SEYMOUR HEALTH

Annual Report and Financial Statements

2019 – 2020

Seymour Health
Caring for Our Community

Corporate governance

The Governor-in-Council, upon the recommendation of the Minister for Health, Jenny Mikakos, MP, appoints the Board of Seymour Health. The capacity of the Board is 12 directors.

The functions of the Board as determined by the *Health Services Act 1988* are:

- To oversee and manage the organisation, and
- To ensure the services provided comply with the requirements of the Act and the aims of the organisation

Governance by the Board is achieved through:

- Strategic planning to ensure the strategic directions align with the organisational vision, mission and values
- Effective management by the Chief Executive Officer; the Board conducts an annual performance appraisal and sets realistic goals; the Chief Executive Officer is responsible for managing the organisation at an operational level
- Funding of service agreements - the Board endorses plans, strategies and budgets and ensures annual agreements reflect accurate, achievable and ethical outcomes and monitors the performance of the organisation through appropriate budgetary processes
- Effective and efficient Quality and Risk Management; the Board oversees the organisation's programs which ensure a safe working environment, adhering to Legislation, By-Laws and Operational Practices

Our History

May 1920	Under a deed of trust, Seymour Soldier's Memorial Hospital opened. The hospital was funded by public subscription and leased to Matron L.C. Rutherford, to treat ex-servicemen.	**Jun 1951**	The hospital became a public community facility and plans developed for a new building.	**Nov 1959**	The 28-bed facility was opened and officially named Seymour District Hospital.
Sep 1965	The hospital was renamed and gazetted as Seymour District Memorial Hospital.	**Feb 1980**	The 20 bed Nursing Home opened and operated as Seymour District Nursing Home Society Incorporated with a separate Board.	**Sep 1990**	The Nursing Home increased to 30 beds with an additional 10 nursing home beds officially opened.
Apr 1994	Hospital and Nursing Home services amalgamated. A Deed of Novation was signed and approval granted to operate both services as Seymour District Memorial Hospital.	**Nov 1996**	$3.5m hospital expansion including redevelopment of 1959 building opened. *(The1959 building now houses the operating theatres and radiology areas.)*	**Sep 2006**	Official opening of the $5.1m purpose built residential aged care building, Barrabill House and the $1.8m Ambulatory Care Centre.
Feb 2007	Official opening of Community Services building.	**Nov 2009**	Renovations to improve access to the Emergency Department and Medical Records completed.	**Mar 2011**	Closing the Health Gap Lower Hume Project official opening of Goranwarrabul House.
Jul 2011	Governor in Council: Seymour District Memorial Hospital amended to Seymour Health	**May 2015**	Official opening of the Cancer / Dialysis Services Unit by the Hon Jill Hennessy, MP – Minister for Health	**Dec 2019**	Official opening of the Urgent Care Centre / Main Entrance Project

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Design EBD Architects, contractors Building Engineering.

Acknowledgement of Traditional Owners

Seymour Health acknowledges the Taungurung People as the Traditional Owners of the land on which we work and pays respect to Elders past, present and emerging.

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Vision

Creating a healthy community.

Mission

To provide high quality, safe and responsive healthcare for the community.

Goals

Community	Partnering with our community to support their health and wellbeing
Quality and Safety	Providing safe, high quality, responsive healthcare
People	Investing in our people to provide the best care
Services	Committed to meeting community needs
Sustainability	Responsibly meeting future healthcare needs

Responsible bodies declaration

In accordance with the *Financial Management Act 1994,* I am pleased to present the report of operations for Seymour Health for the year ending 30 June 2020.

Michael Molony
Board Chair
Seymour Health
24 September 2020

Annual reporting

Seymour Health reports on its annual performance in two separate documents. This Annual Financial and Performance Report fulfils the statutory reporting requirements to Government by way of an Annual Report and the Victorian Quality Account reports on quality, risk management and performance improvement matters.

Both documents are presented to the Annual General Meeting and distributed to the community. The report is also available on Seymour Health website at www.seymourhealth.org.au

Relevant Ministers

The responsible Ministers during the reporting period were:

Jenny Mikakos MP, Minister for Health, Minister for Ambulance Services
Martin Foley MP, Minister for Mental Health
Luke Donnellan, Minister for Child Protection, Minister for Disability, Ageing and Carers

Achievements

Aged Care

- Personal Protective Equipment training
- COVID Safe Plan and Outbreak Management Plan
- Implementation of HealthDirect telemedicine for community consultations

Awards

- Victorian Training: Employer Award for Apprenticeship Development Winner 2019

Capital

- Completion and official opening of the Urgent Care Centre and Front Entrance redevelopment project
- Barrabill House redevelopment, including Sensory Therapeutic room design plans completed and tender ready
- Main hospital Fire Indicator Panel upgraded

Communication

- Development and launch of SH Facebook page
- COVID-19 newsletter and newspaper editorials established
- Charter of Human rights posted throughout organisation
- Family Violence posters and 1800 RESPECT information posted throughout organisation

Supporting staff

- Restructure administration support management
- Organisational succession planning
- Leadership retreat leading to Cultural Development Plan
- Financial support of Rural and Isolated Practice Registered Nurse (RIPERN) and Nurse Practitioner candidates

Quality and safety

- 100% hand hygiene
- COVID-19 online training 100%
- Introduction of Safe-T duress system

Community engagement

- New By-Laws developed
- Governance Policy Framework developed

Service profile

Clinical services

- Acute Ward – Medical/Surgical
- Cancer services
- Renal dialysis
- Operating Suite Services
- Infection Control services
- Pre-Admission
- Residential Aged Care
- Urgent Care Centre

Community services

- Allied health services
- Ambulatory Care Centre
- Chronic Disease Service
- Clinical education
- Community and Women's health services
- Diabetes clinic
- District Nursing Service
- Health promotion
- Oral health services
- Palliative care services
- Post-Acute Care services
- Social Support Group
- Goranwarrabul House – Aboriginal and Torres Strait Islander Australians Services

Support services

- Administration
- Environmental services
- Facilities
- Finance and payroll
- Food services
- People and Culture
- Procurement

Chief Executive Officer and Board Chair report

In accordance with the Financial Management Act 1994, we are pleased to present the Report of Operations for Seymour Health for the year ending 30 June 2020.

2019-20 has proven to be an exceptionally challenging year for Seymour Health and the community we serve. The most significant challenge, of course, has been the onset of the novel corona virus (COVID-19) pandemic.

The past year has also seen the retirement of Chris McDonnell as CEO and the commencement of Ward Steet as the new CEO, completion of the Urgent Care Centre capital works and finalisation of plans for Barrabill House's new dementia specific 10-bed residential aged care wing, all in the middle of the pandemic.

COVID-19

While healthcare provision during the latter half of the year was anything but ordinary, it is important to recognise that Seymour Health continued to deliver safe high-quality care at all times during the pandemic, even as we went into stage 3 lockdown restrictions.

The team at Seymour Health rose to the occasion, implementing numerous innovations to ensure our community was well served.

Initiatives such as virtual consultations via the HealthDirect telemedicine platform were established for community care and Specialist consultations, care packages and meals were provided to members of the Social Support Group to ensure they remained engaged and had regular mental health welfare checks, staff were redeployed to special Personal Protective Equipment (PPE) training teams to ensure all staff across the organisation had enhanced levels of training.

Right from the start Seymour Health implemented very strict guidelines around aged care to ensure the safety of our residents. Staff were immediately restricted from working across different areas of the health service and visitation to Barrabill House locked down to mitigate against the risk of an outbreak in our residential aged care facility. Daily communication with the residents' families and carers via phone, email and Facebook was initiated and Facetime between residents and their families/carers was introduced.

We continually sought feedback from families to ensure their needs were being met. When visitation was permitted for a short period of time we implemented strict controls that ensured the safety of the residents.

Cohabitation in Barrabill House was eliminated by restricting admissions and transfers to Barrabill House were managed conservatively utilising our acute beds for quarantine before admission to the aged care facility.

When elective surgery volumes were impacted by the pandemic restrictions, theatre staff volunteered to man the drive-through COVID-19 testing station seeing upwards of 60 people a day during the height of the second wave. Dental staff also impacted by restrictions joined the testing team.

The acute care nurses managed a huge volume of patients in isolation, carrying the weight of all that goes with the extra precautions, while still caring for other admitted patients.

Cleaning staff also met the challenge, adding additional shifts to ensure all areas of the health service were cleaned to the highest standard, often several times a day, to ensure the spread of the virus would not impact Seymour Health.

The Administration Support staff experienced a huge increase in work associated with screening visitors to the health services and with documentation relating to COVID-19 screening.

Seymour Health has in place a robust COVID Safe Plan and Outbreak Management policy. We have liaised closely with other Hume region health services to develop the Hume Region COVID-19 Cluster Response Plan.

Staff have trained up in contact tracing. We have in place a Call to Test service to test vulnerable persons in their homes and we have identified staff available for Rapid Response Testing Teams and Deployment Teams that can mobilise quickly in response to outbreaks anywhere across the Hume region.

The rapidly evolving pandemic environment that is still impacting the health service as we enter the next financial year has taken its toll on every staff member in the health service. Everyone is experiencing COVID fatigue. The constant threat of the virus along with ever changing rules, regulations and restrictions requires all of the staff to be flexible and adapt almost daily.

We are proud to say that each and every one of them has proven themselves up to the challenge meeting each and every obstacle head on to ensure the safety of our community.

Communication

Seymour Health launched its Facebook page during the year. The timing of its establishment was fortuitous as the social media tool has proven to be invaluable as a key communication tool during the pandemic.

Feedback regarding the Facebook page has been exceptionally positive with information on the page being refreshed several times a week. The dedicated Executive team monitor and respond to posts to ensure Seymour Health remains responsive to community need.

In addition to Facebook we have continued in the production and distribution of several newsletters targeting different cohorts. Different newsletters written with content specifically for the doctors, the community, and the staff are all produced on a regular basis.

Seymour Health also utilises digital notice boards, screen savers and email distribution lists to convey messaging across the health service in conjunction with the normal avenues of communication such as regular notice boards and staff meetings.

Recognition

With all the challenges of the past year it has been important to recognise staff and volunteers for their outstanding contribution to the health service. Staff are acknowledged for both years of service and for excellence in service delivery.

There are five categories of staff excellence awards: Outstanding Contribution, Excellence in Consumer Care and Engagement, Excellence in Leadership, Excellence in Modelling the Values and Outstanding Volunteer Award.

Seymour Health has also celebrated events such as International Nurses Day, Stress Down Day and RUOK Day to ensure we acknowledge the important contribution of our staff and continue to support their health and wellbeing.

A Healthy Seymour

The *A Healthy Seymour* project has continued to deliver results even during the tumultuous year that we have had.

Policy development and documentation required to implement the QUIT program at Seymour Health has been finalised and training for staff in QUIT and Nicotine Replacement Therapy is progressing.

Healthy eating and physical activity initiatives have been identified and have been rolled out across the organisation including a review of the catering to ensure the menus meet healthy eating guidelines.

Capital works

The redevelopment of the Urgent Care Centre was completed during the year and the occasion was marked with an official opening by The Hon. Jaclyn Symes, State Member for Northern Victoria, Minister for Regional Development, and an afternoon tea held for staff.

Plans for the addition of a 10-bed dementia capable wing to the Barrabill House Residential Aged Care Service were progressed through to tender readiness with the tender process being delayed due to circumstances relating to the pandemic.

The tender process is now expected to proceed in October 2020 and works hoped to commence early in 2021.

100-Year Anniversary

May 2020 marked the 100-year anniversary of the establishment of the Seymour Soldiers Memorial Hospital that has evolved into what is now Seymour Health.

The Board of Seymour Health is keen to ensure this milestone does not go unnoticed and a working group made up of board directors, community members and management have developed plans to celebrate the occasion.

While COVID-19 may have delayed some of the planned initiatives the celebrations will proceed as pandemic restrictions are lifted.

Acknowledgments

We would like to acknowledge the valuable contribution, dedication and leadership provided to Seymour Health by the retiring CEO, Chris McDonnell.

Chris was instrumental in developing the culture of excellence at Seymour Health, working to build competence and confidence in the leadership team and the staff. He steered the organisation along a strong financial pathway, positioning it well for future growth.

During his tenure Chris ensured Seymour Health maintained strong partnerships with its neighbouring health services and other key strategic partners such as the Mitchell Shire Council, Nexus Primary Health, the Lower Hume Primary Care Partnership, Murray Primary Health Network (PHN) and Community Interlink.

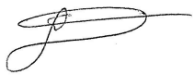
Among his numerous achievements Chris secured significant funding for the Urgent Care Redevelopment and the expansion of Barrabill House with funding for the 10-bed dementia capable residential aged care wing.

We would also acknowledge Meena Vannitamby who resigned from the board after four years. Meena also served on several board committees, working groups and panels, including Board Clinical Governance and CEO Performance & Remuneration during this time. Meena provided strong governance and strategic insight and her considered input is greatly missed.

Seymour Health has enjoyed ongoing support from the Commonwealth Department of Health and the Victorian State Department of Health and Human Services. We also receive funding support from the Murray PHN. Without the support of these funding bodies Seymour Health would not be able to continue serving the Seymour community.

The Board welcomes Mr Ward Steet to Seymour Health following his appointment as CEO from 30 March 2020. Ward has over 25 years of executive level healthcare experience and has previously been the CEO of two other small rural health services.

Annie Fletcher-Nicholls
Board Chair



Ward Steet
Chief Executive Officer

Financial Governance Sub-Committee

The Financial Governance sub-committee was in effective operation for the 2019-20 year in accordance with the *Financial Management Act 1994* and Standing Directions 2018 under the *Financial Management Act 2014* requirements for public entities to have an audit and risk management committee.

The purpose of the committee is to oversee and advise the board and CEO on matters of accountability and internal control affecting the operations of Seymour Health. The committee consists of three board members appointed by the board.

The committee held ten meetings during the 2019-20 year. The activities of the committee included:

- Review of Terms of Reference for the Financial Governance sub-committee
- Review of monthly financial performance
- Review and endorsement of financial and risk management policies
- Review and endorsement of Delegations of Authority
- Continuing appointment of internal auditor
- Review of internal audit reports on Capital project management and Compliance to Standing Directions 2018, under the *Financial Management Act 2014*
- Review of corporate risk register
- Financial Governance sub-committee self-assessment

Having conducted the above reviews, the committee is confident to report that the financial policies, procedures and practices at Seymour Health are effective in meeting operational requirements, controlling risks and are compliant with departmental and legislative requirements.

The committee has been renamed Finance Risk and Audit Committee (FRAC) for the ensuing year 2020-21.

Michael Molony
Financial Governance sub-committee Chair, 2019-20

Annie Fletcher-Nicholls
Finance Risk and Audit Committee Chair, 2020

Director of Business Services and Performance report

In accordance with the Financial Management Act 1994, we are pleased to present the Report of Operations and Annual Financial Statements for the year ending 30 June 2020.

Seymour Health provides a range of health services to the Seymour and surrounding communities from primary care through to residential care and acute services. Service areas include: Acute inpatient, urgent care, dialysis, chemotherapy, Barrabill House residential care, Goranwarrabul House, oral health services, Ambulatory Care Centre, palliative care and community health.

There were no changes to the range of services provided by Seymour Heath in the 2019-20, however services were impacted by COVID-19, with some service reduction due to government restrictions.

The operating financial result before capital and specific items for 2019-20 was a surplus of $75,000. All services were adequately resourced during the year and the surplus position has enabled Seymour Health to allocate funds to future capital projects while continuing to invest in replacement and new assets.

The net result for the entity was a surplus of $172,000 after capital and specific items. This result includes capital income of $1,766,000, capital donations $94,000, capital expenditure $59,000 and depreciation $1,711,000.

The operating budget objective was to breakeven, the final result is therefore $83,000 favourable to budget.
The key drivers of the financial result were the impact of COVID-19 and the *Safe Patient Care Act*.
Commonwealth and State funding was received in relation to COVID-19 to supplement loss of revenue and fund additional expenditure. COVID-19 has impacted on the service capacity in 2019-20. Teleconferencing was introduced to assist non-admitted services.

Overall income from operating activities (including capital) increased by 0.8% compared with the previous year; excluding capital revenue 4.0% increase. Operating expenditure increased by 5.1% including salary expenses which increased by 8.2%. This increase in salary expenses relates to an increasing WorkCover premium, award increases and additional staff to support *Safe Patient Care Act* and COVID-19 requirements.

The Seymour community's support of Seymour Health is greatly appreciated. Total donations and fundraising received in 2019-20 was $13,704 compared to $275,000 the previous year. Donations will enable funding of new and/or replacement of medical equipment.

The positive financial result will ensure Seymour Health continues to build on a strong financial position. Working Capital has decreased to 125% (2018-19 181%). Cash and investments $9,322,000 includes tied funds for capital funded projects and Residential Accommodation Deposits. The favourable result to budget assists with funding of the replacement of ageing infrastructure and equipment. Previous years reserves have funded our contribution towards the Urgent Care Centre (UCC) and main entrance redevelopment and replacement of ageing equipment during the year. It also supports opportunities for future capital development and enhanced service provision.

Purchase of capital items during 2019-20 included:

- Renewal of Infrastructure (Plant, equipment & ICT) $285,000
- BH fire panel, fire hydrants, Plant hot water unit
- Furniture & fittings $44,000, equipment $18,000
- Medical equipment $207,000
  - Gastrovideoscope
  - Colonovideoscope
  - Fluid warming cabinet
  - Operating table
  - Wheelchair
  - Lifting device

In December 2019 works on the UCC, main entrance and reception areas were completed and Seymour Health officially opened the new entrances. This redevelopment works was funding by DHHS, with a co-contribution by Seymour Health.

Design work has been undertaken on the Barrabill House additional 10 bed unit, following extensive consultation with staff, consumers and families. The tender process was delayed, however is expected to be undertaken later in 2020.

During 2019-20 the fire and smoke detectors were upgraded in the main building. Barrabill House fire panel was also upgraded. Plans for solar panel installations and sprinklers in the acute ward were delayed due to COVID-19.

	2020 $'000	2019 $'000	2018 $'000	2017 $'000	2016 $'000
OPERATING RESULT*	75	200	581	658	1,071
Total revenue	23,198	23,074	20,517	19,263	18,842
Total expenses	23,026	21,962	21,065	19,859	19,085
Net result from transactions	172	1,112	(548)	(596)	(243)
Total other economic flows	(75)	(330)	(29)	54	(348)
Net result	97	782	(577)	(542)	(591)
Total assets	35,990	35,661	32,076	31,092	30,987
Total liabilities	9,386	6,740	5,214	5,604	4,788
Net assets/ Total equity	26,604	28,921	26,862	25,488	26,199

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

	2020 $'000	2019 $'000	2018 $'000	2017 $'000	2016 $'000
Net Operating result *	75	200	581	658	1,071
Capital purpose income	1,860	2,673	779	325	258
Specific income					
COVID 19 State supply arrangements - Assets received free of charge or for nil consideration under the State supply	22	-	-	-	-
State supply items consumed up to 30 June 2020	(15)				
Expenditure for capital purpose	(59)	(52)	(281)	(4)	-
Depreciation and amortisation	(1,711)	(1,709)	(1,627)	(1,575)	(1,572)
Impairment of non-financial assets	-	-	-	-	-
Financial costs (other)					
Net result from transactions	**172**	**1,112**	**(548)**	**(596)**	**(243)**

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

Cheryl Nickels-Beattie
Director Business Services and Performance

Executive staff

Chief Executive Officer

Ward Steet (from Mar 2020)
B. App Sc (Physiotherapy)
Grad. Dip (Bus. Admin)
MBA (Strategic Operations)
GAICD

The Chief Executive Officer (CEO) is responsible to the Board for the efficient and effective management of Seymour Health.

Chris McDonnell (to Mar 2020)
Dip. Teaching, Grad. Dip. Spec. Ed.
Master of Arts-Industrial Relations

Director Clinical Services

Anne Daley
RN, Grad. Dip. App. Science (Critical Care Nursing)

The Director of Clinical Services has professional responsibility for all clinical staff and operational responsibility for all clinical services across the organisation. The role also supports the CEO function and involves community engagement.

Director Business Services & Performance

Cheryl Nickels-Beattie
B Bus (Accounting)

The Director of Business Services and Performance has overall responsibility for the effective delivery of corporate and operational support services. The role includes Chief Finance Officer and Chief Procurement Officer responsibilities.

Director Medical Services

Dr. Peter Sloan
MBBS, MBA, FRAC

The Director of Medical Services has professional responsibility for the credentialing and management of Visiting Medical Officers and oversight of clinical governance.

Assistant Director Quality & Safety

Vickie Callaghan RN, B. App. Science

The Assistant Director Quality and Service Development has responsibility for quality activities, management of accreditation processes, safety and quality of patient care, organisational improvement, risk management, consumer feedback, legislative compliance and policy development and review.

Manager People & Culture

Kelly Christensen
Dip. HR

Manager People and Culture is responsible for the oversight of the human resource services including staff recruitment, employment orientation and induction, performance management, employment relations, industrial relations, equal opportunity, WorkCover, and to promote a healthy workplace culture by supporting all staff and their wellbeing.

Communications Manager

Jodie Fincham
Bachelor of Communication (Public Relations)

The Communications Manager has primary responsibility for strategic communication framework development, approaches and implementation across Seymour Health.

Seymour Health Board of Directors

The Board of Seymour Health has overall responsibility for the strategic direction and operational efficiency of the organisation. Board Directors are community volunteers, formally appointed by the State Minister for Health. They provide guidance and direction to the (Board appointed) Chief Executive Officer and senior hospital management staff. The Board meets on the fourth Thursday of the month, in addition to attending other nominated sub-committee meetings, community meetings and training, development and business activities.

Annie Fletcher-Nicholls – Chair Appointment 2012 | Term expiry 30 June 2020
B Arts (ANU), Member AICD

Annie has a wealth of experience as a CEO and senior executive in corporate communications and public affairs across a broad range of industry sectors. She is also currently Chair of Goulburn River Valley Tourism Board, and a director of Docklands Studios Melbourne. Annie has been on the Board of Seymour Health since 2012 and is passionate about providing first class healthcare to the Seymour community.

Michael Molony – Deputy Chair Appointment 2013 | Term expiry 30 June 2022
Financial Governance sub-committee (Chair)
CPA B. Bus (Acc)

Michael is Deputy Chair and the Chair of the Financial Governance sub-committee. A Certified Practising Accountant, Michael has operated his own accounting and financial planning practice in Seymour for more than 30 years. Michael has participated in (and continues to support) a diverse range of community organisations; his membership of the Seymour Health Board stems from that passion and commitment to our region.

Ian Chadwick Appointment 2015 | Term expiry 30 June 2020
Financial Governance sub-committee
Dip. Ed. B.E. (Graphics)

Ian re-joined the Board in 2015 after previously serving for over ten years. As a Board Director, Ian aims to improve health services for Seymour and surrounding district and to keep the community informed of all the services available to them from Seymour Health. Ian is Chair of the Community Reference Committee.

Fred Sartori Appointment 2015 | Term expiry 30 June 2022
Clinical Governance sub-committee | Financial Governance sub-committee

A local businessperson who has been self-employed in the Seymour community for over 40 years, Fred joined the Board in 2015 following membership on the Community Reference Committee. Fred is a member of the Board Clinical governance sub-committee. With a strong interest in consumer engagement, consumer participation and aged care services, Fred is passionate about supporting the local community.

Belinda Scott Appointment 2018 | Term expiry 30 June 2021
RN, MN, Grad Dip Mgt, MACN, MAICD

With over 25 years' experience in public health service provision, Belinda brings to the Board a wide range of experience on health service governance and operational committees. Belinda is committed to rural health and improving the health outcomes of communities through partnerships with consumers.

Sue van Buuren Appointment 2019 | Term expiry 30 June 2021
ANZIIF (snr Assoc) CIP

Sue is an experienced risk management and compliance specialist, with a background in general insurance and health insurance. Sue has strong skills in influencing, communication and stakeholder engagement. Sue holds a Diploma in Integrated Risk Management and a Certificate IV in Workplace Training and Assessment.

Russell Harrison Appointment 2019 | Term expiry 30 June 2021
BVSc DipPracMgt, GradCertHSM, GAICD

Dr Russell Harrison is COO of a large disability support organisation that operates across Victoria. Russell has a passion for improving systems and supporting staff to ensure that consumers are at the centre of everything we do. Before entering the community service sector, Russell was Head of Hospital Services at Lort Smith, Australia's largest dog and cat hospital. Russell has held Non-Executive and committee positions in the aged care, disability and animal health sector. Russell has a passion for service.

Board committees

Seymour Health had eight Board Directors during 2019-2020. The following sub-committees were in operation for this period; Financial Governance, Board Clinical Governance sub-committee, CEO Remuneration and Performance and the Community Reference Committee (CRC). Membership of the CRC increased during 2019-20, providing a broad range of advice, feedback and information to the Board and the organisation.

Board Director's attendance for meetings 1 Jul 2019 – 30 Jun 2020	**Seymour Health Board**	**Percentage**	**Financial Governance Sub-Committee**	**Board Clinical Governance sub-committee**
Number of meetings	**10**		**10**	**10**
Annie Fletcher-Nicholls	10	100%	-	-
Michael Molony	9	90%	10	-
Ian Chadwick	10	100%	10	
Fred Sartori	10	100%	10	8
Meena Vannitamby ❖	7 (of 8)	88%	-	5 (of 8)
Belinda Scott	7	70%	-	-
Sue van Buuren	9	90%	-	8
Russell Harrison	8	80%	-	7

❖ *resigned Apr 2020*

Pecuniary interest

Board Directors are required to declare at each meeting any pecuniary interest which might give rise to a conflict of interest. The Board has a policy and Code of Conduct which clarifies the responsibilities of Board Directors. A Conflict of Interest Register is in place and completed as required.

Life Governors past and present

SEYMOUR SOLDIERS MEMORIAL HOSPITAL

Mr T. Tehan
Dr J.C. Morton
Mr E. Hayward
Mr J. Chittick
Mr A. Stewart
Mr H.V. Rose
Mr S.A.T. Finlay
Mr J.C. Howard
Mr J.B. Bullen
Mr H.A. McKenzie
Mr C. McKenzie
Mr J Chisholm
Mr R. Chisholm
Mr W. M. Angliss MLC
Mr J. O'Sullivan
Mr A.G. Hunter
Mr W. Gilbert
Mr J. McCormack
Mr. R. J. Clydesdale
Miss M. Guild
Miss E. Plummer
Miss M. Lette
Mrs McKeddie
Mrs Grace Adams
Mr E.G. Finlay
Archdeacon Carter
Miss E. O'Sullivan
Miss B. Moody
Miss D. Gronow
Mr D. A. Lawrie
Miss Gerard
Mr G. Mallet
Mrs Herkes
Mr J. Tobin
Mr T. Sheehan
Mr L. Carpenter
Mr E. Wilmott
Mr E.J. Corboy
Mr W. J. Grieg
Mr A. Smith
Mr H. Green
Mrs A. Collopy
Mr H.E. Clarey
Mr W.J. Osborne
Mr W.J. Elliott
Mrs A. Rae
The Rev. C.H. Partridge
Mr D. Chisholm

SEYMOUR MEMORIAL HOSPITAL

Rev. C.H. Partridge
D. Burns
V. Hall
G.W. Hall
E.J. Corboy
G. Diggle
R.J. Browne
G.P. Hare
J. Elliott
J.H. Roberts
N.L. Bell
Mrs A.B. Whiteman (Newlan)
J.R. Carroll
Hon Arthur Smith
C. Geoghegan
Mrs K.M. Pollard
R.H. Thompson
Mrs L.M. Baker
C.A. Brown
Miss E. Kemp
J.A. Ware
F.H. English
Mrs A.V. Ansett

SEYMOUR DISTRICT MEMORIAL HOSPITAL

C.V. Smith
Matron G. Stimson
F.H. Cribbes
L.H.T. Denton
L.N. Smethurst
Mrs D. Arundale
Mrs M. Howard
Sister M.L. Humphries
Mrs T. Hall
Mr G. Pope
Mr W. Neale
Mrs B. Quick
Mrs I. Sloane
Mrs M. Andrea
Mrs M. Walsh
Mr E. Moylan
Mr W.E. Ferris
Mrs E. Butt
Mrs D. Wright
Dr J.R. Bryce
Mrs F. Coulson
Mrs C. Lewis
Dr C.B. Officer
Dr R.C.I. Russell
Mrs H. Sapsford
Mrs J. Smith
Mr J. Tuckwell
Mr J. Davey
Mr R. Muller
Mrs V. Kelly
Mr M. Deason
Miss J. McCarthy ARRC
Ms N. Ley
Mr W. Keating
Mrs J. Martin

SEYMOUR HEALTH

Mr R. Webster
Dr R. Peterson
Mr T. Heinz
Mr T. Old

Medical Officers

Director Medical Services

Dr. P. Sloan
MB, BS, MBA, FRACMA

Visiting General Practitioners

Dr W Dwyer
MB, BS, FRACGP, FACRRM, DA (UK), DRANZCOG

Dr E Jarman
MB, BS, Dip. Obst. RACOG

Dr R Stobie
MB, BS, FRACGP, DRANZCOG

Dr V Singh
MB, BS, FRACGP

Visiting General Practitioners / Anaesthetists

Dr C. Blanchot
MB, BS, FRACGP

Dr H Thurairajah
MB, BS (Sri Lanka), FRACGP/FARGP

Visiting General Practitioner Registrars

Dr R Acabado
MD (Philippines), BSc (Philippines)

Dr S. Ahammed
MB, BS

Dr N. Baluch
MB. BS

Dr H Eldebeiky
MB, BS

Dr A. Elkafrani
MB, BS

Dr R Godwin
MD (Russia)

Dr C Lawford
MB, BS

Dr B. Maddage
MB, BS

Dr S Mahanama
MB, BS

Dr L Nazareth
MB, BS

Dr M. Nuruzzaman
MB, BS

Dr A Pathagamage
MD (Russia)

Dr A Singh
MB, BS (India)

Dr A. Tang
MB, BS

Dr I Wijetunge
MB, BS

Visiting General Surgeons

Miss I Bringmann
MSc, MD, FRACS

Mr R Bassari
MB BS, FRACS

Ms B Lai
MB BS

Visiting Gastroenterologist

Dr D Fone
MB, BS, FRACP, DM

Dr M Ward
MB, BS, FRACP

Dr A Vasudevan
MB, FRACP

Visiting Colorectal Surgeon

Mr P Simpson
MB, BS/LLB, FRACS

Visiting Orthopaedic Surgeons

Miss A Boecksteiner
MB, BS, Dip. Anat., FRACS (Ortho)

Mr A Jain
MB, BS, MS, FRACS

Visiting Gynaecologist

Dr M Ilias
MB, BCh (Egypt), RANZCOG

Visiting Urologist

Mr D Druitt
MB, BS, FRCS (Edin), FRACS

Visiting Specialist Anaesthetists

Dr U Babitu
MB, BS, FANZCA

Dr G Stainsby
MB, BS, FANZCA

Dr P Ching
MB, BS

Dr J Rodriguez
MB, BS, (Venezuela) RANZCA

Dr M Kumar
MB, BS (India), RANZCA
Shepparton Anaesthetic Service

Visiting Oral and Maxillofacial Surgeon (Affiliated)

Dr G Wright
BDS, MB, BS, MDSc, FRACDS

Visiting Ear, Nose & Throat Surgeon

Mr B Costello
BDS, MB, BS, FRACS

Mr M Subramaniyan
MB BS FRACS

Visiting Cardiologist

Dr J Morgan
MB, BS, FRACP

Visiting Dentist

Dr P Lejins
BDSc
Dr A Abd Elghany
BDS

Visiting GP Oncologists

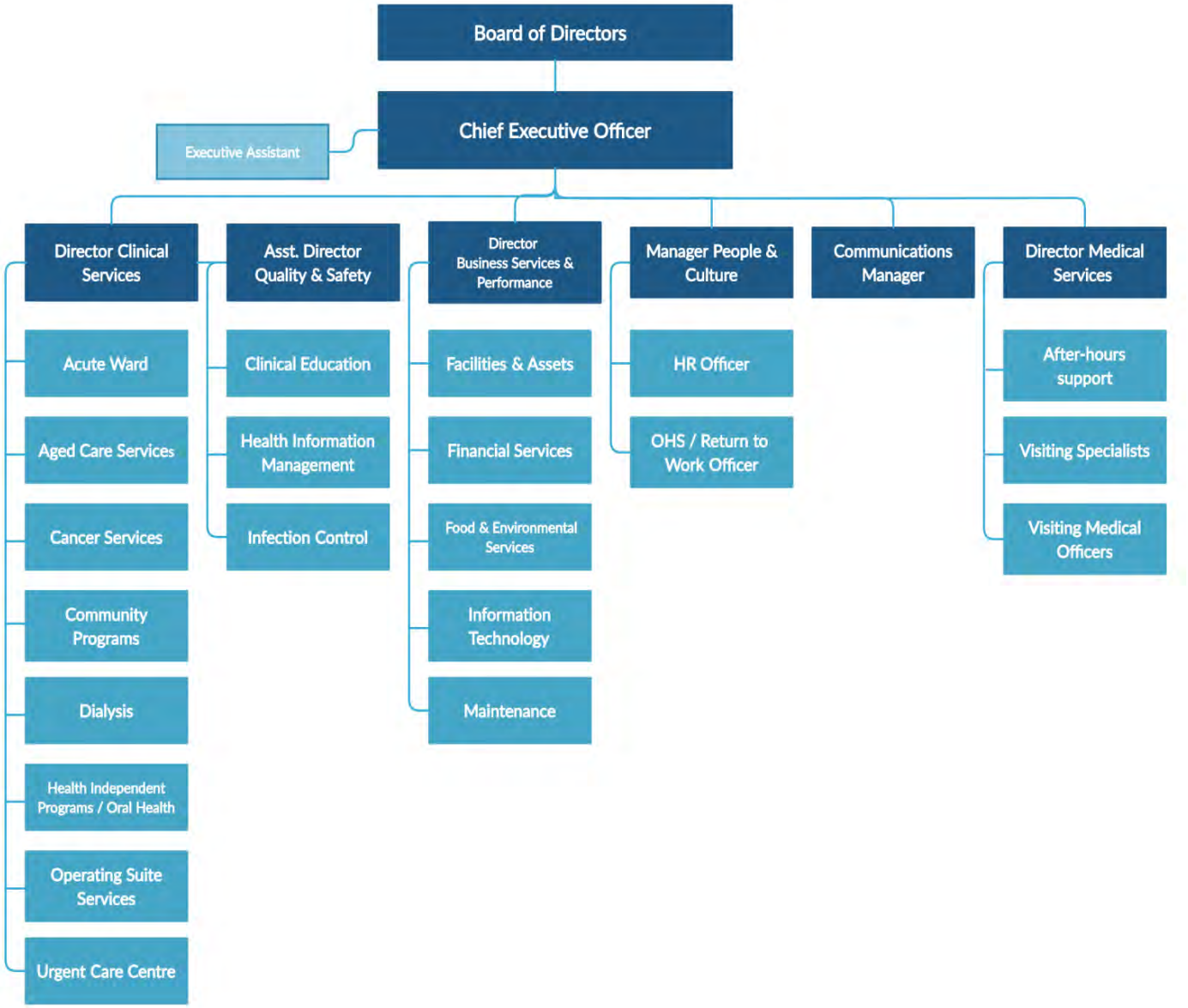
Dr A Sahu
MB, BS (India), FRACP

Dr B Tamjid
MD (Tehran), FRACP

Visiting Consultant Geriatrician

Dr G. Chana
MB, BS (India), MD (India), FRACP, AFRM, PLAB (UK)

Organisational Chart



Recognition of service

10 years

- Georgina Lowerson
- Nicole Lucas
- John Panchoo
- Philomena Sheppard
- Annette Tilley
- Sandra Toomey
- Karen Weatherill
- Pauline White
- Jodi Wyatt

15 years

- Sally Connell
- Julie Francis
- Jillian Macreadie
- Lynette Rieniets

20 years

- Vicki Dudley
- Norma Forrester
- Corale McKenzie

25 years

- Susan Bain
- Leonie Feery
- Leesa Neilson

30 years

- Melissa Gray

35 years

- Catherine O'Dwyer

Employment and conduct principles

Seymour Health ensures a fair and transparent process for recruitment, selection, transfer and promotion of staff. It bases its employment selection on merit and complies with the relevant legislation. Policies and procedures are in place to ensure staff are treated fairly, respected and provided with avenues for grievance and complaint processes.

Seymour Health is committed to the application of the employment and conduct principles and all employees have been correctly classified in workforce data collections.

Workforce data

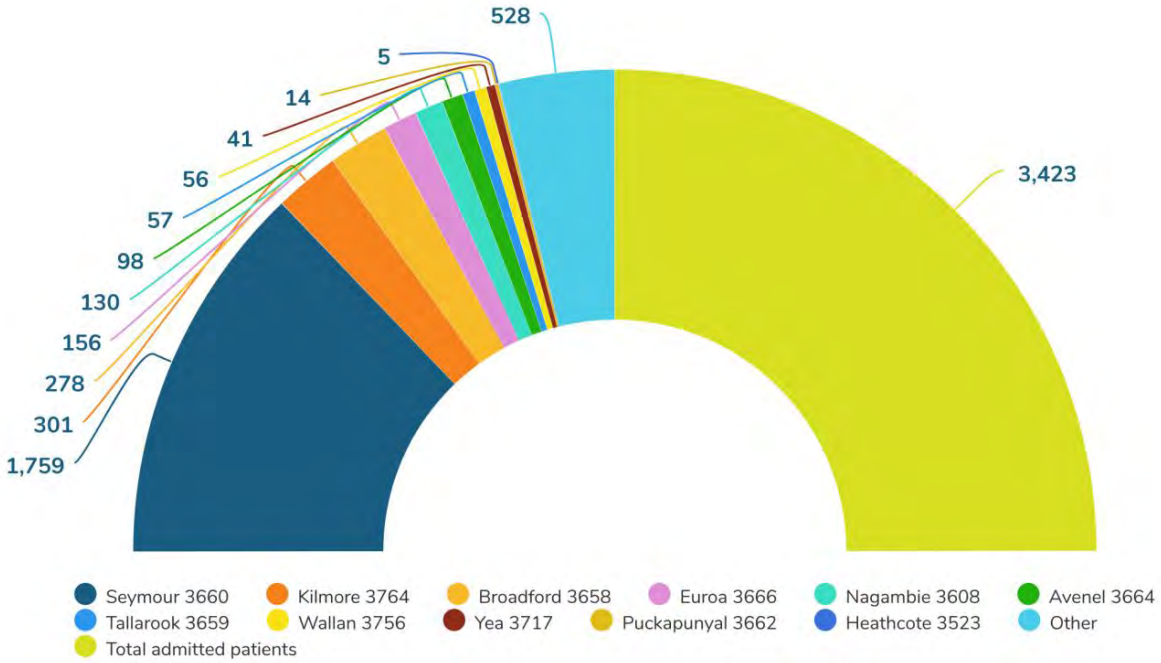
Labour Category	JUNE Current Month FTE		AVERAGE MONTHLY FTE	
	2019	**2020**	**2019**	**2020**
Nursing	73.97	79.54	72.69	75.39
Administration and clerical	25.66	25.91	25.02	26.82
Medical support	4.77	4.99	4.71	4.85
Hotel and allied services	28.52	22.66	26.32	25.95
Medical Services	0.26	0.26	0.24	0.26
Ancillary staff (allied health)	12.70	12.41	12.36	12.87
Total	**145.88**	**145.77**	**141.34**	**146.14**

The FTE figures in this table exclude overtime and do not include contracted staff who are not regarded as employees for this purpose (i.e. agency nurses, Nurse Practitioners, Visiting Medical Officers).

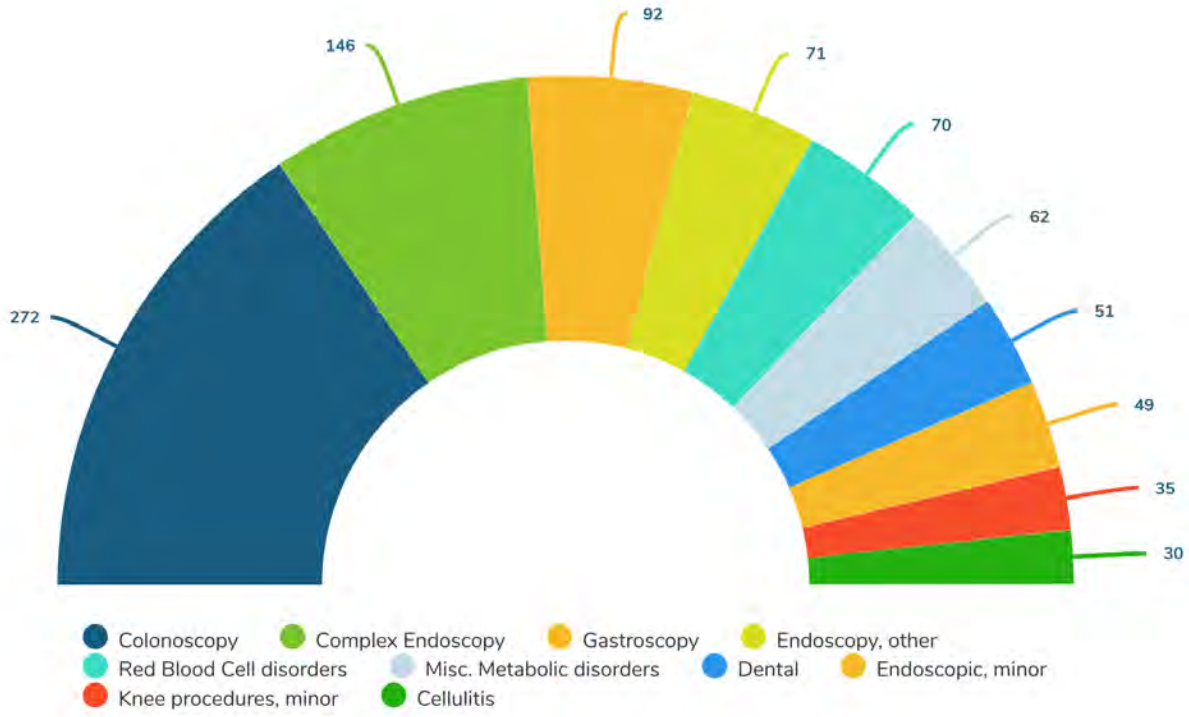
Key financial and service performance reporting

Service and Activity data	2019-20	2018-19	2017-18
Admitted patient separations			
Acute			
Same day	2803	2659	2328
Overnight stay	583	621	585
Unqualified newborn	-	-	-
Nursing home type - DVA	-	-	-
Palliative care	37	47	26
Total separated patients	**3423**	**3327**	**2939**
Admitted patient days			
Acute	5472	5150	5261
Unqualified newborn	-	-	-
Nursing home type - DVA	-	-	-
Palliative care	557	323	327
Total patient days	**6029**	**5473**	**5588**
Total Acute WIES	1349.9	1376.6	1340.8
Separation per available bed	114	111	98
ALOS of admitted patient (days)	1.76	1.65	1.90
Occupancy rate; admitted patients – acute beds	55.06	49.98	51.03
Organisation data			
Inpatients treated	3423	3327	2939
Daily average occupancy (acute beds)	16.52	14.99	15.31
Average stay in days	1.76	1.65	1.90
Urgent Care Centre attendances	6718	6228	5819
Births	-	-	-
Surgical procedures	1031	1268	1307
District Nursing			
Occasions of service	6172	6597	5872
Hours of service	4637	4273	4146
Number of clients seen	302	235	227
Residential Aged Care			
Bed days – nursing home resident (inc. respite)	10442	10635	10717
Food services			
Meals prepared	49313	50200	51335
Social Support Group			
Attendances	3029	2939	1417
Hours of service	10646	10049	8509
Number of clients seen	115	102	43
Health Independent Programs Sub-Acute Ambulatory (SACS)			
Client contacts	5859	6736	5471
Group sessions	295	416	325
Home-based rehabilitation	122	105	218
HARP (Hospital Admission Risk Program) contacts	1798	1591	1675
HARP new referrals	121	121	120
Post-Acute Care completed episodes	589	656	690
Post-Acute Care client contacts	4716	4004	4604
Lower Hume services			
Palliative Care contacts	3183	4211	5710
Dental services			
Attendances	2585	3043	2876
Treatments	7125	8478	8076
Emergency treatments and vouchers	1119	916	1115

Patients admitted by postcode 2019-20



Top 10 Diagnosis Related Groups (excluding Renal Dialysis)



Statutory statements

Consultancies

Details of consultancies (under $10,000)

In 2019-20, Seymour Health engaged three consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred in relation to these consultancies is $6,030 (excl. GST)

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

In 2019–20, Seymour Health engaged ten consultancies where the total fees payable to the consultants were $10,000 (exc. GST) or greater. The total expenditure incurred in 2019-20 in relation to these consultancies is $203,043 (excl. GST).

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2019-20 (excluding GST)	Future expenditure (excluding GST)
Biruu	Business case – Primary Care Centre	Jun 2019	Sep 2019	$35,350	$28,280	-
Gresley Abas	Architectural Services – Learning Hub	Oct 2019	Nov 2019	$26,000	$26,000	-
Evidence Based Design	UCC Architect / Superintendent	Apr 2018	Jun 2020	$97,576	$31,435	$5,250
Currie & Brown	UCC Quantity Surveyors	Aug 2018	Nov 2019	$14,300	$2,500	-
Umow Lai	UCC Service Engineers	Jul 2018	Dec 2019	$31,785	$8,835	-
Evidence Based Design	BH Architect / Superintendent	Nov 2018	Dec 2021	$193,700	$52,298	$87,166
Erbas	BH Service Engineers	Apr 2019	Dec 2021	$32,000	$18,775	$13.225
Irwin Consult	BH Structural / Civil Engineers	Apr 2019	Dec 2021	$33,350	$18,990	$14,360
Currie & Brown	BH Quantity Surveyors	Apr 2019	Dec 2021	$33,700	$6,700	$27,000
Philip Chun	BH Building Surveyor	Apr 2019	Dec 2021	$14,600	$9,230	$5,370

Details of Information and Communication Technology (ICT) expenditure

The total ICT expenditure incurred during 2019-20 is $632,966 (excl. GST) with the details shown below:

Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT expenditure		
Total (excluding GST)	Total=Operational expenditure and Capital Expenditure (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
$632,966	Nil	Nil	Nil

Occupational violence

Occupational violence statistics	2019-20
WorkCover accepted claims with an occupational violence cause per 100 FTE	-
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	-
Number of occupational violence incidents reported	21
Number of occupational violence incidents reported per 100 FTE	14.4
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	9.5%

Definitions
Occupational violence – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.

Incident – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.

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

Lost time – is defined as greater than one day.

Injury, illness or condition – This includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

Occupational Health and Safety (OHS)

Seymour Health is committed to supporting a strong safety culture that proactively works to improve on practices and comply with the legislation. This is achieved through monitoring safety management systems and by regular consultation with employees, management, contractors, visitors and consumers to identify, assess and reduce risks, with the aim to prevent injuries within the workplace. The Occupational Health & Safety (OHS) Committee evaluate all safety matters and provide recommendations for improvements in practices to the Executive team.

In 2019-20 redevelopment works were conducted within the external and internal areas of Seymour Health's main reception and entry. The health and wellbeing of staff, consumers and visitors was a key focus during this time, ensuring staff were consulted on changes throughout the process and regular risk and ergonomic assessments were undertaken, ensuring safe work practices were implemented.

The OHS Committee welcomed new Health and Safety Representatives (HSRs) elected by their peers. New HSRs undertake the initial five day legislated OHS training and internal Manual Handling Assessor training is conducted to provide valuable knowledge and skills in supporting staff to assist with facilitating training and prevent risks within the workplace.

Projects completed during the past twelve months to improve safety include:

- Development of new policies and procedures
- Purchase of additional duress devices, to be used in more areas of the organisation
- Speed humps and signage purchased for on-site carpark to reduce risks that could lead to injuries
- Mental Health First Aid training
- Exhaust system installed within decontamination room to maintain safe working temperatures
- Replacement of chairs for our aged care residents, supporting mobility needs
- Review and purchase of additional storage for safer stock handling, reducing manual handling risks

WorkCover

Seymour Health's WorkCover claims have been well managed through prompt intervention following an injury and engagement of the injured worker, managers, treating practitioners and Work Cover Agent working collaboratively for successful rehabilitation. Seymour Health have had one standard claim and one minor claim, with minimal time lost and minimal claims costs, which is a positive achievement from previous years.

	2019-20	2018-19	2017-18
The number of reported hazards/incidents for the year per 100 full-time equivalent staff members	35.6	49.5	90
The number of 'lost time' standard claims for the year per 100 full-time equivalent staff members	0.7	4.3	3.7
The average cost per claim for the year (including payments to date and an estimate of outstanding claim costs as advised by WorkSafe)	$1,400	$37,380	$42,599

**Two claims lodged for the 2019-20 FY one standard, one minor claim.*

Freedom of Information Act 1982

The *Freedom of Information Act 1982* provides for members of the public access to their medical records for the purpose of viewing, amending incorrect notations or copying parts of the record. In accordance with the Act an application fee is payable upon request and administration charges apply.

During 2019-20 there were 24 Freedom of Information requests. The information requested was provided in full.

Building Act 1993

All renovations and maintenance to existing buildings conform to the *Buildings Act 1993*. All existing buildings comply with regulations in force at the time of construction. There are no orders to cease occupancy or to undertake urgent works. The site is subject to a Fire Safety Audit and Risk Assessment according to revised standards as directed by the Department of Health and Human Services.

Public Interest Disclosures Act 2012

Seymour Health is committed to the principles of the *Public Interest Disclosures Act 2012* and has policies and procedures in place to enable full compliance with the Act. The Act is designed to protect people who disclose information about serious wrongdoings within the Victorian Public Sector and to provide a framework for the investigation of these matters disclosed. A copy of the Act and policy is available on request.

Seymour Health did not make any disclosures to the Independent Broad-based Anti-corruption Commission (IBAC) under section 21(2) during 2019-20.

National Competition Policy Reform Act 1995

Seymour Health complied with the National Competition Policy, including compliance with the requirements of the policy statement 'Competitive Neutrality Policy Victoria', and any subsequent reforms.

Carers Recognition Act 2012

The *Carers Recognition Act 2012* provides a framework for transparency between the hospital and carers as defined in the Act to ensure open communication at all times and improve healthcare outcomes for the community.

Seymour Health is compliant with the *Carers Recognition Act 2012*.

Safe Patient Care Act 2015

Seymour 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

Seymour Health complies with the regulations of the *Local Jobs First Act 2003.* In 2019-20, there was one contract entered into to which Local Jobs First (previously VIPP) plan was required.

The Urgent Care Centre Redevelopment project commenced in March 2019; the contract was appointed in accordance with the *Local Jobs First Act 2003* and was completed in December 2019. The value of the project is $1,900,377.

Details of Local Jobs First Policy contracts

Number of small to medium enterprises (SME) with opportunity to supply	Committed Local content (number and %)	Area	Jobs created	Jobs retained	Apprenticeships		Traineeships	
					created	retained	created	retained
25	14 (80%)	Regional	1	3	0	0	1	0

Additional information available on request

Details in respect of the items listed below have been retained by Seymour 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):

- Declarations of pecuniary interests have been duly completed by all relevant officers;
- Details of shares held by senior officers as nominee or held beneficially;
- Details of publications produced by the entity about itself, and how these can be obtained;
- Details of changes in prices, fees, charges, rates and levies charged by the Health Service;
- Details of any major external reviews carried out on the Health Service;
- Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations;
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services;
- Details of assessments and measures undertaken to improve the occupational health and safety of employees;
- A general statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations;
- A list of major committees sponsored by the Health Service, the purposes of each committee and the extent to which those purposes have been achieved;
- Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

Environmental performance

Seymour Health continues its commitment to improving the sustainable environment through community awareness and commitment of staff to implement efficiencies across the organisation. As a health service, we have a responsibility to rise to the challenges and contribute to a sustainable environment through planned and well managed policies and actions.

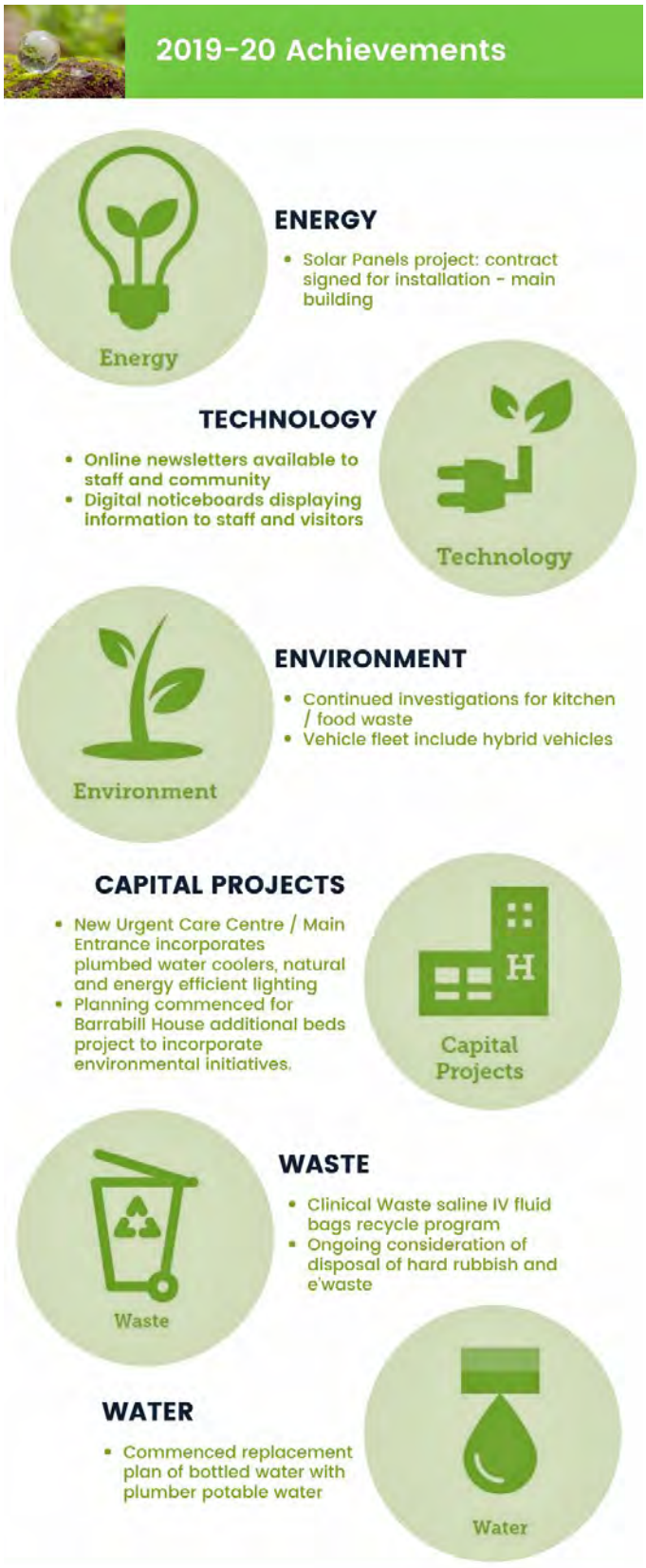
This approach to a sustainable environment is highlighted in Seymour Health's Strategic Plan:

Goal 5: Responsibly meeting future healthcare needs

Strategy: Provide a responsible and efficient working environment

2019-20 Achievements

Bi-monthly Environmental Sustainability Working Group meetings; consideration of new initiatives and reporting progress on the Environmental Action Plan



Greenhouse Gas emissions

Greenhouse gas emissions trend line is reducing.

	2019-20	2018-19	2017-18	2016-17
Greenhouse gas emissions (tonnes CO2e)	1,564	1,609	1,602	1,614

Energy

Electricity usage is consistent with previous years. Reduction in electricity is expected with the implementation of solar panels in 2020-21. Gas usage and water consumption has returned to 2017-18 usage, post UCC redevelopment works. The Barrabill House additional beds project will consider attributes which provide environmental benefits to our staff and consumers.

	2019-20	2018-19	2017-18	2016-17
Electricity (GJ)	4,544	4,586	4,428	4,329
Natural Gas (GJ)	5,368	4,769	5,307	5,885
Water				
Potable Water (KL)	11,499	10,875	11,324	12,425

Waste and Recycling

Seymour Health actively seeks opportunities to reduce the environmental impact of waste/landfill.

	2019-20	2018-19	2017-18	2016-17
Total waste generated (kg clinical waste+kg general waste+kg recycling waste)	115,458	135,637	117,194	95,394
Recycling rate % (kg recycling / (kg general waste+kg recycling))	29.59	41.06	30.51	28.14

Paper

Follow Me printing has reduced the paper usage per FTE.

	2019-20	2018-19	2017-18	2016-17
Total reams of paper	1,075	1,061	1,135	1,108
Reams of paper per FTE	7.36	7.47	7.99	8.33
Rate recycled paper % (0-49%)	100.00	100.00	100.00	100.00

Note: 2019-20 full year data is estimated at 30 June and may be updated for future reporting.

Statement of Priorities for 2019 – 2020

Part A: Strategic overview

In 2019-20 Seymour Health contributed to the achievement of the Government's commitments within *Health 2040: Advancing health, access and care* by:

Better Health

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

Deliverables

- In partnership with QUIT Victoria, Seymour Health will implement the smoking cessation project across Seymour Health, commencing with the project launched in quarter two of 2019-20.
- Deliver the Potentially Avoidable Hospitalisation project, in conjunction with general practices, which aims to avoid admissions to hospital that could have potentially been prevented through the provision of appropriate non-hospital health services. Monthly outreach clinics will be conducted at each of the two Seymour GP clinics (Goulburn River Group Practice and Seymour Medical Clinic), Broadford Medical Centre and Yea Medical Centre; providing education and support to improve health outcomes to patients with chronic conditions.

Outcomes

- *Partially achieved*: QUIT and Nicotine Replacement Therapy (NRT) policies and guidelines developed. Admission documentation revised to include QUIT questions. Approximately 55% of registered nurses have completed QUIT and NRT training. QUIT program advertised on digital notice boards and via staff newsletters. Face-to face training paused during 2020 due to COVID-19.
- *Achieved:* The Potentially Avoidable Hospitalisation project was completed with outreach clinics established at Seymour Medical Clinic and Goulburn River Group Practice, Broadford Medical Centre and Yea Medical Centre. Face-to-face education and support sessions were suspended during the pandemic stage 3 restrictions but are planned to resume once a lifting of restrictions permit.

Better Access

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

Deliverables

- Seymour Health will develop and promulgate for the Seymour Revitalisation project, in partnership with Mitchell Shire Council, other health and community service providers, the Anzac Avenue Revitalisation Project.
- Implement the Palliative Care Early Referral project, and specifically the development of a Digital Health platform to enable remote access to Lower Hume Palliative Care consultancy services. The platform will be developed and trialled over the course of 2019-20.

Outcomes

- *Achieved:* The Seymour Health CEO remains active on the Seymour Revitalisation Project governance group. The proposed site for the Integrated Primary Care Hub in Anzac Avenue was purchased and cleared by the Shire and funding applications submitted for the design phase of the Hub.
- *Partially achieved:* The Palliative Care Early Referral and Digital Health Projects have been commenced. The Early Referral Project activity has been suspended due to the need to redivert priorities to preparedness for COVID-19. The Digital Health Project implementation has progressed well with excellent consumer consultation despite restrictions.

Better Care

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

Deliverables

- Improving medication safety across the organisation through enhanced partnerships with pharmacies and general practice, specifically through the establishment of a Drugs and Therapeutic Committee that can provide a reference point for Seymour Health staff to assess medication regimes for patients and residents.
- Improve falls investigations and recommendations through the further development and implementation of a clinical incident reporting tool that captures data and other analysis on falls that is reported to Seymour Health's clinical governance committee. The tool will be trialled in 2019-20.

Outcomes

- *Achieved:* Drugs and Therapeutic Committee established. Pharmacy input established through partnership with Goulburn Valley Health. General practice assisted in the establishment of the Committee. Medication management and review enhanced with improved communication pathways between Seymour Health and local pharmacies.
- Falls incident and near miss data reported through the operational Clinical risk and Quality Committee up to the Board Clinical Governance Committee. Trend analysis and action plans presented and discussed.

Specific for 2019 – 20

In 2019-20, Seymour Health will contribute to the achievement of the Government's priorities by:

Supporting the Mental Health System

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

Deliverables

- In partnership with Goulburn Valley Health, develop a stepped care approach that increases the capability of Seymour Health to provide locally based mental health services by May 2010. By the end of 2019-20, Seymour Health will have established a memorandum of understanding with Goulburn Valley Health that provides the overarching governance framework for the stepped care model.

Outcomes

- *Partially achieved:* The policy framework for the Mental Health Stepped Care model is complete and the Admissions policy finalised. Staff training and education development implementation was paused during 2020 due to COVID-19. Staff capacity at both GVH and SH to progress the program has been impacted by the pandemic. Seed funding to facilitate establishment of the initiative is yet to be secured.

Addressing Occupational Violence

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

Deliverables

- Implement the department's security training principles to identify and address identified security risks to the safety and wellbeing of staff. By the end of 2019-20, Seymour Health will have identified and addressed, through its risk management framework, procedures to mitigate the key identified risks.
- Through partnering with our WorkCover provider, Seymour Health will identify and conduct at least two tailored staff training sessions over the course of 2019-20 to improve early recognition and preventative approaches that increase our capacity to minimise any incidences of occupational violence and aggression in the workplace.

Outcomes

Achieved

- *Achieved:* Seymour Health delivered Occupational Violence and Aggression (OVA) training to a broad cross-section of the staff
- *Achieved:* Two OVA sessions were conducted by our WorkCover provider, Xchanging, in October 2019 and all staff were encouraged to attend
- *Achieved:* A zero-tolerance policy to OVA has been reinforced and signage placed throughout the organisation. The robust incident reporting culture has captured all incidents of OVA and the incidents have been thoroughly investigated and remedial actions where necessary implemented. A new monthly Occupational Health and Safety report was developed to ensure the Board is kept informed of all OH&S incidents, including OVA.

Addressing Bullying and Harassment

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

Deliverables

- Implement the department's Framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination and Workplace culture and bullying, harassment and discrimination training: guiding principles for Victorian health services
- Implement the Bystander Training program to equip staff with skills and knowledge to recognise and respond to inappropriate workplace behaviours

Outcomes

- *Partially achieved:* Seymour Health developed a *Promoting a positive workplace culture Seymour Health Action Plan 2019-2020* aligned to the Department's framework. The Plan was developed by the Manager, People & Culture in February 2020 and presented to Board in March 2020. Solid progress against the action plan has been achieved noting that some of the actions have, out of necessity, been paused during 2020 due to COVID-19.
- *Partially achieved:* ByStander training for staff has been delivered however training scheduled for the Board has been deferred during 2020 due to COVID-19. The training has been modified from being face-to-face so that it may be delivered to the board via MS Teams and the training is scheduled for early in the next financial year.

Supporting Vulnerable Patients

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

Deliverables

- Seymour Health will improve access to oral health services to residential aged care consumers by providing on site oral health assessments and develop dental health and referral plans, commencing in the first half of 2019-20

Outcomes

- *Achieved:* On-site oral health assessments within the Residential Aged Care Facility (RACF) were commenced but put on hold due to visitation and restriction of staff movement between departments as a result of COVID-19. Once restrictions are lifted the on-site program will recommence providing enhanced access to oral care for residential aged care residents.

Supporting Aboriginal Cultural Safety

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

Deliverables

- Seymour Health will utilise the *Aboriginal health cultural competence framework – quality improvement tool* to identify key actions that will be included in Seymour Health's revised Aboriginal Health Cultural Competence Action Plan. Key actions will be identified, scoped, documented and approved for adoption in the revised plan by end of 2019-20.

Outcomes

- *Achieved:* Several strategies have been achieved including the inclusion of the Aboriginal and Torres Strait Islander flags in the Seymour Health email tag. All meetings now include an Acknowledgement of Country and admission paperwork has revised questions to capture indigenous status and information.
  Plans to erect four flag poles at the entrance to the organisation and fly the Aboriginal and TSI flags has been delayed due to the pandemic. SH has always recognised NAIDOC week but has plans to increase our engagement and participate in the NAIDOC week march. An MoU with Taungurung Land and Waters Corporation is under development in partnership with the Lower Hume Primary Care Partnership and TLWC.

Addressing Family Violence

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

Deliverables

- Seymour Health will partner with Mitchell Shire's "Free from Violence" project and continuing the Strengthening Hospital Responses to Family Violence project to equip staff to recognise, respond and refer disclosures to appropriate support pathways. Seymour Health will conduct an initial evaluation of the performance of the projects against key objectives in the last quarter of 2019-20.

Outcomes

- *Achieved:* A *Strengthening Hospital Response to Family Violence* Coordinator was appointed. Family Violence posters have been placed strategically throughout the organisation along with 1800 RESPECT stickers. Family violence has been added to the Seymour Health email tag. Staff training in family violence had commenced but was put on hold due to pandemic restrictions and the evaluation has yet to be completed. This will be delayed until all staff are trained and the impact of the program has sufficient time to make an impact.
- *Achieved:* Seymour Health continues to be an active partner in the Mitchell Shire's *Free from Violence* initiative. In 2019-20 this involved participating in a coordinated, multi-agency campaign for the 16 Days of Activism Against Gender-based Violence. Preliminary work has commenced on aligning policies, procedures and processes with the MARAM Framework and information sharing requirements. This will continue into 2020/21 in readiness for commencement in early 2021 (date to be confirmed).

Implementing Disability Action Plans

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

Deliverables

- Continue the partnership with Seymour Flexible Learning Centre (SFLC) to assist students with a disability to participate in employment and volunteering opportunities. At least five students will be supported through this program over the course of 2019-20.

Outcomes

- *Partially achieved:* An agreement is in place with the SFLC, however the program has been paused during 2020 due to COVID-19 restricting student placements; as restrictions are lifted and opportunities identified the program will be reinstated. Despite the delay the partnership with the SFLC has continued in 2019-20 with three SFLC students appointed to School Based Traineeships in the areas of Aged Care and Business.
  Seymour Health also supported and sponsored one of these students in their nomination for Victorian School Based Apprentice of the year for the Victorian Training Awards. Seymour Health was also nominated in conjunction with the SFLC for Employer Award for Apprenticeship Development and was successful in winning this award through the Victorian Training Awards. This award would not have been possible without the partnership we have with SFLC and our joint efforts of supporting young adults with a disability.
  A joint venture plan to build a garden for our Social Support Group with the assistance of the SFLC has been suspended during 2020 due to COVID-19 restrictions and will be reconsidered as restrictions permit. This venture will support between two and five students.

Supporting Environmental Sustainability

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

Deliverables

- In 2019-20, Seymour Health will work to further reduce carbon emissions through the installation of solar panels, and the inclusion of hybrid vehicles in the hospital fleet

Outcomes

- *Achieved:* As pool vehicle changeovers have occurred the old vehicles have been replaced with low emission hybrid vehicles. Seymour Health received an interest-free loan from the Department of Treasury and Finance for the installation of solar panels to the hospital building. Following a competitive tender process, a supplier was appointed and contracts have been signed. Installation of the solar panels have been delayed due to the restrictions associated with the pandemic.

Part B: Performance priorities

High quality and safe care

Key performance indicator	Target	2019-20 Actuals
Accreditation		
Compliance with the Aged Care Standards	Full compliance	Full compliance
Infection prevention and control		
Compliance with the Hand Hygiene Australia program*	83%	88%
Percentage of healthcare workers immunised for influenza	84%	93%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 1	95%	98%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	100%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	99%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 1	75%	93%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care re – Quarter 2	75%	97%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care re – Quarter 3	75%	95%
Victorian Healthcare Experience Survey – patient's perception of cleanliness – Quarter 1	70%	91%
Victorian Healthcare Experience Survey – patient's perception of cleanliness – Quarter 2	70%	90%
Victorian Healthcare Experience Survey – patient's perception of cleanliness – Quarter 3	70%	92%

* *Hand hygiene: Quarter 4 data is not available due to COVID-19. Result is based on available data.*

Adverse events

Key performance measure	Target	2019-20 Actuals
Adverse events		
Sentinel events – root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days	Nil

Strong governance, leadership and culture

Key performance measure	Target	2019-20 Actuals
Organisational culture		
People matter survey - percentage of staff with an overall positive response to safety and culture questions	80%	92%
People matter survey – percentage of staff with a positive response to the question, “I am encouraged by my colleagues to report any patient safety concerns I may have”	80%	96%
People matter survey – percentage of staff with a positive response to the question, “Patient care errors are handled appropriately in my work area”	80%	93%
People matter survey – percentage of staff with a positive response to the question, “My suggestions about patient safety would be acted upon if I expressed them to my manager”	80%	96%
People matter survey – percentage of staff with a positive response to the question, “The culture in my work area makes it easy to learn from the errors of others”	80%	89%
People matter survey – percentage of staff with a positive response to the question, “Management is driving us to be a safety-centred organisation”	80%	95%
People matter survey – percentage of staff with a positive response to the question, “This health service does a good job of training new and existing staff”	80%	88%
People matter survey – percentage of staff with a positive response to the question, “Trainees in my discipline are adequately supervised”	80%	88%
People matter survey – percentage of staff with a positive response to the question, “I would recommend a friend or relative to be treated as a patient here”	80%	92%

Effective financial management

Key performance measure	Target	2019-20 Actuals
Finance		
Operating result ($m)	0.00	0.08
Average number of days to paying trade creditors	60 days	45 days
Average number of days to receiving patient fee debtors	60 days	23 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.6
Forecast number of days available cash (based on end of year forecast)	14 days	81.4 days
Actual number of days available cash, measured on the last day of each month	14 days	81.4 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤ $250,000	$310,000

Part C: Activity and funding

Funding Type		
Small Rural	**2019-20 Activity Achievement**	**Units**
Small Rural Acute	246	WIES equivalents
Small Rural Primary Health & HACC	2,215	Service hours
– Nursing	318	
– Allied Health	(20)	
– Care Coordination	8	
– Dietetics	2	
– Physiotherapy	10	
Small Rural Residential Care*	10,442	Bed days
Health Workforce	84	Number of students
Small Rural Health Independence Program*	12,373	

**activity underachieved due to COVID-19 restrictions*

Attestations

Data Integrity

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

Ward Steet
CEO
Seymour Health
24 September 2020

Conflict of Interest

I, Ward Steet, certify that Seymour Health has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Seymour Health and Directors 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.

Ward Steet
CEO
Seymour Health
24 September 2020

Integrity, Fraud and corruption

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

Ward Steet
CEO
Seymour Health
24 September 2020

Financial Management Compliance Attestation

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

Michael Molony
Board Chair
Seymour Health
24 September 2020

Disclosure Index

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

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2019
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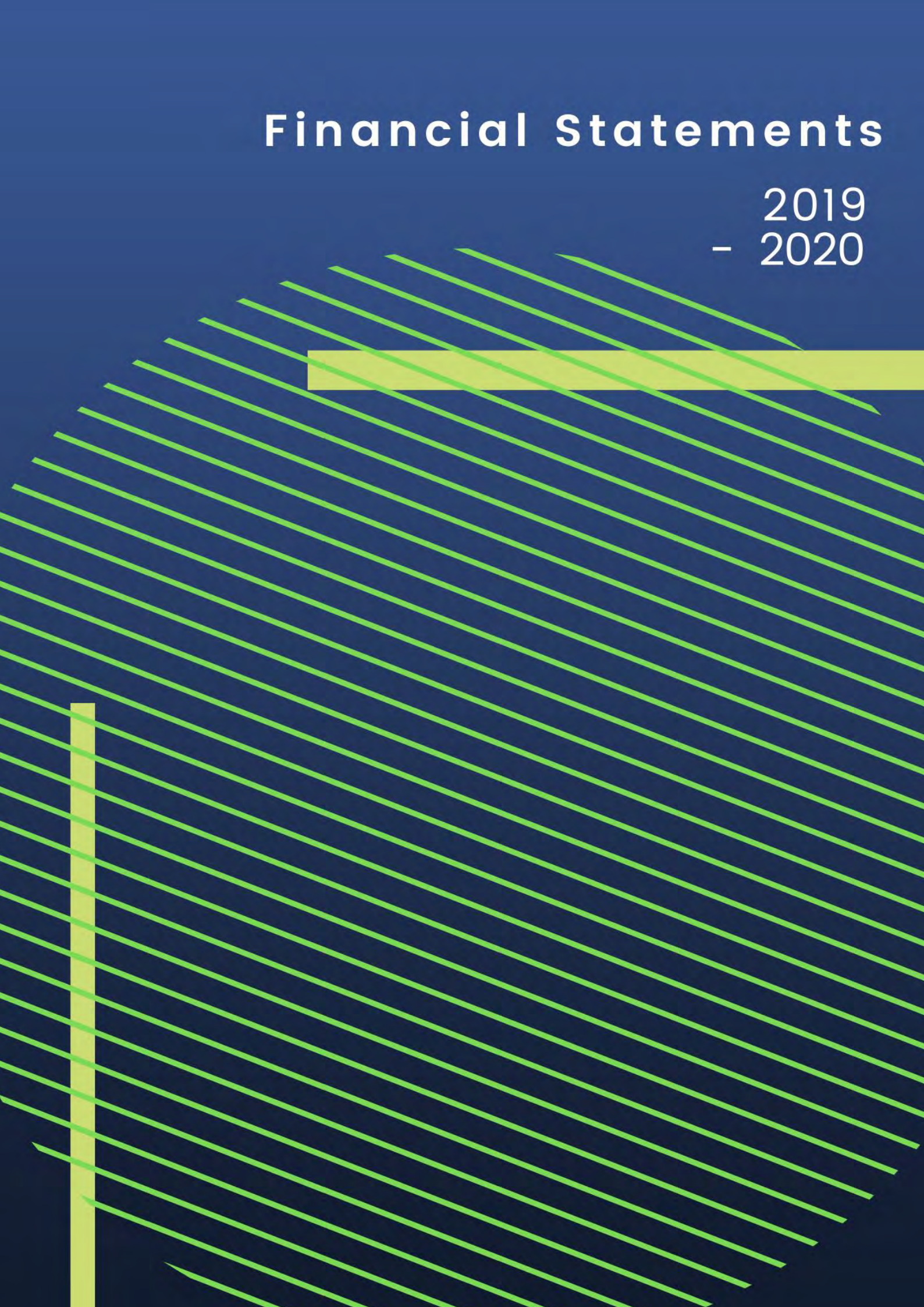

Seymour Health
Financial Report

How this report is structured

Seymour Health has presented its audited general purpose financial statements for the financial year ended 30 June 2020 in the following structure to provide users with the information about Seymour Health's stewardship of the resources entrusted to it.

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

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2020 and the financial position of Seymour Health at 30 June 2020.

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

We authorise the attached financial statements for issue on 27 August 2020

Michael Molony	Ward Steet	Cheryl Nickels-Beattie
Board Chair	Chief Executive Officer	Chief Finance and Accounting Officer
Seymour Health	Seymour Health	Seymour Health
27 August 2020	27 August 2020	27 August 2020

Independent Auditor's Report

To the Board of Seymour Health

Opinion

I have audited the financial report of Seymour Health (the health service) which comprises the:

- balance sheet as at 30 June 2020
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cashflow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- board member's, accountable officer's and chief finance & accounting officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Board's responsibilities for the financial report

The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994,* my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the health service's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the health service's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the health service to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
10 September 2020

Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Operating Statement

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

	Note	2020 $'000	2019 $'000
Income from transactions			
Operating activities	2.1	23,089	22,903
Non-operating activities	2.1	109	171
Total income from transactions		**23,198**	**23,074**
Expenses from transactions			
Employee expenses	3.1	(15,062)	(13,914)
Non salary labour costs	3.1	(1,337)	(1,457)
Supplies and consumables	3.1	(2,204)	(2,289)
Finance costs	3.1	(28)	(12)
Depreciation and amortisation	3.1, 4.3	(1,711)	(1,709)
Other administrative expenses	3.1	(1,490)	(1,547)
Other operating expenses	3.1	(1,179)	(1,034)
Other non-operating expenses	3.1	(15)	-
Total expenses from transactions		**(23,026)**	**(21,962)**
Net result from transactions - Net operating balance		**172**	**1,112**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.2	(8)	4
Net gain/(loss) on financial instruments at fair value	3.2	(14)	(133)
Other gains/(losses) from other economic flows	3.2	(53)	(201)
Total other economic flows included in net result		**(75)**	**(330)**
NET RESULT FOR THE YEAR		**97**	**782**
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property,plant and equipment revaluation surplus	4.2 (b)	-	1,277
Total other comprehensive income		**-**	**1,277**
Comprehensive result for the year		**97**	**2,059**

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

Balance Sheet

Seymour Health
Balance Sheet as at 30 June 2020

	Note	2020 $'000	2019 $'000
Current assets			
Cash and cash equivalents	6.2	9,322	9,744
Receivables	5.1	626	613
Inventories	4.4	121	107
Other non financial assets		148	175
Total current assets		**10,217**	**10,639**
Non-current assets			
Receivables	5.1	822	688
Property, plant & equipment	4.2 (a)	24,951	24,334
Total non-current assets		**25,773**	**25,022**
TOTAL ASSETS		**35,990**	**35,661**
Current liabilities			
Payables	5.2	2,677	1,255
Borrowings	6.1	67	116
Provisions	3.4	3,781	3,169
Other liabilities	5.3	1,642	1,332
Total current liabilities		**8,167**	**5,872**
Non-current liabilities			
Borrowings	6.1	450	15
Provisions	3.4	769	853
Total non-current liabilities		**1,219**	**868**
TOTAL LIABILITIES		**9,386**	**6,740**
NET ASSETS		**26,604**	**28,921**
EQUITY			
Property, plant & equipment revaluation surplus	4.2 (f)	18,721	18,721
Contributed capital		6,832	6,832
Accumulated surpluses		1,051	3,368
TOTAL EQUITY		**26,604**	**28,921**

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

Statement of Changes in Equity

Seymour Health
Statement of Changes in Equity
For the Financial Year Ended 30 June 2020

	Note	Property, Plant & Equipment Revaluation Surplus $'000	Contributed Capital $'000	Accumulated Surpluses $'000	Total $'000
Balance at 1 July 2018		**17,444**	**6,832**	**2,586**	**26,862**
Net result for the year		-	-	782	782
Other comprehensive income for the year		1,277	-	-	1,277
Balance at 30 June 2019		**18,721**	**6,832**	**3,368**	**28,921**
Effect of adoption of AASB15, 16 and 1058	8.10	-	-	(2,414)	(2,414)
Restated balance at 30 June 2019		**18,721**	**6,832**	**954**	**26,507**
Net result for the year		-	-	97	97
Other comprehensive income for the year		-	-	-	-
Opening balance adjustment on adoption of AASB 9		-	-	-	-
Balance at 30 June 2020		**18,721**	**6,832**	**1,051**	**26,604**

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

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Cash flow statement

Seymour Health
Cashflow Statement
For the Financial Year Ended 30 June 2020

	Note	2020 $'000	2019 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating grants from government		18,657	17,455
Capital grants from government - State		817	2,399
Patient and resident fees received		1,340	1,557
Donations and bequests received		-	5
Capital donations and bequests received		7	275
Interest received		109	171
Other receipts		1,259	1,108
Total receipts		**22,189**	**22,970**
Employee expenses paid		(14,405)	(13,337)
Non salary labour costs		(1,267)	(1,334)
Payments for supplies and consumables [(i)]		(1,733)	(1,782)
Finance costs		(28)	(12)
Cash outflow for leases [(i)]		(160)	(147)
Other payments		(3,377)	(3,010)
Total payments		**(20,970)**	**(19,622)**
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	8.1	**1,219**	**3,348**
CASH FLOWS FROM INVESTING ACTIVITIES			
(Purchase of) / Proceeds from investments		(2,436)	4,259
Payments for non-financial assets		-	(778)
Proceeds from disposal of non-financial assets		101	10
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		**(2,335)**	**3,491**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from / (Repayment of) borrowings		386	(31)
Receipt of accommodation deposits		600	1,332
Repayment of accommodation deposits		(292)	-
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		**695**	**1,301**
Net increase / (decrease) in cash and cash equivalents held		**(422)**	**8,140**
Cash and cash equivalents at beginning of financial year		9,744	1,604
CASH AND CASH EQUIVALENTS AT END OF YEAR	6.2	**9,322**	**9,744**

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

(i) Cash outflow for leases previously reported as Payments for supplies and consumables in 2019.

Notes to the Financial Statements

Basis of preparation

The financial statements are prepared in accordance with Australian Accounting Standards.

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

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

Note 1: Summary of Significant Accounting Policies

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

(a) Statement of Compliance

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

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

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

(b) Reporting Entity

The financial statements include all the controlled activities of Seymour Health.

Its principal address is:

1 Bretonneux Street

Seymour, Victoria 3660

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

(c) Basis of Accounting Preparation and Measurement

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

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

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

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

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

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

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

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

- The fair value of land, buildings and plant and equipment (refer to Note 4.2 Property, Plant and Equipment); and
- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.4 Employee Benefits in the Balance Sheet).

State of emergency

A state of emergency was declared in Victoria on 16 March 2020 due to the global coronavirus pandemic, known as COVID-19. A state of disaster was subsequently declared on 2 August 2020.

To contain the spread of the virus and to prioritise the health and safety of our communities various restrictions have been announced and implemented by the state government, which in turn has impacted the manner in which businesses operate, including Seymour Health

In response, Seymour Health placed restrictions on non-essential visitors, implemented reduced visitor hours, deferred elective surgery and reduced activity, performed COVID-19 testing and implemented work from home arrangements where appropriate.

For further details refer to Note 2.1 Funding delivery of our services and Note 4.2 Property, plant and equipment.

Goods and Services Tax (GST)

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

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

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

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

(d) Jointly Controlled Operation

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

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

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

Seymour Health is a member of the Hume Rural Health Alliance (HRHA) and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.8 Jointly Controlled Operations)

(e) Principles of Consolidation

There were no entities controlled by Seymour Health as at 30 June 2020.

(f) Equity

Contributed Capital

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

The Specific Restricted Purpose Surplus is established where Seymour Health has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

Note: 2 Funding delivery of our services

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

Structure

2.1 Income from Transactions

Note 2.1 (a): Income from Transactions

	2020 $'000	2019 $'000
Government grant (State) - Operating [(i)]	16,130	15,174
Government grant (Commonwealth) - Operating [(ii)]	2,631	2,561
Government grant (State) - Capital	1,766	2,399
Other capital purpose income	94	275
Patient & resident fees	1,348	1,388
Commercial activities [(iii)]	209	221
Assets received free of charge	22	
Other revenue from operating activities (including non-capital donations)	889	885
Total income from operating activities	**23,089**	**22,903**
Interest	109	171
Total income from non-operating activities	**109**	**171**
Total income from transactions	**23,198**	**23,074**

(i) Government grant (State) – Operating includes funding of $25k which was spent due to the impacts of Covid-19.
(ii) Government grant (Commonwealth) – Operating includes $41k funding received to compensate for Covid-19 impact on health service operations.
(ii) Commercial activities represent business activities which health services enter into to support their operations.

Impact of COVID-19 on income

As indicated at Note 1, Seymour Health's response to the pandemic included the deferral of elective surgeries and reduced activity. This resulted in Seymour Health incurring lost revenue as well as direct and indirect COVID-19 costs. The Department of Health and Human Services provided funding which was spent due to COVID-19 impacts on Seymour Health. Seymour Health also received essential personal protective equipment free of charge under the state supply arrangement.

Revenue Recognition

Income is recognised in accordance with either:

a) contributions by owners, in accordance with AASB 1004;
b) income for not-for-profit entities, in accordance with AASB 1058;
c) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
d) a lease liability in accordance with AASB 16;
e) a financial instrument, in accordance with AASB 9; or
f) a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets.*

Government Grants and Other Transfers of Income (other than contributions by owners)

Income from grants to construct the capital projects, such as UCC Redevelopment and BH additional beds, is recognised progressively as the asset is constructed. This aligns with Seymour Health's obligation to construct the asset. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done.

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

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

As a result of the transitional impacts of adopting AASB 15 and AASB 1058, a portion of the grant revenue has been deferred. If the grant income is accounted for in accordance with AASB 15, the deferred grant revenue has been recognised in contract liabilities whereas grant revenue in relation to the construction of capital assets which the health service controls has been recognised in accordance with AASB 1058 and recognised as deferred grant revenue (refer note 5.2).

If the grant revenue was accounted for under the previous accounting standard AASB 1004 in 2019-20, the total grant revenue received would have been recognised in full (amend this statement as it applies to your health service).

Performance obligations

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

- Activity Based Funding (ABF): Dialysis, NBCSP and DVA WIES
- Major Capital funded projects
- Specific funded projects

The performance obligations for ABF are the number and mix of patients admitted to hospital in accordance with levels of activity agreed to with the Department of Health and Human Services (DHHS) in the annual Statement of Priorities (SoP). Revenue is recognised when a patient is discharged and in accordance with the WIES activity for each separation. The performance obligations have been selected as they align with funding conditions set out in the Policy and funding guidelines issued by the DHHS.

For other grants with performance obligations, Seymour Health exercises judgement over whether the performance obligations have been met, on a grant by grant basis.

For Capital funded projects, such as Urgent Care Centre (UCC) Redevelopment and Barrabill House (BH) additional beds, revenue is recognised as works are completed according to contracted performance obligations. These performance obligations have been selected as they align with the terms and conditions of the funding provided and contractor's agreements.

For Specific funded projects, revenue is recognised to match project expenditure and/or performance milestones. These performance obligations have been selected as they align with the terms and conditions of the funding provided. Where Seymour Health exercises judgement over whether performance obligations related to the projects are met. This is measured by project milestones/KPIs.

Previous accounting policy for 30 June 2019

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

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

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

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

Non-cash contributions from the Department of Health and Human Services

The Department of Health and Human Services makes some payments on behalf of health services as follows:

- The Victorian Managed Insurance Authority non-medical indemnity insurance payments are recognised as revenue following advice from the Department of Health and Human Services.
- Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health and Human Services Hospital Circular.

Patient and Resident Fees

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

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

Commercial Activities

Revenue from commercial activities such as property rental income are recognised on an accrual basis.

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

	2020 $'000	2019 $'000
Cash donations and gifts	14	280
Assets received free of charge under State supply arrangements	22	-
Total fair value of assets and services received free of charge or for nominal consideration	**36**	**280**

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

The exception to this would be when the resource is received from another government department (or agency) as a consequence of a restructuring of administrative arrangements, in which case such a transfer will be recognised at it's carrying value in the transferring department or agency as a capital contribution transfer.

In order to meet the State of Victoria's health network supply needs during the COVID-19 pandemic, arrangements were put in place to centralise the purchasing of essential personal protective equipment and essential capital items such as ventilators.

The general principles of the State Supply Arrangement were that Health Purchasing Victoria sourced, secured and agreed terms for the purchase of the products, funded by the department, while Monash Health and the department took delivery, and distributed the products to health services as resources provided free of charge.

Voluntary Services: Contributions in the form of services are only recognised when a fair value can be reliably determined, and the services would have been purchased if not donated. Seymour Health did not receive any volunteer services and does not depend on volunteers to deliver its services.

Non-cash contributions from the Department of Health and Human Services

The Department of Health and Human Services makes some payments on behalf of health services as follows:

- The Victorian Managed Insurance Authority non-medical indemnity insurance payments are recognised as revenue following advice from the Department of Health and Human Services.
- Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health and Human Services Hospital Circular.
- Public Private Partnership (PPP) lease and service payments are paid directly to the PPP consortium. Revenue and the matching expense are recognised in accordance with the nature and timing of the monthly or quarterly service payments made by the Department of Health and Human Services.
- Fair value of assets and services received free of charge or for nominal consideration.
- Resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another Health Service or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such transfer will be recognised at carrying amount. Contributions in the form of services are only recognised when fair value can be reliably determined and the service would have been purchased if not received as a donation.

Performance obligations and revenue recognition policies

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

- Customers obtain control of the supplies and consumables at a point in time when the goods are delivered to and have been accepted at their premises.
- Income from the sale of goods are recognised when the goods are delivered and have been accepted by the customer at their premises.
- Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied, and over time when the customer simultaneously receives and consumes the services as it is provided.

For contracts that permit the customer to return an item, revenue is recognised to the extent it is highly probable that a significant cumulative reversal will not occur. Therefore, the amount of revenue recognised is adjusted for the expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover the returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other payables (see note 5.2 Payables and contract liabilities) and the right to recover returned goods is included in inventory (see note 4.4 Inventories). Seymour Health reviews its estimate of expected returns at each reporting date and updates the amount of the asset and liability accordingly. As the sales are made with a short credit term, there is no financing element present. There has been no change in the recognition of revenue from the sale of goods as a result of the adoption of AASB 15.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (see note 5.2 (b) Contract liabilities). Where the performance obligations are satisfied but not yet billed, a contract asset is recorded (see note 5.1(a) Receivables and contract assets).

Note 2.1 (c): Other Income

	2020 $'000	2019 $'000
Capital interest	18	6
Other interest	91	138
Total other income	**109**	**144**

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

Interest Income

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

Rental and Lease Income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are given to the lessee, the aggregate cost of incentives is recognised as a reduction of rental income over the lease term, on a straight-line basis unless another systematic basis is more appropriate of the time pattern over which the economic benefit of the leased asset is diminished.

Entity as lessor:

Seymour Health does not hold any lease arrangements with other parties.

Note 3: The cost of delivering our services

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

Structure

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

Note 3.1: Expenses from transactions

	Note	2020 $'000	2019 $'000
Salaries and wages		11,871	10,847
On-costs		3,191	3,067
Employee expenses		**15,062**	**13,914**
Agency expenses		72	115
Fee for service		1,265	1,342
Non salary labour costs		**1,337**	**1,457**
Medical and surgical supplies (including prosthesis)		1,035	1,011
Other supplies and consumables		1,169	1,278
Total supplies and consumables		**2,204**	**2,289**
Finance costs		28	12
Total finance costs		**28**	**12**
Other administrative expenses		1,490	1,547
Total other administrative expenses		**1,490**	**1,547**
Fuel, light, power and water		380	378
Repairs and maintenance		409	364
Medical indemnity insurance		223	240
Expenses related to leases of low value assets		108	-
Expenditure for capital purposes		59	52
Total other operating expenses		**1,179**	**1,034**
Total operating Expense		**21,300**	**20,253**
Depreciation & amortisation	4.3	1,711	1,709
Total depreciation & amortisation		**1,711**	**1,709**
Assets and services provided free of charge or for nominal consideration		15	-
Total other non-operating expenses		**15**	**-**
Total non-operating Expense		**1,726**	**1,709**
Total expenses from transactions		**23,026**	**21,962**

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);
- Superannuation; and
- Workcover premium.

Non salary labour costs

Non salary labour costs include:

- Agency expenses; and
- Fee for service medical officer expenses.

Supplies and consumables

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

Finance costs

Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings (Interest expense is recognised in the period in which it is incurred);
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases*.

Other operating expenses

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

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

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

Non-operating expenses

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

Operating lease payments

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

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

- Short-term leases – leases with a term less than 12 months; and
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than $10,000.
- Variable lease payments are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occur.

Note 3.2: Other Economic Flows

	2020 $'000	2019 $'000
Net gain/(loss) on non financial assets		
Net gain/(loss) on disposal of property plant and equipment	(8)	4
Total net gain/(loss) on non financial assets	**(8)**	**4**
Net gain/(loss) on financial instruments		
Allowance for impairment losses of contractual receivables	(14)	(18)
Other gains/(losses) from other economic flows	-	(115)
Total net gain/(loss) on financial instruments at fair value	**(14)**	**(133)**
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service liability	(53)	(201)
Total other gains/(losses) from other economic flows	**(53)**	**(201)**
Total gains/(losses) from other economic flows	**(75)**	**(330)**

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

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- reclassified amounts relating to available-for-sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

Net gain/ (loss) on non-financial assets

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

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

Net gain/ (loss) on financial instruments

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

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

Amortisation of non-produced intangible assets

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a systematic basis over the asset's useful life. Amortisation begins when the asset is available for use that is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Impairment of non-financial assets

Goodwill and intangible assets with indefinite useful lives (and intangible assets not available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired.

Other gains/ (losses) from other economic flows

Other gains/ (losses) include:

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

Note 3.3: Analysis of expense and revenue by internally managed and restricted specific purpose funds

	Expense		Revenue	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Commercial activities				
Medical supplies	8	12	18	26
Catering	86	89	19	20
Property	20	17	172	175
TOTAL	**114**	**118**	**209**	**221**

Note 3.4: Employee benefits in the balance sheet

	2020 $'000	2019 $'000
Current provisions		
Employee benefits [(i)]		
Accrued days off (ADO)		
- Unconditional and expected to be settled within 12 months [(ii)]	21	19
Annual leave		
- Unconditional and expected to be settled wholly within 12 months [(ii)]	886	846
- Unconditional and expected to be settled wholly after 12 months [(iii)]	540	449
Long service leave		
- Unconditional and expected to be settled wholly within 12 months [(ii)]	264	212
- Unconditional and expected to be settled wholly after 12 months [(iii)]	1,696	1,339
	3,407	**2,865**
Provisions related to employee benefit on-costs		
- Unconditional and expected to be settled within 12 months [(ii)]	121	109
- Unconditional and expected to be settled after 12 months [(iii)]	253	195
	374	**304**
Total current provisions	**3,781**	**3,169**
Non-current provisions		
Conditional long service leave	688	767
Provisions related to employee benefit on-costs	81	86
Total non-current provisions	**769**	**853**
Total provisions	**4,550**	**4,022**

[i] Employee benefits consist of amounts for accrued days off, annual leave and long service leave accrued by employees, not including on-costs.
[ii] The amounts disclosed are nominal amounts.
[iii] The amounts disclosed are discounted to present values.

(a) Employee Benefits and Related On-Costs

	2020 $'000	2019 $'000
Current employee benefits and related on-costs		
Unconditional long service leave entitlement	2,190	1,724
Annual leave entitlements	1,570	1,426
Accrued days off	21	19
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	769	853
Total employee benefits and related on-costs	**4,550**	**4,022**

	2020 $'000	2019 $'000
Carrying amount at the start of the year	4,022	3,285
Additional provisions recognised	1,766	1,928
Amounts incurred during the year (including estimates)	(1,238)	(1,191)
Carrying amount at the end of the year	**4,550**	**4,022**

(b) Movement in On-Costs Provision

	2020 $'000	2019 $'000
Balance at the start of the year	390	312
Additional provisions recognised	59	186
Unwinding of discount and effect of changes in the discount rate	6	23
Reduction due to transfer out	(138)	(131)
Balance at the end of the year	**455**	**390**

Employee Benefit Recognition

Provision is made for benefits accruing to employees in respect of accrued days off, annual leave and long service leave for services rendered to the reporting date as an expense during the period the services are delivered.

Provisions

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

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

Annual Leave and Accrued Days Off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because Seymour 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 Seymour Health expects to wholly settle within 12 months; or
- Present value – if Seymour 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 Seymour 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 Seymour Health expects to wholly settle within 12 months; or
- Present value – if Seymour Health does not expect to wholly settle within 12 months.

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

Termination Benefits

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

On-Costs Related to Employee Benefits

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

Note 3.5: Superannuation

	2020 $'000	2019 $'000
Defined benefit plans: [i]		
First State Super	28	27
Defined contribution plans:		
First State Super	1,201	1,099
Total	**1,229**	**1,126**

[i] The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.
Note: all superannuation contributions are paid via the First State Super Clearing House.

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

Defined Benefit Superannuation Plans

The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by Seymour Health to the superannuation plans in respect of the services of current Seymour 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.

Seymour 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 Department of Treasury and Finance 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 Seymour Health.

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

Defined Contribution Superannuation Plans

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

Note 4: Key Assets to support service delivery

Seymour 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 Seymour Health to be utilised for delivery of those outputs.

Structure

4.1 Investments and other financial assets

4.2 Property, plant & equipment

4.3 Depreciation and amortisation

4.4 Inventories

Note 4.1: Investments and other financial assets

All monies are deposited in at call accounts.

Note 4.2: Property, plant and equipment

Initial Recognition

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

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

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

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

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

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

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

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

Subsequent measurement: PPE as well as right-of-use assets under leases and service concession assets are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised on the following page by asset category.

Right-of-use asset – Subsequent measurement

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

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

Revaluations of Non-Current Physical Assets

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

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

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

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

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

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

Fair value measurement

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

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

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

The Valuer-General Victoria (VGV) is Seymour Health's independent valuation agency.

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

Valuation hierarchy

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

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

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

Non-Specialised Land, Non-Specialised Buildings and Cultural Assets

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

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2020.

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

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

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

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

Vehicles

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

Plant and Equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2020.

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

Note 4.2 (a): Property, plant and equipment – Gross carrying amount and accumulated depreciation

	2020 $'000	2019 $'000
Land		
Land at fair value	1,350	1,350
Less Impairment	-	-
Total land	**1,350**	**1,350**
Buildings		
Buildings at cost	2,001	-
Less accumulated depreciation	73	-
Buildings at fair value	21,212	21,305
Less accumulated depreciation	1,338	-
Total buildings	**21,802**	**21,305**
Plant and equipment		
HRHA alliance plant and equipment	53	75
Plant and equipment at fair value	756	569
Less accumulated depreciation	393	416
Total plant and equipment	**416**	**228**
Medical equipment		
Medical equipment at fair value	1,793	1,725
Less accumulated depreciation	1,056	952
Total medical equipment	**737**	**773**
Motor vehicles		
Motor vehicles at fair value	195	243
Less accumulated depreciation	160	150
Total motor vehicles	**35**	**93**
Computer and communication		
Computers and communications at fair value	262	155
Less accumulated depreciation	152	82
Total computer and communication	**110**	**73**
Furniture and fittings		
Furniture and fittings at fair value	101	69
Less accumulated depreciation	42	35
Total furniture and fittings	**59**	**34**
Under construction		
Assets under construction	169	380
Total Assets under construction	**169**	**380**
Right of use - equipment		
Right of use - equipment	16	-
Less accumulated depreciation	-	-
Total right of use - equipment	**16**	**-**
Leased assets		
Motor vehicles at fair value	296	187
Less accumulated amortisation	39	89
Total leased assets	**257**	**98**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**24,951**	**24,334**

Note 4.2 (b): Property, plant and equipment – Reconciliations of carrying amount by class of asset

	Land	Buildings	Plant & Equipment	Medical Equipment	Motor Vehicles	Computers and Communications	Furniture and Fittings	Right of use - PPE, F&V	Leased Assets	Assets Under Construction	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2018	**2,106**	**20,715**	**256**	**665**	**132**	**46**	**29**	**-**	**128**	**32**	**24,109**
Additions	12	105	46	218	-	39	10	-	-	348	778
Disposals	-	-	-	(6)	-	-	-	-	-	-	(6)
Revaluation increments/(decrements)	(653)	1,930	-	-	-	-	-	-	-	-	1,277
Revaluation recognised in Op Statement	(115)	-	-	-	-	-	-	-	-	-	(115)
Net transfers between classes	-	(48)	1	43	-	4	-	-	-	-	-
Depreciation (Note 4.3)	-	(1,397)	(75)	(147)	(39)	(16)	(5)	-	(30)	-	(1,709)
Balance at 30 June 2019	**1,350**	**21,305**	**228**	**773**	**93**	**73**	**34**	**-**	**98**	**380**	**24,334**
Recognition of right-of-use assets on initial application of AASB 16	-	-	-	-	-	-	-	-	-	-	-
Adjusted balance at 1 July 2019	**1,350**	**21,305**	**228**	**773**	**93**	**73**	**34**	**-**	**98**	**380**	**24,334**
Additions	-	1,908	256	85	-	51	55	16	275	(211)	2,435
Disposals	-	-	-	(2)	(19)	-	(11)	-	(75)	-	(107)
Revaluation increments/(decrements)	-	-	-	-	-	-	-	-	-	-	-
Revaluation recognised in Op Statement	-	-	-	-	-	-	-	-	-	-	-
Net transfers between classes	-	-	1	-	-	10	(11)	-	-	-	-
Depreciation (Note 4.3)	-	(1,411)	(69)	(119)	(39)	(24)	(8)	-	(41)	-	(1,711)
Balance at 30 June 2020	**1,350**	**21,802**	**416**	**737**	**35**	**110**	**59**	**16**	**257**	**169**	**24,951**

Land and Buildings and Leased Assets Carried at Valuation

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

In compliance with FRD 103H, in the year ended 30 June 2020, Seymour Health's management conducted an annual assessment of the fair value of land and buildings and leased buildings. To facilitate this, management obtained from the Department of Treasury and Finance the Valuer General Victoria indices, for the financial year ended 30 June 2020, based on data to March 2020. Management regards the VGV indices to be a reliable and relevant data set to form the basis of their estimates. Whilst these indices are applicable at 30 June 2020, the fair value of land and buildings will continue to be subjected to the impacts of COVID-19 in future accounting periods.

The fair value of the land had been adjusted by an independent assessment in 2019. The latest indices did not identify that a further revaluation was required in 2020. There was no material financial impact on change in fair value of buildings.

Note 4.2 (c): Property, plant and equipment – fair value measurement hierarchy for assets

	Carrying amount	Fair value measurement at end of reporting period using: Level 1 [(i)]	Level 2 [(i)]	Level 3 [(i)]
Balance at 30 June 2020	**$'000**	**$'000**	**$'000**	**$'000**
Land at fair value				
Non-specialised land	520	-	520	-
Specialised land	830	-	-	830
Total of land at fair value	**1,350**	**-**	**520**	**830**
Buildings at fair value				
Non-specialised buildings	484	-	484	-
Specialised buildings	21,318	-	-	21,318
Total of buildings at fair value	**21,802**	**-**	**484**	**21,318**
Plant and equipment at fair value	416	-	-	416
Motor vehicles at fair value	35	-	-	35
Medical equipment at fair value	737	-	-	737
Computers and communication at fair value	110	-	-	110
Furniture and fittings at fair value	59	-	-	59
Right of use PPE, F&F, Vehicles	16	-	16	-
Leased assets at fair value	257	-	-	257
Assets under construction at fair value	169	-	-	169
Total Property, Plant and Equipment	**24,951**	**-**	**1,020**	**23,931**

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

There have been no transfers between levels during the period.

	Carrying amount	Fair value measurement at end of reporting period using: Level 1 [(i)]	Level 2 [(i)]	Level 3 [(i)]
Balance at 30 June 2019	**$'000**	**$'000**	**$'000**	**$'000**
Land at fair value				
Non-specialised land	520	-	520	-
Specialised land	830	-	-	830
Total of land at fair value	**1,350**	**-**	**520**	**830**
Buildings at fair value				
Non-specialised buildings	505	-	505	-
Specialised buildings	20,800	-	-	20,800
Total of buildings at fair value	**21,305**	**-**	**505**	**20,800**
Plant and equipment at fair value	228	-	-	228
Motor vehicles at fair value	93	-	-	93
Medical equipment at fair value	773	-	-	773
Computers and communication at fair value	73	-	-	73
Furniture and fittings at fair value	34	-	-	34
Assets under construction at fair value	380	-	-	380
Leased assets at fair value	98	-	-	98
Total Property, Plant and Equipment	**24,334**	**-**	**1,025**	**23,309**

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

There have been no transfers between levels during the period.

Note 4.2 (d): Property, plant and equipment – Reconciliation of level 3 Fair Value measurement

	Land	Buildings	Plant and equipment	Medical equipment	Motor Vehicles	Computers and Comm	Furniture and Fittings	Assets under construction	Leased assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2018	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Opening balance	**1,558**	**20,403**	**256**	**665**	**132**	**46**	**29**	**32**	**128**	**23,249**
Additions	12	105	46	218	-	39	10	348	-	778
Transfers in/(out) of Level 3	-	(42)	1	43	-	4	-	-	-	6
Gains or losses recognised in net result										
- Depreciation and amortisation	-	(1,384)	(75)	(147)	(39)	(16)	(5)	-	(30)	(1,696)
- Disposals	-	-	-	(6)	-	-	-	-	-	(6)
Items recognised in other comprehensive income										
- Revaluation against Reval. Reserve	(625)	1,718	-	-	-	-	-	-	-	1,093
- Revaluation recognised in Op. Statement	(115)	-	-	-	-	-	-	-	-	(115)
Balance at 1 July 2019	**830**	**20,800**	**228**	**773**	**93**	**73**	**34**	**380**	**98**	**23,309**
Additions	-	1,908	256	85	-	51	55	(211)	275	2,419
Transfers in/(out) of Level 3	-	-	1	-	-	10	(11)	-	-	-
Gains or losses recognised in net result										
- Depreciation and amortisation	-	(1,390)	(69)	(119)	(39)	(24)	(8)	-	(41)	(1,690)
- Disposals	-	-	-	(2)	(19)	-	(11)	-	(75)	(107)
Items recognised in other comprehensive income										
- Revaluation against Reval. Reserve	-	-	-	-	-	-	-	-	-	-
- Revaluation recognised in Op. Statement	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2020	**830**	**21,318**	**416**	**737**	**35**	**110**	**59**	**169**	**257**	**23,931**

Note 4.2 (e): Property, plant and equipment – fair value determination

Asset class	Examples of types of assets	Expected fair value level	Likely valuation approach	Significant inputs (Level 3 only)
Non-specialised land	In areas where there is an active market: - vacant land - land not subject to restrictions as to use or sale	Level 2	Market approach	N/A
Specialised land	Land subject to restrictions as to use and/or sale Land in areas where there is not an active market	Level 3	Market approach	CSO adjustments (i)
Non-specialised buildings	For general/commercial buildings that are just built	Level 2	Market approach	N/A
Specialised buildings	Specialised buildings with limited alternative uses and/or substantial customisation e.g. prisons, hospitals, and schools	Level 3	Depreciated replacement cost approach	Cost per square metre Useful life
Plant and equipment	Specialised items with limited alternative uses and/or substantial customisation	Level 3	Depreciated replacement cost approach	Cost per square metre Useful life
Vehicles	If there is an active resale market available	Level 2	Market approach	N/A
	If there is no active resale market available	Level 3	Depreciated replacement cost approach	Cost per square metre Useful life

(i) A Community Service Obligation (CSO) of 20% was applied to the health services specialised land Classified in accordance with the fair value hierarchy

Note 4.2 (f): Property, plant and equipment revaluation surplus

	Note	2020 $'000	2019 $'000
Property, Plant and Equipment Revaluation Surplus			
Balance at the beginning of the reporting period		18,721	17,444
Revaluation Increment			
- Land	4.2 (b)	-	(653)
- Buildings	4.2 (b)	-	1,930
Balance at the end of the reporting period		**18,721**	**18,721**
Represented by:			
- Buildings		18,721	18,721
		18,721	**18,721**

Note 4.3: Depreciation and amortisation

	2020 $'000	2019 $'000
Depreciation		
Buildings	1,411	1,397
Plant & equipment	42	38
Medical equipment	119	147
Computers and communications	24	16
Furniture and fittings	8	5
Motor vehicles	39	39
HRHA alliance	27	37
Leased assets	41	30
Total Depreciation	**1,711**	**1,709**

Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases, assets held for sale, land and investment properties) that have finite useful lives are depreciated. Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management. 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 shorter of the asset's useful life and the lease term. Where Seymour Health obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset overs its useful life.

Amortisation

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

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

	2020	2019
Buildings		
- Structure shell building fabric	25-50 years	25-50 years
- Site engineering services and central plant	36 years	36 years
Central plant		
- Fit out	20 years	20 years
- Trunk reticulated building systems	10-22 years	10-22 years
Plant & equipment	4-25 years	4-25 years
Medical equipment	6-10 years	6-10 years
Computers and communications	3-4 years	3-4 years
Furniture and fittings	4-6 years	4-6 years
Motor vehicles	10-20 years	10-20 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 4.4: Inventories

	2020 $'000	2019 $'000
Pharmaceuticals		
At cost	35	36
Medical and surgical lines		
At cost	86	71
Total medical and surgical lines	**86**	**71**
Total Inventories	**121**	**107**

Inventories

Inventories include goods and other property held either for sale, consumption or for distribution at no or nominal cost in the ordinary course of business operations. It excludes depreciable assets.

Value for inventory is measured on the basis of weighted average cost.

Note 5: Other assets and liabilities

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

Structure

5.1 Receivables and contract assets

5.2 Payables and contract liabilities

5.3 Other liabilities

Note 5.1: Receivables and contract assets

Note 5.1 (a): Receivables and contract assets

	Note	2020 $'000	2019 $'000
CURRENT			
Contractual			
Trade debtors		59	33
Patient fees		70	98
Accrued revenue			
- Sundry debtors		59	43
- Other		-	1
HRHA receivables		45	60
Less allowance for doubtful debts			
- Patient fees	7.1 (c)	(13)	(9)
		220	**225**
Statutory			
GST receivable		118	165
Accrued revenue - Department of Health and Human Services		229	187
Accrued revenue - Dental Health Services Victoria		58	36
		406	**388**
TOTAL CURRENT RECEIVABLES		**626**	**613**
NON CURRENT			
Statutory			
Long service leave - Department of Health and Human Services		822	688
		822	**688**
TOTAL NON-CURRENT RECEIVABLES		**822**	**688**
TOTAL RECEIVABLES		**1,448**	**1,301**

Note 5.1 (b): Movement in the Allowance for impairment losses of contractual receivables

	2020 $'000	2019 $'000 [(i)]
Balance at beginning of year	9	26
Amounts written off during the year	(10)	(35)
Increase in allowance recognised in net result	14	18
Balance at end of year	**13**	**9**

[(i)] correction of prior year error

Receivables recognition

Receivables consist of:

- Contractual receivables: classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. Seymour Health holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment; and

- 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. Seymour Health applies AASB 9 *Financial Instruments* for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

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

Seymour Health is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

Impairment losses of contractual receivables (Doubtful Debts)

Refer to Note 7.1(c) Contractual receivables at amortised costs for Seymour Health's contractual impairment losses.

Note 5.2: Payables and contract liabilities

	Note	2020 $'000	2019 $'000
CURRENT			
Contractual			
Trade creditors		190	510
Accrued salaries and wages		389	244
Accrued expenses		285	296
Deferred grant revenue	5.2 (a)	1,457	-
Contract Liabilities - income received in advance	5.2 (b)	100	-
HRHA alliance payables		205	163
Amounts payable to governments and agencies		23	20
		2,649	**1,233**
Statutory			
GST payable		19	13
FBT payable		9	9
Department of Health and Human Services		-	-
		28	**22**
TOTAL PAYABLES		**2,677**	**1,255**

Payables Recognition

Payables consist of:

- **Contractual payables**: classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to Seymour Health prior to the end of the financial year that are unpaid; and
- **Statutory payables:** that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

The normal credit terms for accounts payable are 21 days from the end of the month.

Note 5.2 (a): Deferred grant revenue

	2020 $'000
Grant consideration for capital works recognised that was included in the deferred grant liability balance (adjusted for AASB 1058) at the beginning of the year	2,414
Grant consideration for capital works received during the year	722
Grant revenue for capital works recognised consistent with the capital works undertaken during the year	(1,680)
Closing balance of deferred grant consideration received for capital works	**1,456**

Grant consideration was received from the following capital projects:

- *Barrabill House additional beds*
- *Barrabill House sensory garden*
- *Fire Services upgrades*

Grant revenue is recognised progressively as the asset is constructed, since this is the time when Seymour Health satisfies its obligations under the transfer by controlling the asset as and when it is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done (see note 2.1 Income from transactions). As a result, Seymour Health has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Note 5.2 (b): Contract liabilities

	2020 $'000
Opening balance brought forward from 30 June 2019 adjusted for AASB 15	-
Add: Payments received for performance obligations yet to be completed during the period	-
Add: Grant consideration for sufficiently specific performance obligations received during the year	118
Less: Revenue recognised in the reporting period for the completion of a performance obligation	
Less: Grant revenue for sufficiently specific performance obligations works recognised consistent with the performance obligations met during the year	(18)
Total contract liabilities	**100**
Represented by	
Current contract liabilities	100
Non-current contract liabilities	-

Contract liabilities include consideration received in advance from customers in respect of specific funded projects. Invoices are raised once the goods and services are delivered/provided.

Maturity analysis of payables

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

Note 5.3: Other Liabilities

	2020 $'000	2019 $'000
CURRENT		
Monies held in trust		
- Refundable accommodation deposits	1,640	1,332
- Other Monies Held in Trust	2	
Total current	**1,642**	**1,332**
Total non-current	**-**	**-**
Total other liabilities	**1,642**	**1,332**
Represented by the following assets:		
Cash assets	1,642	1,332
TOTAL	**1,642**	**1,332**

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

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

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

Note 6: How we finance our operations

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

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

Structure

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

Note 6.1: Borrowings

	2020 $'000	2019 $'000
CURRENT		
Lease liability - HRHA Alliance [(i)]	8	18
Lease liability - VicFleet	56	98
Lease liability - Other	3	-
Total current borrowings	**67**	**116**
NON CURRENT		
Lease liability - HRHA alliance	12	15
Lease liability - VicFleet	202	-
Lease liability - Other	13	-
DHHS Loan [(ii)]	223	-
Total non current borrowings	**450**	**15**
Total borrowings	**517**	**131**

[(i)] Secured by the assets leased. Leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.
[(ii)] Unsecured loan which bear no interest.

The approved Bank Overdraft limit is $20,000.

Maturity analysis of borrowings

Please refer to Note 7.1(b) Maturity analysis of financial liabilities.

Defaults and breaches

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

Lease Liabilities

Repayments in relation to leases are payable as follows:

	Minimum future lease payments	
	2020 $'000	2019 $'000
Finance Leases		
Not later than one year	75	117
Later than 1 year and not later than 5 years	235	16
Later than 5 years	-	-
Minimum lease payments	310	133
Less future finance charges	(16)	(2)
TOTAL	**294**	**131**
Included in the financial statements as:		
Current borrowings finance lease liability	67	116
Non-current borrowings finance lease liability	227	15
TOTAL	**294**	**131**

Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment. All leases are recognised on the balance sheet, with the exception of low value leases (less than $10,000 AUD) and short term leases of less than 12 months.

Seymour Health's leasing activities

Seymour Health has entered into lease related to:

- Motor vehicles; and
- Office equipment and computers.

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

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Seymour Health and for which the supplier does not have substantive substitution rights;
- Seymour 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 Seymour Health has the right to direct the use of the identified asset throughout the period of use; and
- Seymour Health has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

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

Separation of lease and non-lease components

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

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

Lease Liability – initial measurement

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

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

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

Lease Liability – subsequent measurement

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

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

Short-term leases and leases of low value assets

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

Below market/Peppercorn lease

Seymour Health has not entered into any below market/peppercorn leases.

Presentation of right-of-use assets and lease liabilities

Seymour Health presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

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

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

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

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

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

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

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

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

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

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

Entity as lessee

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

Borrowings

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether Seymour Health has categorised its liability as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'.

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

Note 6.2: Cash and cash equivalents

	2020 $'000	2019 $'000
Cash on hand	2	2
Cash at bank	695	778
Cash at bank - HRHA alliance	420	303
Cash at bank - CBS (excluding monies held in trust)	6,542	7,323
Cash at bank - CBS (monies held in trust)	1,663	1,338
Total cash and cash equivalents	**9,322**	**9,744**

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks, deposits at call and highly liquid investments (with an original maturity date of three months or less), which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Monies held in trust include Accommodation Bonds and Refundable Accommodation Deposits (RADs).

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

	2020 $'000	2019 $'000
Capital expenditure commitments		
Land & Buildings		
Not later than one year	110	1,660
Later than 1 year and not later than 5 years	61	58
Total capital expenditure commitments	**171**	**1,718**
Operating lease expenditure commitments		
Franking Machine lease [(i)]		
Not later than one year	-	3
Total operating lease commitments	**-**	**3**
Non-cancellable operating lease commitments		
Photocopier lease		
Not later than one year	48	57
Later than 1 year and not later than 5 years	-	53
Information technology services		
Not later than one year	35	23
Later than 1 year and not later than 5 years	35	20
Total non-cancellable operating lease commitments	**118**	**153**
Total operating lease expenditure commitments	**118**	**156**
Total commitments for expenditure (exclusive of GST)	**289**	**1,874**

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

Commitments

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

Seymour Health has entered into commercial leases on certain medical equipment, computer equipment and property where it is not in the interest of Seymour Health to purchase these assets. These leases have an average life of between 1 and 20 years with renewal terms included in the contracts. Renewals are at the option of Seymour Health. There are no restrictions placed upon the lessee by entering into these leases.

Note 7: Risks, contingencies and valuation uncertainties

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

Structure

7.1 Financial Instruments

7.2 Contingent Assets and Contingent Liabilities

Note 7.1: 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 Seymour Health's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Note 7.1(a) Financial instruments: categorisation

2020	Financial assets at amortised cost $'000	Financial liabilities at amortised cost $'000	Total $'000
Contractual financial assets			
Cash and cash equivalents	9,322	-	9,322
Receivables			
- Trade Debtors	59	-	59
- Other Receivables	174	-	174
Total financial assets [(i)]	**9,555**	**-**	**9,555**
Financial liabilities			
Payables	-	2,649	2,649
Borrowings	-	517	517
Other financial liabilities			
- Accommodation deposits	-	1,640	1,640
- Other	-	2	2
Total financial liabilities [(i)]	**-**	**4,808**	**4,808**

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

2019	Financial assets at amortised cost $'000	Financial liabilities at amortised cost $'000	Total $'000
Contractual financial assets			
Cash and cash equivalents	9,744	-	9,744
Receivables			
- Trade debtors	33	-	33
- Other receivables	201	-	201
Total financial assets [(i)]	**9,978**	**-**	**9,978**
Financial liabilities			
Payables	-	1,233	1,233
Borrowings	-	131	131
Other financial liabilities			
- Accommodation deposits	-	1,332	1,332
Total financial liabilities [(i)]	**-**	**2,696**	**2,696**

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

Categories of financial assets under AASB 9 *Financial Instruments*

Financial assets at amortised cost

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

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

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

Seymour Health recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables);
- term deposits; and
- certain debt securities.

Financial assets at fair value through other comprehensive income

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

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

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

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

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

Seymour Health recognises certain unlisted equity instruments within this category.

Financial assets at fair value through net result

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

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

Seymour Health recognises listed equity securities as mandatorily measured at fair value through net result and designated all of its managed investment schemes as well as certain 5-year government bonds as fair value through net result.

Categories of financial liabilities

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

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

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

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

Offsetting financial instruments: Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, Seymour 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 Seymour Health does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

Derecognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

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

Note 7.1 (b): Maturity analysis of Financial Liabilities as at 30 June 2020

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

				Maturity Dates			
	Note	Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years
2020		**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial liabilities							
At amortised cost							
Payables	5.2	2,649	2,649	2,649	-	-	-
Borrowings	6.1	517	517	6	11	50	450
Other financial liabilities (i)							
- Accommodation deposits	5.3	1,640	1,640	1,640	-	-	-
- Other		2	2	2	0	0	0
Total financial liabilities		**4,808**	**4,808**	**4,297**	**11**	**50**	**450**
2019							
Financial liabilities							
At amortised cost							
Payables	5.2	1,233	1,233	1,195	38	-	-
Borrowings	6.1	131	131	10	19	87	15
Other financial liabilities (i)							
- Accommodation deposits	5.3	1,332	1,332	1,332	-	-	-
Total financial liabilities		**2,696**	**2,696**	**2,537**	**57**	**87**	**15**

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

Note 7.1 (c): Contractual receivables at amortised costs

30 June 2019	*Current*	*Less than 1*	*1–3 months*	*3 months*	*1–5 years*	*Total*
Expected loss rate	-	-	-	53%	-	
Gross carrying amount of contractual receivables	194	14	10	17	-	**235**
Loss allowance	**-**	**-**	**-**	**9**	**-**	**-**

30 June 2020	*Current*	*Less than 1*	*1–3 months*	*3 months*	*1–5 years*	*Total*
Expected loss rate	-	-	-	41%	41%	
Gross carrying amount of contractual receivables	153	14	35	26	5	**233**
Loss allowance	**-**	**-**	**-**	**11**	**2**	**-**

Impairment of financial assets under AASB 9 *Financial Instruments*

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

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

Contractual receivables at amortised cost

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

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

Reconciliation of the movement in the loss allowance for contractual receivables

	Note	2020	2019 [(i)]
Balance at beginning of the year		**9**	**26**
Opening retained earnings adjustment on adoption of AASB 9		0	0
Opening Loss Allowance	**5.1**	**9**	**26**
Modification of contractual cash flows on financial assets		0	0
Increase in provision recognised in the net result		14	18
Reversal of provision of receivables written off during the year as uncollectible		(10)	(35)
Balance at end of the year	**5.1**	**13**	**9**

[(i)] Correction of prior year error

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated

irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

Statutory receivables and debt investments at amortised cost

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

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

Note 7.2: Contingent Assets and Contingent Liabilities

As at the date of this report Seymour Health is not aware of any contingent assets or liabilities.

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 disclosure

8.3 Remuneration of Executive Officers

8.4 Related Parties

8.5 Remuneration of Auditors

8.6 Ex-gratia payments

8.7 Events Occurring after the Balance Sheet Date

8.8 Jointly Controlled Operations

8.9 Economic Dependency

8.10 Correction of prior period error and revision of estimates

8.11 AASBs Issued that are not yet Effective

8.12 Glossary

Note 8.1: Reconciliation of net result for the year to net cash inflow / (outflow) from operating activities

	2020 $'000	2019 $'000
Net result for the year	97	782
Non-cash movements		
Depreciation and amortisation	1,711	1,709
Impairment of financial and non financial assets	-	115
Allowance for impairment losses of contractual receivables	4	(17)
Assets received free of charge	(7)	-
Adjustment prior year capital contribution	(2,414)	-
Movements included in investing and financing activities		
Net (gain)/loss from disposal of non financial physical assets	8	(4)
Movements in assets and liabilities		
Change in operating assets and liabilities		
(Increase)/decrease in receivables	(150)	(63)
(Increase)/decrease in prepayments	27	(58)
Increase/(decrease) in payables	1,422	166
Increase/(decrease) in provisions	528	737
(Increase)/decrease in inventories	(7)	(19)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	**1,219**	**3,348**

Note 8.2: Responsible persons disclosures

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

	Period
Responsible Ministers:	
The Honourable Jenny Mikakos Minister for Health and Minister for Ambulance Services	1/7/2019 - 30/6/2020
The Honourable Martin Foley Minister for Mental Health	1/7/2019 - 30/6/2020
The Honourable Luke Donnellan, Minister for Child Protection, Minister for Disability, Ageing and Carers	1/7/2019 - 30/6/2020
Governing Boards	
A. Fletcher-Nicholls	1/7/2019 - 30/6/2020
M. Molony	1/7/2019 - 30/6/2020
I. Chadwick	1/7/2019 - 30/6/2020
F. Sartori	1/7/2019 - 30/6/2020
M. Vannitamby	1/7/2019 - 30/4/2020
B. Scott	1/7/2019 - 30/6/2020
S. VanBuuren	1/7/2019 - 30/6/2020
R. Harrison	1/7/2019 - 30/6/2020
Accountable Officer	
C. McDonnell	1/7/2019 - 27/3/2020
W. Steet	30/3/2020 - 30/6/2020

Remuneration of Responsible Persons

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

Income band	**2020 No.**	**2019 No.**
$0 - $9,999	8	10
$50,000 - $59,999	1	-
$260,000 - $269,999	1	1
Total numbers	**10**	**11**
	$'000	**$'000**
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$353**	**$300**

Amounts relating to the Governing Board Members and Accountable Officer are disclosed in Seymour Health's controlled entities financial statements.

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

Note 8.3: Remuneration of executives

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

	Total Remuneration	
Remuneration of executive officers	**2020**	**2019**
(including key management personnel disclosed in Note 8.5)	**$'000**	**$'000**
Short-term benefits	670	652
Post-employment benefits (superannuation)	59	59
Other long-term benefits	33	51
Total remuneration	**762**	**762**
Total number of executives [(i)]	6	6
Total annualised employee equivalent (AEE) [(ii)]	4.9	4.9

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Seymour Health under AASB 124 *Related Party Disclosures* and are also reported within Note 8.4 Related Parties.
(ii) Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

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

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

Short-term Employee Benefits

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

Post-employment Benefits

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

Other Long-term Benefits

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

Note 8.4: Related parties

Seymour 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;
- cabinet ministers (where applicable) and their close family members;
- jointly controlled operation – A member of the Hume Region Health Alliance (HRHA); and
- all hospitals and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

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

The Board of Directors and the Executive Directors of Seymour Health are deemed to be KMPs.

Key management personnel of Seymour Health

A. Fletcher-Nicholls	Board Chair
M. Molony	Board Director
I. Chadwick	Board Director
F. Sartori	Board Director
M. Vannitamby	Board Director
B. Scott	Board Director
S. VanBuuren	Board Director
R. Harrison	Board Director
C. McDonnell/W. Steet	Chief Executive Officer
A. Daley	Director Clinical Services
C. Nickels-Beattie	Director Business Services & Performance
P. Sloan	Director Medical Services
V. Callaghan	Acting Assistant Director Quality & Service Development
J. Fincham	Communications Manager
K.Christensen	Manager People & Culture

The compensation detailed below is reported in $'000 and excludes the salaries and benefits the Portfolio Ministers receive. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968*, and is reported within the Department of Parliamentary Services' Financial Report.

Compensation -KMPs	**2020 $'000**	**2019 [iii] $'000**
Short-term employee benefits [i]	934	923
Post-employment benefits	79	76
Other long-term benefits	102	63
Total [ii]	**1,115**	**1,062**

[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.
[iii] Correction to 2019 comparable figures.

Significant Transactions with Government Related Entities

Seymour Health received funding from the Department of Health and Human Services of $16.2m (2019: $16.6m) and indirect contributions of $0.2m (2019: $0.2m).

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

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

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

Transactions with KMPs and Other Related Parties

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

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

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

Note 8.5: Remuneration of auditors

	2020 $'000	2019 $'000
Victorian Auditor-General's Office		
Audit of financial statements	25	25
Total remuneration of auditors	**25**	**25**

Note 8.6: Ex-gratia expenses

Seymour Helath did not make any ex-gratia payments.

Note 8.7: Events occurring after the balance sheet date

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Seymour Health at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Seymour Health, its operations, its future results and financial position. The state of emergency in Victoria was extended on 16 August 2020 until 13 September 2020 and the state of disaster still in place.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of Seymour Health, the results of the operations or the state of affairs of Seymour Health in the future financial years.

Note 8.8: Jointly Controlled Operations

Name of Entity	Principal Activity	Ownership Interest 2020 %	Ownership Interest 2019 %
Hume Rural Health Alliance	Information Communications Technology Service	4.62	4.42

Seymour Health's interest in the above jointly controlled operations are detailed below. The amounts are included in the consolidated financial statements under their respective categories.

	2020 $'000 [(i)]	2019 $'000 [(i)]
Current assets		
Cash and cash equivalents	420	303
Receivables	44	60
Other assets	5	11
Total current assets	**469**	**374**
Non-current assets		
Property, plant and equipment	53	75
Total non-current assets	**53**	**75**
Total assets	**522**	**449**
Current liabilities		
Payables	205	163
Lease liability	8	18
Total current liabilities	**213**	**181**
Non-current liabilities		
Lease liability	12	15
Total non-current liabilities	**12**	**15**
Total liabilities	**225**	**196**
Net assets	**297**	**253**
Equity		
Accumulated surpluses/(deficits)	297	253
Total equity	**297**	**253**

[(i)] Figures obtained from the audited Hume Region Health Alliance's (HRHA) financial statements.

Seymour Health's interest in revenues and expenses resulting from jointly controlled operations are detailed below.

	2020 $'000 [(i)]	2019 $'000 [(i)]
Revenues		
Operating activities	152	243
Income from member contributions	152	145
Non-operating activities	2	4
Capital purpose income	78	-
Total revenue	**384**	392
Expenses		
Employee benefits	90	77
Other expenses from continuing operations	191	266
Depreciation and amortisation	26	37
Capital expenditure	41	2
Finance charges	1	2
Total expenses	**349**	**384**
Net result	**35**	**8**

[(i)] Figures obtained from the audited Hume Region Health Alliance's (HRHA) financial statements.

Contingent Liabilities and Capital Commitments

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

Note 8.9: Economic dependency

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

Note 8.10: Changes in accounting policy, revision of estimates and corrections of prior period errors

Leases

On transition to AASB 16, there was no impact on financial statements for Seymour Health.

Revenue from Contracts with Customers

In accordance with FRD 121 requirements, the Seymour Health has applied the transitional provision of AASB 15, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, Seymour Health applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application.

Comparative information has not been restated.

Transition impact on financial statements.

This note explains the impact of the adoption of the following new accounting standards for the first time, from 1 July 2019:

- AASB 15 *Revenue from Contracts with Customers*.

Impact on Balance Sheet due to the adoption of AASB 15 is illustrated with the following reconciliation between the restated carrying amounts at 30 June 2019 and the balances reported under the new accounting standards (AASB 15) at 1 July 2019.

		Before new accounting standards Opening 1 July 2019	Impact of new accounting standards AASB 16,15 & 1058	After new accounting standards Opening 1 July 2019
Balance Sheet	**Note**	**$'000**	**$'000**	**$'000**
Payables and contract liabilities	5.2	1,233	2,414	3,647
Total Liabilities		**1,233**	**2,414**	**3,647**
Accumulated surplus/(deficit)		3,368	(2,414)	954
Physical revaluation surplus		18,721	-	18,721
Other items in equity		6,832	-	6,832
Total Equity		**28,921**	**(2,414)**	**26,507**

Statement of changes in Equity

Changes to Equity statement are presented in the Statement of Changes in Equity.

Note 8.11: AASBs Issued that are not yet Effective

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

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

Standard / interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on Seymour Health financial statements
AASB 2018-17 Amendments to Australian Accounting Standards - Definition of material	This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.	1 Jan 2020	The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non Current	It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued ED 301 Classification of Liabilities as Current or Non-Current – Deferral of Effective Date with the intention to defer the application by one year to periods	1 Jan 2023	No material impact anticipated

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

- AASB 17 *Insurance Contracts*.
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)*.
- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*.
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*.
- AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*.
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*.
- AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*.

Note 8.12: Glossary of terms and style conventions

Actuarial gains or losses on superannuation defined benefit plans

Actuarial gains or losses are changes in the present value of the superannuation defined benefit liability resulting from:

(a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and
(b) the effects of changes in actuarial assumptions.

Amortisation

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset.

Associates

Associates are all entities over which an entity has significant influence but not control, generally accompanying a shareholding and voting rights of between 20 per cent and 50 per cent.

Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from

non-cancellable contractual or statutory sources.

Current grants

Amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense reduces the ‘net result for the year’.

Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Ex gratia expenses

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability, or claim against the entity.

Financial asset

A financial asset is any asset that is:

(a) cash;
(b) an equity instrument of another entity;
(c) a contractual or statutory right:
- to receive cash or another financial asset from another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or

(d) a contract that will or may be settled in the entity's own equity instruments and is:
- a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability

A financial liability is any liability that is:

(a) A contractual obligation:
- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or

(b) A contract that will or may be settled in the entity's own equity instruments and is:
- a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements

A complete set of financial statements comprises:

(a) Balance sheet as at the end of the period;
(b) Comprehensive operating statement for the period;
(c) A statement of changes in equity for the period;
(d) Cash flow statement for the period;
(e) Notes, comprising a summary of significant accounting policies and other explanatory information;
(f) Comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*; and
(g) A statement of financial position at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101 *Presentation of Financial Statements*.

Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes. Grants can be paid as general-purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

General government sector

The general government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non-market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Intangible produced assets

Refer to produced assets in this glossary.

Intangible non-produced assets

Refer to non-produced asset in this glossary.

Interest expense

Costs incurred in connection with the borrowing of funds includes interest on bank overdrafts and short-term and long-term liabilities, amortisation of discounts or premiums relating to liabilities, interest component of leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest income

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Investment properties

Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the State of Victoria.

Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement has the following characteristics:

(a) The parties are bound by a contractual arrangement; and
(b) The contractual arrangement gives two or more of those parties joint control of the arrangement.

A joint arrangement is either a joint operation or a joint venture.

Liabilities

Liabilities refers to interest-bearing liabilities mainly raised from public liabilities raised through the Treasury Corporation of Victoria, leases and other interest-bearing arrangements. Liabilities also include non-interest-bearing advances from government that are acquired for policy purposes.

Net acquisition of non-financial assets (from transactions)

Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. It includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other comprehensive income'.

Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets.

Net worth

Assets less liabilities, which is an economic measure of wealth.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

Non-produced assets

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

Non-profit institution

A legal or social entity that is created for the purpose of producing or distributing goods and services but is not permitted to be a source of income, profit or other financial gain for the units that establish, control or finance it.

Payables

Includes short-term and long-term trade debt and accounts payable, grants, taxes and interest payable.

Produced assets

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films, and research and development costs (which does not include the startup costs associated with capital projects).

Public financial corporation sector

Public financial corporations (PFCs) are bodies primarily engaged in the provision of financial intermediation services or auxiliary financial services. They can incur financial liabilities on their own account (e.g. taking deposits, issuing securities or providing insurance services).

Estimates are not published for the public financial corporation sector.

Public non-financial corporation sector

The public non-financial corporation (PNFC) sector comprises bodies mainly engaged in the production of goods and services (of a non-financial nature) for sale in the market place at prices that aim to recover most of the costs involved (e.g. water and port authorities). In general, PNFCs are legally distinguishable from the governments which own them.

Receivables

Includes amounts owing from government through appropriation receivable, short-term and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and services

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of Seymour Health.

Taxation income

Taxation income represents income received from the State's taxpayers and includes:

(a) payroll tax; land tax; duties levied principally on conveyances and land transfers;
(b) gambling taxes levied mainly on private lotteries, electronic gaming machines, casino operations and racing;
(c) insurance duty relating to compulsory third party, life and non-life policies;
(d) insurance company contributions to fire brigades;
(e) motor vehicle taxes, including registration fees and duty on registrations and transfers;
(f) levies (including the environmental levy) on statutory corporations in other sectors of government; and
(g) other taxes, including landfill levies, license and concession fees.

Transactions

Revised Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows in an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset.

Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

zero, or rounded to zero

(xxx.x) negative numbers

2019 year period

2019-20 year period

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