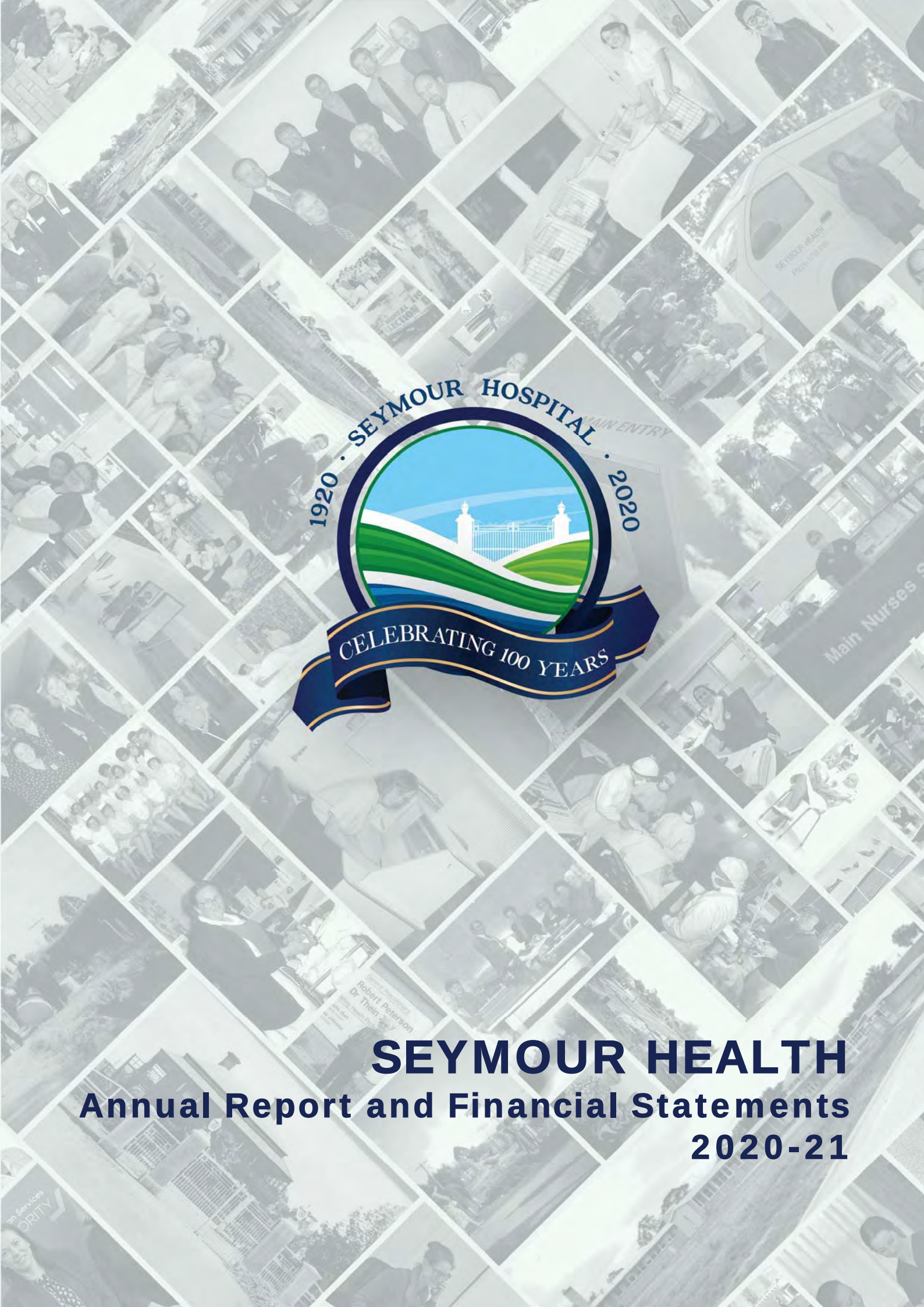

SEYMOUR HEALTH

Annual Report and Financial Statements 2020-21

Corporate governance

The Governor-in-Council, upon the recommendation of the Minister for Health, 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. *(The 1959 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.

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 2021.

Michael Molony
Board Chair
Seymour Health
26 August 2021

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 the 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; 1 July 2020 to 26 September 2020
The Hon Martin Foley MP, Minister for Health, Minister for Ambulance Services, Minister for Equality; 26 September 2020 to 30 June 2021
The Hon Martin Foley MP, Minister for Mental Health; 1 July 2020 to 26 September 2020
The Hon James Merlino MP, Minister for Mental Health; 29 September 2020 to 30 June 2021
The Hon. Luke Donnellan MP**,** Minister for Child Protection, Minister for Disability, Ageing and Carers

Achievements

Aged Care

- Upgraded beds and dining room furniture
- Implementation of Infection Prevention and Control Lead
- Implementation of Facetime; keeping residents and loved ones connected during pandemic visitor restrictions
- COVID-19 vaccination roll out

Capital

- Successful funding applications
- Theatre equipment funded, ensuring compliance to AS4187
- Installation of acute ward fire sprinklers
- Main building solar panels installed
- Barrabill House 10-bed dementia specific wing tendered and works commenced
- Expansion of rear overflow car park

Communication

- Charter of Human Rights posted throughout organisation
- Hosting health events; Aged Care Employee day, International Nurses day, RU OK? Day and 16 days of Activism
- Family Violence posters and 1800 RESPECT information posted throughout organisation
- Staff recognition events; Stress Down day, Staff Christmas and Easter door competitions
- Organisation email signature; including Aboriginal and Torres Strait Islander flags and Rainbow flag
- Launch of Pronouns in email tag and admissions process
- Development of COVID-19 vaccination campaign

Governance

- New By-Laws developed and approved by Department of Health
- Governance policy framework established
- Board Strategic Planning day conducted
- New Board sub-committees established; Credentialing and Scope of Clinical Practice, and Nomination and Remuneration Committees

Supporting staff

- Staff Health and Wellbeing activities
- Staff Excellence and Service awards conducted via virtual platform

Quality and safety

- Establishment of COVID-19 Testing Clinic
- Education and training room refurbishment
- QUIT workplace achievement awarded
- Increased staffing profile to 18-bed occupancy in line with the Safe Patient Care Act
- Austin Pathology commenced as the pathology provider
- Introduction of the Vic Service App QR Code sign-in process
- Established the Respiratory Protection Program
- Establishment of the COVID-19 Vaccination Clinic
- NDIS Accreditation
- e-Credentialing platform (Equifax) introduced
- Establishment of the Director of Quality, Risk and Safety position
- Introduction of nitrous oxide relative analgesia to the community dental service
- Introduction of the SAVR visitor and staff QR Code attestation process
- PROMPT policy and procedure platform upgrade

Community engagement

- Inaugural Aboriginal flag-raising event on National Close the Gap Day
- Inaugural Rainbow flag-raising event during Pride Month
- Installation of four new flag poles at the entrance to the organisation to fly the Australian, Aboriginal, Torres Strait Islander and Rainbow flags
- 100-Year anniversary celebrations and initiatives
- Community members engaged in the COVID-19 vaccination posters and videos campaign
- Community consultations as part of the Strategic Planning process
- Seymour Community and Wellbeing Hub plans developed in partnership with Mitchell Shire, GVH and NEXUS
- Vending machine installed in the front foyer in response to community feedback

Service profile

Clinical services

- Acute Ward – Medical/Surgical
- Operating Suite Services
- Residential Aged Care
- COVID-19 Testing Clinic
- Cancer Services
- Infection Control Services
- Urgent Care Centre
- Respiratory Protection Program
- Renal Dialysis
- Pre-Admission
- COVID-19 Vaccination Clinic

Community services

- Allied Health Services
- Clinical Education
- Diabetes Clinic
- Oral Health Services
- Social Support Group
- Ambulatory Care Centre
- Well Women's Clinic
- District Nursing Service
- Palliative Care Services
- Chronic Disease Service
- Community Health Checks
- Health Promotion
- Post-Acute Care Services

Support services

- Administration
- Finance and Payroll
- Procurement
- Environmental Services
- Hotel and Food Services
- Health Information
- Facilities
- People and Culture

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 2021.

Strong governance and agility in the face of a rapidly ever-changing healthcare environment best sums up the past financial year.

The Board of Seymour Health has continued to provide strong stewardship of the organisation as the COVID-19 pandemic has unfolded. A new set of By-Laws were recommended by the Board and approved by the Secretary for Health.

Governance at Seymour Health has been strengthened through the introduction of a new Board Committee, the Nomination and Remuneration Committee tasked with ensuring robust succession planning at the Executive and Board Director level along with ensuring the Board consists of the appropriate skill mix and knowledge base to provide strong leadership for the organisation.

Credentialing and Clinical Scope of Practice Committee became a Board sub-committee along with Finance, Risk and Audit, Clinical Governance and the Community Reference Committees.

It would be an understatement to say that it has been a very difficult year for staff. The pandemic has required staff to respond quickly as different and varying challenges have presented themselves. We have been exceptionally proud of how all staff across the health service have pulled together as a team to support each other to ensure we continue to keep our community safe.

Staff health and wellbeing is foremost in our minds as the pandemic response continues to dominate the healthcare landscape. The response has shifted to a focus on prevention, with Seymour Health establishing a vaccination clinic. The initial drive has been to ensure our frontline staff are fully vaccinated and well-protected so we can continue to serve our community. At the same time, we continue to test high volumes of people presenting to our Urgent Care Centre with COVID-19 symptoms. The double-barrelled approach has presented staffing difficulties and concerted recruitment efforts have been required to meet the significant demands placed on the health service.

The staffing challenges have not been isolated to just nursing; the Seymour Health response has been organisation-wide and it is important to acknowledge the very significant role played by all departments across the organisation, and in particular the administration support team, the catering and cleaning staff, the Allied Health professionals, and the maintenance team. The impacts have been far-reaching as reporting and compliance demands have increased exponentially, impacting on the finance team, human resources and management alike. Everyone has had a role to play over the last twelve months and without exception, everyone has stepped up and played their role and done it well.

Throughout this response we have continued to deliver business as usual. We have continued to provide the broad array of services to the community that we have always provided. Out of necessity, there have been many innovations in the way those services have been delivered, particularly in the technology arena. Many meetings and consultations have been provided virtually through videoconferencing platforms and this mode of delivery has allowed services to continue where it might otherwise have needed to cease. These new models of care have potential to expand services locally, providing care closer to home and eliminating the need for consumers to travel long distances for care, such as for specialist consultants in Melbourne.

Seymour Health has embraced this new world and is actively engaged in new initiatives such as the Better at Home program, which will increase and enhance the availability of care in the home for our community, while reducing unnecessary Urgent Care Centre presentations and avoidable hospital admissions.

Structural healthcare reform with the introduction of Health Service Partnerships is supporting the evolution of healthcare and the introduction of these new innovative models of care. Seymour Health is a core member of the newly created Hume Health Service Partnership.

The Partnership will benefit our community through a focus on four key priority areas: pandemic response, elective surgery reform, home-based services through the Better at Home initiative and health and wellbeing via the mental health service reform. This all culminates in better access to services locally with the right care being delivered at the right time, at the right place.

To support these initiatives, Seymour Health has invested heavily in upgrading and replacing infrastructure and equipment to ensure our staff are well resourced. We have been successful over the last twelve months in securing significant funding to facilitate this investment. Over $419k has been spent on theatre equipment using State funding secured through the Rural Health Infrastructure Renewal Round 4. The organisation invested a further $194k from reserves to replace and renew equipment across the organisation, including such things as essential clinical equipment in the acute ward, an upgrade of equipment in our education department, replacement of equipment in the kitchen, the expansion of our car parking footprint and an upgrade of our fire sprinkler and fire panel systems to name a few.

The Victorian Department of Health also provided $740k for additional nurse staffing in the 2020/21 year to meet the requirements for staffing levels pursuant to the Safe Patient Care Act.

Seymour Health has been successful with a number of other funding submissions throughout the year that will enable us to expand our services, including $165k to deliver more Palliative Care through the Better at Home initiative and $360k to deliver more surgery locally. We were successful in our application for equipment to commence an expanded analgesic service at our community dental service. We secured funding for an additional nurse practitioner candidate position and received a significant grant to replace the air conditioning system across the hospital.

Advice regarding two grant applications is pending; one for $4.417 million to refurbish our theatre complex and expand capacity so more procedures can be delivered locally and another valued at $500k to resurface our car parks and add security features such as CCTV and lighting to make it safer for our visitors and staff.

Construction of a new ten-bed dementia specific wing for Barrabill House, the Seymour Health residential aged care service, was due for completion in October/November 2021; however has been delayed with the unavailability of construction materials due to the pandemic.

Seymour Health has not only been responding to the immediate needs of the community through the pandemic, the Board and its leadership team have been positioning the organisation for the forecast demand from being located in a growth corridor.

The Board and Executive have led a strategic planning process that will be finalised with the production of a document that will guide the organisation for the next five-year period, the Strategic Plan 2022-26. An extensive consultation process surveying staff, key stakeholders and the community was undertaken with the data collated and presented to the Board, along with current population health burden of disease information at a Board Strategic Planning day held in June. The Plan will set our key objectives for the organisation for the coming years to ensure the health service continues to meet and exceed the needs and expectations of the community.

As part of this strategic planning process, the Board has taken into consideration the implications and potential impacts of the recommendations, and of the recent Royal Commissions into Aged Care and Mental Health. It has also considered, as part of its deliberations and planning, possible recommendations that may stem from the Royal Commission into Family Violence.

Partnerships are essential to ensure we can continue to deliver a high quality of care for our community that is relevant and meets community need and expectation. Our active participation in the Hume Health Service Partnership is one example of this. Another is our strong partnership with the Mitchell Shire in the development of a proposal for a Seymour Community and Wellbeing Hub, along with Nexus Primary Care and Goulburn Valley Health. The Hub has potential to address the intergenerational disadvantage that exists in Seymour that has perpetuated poor health outcomes for a significant portion of our community over many decades.

Seymour Health is working in partnership with the Shire to undertake detailed planning for the Hub concept and to explore funding opportunities.

Planning for the Seymour Community and Wellbeing Hub is considering an array of co-located health and broader community services such as dentistry, family violence counsellors, drug and alcohol services, allied health services, veteran's health and mental health practitioners, the library, community meeting spaces and an internet cafe. The plans seek to consider and alleviate stigma associated with consumers accessing services housed within the Hub. Through this collaborative approach, Seymour Health hopes to play a key role in improving the health of our local community for generations to come.

We continued our close relationship with radiology provider, I-Med, and were pleased to note their investment in a new CT-Scanner at Seymour Health, signalling their ongoing commitment to our health service and the community.

Another key partnership is that with our new pathology provider, Austin Health who are providing enhanced and expanded pathology services and hours compared to the previous provider.

Despite the challenges of the pandemic, Seymour Health staged several significant events over the last twelve months. During 2020 Seymour Health celebrated its 100th year of operations. A number of activities were undertaken in recognition of this milestone, including the commissioning of a mosaic depicting our journey over the last century. The mosaic, created by a local artist through funding support from the Wallan and Kilmore Bendigo Community Bank, is near completion and will be unveiled in the first half of the coming financial year.

A 100-year anniversary video was also produced and all staff and volunteers were gifted a slate cheese platter embossed with our 100-year logo in appreciation of their hard work and dedication to the health service and our community over many years. Banners and posters telling the journey of our health service were produced and displayed prominently throughout the community.

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 RU OK Day to ensure we acknowledge the important contribution of our staff and continue to support their health and wellbeing. Catering and environmental services staff were also recognised with a special day for their invaluable contribution to our pandemic response.

During National Volunteer week we held a luncheon to acknowledge the hard work and dedication of our volunteers who were particularly hard hit by the pandemic.

During the year we welcomed two new Directors to the Seymour Health Board, Helen Hull and Julie Paul, who brought a wealth of knowledge and skill to complement the existing governance processes of the Board.

We also farewelled a very valued Board Director in Annie Fletcher-Nicholls, who retired from the Board having completed the maximum allowable three terms. Annie served on numerous Board Committees over her time on the Board, including being Chair of Finance Risk and Audit Committee and a term as Board Chair during which period Seymour Health was awarded the Premiers Small Rural Health Service of the Year. Annie's leadership and governance oversight will be sorely missed by Seymour Health.

It is important to acknowledge the ongoing support Seymour Health receives from its varying funding bodies including the Commonwealth Department of Health, the Victorian State Department of Health, Dental Health Services Victoria, Murray Primary Health Network and the Lower Hume Primary Care Partnership. Without this funding support Seymour Health would not be positioned to continue in the provision of excellent health outcomes for our community.

2020-21 has been a year of challenges and achievements. We would like to thank all the Board Directors, our dedicated staff and volunteers and the community for the support the organisation has received over the last year.

Symbolised by the flags on our flagpoles, Seymour Health, its Board, our staff and volunteers remain committed to providing high quality care that is also a culturally safe service, respectful and appropriate support to all within our community.

Michael Molony
Board Chair

Ward Steet
Chief Executive Officer

Finance Risk and Audit Committee

The Finance Risk and Audit Committee was in effective operation for the 2020-21 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 five Board members appointed by the Board.

The committee held ten meetings during the 2020-21 year. The activities of the committee included:

- Review of Terms of Reference for the Finance Risk and Audit 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 HPV Compliance, Receipting, HR and Payroll, Information Technology and Compliance to Standing Directions 2018, under the Financial Management Act 2014
- Review of the corporate risk register
- Finance Risk and Audit 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 acknowledge the contribution of Annie Fletcher-Nichols, FRAC Chair from July 2020 to February 2021. Annie remained a member of the committee until her retirement 30 June 2021.

Sue van Buuren
Finance Risk and Audit Chair
March 2021 – June 2021

Director of Business Services and Performance report

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 usual range of services provided by Seymour Heath in the 2020-21, however services were impacted by COVID-19 with some service reduction due to government restrictions. The COVID-19 Vaccination Clinic was opened in June 2021.

The operating financial result before capital and specific items for 2020-21 was a surplus of $161,000. 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 deficit of $516,000 after capital and specific items. This result includes capital income of $776,000 capital donations $17,513, capital expenditure $47,000 and depreciation $1,793,000.

The operating budget objective was to breakeven, the final result is therefore $161,000 favourable to budget. The key drivers of the financial result were the impact of COVID-19 pandemic 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 during the year.

Overall income from operating activities (including capital) increased by 2.8% compared with the previous year; excluding capital revenue this is an 8% increase. Operating expenditure increased by 6.1% including salary expenses which increased by 6.6%. 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 fund raising received in 2020-21 was $17,513 compared to $13,704 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 117% (2019-20 125%), due to the timing of receiving capital income. Cash and investments $10,835,000 includes tied funds for capital funded projects and residential RADs. The favourable result from the budget assists with funding of replacement of ageing infrastructure and equipment. It also supports opportunities for future capital development and enhanced service provision.

Purchase of capital items during 2020-21 included:

- Renewal of Infrastructure
  - Plant and equipment $97,000
  - ICT $32,000
- Medical equipment $472,000 including:
  - Colonvideoscope
  - Gastrovideoscope
  - Telescopes
  - Beds
  - Cystoscopes
  - Orthopaedic Drill

In March 2021 works commenced on the Barrabill House Residential Facility new wing, providing an additional 10 residential beds. Extensive consultation was undertaken with staff, consumers and families. The project commencement was delayed due to COVID-19. Building works was expected to be completed by November 2021, however further COVID-19 restrictions may delay construction. This project was funded by the Department of Health, with a co-contribution by Seymour Health.

Other capital projects included

- Solar panel installations (DTF loan)
- Sprinklers in the acute ward (DH funded)
- Theatre Equipment (DH funded)

	2021	2020	2019	2018	2017
	$'000	$'000	$'000	$'000	$'000
Operating Result*	161	75	200	581	658
Total revenue	23,767	23,198	23,074	20,517	19,263
Total expenses	24,620	23,026	21,962	21,065	19,859
Net result from transactions	(853)	172	1,112	(548)	(596)
Total other economic flows	337	(75)	(330)	(29)	54
Net result	(516)	97	782	(577)	(542)
Total assets	37,524	35,990	35,661	32,076	31,092
Total liabilities	11,187	9,386	6,740	5,214	5,604
Net assets/ Total equity	26,337	26,604	28,921	26,862	25,488

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

	2021	2020	2019	2018	2017
	$'000	$'000	$'000	$'000	$'000
Net Operating result *	161	75	200	581	658
Capital purpose income	803	1,860	2,673	779	325
Specific income					
COVID-19 State supply arrangements Assets received free of charge or for nil consideration under the State supply	265	22	-	-	-
State supply items consumed up to 30 June 2021	(242)	(15)			
Expenditure for capital purpose	(47)	(59)	(52)	(281)	(4)
Depreciation and amortisation	(1793)	(1,711)	(1,709)	(1,627)	(1,575)
Impairment of non-financial assets	-	-	-	-	-
Financial costs (other)					
Net result from transactions	**(853)**	**172**	**1,112**	**(548)**	**(596)**

* 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
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.

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 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.

Director Quality, Risk & Safety
Vickie Callaghan RN, B. App. Science, Cert. Critical Care

The Director Quality, Risk and Safety 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
B Commun (Public Relations)
Dip. Management (Recreation Planning)
GradDipCouns

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 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.

Michael Molony – Chair Appointment 2013 | Term expiry 30 June 2022
Board (Chair) | Nomination and Remuneration Committee
CPA B. Bus (Acc)

Michael is Board Chair and the Chair of the Credentialing & Scope of Clinical Practice 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.

Sue van Buuren – Deputy Chair Appointment 2019 | Term expiry 30 June 2024
ANZIIF (snr Assoc) CIP
Finance, Risk & Audit Committee (Chair) from Feb 2021 |Nomination and Remuneration Committee

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.

Annie Fletcher-Nicholls Appointment 2012 | Term expiry 30 June 2021
Finance, Risk & Audit Committee (Chair) to Feb 2021 | Nomination and Remuneration Committee
B Arts (ANU), Member AICD

Annie has a wealth of experience as a strategic marketing specialist. Over the last decade she has served on a number of government and private boards. Annie is also currently a director of Docklands Studios Melbourne. Annie has been on the Board of Seymour Health since 2012, serving as Chair from 2016 – 2020. She is passionate about providing first class healthcare to the Seymour community.

Ian Chadwick Appointment 2015 | Term expiry 30 June 2023
Finance, Risk & Audit Committee | Community Reference 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 Committee | Community Reference Committee | PCG BH

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 2024

Finance, Risk & Audit Committee | Clinical Governance Committee

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.

Russell Harrison Appointment 2019 | Term expiry 30 June 2024

Clinical Governance Committee | Nomination and Remuneration Committee

BVSc DipPracMgt, GradCertHSM, GAICD

Dr Russell Harrison is the Chief Outcome Officer 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.

Julie Paul, OAM Appointment 2020 | Term expiry 30 June 2023

Clinical Governance Committee

RN, BaAppSc., MPHC, GradCertHlth, GradDipHlthSc.

Julie has a nursing background with extensive experience in clinical, education and management roles. She has worked in the public, private and not-for-profit health sectors. Julie is passionate about providing best practice health care which meets the needs of the local community and has a strong interest in communities partnering with services to achieve this.

Helen Hull Appointment 2020 | Term expiry 30 June 2023

Finance, Risk & Audit Committee | Nomination and Remuneration Committee

BBus

Helen is a senior consultant that specialises in governance and information technology management. Helen is also a member of the Finance Risk and Audit and the Nomination and Remuneration subcommittees. Helen has extensive experience with state government in corporate roles including information technology, risk and audit, governance, and strategy. She utilises this expertise for the Seymour community through her Board participation. Helen is keen to ensure the hospital's patients receive the highest possible service, and the staff are acknowledged for their dedicated service.

Board committees

Seymour Health had nine Board Directors during 2020-2021. The following committees were in operation for this period; Finance Risk and Audit Committee, Board Clinical Governance Committee, Nomination and Remuneration Committee, Credentialing and Scope of Clinical Practice Committee, and the Community Reference Committee (CRC). Membership of the CRC increased during 2020-21, providing a broad range of advice, feedback and information to the Board and the organisation.

Board Director's attendance for meetings 1 Jul 2020 – 30 Jun 2021	**Seymour Health Board**	**Percentage**	**Finance, Risk & Audit Committee**	**Board Clinical Governance Committee**
Number of meetings	**10**		**10**	**10**
Annie Fletcher-Nicholls	8	80%	7/9	-
Michael Molony	10	100%	7	-
Ian Chadwick	10	100%	10	
Fred Sartori	10	100%	1/1	10
Belinda Scott	9	90%	8/9	8
Sue van Buuren	10	100%	9/9	-
Russell Harrison	9	90%	-	9
Julie Paul	9	90%	-	9
Helen Hull	9	90%	8/9	

Membership of the Finance, Risk and Audit Committee changed from August 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

Dr M. Nuruzzaman
MB, BS

Dr S Zaz
MB, BS, FRACGP, MBBS

Dr G Yonis
MB, BS, FRACGP

Dr R Godwin
MD (Russia)

Dr I Wijetunge
MB, BS

Dr C Lawford
MB, BS

Visiting General Practitioners / Anaesthetists
Dr C. Blanchot
MB, BS, FRACGP

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

Visiting General Practitioner Registrars
Dr S. Ahammed
MB, BS

Dr H Eldebeiky
MB, BS

Dr A. Elkafrani
MB, BS

Dr A Pathagamage
MD (Russia)

Dr A. Tang
MB, BS

Visiting General Surgeons
Ms B Lai
MB BS

Visiting Gastroenterologist
Dr D Fone
MB, BS, FRACP, DM

Dr M Ward
MB, BS, 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 N Campbell
MB, BS, FRACS (Urology)

Visiting Specialist Anaesthetists
Dr U Babitu
MB, BS, FANZCA

Dr G Stainsby
MB, BS, FANZCA

Dr P Ching
MB, BS

Dr A Gur
MD (Turkey)

Dr K Kan
MB, BS (New Zealand) FANZCA

Dr U Kolandaivel
FANZCA. MBBS (India)

Dr R Vittalraj
FANZCA, MB, BS (India)

Visiting Anaesthetists
Dr Y Lim
MB, BS, FANZCA

Dr R Ranger
MB, BS

Visiting Oral and Maxillofacial Surgeon (Affiliated)
Dr G Wright
BDS, MB, BS, MDSc, FRACDS

Visiting Ear, Nose & Throat Surgeon
Mr M Subramaniyan
MB BS FRACS

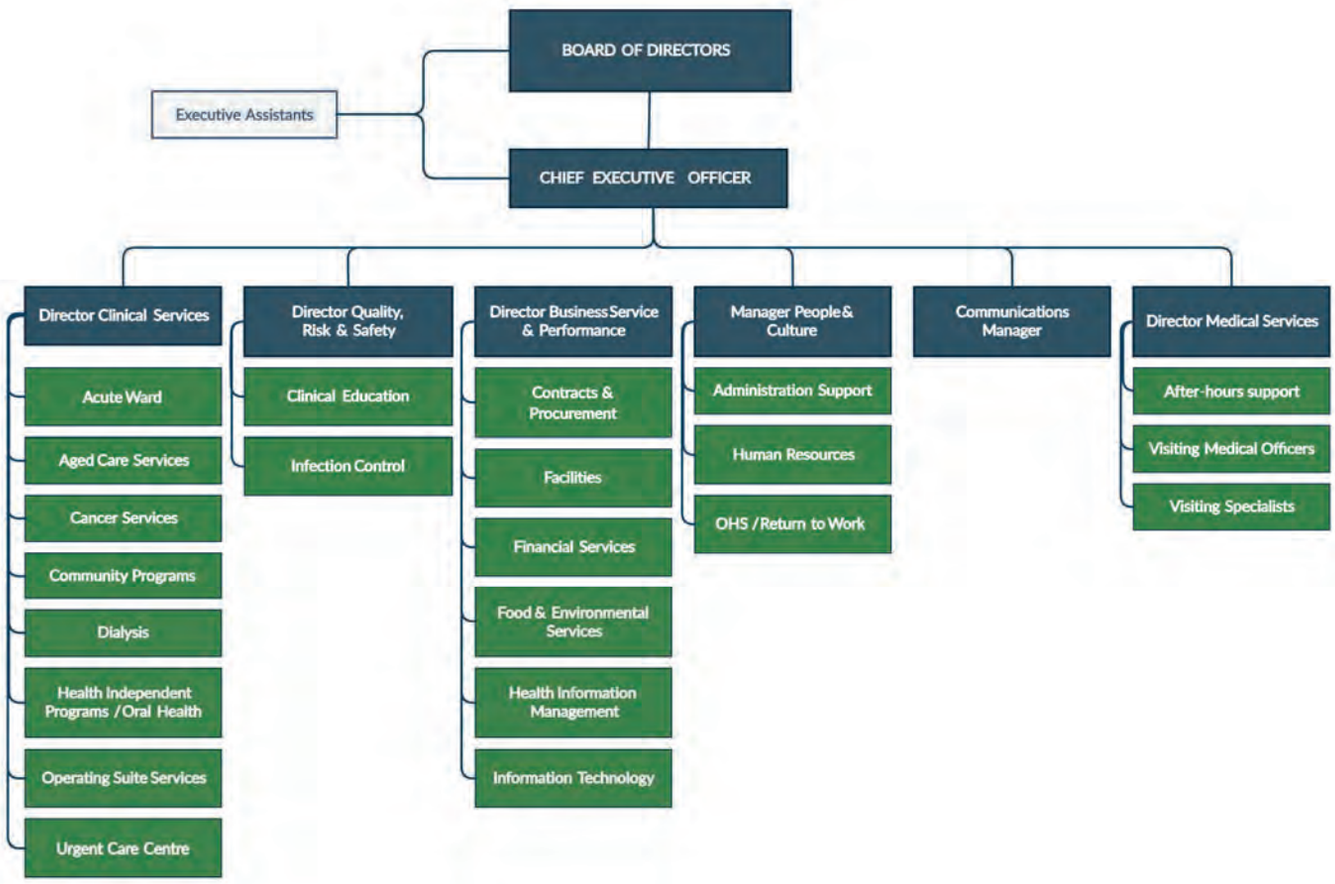
Visiting Cardiologist
Dr J Morgan
MB, BS, FRACP

Visiting Dentist
Dr P Lejins
BDS

Visiting GP Oncologists
Dr M Klevansky
MB, BS, FRACP

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

Organisational Chart



Recognition of service

10 years

- Jennifer Cook
- Jane Cruise
- Terri Dickinson
- Desmond Franks
- Anna Gear
- Pettina Hodgson
- Julie McArthur
- Evie Parker
- Susan Russell
- Jane Scully
- Amanda Wellington
- Rebecca Welsh

15 years

- Leanne Austin
- Racheal De Caneva
- Cherie Enrico
- Nicole Morgan
- Sharon Parsons

20 years

- Judith Cassin-Day
- Anne Daley
- Sally Littlewood
- Lorraine Walton
- Karla Washington
- Deborah Wiggett

25 years

Gail Fairbridge

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

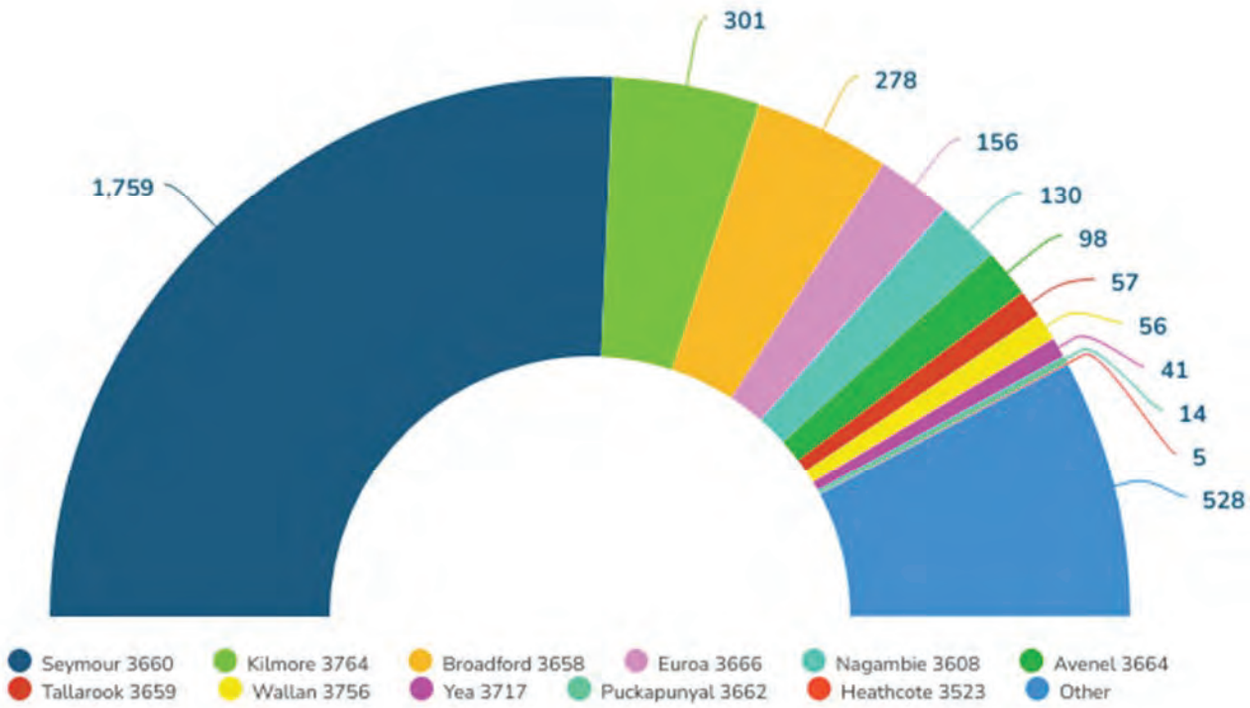
Labour Category	JUNE Current Month FTE		AVERAGE MONTHLY FTE	
	2020	2021	2020	2021
Nursing	79.54	85.28	75.39	80.78
Administration and clerical	25.91	28.12	26.82	25.92
Medical support	4.99	5.37	4.85	5.94
Hotel and allied services	22.66	26.66	25.95	26.10
Medical Services	0.26	0.26	0.26	0.25
Ancillary staff (allied health)	12.41	13.17	12.87	13.02
Total	**145.77**	**158.86**	**146.14**	**152.01**

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).

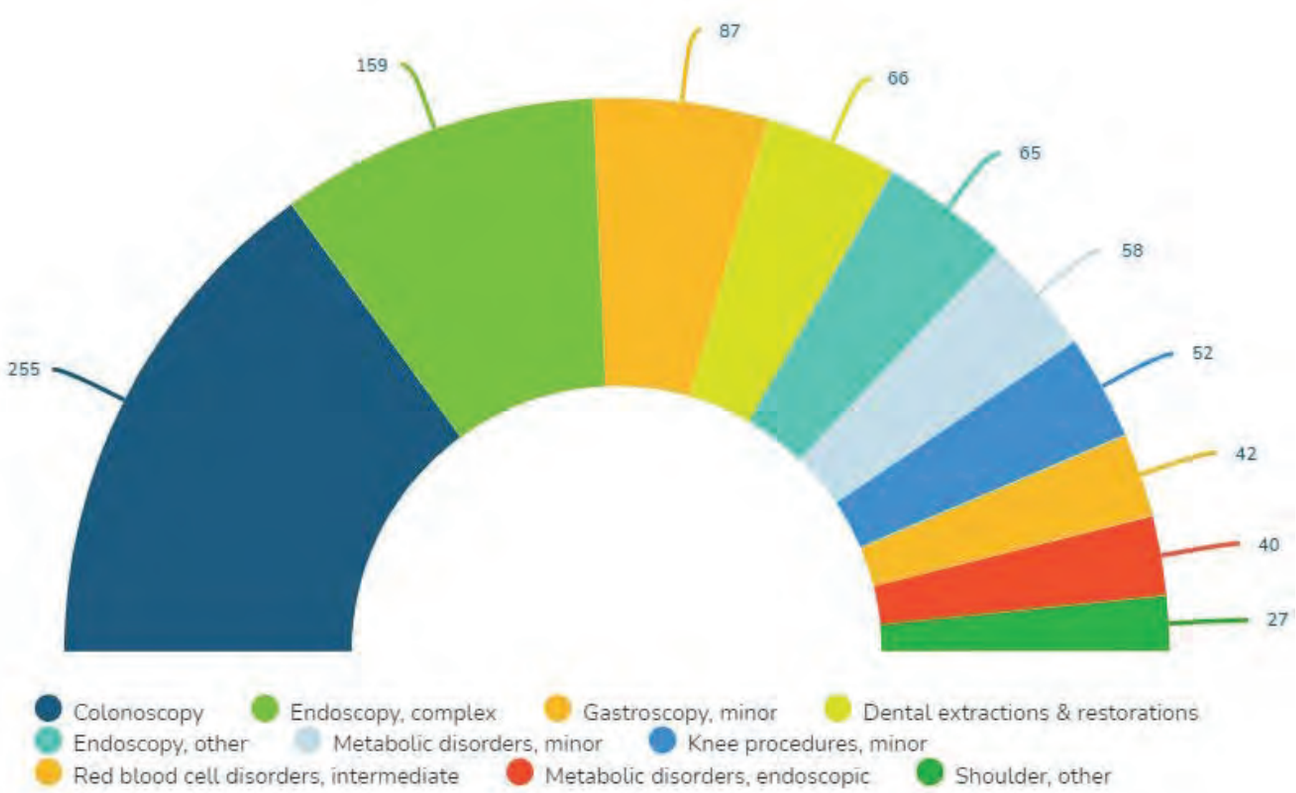
Key financial and service performance reporting

Service and Activity data	2020-21	2019-20	2018-19
Admitted patient separations			
Acute			
Same day	2516	2803	2659
Overnight stay	523	583	621
Unqualified newborn	-	-	-
Nursing home type - DVA	-	-	-
Palliative care	36	37	47
Total separated patients	**3075**	**3423**	**3327**
Admitted patient days			
Acute	5168	5472	5150
Unqualified newborn	-	-	-
Nursing home type - DVA	-	-	-
Palliative care	419	557	323
Total patient days	**5587**	**6029**	**5473**
Total Acute WIES	1279.8	1349.9	1376.6
Separation per available bed	102.5	114	111
ALOS of admitted patient (days)	1.82	1.76	1.65
Occupancy rate; admitted patients – acute beds	51.02	55.06	49.98
Organisation data			
Inpatients treated	3075	3423	3327
Daily average occupancy (acute beds)	15.31	16.52	14.99
Average stay in days	1.82	1.76	1.65
Urgent Care Centre attendances	11,997	6718	6228
Surgical procedures	1038	1031	1268
District Nursing			
Occasions of service	7284	6172	6597
Hours of service	5229	4637	4273
Number of clients seen	319	302	235
Residential Aged Care			
Bed days – nursing home resident (inc. respite)	10,469	10442	10635
Food services			
Meals prepared	47991	49313	50200
Social Support Group			
Attendances	3008	3029	2939
Hours of service	5850	10646	10049
Number of clients seen	109	115	102
Health Independent Programs			
Sub-Acute Ambulatory (SACS)			
Client contacts	5428	5859	6736
Group sessions	123	295	416
Home-based rehabilitation	49	122	105
HARP (Hospital Admission Risk Program) contacts	2390	1798	1591
HARP new referrals	171	121	121
Post-Acute Care completed episodes	606	589	656
Post-Acute Care client contacts	3817	4716	4004
Lower Hume services			
Palliative Care contacts	4633	3183	4211
Dental services			
Attendances	3074	2585	3043
Treatments	8987	7125	8478
Emergency treatments and vouchers	1231	1119	916

Patients admitted by postcode 2020-21



Top 10 Diagnosis Related Groups (excluding Renal Dialysis)



Consultancies

Details of consultancies (under $10,000)

In 2020-21, Seymour Health engaged five consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred in relation to these consultancies is $20,763 (excl. GST).

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

In 2020–21, Seymour Health engaged 10 consultancies where the total fees payable to the consultants were $10,000 (exc. GST) or greater. The total expenditure incurred in 2020-21 in relation to these consultancies is $135,110 (excl. GST).

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2020-21 (excluding GST)	Future expenditure (excluding GST)
Evidence Based Design	UCC Architect / Superintendent	Apr 2018	June 2021	$97,576	$5,250	$0
Evidence Based Design	Barrabill House Architect / Superintendent	Nov 2018	Dec 2021	$222,910	$65,042	$41,649
Erbas	Barrabill House Service Engineers	Apr 2019	Dec 2021	$48,870	$23,045	$7,050
Irwin Consult	Barrabill House Structural / Civil Engineers	Apr 2019	Dec 2021	$40,650	$11,235	$10,426
Currie & Brown	Barrabill House Quantity Surveyors	Apr 2019	Dec 2021	$35,700	$6,500	$22,500
Philip Chun	Barrabill House Building Surveyor	Apr 2019	Dec 2021	$14,600	$4,210	$1,160
PlanRight	Carpark upgrades	Jan 2021	Deb 2022	$34,170	$19,828	$14,342

Details of Information and Communication Technology (ICT) expenditure

The total ICT expenditure incurred during 2020-21 is $720,602 (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)
$720,602	Nil	Nil	Nil

Occupational violence

Occupational violence statistics	2020-21
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	36
Number of occupational violence incidents reported per 100 FTE	23.68
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	4.41%

Definitions of occupation violence

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

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

Accepted WorkCover claims: Accepted WorkCover claims that were lodged in 2020-21.

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.

The OHS Committee is made up of Health and Safety Representatives (HSRs), across all departments within the organisation and whom are elected by their peers. All 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. Our OHS Committee is supported by the OHS and Injury Management Coordinator.

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
- Mental Health First Aid training

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 WorkCover Agent working collaboratively for successful rehabilitation. Seymour Health have had one standard claim and two minor claims, with minimal time lost and minimal claims costs, which is a positive achievement from previous years.

	2020-21	2019-20	2018-19
The number of reported hazards/incidents for the year per 100 full-time equivalent staff members	59.8	35.6	49.5
The number of 'lost time' standard WorkCover claims for the year per 100 full-time equivalent staff members	1.9	0.7	4.3
The average cost per WorkCover claim for the year ('000)	$52	$1	$37

**Three claims lodged for the 2020-21 FY one standard, two minor claims.*

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 2020-21 there were 35 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.

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 2020-21.

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 2020-21, there was one contract entered into to which Local Jobs First (previously VIPP) plan was required.

Barrabill House additional beds works commenced in April 2021; the contract was appointed in accordance with the *Local Jobs First Act 2003*. Completion is anticipated by November 2021. The value of the project is $3,000,000.

Details of Local Jobs First Policy contracts

Number & Value Contracts commenced / completed in Financial period	1 ($2.94m)		
Local content committed (VIPP not required)	*Local*	*International*	
	94.5% (6)	5.5% (0)	
Number of small and medium sized businesses (SME) engaged	17		
Local content committed (number and %)	*Metro*	*Region*	*Statewide*
	0	6 / 95%	6 / 95%
	Jobs	*Apprentices*	*Technology*
Total VIPP plan commitments achieved	6	0.8%	0
Total VIPP plan outcomes for contracts completed	N/A		
Total conversations with Industry Capability Network	1		

Gender Equality Act 2020

The Gender Equality Act 2020 came into effect in March 2021 bringing with it a new requirement for Victorian health services to conduct workplace gender audits on a periodic basis and to translate the findings into a Gender Equality Action Plan; to be made publicly available on the Seymour Health website in late 2021.

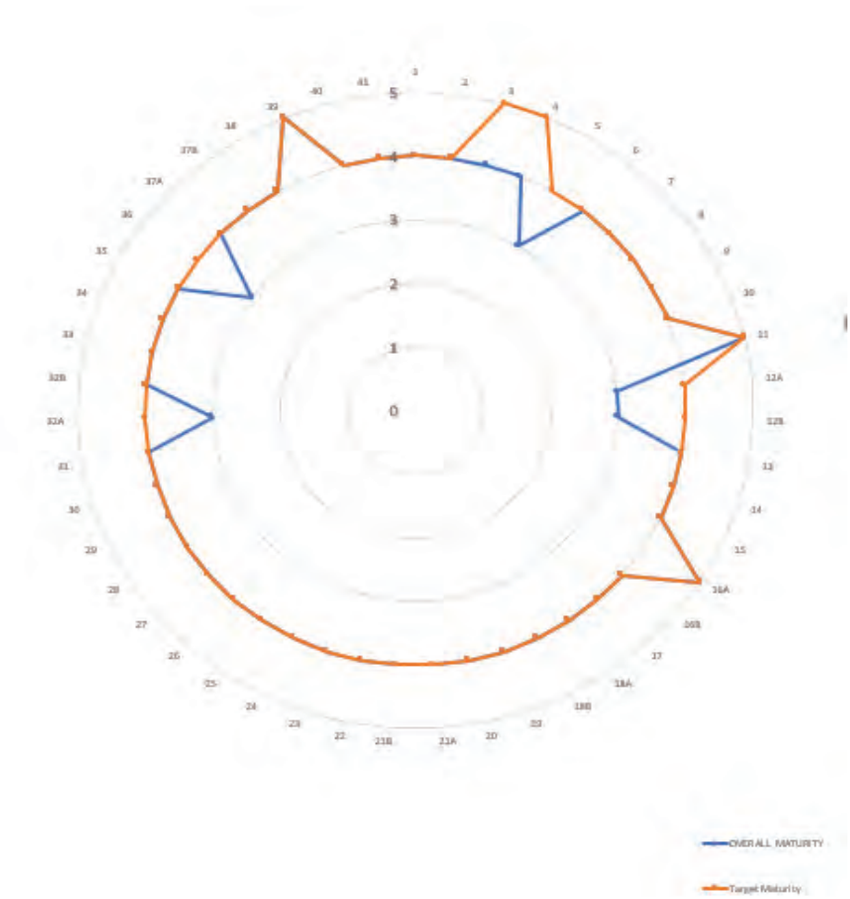
Seymour Health is currently recruiting a Project Officer to coordinate the delivery and implementation of the requirements of the Gender Equality Act, including the development of a Gender Equality Action Plan.

The objectives of the Act are to:

- promote, encourage and facilitate the achievement of gender equality and improvement in the status of women
- support the identification and elimination of systemic causes of gender inequality in policy, programs and delivery of services in workplaces and communities
- recognise that gender inequality may be compounded by other forms of disadvantage or discrimination that a person may experience on the basis of Aboriginality, age, disability, ethnicity, gender identity, race, religion, sexual orientation and other attributes
- redress disadvantage, address stigma, stereotyping, prejudice and violence, and accommodate persons of different genders by way of structural change
- enhance economic and social participation by persons of different genders
- further promote the right to equality set out in the Charter of Human Rights and Responsibilities and the Convention on the Elimination of All Forms of Discrimination against Women

Asset Management Accountability Framework (AMAF) maturity assessment [FRD 22I]. The following sections summarise Seymour Health's assessment of maturity against the requirements of the AMAF. The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework).

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



Leadership and Accountability (requirements 1-19)
Seymour Health has met or exceeded its target maturity level under most requirements within this category.
Planning (requirements 20-23)
Seymour Health has met or exceeded its target maturity level in this category.
Acquisition (requirements 24 and 25)
Seymour Health has met or exceeded its target maturity level in this category.
Operation (requirements 26-40)
Seymour Health has met or exceeded its target maturity level under most requirements within this category.
Disposal (requirement 41)
Seymour Health has met its target maturity level in this category.

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, including annual Aboriginal cultural safety reports and plans, 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, including any Aboriginal advisory or governance committees, 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

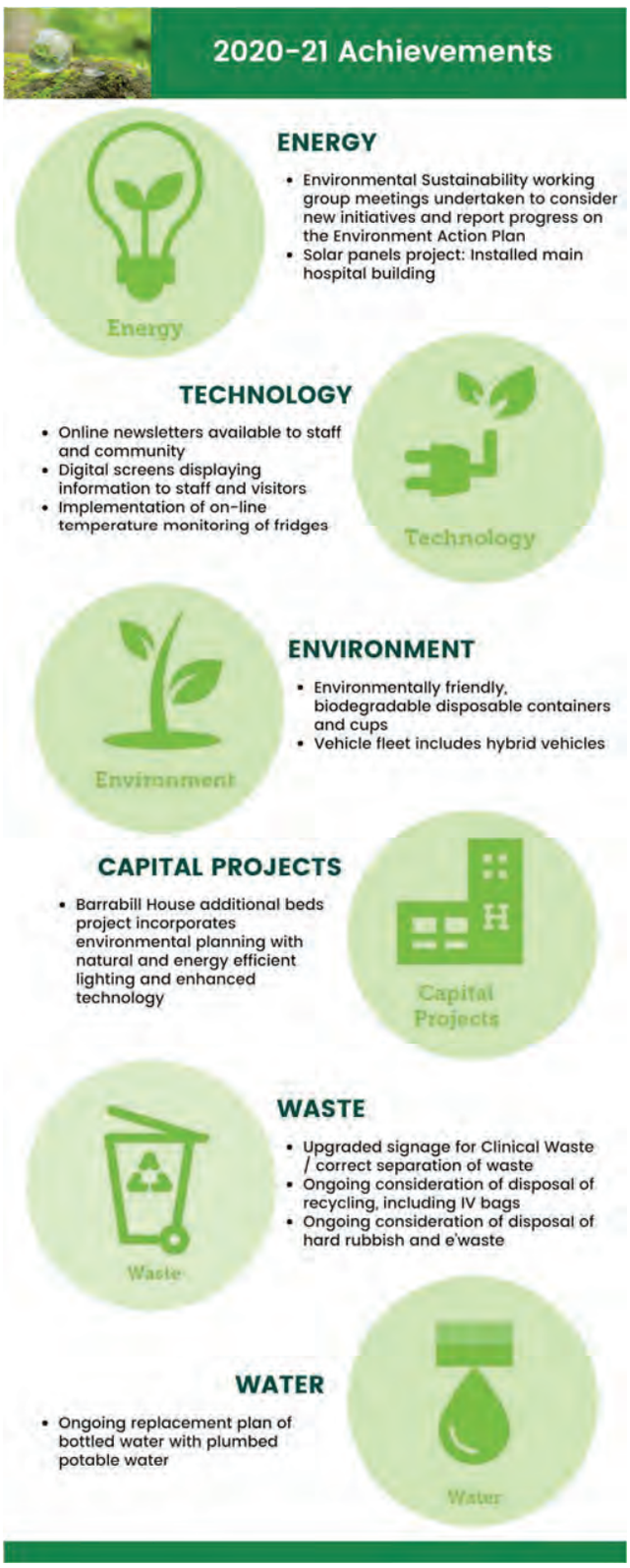
Seymour Health is committed to improving the sustainable environment through community awareness and commitment of staff to implement efficiencies across the organisation.

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

Environmental Sustainability Working Group meetings are undertaken to consider new initiatives and reporting progress on the Environmental Action Plan.



Greenhouse Gas emissions

Greenhouse gas emissions trend line is reducing slightly each year.

	2020-21	2019-20	2018-19	2017-18
Greenhouse gas emissions (tonnes CO2e)	1,544	1,564	1,609	1,602

Energy

Electricity usage has increased due to building works. Reduction in electricity is expected in 2021-22 with the implementation of solar panels. Gas usage has returned to 2017-18 usage, post UCC redevelopment works. Infrastructure damage impacted on the usage of potable water. This has since been rectified. The Barrabill House additional beds project will consider attributes which provide environmental benefits to our staff and consumers in future years.

	2020-21	2019-20	2018-19	2017-18
Electricity (GJ)	4,663	4,544	4,586	4,428
Natural Gas (GJ)	5,336	5,368	4,769	5,307

Water

Potable Water (KL)	16,899	12,806	10,875	11,324

Waste and Recycling

Seymour Health actively seeks opportunities to reduce the environmental impact of waste/landfill. Data includes secured document disposal and toner waste recycle.

	2020-21	2019-20	2018-19	2017-18
Total waste generated	111,791	115,458	135,637	117,194
Recycling rate %	31.98	29.59	41.06	30.51

Paper

Follow Me printing has reduced the paper usage per FTE.

	2020-21	2019-20	2018-19	2017-18
Total reams of paper	1,061	1,075	1,061	1,135
Reams of paper per FTE	6.67	7.36	7.47	7.99
Rate recycled paper % (0-49%)	100.00	100.00	100.00	100.00

Note: 2020-21 full year data is estimated at 30 June and may be updated for future reporting.

Strategic Priorities

In 2020-21 Seymour Health contributed to the achievement of the Government's commitments within *Health 2040: Advancing health, access and care* by:

Priorities

Deliverables

Maintained our robust COVID-19 readiness and response, working with The Department of Health to ensure we rapidly respond to outbreaks, if and when they occur, which includes providing testing for our community and staff, where necessary and if required. This includes preparing to participate in, and assist with, the implementation of our COVID-19 vaccine immunisation program rollout, ensuring our local community's confidence in the program.

Outcomes

- Development and maintenance a COVIDsafe Plan and an Outbreak Management Plan
- Staff trained for the Call-To-Test and Rapid Response Testing Teams
- Staff training in contact tracing
- Ongoing COVID-19 testing in response to demand to meet community needs (related to outbreaks, exposure site testing and symptomatic testing)
- Implementation of a Sub-Hub COVID-19 Vaccination Clinic under the governance of GVH
- Ongoing communication strategy with community regarding health information related to COVID-19 pandemic, COVID-19 testing and COVID-19 vaccination clinic
- Roll out of Fit Testing schedule in line with Respiratory Protection Program to ensure safety of staff
- Establishment of a dedicated Infection Prevention and Control position within our residential aged care service
- Implementation of the Department of Health SAVR staff and visitor attestation QR code

Deliverables

Engage with our community to address the needs of patients, especially our vulnerable Victorians whose care has been delayed due to the pandemic and provide the necessary "catch-up" care to support them to get back on track.

Outcomes

- Ensuring varying forms of telehealth available to clients during periods of restrictions related to the COVID-19 pandemic
- Offer telephone support to clients to limit contact where particularly vulnerable
- Where restrictions limited numbers, disallowing community group sessions for pulmonary and cardiac rehabilitation, reschedule to 1:1 sessions to enable ongoing support
- Provide social support during lockdown with house visits, delivery of care bundles and welfare checks for clients

Deliverables

As providers of care, respond to the recommendations of the Royal Commission into Victoria's Mental Health System and the Royal Commission into Aged Care Quality and Safety. The Department of Health will engage further with our service as these reports are delivered.

Outcomes

- Seymour Health is a core member of the Hume Health Service Partnership which intends to address recommendations stemming from the Royal Commissions into Mental Health and Aged Care as key priority areas. Seymour Health has engaged in partnership with Kilmore District Health and Yarrawonga Health to form a working group that has commenced reviewing the Aged Care recommendations so that we may plan for potential impacts and change.

Deliverables

Develop and foster our local health partner relationships, which have been strengthened during the pandemic response, to continue delivering collaborative approaches to planning, procurement and service delivery at scale. This extends to prioritising innovative ways to deliver health care through shared expertise and workforce models, virtual care, co-commissioning services and surgical outpatient reform to deliver improved patient care through greater integration.

Outcomes

- Seymour Health is committed to the Hume Health Service Partnership as a core member and has participated in the regular partnership meetings, including the recent planning day to establish terms of reference and priorities for the Partnership
- Seymour Health has also been an active member of the Goulburn Health Service Partnership, with the CEO of Seymour Health chairing the Quality and Safety Committee, a sub-committee of the Partnership
- Seymour Health, through its participation in the Lower Hume Primary Care Partnership, has assisted in the development of a Self-Determination Memorandum of Understanding with the Taungurung Land and Waters Corporation (TLaWC), representing the Taungurung people and the land upon which Seymour Health operates
- Flag poles have been erected at the entrance to the hospital and Seymour Health held its inaugural Aboriginal flag-raising ceremony on National Close the Gap Day on 15 March 2021
- During the pandemic our organisation embraced the use of HealthDirect, a virtual platform for delivering consultations and care for vulnerable people in the community without requiring face-to-face contact

Performance priorities

High quality and safe care

Key performance measure	Target	2020-21 Actuals
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	83 %	86.4%
Percentage of healthcare workers immunised for influenza	90 %	96%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses	95%	No surveys conducted in 2020-2021
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care	75%	No surveys conducted in 2020-2021

Effective financial management

Key performance measure	Target	2020-21 Actuals
Finance		
Operating result ($m)	0.00	$0.16
Average number of days to pay trade creditors	60 days	46 days
Average number of days to receive patient fee debtors	60 days	31 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.48
Actual number of days available cash, measured on the last day of each month	14 days	79.2 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤ $250,000	$-1.17

Activity and funding

Funding Type		
Small Rural	**Activity**	**Units**
Small Rural Acute	238	WIES equivalents
Small Rural Primary Health & HACC*	386	Service hours
– Nursing	282	
– Allied Health	(43)	
– Dietetics	18	
– Physiotherapy	25	
Small Rural Residential Care	10,469	Bed days
Small Rural Health HACC	232	
Health Workforce	82	Number of students

** Primary & HACC underachieved due to impact of COVID*

Attestations and declarations

Data integrity declaration

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
26 August 2021

Conflict of interest declaration

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 and board meeting.

Ward Steet
CEO
Seymour Health
26 August 2020

Integrity, fraud and corruption declaration

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
26 August 2021

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
26 August 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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Financial Statements 2020-21

Seymour Health
Financial Report

How this report is structured

Seymour Health presents its audited general purpose financial statements for the financial year ended 30 June 2021 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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Financial Statements
Financial Year ended 30 June 2021

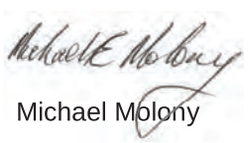
Board member's, accountable officer's, and chief finance & accounting officer's declaration

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 2021 and the financial position of Seymour Health at 30 June 2021.

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 2021.



Michael Molony
Board Chair
Seymour Health
26 August 2021

Ward Steet
Chief Executive Officer
Seymour Health
26 August 2021

Cheryl Nickels-Beattie
Chief Finance and Accounting Officer
Seymour Health
26 August 2021

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 2021
- 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 2021 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
13 September 2020

Dominika Ryan
as delegate for the Auditor-General of Victoria

Comprehensive Operating Statement

Seymour Health
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2021

	Note	2021 $'000	2020 $'000
Revenue and income from transactions			
Operating activities	2.1	23,731	23,089
Non-operating activities	2.1	36	109
Total revenue and income from transactions		**23,767**	**23,198**
Expenses from transactions			
Employee expenses	3.1	(17,392)	(16,399)
Supplies and consumables	3.1	(2,370)	(2,204)
Finance costs	3.1	(20)	(28)
Depreciation and amortisation	3.1, 4.2	(1,792)	(1,711)
Other administrative expenses	3.1	(1,422)	(1,490)
Other operating expenses	3.1	(1,382)	(1,179)
Other non-operating expenses	3.1	(242)	(15)
Total Expenses from transactions		**(24,620)**	**(23,026)**
Net result from transactions - net operating balance		**(853)**	**172**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.4	43	(8)
Net gain/(loss) on financial instruments	3.4	(11)	(14)
Other gain/(loss) from other economic flows	3.4	305	(53)
Total other economic flows included in net result		**337**	**(75)**
Net result for the year		**(516)**	**97**
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.1(b)	249	-
Items that may be reclassified subsequently to net result			
Changes to financial assets revaluation surplus		-	-
Total other comprehensive income		**249**	**-**
Comprehensive result for the year		**(267)**	**97**

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

Balance Sheet

Seymour Health
Balance Sheet as at 30 June 2021

	Note	2021 $'000	2020 $'000
Current assets			
Cash and cash equivalents	6.2	10,835	9,322
Receivables and contract assets	5.1	595	626
Inventories	4.3	128	121
Other non financial assets		356	148
Total current assets		**11,914**	**10,217**
Non-current assets			
Receivables and contract assets	5.1	862	822
Property, plant and equipment	4.1 (a)	24,748	24,951
Total non-current assets		**25,610**	**25,773**
Total assets		**37,524**	**35,990**
Current liabilities			
Payables and contract liabilities	5.2	3,993	2,677
Borrowings	6.1	172	67
Employee benefits	3.2	3,911	3,781
Other liabilities	5.3	2,065	1,642
Total current liabilities		**10,141**	**8,167**
Non-current liabilities			
Borrowings	6.1	366	450
Employee benefits	3.2	680	769
Total non-current liabilities		**1,046**	**1,219**
Total liabilities		**11,187**	**9,386**
Net assets		**26,337**	**26,604**
Equity			
Property, plant and equipment revaluation surplus	4.1(f)	18,970	18,721
Contributed capital	SCE	6,832	6,832
Accumulated surplus/(deficit)	SCE	535	1,051
Total equity		**26,337**	**26,604**

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 2021

	Note	Property, Plant and Equipment Revaluation Surplus $'000	Contributed Capital $'000	Accumulated Surplus/ (Deficit) $'000	Total $'000
Balance at 30 June 2019		**18,721**	**6,832**	**3,368**	**28,921**
Effect of adoption of AASB 15, 16 and 1058		-	-	(2,414)	(2,414)
Restated Balance at 1 July 2019		**18,721**	**6,832**	**954**	**26,507**
Net result for the year		-	-	97	97
Other comprehensive income for the year		-	-	-	-
Transfer from/(to) accumulated deficits		-	-	-	-
Balance at 30 June 2020		**18,721**	**6,832**	**1,051**	**26,604**
Net result for the year		-	-	(516)	(516)
Other comprehensive income for the year		249	-	-	249
Transfer from/(to) accumulated surplus		-	-	-	-
Balance at 30 June 2021		**18,970**	**6,832**	**535**	**26,337**

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 2021

	Note	2021 $'000	2020 $'000
Cash Flows from operating activities			
Operating grants from government		20,516	18,657
Capital grants from government - State		1,326	817
Patient fees received		1,492	1,340
Donations and bequests received		6	-
Capital donations and bequests received		12	7
Interest received		36	109
Other receipts		715	1,259
Total receipts		**24,103**	**22,189**
Employee expenses paid		(15,546)	(14,405)
Non salary labour costs		(1,347)	(1,267)
Payments for supplies and consumables		(1,785)	(1,733)
Finance Costs		(20)	(28)
Cash outflow for leases		(192)	(160)
Other payments		(2,854)	(3,377)
Total payments		**(21,744)**	**(20,970)**
Net cash flows from/(used in) operating activities	8.1	**2,359**	**1,219**
Cash Flows from investing activities			
Purchase of property, plant and equipment		(1,371)	(2,436)
Proceeds from disposal of property, plant and equipment		90	101
Net cash flows from/(used in) investing activities		**(1,281)**	**(2,335)**
Cash flows from financing activities			
Proceeds from borrowings		21	386
Receipt of accommodation deposits		1,405	600
Repayment of accommodation deposits		(990)	(292)
Net cash flows from /(used in) financing activities		**436**	**695**
Net increase/(decrease) in cash and cash equivalents held		**1,514**	**(421)**
Cash and cash equivalents at beginning of year		9,323	9,744
Cash and cash equivalents at end of year	6.2	**10,837**	**9,323**

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

Notes to the Financial Statements

Structure

1.1 Basis of preparation of the financial statements
1.2 Impact of COVID-19 pandemic
1.3 Abbreviations and terminology used in the financial statements
1.4 Joint arrangements
1.5 Key accounting estimates and judgements
1.6 Accounting standards issued but not yet effective
1.7 Goods and Services Tax (GST)
1.8 Reporting entity

Note 1: Basis of preparation

These financial statements represent the audited general purpose financial statements for Seymour Health for the year ended 30 June 2021. The report provides users with information about Seymour Health's stewardship of the resources entrusted to it.

This section explains the basis of preparing the financial statements and identifies the key accounting estimates and judgements.

Note 1.1 Basis of preparation of the financial statements

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

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

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

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

The financial statements have been prepared on a going concern basis (refer to Note 8.12 Economic Dependency). The financial statements are in Australian dollars.

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

Note 1.2 Impact of COVID-19 pandemic

In the previous financial year, a global pandemic caused by the COVID-19 Coronavirus (COVID-19) was declared. To contain the spread of COVID-19 and prioritise the health and safety of our community, Seymour Health was required to comply with various restrictions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Seymour Health operates.

Seymour Health introduced a range of measures in both the prior and current year, including:

- introducing restrictions on non-essential visitors
- greater utilisation of telehealth services
- implementing reduced visitor hours
- deferring elective surgery and reducing activity
- performing COVID-19 testing
- opening COVID vaccination clinic
- implementing work from home arrangements where appropriate.

At times when the restrictions eased during the financial year, Seymour Health was able to reduce the measures undertaken, allowing visitors and recommence theatre and other service activity.

The financial impacts of the pandemic are disclosed at:

- Note 2: Funding delivery of our services
- Note 3: The cost of delivering services.

Note 1.3 Abbreviations and terminology used in the financial statements

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

Reference	Title
AASB	Australian Accounting Standards Board
AASS	Australian Accounting Standards, which include Interpretations
DH	Department of Health
DTF	Department of Treasury and Finance
FMA	Financial Management Act 1994
FRD	Financial Reporting Direction
SD	Standing Direction
VAGO	Victorian Auditor General's Office
WIES	Weighted Inlier Equivalent Separation

Note 1.4 Joint arrangements

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

Seymour Health has the following joint arrangements:

- Hume Rural Health Alliance – joint operation with other Hume region health services

Details of the joint arrangements are set out in Note 8.8.

Note 1.5 Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

The accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and are disclosed in further detail throughout the accounting policies.

Note 1.6 Accounting standards issued but not yet effective

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

Standard	Adoption Date	Impact
AASB 17: *Insurance Contracts*	Reporting periods on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-8: *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*	Reporting periods on or after 1 January 2021.	Adoption of this standard is not expected to have a material impact.

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

Note 1.7 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.

Note 1.8 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.

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

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

2.3 Other income

Telling the COVID-19 story

Revenue recognised to fund the delivery of our services during the financial year was not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	Seymour Health applies significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Seymour Health to recognise revenue as or when the health service transfers promised goods or services to customers. If this criteria is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	Seymour Health applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.
Determining time of capital grant income recognition	Seymour Health applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.

Note 2.1: Revenue and income from Transactions

	2021 $'000	2020 $'000
Operating Activities		
Revenue from contracts with customers		
Government grants (State) - Operating	2,461	1,913
Government grants (Commonwealth) - Operating	2,788	2,631
Patient and resident fees	1,613	1,348
Commercial activities [(i)]	158	209
Total revenue from contracts with customers	**7,020**	**6,101**
Other sources of income		
Government grants (State) - Operating	14,988	14,217
Government grants (State) - Capital	776	1,766
Other capital purpose income	27	94
Assets received free of charge	265	22
Other revenue from operating activities (including non-capital donations)	655	889
Total other sources of income	**16,711**	**16,988**
Total revenue and income from operating activities	**23,731**	**23,089**
Other interest	36	109
Total income from non-operating activities	**36**	**109**
Total revenue and income from transactions	**23,767**	**23,198**

[(i)] Commercial activities represent business activities which Seymour Health enters into to support their operations.

How we recognise revenue and income from transactions

Government operating grants

To recognise revenue, Seymour Health assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: Revenue from Contracts with Customers.

When both these conditions are satisfied, the health service:

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

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, in accordance with AASB 1058 – Income for not for profit entities, the health service:

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

Capital grants

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

Income is recognised under AASB 1058 progressively as the asset is constructed which aligns with Seymour Health's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

Patient and resident fees

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

Commercial activities

Revenue from commercial activities such as property rental income are recognised at a point in time, upon provision of the goods or service to the customer.

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

	2021 $'000	2020 $'000
Cash donations and gifts	18	14
Personal protective equipment - State supply	249	22
Assets received free of charge	16	-
Total fair value of assets and services received free of charge or for nominal consideration	**283**	**36**

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

Donations and bequests

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

Personal protective equipment

In order to meet the State of Victoria's health system supply needs during the COVID-19 pandemic, arrangements were put in place to centralise the purchasing of essential personal protective equipment (PPE) and other essential plant and equipment.

The general principles of the State Supply Arrangement were that Health Share Victoria sourced, secured and agreed terms for the purchase of the PPE products, funded by the Department of Health, while Monash Health took delivery, and distributed an allocation of the products to Seymour Health as resources provided free of charge. Health Share Victoria and Monash Health were acting as an agent of the Department of Health under this arrangement.

Contributions

Seymour Health may receive assets for nil or nominal consideration to further its objectives. The assets are recognised at their fair value when Seymour Health obtains control over the asset, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

On initial recognition of the asset, Seymour Health recognises related amounts being contributions by owners, lease liabilities, financial instruments, provisions and revenue or contract liabilities arising from a contract with a customer.

Seymour Health recognises income immediately in the profit or loss as the difference between the initial fair value of the asset and the related amounts.

The exception to this policy is when an asset 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 its carrying value in the financial statements of Seymour Health as a capital contribution transfer.

The general principles of the State Supply Arrangement were that HealthShare 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 by volunteers, in the form of services are only recognised when a fair value can be reliably measured, 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.

Seymour Health has considered the services provided by volunteers and has determined the value of volunteer services cannot be readily determined and therefore it has not recorded any income related to volunteer services.

Non-cash contributions from the Department of Health

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

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

Note 2.3: Other Income

	2021 $'000	2020 $'000
Capital Interest	6	18
Interest	30	91
Total other income	**36**	**109**

How we recognise other income

Interest Income

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

Note 3: The cost of delivering our services

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

Structure

3.1 Expenses from Transactions
3.2 Employee benefits in the Balance Sheet
3.3 Superannuation
3.4 Other Economic Flows

Telling the COVID-19 story

Expenses incurred to deliver our services increased during the financial year which was partially attributable to the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Additional costs were incurred to deliver the following additional services:

- implement Covid-19 safe practices throughout Seymour Health including increased cleaning, and use of personal protective equipment (provided free of charge)
- undertaking COVID-19 testing, requiring additional staff and consumables
- establishing a COVID-19 vaccination clinic, including staff, signage, additional equipment
- implementing work from home arrangements where appropriate.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring and classifying employee benefit liabilities	Seymour Health applies significant judgment when measuring and classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Seymour Health does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category. Employee benefit liabilities are classified as a non-current liability if Seymour Health has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category. Seymour Health also applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value. All other entitlements are measured at their nominal value.

Note 3.1: Expenses from transactions

	Note	2021 $'000	2020 $'000
Salaries and wages		12,614	11,871
On-costs [(i)]		3,089	2,954
Agency expenses		7	72
Fee for service medical officer expenses		1,338	1,265
Workcover premium [(i)]		344	237
Total employee expenses		**17,392**	**16,399**
Medical and surgical supplies (including Prostheses)		1,066	1,035
Other supplies and consumables		1,304	1,169
Total supplies and consumables		**2,370**	**2,204**
Finance costs		20	28
Total finance costs		**20**	**28**
Other administrative expenses		1,422	1,490
Total other administrative expenses		**1,422**	**1,490**
Fuel, light, power and water		396	380
Repairs and maintenance		622	409
Medical indemnity insurance		212	223
Expenses related to leases of low value assets		105	108
Expenditure for capital purposes		47	59
Total other operating expenses		**1,382**	**1,179**
Total operating expense		**22,586**	**21,300**
Depreciation and amortisation	4.2	1,792	1,711
Total depreciation and amortisation		**1,792**	**1,711**
Assets and services provided free of charge		242	15
Total other non-operating expenses		**242**	**15**
Total non-operating expense		**2,034**	**1,726**
Total expenses from transactions		**24,620**	**23,026**

[(i)] workcover premium added as a separate line item – 2020 comparison values amended

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

- Salaries and wages (including fringe benefits tax, leave entitlements, termination payments);
- 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 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.

Note 3.2: Employee benefits in the balance sheet

	2021 $'000	2020 $'000
Current provisions		
Accrued days off		
Unconditional and expected to be settled wholly within 12 months [i]	24	21
	24	**21**
Annual leave		
Unconditional and expected to be settled wholly within 12 months [i]	949	886
Unconditional and expected to be settled wholly after 12 months [ii]	646	540
	1,595	**1,426**
Long service leave		
Unconditional and expected to be settled wholly within 12 months [i]	223	264
Unconditional and expected to be settled wholly after 12 months [ii]	1,664	1,696
	1,887	**1,960**
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months [i]	130	121
Unconditional and expected to be settled after 12 months [ii]	275	253
	405	**374**
Total current employee benefits	**3,911**	**3,781**
Non-current provisions		
Conditional long service leave	605	688
Provisions related to employee benefit on-costs	75	81
Total non-current employee benefits	**680**	**769**
Total employee benefits	**4,591**	**4,550**

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

How we recognise employee benefits

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 3.2 a) Employee Benefits and Related On-Costs

	2021 $'000	2020 $'000
Unconditional accrued days off	24	21
Unconditional annual leave entitlements	1,766	1,570
Unconditional long service leave entitlements	2,121	2,190
Total current employee benefits and related on-costs	**3,911**	**3,781**
Conditional long service leave entitlements	680	769
Total non-current employee benefits and related on-costs	**680**	**769**
Total employee benefits and related on-costs	**4,591**	**4,550**
Carrying amount at start of year	4,550	4,022
Additional provisions recognised	1,460	1,766
Amounts incurred during the year	(1,419)	(1,238)
Carrying amount at end of year	**4,591**	**4,550**

Note 3.3: Superannuation

	2021 $'000	2020 $'000
Defined benefit plans:[i]		
First State Super	21	28
Defined contribution plans:		
First State Super	1,280	1,201
Total	**1,301**	**1,229**

[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.

How we recognise superannuation

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

Defined Benefit Superannuation Plans

The defined benefit plan provides benefits based on years of service and final average salary. The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by 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 3.4: Other Economic Flows

	2021 $'000	2020 $'000
Net gain/(loss) on disposal of property plant and equipment	43	(8)
Total net gain/(loss) on non financial assets	**43**	**(8)**
Allowance for impairment losses of contractual receivables	(11)	(14)
Total net gain/(loss) on financial instruments	**(11)**	**(14)**
Net gain/(loss) arising from revaluation of long service liability	305	(53)
Total other gains/(losses) from other economic flows	**305**	**(53)**
Total gains/(losses) from other economic flows	**337**	**(75)**

How we recognise other economic flows

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

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 Property, plant & equipment
4.2 Depreciation and amortisation
4.3 Inventories

Telling the COVID-19 story

Assets used to support the delivery of our services during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment and investment properties	Seymour Health obtains independent valuations for its non-current assets at least once every five years. If an independent valuation has not been undertaken at balance date, the health service estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices. Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.
Estimating useful life and residual value of property, plant and equipment	Seymour Health assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset. The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. Seymour Health applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Estimating restoration costs at the end of a lease	Where a lease agreement requires Seymour Health to restore a right-of-use asset to its original condition at the end of a lease, the health service estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.

Key judgements and estimates	Description
Estimating the useful life of intangible assets	Seymour Health assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.
Identifying indicators of impairment	At the end of each year, Seymour Health assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment. The health service considers a range of information when performing its assessment, including considering: ▪ If an asset's value has declined more than expected based on normal use ▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset ▪ If an asset is obsolete or damaged ▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life ▪ If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.

Note 4.1: Property, plant and equipment

Note 4.1 (a): Gross carrying amount and accumulated depreciation

	2021 $'000	2020 $'000
Land at fair value	1,619	1,350
Less impairment		
Total land at fair value	**1,619**	**1,350**
Buildings at cost	1,997	2,001
Less accumulated depreciation	(194)	(73)
Buildings at fair value	21,212	21,213
Less accumulated depreciation	(2,677)	(1,339)
Total buildings at fair value	**20,338**	**21,802**
Works in progress at cost	**836**	**169**
HRHA alliance plant and equipment	26	**53**
Plant and equipment at fair value	822	756
Less accumulated depreciation	(380)	(393)
Total plant and equipment at fair value	**468**	**416**
Motor vehicles at fair value	85	195
Less accumulated depreciation	(85)	(160)
Total motor vehicles at fair value	**-**	**35**
Medical equipment at fair value	2,096	1,793
Less accumulated depreciation	(1,070)	(1,056)
Total medical equipment at fair value	**1,026**	**737**
Computer equipment at fair value	221	262
Less accumulated depreciation	(114)	(152)
Total computer equipment at fair value	**107**	**110**
Furniture and fittings at fair value	105	101
Less accumulated depreciation	(51)	(42)
Total furniture and fittings at fair value	**54**	**59**
Right of use equipment at fair value	16	16
Less accumulated depreciation	(3)	-
Total right of use equipment at fair value	**13**	**16**
Leased motor vehicles at fair value	377	296
Less accumulated depreciation	(90)	(39)
Total leased motor vehicles at fair value	**287**	**257**
Total property, plant and equipment	**24,748**	**24,951**

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

	Note	Land $'000	Buildings $'000	Plant & Equipment $'000	Medical Equipment $'000	Motor Vehicles $'000	Computer Equipment $'000	Furniture and Fittings $'000	Right of use - PPE, F&V $'000	Leased Assets $'000	Work in progress $'000	Total $'000
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)		-	-	-	-	-	-	-	-	-	-	-
Net transfers between classes		-	-	1	-	-	10	(11)	-	-	-	-
Depreciation	4.2	-	(1,411)	(69)	(119)	(39)	(24)	(8)	-	(41)	-	(1,711)
Balance at 30 June 2020	**4.1 (a)**	**1,350**	**21,802**	**416**	**737**	**35**	**110**	**59**	**16**	**257**	**169**	**24,951**
Additions		20	5	97	472	-	32	4	-	101	657	1,388
Disposals		-	-	(2)	(6)	(29)	(2)	-	-	(9)	-	(48)
Revaluation increments/(decrements)		249	-	-	-	-	-	-	-	-	-	249
Net Transfers between classes		-	(10)	-	-	-	-	-	-	-	10	-
Depreciation	4.2	-	(1,459)	(43)	(177)	(6)	(33)	(9)	(3)	(62)	-	(1,792)
Balance at 30 June 2021	**4.1 (a)**	**1,619**	**20,338**	**468**	**1,026**	**-**	**107**	**54**	**13**	**287**	**836**	**24,748**

How we recognise property, plant and equipment

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

Initial recognition

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

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

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

Subsequent measurement

Items of property, plant and equipment (excluding right-of-use assets) are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

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

Further information regarding fair value measurement is disclosed below.

Revaluation

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

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

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

An independent valuation of Seymour Health's property, plant and equipment was performed by the VGV on 30 June 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction.

The managerial assessment performed at 30 June 2021 indicated an overall increase in fair value of land of 18.45% ($249,149). As the movement was greater than 10% for land since the last revaluation a managerial revaluation adjustment was required as at 30 June 2021.

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

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

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

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

Impairment

At the end of each financial year, Seymour Health assesses if there is any indication that an item of property, plant and equipment may be impaired by considering internal and external sources of information. If an indication exists, Seymour Health estimates the recoverable amount of the asset.

Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. An impairment loss of a revalued asset is treated as a revaluation decrease as noted above.

Seymour Health has concluded that the recoverable amount of property, plant and equipment which are regularly revalued is expected to be materially consistent with the current fair value. As such, there were no indications of property, plant and equipment being impaired at balance date.

How we recognise right-of-use assets

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

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information), the contract gives rise to a right-of-use asset and corresponding lease liability. Seymour Health presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the health service.

Right-of-use assets and their respective lease terms include:

Leased equipment and vehicles	Lease term: 2 to 5 years

Presentation of right-of-use assets

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.

Initial recognition

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

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

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

Seymour Health lease agreements contain purchase options which the health service is not reasonably certain to exercise at the completion of the lease.

Seymour Health holds lease agreements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. The health service has applied temporary relief and continues to measure those right-of-use asset at cost. Refer to Note 6.1 for further information regarding the nature and terms of the concessional lease, and Seymour Health’s dependency on such lease arrangements.

Subsequent measurement

Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses where applicable. Right-of-use assets are also adjusted for certain remeasurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

Impairment

At the end of each financial year, Seymour Health assesses if there is any indication that a right-of-use asset may be impaired by considering internal and external sources of information. If an indication exists, Seymour Health estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised.

Seymour Health performed an impairment assessment and noted there were no indications of its right-of-use assets being impaired at balance date.

Note 4.1 (c): Fair value measurement hierarchy for assets

	Note	Carrying amount 30 June 2021 $'000	Fair value measurement at end of reporting period using: Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Non-specialised land		616	-	616	-
Specialised land		1,003	-	-	1,003
Total land at fair value	4.1 (a)	**1,619**	**-**	**616**	**1,003**
Non-specialised buildings		464	-	464	-
Specialised buildings		19,874	-	-	19,874
Total buildings at fair value	4.1 (a)	**20,338**	**-**	**464**	**19,874**
Plant and equipment at fair value	4.1 (a)	468	-	-	468
Motor vehicles	4.1 (a)	-	-	-	-
Medical equipment	4.1 (a)	1,026	-	-	1,026
Computer equipment	4.1 (a)	107	-	-	107
Furniture and fittings	4.1 (a)	54	-	-	54
Right of use Equipment	4.1 (a)	13	-	13	-
Leased Asset	4.1 (a)	287	-	-	287
Total plant, equipment, furniture, fittings and vehicles at fair value		**1,955**	**-**	**13**	**1,942**
Total property, plant and equipment at fair value		**23,912**	**-**	**1,093**	**22,819**

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

There have been no transfers between levels during the period.

		amount 30 June 2020 $'000	reporting period using: Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Non-specialised land		520	-	520	-
Specialised land		830	-	-	830
Total land at fair value	4.1 (a)	**1,350**	**-**	**520**	**830**
Non-specialised buildings		484	-	484	-
Specialised buildings		21,318	-	-	21,318
Total buildings at fair value	4.1 (a)	**21,802**	**-**	**484**	**21,318**
Plant and equipment at fair value	4.1 (a)	416	-	-	416
Motor vehicles at fair value	4.1 (a)	35	-	-	35
Medical equipment at Fair Value	4.1 (a)	737	-	-	737
Computer equipment at fair value	4.1 (a)	110	-	-	110
Furniture and fittings at fair value	4.1 (a)	59	-	-	59
Right of use Equipment at fair value	4.1 (a)	16	-	16	-
Leased Asset	4.1 (a)	257	-	-	257
Total plant, equipment, furniture, fittings and vehicles		**1,630**	**-**	**16**	**1,614**
Total Property, Plant and Equipment		**24,782**	**-**	**1,020**	**23,762**

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

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

There have been no transfers between levels during the period.

Note 4.1 (d): Reconciliation of level 3 Fair Value measurement

	Note	Land $'000	Buildings $'000	Plant and equipment $'000	Medical Equipment $'000	Motor Vehciles $'000	Computer Equipment $'000	Furniture and Fittings $'000	Leased Assets $'000	Total [(i)] $'000
Balance at 1 July 2019	4.1 (b)	**830**	**20,800**	**228**	**773**	**93**	**73**	**34**	**98**	**22,929**
Additions/(Disposals)	4.1 (b)	-	1,908	256	83	(19)	51	44	200	2,523
Assets provided free of charge		-	-	-	-	-	-	-	-	-
Net Transfers between classes	4.1 (b)	-	-	1	-	-	-	-	-	1
Gains/(Losses) recognised in net result		-	-	-	-	-	10	(11)	-	(1)
- Depreciation and amortisation	4.2	-	(1,390)	(69)	(119)	(39)	(24)	(8)	(41)	(1,690)
- Impairment loss		-	-	-	-	-	-	-	-	-
Items recognised in other comprehensive income		-	-	-	-	-	-	-	-	-
- Revaluation		-	-	-	-	-	-	-	-	-
Balance at 30 June 2020	4.1 (c)	**830**	**21,318**	**416**	**737**	**35**	**110**	**59**	**257**	**23,762**
Additions/(Disposals)	4.1 (b)	20	5	95	466	(29)	30	4	92	683
Assets provided free of charge		-	-	-	-	-	-	-	-	-
Net Transfers between classes	4.1 (b)	-	(10)	-	-	-	-	-	-	(10)
Gains/(Losses) recognised in net result		-	-	-	-	-	-	-	-	-
- Depreciation and Amortisation	4.2	-	(1,439)	(43)	(177)	(6)	(33)	(9)	(62)	(1,769)
- Impairment loss		-	-	-	-	-	-	-	-	-
Items recognised in other comprehensive income		-	-	-	-	-	-	-	-	-
- Revaluation		153	-	-	-	-	-	-	-	153
Balance at 30 June 2021	4.1 (c)	**1,003**	**19,874**	**468**	**1,026**	**-**	**107**	**54**	**287**	**22,819**

[i] Classified in accordance with the fair value hierarchy, refer Note 4.1(e)

Note 4.1 (e): Fair value determination

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

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

How we measure fair value

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

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.

There have been no transfers between levels during the 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 2021.

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).

Furniture, fittings, 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 2021.

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

Note 4.1 (f): Property, plant and equipment revaluation surplus

	Note	2021 $'000	2020 $'000
Balance at the beginning of the reporting period		18,721	18,721
Revaluation increment			
- Land	4.1 (b)	249	-
Balance at the end of the Reporting Period*		**18,970**	**18,721**
Represented by:			
- Land		249	-
- Buildings		18,721	18,721
		18,970	**18,721**

Note 4.2: Depreciation and amortisation

	2021 $'000	2020 $'000
Depreciation		
Buildings	1,459	1,411
Plant and equipment	5	42
Medical equipment	177	119
Motor Vehicles	6	24
Computer equipment	33	8
Furniture and fittings	9	39
HRHA alliance	38	27
Right of use - equipment	3	-
Leased assets	62	41
Total depreciation	**1,792**	**1,711**

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

How we recognise 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.

	2021	2020
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 4.3: Inventories

	2021 $'000	2020 $'000
Medical and surgical consumables at cost	91	86
Pharmacy supplies at cost	37	35
Total inventories	**128**	**121**

How we recognise 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 lower of cost and net realisable value.

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

Telling the COVID-19 story

The measurement of other assets and liabilities were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	Seymour Health uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Classifying a sub-lease arrangement as either an operating lease or finance lease	Seymour Health applies significant judgement to determine if a sub-lease arrangement, where the health service is a lessor, meets the definition of an operating lease or finance lease. The health service considers a range of scenarios when classifying a sub-lease. A sub-lease typically meets the definition of a finance lease if: ▪ The lease transfers ownership of the asset to the lessee at the end of the term ▪ The lessee has an option to purchase the asset for a price that is significantly below fair value at the end of the lease term ▪ The lease term is for the majority of the asset's useful life ▪ The present value of lease payments amount to the approximate fair value of the leased asset and ▪ The leased asset is of a specialised nature that only the lessee can use without significant modification. All other sub-lease arrangements are classified as an operating lease.
Measuring deferred capital grant income	Where Seymour Health has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. Seymour Health applies significant judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.

Key judgements and estimates	Description
Measuring contract liabilities	Seymour Health applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.
Recognition of other provisions	Other provisions include Seymour Health's obligation to restore leased assets to their original condition at the end of a lease term. The health service applies significant judgement and estimate to determine the present value of such restoration costs.

Note 5.1: Receivables and contract assets

	Notes	2021 $'000	2020 $'000
Current receivables and contract assets			
Contractual			
Trade debtors		45	59
Patient fees		200	70
Accrued revenue - Sundry Debtors		63	59
Accrued revenue - Other		4	-
Accrued revenue - Department of Health		-	229
Accrued revenue - Dental Health Services Victoria		43	58
HRHA receivables		41	45
Less allowance for doubtful debts		(18)	(13)
Total contractual receivables		**378**	**508**
Statutory			
GST receivable		217	118
Total statutory receivables		**217**	**118**
Total current receivables and contract assets		**595**	**626**
Non-current receivables and contract assets			
Contractual			
Long service leave - Department of Health		862	822
Total contractual receivables		**862**	**822**
Total non-current receivables and contract assets		**862**	**822**
Total receivables and contract assets		**1,457**	**1,448**
Financial assets classified as receivables and contract assets			
Total receivables and contract assets		1,457	1,448
GST receivable		(217)	(118)
Total financial assets	7.1(a)	**1,240**	**1,330**

As at 30 June 2021, Seymour Health has contract assets of $1,240,000 which is net of an allowance for expected credit losses of $18,000. This is included in the contractual receivable balances presented above.

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

	2021 $'000	2020 $'000
Balance at the beginning of the year	13	9
Increase in allowance	11	14
Amounts written off during the year	(6)	(10)
Balance at the end of the year	**18**	**13**

How we recognise receivables

Receivables consist of:

- Contractual receivables: which mostly includes debtors in relation to goods and services. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. 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: which mostly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. 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

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

Note 5.2: Payables and contract liabilities

	Note	2021 $'000	2020 $'000
Current payables and contract liabilities			
Contractual			
Trade creditors		536	190
Accrued salaries and wages		539	389
Accrued expenses		362	285
Deferred grant income	5.2(a)	2,015	1,457
Contract liabilities	5.2(b)	150	100
Department of Health		39	-
HRHA alliance payables		330	205
Amounts payable to governments and agencies		4	23
Total contractual payables		**3,975**	**2,649**
Statutory			
GST payable		10	19
FBT payable		8	9
Total statutory payables		**18**	**28**
Total current payables and contract liabilities		**3,993**	**2,677**
Total payables and contract liabilities		**3,993**	**2,677**
Financial liabilities classified as payables and contract liabilities			
Total payables and contract liabilities		3,993	2,677
Deferred grant income		(2,015)	(1,457)
Contract liabilities		(150)	(100)
GST Payable		(10)	(19)
FBT Payable		(8)	(9)
Total financial liabilties	7.1(a)	**1,810**	**1,092**

How we recognise payables and contract liabilities

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

	2021 $'000	2020 $'000
Opening balance of deferred grant income	1,456	2,414
Grant consideration for capital works received during the year	1,110	722
Deferred grant revenue recognised as revenue due to completion of capital works	(551)	(1,680)
Closing balance of deferred grant income	**2,015**	**1,456**

How we recognise deferred capital grant revenue

Grant consideration was received from the Department of Health to support the construction of additional beds/wing in Barrabill House. Grant revenue is recognised progressively as the asset is constructed, since this is the time when Seymour Health satisfies its obligations. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion of the building works. As a result, Seymour Health has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Seymour Health expects to recognise all of the remaining deferred capital grant revenue for capital works by February 2022.

Note 5.2 (b): Contract liabilities

	2021 $'000	2020 $'000
Opening balance of contract liabilities	100	-
Payments received for performance obligations not yet fulfilled	163	118
Revenue recognised for the completion of a performance obligation	(113)	(18)
Total contract liabilities	**150**	**100**
*** Represented by:**		
- Current contract liabilities	150	100
- Non-current contract liabilities	-	-
	150	**100**

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of specific funded projects. The balance of contract liabilities was significantly higher than the previous reporting period due to delays in completing projects and additional specific funded projects commencing in the 2020-21 financial year.

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

Maturity analysis of payables

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

Note 5.3: Other Liabilities

	Notes	2021 $'000	2020 $'000
Current monies held it trust			
Refundable accommodation deposits		2,055	1,640
Other monies		10	2
Total current monies held in trust		**2,065**	**1,642**
Total other liabilities		**2,065**	**1,642**
*** Represented by:**			
- Cash assets	6.2	2,065	1,642
		2,065	**1,642**

How we recognise other liabilities

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

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to 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

Telling the COVID-19 story

Our finance and borrowing arrangements were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	Seymour Health applies significant judgement to determine if a contract is or contains a lease by considering if the health service: ▪ has the right-to-use an identified asset ▪ has the right to obtain substantially all economic benefits from the use of the leased asset and ▪ can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	Seymour Health applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. Seymour Health estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	Seymour Health discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Seymour Health uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Seymour Health is reasonably certain to exercise such options. Seymour Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: ▪ If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. ▪ If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. ▪ The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1: Borrowings

	Note	2021 $'000	2020 $'000
Current borrowings			
Lease liability [(i)]	6.1 (a)	127	67
Loan - Department of Health [(ii)]		45	-
Total current borrowings		**172**	**67**
Non-current borrowings			
Lease liability [(i)]	6.1 (a)	187	227
Loan - Department of Health [(ii)]		179	223
Total non-current borrowings		**366**	**450**
Total borrowings		**538**	**517**

[i] Secured by the assets leased.
[ii] Unsecured no interest loan

(i) Secured by the assets leased.
(ii) Unsecured no interest loan.

How we recognise borrowings

Borrowings include an interest free loan through the Department of Health and other funds raised through lease liabilities.

Initial recognition

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 measurement

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

The approved Bank Overdraft limit is $20,000.

Maturity analysis of borrowings

Please refer to Note 7.2(b) Payables and borrowings maturity analysis.

Defaults and breaches

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

Note 6.1 (a) Lease Liabilities

Seymour Health' lease liabilities are summarised below:

	2021 $'000	2020 $'000
Total undiscounted lease liabilities	325	310
Less unexpired finance expenses	(11)	(16)
Net lease liabilities	**314**	**294**

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

	2021 $'000	2020 $'000
Not longer than one year	135	75
Longer than one year but not longer than five years	190	235
Longer than five years	-	-
Minimum future lease liability	**325**	**310**
Less unexpired finance expenses	(11)	(16)
Present value of lease liability	**314**	**294**
*** Represented by:**		
- Current liabilities	127	67
- Non-current liabilities	187	227
	314	**294**

How we recognise lease liabilities

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

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

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to 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.

Seymour Health's lease arrangements consist of the following:

Leased equipment and vehicles Lease term: 2 to 5 years

Seymour Health has entered into lease related to:

- Motor vehicles; and
- Office equipment and computers.

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. The following low value, short term and variable lease payments are recognised in profit or loss:

Type of payment	Description of payment	Type of leases captured
Low value lease payments	Leases where the underlying asset's fair value, when new, is no more than $10,000	$108,123
Short-term lease payments	Leases with a term less than 12 months	nil
Variable lease payments not based on an index or rate	Payments which are not based on an index or rate	nil

Separation of lease and non-lease components

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

Initial measurement

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

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

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

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

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.

Note 6.2: Cash and cash equivalents

	Note	2021 $'000	2020 $'000
Cash on hand		2	2
Cash at bank		415	695
Cash at bank - HRHA Alliance		542	420
Cash at bank - CBS (excluding monies held in trust)		7,821	6,542
Total cash held for operations		**8,780**	**7,659**
Cash at bank - CBS (monies held in trust)	5.3	2,055	1,663
Total cash held as monies in trust		**2,055**	**1,663**
Total cash and cash equivalents	7.1 (a)	**10,835**	**9,322**

How we recognise cash and cash equivalents

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

	2021 $'000	2020 $'000
Capital expenditure commitments		
Less than one year	2,748	110
Longer than one year but not longer than five years	3	61
Five years or more	-	-
Total capital expenditure commitments	**2,751**	**171**
Non-cancellable short term and low value lease commitments		
Less than one year	34	83
Longer than one year but not longer than five years	23	35
Five years or more	-	-
Total non-cancellable short term and low value lease commitments	**57**	**118**
Total commitments for expenditure (exclusive of GST)	**2,808**	**289**

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

How we disclose our commitments

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

Expenditure commitments

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

Short term and low value leases

Seymour Health discloses short term and low value lease commitments which are excluded from the measurement of right-of-use assets and lease liabilities.

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 Financial risk management objectives and policies
7.3 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 (for example, taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Note 7.1(a) Categorisation of financial instruments

30 June 2021	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	10,835	-	10,835
Receivables and contract assets	5.1	1,240	-	1,240
Total Financial Assets [i]		**12,075**	**-**	**12,075**
Financial Liabilities				
Payables	5.2	-	1,810	1,810
Borrowings	6.1	-	538	538
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	2,055	2,055
Other Financial Liabilities - Other monies held in trust	5.3	-	10	10
Total Financial Liabilities [i]		**-**	**4,413**	**4,413**

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

30 June 2020	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and cash equivalents	6.2	9,322	-	9,322
Receivables and contract assets	5.1	1,330	-	1,330
Total Financial Assets [i]		**10,652**	**-**	**10,652**
Financial Liabilities				
Payables[(ii)]	5.2	-	1,092	1,092
Borrowings	6.1	-	517	517
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	1,640	1,640
Other Financial Liabilities - Patient monies held in trust	5.3	-	2	2
Total Financial Liabilities [i]		**-**	**3,251**	**3,251**

(i) The carrying amount excludes statutory receivables (i.e. GST receivable and DH receivable) and statutory payables (i.e. Revenue in Advance and DH payable).
(ii) correction of previous year's reporting of Payables; previously included deferred and contract liabilities

How we categorise financial instruments

Categories of financial assets

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

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

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

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

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; and
- receivables (excluding statutory receivables).

Financial assets at fair value through other comprehensive income

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- 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.

Seymour Health has no assets to recognise in this category.

Financial assets at fair value through net result

Seymour Health initially designates a financial instrument as measured at fair value through net result if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or recognising the gains and losses on them, on a different basis
- it is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial asset can be managed and evaluated consistently on a fair value basis or
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through net result is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

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

Financial Liabilities at fair value through net result

A financial liability is measured at fair value through net result if the financial liability is:

- held for trading or
- initially designated as at fair value through net result.

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.

Financial liabilities at amortised cost

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

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

Derivative financial instruments

A derivative financial instrument is classified as held for trading financial assets or financial liability. They are initially recognised at fair value on the date on which a derivative contract is entered. 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 another 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 or
- Seymour Health retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass through’ arrangement or
- Seymour Health has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

A financial assets is required to reclassified between fair value through amortised cost, fair value through net result and fair value through other comprehensive income 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.

A financial liability reclassification is not permitted.

Note 7.2: Financial risk management objectives and policies

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

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

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

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

Note 7.2 (a) Credit risk

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

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

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

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

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

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

There has been no material change to Seymour Health's credit risk profile in 2020-21.

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*

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.

Contractual receivables at amortised cost

Seymour Health applies AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. 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 closing loss allowance at the end of the financial year as follows:

30 June 2021		**Current**	**Less than 1 month**	**1–3 months**	**3 months – 1 year**	**1–5 years**	**Total**
Expected loss rate		0.5%	3.4%	6.3%	15.7%	15.7%	
Gross carrying amount of contractual receivables	5.1	1,116	35	59	31	17	**1,258**
Loss allowance		**(5)**	**(1)**	**(4)**	**(5)**	**(3)**	**(18)**

30 June 2020	**Note**	**Current**	**Less than 1 month**	**1–3 months**	**3 months – 1 year**	**1 – 5 years**	**Total**
Expected loss rate		0.0%	0.0%	0.0%	41.0%	41.0%	
Gross carrying amount of contractual receivables	5.1	1,263	14	35	26	5	**1,343**
Loss allowance		**-**	**-**	**-**	**(11)**	**(2)**	**(13)**

Note: Loss allowance total was omitted in 2019-20 report.

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, no loss allowance has been recognised.

Note 7.2 (b) Liquidity risk

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

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

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

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

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

				Maturity Dates				
		Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	Over 5 years
30 June 2021	**Note**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Payables	**5.2**	1,810	1,810	1,810	-	-	-	-
Borrowings	**6.1**	538	538	11	21	140	366	-
Other Financial Liabilities								
- Refundable Accommodation Deposits	**5.3**	2,055	2,055	2,055	-	-	-	-
Other Financial Liabilities - Other monies held in trus	**5.3**	10	10	10	-	-	-	-
Total Financial Liabilities		**4,413**	**4,413**	**3,886**	**21**	**140**	**366**	**-**

				Maturity Dates				
		Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	Over 5 years
30 June 2020	**Note**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial Liabilities at amortised cost								
Payables [ii]	**5.2**	1,092	1,092	1,092	-	-	-	-
Borrowings	**6.1**	517	517	6	11	50	450	-
Other Financial Liabilities								
- Refundable Accommodation Deposits	**5.3**	1,640	1,640	1,640	-	-	-	-
Other Financial Liabilities - Other monies held in trus	**5.3**	2	2	2	-	-	-	-
Total Financial Liabilities		**3,251**	**3,251**	**2,740**	**11**	**50**	**450**	**-**

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

Note 7.2 (c) Market risk

Seymour Health's exposures to market risk are primarily through interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Sensitivity disclosure analysis and assumptions

Seymour Health's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period. Seymour Health's fund managers cannot be expected to predict movements in market rates and prices. The following movements are 'reasonably possible' over the next 12 months:

- a change in interest rates of 1% up or down

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Seymour Health does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Seymour Health has minimal exposure to cash flow interest rate risks through cash and deposits and bank overdrafts that are at floating rate.

Note 7.3: 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
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8.10 Economic Dependency

Telling the COVID-19 story

Our other disclosures were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

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

	Note	2021 $'000	2020 $'000
Net result for the year		(516)	97
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets	3.4	(43)	8
Depreciation and amortisation of non-current assets	4.2	1,792	1,711
Goods and services received free of charge	2.2/3.1	(7)	(7)
Assets received free of charge	2.2	(16)	-
Allowance for impairment losses of contractual receivables	5.1a	5	4
Adjustment prior year capital contribution		-	(2,414)
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables and contract assets		(14)	(150)
(Increase)/Decrease in inventories		-	(7)
(Increase)/Decrease in prepaid expenses		(208)	27
Increase/(Decrease) in payables and contract liabilities		1,317	1,422
Increase/(Decrease) in employee benefits		41	528
Inrease/(Decrease) in other liabilities		8	-
Net cash inflow from operating activities		**2,359**	**1,219**

Note 8.2: Responsible persons disclosures

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

	Period
The Honourable Martin Foley:	
Minister for Mental Health	1 Jul 2020 - 29 Sep 2020
Minister for Health	26 Sep 2020 - 30 Jun 2021
Minister for Ambulance Services	26 Sep 2020 - 30 Jun 2021
Minister for the Coordination of Health and Human Services: COVID-19	26 Sep 2020 - 9 Nov 2020
The Honourable Jenny Mikakos:	
Minister for Health	1 Jul 2020 - 26 Sep 2020
Minister for Ambulance Services	1 Jul 2020 - 26 Sep 2020
Minister for the Coordination of Health and Human Services: COVID-19	1 Jul 2020 - 26 Sep 2020
The Honourable Luke Donnellan:	
Minister for Child Protection	1 Jul 2020 - 30 Jun 2021
Minister for Disability, Ageing and Carers	1 Jul 2020 - 30 Jun 2021
The Honourable James Merlino:	
Minister for Mental Health	29 Sep 2020 - 30 Jun 2021
Governing Boards	
M. Molony (Chair)	1 Jul 2020 - 30 Jun 2021
S. VanBuuren (Deputy Chair)	1 Jul 2020 - 30 Jun 2021
A. Fletcher-Nicholls	1 Jul 2020 - 30 Jun 2021
I. Chadwick	1 Jul 2020 - 30 Jun 2021
F. Satori	1 Jul 2020 - 30 Jun 2021
B. Scott	1 Jul 2020 - 30 Jun 2021
R. Harrison	1 Jul 2020 - 30 Jun 2021
H. Hull	1 Jul 2020 - 30 Jun 2021
J. Paul	1 Jul 2020 - 30 Jun 2021
Accountable Officers	
W. Steet	1 Jul 2020 - 30 Jun 2021

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

Income Band	2021 No	2020 No
0 - $9,999	9	8
$50,000 - $59,999	-	1
$180,000 - $189,999	1	-
$260,000 - $269,999	-	1
Total Numbers	**10**	**10**

	2021 $'000	2020 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$224**	**$353**

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.

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.4)	Total Remuneration 2021 $'000	2020 $'000
Short-term benefits	715	670
Post-employment benefits	63	59
Other long-term benefits	26	33
Termination benefits	121	-
Total remuneration [i]	**925**	**762**
Total number of executives	7	6
Total annualised employee equivalent [ii]	5.0	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.

Termination benefits:

Employee benefits provided on termination of employment as a result of either a health service's decision to terminate an employee before the normal retirement date, or an employee's decision to accept an offer of benefits in exchange for termination of employment.

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.

Key management personnel

The Board of Directors and the Executive Directors of Seymour Health are deemed to be KMPs. This includes the following:

KMPs	Position Title
M. Molony	Board Chair
S. VanBuuren	Deputy Chair
A. Fletcher-Nicholls	Board Member
I. Chadwick	Board Member
F. Satori	Board Member
B. Scott	Board Member
R. Harrison	Board Member
H. Hull	Board Member
J. Paul	Board Member
W. Steet	Chief Executive Officer
P. Sloan	Director Medical Services
C. Nickels-Beattie	Director Business Services/CFO
A. Daley	Director Clinical Services
V. Callaghan	Director Quality Risk and Safety
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.

	2021 $'000	2020 $'000
Compensation - KMPs		
Short-term Employee Benefits [i]	922	934
Post-employment Benefits	80	79
Other Long-term Benefits	26	102
Termination Benefits	121	-
Total [ii]	**1,149**	**1,115**

(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.

Significant Transactions with Government Related Entities

Seymour Health received funding from the Department of Health of $18.3m (2020: $16.2m) and indirect contributions of $0.1m (2020: $0.2m).

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

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

The Standing Directions of the Assistant Treasurer require 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 the Treasurer.

Transactions with KMPs and Other Related Parties

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

Outside of normal citizen type transactions with 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 2021 (2020: none).

There were no related party transactions required to be disclosed for Seymour Health Board of Directors, Chief Executive Officer and Executive Directors in 2021 (2020: none).

Note 8.5: Remuneration of auditors

	2021 $'000	2020 $'000
Victorian Auditor-General's Office		
Audit of the 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

There are no events occurring after the Balance Sheet date.

Note 8.8: Jointly Controlled Operations

	Principal Activity	Ownership Interest 2021 %	Ownership Interest 2020 %
Hume Rural Health Alliance	Information Communications Technology Service	4.74	4.62

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.

	2021 $'000	2020 $'000
Current assets		
Cash and cash equivalents	542	420
Receivables	41	44
Other assets	12	5
Total current assets	**595**	**469**
Non-current assets		
Property, plant and equipment	26	53
Total non-current assets	**26**	**53**
Total assets	**621**	**522**
Current liabilities		
Payables	330	205
Lease liability	3	8
Total current liabilities	**333**	**213**
Non-current liabilities		
Lease liability	9	12
Total non-current liabilities	**9**	**12**
Total liabilities	**342**	**225**
Net assets	**279**	**297**
Equity		
Accumulated surplus	279	297
Total equity	**279**	**297**

(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.

	2021 $'000	2020 $'000
Revenue		
Operating activities	138	152
Income from member contributions	153	152
Non-operating activities	1	2
Capital purpose income	15	78
Total revenue	**307**	**384**
Expenses		
Employee Benefits	97	90
Other Expenses from Continuing Operations	164	191
Depreciation and amortisation	27	26
Capital expenditure	26	41
Finance charges	-	1
Impairment of Intangible Assets	11	-
Total expenses	**325**	**349**
Net result	**(18)**	**35**

(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 Equity

Contributed capital

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

Financial assets at fair value through comprehensive income revaluation reserve

The financial assets at fair value through other comprehensive income revaluation reserve arises on the revaluation of financial assets (such as equity instruments) measured at fair value through other comprehensive income. Where such a financial asset is sold, that portion of the reserve which relates to that financial asset may be transferred to accumulated surplus/deficit.

Specific restricted purpose reserves

The specific restricted purpose reserve 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 8.10: Economic dependency

Seymour Health is dependent on the Department of Health 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 will not continue to support Seymour Health.

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