	9,147	67	276	68	160	103
Additions		295	1,985	-	122	-	442	32
Net transfers between classes		-	56	(67)	11	-	-	-
Depreciation	4.4	-	(860)	-	(49)	(8)	(88)	(40)
Balance at 30 June 2023	4.1 (a)	968	10,328	-	360	60	514	95
Additions		-	4	779	29	-	322	-
Disposals/Refunds		-	(35)	-	(5)	-	-	-
Revaluation increments/(decrements)		317	10,629	-	-	-	-	-
Net Transfers between classes		-	8	(15)	7	-	-	-
Depreciation	4.4	-	(2,045)	-	(51)	(7)	(131)	(42)
Balance at 30 June 2024	4.1 (a)	1,285	18,889	764	340	53	705	53

		Furniture & Fittings	Total
	Note	\$'000	\$'000
Balance at 1 July 2022		43	10,537
Additions		9	2,885
Depreciation	4.4	(11)	(1,056)
Balance at 30 June 2023	4.1 (a)	41	12,366
Additions		7	1,141
Disposals		-	(40)
Revaluation increments/(decrements)		-	10,946
Net Transfers between classes		-	-
Depreciation	4.4	(9)	(2,285)
Balance at 30 June 2024	4.1 (a)	39	22,128

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

Land and Buildings Carried at Valuation

The Valuer-General Victoria undertook to re-value all of Orbost Regional Health's land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2024.

How we recognise property, plant and equipment

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

Initial recognition

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

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

Subsequent measurement

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

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

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

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

Revaluation

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

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

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

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

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

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

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

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

Note 4.2 Right-of-use assets

Note 4.2(a) Gross carrying amount and accumulated depreciation

	Total 2024 \$'000	Total 2023 \$'000
Right-of-use buildings at fair value	251	222
Less accumulated depreciation	(203)	(151)
Total right of use buildings at fair value	48	71
Total right of use concessionary land and buildings	48	71
Right of use plant, equipment, furniture, fittings and vehicles at fair value	886	588
Less accumulated depreciation	(188)	(219)
Total right of use plant, equipment, furniture, fittings and vehicles at fair value	698	369
Total right of use plant, equipment, furniture, fittings and vehicles at fair value	698	369
Total right of use assets	746	440

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

	Note	Right-of-use - Buildings \$'000	Right-of-use - PE, FF&V \$'000	Total \$'000
Balance at 1 July 2022		77	346	423
Additions		27	145	172
Disposals		-	(31)	(31)
Depreciation	4.4	(33)	(91)	(124)
Balance at 30 June 2023	4.2 (a)	71	369	440
Additions		45	533	578
Disposals		(8)	(94)	(102)
Depreciation	4.4	(60)	(110)	(170)
Balance at 30 June 2024	4.2 (a)	48	698	746

How we recognise right-of-use assets

Initial recognition

When a contract is entered into, Orbost Regional Health assesses if the contract contains or is 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.

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

Subsequent measurement

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

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

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

Note 4.3 Revaluation Surplus

	Total 2024 \$'000	Total 2023 \$'000
Balance at the beginning of the reporting period	12,739	12,739
Revaluation increment		
- Land	4.1 (b) 317	-
- Buildings	4.2 (b) 10,629	-
Balance at the end of the Reporting Period*	23,685	12,739
* Represented by:		
- Land	641	324
- Buildings	23,044	12,415
	23,685	12,739

Note 4.4 Depreciation

	Total 2024 \$'000	Total 2023 \$'000
Depreciation		
Buildings	2,045	860
Plant and equipment	51	49
Motor vehicles	7	8
Medical equipment	131	88
Computer equipment	42	40
Furniture and fittings	9	11
Total depreciation - property, plant and equipment	2,285	1,056
Right-of-use assets		
Right of use buildings	60	33
Right of use - plant, equipment, furniture, fittings and motor vehicles	110	91
Total depreciation - right-of-use assets	170	124
Total depreciation	2,455	1,180

How we recognise depreciation

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

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

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

	2024	2023
Buildings		
- Structure shell building fabric	17 to 50 years	17 to 50 years
- Site engineering services and central plant	12 to 40 years	12 to 40 years
Central Plant		
- Fit Out	7 to 25 years	7 to 25 years
- Trunk reticulated building system	7 to 30 years	7 to 30 years
Right of use buildings	6 years	6 years
Plant and equipment	5 to 15 years	5 to 15 years
Medical equipment	3 to 15 years	3 to 15 years
Computers and communication	3 years	3 years
Furniture and fitting	5 to 8 years	5 to 8 years
Motor Vehicles	5 years	5 years
Right of use motor vehicles	1.5 to 3 years	1.5 to 3 years

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

Note 4.5: Impairment of assets

How we recognise impairment

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

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

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

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

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

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

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

Note 5: Other assets and liabilities

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

Structure

5.1 Receivables

5.2 Payables and contract liabilities

5.3 Contract liabilities

5.4 Other liabilities

Material judgements and estimates

This section contains the following material judgements and estimates:

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

Note 5.1 Receivables

	Total 2024 \$'000	Total 2023 \$'000
Notes		
Current receivables		
Contractual		
Inter hospital debtors	5	27
Trade receivables	145	219
Patient fees	59	56
Allowance for impairment - Patient fees	(3)	(3)
Amounts receivable from governments and agencies	401	327
Total contractual receivables	607	626
Statutory		
GST receivable	84	54
Total statutory receivables	84	54
Total current receivables	691	680
Non-current receivables		
Contractual		
Long service leave - Department of Health	401	286
Total contractual receivables	401	286
Total non-current receivables	401	286
Total receivables	1,092	966
<i>(i) Financial assets classified as receivables (Note 7.1(a))</i>		
Total receivables	1,092	966
Provision for impairment	3	3
GST receivable	(84)	(54)
Total financial assets classified as receivables	1,011	915

Note 5.1 Receivables and contract assets (continued)

Note 5.1 (a) Movement in the allowance for impairment losses of contractual receivables

	Total 2024 \$'000	Total 2023 \$'000
Balance at the beginning of the year	3	3
Increase in allowance	-	-
Amounts written off during the year	-	-
Reversal of allowance written off during the year as uncollectable	-	-
Balance at the end of the year	3	3

How we recognise receivables

Receivables consist of:

- **Contractual receivables**, including debtors that relates to goods and services and accrued revenue from Government agencies. These receivables are classified as financial instruments and are categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.
- **Statutory receivables**, including Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The health service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

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

Impairment losses of contractual receivables

Refer to Note 7.2 (a) for Orbost Regional Health's contractual impairment losses.

Note 5.2 Payables

	Total 2024 \$'000	Total 2023 \$'000
Current payables		
Contractual		
Trade creditors	631	705
Accrued salaries and wages	468	407
Accrued expenses	212	136
Deferred capital grant income	420	-
Amounts payable to governments and agencies	45	108
Total contractual payables	1,776	1,356
Statutory		
Australian Taxation Office	3	13
Total statutory payables	3	13
Total current payables	1,779	1,369
Total payables	1,779	1,369
<i>(i) Financial liabilities classified as payables (Note 7.1(a))</i>		
Total payables	1,779	1,369
Deferred grant income	(420)	-
Australian Taxation Office	(3)	(13)
Total financial liabilities classified as payables	1,356	1,356

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

The normal credit terms for accounts payable are usually Net 30 days.

Note 5.2 (a) Deferred capital grant income

	Total 2024 \$'000	Total 2023 \$'000
Opening balance of deferred capital grant income	-	346
Grant consideration for capital works received during the year	1,146	-
Deferred grant revenue recognised as revenue due to completion of capital works	(726)	(346)
Closing balance of deferred capital grant income	420	-

How we recognise deferred capital grant revenue

Capital grant income has been provided by the Department of Health (Vic) for a project to revitalise our aged care facilities. Funding is recognised progressively as the asset is constructed, since this is the time when Orbost Regional Health satisfies its obligations. The progressive percentage of costs incurred is used to recognise income because this most closely reflects the percentage of completion of the building works. As a result, Orbost Regional Health has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Orbost Regional Health expects to recognise all of the remaining deferred capital grant income for capital works within the next financial year.

Note 5.3 Contract liabilities

Current

Contract liabilities

Total current contract liabilities

Total 2024 \$'000	Total 2023 \$'000
512	1472
512	1472

Note 5.3(a) Movement in contract liabilities

Opening balance of contract liabilities

Grant consideration for sufficiently specific performance obligations received during the year

Funding repaid due to unmet performance obligations

Revenue recognised for the completion of a performance obligation

Total contract liabilities

Total 2024 \$'000	Total 2023 \$'000
1,472	991
512	1,138
(1,080)	-
(392)	(657)
512	1,472
512	1,472
512	1,472

* Represented by:

- Current contract liabilities

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of specific programs that have not yet commenced or are partially expended. The balance of contract liabilities was higher than the previous reporting period due to new funding received late in the reporting period and carrying forward of the previous year obligations which remain unfulfilled.

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

Maturity analysis of payables

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

Note 5.4 Other liabilities

	Total 2024 \$'000	Total 2023 \$'000
Current monies held in trust		
Patient monies	5	5
Refundable accommodation deposits	1,966	2,456
Other monies	13	13
Total current monies held in trust	1,984	2,474
Total other liabilities	1,984	2,474
* Represented by:		
- Cash assets	6.2 1,984	2,474
	1,984	2,474

How we recognise other liabilities

Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities

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

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

Note 6: How we finance our operations

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

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

Structure

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

6.4 Non-cash financing and investing activities

Material judgements and estimates

This section contains the following key judgements and estimates:

Material judgements and estimates	Description
Determining if a contract is or contains a lease	<p>Orbost Regional Health applies material judgement to determine if a contract is or contains a lease by considering if the health service:</p> <ul style="list-style-type: none"> • has the right-to-use an identified asset • has the right to obtain substantially all economic benefits from the use of the leased asset and • can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	<p>Orbost Regional Health applies material judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption.</p> <p>The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.</p>

Material judgements and estimates (continued)

Material judgements and estimates	Description
Discount rate applied to future lease payments	<p>Orbost Regional Health discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Orbost Regional Health uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.</p> <p>For leased land and buildings, Orbost Regional Health estimates the incremental borrowing rate to be between 2.29% and 4.92%.</p> <p>For leased plant, equipment, furniture, fittings and vehicles, the implicit interest rate is between 0.88% and 3.80%.</p>
Assessing the lease term	<p>The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Orbost Regional Health is reasonably certain to exercise such options.</p> <p>Orbost Regional Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <ul style="list-style-type: none"> • If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. • If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. • The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1 Borrowings

	Total 2024 \$'000	Total 2023 \$'000
Note		
Current borrowings		
Lease liability ⁽ⁱ⁾	297	303
Total current borrowings	297	303
Non-current borrowings		
Lease liability ⁽ⁱ⁾	467	166
Total non-current borrowings	467	166
Total borrowings	764	469

ⁱ Secured by the assets leased.

How we recognise borrowings

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

Initial recognition

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

Subsequent measurement

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

Maturity analysis

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

Defaults and breaches

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

Note 6.1 (a) Lease liabilities

Orbost Regional Health's lease liabilities are summarised below:

	Total 2024 \$'000	Total 2023 \$'000
Total undiscounted lease liabilities	818	478
Less unexpired finance expenses	(54)	(9)
Net lease liabilities	764	469

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

	Total 2024 \$'000	Total 2023 \$'000
Not longer than one year	320	307
Longer than one year but not longer than five years	498	171
Minimum future lease liability	818	478
Less unexpired finance expenses	(54)	(9)
Present value of lease liability	764	469
* Represented by:		
- Current liabilities	297	303
- Non-current liabilities	467	166
	764	469

How we recognise lease liabilities

A lease is defined as a contract, or part of a contract, that conveys the right for Orbost Regional Health to use an asset for a period of time in exchange for payment.

To apply this definition, Orbost Regional 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 Orbost Regional Health and for which the supplier does not have substantive substitution rights
- Orbost Regional 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 Orbost Regional Health has the right to direct the use of the identified asset throughout the period of use and
- Orbost Regional Health has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Orbost Regional Health's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased buildings	3 to 5 years
Leased plant, equipment, furniture, fittings and vehicles	2 to 5 years

Note 6.1 (a) Lease liabilities

Separation of lease and non-lease components

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

Initial measurement

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

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

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

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

Subsequent measurement

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

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

Note 6.2 Cash and Cash Equivalents

	Total 2024 \$'000	Total 2023 \$'000
Note		
Cash on hand (excluding monies held in trust)	2	2
Cash at bank (excluding monies held in trust)	1,679	1,418
Cash at bank - CBS (excluding monies held in trust)	5,354	5,790
Total cash held for operations	7,035	7,210
Cash at bank (monies held in trust)	12	12
Cash at bank - CBS (monies held in trust)	1,972	2,462
Total cash held as monies in trust	1,984	2,474
Total cash and cash equivalents	9,019	9,684
	7.1 (a)	

How we recognise cash and cash equivalents

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

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

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

Note 6.3 Commitments for expenditure

There were no capital or operating commitments at 30 June 2024.

Note 6.4 Non-cash financing and investing activities

	Total 2024 \$'000	Total 2023 \$'000
Acquisition of plant and equipment by means of Leases	570	-
Total non-cash financing and investing activities	570	-

Note 7: Risks, contingencies and valuation uncertainties

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

Structure

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

Material judgements and estimates

This section contains the following material judgements and estimates:

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

Material judgements and estimates (continued)

Material judgements and estimates	Description
Measuring fair value of non-financial assets	<p>Orbost Regional Health uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"> ▪ Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Orbost Regional Health's specialised land, non-specialised land and non-specialised buildings are measured using this approach. ▪ Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Orbost Regional Health's specialised buildings, furniture, fittings, plant, equipment and vehicles are measured using this approach. ▪ Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. Orbost Regional Health does not this use approach to measure fair value. <p>The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p> <p>Subsequently, the health service applies material judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none"> ▪ Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Orbost Regional Health does not categorise any fair values within this level. ▪ Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Orbost Regional Health categorises non-specialised land and right-of-use concessionary land in this level. ▪ Level 3, where inputs are unobservable. Orbost Regional Health categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.

Note 7.1: Financial instruments

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

Note 7.1 (a) Categorisation of financial instruments

		Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
Total				
30 June 2024				
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	9,019	-	9,019
Receivables and contract assets	5.1	1,011	-	1,011
Total Financial Assetsⁱ		10,030	-	10,030
Financial Liabilities				
Payables	5.2	-	1,356	1,356
Borrowings	6.1	-	764	764
Other Financial Liabilities - Refundable Accommodation Deposits	5.4	-	1,966	1,966
Other Financial Liabilities - Other monies held in trust	5.4	-	13	13
Other Financial Liabilities - Patient monies held in trust	5.4	-	5	5
Total Financial Liabilitiesⁱ		-	4,104	4,104

Note 7.1 (a) Categorisation of financial instruments

Total 30 June 2023	Note	Financial Assets at	Financial Liabilities	Total
		Amortised Cost \$'000	at Amortised Cost \$'000	
Contractual Financial Assets				
Cash and cash equivalents	6.2	9,684	-	9,684
Receivables and contract assets	5.1	915	-	915
Total Financial Assetsⁱ		10,599	-	10,599
Financial Liabilities				
Payables	5.2	-	1,356	1,356
Borrowings	6.1	-	469	469
Other Financial Liabilities - Refundable Accommodation Deposits	5.4	-	2,456	2,456
Other Financial Liabilities - Other monies held in trust	5.4	-	13	13
Other Financial Liabilities - Patient monies held in trust	5.4	-	5	5
Total Financial Liabilitiesⁱ		-	4,299	4,299

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

How we categorise financial instruments

Categories of financial assets

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

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

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

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

Note 7.1 (a) Categorisation of financial instruments

Financial assets at amortised cost

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

- the assets are held by Orbost Regional 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.

Orbost Regional Health recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)

Note 7.1 (a) Categorisation of financial instruments

Categories of financial liabilities

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

Financial liabilities at amortised cost

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

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

Orbost Regional Health recognises the following liabilities in this category:

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

Offsetting financial instruments

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

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

Note 7.1 (a) Categorisation of financial instruments

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

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

A financial liability reclassification is not permitted.

Note 7.2: Financial risk management objectives and policies

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

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

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

Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

Note 7.2 (a) Credit risk

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

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

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

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

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

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

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

Note 7.2 (a) Credit risk

Impairment of financial assets under AASB 9

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

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

Contractual receivables at amortised cost

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

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

		Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
30 June 2024	Note						
Expected loss rate		0.0%	0.0%	0.0%	10.0%	0.0%	
Gross carrying amount of contractual receivables	5.1	151	8	8	31	11	209
Loss allowance		-	-	-	(3)	-	(3)
		Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
30 June 2023							
Expected loss rate		0.0%	0.0%	0.0%	14.0%	0.0%	
Gross carrying amount of contractual receivables	5.1	267	3	1	22	9	302
Loss allowance		-	-	-	(3)	-	(3)

Note 7.2 (a) Credit risk

Statutory receivables and debt investments at amortised cost

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

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

Note 7.2 (b) Liquidity risk

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

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

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

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

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

Note 7.2 (b) Payables and borrowings maturity analysis

		Maturity Dates					
		Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	Over 5 years
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total							
30 June 2024							
Payables	5.2	1,356	1,356	1,165	177	14	-
Borrowings	6.1	764	764	25	50	225	464
Other Financial Liabilities - Refundable Accommodation Deposits	5.4	1,966	1,966	-	300	400	1,266
Other Financial Liabilities - Other monies held in trust	5.4	13	13	13	-	-	-
Other Financial Liabilities - Patient monies held in trust	5.4	5	5	5	-	-	-
Total Financial Liabilities		4,104	4,104	1,208	527	639	1,730

		Maturity Dates					
		Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	Over 5 years
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total							
30 June 2023							
Financial Liabilities at amortised cost							
Payables	5.2	1,356	1,356	1,356	-	-	-
Borrowings	6.1	469	469	23	69	184	193
Other Financial Liabilities - Refundable Accommodation Deposits	5.4	2,456	2,456	-	300	400	1,756
Other Financial Liabilities - Other monies held in trust	5.4	13	13	13	-	-	-
Other Financial Liabilities - Patient monies held in trust	5.4	5	5	5	-	-	-
Total Financial Liabilities		4,299	4,299	1,397	369	584	1,949

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

Maturity analysis of Refundable Accommodation Deposits is based upon historical redemption rates.

Note 7.3: Contingent assets and contingent liabilities

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

How we measure and disclose contingent assets and contingent liabilities

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

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

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

Note 7.4: Fair Value Determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

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

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

Valuation hierarchy

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

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

Orbost Regional 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.

Orbost Regional 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 Orbost Regional Health's independent valuation agency for property, plant and equipment.

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

		Total carrying amount 30 June 2024 \$'000	Fair value measurement at end of reporting period using:		
	Note		Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Non-specialised land		685	-	685	-
Specialised land		600	-	-	600
Total land at fair value	4.1 (a)	1,285	-	685	600
Non-specialised buildings		990	-	990	-
Specialised buildings		17,899	-	-	17,899
Total buildings at fair value	4.1 (a)	18,889	-	990	17,899
Plant and equipment	4.1 (a)	340	-	-	340
Motor vehicles	4.1 (a)	53	-	-	53
Medical equipment	4.1 (a)	705	-	-	705
Computer equipment	4.1 (a)	53	-	-	53
Furniture and fittings	4.1 (a)	39	-	-	39
Total plant, equipment, furniture, fittings and vehicles		1,190	-	-	1,190
Right of use Non-Specialised Buildings		48	-	48	-
Right of use PPE	4.2 (a)	698	-	-	698
Total right-of-use assets at fair value		746	-	48	698
Total non-financial physical assets at fair value		22,110	-	1,723	20,387
		Total carrying amount 30 June 2023 \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Non-specialised land		660	-	660	-
Specialised land		308	-	-	308
Total land at fair value	4.1 (a)	968	-	660	308
Non-specialised buildings		458	-	458	-
Specialised buildings		9,870	-	-	9,870
Total buildings at fair value	4.1 (a)	10,328	-	458	9,870
Plant and equipment	4.1 (a)	360	-	-	360
Motor vehicles	4.1 (a)	60	-	-	60
Medical equipment	4.1 (a)	514	-	-	514
Computer equipment	4.1 (a)	95	-	-	95
Furniture and fittings	4.1 (a)	41	-	-	41
Total plant, equipment, furniture, fittings and vehicles at fair value		1,070	-	-	1,070
Right of use Non-specialised buildings		71	-	71	-
Right of use PPE	4.2 (a)	369	-	-	369
Total right-of-use assets at fair value		440	-	71	369
Total non-financial physical assets at fair value		12,806	-	1,189	11,617

ⁱ Classified in accordance with the fair value hierarchy.

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

How we measure fair value of non-financial physical assets

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

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

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

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

Non-specialised land & non-specialised buildings

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

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

Specialised land and specialised buildings

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

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

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

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

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

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

Vehicles

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

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

Furniture, fittings, plant and equipment

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

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

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

		Land	Buildings	Plant, equipment, vehicles, furniture & fittings	ROU Assets
Total	Note	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022		308	8,685	650	346
Additions/(Disposals)		-	1,985	605	114
Net Transfers between classes		-	56	11	-
Gains/(Losses) recognised in net result					
- Depreciation and amortisation		-	(856)	(196)	(91)
Balance at 30 June 2023	7.4 (a)	308	9,870	1,070	369
Additions/(Disposals)		-	(31)	353	439
Net Transfers between classes		-	8	7	-
Gains/(Losses) recognised in net result					
- Depreciation and Amortisation		-	(1,993)	(240)	(110)
- Impairment loss		-	-	-	-
Items recognised in other comprehensive income					
- Revaluation		292	10,045	-	-
Balance at 30 June 2024	7.4 (a)	600	17,899	1,190	698

ⁱ Classified in accordance with the fair value hierarchy, refer Note 7.4

Fair value determination of level 3 fair value measurement

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

(i) A community service obligation (CSO) of 20% was applied to Orbost Regional Health's specialised land.

Note 8: Other disclosures

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

Structure

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

8.2 Responsible persons

8.3 Remuneration of executives

8.4 Related parties

8.5 Remuneration of auditors

8.6 Events occurring after the balance sheet date

8.7 Jointly arrangements

8.8 Equity

8.9 Economic dependency

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

		Total 2024 \$'000	Total 2023 \$'000
	Note		
Net result for the year		(884)	625
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets	3.2	(143)	(54)
Depreciation and amortisation of non-current assets	4.4	2,455	1,180
Less cash inflow/outflow from investing and financing activities		(75)	(2)
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables and contract assets		(126)	53
(Increase)/Decrease in prepaid expenses		(85)	35
Increase/(Decrease) in payables and contract liabilities		(550)	624
Increase/(Decrease) in employee benefits		297	(328)
Increase/(Decrease) in other liabilities		-	(78)
Net cash inflow from operating activities		889	2,055

Note 8.2 Responsible person disclosures

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

	Period
The Honourable Mary-Anne Thomas MP	
Minister for Health	1 Jul 2023 - 30 Jun 2024
Minister for Health Infrastructure	1 Jul 2023 - 30 Jun 2024
Minister for Ambulance Services	3 Oct 2023 - 30 Jun 2024
The Honourable Gabrielle Williams MP	
Former Minister for Mental Health	1 Jul 2023 - 2 Oct 2023
Former Minister for Ambulance Services	1 Jul 2023 - 2 Oct 2023
The Honourable Ingrid Stitt MP	
Minister for Mental Health	2 Oct 2023 - 30 Jun 2024
Minister for Ageing	2 Oct 2023 - 30 Jun 2024
Minister for Multicultural Affairs	2 Oct 2023 - 30 Jun 2024
The Honourable Lizzy Blandthorn MP	
Minister for Children	2 Oct 2023 - 30 Jun 2024
Minister for Disability	2 Oct 2023 - 30 Jun 2024
Governing Boards	
Peter van den Oever	1 Jul 2023 - 30 Jun 2024
Robyn Francis	1 Jul 2023 - 30 Jun 2024
Deborah Miller	1 Jul 2023 - 30 Jun 2024
Emily Richardson	1 Jul 2023 - 30 Jun 2024
Thelma Hutchison	1 Jul 2023 - 30 Jun 2024
George Neophytou	1 Jul 2023 - 17 Dec 2023
Wayne Pease	1 Jul 2023 - 30 Jun 2024
Royce Andrews	1 Jul 2023 - 30 Jun 2024
Tabatha Cole	1 Jul 2023 - 30 Jun 2024
Accountable Officers	
Vicki Farthing (Chief Executive Officer)	28 Feb 2024 - 30 Jun 2024
Lindy Washington (Acting Chief Executive Officer)	1 Jul 2023 - 28 Feb 2024

Note 8.2 Responsible persons (continued)

Remuneration of Responsible Persons

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

Income Band

\$0 - \$9,999

\$10,000 - \$19,999

\$20,000 - \$29,999

\$50,000 - \$59,999

\$70,000 - \$79,999

\$140,000 - \$149,999

\$200,000 - \$209,999

Total Numbers

Total 2024 No	Total 2023 No
9	9
-	1
-	1
-	1
1	-
-	1
1	-
11	13
Total 2024 \$'000	Total 2023 \$'000
315	275

Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:

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 of executive officers

(including Key Management Personnel disclosed in Note 8.4)

	Total Remuneration	
	2024	2023
	\$'000	\$'000
Short-term benefits	298	343
Post-employment benefits	32	31
Other long-term benefits	9	21
Total remunerationⁱ	339	395
Total number of executives	2	5
Total annualised employee equivalent ⁱⁱ	2.0	3.0

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

Total remuneration payable to executives during the year included were higher due to staff departures and replacement with acting roles for more than one staff member.

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

Short-term employee benefits

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

Post-employment benefits

Pensions and other retirement benefits (such as superannuation guarantee contributions) paid or payable on a discrete basis when employment has ceased.

Other long-term benefits

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

Note 8.4: Related Parties

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

- all key management personnel (KMP) and their close family members and personal business interests
- cabinet ministers (where applicable) and their close family members
- jointly controlled operations – A member of the Gippsland Health Alliance and
- all health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

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

Key management personnel

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

Entity	KMPs	Position Title
Orbost Regional Health	Peter van den Oever	Board Chair
Orbost Regional Health	Robyn Francis	Board Member
Orbost Regional Health	Deborah Miller	Board Member
Orbost Regional Health	Emily Richardson	Board Member
Orbost Regional Health	Thelma Hutchison	Board Member
Orbost Regional Health	George Neophytou	Board Member
Orbost Regional Health	Wayne Pease	Board Member
Orbost Regional Health	Royce Andrews	Board Member
Orbost Regional Health	Tabatha Cole	Board Member
Orbost Regional Health	Vicki Farthing	Chief Executive Officer
Orbost Regional Health	Lindy Washington	Interim Chief Executive Officer
Orbost Regional Health	Kylie Foltin	Director of Clinical and Aged Care Services
Orbost Regional Health	Nicole Brown	Director of Community Health

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 Financial Report.

	Total 2024 \$'000	Total 2023 \$'000
Compensation - KMPs		
Short-term Employee Benefits ⁱ	580	570
Post-employment Benefits	59	54
Other Long-term Benefits	15	46
Total ⁱⁱ	654	670

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

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

Note 8.4: Related Parties

Significant transactions with government related entities

Orbost Regional Health received funding from the Department of Health of \$10.41 m (2023: \$9.95 m) and indirect contributions of \$0.19 m (2023: \$0.75 m). Balances outstanding as at 30 June 2024 are \$0.53 m (2023 \$0.47 m)

During the year, Orbost Regional Health had the following other government related entity transactions:

- Commonwealth Government funding received for health related programs totalling \$3.74m (2023: \$3.90m),
- Other Victorian State Government \$0.62m (2023: \$0.85m),

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

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

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

Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with Orbost Regional Health, there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2024 (2023: none).

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

Note 8.5: Remuneration of Auditors

Victorian Auditor-General's Office
Audit of the financial statements
Total remuneration of auditors

Total 2024 \$'000	Total 2023 \$'000
22	21
22	21

Note 8.6: Events occurring after the balance sheet date

There are no events that have occurred after the balance sheet date

Note 8.7 Joint arrangements

	Principal Activity	Ownership Interest	
		2024	2023
		%	%
Gippsland Health Alliance	Information Technology Services	4.16	4.6

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

	2024	2023
	\$'000	\$'000
Current assets		
Cash and cash equivalents	569	451
Other current assets	235	219
Total current assets	804	670
Non-current assets		
Property, plant and equipment	20	35
Total non-current assets	20	35
Total assets	824	705
Current liabilities		
Other Liabilities	87	102
Lease Liability	8	9
Total current liabilities	95	111
Non-current liabilities		
Lease Liability	8	15
Total non-current liabilities	8	15
Total liabilities	103	126
Net assets	721	579
Equity		
Accumulated surplus	721	579
Total equity	721	579

Note 8.7 Joint arrangements

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

	2024	2023
	\$'000	\$'000
Revenue		
Operating Activities	1,145	1,196
Total revenue	1,145	1,196
Expenses		
Other Expenses from Continuing Operations	988	979
Depreciation	15	20
Total expenses	1,003	999
Net result	142	197

Contingent liabilities and capital commitments

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

Note 8.8 Equity

Contributed capital

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

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

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

Specific restricted purpose reserves

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

Property, plant and equipment revaluation surplus

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

Note 8.9 Economic dependency

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



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