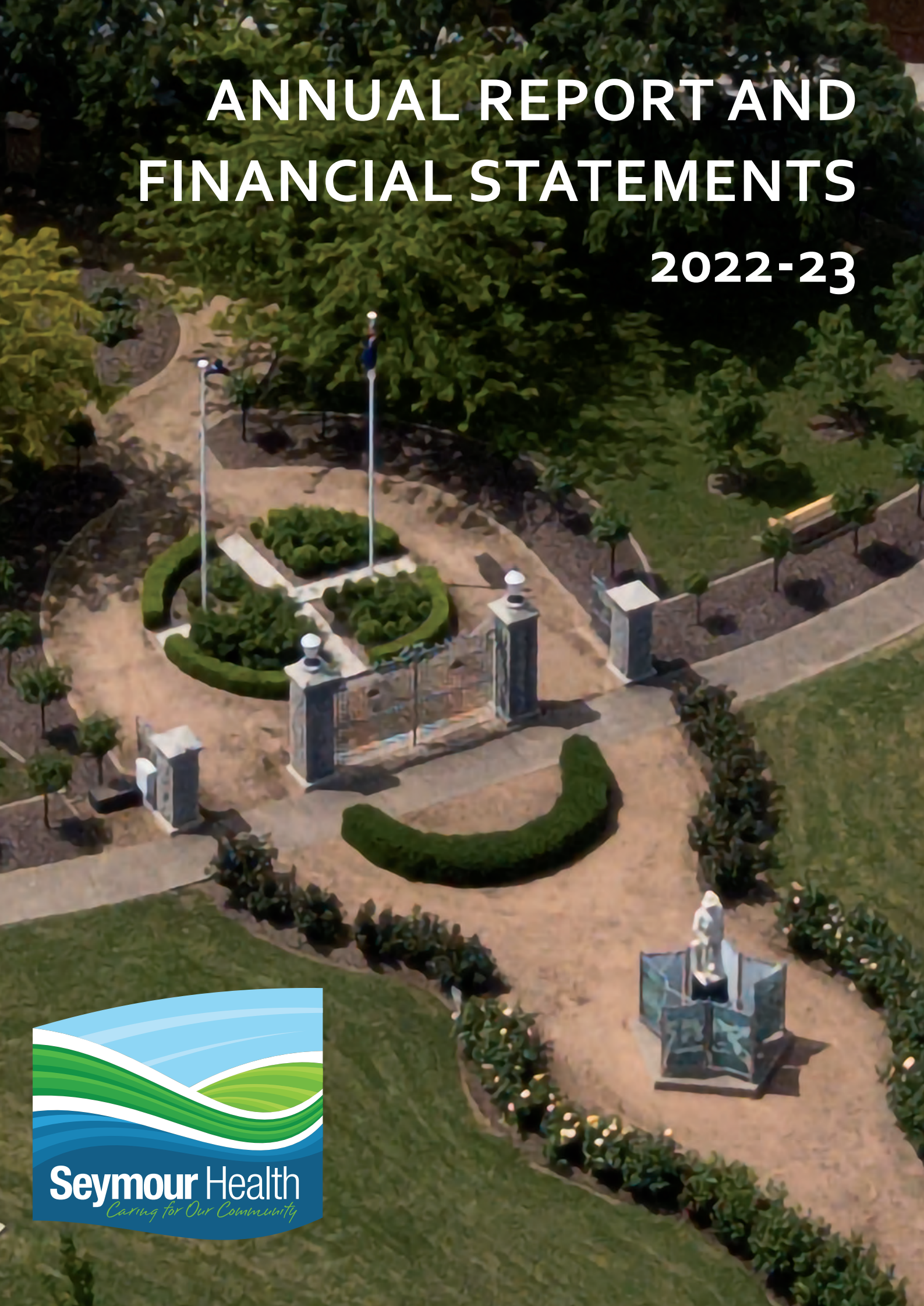
ANNUAL REPORT AND FINANCIAL STATEMENTS

2022-23



Seymour Health

Caring for Our Community

Acknowledgement of Traditional Owners

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

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-service personnel.	**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.	**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.
May 2023	Barrabill House 10-bed extension wing opened.				

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

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Relevant Ministers

We are a public health service established under the *Health Services Act 1988* (VIC). The responsible Minister is the Minister for Health.

Minister for Health
The Hon Mary-Anne Thomas
1 July 2022 – 27 June 2023

Minister for Ambulance Services
The Hon Mary-Anne Thomas
1 July 2022 – 5 December 2022
The Hon. Gabrielle Williams
5 December 2022 – 30 June 2023

Minister for Mental Health
The Hon. Gabrielle Williams
1 July 2022 – 30 June 2023

Minister for Disability, Ageing and Carers
The Hon. Colin Brooks
1 July 2022 – 5 December 2022
The Hon. Lizzie Blandthorn
5 December – 30 June 2023

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

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

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 2023.

Sue van Buuren
Board Chair
Seymour Health
31 August 2023

Vision

To provide a trusted health service that contributes to the health and wellbeing of our community, through integrated clinical practice, education and partnerships.

Our Purpose

To enhance patient and family led health care within our community, so that people live healthier lives.

Our Values

Respect

Accountability and Responsibility

Honesty, Integrity and Trust

Support

Open and Transparent Communication

Our Strategic Pillars

Excellent person-centred healthcare experience

Equitable access to safe, quality and compassionate care

Positive culture through an engaged workforce and community

Viable and sustainable resources

Effective engagement, collaboration and partnerships

Service Profile

Clinical services

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

Community services

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

Support services

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

Chief Executive Officer and Board Chair report

As the Global COVID-19 pandemic moved into its third year, workforce issues materialised, impacting the healthcare workforce more than any other industry in Australia. Staff shortages, fatigue, burnout and increased incidence of sick leave challenged our ability to meet ever-increasing demand for our services.

I am proud to say that all the staff and volunteers of Seymour Health demonstrated dedication, commitment and resilience in the face of adversity, pulling together as a team to deliver safe, high quality care to our community during a period of constant change and uncertainty.

Throughout this period the Board and Leadership team sharpened their focus to ensure staff wellbeing was at the centre of all decision-making as pandemic response moved into the realm of 'business as usual'.

Over the year many of the initiatives stood up at short notice in response to pandemic demand were wound back as the benefit of high COVID-19 vaccination rates became evident. The vaccination and testing clinics, along with the home monitoring program were all closed. Tight visitation restrictions were eased and policy amended as directions from the Minister for Health were constantly revised.

One constant was the close attention paid to ensuring appropriate PPE and surveillance testing was maintained in the residential aged care setting and in the acute and urgent care setting when required.

To test the staff even further, Seymour and surrounds were impacted by a 100-year flood event.

With the Goulburn River and Whiteheads Creek immediately to the rear of Seymour Health, rising to unprecedented levels, the water steadily advanced towards us to within metres of the organisation, blocking access to the Ambulance Victoria station and Community Services from Callen Street.

The response from staff as the waters rose was impressive, with many staff attending work and volunteering to stay for double shifts with full knowledge that they would likely be cut-off from returning home and unable to leave, possibly for several days.

This commitment from staff to the people receiving care in the hospital and our residential aged care facility is inspiring and our team is to be applauded for their ongoing and untiring dedication to our community.

The Board and the Leadership team are grateful and acknowledge the work of all our committed staff and volunteers for the manner in which they have responded during one of the most challenging periods in the history of Seymour Health.

Seymour Health has worked closely with our partners, in particular the doctors from Goulburn River Group Practice and Seymour Medical Clinic, to ensure the delivery of quality care for our community has not been compromised during this difficult period.

Demand for services has continued to increase over the last twelve months, with presentations to the Urgent Care Centre heading close to 8,000 per annum. In response, a new staffing model was introduced to establish the Centre as a separate Unit with a dedicated staff to ensure the service remains responsive to community need.

We also appointed supernumery After-Hours Coordinators to support clinical staff in the evenings, at night, and over weekends. These additional positions have strengthened our clinical leadership while simultaneously reducing clinical risk.

As Seymour Health has continued to grow in line with demand, the structure of the organisation has evolved from necessity in order to remain responsive. To ensure we provide the right care, at the right time, in the right place delivered by the right workforce, we introduced a Director of People and Culture position. The appointment of Mr Jason King to this role rounds out the Executive team, having earlier in the financial year appointed a new Director of Business Service, Mr Colin James. Both appointments bring vast experience and value-add to the leadership team.

The Board and Executive maintained a strategic focus, finalising the *Seymour Health Strategic Plan 2023-25: Caring for Our Community*. The plan will guide the growth and development of the organisation for the next three years.

We actively engaged with the Hume Health Service Partnership (HHSP) at a strategic level. The Seymour Health Chief Executive Officer (CEO) represented the South Hume health services on the HHSP Strategic Service Planning Project Control Board, an initiative that will map service delivery across the Hume region for many years to come.

Other Seymour Health Executive provided valuable strategic leadership at the regional level as well, with our Director of Clinical Services chairing the region-wide Director of Nursing Group; Our Director of People and Culture chairing the region-wide Human Resources Group; and our Director of Business Services being invited on to the state-wide Health Share Victoria Non-Emergency Patient Transport Reference Group.

The Board would like to acknowledge the significant contribution of outgoing Board Directors Ian Chadwick and Helen Gwilliam, who between them, served our community for over twenty years, a significant commitment on their behalves. In July 2022 the Board welcomed new Director, Andrew Jaworski to the Board. Andrew's background in Law complements the existing skillset and knowledge of the Board and can only further improve the governance and stewardship of our organisation.

Throughout the challenges of the global pandemic, Seymour Health has continued to plan for emerging and future demand. The redevelopment of the operating suite, expanding capacity from one to two theatres, has progressed with the appointment of architect consultants and the development of detail design plans in preparation for going to tender. Construction works on this important project is likely to commence during FY23-24.

The organisation secured funding to refurbish a recently purchased house adjacent to the health service for the purpose of expanding our student placement program as part of a longer-term recruitment and retention strategy to shore up workforce.

Most significantly, construction of the new ten-bed dementia capable wing addition to our residential aged care facility, Barrabill House, was completed and we commenced admissions to the new wing in March 2023.

In preparation for expected increased demand for meal production resulting from the increased number of beds at Barrabill House and forecast increased inpatient bed occupancy when the second theatre comes on line, we have been developing a business case to attract funding for the redevelopment of our commercial kitchen, expanding production capability from 50,000 meals per annum to 75,000 meals, a 50% increase in capacity.

Plans to resurface the Callen Street car park have reached an important milestone with the design approved by Council. Works should commence on this project over FY23-24. The scope of the project includes upgrading security for staff through lighting and CCTV enhancements.

During the year we underwent National Safety and Quality Health Service Standards survey, achieving a full three-year accreditation, meeting all of the Standards with zero 'Not-Mets' and only a small number of minor recommendations. This is a testimony to the hard work of all the staff at Seymour Health, but in particular the Quality team, to ensure we maintain a high level of quality care provision for our community.

Further evidence of the very high standard of care delivered by Seymour Health is the achievement of a five-star rating for our residential aged care facility, Barrabill House, compared to the State average of a two-star rating. Our aged care team are to be congratulated on such a significant achievement.

We would like to thank our staff, volunteers, partners, and the community for the ongoing support we have received. We also acknowledge the many funding bodies including the Murray Primary Health Network (PHN), the Commonwealth Department of Health and the Victorian Department of Health for their ongoing support.

We have been fortunate to have received numerous generous donations from local organisations, including Godolphin and the Lions Club of Seymour, as well as significant memorial bequests in memory of loved ones. Without this valuable ongoing community support we would not be able to provide the level of care that we do. We very much appreciate the continuing support we receive.

With sound governance, strong leadership and a resilient, committed workforce, Seymour Health is well positioned to meet emerging and future challenges with confidence, and continue to provide excellent health outcomes for our community.

We recommend our Annual Report 2022-23 to you highlighting the accomplishments and achievements of our valued team.

Sue van Buuren
Board Chair

Ward Steet
Chief Executive Officer

Director of Business Services report

In accordance with the Financial Management Act 1994, we are pleased to present the Report of Operations and Annual Financial Statements for the year ending 30 June 2023.

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, elective surgery, urgent care, dialysis, chemotherapy, residential aged care, oral health services, ambulatory care, palliative care and community health.

Seymour Health was fortunate to have secured some additional funding to facilitate the expansion of palliative care services and add two further community dental programs to the already extensive array of services provided to the Seymour community.

Services continued to be impacted by COVID-19 with staff vacancies and cost escalation in non-staff costs including medical and surgical supplies, linen, food, patient transport and utilities.

The operating financial result before capital and specific items for 2022-23 was a deficit of ($15,000) *. The deficit has been covered utilising a portion of Seymour Health's untied cash reserves. Services were managed within the available funding and were adequately resourced during the year. Growth in the utilisation of the Urgent Care Centre posed workforce challenges, proving difficult to recruit specialised staff.

The net result for the entity was a deficit of ($1,927,000) after capital and specific items. This result includes capital income of $507,000 capital expenditure $274,000 and depreciation $2,128,000. COVID-19 related assets received free of charge totalled $214,000 for equipment and Personal Protection Equipment (PPE) for COVID-19.

The 2023 operating budget objective / Statement of Priorities was an operating deficit of ($1.17m). The final result was favourable to budget, however an operating deficit of ($15,000) was incurred. The key driver of the favourable financial result was an underspend in salaries and wages relating to workforce shortages. The agility, adaptability and dedication of staff, often doing extra shifts or overtime to ensure quality, safe care continued to be delivered is to be commended.

Overall income from operating activities, (including capital), decreased by 4.4% compared with the previous year, being a reduction in COVID-19 funding and excluding capital revenue of 3.8% increase.

Operating expenditure increased by 6.8% including salary expenses, which increased by 6.3%. This increase in salary expenses related to Award increases and additional staff to support the Safe Patient Care Act.

During 2023 Seymour Health purchased a property adjacent to Barrabill House residential aged care. This was a strategic investment in a town with a rental vacancy rate of 0.73% and reflects the Board's longer-term strategic vision to secure and retain a skilled workforce for Seymour Health.

The Seymour Community's support of Seymour Health is greatly appreciated. Total donations and fund raising received in 2022-23 was $32,247 compared to $18,203 the previous year. Donations enabled funding of new and/or replacement of medical equipment.

The historical positive financial results / reserves allow Seymour Health to continue to build on a strong financial position. Working Capital is 100% (2022- 109%).

Cash and investments of $11,063,000 includes tied funds for capital funded projects and residential aged care Refundable Accommodation Deposits (RADs). The reserves assist with funding of replacement of ageing infrastructure. Reserves also support opportunities for future capital development and enhanced service and provision.

Purchase of capital items during 2022-23 included:

- 4 Callen St Seymour
- Refurbishment of Social Support Group Kitchen
- Renewal of Infrastructure (Plant, equipment, Furniture, Fixtures and Equipment and ICT) $136,000 including CCTV camera upgrade
- Medical equipment $42,000
  - Vaccine fridge
  - Beds
  - Syringe pump
  - Bariatric equipment
  - Training manikins
  - Patient monitoring system

Other capital projects, all Department of Health (DH) funded, commenced or in progress:

- Completion and commissioning of Barrabill House extension; capacity increased to 40 residents
- Theatre equipment
- Operating Theatre / Central Sterile Supply Department (CSSD) Redevelopment
- Callen St car park
- Refurbishment of 4 Callen St Seymour
- Air Ventilation Infrastructure replace heating and cooling system; main building
- Fire Safety Services upgrade
- Business case development for potential redevelopment of the main kitchen

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

	2023	2022	2021	2020	2019
	$'000	$'000	$'000	$'000	$'000
Operating Result*	-15	100	161	75	200
Total revenue	26,987	27,887	23,767	23,198	23,074
Total expenses	28,897	27,258	24,620	23,026	21,962
Net result from transactions	-1,910	629	(853)	172	1,112
Total other economic flows	-16	177	337	(75)	(330)
Net result	-1,926	806	(516)	97	782
Total assets	40,585	42,635	37,524	35,990	35,661
Total liabilities	12,903	13,027	11,187	9,386	6,740
Net assets/ Total equity	27,682	29,609	26,337	26,604	28,921

	2023	2022	2021	2020	2019
	$'000	$'000	$'000	$'000	$'000
Net Operating result *	-15	100	161	75	200
Capital purpose income	293	2,483	803	1,860	2,673
Specific income					
COVID-19 State supply arrangements Assets received free of charge or for nil consideration under the State supply	214	502	265	22	-
State supply items consumed up to 30 June 2023	-191	(430)	(242)	(15)	-
Expenditure for capital purpose	-83	(126)	(47)	(59)	(52)
Depreciation and amortisation	-2,128	(1,900)	(1,793)	(1,711)	(1,709)
Impairment of non-financial assets	-	-	-	-	-
Financial costs (other)	-	-	-	-	-
Net result from transactions	**-1,910**	**629**	**(853)**	**172**	**1,112**

Social Procurement Activity	2022-23	2021-22	2020-21
Total number of suppliers	448	-	-
Total spend with all suppliers	$6,526,188	-	-
Social Benefit suppliers	2	-	-
Total spent with social benefit suppliers	$24,087	-	-
Number of Aboriginal businesses engaged	2	-	-
Total expenditure with Victorian Aboriginal businesses (excl. GST)	$24,087	-	-

Colin James
Director Business Services

Achievements

Business/Corporate Services

- **Capital**
  - ✓ Theatre redevelopment progressed to detailed design ready for tender
  - ✓ Car park redevelopment progressed to detailed design awaiting planning approval
  - ✓ House adjacent to Seymour Health purchased for student accommodation to facilitate an expanded student clinical placement program
  - ✓ Upgrade to the CCTV system enhancing security
  - ✓ Infrastructure renewal: plant, equipment and ICT
- **Facilities**
  - ✓ Successful recruitment process for a Facilities Manager
  - ✓ Implementation of asset management software system, MEX
- **Finance**
  - ✓ Internal and external audits completed
- **Food and Environmental Services**
  - ✓ Successful application to develop a refurbishment of the commercial kitchen business case
- **Health Information Services (HIS)**
  - ✓ Appointment of HIS Lead for coding and Patient Administration System implementation
- **Information Technology**
  - ✓ Server upgrade and upgrade to Clinical Grade Network
  - ✓ Implementation of a cost-saving regional printer solution
  - ✓ Successful disaster recovery testing
  - ✓ Uplift of digital maturity and cybersecurity

Clinical Services

- **Aged Care**
  - ✓ New 10-bed dementia capable residential aged care wing at Barrabill House commissioned
  - ✓ Barrabill House achieved a 5-star rating
- **Acute Clinical & Urgent Care**
  - ✓ 100% of respondents to the Victorian Hospital Experience Survey reported positive experiences of their hospital stay
  - ✓ Established new supernumery After-Hours Coordinator position in line with Safe Patient Care (SPC) Act obligations
  - ✓ Established the Urgent Care Centre as a separate Unit in line with SPC Act obligations when presentations exceeded 7,000 per annum
  - ✓ Upskilling of Associate Nurse Unit Managers to enhance leadership competency
  - ✓ Introduction of Registered Undergraduate Student of Nursing (RUSON) program
- **Operating Suite Services**
  - ✓ Additional surgical activity achieved to reduce waiting list demand

Community Services & Ambulatory Care

- **Community Dental**
  - ✓ Establishment of new community dental programs: Smile 4 Miles and Smile Squad

- **Palliative Care**
  - ✓ Expanded Palliative Care services utilising Better at Home funding
  - ✓ Palliative Care and District Nursing Services involvement in the palliative care documentary; “The last two weeks at Longlee”
- **Social Support Group**
  - ✓ Kitchen refurbished
- **Leisure & Lifestyle**
  - ✓ Restructured leadership and support to enhance the Barrabill House leisure and lifestyle program

Medical Services

- **Credentialing**
  - ✓ Regional credentialing platform, Cgov, identified
- **Nurse Practitioner (NP) workforce**
  - ✓ Two new NP Candidate positions
- **Medical workforce**
  - ✓ Review of contracts and remuneration to support retention

People & Culture

- **Staff**
  - ✓ Staff Excellence Awards
  - ✓ Awards in Excellence rewards and recognises of our outstanding people and celebrates their contribution
- **Volunteers**
  - ✓ Volunteer of the Year Award at Annual General Meeting
- **Consumers**
  - ✓ Community Reference Committee coordination
- **Communications**
  - ✓ Implementation of the Care Opinion platform
  - ✓ Production of the strategic plan

Quality, Risk & Safety

- **Accreditation**
  - ✓ Achieved full three-year accreditation for the National Quality and Safety Standards and the Aged Care Standards
- **Legislative compliance**
  - ✓ Implementation of new Child Safe Standards policies and processes, including the establishment of a Child Safe Community Forum in conjunction with Seymour College
- **Education**
  - ✓ Establishment of a staff education simulation lab/training room
- **Infection Prevention & Control**
  - ✓ Achieved 96% compliance rate with Hand Hygiene requirements
  - ✓ Achieved 99% staff vaccination rate for COVID-19, the remaining one percent had valid medical exemptions
  - ✓ Achieved 98% staff vaccination rate for Influenza
- **Risk Management**
  - ✓ Comprehensive review and upgrade of the risk management framework and risk register

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 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.

Director Business Services

Colin James (from June 2022)
CA, B.FA

The Director of Business Services 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 People & Culture

Jason King (from Sep 2022)
BA (Law & Legal Studies), CAHRI FIML

The Director People & Culture and Communications oversees People & Culture (HR), Administration and Communications. This includes employee and industrial relations, talent management, staff safety and wellbeing, and fostering a culture of engagement so Seymour Health is an employer of choice. The Administrative and Communications functions are integrated into the Directorate to support Clinical Services across the breadth of health service delivery.

Director Medical Services

Dr. Dean Pritchard
MBBS (Hons.) FACEM AFRACMA CCPU CEDE

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

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.

The Board provides guidance and direction to the (Board appointed) Chief Executive Officer and senior hospital management staff. The Board meets on the last Thursday of the month, in addition to attending other nominated sub-committee meetings, community meetings and training, development and business activities.

Sue van Buuren – Chair Appointment 2019| Term expiry 30 June 2024
ANZIIF (snr Assoc) CIP
Finance, Risk & Audit Committee (Chair) Feb 2021 – Mar 2022
Nomination and Remuneration Committee |Board Chair from Mar 2022
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.

Helen Hull – Deputy Chair Appointment 2020 | Term expiry 30 June 2026
BBus
Finance, Risk & Audit Committee | Nomination and Remuneration Committee
Helen is a senior consultant that specialises in governance and information technology management. 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.

Laura Jeffery Appointment 2021 | Term expiry 30 June 2024
B.Comm, CPA, GAICD
Finance Risk and Audit Committee – Chair
Laura is a Certified Practising Accountant who has used her 15+ years' experience in the Mining Industry to build her company, providing asset management, financial modelling, project management and acquisition and divestment services to the Resources industry. Laura has held Non-Executive Director and committee positions for a number of organisations, including the peak body of a federated organisation in the early childhood industry.

Ian Chadwick Appointment 2015 | Term expiry 30 June 2023
Community Reference Committee
Dip. Ed. B.E. (Graphics)
Collectively, Ian has over 20 years' experience on the Board. As a Board Director, Ian aims to improve health services for Seymour and surrounding district and to keep the community informed of available local health services. Ian is Chair of the Community Reference Committee.

Belinda Scott Appointment 2018 | Term expiry 30 June 2024
Finance, Risk & Audit Committee | Clinical Governance Committee Chair from May 2022
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 | Credentialing Committee

BVSc DipPracMgt, GradCertHSM, GAICD

Dr. Russell Harrison is currently the GM Dog and Vision Services at Guide Dogs Victoria. With experience in disability support services, Russell has a passion for improving systems and supporting staff to ensure that consumers are at the centre of everything we do. Russell has held non-executive and committee positions in the aged care, disability and animal health sector.

Julie Paul, OAM Appointment 2020 | Term expiry 30 June 2026

Clinical Governance Committee | Nomination and Remuneration 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.

Ewan McDonald Appointment 2021 | Term expiry 30 June 2026

Credentialing Committee | Nomination and Remuneration Committee

Ewan has a background in public safety and emergency management. His interests are centred upon the importance of building resilient communities and the relevance of social justice indicators in measuring performance of public sector agencies.

Helen Gwilliam Appointment 2021 | Term expiry 30 June 2023

Finance, Risk and Audit Committee

Helen has wide-ranging management experience in the public and not-for-profit sectors, in public land use and development, corporate governance, workplace education and disability advocacy. Helen has held non-executive director positions in coastal land management, community media and disability access and services organisations.

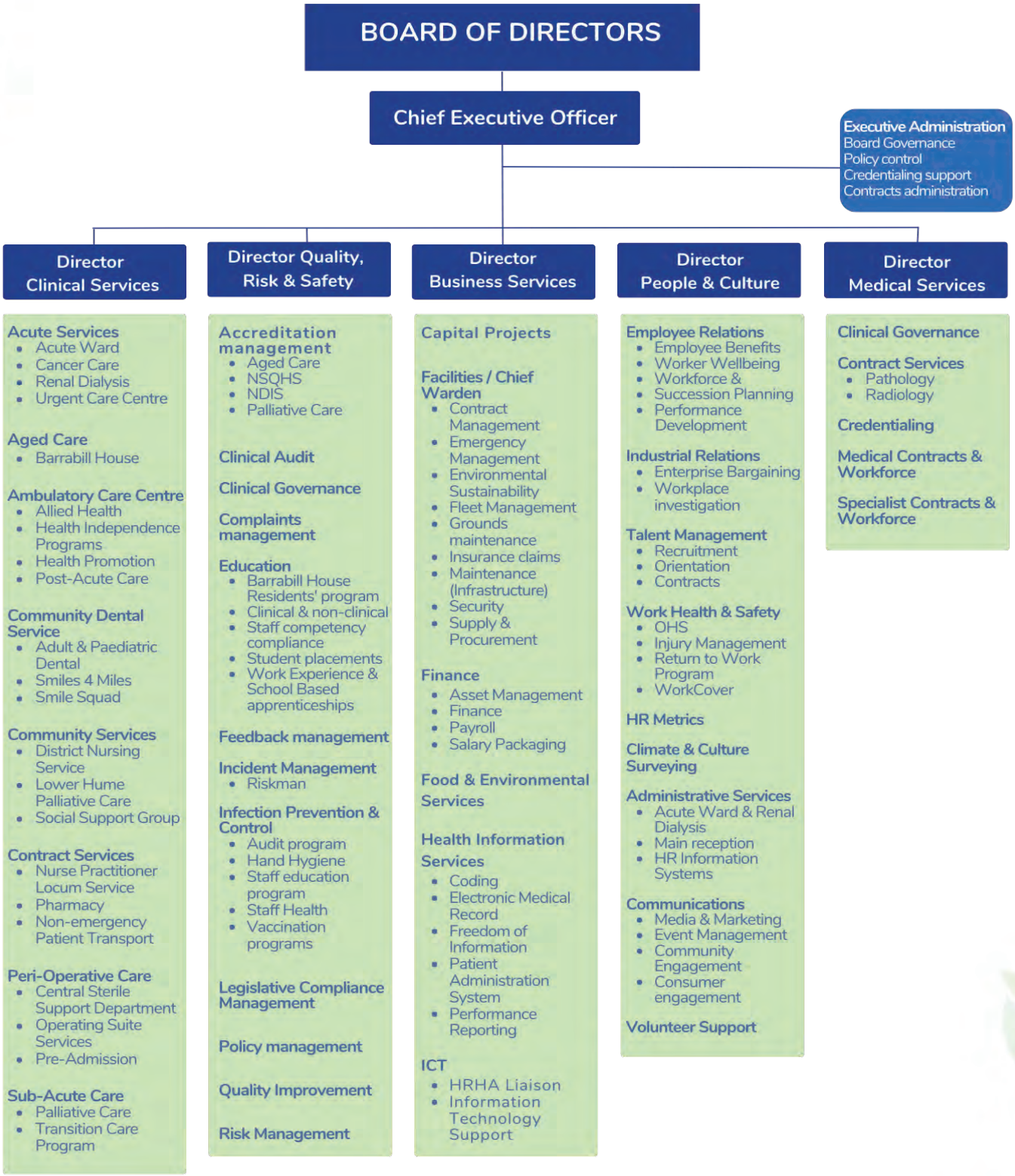
Andrew Jaworski Appointment 2022 | Term expiry 30 June 2025

Finance, Risk & Audit Committee | Credentialing Committee

LLB(Hons) BScOptom GradDipLaw(Comm) GradCert TMLP AFCHSM CHM MAICD CIPT CIPM FGIA

Andrew is a solicitor with almost 20 years' experience in corporate and commercial law and a focus on health and technology. Admitted in Australia and England and Wales, Andrew has worked in top tier private practice, consulting firms and in senior in-house roles in the UK, throughout APAC and ASEAN. He holds non-executive and committee positions on several Boards in the NFP/health sectors. Andrew has a strong interest in public health, with a clinical and research background prior to studying law.

Organisational Chart



Recognition of service

10 years

- Nicola Barry
- Noeline Boyer
- Raelene Carrington
- Mimma Hamilton
- Stephanie Kelly
- Ann Laherty-Hunt
- Angela LeDeux
- Juliet Palmer
- Meika Rodwell
- Vicki Seeley
- Bernadette Topham

Vicki Woodcock

15 years

- Marlene Burrett
- Rachael Cooney
- Julie Crook
- Lisa Montgomery

20 years

- Sarah Kendall

Michelle Roscoe

25 years

- Julie Melican
- Jacqueline Mellett
- Carol Parsons

Susan Tillson

35 years

- Julie Anne Hendy

Statutory statements

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	
	2023	2022	2023	2022
Nursing	96.93	89.06	92.51	85.99
Administration and clerical	25.86	30.61	28.35	32.31
Medical support	5.41	5.87	5.47	5.38
Hotel and allied services	31.87	31.77	29.01	29.51
Sessional Clinicians	0.30	0.30	0.30	0.16
Ancillary staff (allied health)	15.08	13.57	14.01	13.64
Total	**175.43**	**171.18**	**169.65**	**166.99**

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).

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 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.

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

- Reviewed and updated relevant policies and procedures
- Prevention initiatives such as: appointment of an external injury management expert and broker for advice and claims cost management

Occupational violence

Occupational violence statistics	2022-23
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	28
Number of occupational violence incidents reported per 100 FTE	18.54
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0.00

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 2022-23.

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.

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 six standard claims and one minor claim, with minimal time lost and minimal claims costs, which is a positive achievement from previous years.

	2022-23	2021-22	2020-21
The number of reported hazards/incidents for the year per 100 full-time equivalent staff members	52	36.53	59.8
The number of 'lost time' standard WorkCover claims for the year per 100 full-time equivalent staff members	3.3	2.4	1.9
The average cost per WorkCover claim for the year ('000)	$903	$21	$52

Consultancies

Details of consultancies (under $10,000)

In 2022-23, one consultant was engaged where the total fees payable to the consultants were less than $10,000. The total expenditure incurred in relation to this consultancy was $7,138 (excl. GST).

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

In 2022–23, ten consultants were engaged where the total fees payable to the consultants were $10,000 (exc. GST) or greater. The total expenditure incurred in relation to these consultancies was $163,655 (excl. GST).

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2022-23 (excluding GST)	Future expenditure (excluding GST)
Evidence Based Design	Barrabill House Architect / Superintendent	Nov-18	May-23	$275,186	$36,000	$0
Erbas	Barrabill House Service Engineers	Apr-19	Dec-22	$47,370	$1,850	$0
Irwin Consult	Barrabill House Structural / Civil Engineers	Apr-19	Dec-22	$40,900	$3,600	$0
Currie & Brown	Barrabill House Quantity Surveyors	Apr-19	Dec-22	$33,200	$6,500	$0
Philip Chun	Barrabill House Building Surveyor	Apr-19	Dec-22	$14,600	$5,500	$0
Chris Smith & Associates	Carpark Upgrades	Jan-21	Mar-24	$54,050	$28,450	$25,600
LEHR Consultants	Mechanical Plant	Apr-22	Dec-23	$46,800	$12,100	28,600
LEHR Consultants	Theatre Redevelopment – Stage 1	May-22	Dec-23	$44,800	$7,900	$35,300
Baldasso Cortese	Theatre Redevelopment – Stage 1	Feb-22	Dec-23	$164,250	$50,755	$113,495
Everybody's Business	Strategic Plan	Aug-22	Aug-22	$11,000	$11,000	$0

Information and Communication Technology (ICT) expenditure

The total ICT expenditure incurred during 2022-23 was $756,966 (excl. GST) with the details shown below:

Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT expenditure		
Total (excluding GST)	Total=Operational expenditure and Capital Expenditure (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
$756,966	Nil	Nil	Nil

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 2022-23 there were 43 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 an agency subject to the *Public Interest Disclosures Act 2012,* which enables people to make disclosures about improper conduct within the public sector without fear of reprisal. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do. Policies and guidelines are in place to protect people against actions that might be taken against them if they choose to make a protected disclosure. Complaints regarding improper conduct and corruption in the Victorian public sector can be reported to the Independent Broad-based Anticorruption Commission (IBAC); www.ibac.vic.gov.au

There were no disclosures to IBAC under section 21(2) during 2022-23.

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 2022-23, there were no contracts entered into to which Local Jobs First (previously VIPP) plan was required.

Gender Equality Act 2020

The *Gender Equality Act 2020* came into effect in March 2021, bringing with it a requirement for Victorian health services to conduct workplace gender audits, translate the findings into a five-year Gender Equality Action Plan (GEAP) and submit progress reports every two years.

The Seymour Health Gender Equality Action Plan 2021-2025 was submitted to the Commission for Gender Equality in the Public Sector in 2022 and is publicly available on the Seymour Health website.

The following gender equality principles in the *Gender Equality Act 2020, Part One (section 6)* were used to guide the preparation of the Seymour Health GEAP and will be embedded in future policies, programs and services:

- All Victorians should live in a safe and equal society, have access to equal power, resources and opportunities and be treated with dignity, respect and fairness
- Gender equality benefits all Victorians regardless of gender
- Gender equality is a human right and precondition to social justice
- Gender equality brings significant economic, social and health benefits for Victoria
- Gender equality is a precondition for the prevention of family violence and other forms of violence against women and girls
- Advancing gender equality is a shared responsibility across the Victorian community
- All human beings, regardless of gender, should be free to develop their personal abilities, pursue their professional careers and make choices about their lives without being limited by gender stereotypes, gender roles or prejudices
- 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
- Women have historically experienced discrimination and disadvantage on the basis of sex and gender
- Special measures may be necessary to achieve gender equality

Key financial and service performance reporting

Service and Activity data	2022-23	2021-22	2020-21
Admitted patient separations			
Acute			
Same day	2,416	2,696	2,516
Overnight stay	374	437	523
Palliative care	37	40	36
Total separated patients	**2,827**	**3,175**	**3,075**
Admitted patient days			
Acute	5,818	5,267	5,168
Palliative care	488	435	419
Total patient days	**6,306**	**5,702**	**5,587**
Total Acute NWAU	1,086.4	1,281.7	1,279.8
Separation per available bed	101.5	102.8	102.5
ALOS of admitted patient (days)	1.9	1.83	1.82
Occupancy rate; admitted patients – acute beds	59.57	52.07	51.02
Organisation data			
Inpatients treated	3,045	3,175	3,075
Daily average occupancy (acute beds)	17.28	15.23	15.31
Average stay in days	1.9	1.84	1.82
Urgent Care Centre attendances	7,835	11,690	11,997
Surgical procedures	1,178	1,209	1,038
District Nursing			
Occasions of service	7,053	7,055	7,284
Hours of service	6,018	5,681	5,229
Number of clients seen	223	238	319
Residential Aged Care			
Bed days – nursing home resident (inc. respite)	11,365	10,292	10,469
Food services			
Meals prepared	55,511	49,538	47,991
Social Support Group			
Attendances	2,719	2,546	3,008
Hours of service	10,780	7,692	5,850
Number of clients seen	48	57	109
Health Independent Programs			
Sub-Acute Ambulatory (SACS)			
Client contacts	5,202	4,616	5,428
Group sessions	228	200	123
Home-based rehabilitation	111	122	49
HARP (Hospital Admission Risk Program) contacts	1,721	2,254	2,390
HARP new referrals	153	126	171
Post-Acute Care completed episodes	595	521	606
Post-Acute Care client contacts	4,286	7,316	3,817
Lower Hume services			
Palliative Care contacts	6,681	4,707	4,633
Dental services			
Attendances	3,311	2,166	3,074
Treatments	12,013	7,167	8,987
Emergency treatments and vouchers	1,139	1,060	1,231
Smile Squad contacts	717	-	-
Smile Squad treatments	2,120	-	-
Community Health			
Referrals	86	135	101
Attendances	468	540	544

Environmental Performance

Seymour Health reports on environmental performance on a regular basis to the Department of Health through the Department's Environmental Data Management System. We recognise that conserving and protecting the environment for future generations is critical. We are focused on the key challenges of climate change, reducing greenhouse gas emissions, energy and water use and resources.

The recent residential aged care wing extension at Barrabill House incorporated appropriate environmental planning with natural and energy efficient lighting and enhanced technology.

Seymour Health's Environmental Report will be reviewed for the 2023-24 year to improve compliance with the new Financial Reporting Direction 24 (FRD 24).

Efficiencies during 2022-23 include:

- Solar arrays installed, supplementing grid energy supply
- Further replacement of combustion engines with hybrid vehicles
- Implementation of Chef-Max Food Management System
- LED lighting underway
- Strategy of better segregating recyclables
- Upgrade of boilers to high efficiency units

Greenhouse Gas Emissions			
Total greenhouse gas emissions (tonnes CO2e)	**2022-23**	**2021-22**	**2020-21**
Scope 1	273	259	275
Scope 2	1,054	1,056	1,272
Total greenhouse gas emissions (tonnes CO2e)	**1,327**	**1,315**	**1,547**

Stationary Energy			
Total stationary energy purchased by energy type (GJ)	**2022-23**	**2021-22**	**2020-21**
Electricity	4,465	4,178	4,673
Natural Gas	5,301	5,021	5,341
Total	**9,766**	**9,199**	**10,015**

Embedded Generation			
Total embedded stationary energy generated by energy type (GJ)	**2022-23**	**2021-22**	**2020-21**
Solar Power	274	46	-
Total	**274**	**46**	-

Water			
Total water consumption by type (kL)	**2022-23**	**2021-22**	**2020-21**
Class A Recycled water	N/A	N/A	N/A
Potable water	12,409	12,069	17,093
Reclaimed water	N/A	N/A	N/A
Total	**12,409**	**12,069**	**17,093**

Water re-use and recycling	2022-23	2021-22	2020-21
Re-use or recycling rate % (Class A + Reclaimed/Potable+Class A+Reclaimed	N/A	N/A	N/A

Waste & Recycling			
Waste	2022-23	2021-22	2020-21
Total waste generated *(kg clinical waste+kg general +kg recycling waste)*	105,324	108,938	111,791
Total waste to landfill generated *(kg clinical waste+kg general waste)*	74,471	77,294	78,286
Total waste to landfill per patient treated *(kg clinical waste+kg general waste)/PPT)*	3.8013	3.9701	4.0921
Recycling rate % *(kg recycling / (kg general waste+kg recycling))*	30.9879	31.3902	31.9832

Factors influencing environmental impacts	2022-23	2021-22	2020-21
Floor space (m^2)	7,067	7,067	7,067
Separations	2,827	3,175	3,075
In-patient Bed Days	6,306	5,702	5,587
Aged Care Bed Days	11,365	10,292	10,469

Normalised greenhouse gas emissions	2022-23	2021-22	2020-21
Emissions per unit of floor space (kgCO2e/m2)	187.8405	186.0599	218.9600
Emissions per unit of Separations (kgCO2e/Separations)	435.8073	404.3313	503.2165
Emissions per unit of bed-day (LOS+Aged Care OBD) (kgCO2e/OBD)	80.2339	81.0807	96.3746

Normalised stationary energy consumption	2022-23	2021-22	2020-21
Energy per unit of floor space (GJ/m2)	1.3819	1.3017	1.4171
Energy per unit of Separations (GJ/Separations)	3.2062	2.8287	3.2568
Energy per unit of bed-day (LOS+Aged Care OBD) (GJ/OBD)	0.5903	0.5672	0.6237

Normalised embedded generation	2022-23	2021-22	2020-21
Embedded generation per unit of floor space (GJ/m2)	0.0387	0.0065	-
Embedded generation per unit of Separations (GJ/Separations)	0.0898	0.0141	-
Embedded generation per unit of bed-day (LOS+Aged Care OBD) (GJ/OBD)	0.0165	0.0028	-

Normalised water consumption (Potable + Class A)	2022-23	2021-22	2020-21
Water per unit of floor space (kL/m2)	1.7559	1.7078	2.4187
Water per unit of Separations (kL/Separations)	4.0738	3.7113	5.5587
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	0.7500	0.7442	1.0646

Normalised expenditure rates (Electricity, Natural Gas, Potable Water)	2022-23	2021-22	2020-21
Expenditure per unit of floor space ($ thousand/m2)	0.055	0.049	0.055
Expenditure per unit of Separations ($ thousand/separation)	0.127	0.107	0.126
Expenditure per unit of bed-day ($ thousand/(LOS+Aged Care OBD))	0.023	0.021	0.024
Expenditure per unit of Aged Care Bed Day ($ thousand/Aged Care OBD)	0.036	0.033	0.037

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):

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

(i) consultants/contractors engaged;
(ii) services provided; and
(iii) expenditure committed for each engagement

Strategic Priorities

In 2022-23 Seymour Health contributed to the achievement of the Department of Health Operational Plan 2022-23 by agreeing to the following priorities:

Keep people healthy and safe in the community

Maintain COVID-19 readiness

Maintain a robust COVID-19 readiness and response, working with the Department, Health Service Partnership and Local Public Health Unit (LPHU) to ensure effective responses to changes in demand and community pandemic orders. This includes, but is not limited to, participation in the COVID-19 Streaming Model, the Health Service Winter Response framework and continued support of the COVID-19 vaccine immunisation program and community testing.

Outcomes

- Pandemic and Outbreak Management committees established to ensure swift and agile response
- COVIDsafe and Outbreak Management Plans maintained and current
- Staff respiratory mask fit tested as per the Respiratory Protection Program
- PPE spotters implemented during COVID-19 outbreaks
- Ongoing symptomatic COVID-19 testing in the residential aged care service
- Surveillance testing of staff and consumers in the residential aged care setting during COVID-19 outbreaks
- All visitors to the residential aged care are required to present a negative Rapid Antigen Test prior to entry
- Ongoing communication strategy with community regarding health information related to COVID-19 pandemic and COVID-19 testing
- A dedicated Infection Prevention and Control position within our residential aged care service
- Staff wellbeing activities initiated to ensure staff fatigue and burnout issues are being addressed
- COVID-19 response aligned to the Streaming Model and the Winter Response framework

Care closer to home

Delivering more care in the home or virtually

Increase the provision of home-based or virtual care, where appropriate and preferred, by the patient, including via the Better at Home program

Outcomes

- Better at Home funding utilised to expand the home-based palliative care service in response to significant increase in demand
- The community and home-based services have embraced the use of HealthDirect as a virtual care platform and encourage virtual consultations where appropriate
- The use of Better at Home funding for the introduction of Hospital in the Home, a virtual Acute Ward, is being explored; discussions are underway with the local General Practitioners and a Project Worker has been appointed to prepare a business case for the establishment of this new service

Keep improving care

Improve quality and safety of care

Work with Safer Care Victoria (SCV) in areas of clinical improvement to ensure the Victorian health system is safe and delivers best care, including working together on hospital acquired complications, low value care and targeting preventable harm to ensure that limited resources are optimised without compromising clinical care and outcomes.

Outcomes

- Seymour Health has liaised closely with SCV in the review and development of its Clinical Governance Framework and the revision of clinical procedures and policies
- A new Duty of Candour policy and procedure has been introduced
- A policy and procedure ensuring compliance with the new Serious Adverse Patient Safety Event (SAPSE) requirements are in place
- The Infection Prevention Control Coordinator has undertaken audits and implemented strategies to mitigate the risk of Hospital Acquired Complications (HACs)
- The Clinical Governance committee conducted a self-assessment and has implemented a series of improvements to ensure all required information is made available to the committee to provide assurance that all necessary systems and processes are in place to guarantee safe quality care
- Seymour Health achieved three-year full National Safety and Quality Health Service (NSQHS), Aged Care Standards and NDIS accreditation status with zero 'Not-Mets' in all three survey processes

Plan update to nutrition and food quality standards

Develop a plan to implement nutrition and quality of food standards in 2022-23, implemented by December of 2023.

Outcomes

- Seymour Health has a Healthy Choices Nutrition Plan in place to ensure compliance with the Government's Healthy Choices policy prior to December 2023; the plan includes changes to consumer and staff meal options, as well as the introduction of a food vending machine with 'traffic light' alert system – the vending machine 'red' content is kept to a minimum and under the prescribed level in the Healthy Choices policy
- The drinks vending machine has had all soft drinks removed and contains no unhealthy 'red' drinks
- The Nutrition Plan is being regularly reviewed and monitored by the Food & Environmental Service Manager in consultation with the Health Promotion Officer and the Seymour Health Dietitian
- Seymour Health has introduced an electronic menu system, Chefmax, to assist with Healthy Choices compliance while still providing a wide range of nutritional and tasty snacks and meals

Climate Change Commitments

Contribute to enhancing health system resilience by improving the environmental sustainability, including identifying and implementing projects and/or processes that will contribute to committed emissions reduction targets through reducing or avoiding carbon emissions and/or implementing initiatives that will help the health system to adapt to the impacts of climate change.

Outcomes

- Installation of solar panels on the main hospital building
- LED globe replacement program implemented to replace inefficient lighting with more efficient LED lighting
- Environmental Management Plan in place
- Establishment of the Environmental Management Committee
- Environmentally Sustainable Design (ESD) requirement in capital works tender documents
- Office recycling program in place
- Fleet vehicle are Hybrid Electric vehicles
- Water utilisation audit undertaken
- Zero emissions plan under development

Asset Maintenance Management

Improve health service and Department Asset Management Accountability Framework (AMAF) compliance by collaborating with Health Infrastructure to develop policy and processes to review the effectiveness of asset maintenance and its impact on service delivery.

Outcomes

- Three-year Asset Management Strategy and annual Asset Management Plans in place, aligned to the AMAF
- Asset register in place
- Implementation of electronic asset management software, MEX, to inform asset maintenance and replacement
- CAPEX budget and expenditure informed by life cycle of assets on asset register and the Asset Management Strategy and Plan

Improve Aboriginal health and wellbeing

Improve Aboriginal cultural safety

Strengthen commitments to Aboriginal Victorians by addressing the gap in health outcomes by delivering culturally safe and responsive health care.

- Establish meaningful partnerships with Aboriginal Community-Controlled Health Organisations
- Implement strategies and processes to actively increase Aboriginal employment
- Improve patient identification of Aboriginal people presenting for health care, and to address variances in health care and provide equitable access to culturally safe care pathways and environments
- Develop discharge plans for every Aboriginal patient

Outcomes

- Self-determination Memorandum of Understanding signed with Taungurung Land and Water Council
- Aboriginal and Torres Strait Islander flags fly permanently at entrance to the hospital
- Taungurung flag flown on National Close the Gap Day, during Reconciliation and NAIDOC weeks
- Seymour Health Leadership team participation in NAIDOC week activities, including Welcome to Country smoking ceremony and the parade to Kings Park to engage in the festivities and the event
- Support the Taungurung First Nations People through the provision of a subsidised rental arrangement for Goranwarrabul House that is utilised as a meeting/gathering place and facilitates access by the community to local health screening and services
- The Seymour Health Strategic Plan includes deliverables to develop an Aboriginal & Torres Strait Islander Cultural Safety Framework, Cultural Safety and Reconciliation Action Plans as well as a Workforce Plan to include strategies that will increase Aboriginal employment opportunities at Seymour Health
- Admission documentation has specific questions to capture consumers who wish to identify as Aboriginal or Torres Strait Islander
- All Aboriginal patients discharged from the organisation have discharge plans in place and referrals to Aboriginal specific services when available
- The Seymour Health Community Reference Committee includes Aboriginal representation in its membership
- Treaty presentation provided to the Seymour Health Leadership team

Moving from competition to collaboration

Foster and develop local partnerships

Joint service planning

Develop Health Service Partnerships Strategic Service Plans – codesigned by health services and the Department – that guide a system approach to future service delivery and consider equity, quality and safety, and value.

Outcomes

Seymour Health is an active participant in the HHSP.
Seymour Health has representation on numerous regional HHSP Committees and Project Control Boards (PCBs) including the Regional Credentialing and Scope of Clinical Practice Steering Committee and the Elective Surgical Reform Governance Committee

- Seymour Health represents the South Hume health services on the HHSP Strategic Service Planning PCB
- Representation on the Hume Rural Health Alliance Target Operating Model PCG and the Electronic Medical Record PCG
- Strengthening Hospital Responses to Family Violence (SHRVF)
- Director Clinical Services Chair of Director of Nursing regional committee
- Director People & Culture Chair of Human Resource regional committee

A stronger workforce

Improve workforce wellbeing

- Participate in the OVA training that will be implemented across the sector in 2022-23
- Support the implementation of the SHRFV initiative deliverables, including health service alignment to the Family Violence Multi-Agency Risk Assessment and Management framework (MARAM)
- Prioritise wellbeing of healthcare workers and implement local strategies to address key issues

Outcomes

- Occupational Violence and Aggression (OVA) training opportunities communicated broadly across Seymour Health; CEO completed the six OVA modules; OVA training included Seymour Health mandatory training for staff
- SHRVF program delivered at Seymour Health led by the Education Manager
- SHRFV policies developed and reviewed
- Family Violence Contact Officers trained and appointed
- Training provided to staff at the identified levels within the MARAM Framework
- Numerous staff acknowledgement and recognition days held; International Nurses Day, Support Services Recognition Day, Aged Care Workers Recognition Day, Community Services Recognition Day
- Health and wellbeing events: RUOK Day, Stress Down Day
- Touch point surveys to gauge staff wellbeing and fatigue levels
- Participation in the People Matters Survey
- Staff Excellence Awards process
- A Living Our Values: It All Starts with You campaign
- Bullying and Harassment By-Stander training
- Work commenced on the development of a Workforce Plan addressing areas such as recruitment, retention, succession planning, leadership development and professional development
- Introduction of a new Employee Assistance Program provider; Benestar

Part B: Performance priorities

High quality and safe care

Key performance measure	Target	2022-23 Actuals
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	85 %	96%
Percentage of healthcare workers immunised for influenza	92 %	98%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses - Quarter 1	95%	100%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	100%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	100%

Strong governance, leadership and culture

Key performance measure	Target	2022-23 Actuals
Organisational culture		
People Matter survey – percentage of staff with an overall positive response to safety culture survey questions	62%	82%

Effective financial management

Key performance measure	Target	2022-23 Actuals
Finance		
Operating result ($m)	$-1.17m	$0.015
Average number of days to pay trade creditors	60 days	52 days
Average number of days to receive patient fee debtors	60 days	36 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤ $250,000	$-0.14
Actual number of days available cash, measured on the last day of each month	14 days	64.7 days

Part C: Activity reporting

Funding Type		
Small Rural	**2022-23 Achievement**	**Budget ('000)**
Small Rural Acute	225	14,444
Small Rural Residential Care	10,848	1,005
Small Rural Primary Health & HACC	2,069	204
Small Rural Health Independence Program	-	1,491
Small Rural Other specified funding	-	1,407
Small Rural Health Workforce	-	123
Total Funding		**18,674**

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
Chief Executive Officer
Seymour Health
31 August 2023

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
Chief Executive Officer
Seymour Health
31 August 2023

Compliance with Health Share Victoria (HSV) Purchasing Policies

I, Ward Steet, certify that Seymour Health has put in place appropriate internal controls and processes to ensure that it has materially complied with all requirements set out in the HSV collective agreements as required by the Health Services Act 1988 (Vic) and has critically reviewed these controls and processes during the year.

Ward Steet
Chief Executive Officer
Seymour Health
31 August 2023

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
Chief Executive Officer
Seymour Health
31 August 2023

Financial Management Compliance Attestation

I, Sue van Buuren, 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.

Sue van Buuren
Board Chair
Seymour Health
31 August 2023

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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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 2023 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 2023

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 2023 and the financial position of Seymour Health at 30 June 2023.

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 31 August 2023.

Sue van Buuren

Board Chair

Seymour Health

31 August 2023

Ward Steet

Chief Executive Officer

Seymour Health

31 August 2023

Colin James

Chief Finance and Accounting Officer

Seymour Health

31 August 2023

Independent Auditor's Report

Victorian Auditor-General's Office

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 2023 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including 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 2023 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
26 September 2023

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 2023

	Note	2023 $'000	2022 $'000
Revenue and income from transactions			
Operating activities	2.1	26,616	27,840
Non-operating activities	2.1	371	47
Total revenue and income from transactions		**26,987**	**27,887**
Expenses from transactions			
Employee expenses	3.1	(20,567)	(19,577)
Supplies and consumables	3.1	(2,900)	(2,409)
Finance costs	3.1	(26)	(12)
Depreciation and amortisation	4.4	(2,128)	(1,900)
Other administrative expenses	3.1	(1,835)	(1,861)
Other operating expenses	3.1	(1,250)	(1,069)
Other non-operating expenses	3.1	(191)	(430)
Total Expenses from transactions		**(28,897)**	**(27,258)**
Net result from transactions - net operating balance		**(1,910)**	**629**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.2	11	35
Net gain/(loss) on financial instruments	3.2	(11)	(75)
Other gain/(loss) from other economic flows	3.2	(16)	217
Total other economic flows included in net result		**(16)**	**177**
Net result for the year		**(1,926)**	**806**
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.1(b)	(1)	2,466
Items that may be reclassified subsequently to net result			
Changes to financial assets revaluation surplus		-	-
Total other comprehensive income		**(1)**	**2,466**
Comprehensive result for the year		**(1,927)**	**3,272**

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

Balance Sheet

Seymour Health
Balance Sheet as at 30 June 2023

	Note	2023 $'000	2022 $'000
Current assets			
Cash and cash equivalents	6.2	11,063	12,486
Receivables	5.1	667	562
Inventories	4.5	61	60
Other non financial assets		150	149
Total current assets		**11,941**	**13,257**
Non-current assets			
Receivables	5.1	1,066	1,090
Property, plant and equipment	4.1(a)	27,326	27,994
Right of use assets	4.2(a)	252	294
Total non-current assets		**28,644**	**29,378**
Total assets		**40,585**	**42,635**
Current liabilities			
Payables and contract liabilities	5.2	4,120	4,032
Contract liabilities	5.3	80	274
Borrowings	6.1	221	223
Employee benefits	3.3	4,542	4,193
Other liabilities	5.4	3,032	3,444
Total current liabilities		**11,995**	**12,166**
Non-current liabilities			
Contract liabilities	5.3	-	-
Borrowings	6.1	173	251
Employee benefits	3.3	735	610
Total non-current liabilities		**908**	**861**
Total liabilities		**12,903**	**13,027**
Net assets		**27,682**	**29,609**
Equity			
Property, plant and equipment revaluation surplus	4.3	21,435	21,436
Contributed capital	SCE	6,832	6,832
Accumulated surplus/(deficit)	SCE	(585)	1,341
Total equity		**27,682**	**29,609**

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 2023

	Note	Property, Plant and Equipment Revaluation Surplus $'000	Contributed Capital $'000	Accumulated Surplus/ (Deficit) $'000	Total $'000
Balance at 30 June 2021		**18,970**	**6,832**	**535**	**26,337**
Net result for the year		-	-	806	806
Other comprehensive income for the year		2,466	-	-	2,466
Transfer from/(to) accumulated deficits		-	-	-	-
Balance at 30 June 2022		**21,436**	**6,832**	**1,341**	**29,609**
Net result for the year		-	-	(1,926)	(1,926)
Other comprehensive income for the year		(1)	-	-	(1)
Transfer from/(to) accumulated surplus		-	-	-	-
Balance at 30 June 2023		**21,435**	**6,832**	**(585)**	**27,682**

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 2023

	Note	2023 $'000	2022 $'000
Cash Flows from operating activities			
Operating grants from State Government		19,836	20,325
Operating grants from Commonwealth Government		3,293	2,845
Capital grants from government - State		125	2,069
Patient fees received		1,478	1,460
Donations and bequests received		12	3
Capital donations and bequests received		20	16
Interest received		371	47
Other receipts		1,121	809
Total receipts		**26,256**	**27,574**
Payments to employees		(18,702)	(17,927)
Payments to VMOs		(1,362)	(1,386)
Payments for supplies and consumables		(2,177)	(1,749)
Finance Costs		(26)	(12)
Cash outflow for leases		(244)	(228)
Other payments		(3,270)	(3,073)
Total payments		**(25,781)**	**(24,375)**
Net cash flows from/(used in) operating activities	8.1	**475**	**3,199**
Cash Flows from investing activities			
Purchase of property, plant and equipment		(1,440)	(2,954)
Proceeds from disposal of property, plant and equipment		32	83
Net cash flows from/(used in) investing activities		**(1,408)**	**(2,871)**
Cash flows from financing activities			
Repayment of borrowings		(80)	(64)
Receipt of accommodation deposits		730	1,640
Repayment of accommodation deposits		(1,140)	(255)
Net cash flows from /(used in) financing activities		**(490)**	**1,321**
Net increase/(decrease) in cash and cash equivalents		**(1,423)**	**1,649**
Cash and cash equivalents at beginning of year		12,486	10,837
Cash and cash equivalents at end of year	6.2	**11,063**	**12,486**

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 2023. 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.

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.

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 8.10 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.

The annual financial statements were authorised for issue by the Board of Seymour Health on 31 August 2023.

Note 1.2 Impact of COVID-19 pandemic

The Pandemic (Public Safety) Order 2022 (No. 5) which commenced on 22 September 2022 ended on 12 October 2022 when it was allowed to lapse and was revoked. Long-term outcomes from COVID-19 infection are currently unknown and while the pandemic response continues, a transition plan towards recovery and reform in 2022/23 was implemented. Victoria's COVID-19 Catch-Up Plan is aimed at addressing Victoria's COVID-19 case load and restoring surgical activity.

Where financial impacts of the pandemic are material to Seymour Health, they are disclosed in the explanatory notes. For Seymour Health there were no material impacts from the pandemic.

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
NWAU	National Weighted Activity Unit
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 relate to the following disclosures:

- Note 2.1: Revenue and income from transactions
- Note 3.3: Employee benefits and related on-costs
- Note 4.2: Property, plant and equipment
- Note 4.3: Right-of-use assets
- Note 4.4: Depreciation and amortisation
- Note 4.6: Impairment of assets

- Note 5.1: Receivables
- Note 5.2: Payables
- Note 5.3: Contract liabilities
- Note 5.6: Other provisions
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

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 beginning 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 beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-8: *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments*	Reporting periods beginning on or after January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: *Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*	Reporting periods beginning on or after 1 January 2024.	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 assets and liabilities are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

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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.
Seymour Health's 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 grant funding for the provision of outputs. Seymour Health also receives income from the supply of services.

Structure

2.1 Revenue and income from transactions

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

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 scaling down the COVID-19 public health response during the year ended 30 June 2023.

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.
Assets and services received free of charge or for nominal consideration	Seymour Health applies significant judgement to determine the fair value of assets and services provided free of charge or for nominal value.

Note 2.1: Revenue and income from transactions

	Note	2023 $'000	2022 $'000
Operating Activities			
Revenue from contracts with customers			
Government grants (State) - Operating		2,790	3,629
Government grants (Commonwealth) - Operating		3,391	2,784
Patient and resident fees		1,557	1,476
Commercial activities [(i)]		210	210
Total revenue from contracts with customers	2.1(a)	**7,948**	**8,099**
Other sources of income			
Government grants (State) - Operating		17,328	16,175
Government grants (State) - Capital		248	2,450
Other capital purpose income		45	33
Assets received free of charge	2.1(b)	214	502
Other revenue from operating activities (including non-capital donations)		833	581
Total other sources of income		**18,668**	**19,741**
Total revenue and income from operating activities		**26,616**	**27,840**
Other interest		371	47
Total income from non-operating activities		**371**	**47**
Total revenue and income from transactions		**26,987**	**27,887**

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

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

	2023 $'000	2022 $'000
Seymour Health disaggregates revenue by the timing of revenue recognition.		
Goods and services transferred to customers:		
At a point in time	5,158	4,470
Over time	2,790	3,629
Total revenue from contracts with customers	**7,948**	**8,099**

How we recognise 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 a point in time or over time as and when services are rendered.

If a contract liability is recognised, Seymour Health recognises revenue in profit or loss as and when it satisfies its obligations under the contract.

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 in accordance with AASB 1058.

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

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

Government grant	Performance obligation
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	NWAU funding commenced 1 July 2021 and supersedes WIES for acute, sub-acute and state-wide services (which includes specified grants, state-wide services and teaching and training). Services not transitioning at this time include mental health and small rural services. NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid. The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity. Revenue is recognised at point in time, which is when a patient is discharged.
Dental Health Services Activity paid as Dental Weighted Activity Units (DWAUs)	The dental funding is to provide public dental health services to children and adults. Seymour Health is required to provide a set number of dental services measured in DWAUs. Revenue is recognised over time, as and when the services are delivered.
Elective Surgery Funding	The elective surgery program supports additional elective surgery activity. Seymour Health is required to provide a set number of elective surgery activity. Revenue is recognised over time, as and when the services are delivered.

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 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.

Interest Income

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

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

	2023 $'000	2022 $'000
Cash donations and gifts	23	-
Personal protective equipment - State supply	191	434
Assets received free of charge	-	68
Total fair value of assets and services received free of charge or for nominal consideration	**214**	**502**

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 of resources

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

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

Volunteer Services

Seymour Health receives volunteer services from members of the community in the following areas:

- Social Support Group
- Barrabill House
- Palliative Care

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

Seymour Health greatly values the services contributed by volunteers but it 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 reliably measured and therefore has not recorded any income related to volunteer services.

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

The Department of Health and Human Services makes some payments on behalf of 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 with the DH.

Note 3: The cost of delivering our services

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

Structure

3.1 Expenses from transactions
3.2 Other Economic Flows
3.3 Employee benefits in the balance sheet
3.4 Superannuation

Telling the COVID-19 story

Expenses incurred to deliver services during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic and scaling down of the COVID-19 public health response during the year ended 30 June 2023.

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.

Measuring employee benefit liabilities	Seymour Health applies significant judgment when measuring its employee benefit liabilities. Seymour Health applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if Seymour Health does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees. Expected future payments incorporate: • an inflation rate of 4.35%, reflecting the future wage and salary levels • duration of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 34.6% and 89.9% • discounting at the rate of 4.06%, as determined with reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.

Note 3.1: Expenses from transactions

	Note	2023 $'000	2022 $'000
Salaries and wages		15,132	14,117
On-costs		3,927	3,634
Agency expenses		23	28
Fee for service medical officer expenses		1,345	1,407
Workcover premium		140	391
Total employee expenses		**20,567**	**19,577**
Medical and surgical supplies (including Prostheses)		1,293	1,140
Other supplies and consumables		1,607	1,269
Total supplies and consumables		**2,900**	**2,409**
Finance costs		26	12
Total finance costs		**26**	**12**
Other administrative expenses		1,835	1,861
Total other administrative expenses		**1,835**	**1,861**
Fuel, light, power and water		388	348
Repairs and maintenance		467	349
Medical indemnity insurance		206	206
Expenses related to leases of low value assets		140	125
Expenditure for capital purposes		49	41
Total other operating expenses		**1,250**	**1,069**
Total operating expense		**26,578**	**24,928**
Depreciation and amortisation	4.4	2,128	1,900
Total depreciation and amortisation		**2,128**	**1,900**
Assets and services provided free of charge		191	430
Total other non-operating expenses		**191**	**430**
Total non-operating expense		**2,319**	**2,330**
Total expenses from transactions		**28,897**	**27,258**

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

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: Other Economic Flows

	2023 $'000	2022 $'000
Net gain/(loss) on disposal of property plant and equipment	11	35
Total net gain/(loss) on non financial assets	**11**	**35**
Allowance for impairment losses of contractual receivables	(11)	(75)
Total net gain/(loss) on financial instruments	**(11)**	**(75)**
Net gain/(loss) arising from revaluation of long service liability	(16)	217
Total other gains/(losses) from other economic flows	**(16)**	**217**
Total gains/(losses) from other economic flows	**(16)**	**177**

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 equity instruments from the reserves to retained surplus/(deficit) 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.

Note 3.3: Employee benefits in the balance sheet

	2023 $'000	2022 $'000
Current provisions		
Accrued days off		
Unconditional and expected to be settled wholly within 12 months [i]	38	38
	38	**38**
Annual leave		
Unconditional and expected to be settled wholly within 12 months [i]	1,143	1,022
Unconditional and expected to be settled wholly after 12 months [ii]	844	713
	1,987	**1,735**
Long service leave		
Unconditional and expected to be settled wholly within 12 months [i]	285	214
Unconditional and expected to be settled wholly after 12 months [ii]	1,769	1,733
	2,054	**1,947**
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months [i]	150	144
Unconditional and expected to be settled after 12 months [ii]	313	329
	463	**473**
Total current employee benefits	**4,542**	**4,193**
Non-current provisions		
Conditional long service leave	651	533
Provisions related to employee benefit on-costs	84	77
Total non-current employee benefits	**735**	**610**
Total employee benefits	**5,277**	**4,803**

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

Note 3.3 a) Employee Benefits and Related On-Costs

	2023 $'000	2022 $'000
Current employee benefits and related on-costs		
Unconditional accrued days off	38	38
Unconditional annual leave entitlements	2,189	1,930
Unconditional long service leave entitlements	2,315	2,225
Total current employee benefits and related on-costs	**4,542**	**4,193**
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	735	610
Total non-current employee benefits and related on-costs	**735**	**610**
Total employee benefits and related on-costs	**5,277**	**4,803**
Attributable to:		
Employee benefits	4,730	4,253
Provision for related on-costs	547	550
Total employee benefits and related on-costs	**5,277**	**4,803**

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

	2023 $'000	2022 $'000
Carrying amount at start of year	550	480
Additional provisions recognised	193	315
Amounts incurred during the year	(198)	(217)
Net gain/(loss) arising from revaluation of long service liability	2	(28)
Carrying amount at end of year	**547**	**550**

How we recognise employee benefits

Employee Benefit Recognition

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

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

Annual Leave and Accrued Days Off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because 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 measured at present value and 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.

Provision for On-Costs Related to Employee Benefits

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

Note 3.4: Superannuation

	2023 $'000	2022 $'000
Defined benefit plans:[i]		
First State Super	12	11
Defined contribution plans:		
First State Super	1,731	1,502
Total	**1,743**	**1,513**

[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

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

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

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 Right-of-use assets
4.3 Revaluation surplus
4.4 Depreciation and amortisation
4.5 Inventories
4.6 Impairment of assets

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.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating useful life of property, plant and equipment	Seymour Health assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	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.
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

	2023 $'000	2022 $'000
Land at fair value	2,197	2,042
Less impairment		
Total land at fair value	**2,197**	**2,042**
Buildings at cost	3,842	-
Less accumulated depreciation	(109)	-
Buildings at fair value	20,964	20,965
Less accumulated depreciation	(1,620)	-
Total buildings at fair value	**23,077**	**20,965**
Works in progress at cost	**424**	**3,404**
HRHA alliance plant and equipment	24	18
Plant and equipment at fair value	1,017	834
Less accumulated depreciation	(529)	(461)
Total plant and equipment at fair value	**512**	**391**
Motor vehicles at fair value	85	85
Less accumulated depreciation	(85)	(85)
Total motor vehicles at fair value	**-**	**-**
Medical equipment at fair value	2,247	2,189
Less accumulated depreciation	(1,356)	(1,179)
Total medical equipment at fair value	**891**	**1,010**
Computer equipment at fair value	313	245
Less accumulated depreciation	(183)	(151)
Total computer equipment at fair value	**130**	**94**
Furniture and fittings at fair value	168	150
Less accumulated depreciation	(73)	(62)
Total furniture and fittings at fair value	**95**	**88**
Total property, plant and equipment	**27,326**	**27,994**

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	Work in progress $'000	Total $'000
Balance at 1 July 2021		**1,619**	**20,338**	**468**	**1,026**	**-**	**107**	**54**	**836**	**24,448**
Additions		2	43	29	202	-	28	44	2,568	2,916
Disposals		-	-	(4)	(2)	-		-	-	(6)
Revaluation increments/(decrements)		421	2,045	-	-	-	-	-	-	2,466
Net transfers between classes		-	-	-	-	-	-	-	-	-
Depreciation	4.4	-	(1,461)	(102)	(216)	-	(41)	(10)	-	(1,830)
Balance at 30 June 2022	**4.1 (a)**	**2,042**	**20,965**	**391**	**1,010**	**-**	**94**	**88**	**3,404**	**27,994**
Additions		155	3,842	202	68	-	83	26	(2,980)	1,396
Disposals		-	-	-	(2)	-		(2)	-	(4)
Revaluation increments/(decrements)		-	(1)	-	-	-	-	-	-	(1)
Net Transfers between classes		-	-	-	-	-	-	-	-	-
Depreciation	4.4	-	(1,729)	(81)	(185)	-	(47)	(17)	-	(2,059)
Balance at 30 June 2023	**4.1 (a)**	**2,197**	**23,077**	**512**	**891**	**-**	**130**	**95**	**424**	**27,326**

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.

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 in Note 7.4.

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. An interim independent valuation of land was performed on 30 June 2022 and an index adjustment was made to buildings on 30 June 2022. As an independent valuation was not undertaken on 30 June 2023, a managerial assessment was performed at 30 June 2023 indicated an overall:

- increase in fair value of land of 5.1% ($112,128)
- decrease in fair value of buildings of 6.8% ($1,343,703)

As the cumulative movement was less than 10% for land and buildings since the last revaluation a managerial revaluation adjustment was not required as at 30 June 2023.

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

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

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

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

Note 4.2: Right-of-use assets

Note 4.2 (a): Gross carrying amount and accumulated depreciation

	2023 $'000	2022 $'000
Right of use equipment at fair value	16	16
Less accumulated depreciation	(9)	(6)
Total right of use equipment at fair value	**7**	**10**
Right of use leased vehicle at fair value	411	407
Less accumulated depreciation	(166)	(123)
Total right of use leased equipment at fair value	**245**	**284**
Total right of use assets	**252**	**294**

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

	Note	Right of use - PPE, F&V $'000	Right of use - Leased Vehicle $'000	Total $'000
Balance at 1 July 2021		**13**	**287**	**300**
Additions		-	107	107
Disposals		-	(43)	(43)
Revaluation increments/(decrements)		-	-	-
Net transfers between classes		-	-	-
Depreciation	4.4	(3)	(67)	(70)
Balance at 30 June 2022	4.2(a)	**10**	**284**	**294**
Additions		-	42	42
Disposals		-	(15)	(15)
Revaluation increments/(decrements)		-	-	-
Net Transfers between classes		-	-	-
Depreciation	4.4	(3)	(66)	(69)
Balance at 30 June 2023	4.2(a)	**7**	**245**	**252**

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:

Class of right-of-use asset	Lease term
Leased plant, equipment, furniture, fittings and vehicles	2 to 5 years

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

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

Further information regarding fair value measurement is disclosed in Note 7.4

Note 4.3: Revaluation surplus

	Note	2023 $'000	2022 $'000
Balance at the beginning of the reporting period		21,436	18,970
Revaluation increment			
- Land	4.1 (b)	-	421
- Buildings	4.1 (b)	(1)	2,045
Balance at the end of the Reporting Period*		**21,435**	**21,436**
Represented by:			
- Land		670	670
- Buildings		20,765	20,766
		21,435	**21,436**

Note 4.4: Depreciation and amortisation

	2023 $'000	2022 $'000
Depreciation		
Property, plant and equipment (PPE)		
Buildings	1,729	1,461
Plant and equipment	70	91
Medical equipment	185	216
Motor Vehicles		
Computer equipment	47	41
Furniture and fittings	17	10
HRHA alliance	11	11
Total depreciation - PPE	**2,059**	**1,830**
Right-of-use assets		
Right of use - equipment	3	3
Right-of-use - Leased equipment	66	67
Total depreciation - right-of-use	**69**	**70**
Total depreciation	**2,128**	**1,900**

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.

	2023	2022
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 4.5: Inventories

	2023 $'000	2022 $'000
Medical and surgical consumables at cost	33	30
Pharmacy supplies at cost	28	30
Total inventories	**61**	**60**

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. Inventories are measured at the lower of cost and net realisable value.

Note 4.6: Impairment of assets

How we recognise impairment

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

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

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

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

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

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

Seymour Health did not record any impairment losses on property, plant and equipment for the year ended 30 June 2023

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

5.2 Payables

5.3 Contract liabilities

5.4 Other liabilities

Telling the COVID-19 story

The measurement of other assets and liabilities were not materially impacted by the COVID-19 Coronavirus pandemic.

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.

Key judgements and estimates	Description
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.
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

	Notes	2023 $'000	2022 $'000
Current receivables and contract assets			
Contractual			
Trade debtors		72	74
Patient fees		169	134
Accrued revenue - Sundry Debtors		60	59
Accrued revenue - Other		17	7
Accrued revenue - Commonwealth		55	-
Accrued revenue - Dental Health Services Victoria		91	63
HRHA receivables		71	51
Less allowance for doubtful debts	5.1(a)	(34)	(41)
Total contractual receivables		**501**	**347**
Statutory			
GST receivable		166	215
Total statutory receivables		**166**	**215**
Total current receivables and contract assets		**667**	**562**
Non-current receivables and contract assets			
Contractual			
Long service leave - Department of Health		1,066	1,090
Total contractual receivables		**1,066**	**1,090**
Total non-current receivables and contract assets		**1,066**	**1,090**
Total receivables and contract assets		**1,733**	**1,652**
Financial assets classified as receivables and contract assets			
Total receivables and contract assets		1,733	1,652
GST receivable		(166)	(215)
Total financial assets	7.1(a)	**1,567**	**1,437**

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

	2023 $'000	2022 $'000
Balance at the beginning of the year	41	18
Increase in allowance	12	75
Amounts written off during the year	(19)	(52)
Balance at the end of the year	**34**	**41**

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.

- **Statutory receivables,** includes 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*.

Impairment losses of contractual receivables

Refer to Note 7.1(a) for Seymour Health's contractual impairment losses.

Note 5.2: Payables

	Note	2023 $'000	2022 $'000
Current payables and contract liabilities			
Contractual			
Trade creditors		369	361
Accrued salaries and wages		571	547
Accrued expenses		608	426
Deferred grant income	5.2(a)	1,513	1,635
Department of Health		600	684
HRHA alliance payables		263	104
HRHA PAS		153	191
Amounts payable to governments and agencies		21	65
Total contractual payables		**4,098**	**4,013**
Statutory			
GST payable		12	11
FBT payable		10	8
Total statutory payables		**22**	**19**
Total current payables and contract liabilities		**4,120**	**4,032**
Total payables and contract liabilities		**4,120**	**4,032**
Financial liabilities classified as payables and contract liabilities			
Total payables and contract liabilities		4,120	4,032
Deferred grant income		(1,513)	(1,635)
GST Payable		(12)	(11)
FBT Payable		(10)	(8)
Total financial liabilties	7.1(a)	**2,585**	**2,378**

How we recognise payables and contract liabilities

Payables consist of:

- **Contractual payables** which mostly includes payables in relation to goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to Seymour Health prior to the end of the financial year that are unpaid.

- **Statutory payables:** comprise Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

Note 5.2 (a): Deferred grant revenue

	2023 $'000	2022 $'000
Opening balance of deferred grant income	1,635	2,015
Grant consideration for capital works received during the year	35	1,646
Deferred grant revenue recognised as revenue due to completion of capital works	(157)	(2,026)
Closing balance of deferred grant income	**1,513**	**1,635**

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,
- Theatre redevelopment,
- Asphalt car park
- Fire safety
- Mechanical Plant – Air-conditioning replacement
- Refurbishment of Callen Street property

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 June 2024.

Note 5.3: Contract liabilities

	2023 $'000	2022 $'000
Opening balance of contract liabilities	274	150
Payments received for performance obligations not yet fulfilled	165	616
Revenue recognised for the completion of a performance obligation	(358)	(492)
Total contract liabilities	**80**	**274**
*** Represented by:**		
- Current contract liabilities	80	274
- Non-current contract liabilities	-	-
	80	**274**

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 lower than the previous reporting period due to completion projects.

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 maturity analysis of payables.

Note 5.4: Other Liabilities

	Notes	2023 $'000	2022 $'000
Current monies held it trust			
Refundable accommodation deposits		3,030	3,440
Other monies		2	4
Total current monies held in trust		**3,032**	**3,444**
Total other liabilities		**3,032**	**3,444**
*** Represented by:**			
- Cash assets	6.2	3,032	3,444
		3,032	**3,444**

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 Seymour Health upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

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

Note 6: How we finance our operations

This section provides information on the sources of finance utilised by 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 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 scaling down of the COVID-19 public health response during the year ended 30 June 2023.

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	2023 $'000	2022 $'000
Current borrowings			
Lease liability [(i)]	6.1 (a)	176	178
Loan - Department of Health [(ii)]		45	45
Total current borrowings		**221**	**223**
Non-current borrowings			
Lease liability [(i)]	6.1 (a)	92	126
Loan - Department of Health [(ii)]		81	125
Total non-current borrowings		**173**	**251**
Total borrowings		**394**	**474**

[(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.

Subsequent measurement

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

Maturity analysis 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's lease liabilities are summarised below:

	2023 $'000	2022 $'000
Total undiscounted lease liabilities	271	311
Less unexpired finance expenses	(3)	(7)
Net lease liabilities	**268**	**304**

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

	2023 $'000	2022 $'000
Not longer than one year	178	184
Longer than one year but not longer than five years	91	127
Longer than five years	2	-
Minimum future lease liability	**271**	**311**
Less unexpired finance expenses	(3)	(7)
Present value of lease liability	**268**	**304**
*** Represented by:**		
- Current liabilities	176	178
- Non-current liabilities	92	126
	268	**304**

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:

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

All leases are recognised on the balance sheet, with the exception of low value leases (less than $10,000 AUD) and short term leases of less than 12 months. 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	ICT equipment – computers, laptops
Short-term lease payments	Leases with a term less than 12 months	Printers / Photocopiers
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. Our lease liability has been discounted by rates of between 2.4% to 5%

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

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

The following types of lease arrangements, contain extensions and termination options:

- Postage Meter
- Motor Vehicles

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

Note 6.2: Cash and cash equivalents

	Note	2023 $'000	2022 $'000
Cash on hand		2	2
Cash at bank		-	519
Cash at bank - HRHA Alliance		617	505
Cash at bank - CBS (excluding monies held in trust)		7,412	8,016
Total cash held for operations		**8,031**	**9,042**
Cash at bank - CBS (monies held in trust)	5.4	3,032	3,444
Total cash held as monies in trust		**3,032**	**3,444**
Total cash and cash equivalents	7.1 (a)	**11,063**	**12,486**

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

	2023 $'000	2022 $'000
Capital expenditure commitments		
Less than one year	368	1,302
Longer than one year but not longer than five years	-	-
Five years or more	-	-
Total capital expenditure commitments	**368**	**1,302**
Non-cancellable short term and low value lease commitments		
Less than one year	79	50
Longer than one year but not longer than five years	57	46
Five years or more	-	-
Total non-cancellable short term and low value lease commitments	**136**	**96**
Total commitments for expenditure (exclusive of GST)	**504**	**1,398**

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. Refer to note 6.1 for further information.

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
7.4 Fair value determination

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of non-financial assets	Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use. In determining the highest and best use, Seymour Health has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets. Seymour Health uses a range of valuation techniques to estimate fair value, which include the following: ▪ Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Seymour Health's specialised land, non-specialised land, non-specialised buildings, are measured using this approach. ▪ Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Seymour Health's specialised buildings, furniture, fittings, plant, equipment and vehicles are measured using this approach. The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes: ▪ Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Seymour Health does not categorise any fair values within this level. ▪ Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Seymour Health categorises non-specialised land and right-of-use concessionary land in this level. ▪ Level 3, where inputs are unobservable. Seymour Health categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.

Note 7.1: Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of 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 2023	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	11,063	-	11,063
Receivables and contract assets	5.1	1,567	-	1,567
Total Financial Assets [i]		**12,630**	**-**	**12,630**
Financial Liabilities				
Payables	5.2	-	2,585	2,585
Borrowings	6.1	-	394	394
Other Financial Liabilities - Refundable Accommodation Deposits	5.4	-	3,030	3,030
Other Financial Liabilities - Other monies held in trust	5.4	-	2	2
Total Financial Liabilities [i]		**-**	**6,011**	**6,011**

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

30 June 2022	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and cash equivalents	6.2	12,486	-	12,486
Receivables and contract assets	5.1	1,437	-	1,437
Total Financial Assets [i]		**13,923**	**-**	**13,923**
Financial Liabilities				
Payables	5.2	-	2,378	2,378
Borrowings	6.1	-	474	474
Other Financial Liabilities - Refundable Accommodation Deposits	5.4	-	3,440	3,440
Other Financial Liabilities - Patient monies held in trust	5.4	-	4	4
Total Financial Liabilities [i]		**-**	**6,296**	**6,296**

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

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 solely to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests on the principal amount outstanding on specific dates.

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

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.

Seymour Health recognises the following liabilities in this category:

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

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 asset is required to reclassified between amortised cost, fair value through net results 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.

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.

Contractual 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 2022-23.

Impairment of financial assets under AASB 9 *Financial Instruments*

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

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9.

The 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 2023		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%	42.6%	42.6%	
Gross carrying amount of contractual receivables	5.1	1,453	46	23	47	32	**1,601**
Loss allowance		**-**	**-**	**-**	**(20)**	**(14)**	**(34)**

30 June 2022	Note	Current	Less than 1 month	1–3 months	3 months – 1 year	1 – 5 years	Total
Expected loss rate		0.0%	6.0%	17.6%	65.0%	65.0%	
Gross carrying amount of contractual receivables	5.1	1,358	51	15	42	12	**1,478**
Loss allowance		**-**	**(3)**	**(3)**	**(27)**	**(8)**	**(41)**

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 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.

Seymour Health has a position of net current liabilities of $ 54,000 at balance date. Included in current liabilities are employee benefits of $4,542,000 and refundable deposits of $3,030,000, which borne by the history of the entity are unlikely to be repaid in cash in full within the next 12 months. Accordingly, Seymour Health is in a position to ensure that it will meet its finical obligations and commitments as and when they fall due.

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				
30 June 2023	Note	Carrying Amount $'000	Nominal Amount $'000	Less than 1 Month $'000	1-3 Months $'000	3 months - 1 Year $'000	1-5 Years $'000	Over 5 years $'000
Payables	**5.2**	2,585	2,585	2,489	94	2	-	-
Borrowings	**6.1**	394	394	15	29	177	171	2
Other Financial Liabilities								
- Refundable Accommodation Deposits	**5.4**	3,030	3,030	3,030	-	-	-	-
Other Financial Liabilities - Other monies held in trus	**5.4**	2	2	2	-	-	-	-
Total Financial Liabilities		**6,011**	**6,011**	**5,536**	**123**	**179**	**171**	**2**

				Maturity Dates				
30 June 2022	Note	Carrying Amount $'000	Nominal Amount $'000	Less than 1 Month $'000	1-3 Months $'000	3 months - 1 Year $'000	1-5 Years $'000	Over 5 years $'000
Financial Liabilities at amortised cost								
Payables	**5.2**	2,378	2,378	2,289	77	12	-	-
Borrowings	**6.1**	474	474	15	30	179	250	-
Other Financial Liabilities								
- Refundable Accommodation Deposits	**5.4**	3,440	3,440	3,440	-	-	-	-
Other Financial Liabilities - Other monies held in trus	**5.4**	4	4	4	-	-	-	-
Total Financial Liabilities		**6,296**	**6,296**	**5,748**	**107**	**191**	**250**	**-**

(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 7.4: Fair Value Determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

- Financial assets and liabilities at fair value through net result
- Financial assets and liabilities at fair value through other comprehensive income
- Property, plant and equipment
- Right-of-use assets

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

Valuation hierarchy

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

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

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.

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

	Note	Carrying amount 30 June 2023 $'000	Fair value measurement at end of reporting period using: Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Non-specialised land		1,210	-	1,210	-
Specialised land		987	-	-	987
Total land at fair value	4.1 (a)	**2,197**	**-**	**1,210**	**987**
Non-specialised buildings		783	-	783	-
Specialised buildings		22,294	-	-	22,294
Total buildings at fair value	4.1 (a)	**23,077**	**-**	**783**	**22,294**
Plant and equipment	4.1 (a)	512	-	-	512
Motor vehicles	4.1 (a)	-	-	-	-
Medical equipment	4.1 (a)	891	-	-	891
Computer equipment	4.1 (a)	130	-	-	130
Furniture and fittings	4.1 (a)	95	-	-	95
Total plant, equipment, furniture, fittings and vehicles at fair value		**1,628**	**-**	**-**	**1,628**
Right-of-use equipment	4.2 (a)	7	-	-	7
Right-of-use leased euipment	4.2 (a)	245	-	-	245
Total right-of-use assets at fair value		**252**	**-**	**-**	**252**
Total non-financial physical assets at fair value		**27,154**	**-**	**1,993**	**25,161**

		Carrying amount 30 June 2022 $'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		1,055	-	1,055	-
Specialised land		987	-	-	987
Total land at fair value	4.1 (a)	**2,042**	**-**	**1,055**	**987**
Non-specialised buildings		540	-	540	-
Specialised buildings		20,425	-	-	20,425
Total buildings at fair value	4.1 (a)	**20,965**	**-**	**540**	**20,425**
Plant and equipment	4.1 (a)	391	-	-	391
Motor vehicles	4.1 (a)	-	-	-	-
Medical equipment	4.1 (a)	1,010	-	-	1,010
Computer equipment	4.1 (a)	94	-	-	94
Furniture and fittings	4.1 (a)	88	-	-	88
Total plant, equipment, furniture, fittings and vehicles at fair value		**1,583**	**-**	**-**	**1,583**
Right-of-use equipment	4.2 (a)	10	-	-	10
Right-of-use leased euipment	4.2 (a)	284	-	-	284
Total right-of-use assets at fair value		**294**	**-**	**-**	**294**
Total non-financial physical assets at fair value		**24,884**	**-**	**1,595**	**23,289**

[i] Classified in accordance with the fair value hierarchy

How we measure fair value of non-financial physical assets

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

Judgements about highest and best use must 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.

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

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

Non-specialised land, non-specialised buildings, investment properties and cultural assets

Non-specialised land, non-specialised buildings, investment properties 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 2022.

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 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 effective date of the valuation is 30 June 2022.

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

Furniture, fittings, plant and equipment (including medical equipment, computers and communication equipment) are held at carrying amount (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that 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 2023.

Reconciliation of level 3 fair value measurement

	Note	Land $'000	Buildings $'000	Plant, equipment, furniture, fittings and $'000	Right-of-use equipment and $'000	Total [i] $'000
Balance at 1 July 2021		**1,003**	**19,874**	**1,655**	**300**	**22,832**
Additions/(Disposals)		2	43	297	64	406
Assets provided free of charge		-	-	-	-	-
Net Transfers between classes		-	-	-	-	-
Gains/(Losses) recognised in net result		-	-	-	-	-
- Depreciation and amortisation		-	(1,440)	(369)	(70)	(1,879)
- Impairment loss		-	-	-	-	-
Items recognised in other comprehensive income		-	-	-	-	-
- Revaluation		(18)	1,948	-	-	1,930
Balance at 30 June 2022	7.4(a)	**987**	**20,425**	**1,583**	**294**	**23,289**
Additions/(Disposals)		-	3,563	375	27	3,965
Assets provided free of charge		-	-	-	-	-
Net Transfers between classes		-	-	-	-	-
Gains/(Losses) recognised in net result		-	-	-	-	-
- Depreciation and Amortisation		-	(1,693)	(330)	(69)	(2,092)
- Impairment loss		-	-	-	-	-
Items recognised in other comprehensive income		-	-	-	-	-
- Revaluation		-	(1)	-	-	(1)
Balance at 30 June 2023	7.4(a)	**987**	**22,294**	**1,628**	**252**	**25,161**

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

Fair Value determination of level 3 fair value assessment

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

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 executives
8.4 Related parties
8.5 Remuneration of auditors
8.6 Ex-gratia payments
8.7 Events occurring after the balance sheet date
8.8 Jointly controlled operations
8.9 Equity
8.10 Economic dependency

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

	Note	2023 $'000	2022 $'000
Net result for the year		(1,926)	806
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets	3.2	(11)	(35)
Depreciation and amortisation of non-current assets	4.4	2,128	1,900
Goods and services received free of charge	2.1b/3.1	-	(4)
Assets received free of charge	2.1b	-	(68)
Allowance for impairment losses of contractual receivables	5.1a	(7)	23
Adjustment prior year capital contribution		-	-
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables and contract assets		(74)	(219)
(Increase)/Decrease in inventories		(1)	70
(Increase)/Decrease in prepaid expenses		(1)	207
Increase/(Decrease) in payables and contract liabilities		(105)	313
Increase/(Decrease) in employee benefits		474	212
Inrease/(Decrease) in other liabilities		(2)	(6)
Net cash inflow from opeating activit		**475**	**3,199**

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.

A caretaker period was enacted during the year ended 30 June2023 which spanned the time the Legislative Assembly expired, until the Victorian election results were clear or a new government was commissioned. The caretaker period for the 2022 Victorian election commenced at 6pm on Tuesday the 1st November and new ministers were sworn in on the 5th of December.

	Period
The Honourable Mary-Anne Thomas MP	
Minister for Health	1 Jul 2022 - 30 Jun 2023
Minister for Health Infrastructure	5 Dec 2022 - 30 Jun 2023
Minister for Medical Research	5 Dec 2022 - 30 Jun 2023
Former Minister for Ambulance Services	1 Jul 2022 – 5 Dec 2022
The Honourable Gabrielle William MP	
Minister for Mental Health	1 Ju1 2022 - 30 Jun 2023
Minister for Ambulance Services	5 Dec 2022 - 30 Jun 2023
The Honourable Lizzy Blandthorn MP	
Minister for Disability, Aging and Carers	5 Dec 2022 - 30 Jun 2023
The Honourable Colin Brooks MP	
Minister for Disability, Aging and Carers	1 Jul 2022 – 5 Dec 2022
Governing Boards	
S. van Buuren (Chair)	1 Jul 2022 - 30 Jun 2023
H. Hull	1 Jul 2022 - 30 Jun 2023
I. Chadwick	1 Jul 2022 - 30 Jun 2023
B. Scott	1 Jul 2022 - 30 Jun 2023
R. Harrison	1 Jul 2022 - 30 Jun 2023
A. Jaworski	1 Jul 2022 - 30 Jun 2023
J. Paul	1 Jul 2022 - 30 Jun 2023
E. McDonald	1 Jul 2022 - 30 Jun 2023
L. Jeffery	1 Jul 2022 - 30 Jun 2023
H. Gwilliam	1 Jul 2022 - 30 Jun 2023
Accountable Officers	
W. Steet (Chief Executive Officer)	1 Jul 2022 - 30 Jun 2023

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

Income Band	2023 No	2022 No
0 - $9,999	10	11
$210,000 - $219,999	1	1
Total Numbers	**11**	**12**

	2023 $'000	2022 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted	**$265**	**$264**

Amounts relating to the Governing Board Members and Accountable Officer of Seymour Health's controller entities are disclosed in their own financial statements. Amounts relating to Responsible Ministers are reported within the State's Annual Financial Report.

Note 8.3: Remuneration of executives

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

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.4)	Total Remuneration 2023 $'000	2022 $'000
Short-term benefits	617	674
Post-employment benefits	74	57
Other long-term benefits	12	15
Termination benefits	9	81
Total remuneration [i]	**712**	**827**
Total number of executives	6	7
Total annualised employee equivalent [ii]	4.9	5.0

(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 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 (such as superannuation guarantee contributions) paid or payable on a discrete basis when employment has ceased.

Other long-term benefits

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

Termination benefits

Termination of employment payments, such as severance packages.

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

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of 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
S. van Buuren	Board Chair
H. Hull	Deputy Board Chair
I. Chadwick	Board Member
A. Jaworski	Board Member
B. Scott	Board Member
R. Harrison	Board Member
J. Paul	Board Member
E. McDonald	Board Member
L. Jeffery	Board Member
H. Gwilliam	Board Member
W. Steet	Chief Executive Officer
Dr. D. Pritchard	Director Medical Services
C. James	Director Business Services/CFO
A. Daley	Director Clinical Services
V. Callaghan	Director Quality Risk and Safety
J. King	Director People & Culture
J. Fincham (Resigned Dec 2022)	Communications Manager

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

	2023 $'000	2022 $'000
Compensation - KMPs		
Short-term Employee Benefits [i]	849	908
Post-employment Benefits	96	75
Other Long-term Benefits	24	27
Termination Benefits	9	81
Total [ii]	**978**	**1,091**

(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 and Human Services of $18.9m (2022: $21.7m) and indirect contributions of $0.06m (2022: $0.3m).

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 of Victoria's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victorian unless an exemption has been approved by the Minister for Health and Human Services and the Treasurer.

Transactions with KMPs and Other Related Parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the 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 2023 (2022: none).

There were no related party transactions required to be disclosed for Seymour Health Board of Directors, Chief Executive Officer and Executive Directors in 2023 (2022: none).

Note 8.5: Remuneration of auditors

	2023 $'000	2022 $'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 2023 %	Ownership Interest 2022 %
Hume Rural Health Alliance	Information Communications	4.946	4.851

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.

	2023 $'000	2022 $'000
Current assets		
Cash and cash equivalents	617	505
Receivables	71	51
Other assets	15	11
Total current assets	**703**	**567**
Non-current assets		
Property, plant and equipment	24	18
Total non-current assets	**24**	**18**
Total assets	**727**	**585**
Current liabilities		
Payables	264	104
Lease liability	3	3
Other Liabilities	153	191
Total current liabilities	**420**	**298**
Non-current liabilities		
Lease liability	13	6
Total non-current liabilities	**13**	**6**
Total liabilities	**433**	**304**
Net assets	**294**	**281**
Equity		
Accumulated surplus	294	281
Total equity	**294**	**281**

(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.

	2023 $'000	2022 $'000
Revenue		
Operating activities	156	152
Income from member contributions	172	164
Non-operating activities	16	1
Capital purpose income	11	18
Total revenue	**355**	**335**
Expenses		
Employee Benefits	128	107
Other Expenses from Continuing Operations	197	199
Depreciation and amortisation	11	11
Capital expenditure	29	16
Total expenses	**365**	**333**
Net result	**(10)**	**2**

(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.

Note 8.10: Economic dependency

Seymour Health is dependent on the Department of Health for the majority of its revenue used to operate the health service. At the date of this report, the Board of Directors believes the Department of Health will continue to support Seymour Health.

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