

HESSE
RURAL
HEALTH



Annual Report 2024-25



About Us

As an innovative rural health service, Hesse provides acute, aged and community based services across parts of the municipalities of Colac Otway, Golden Plains and the Surf Coast Shires.

At the heart of Hesse is our staff, providing person-centred care for all with stakeholders central to all decision making.

Hesse proudly operates our health service on the traditional lands of both the Wadawurrung people of the Kulin Nation and the Gulidjan and Gadubanud peoples of the Eastern Maar Nation.



Our Vision

Leading health & wellbeing
for our community

Our Mission

Hesse is dedicated to providing and facilitating access to best practice health, aged and community based services that strive for rural wellbeing



Hesse Rural Health acknowledges the Kulin Nation and Eastern Maar Nation as the Traditional Custodians of the lands and waters on which we deliver our health care services. We value the rich culture and continual connection to country, waters, kin and community. We are committed to ensuring a culturally safe environment and improving health outcomes and pathways for First Nations people.

We are committed to providing inclusive services and an inclusive working environment. We believe in equity of healthcare for all.



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Manner of Establishment & Relevant Ministers

Hesse Rural Health Service (Hesse) is 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 2024 to 30 June 2025

Minister for Aging

The Hon. Ingrid Stitt
1 July 2024 to 30 June 2025

Minister for Ambulance Services

The Hon. Mary-Anne Thomas
1 July 2024 to 30 June 2025

Minister for Disability

The Hon. Lizzie Blandthorn
1 July 2024 to 30 June 2025



Hesse Heart



195 Employees



56 Residential Aged Care Beds
98% Average Occupancy



71 Volunteers



**11,992 Community
Health Contacts**



4 Acute Beds



99 Home Care Package Clients
**115 Commonwealth Home
Support Program Clients**



\$17M Operating Income

**Approximately
22,396
population***

**Approximately
6,652 km²**

4 Locations

Nature & Range of Services

Hesse offers a broad range of integrated rural health care services across our catchment area;

Acute Care*

Urgent Care Centre*

Residential Aged Care*

- Permanent
- Respite
- Dementia
- Palliative

Allied Health

- Diabetes Education
- Dietetics
- Counselling
- Occupational Therapy
- Physiotherapy
- Exercise Physiology

Home Care

- Personal Care
- Domestic Assistance
- Meal Delivery
- Transport
- Carer Respite
- Home Maintenance

Community Nursing

- District Nursing
- Hospital in the Home
- Palliative Care
- Post-Acute Care

Social Support Groups

- Beeac
- Winchelsea
- Bannockburn
- Inverleigh

Community Programs

- Facilitated Play Groups
- Men's Shed
- Social Connect Activities
- Community Garden

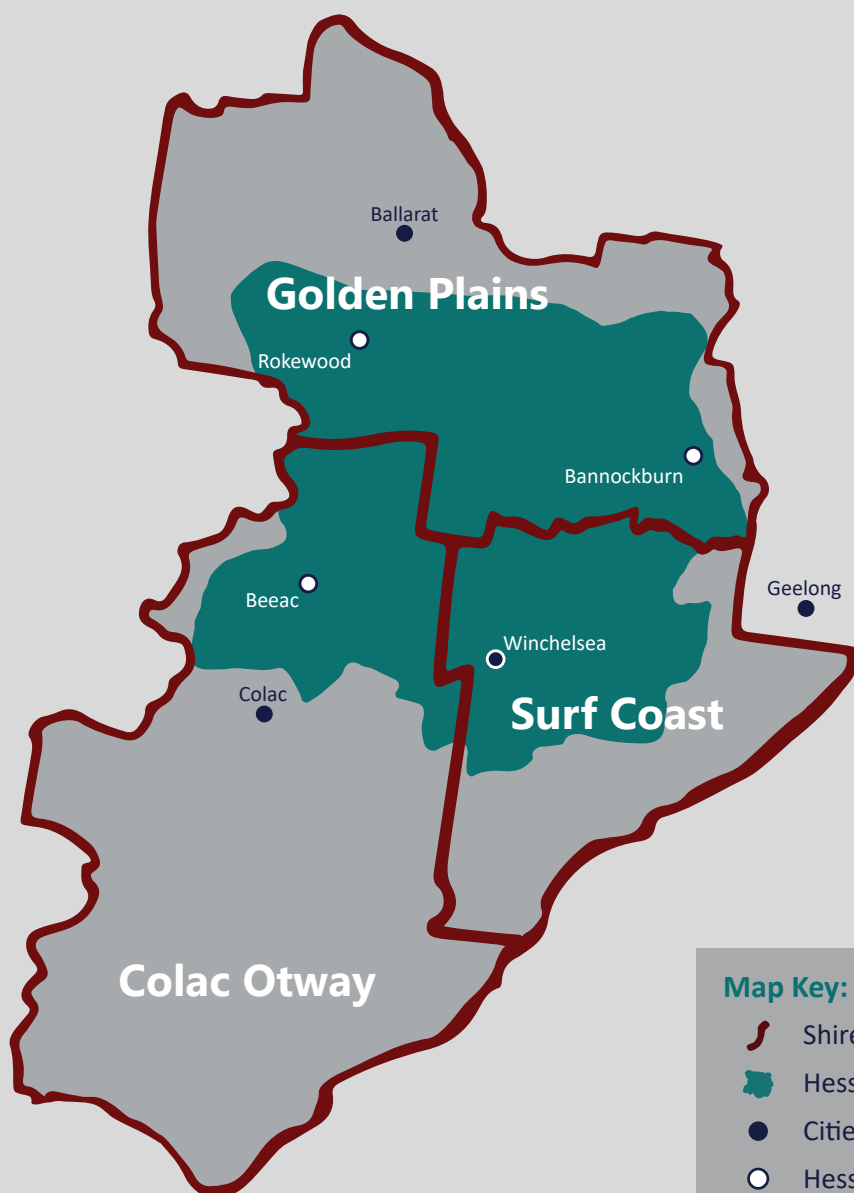
Health Promotion Priorities

- Active Living
- Healthy Eating
- Mental Health & Wellbeing
- Smoking & Vaping

Primary Prevention Programs

- Farm Safety Program
- Personal Development
- Screening Programs
- Walking Groups
- Balance & Bones

Volunteering



Map Key:

- Shire boundaries
- Hesse Rural Health catchment area
- Cities
- Hesse Rural Health secondary sites
- Hesse Rural Health main site

* Available from Winchelsea site only

Message from Board Chair & Chief Executive Officer

We are pleased to present the 2024-25 Hesse Rural Health Service (Hesse) Annual Report. Over the last twelve months Hesse has continued to pursue the key strategic pillars outlined in our 2023-2025 Strategic Plan: Consumers and Community; Governance; People and Culture; Sustainability and Growth.

Our staff are the heart of Hesse. We are especially proud of the leadership exhibited and the great work undertaken by the Clinical Team (led by Margie McLeod), the Quality Team (led by John Belfrage), the Community Team (led by Sue Ryan) and the Finance Team (led by Nab Khoda). We express our gratitude to all leaders across Hesse for their commitment to improving access and achieving better healthcare outcomes for our community.

We are fortunate to have a group of exceptional staff who are dedicated to Hesse, and this has a positive impact on the wellbeing of our communities. Our people exemplify the Hesse IICARE values of Innovation, Integrity, Caring, Accountability, Respect and Excellence, with their dedication and resilience continuing to drive exceptional performance and notable achievements. We commend everyone who has contributed to this success and thank all involved in caring for our consumers.

We are grateful for the support of our extraordinary volunteers. Volunteers give up their time to undertake activities such as supporting social or craft events, driving community members to appointments, or just spending time and reading stories to our consumers. Our volunteers play a crucial role in supporting our staff and enriching our services.

Deep appreciation is also expressed to those who contribute to our health service through fundraising efforts. We are especially thankful to Give Where You Live and the Geelong Foundation for their generous support towards our Winchelsea Community Foodbank program, and to the Hospital Auxiliary and their Winchelsea Op Shop for their ongoing support towards the rebuild of 44-46 Main St, Winchelsea. We are grateful to all donors; these contributions allow us to expand our activities and enable our staff to consistently deliver outstanding care.

Our governing Board of nine directors with diverse backgrounds, skills, and experience, have continued

to work diligently in providing effective governance. The Care and Clinical Governance Committee, chaired by Dr Chris Edwards and supported by Hesse's quality leadership team, continued to examine data relating to patient experiences and indicators, and inform the Board with suggested improvements. Angela Hurren chaired both our Consumer Advisory Committee, that continued to provide much appreciated and valuable feedback considering a consumer's voice, and our Finance, Risk and Audit Committee, that effectively oversaw the mitigation of risk and management of finances, with support from the Hesse finance team. Also active were our Communications and Fundraising Committee chaired by Ben Maw, Corporate Governance Committee chaired by Vesna Allen, and a Project Control Group that was established to oversee the redevelopment of 44-46 Main St, chaired by Melika Sukunda.

We thank all Board Directors for their contributions and wisdom. During what has been a particularly challenging twelve months, our Board committees have ensured ongoing financial sustainability and strong clinical governance. From July 2025, we welcome Coralie Nash, appointed by Governor in Council to the Hesse Board of Directors. Coralie is a health care professional with a commitment to quality, equity and sustainability in health. With a background as a Registered Nurse, her career has spanned intensive care, general practice, specialist medical management, pre-clinical research and occupational health.

We started the year being re-accredited for our community aged care services, with a Quality Audit undertaken by the Aged Care Quality and Safety Commission. The assessment team found all standards to be fully met, with consumers and representatives providing positive feedback on the care and services provided and their choices and decisions supported. This was a wonderful achievement by our dedicated Hesse team, and we are very pleased that we evidenced our aims to provide safe, effective, person-centred care.

Throughout the year we sustained and enhanced our services, ensuring that our community continues to receive high-quality care. Our partnerships continued to be strengthened to enable us to broaden our services and provide expanded access for our

community, setting in place strong and sustainable foundations for the future. In addition, we are pleased to report a near break-even financial position with a modest operating surplus of \$1k, underscoring our focus on efficient and effective operations.

We increased our services for children and families, aligning to our changing community population and their health needs. A highlight was the opening of our new Paediatric Occupational Therapy clinic, helping children develop the skills they need to succeed in their daily activities. We were also pleased to see the establishment of an onsite Aged Care Pharmacy program in our Residential Aged Care, and the opening of a pharmacy from our Rokewood Community Centre. Both providing a valuable service to our consumers and community. We acknowledge our staff and community members that have provided valuable input and assistance into establishing these programs.

We continued working on other key strategies this year including ongoing participation in a joint strategic clinical service plan for the Barwon South West Region, to be finalised next financial year as the Barwon Local Health Service Network is formed. As a responsible organisation committed to minimising our environmental footprint we updated our Environmental Sustainability Plan and implemented a key initiative to reduce energy consumption by partnering with the Barwon South West Region to undertake a LED lighting upgrade at our main campus.

In June, Hesse acquired the co-located 31 residential aged care beds in Chelsea Lodge and Werruna from the Winchelsea Hostel & Nursing Home Society Inc.

(WH&NHS). This decision followed a thorough review, leading the WH&NHS Committee of Management to identify the transfer of all assets including the 31 residential aged care beds to Hesse and winding up the WH&NHS, offered the best outcome for all residents and the community. We acknowledge and show appreciation for the support and commitment from our residents, WH&NHS members, the wider community, the Department of Health and State Government to enable this transfer.

A renovation was also undertaken at our 53 Hesse St site for our Social Support kitchen that was kindly supported by a donation from the Hospital Auxiliary, which included the fit-out of a new staff kitchenette, as well as all defibrillators located across Hesse sites replaced. Hesse also continued to improve our office systems with the aim of not just improving efficiency but also to improve the experience of our staff. Two key improvements that we implemented this year were the implementation of the first stage of People Plus, improving our human resource systems, and the implementation of the Oracle financial system.

As we reflect on the past year, we are aware of the challenges that lie ahead. With a strong foundation built on resilience, innovation, and collaboration, we are confident in our ability to continue delivering outstanding outcomes for our community. We anticipate further strengthening of our partnerships through the formation of the Barwon Local Health Service Network, and we remain committed to supporting our staff to provide the delivery of exceptional, safe, effective, person-centred care delivered close to home, and to improve the health and wellbeing of our community.



A handwritten signature in black ink, appearing to read 'Ian Whiting'.

Ian Whiting
Board Chair



A handwritten signature in black ink, appearing to read 'Carissa Brock'.

Carissa Brock
Chief Executive Officer

Our Strategic Plans for the Future

The Hesse Strategic Plan sets our priorities and demonstrates to our valued community and partners, that we are committed to improving the health experience and outcomes for the broad community we service, now and into the future.

Hesse's Strategic Plan for 2023-25 was finalised in 2023 and endorsed by the Department of Health in March 2024. The endorsed plan is available on the Hesse website under 'About Us > Publications'. <https://hesseruralhealth.com.au/publications/> Hesse's strategic planning process experienced many delays during the pandemic, which also affected the way we delivered care and brought about new opportunities and benefits, strengthening our ability to adapt and respond.

The current 2023-25 plan has now been extended to December 2026, to allow adequate time for thorough consideration and integration for the implementation of the Local Health Service Networks and their associated Statement of Expectations into Hesse Rural Health's strategic planning process.

The Strategic Plan guides Hesse's approach in all of its services and ensures we meet the changing needs of our community. The Plan sets the direction and service priorities, to enable Hesse to support and provide its community with access to high quality health care in the face of changing demand.

As a health service, Hesse has become a key asset to the local community it serves and formed many strong partnerships. With identified future growth and changing needs, Hesse remains committed to shifting the focus from treatment to prevention, enhancing quality of care, reducing variability in health outcomes given social determinants, providing care at or close to home wherever possible, and enabling better universal access. Hesse aims to strengthen and build upon our partnerships, continuing to collaborate with and better serve our community.

The plan presents a series of priorities and actions designed to have a significant impact on the health outcomes of our community. During its development, themes were gathered through consultation with our community, consumers, staff, partners and stakeholders.

To respond to the identified needs and issues, four major priority areas were formed:

Consumers & Community

Partner with our consumers and community to empower and support their health journey and wellbeing.

Governance

Systems and frameworks ensure service requirements are met, risks mitigated and enable the provision of safe, effective person-centred care.

People & Culture

Promote a values based culture and ensure our workforce is responsive, committed, skilled and supported.

Sustainability & Growth

Future demand is planned and delivered through strategic investment that is enduring with value for money outcomes.





Declaration & Attestations

Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for Hesse Rural Health Service for the year ending 30 June 2025.

Ian Whiting, Chair
6 October 2025



Attestations

Financial Management Compliance Attestation

I, Ian Whiting, on behalf of the Responsible Body, certify that the Hesse Rural Health Service has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

Ian Whiting, Chair
6 October 2025



Data Integrity

I, Carissa Brock, certify that Hesse Rural Health Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Hesse Rural Health Service has critically reviewed these controls and processes during the year.

Carissa Brock, Chief Executive Officer
6 October 2025



Conflict of Interest

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

Carissa Brock, Chief Executive Officer
6 October 2025



Integrity, Fraud & Corruption

I, Carissa Brock, certify that Hesse Rural Health Service has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at Hesse Rural Health Service during the year.

Carissa Brock, Chief Executive Officer
6 October 2025



Compliance with Health Share Victoria (HSV) Purchasing Policies

I, Carissa Brock, certify that Hesse Rural Health Service has put in place appropriate internal controls and processes to ensure that it has materially complied with all requirements set out in the HSV Purchasing Policies including mandatory HSV collective agreements as required by the *Health Services Act 1988* (Vic) and has critically reviewed these controls and processes during the year.

Carissa Brock, Chief Executive Officer
6 October 2025



Board Of Directors & Governance

Hesse is governed by a Board of Directors appointed by the Governor in Council by the recommendation of the Victorian State Minister for Health.



Ian Whiting
Board Chair

- Finance, Risk & Audit Committee
- Corporate Governance Committee
- Project Control Group

Appointed: 2020



Claire Goodwin
Director

- Finance, Risk & Audit Committee
- Care & Clinical Governance Committee

Appointed: 2023



Ben Maw
Deputy Chair

- Chair of Communications & Fundraising Committee
- Consumer Advisory Committee
- Corporate Governance Committee
- Project Control Group

Appointed: 2021



Philip Kym Peter
Director

- Communications & Fundraising Committee
- Care & Clinical Governance Committee

Appointed: 2023



Dr Chris Edwards
Director

- Chair of Care & Clinical Governance Committee

Appointed: 2021



Melika Sukunda
Director

- Chair of Project Control Group
- Finance, Risk & Audit Committee

Appointed: 2023



Angela Hurren
Director

- Chair of Finance, Risk & Audit Committee
- Chair of Consumer Advisory Committee
- Corporate Governance Committee

Appointed: 2023



Vesna Allan
Director

- Chair of Corporate Governance Committee
- Care & Clinical Governance Committee
- Project Control Group

Appointed: 2023



Simone Wilkie
Director

- Communications & Fundraising Committee
- Consumer Advisory Committee

Appointed: 2024

Executive Structure



Carissa Brock
Chief Executive Officer

Leads the Senior Leadership Team to execute the strategy for Hesse Rural Health.

Margie McLeod
Director of Clinical Services

Leads the Acute, Urgent Care and Residential Aged Care services and Support services.



Sue Ryan
Director of Community Services

Leads community based services including Community Nursing, Allied Health, Health Promotion, Social Support and In Home Support services.



Nab Khoda
Chief Financial Officer & Chief Procurement Officer

Leads the implementation of financial governance and fiscal management.



John Belfrage
Manager of Quality, Risk & Safety

Leads the implementation of clinical governance, quality improvement, risk management and OH&S frameworks.



Dr Ken Cheng
Director of Medical Services

Year in Review



Transfer of WH&NHS Beds

The Winchelsea Hostel & Nursing Home Society (WH&NHS) has operated the residential aged care facility of Chelsea Lodge Hostel at Hesse's main Winchelsea site since 1991. Co-located with the Hesse Nursing Home, the operations and governance of WH&NHS and Hesse has historically been a deeply integrated structure with co-dependence between the two organisations.

Upon undertaking a comprehensive review, the WH&NHS Committee of Management engaged specialist consultants to assess its services and explore potential options for WH&NHS's future direction. Following this thorough review, the WH&NHS Committee of Management identified the transfer of all assets, including the 31 residential aged care beds to Hesse, and winding up the WH&NHS offered the best outcome for all residents and the community.

This decision, supported by the WH&NHS Members, ensured there was no material change to operations, with the residential aged care beds remaining operating in the area, and residents continuing to receive the same high level of care and support from the staff they know and love without disruption. The transfer of all Winchelsea Hostel & Nursing Home Society (WH&NHS) operations and assets including Chelsea Lodge Hostel (and Werruna) to Hesse was completed on the 16th June 2025, resulting in Hesse becoming one 56 bed residential aged care facility.



Assisting with Food Relief

Hesse continued to coordinate the Winchelsea Community Foodbank operations throughout its second year and sincerely acknowledges the generous donations, grants and vital partnerships critical to its ongoing viability.

We are especially grateful to the time and dedication of our Hesse Foodbank Volunteers as well as:

- Department of Families, Fairness and Housing;
- Geelong Community Foundation;
- Geelong Food Relief;
- Give Where You Live;
- Winchelsea Community House; and
- Winchelsea Uniting Church.

We also thank the Winchelsea Community for the continued support and commitment to helping our community in addressing food insecurity.



47 HOUSEHOLDS



114 INDIVIDUALS



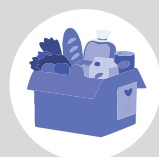
4 POSTCODES



479KG OF FOOD



11.4KG COMPOSTED



29KG TO THE LOCAL FOOD PANTRY



Volunteering with Hesse

"Volunteering at the Food Bank lifts me every time."

I might come home tired, but I feel better — less lonely, more connected, and part of something that really matters.

Living with a chronic health condition can be quite isolating. Before I started volunteering, I often felt alone. But now, I feel more part of the community. I've made new friendships, and I've met more of my neighbours through the Foodbank — some I now go walking with or help with picking up food boxes. It's given me a purpose and a sense of belonging I didn't realise I was missing.

I first found out about the Foodbank through a local paper ad and went along to a volunteer day. I remember speaking to the coordinator there and feeling really drawn to the idea of helping with food. I've always believed food and water are essential — the most basic things we all need — so I thought, why not be part of something that helps people in that way?

I live locally and have more spare time now, as I can't work as much due to ongoing health issues. I've received a lot of help throughout my own health journey, and I wanted to give something back — something local, something meaningful.

Being here gives me hope. With so much violence and negativity in the news, I wanted to be part of

something that brings stability and kindness. I want people who walk through our doors to feel that society is thinking about them — that they're cared for. I've seen how just being greeted with warmth can make a difference in someone's day. Sometimes, we might be the only people who speak kindly to them all week.

I love chatting with our consumers — helping them find items, talking through the food we have, sharing recipe ideas. Some people are trying new things, making better food choices. I've met pensioners who used to cut down on how much they ate, and now they're able to eat properly again. It's making a real difference.

I also really like that we're helping reduce food waste. So much good food would go to landfill, and now it's going to people who truly need it. It just makes sense.

Our coordinator is wonderful — she's kind, flexible and organised, and she makes us feel encouraged and valued. That really helps. The other volunteers feel a bit like extended family too. Many of them have their own health challenges, so I don't feel so different anymore. I'm not the only one.

For me, the biggest change has been on my own wellbeing. I feel more uplifted, less lonely, and more connected to the community. I wanted to be part of something that brings hope — and now I am.



Improving Wellbeing through Social Connection

Social connection is a fundamental human need that plays a vital role in both mental and physical health. Meaningful relationships – whether with family, friends, colleagues or community members – offer emotional support, reduce loneliness and enhance overall life satisfaction. Strong social ties have been shown to lower stress, boost immune function and reduce the risk of chronic conditions such as heart disease and depression. Beyond individual wellbeing, social connection fosters a sense of purpose and belonging, helping to build healthier and more resilient communities.

The Hesse Social Support Program continues to provide valuable services across the Hesse catchment area, supporting older adults and individuals at risk of social isolation. Operating in Winchelsea, Beeac, Inverleigh and Bannockburn, the program has recently expanded to include a new outing for Rokewood. This addition has been met with enthusiastic feedback from participants and has strengthened community engagement in the region.

Participants enjoy a variety of engaging in-house activities where they can take part in entertainment, form friendships and share freshly prepared home-style cooked meals. These sessions foster a warm and welcoming environment that promote both wellbeing and social connection. In addition to in-house programs, the initiative offers regular outings that provide opportunities to explore the broader community. These experiences often include visits to local attractions, parks, cafés and events, offering enjoyable and stimulating ways to stay connected.

Unintended social connections that emerge through group exercise also bring unique and often unexpected benefits. While people may initially join for the physical health aspect, shared activity naturally builds camaraderie, motivation and a

sense of belonging. From July 2025 we will add a new walking group in Teesdale to join our existing groups in Bannockburn, Winchelsea, Beeac and Rokewood. In partnership with the Heart Foundation, the Teesdale group will meet at the picturesque Don Wallace Reserve, where participants can enjoy sightings of kangaroos and blooming native plants. With a dual focus on heart health and social connection, our walking groups bring together both long-standing and new residents. We hope they continue to grow and support both physical activity and community connection.

Our Winchelsea Community Foodbank provided not only access to food but also a safe place for community members to connect. Foodbank attendees are arriving early to chat over a cup of tea or coffee and share stories. The foodbank volunteers also benefit from the project, as helping others has provided a sense of purpose. Social isolation is a major contributor to poor mental health, particularly in rural communities. The connections formed at the foodbank, and strengthened through the food literacy program, have seen both volunteers and foodbank attendees supporting each other outside of the foodbank – contributing to greater participation within the community and reduced isolation.



90
exercise participants



120
social support consumers





Intergenerational Connections

Hesse has proudly maintained a strong intergenerational program for many years through an ongoing partnership with the Winchelsea Playgroup. The playgroup visits our aged care facility once a month, bringing joy and laughter to our residents.

In 2024-2025 Hesse strengthened community connections further by introducing a regular program with the Winchelsea Primary School. Each month Grade 6 students visit our residents and take part in activities such as “getting to know

you” conversations, colouring activities, singing and dancing to entertainers and craft projects. These intergenerational programmes are enriching for both residents and children, fostering special relationships built on respect and compassion.

The primary school students also delight residents each year when they safely cross the road to extend their book week parade and Easter bonnet parade to the Hesse driveway, showcasing their dress-up costumes – always a highlight for our residents.



In addition, throughout 2024-25, Hesse Residential Aged Care partnered with Great Ocean Road Health's Residential Aged Care to bring residents together for a friendly yet spirited wheelchair volleyball competition. This partnership encourages fun, community connection and a healthy activity, mixed with some friendly competition for all.

Other activities that strengthen community connections for our residents include attending “Tea and Tunes” at the Winchelsea Shire Hall, visiting local cafes and welcoming guest speakers such as the Winchelsea Police, CWA members, local historians and business owners, who all share their knowledge and experiences with residents.



Hospital in the Home

Over the past year, Hesse has seen a significant increase in the number of consumers being referred by neighbouring hospitals to access our Hospital in the Home (HITH) service provided by the Community Nursing Team. HITH is now a well-established alternative to traditional hospital admissions, providing acute admitted care in the comfort of the consumers' home, or other suitable location.

HITH provides an alternative to an in-hospital stay, with consumers still regarded as hospital inpatients, and remaining under the care of their hospital doctor. Research findings demonstrate that patients have improved outcomes and recovery at home with fewer complications such as infection, delirium and confusion.

At Hesse, our community nurses deliver HITH care to consumers for a wide range of acute and sub-acute needs, delivered either in their home or at one of our Community Health Centres located at Winchelsea, Bannockburn, Rokewood or Beeac. Services commonly include intravenous (IV) therapy, such as antibiotics and hydration, as well as complex wound care and various pre and post-surgical management interventions. In the last financial year, our Community Nursing team delivered 940 hours of HITH care, representing an increase of 213% compared to that of the previous year.

Hesse's HITH program operates as a subcontracted service from larger neighbouring health services, predominantly Barwon Health and Colac Area Health, to consumers located within our region. While consumers remain under the clinical oversight of the admitting hospital, Hesse provides the day-to-day care,

with ongoing consultation and supervision from the referring hospital's HITH team. Over the past year, our 7 day a week service has delivered care to 56 consumers, all requiring community nursing visits with care plans tailored to individual needs, some requiring daily visits, while others were seen less frequently until discharge. Referrals were received from across the catchment area, highlighting the growing demand and reach of our HITH program.

To strengthen collaboration and clinical expertise, our Community Nursing team has established close working relationships with these partner hospitals. Recently, Hesse staff participated in buddy shifts at Barwon Health, providing opportunities for skill development and improved coordination of care.

From the consumer's perspective, the appeal of HITH is clear. Receiving care at home offers greater comfort, privacy and independence, which often leads to better recovery outcomes. As well as minimising the risk of hospital-acquired infections, it also reduces the emotional and physical stress associated with long hospital stays. For our rural consumers, HITH significantly reduces travel time and burden on families and carers, making it a more convenient and accessible care option.



Launching our Paediatric Occupational Therapy Clinic

In March 2025, we proudly launched a new Paediatric Occupational Therapy (OT) Clinic at our Winchelsea Community Health location, marking a significant milestone in our commitment to equitable healthcare access for children and families in our catchment.

Rural communities often face substantial barriers to accessing specialised paediatric services—especially occupational therapy, which plays a crucial role in supporting children with developmental delays, sensory processing issues, physical disabilities and learning difficulties. Families can now access this service closer to home.

The decision to open the clinic followed our community needs assessments, conducted in collaboration with local schools and healthcare providers. The findings were clear: a significant number of children in the region were in need of occupational therapy services, with few resources available locally.

The community voiced concerns not only about travel and cost but also about delays in diagnosis and support—often impacting children’s performance in school and social settings.

We use a play and strength based therapy approach which involves active parent engagement in sessions,

to ensure families can transfer strategies and new skills to all aspects of their child’s life. Therapy sessions are currently held at our Winchelsea Community Health building or in a client’s home.

Staffing includes a part-time Paediatric Occupational Therapist who has over 12 years experience as a Paediatric OT. Our service has supported 8 children in the first six months alone, many of whom had not previously received any form of occupational therapy.

Families have reported improvements in children’s daily living skills, emotional regulation, fine motor skills and increased parental confidence in supporting their child.

The success of the Paediatric OT clinic has opened new doors for expanding our rural health model in to paediatric programs. We are now exploring additional services, including speech therapy.

“This clinic has changed our lives. Before, we didn’t know what support our son needed. Now, he’s confident, engaged, and happy.”

— Parent of a 6-year-old client



Aged Care Onsite Pharmacist

Hesse has added an Aged Care On-site Pharmacist (ACOP) to the multidisciplinary team. The ACOP role is supported by the Australian Government's Department of Health, Disability and Ageing, and aims to improve medication use and safety in residential aged care, including the safe and appropriate use of high risk medicines. The ACOP pharmacist provides continuity in medication management by ensuring medicines are reviewed at care transitions and performing medication reconciliations at admission.

The ACOP pharmacist works closely with GPs, nursing staff, the local pharmacy staff and other health care professionals to improve health outcomes of residents and build confidence with families and carers. The ACOP pharmacist undertakes quality use of medicines activities at Hesse such as medicine use evaluations and implementation of changes identified in audits to improve the use of psychotropics, antimicrobials and other high-risk medications. The ACOP pharmacist is a member of Hesse's

Medication Advisory Committee (MAC), which provides governance and oversight of medication use at Hesse.

Abbey Lee provided Aged Care onsite pharmacy services from November 2024 to May 2025 and Kerri McConachy has now joined Hesse as the current ACOP pharmacist.



Rokewood Pharmacy Opening

In a significant step toward improving local health service access, Hesse officially launched a new pharmacy at the Rokewood Community Health Centre in February 2025. Located at 55 Ferrars Street, the new pharmacy service marks an important milestone in Hesse's long-standing commitment to help support the Rokewood community.

Hesse has proudly delivered community health services in Rokewood for many years, continually seeking to respond to community needs and create opportunities for enhanced care. Recognising the value of accessible local pharmaceutical services, Hesse pursued and successfully secured a planning permit in 2024 to operate a pharmacy from within our Rokewood Centre.

Following extensive consultation, Hesse partnered with Trident Pharma to deliver this vital service. A lease agreement was established for their HealthEZ Pharmacy to operate from the front section of the centre. Trident Pharma's pharmacist Somnath (Som), brings more than 18 years of experience in rural pharmacy, including management roles in Willaura, Lismore and Derrinallum. His extensive background and understanding of rural healthcare needs made him an ideal choice for Rokewood.

After receiving approval from the Victorian Pharmacy Authority in January 2024, Hesse undertook necessary refurbishment works to prepare the facility. These

infrastructure changes included a dedicated fit-out for the pharmacy and internal adjustments designed to ensure there was no disruption to existing health services already provided by Hesse.

This project was made possible thanks to the generous support of the WestWind Energy Community Grants Program. Hesse acknowledges and sincerely appreciates their ongoing partnership and commitment to enhancing rural healthcare.

The new pharmacy is operating four days a week, strengthening the region's healthcare landscape by co-locating key services. This integrated model improves convenience, continuity of care and health outcomes by helping to address common rural barriers such as distance, cost and limited availability of services.





The Importance of Consumer Choice in Home Care

Consumer choice remains a cornerstone of delivering high-quality home care services. It enables individuals to select providers and services that best align with their unique needs, preferences and lifestyles, resulting in personalised, respectful and effective care.

At Hesse we offer a comprehensive range of home care services including Domestic Assistance, Personal Care, Home Maintenance, Transport and Home Modification, alongside clinical supports such as Allied Health and Nursing. In addition to these in-house services, consumers have the freedom to choose from a network of subcontracted external providers, ensuring flexibility and access to a broad spectrum of care options.

Currently Hesse partners with 33 active subcontractors, delivering services that span domestic assistance, gardening and maintenance, allied health, pharmacy support and the provision of home aids and equipment. Together these partnerships enable us to provide a broad range of supports tailored to the diverse needs of our consumers. This extensive network reinforces our commitment to consumer choice and responsiveness, ensuring that individuals can access the right services in a way that best suits their circumstances.

Empowering consumers with the ability to select their care supports greater independence and wellbeing. Our experience shows that when consumers actively participate in their care decisions they report higher satisfaction and achieve better health outcomes. Consumer feedback has also been instrumental in expanding our social support offerings. Responding to requests for increased social interaction, we extended our social support program to operate twice per month from Bannockburn and once per month from Rokewood. Additionally, exercise physiology and additional group exercise classes have been introduced and are well received by participants.

Reflecting our dedication to consumer engagement, Hesse achieved outstanding results in the recent National In-Home Care Quality Improvement Benchmarking Pilot Program. Notably, we scored highly in participant involvement in care planning and overall satisfaction with the services provided.

Looking ahead, the upcoming implementation of the New Aged Care Act on 1 November 2025 will bring significant changes to home care delivery. Consumer choice will remain central under the new Support at Home model, with the Act reinforcing a rights-based approach that places consumer voices at the heart of care decisions.



Supporting Our Team

Investing in our team remains a high priority, with ongoing professional development opportunities provided to ensure best practice healthcare for our community. Collaborating with the Barwon South West Region has facilitated cross-organisational education, enabling staff to access further upskilling opportunities.

Below are some of the education sessions held to support Hesse staff development during 2024-25.

- **Dementia Skills**

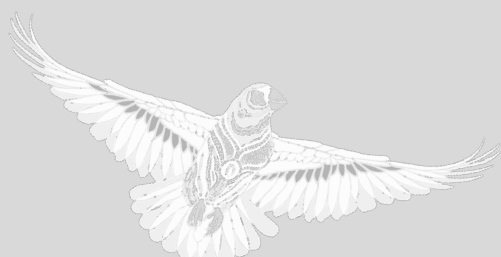
A dementia skills study day was held for staff who care for or interact with consumers living with dementia. The program included sessions on understanding brain changes in dementia, common contributing factors to responsive behaviours and strategies to support effective communication with residents.

The day emphasised the importance of communication and engagement, as well as the need for an individualised, comprehensive behaviour support plan. Delivered by Thrive Aged Care Consultants, and supported by the Barwon South West Health Service Partnership's Residential In Reach project, the day was very positively received, with some staff stating it was one of the best training days they had ever attended due to the practical knowledge shared and relevance to their role.

- **Management Of Aggressive Behaviours**

For the past few years, Hesse has regularly delivered workshops for our staff focused on managing aggressive behaviours, facilitated by Holland Thomas. These workshops emphasise strategies to prevent and de-escalate situations involving aggression, enhance staff safety and improve organisational wellbeing.

In 2024-25, 94% of the Hesse staff in attendance rated the session as excellent. The Management of Aggressive Behaviours workshop continues to be regularly scheduled into the Hesse training calendar to allow all staff to attend.



- **Quality Improvement In Action Workshops**

Hesse hosted a Quality Improvement in Action Workshop in June 2025, attended by Hesse clinical, quality and managerial staff as well as attendees from other health services within our Health Service Partnership.

These workshops were supported by Safer Care Victoria's Safer Together Program, and provided a practical, interactive day that boosted participants skills and understanding of the quality improvement process. The session served as a foundational introduction to key concepts and tools from the Institute of Healthcare Improvement's Model for Improvement.

- **Defensive Driving**

With many of Hesse's staff required to drive on our local rural roads, to visit our consumer's homes or transport our consumers, two Defensive Driving sessions were held. The sessions were designed to refresh road safety knowledge and boost driving confidence. Staff that attended highlighted the value of the training and appreciated the clear, practical guidance provided. Overall, the courses provided an informative and rewarding experience.

- **Emerging Leaders**

Following the success of the 2024 Emerging Leaders Training Program, another cohort of identified emerging leaders participated in 2025. This investment in coaching and leadership development centred on increasing leadership potential through shared problem solving, with a focus on real issues and challenges for the individuals involved.

This supportive environment empowers our leaders to self-reflect, develop new ways of thinking and working, learn from each other and provide assistance through organisational change and transition.

Both the 2024 and 2025 participants continue to be supported with individual coaching sessions. The program has been found to contribute to the participant's sense of health and wellbeing, providing techniques for leadership styles, change management, potential conflict resolution and resilience, as well as building stronger connections with leaders across Hesse.



Registered Undergraduate Student of Nursing (RUSON)

Hesse first introduced a RUSON position to complement our care team in 2023. The new position was supported by the Department of Health, with a RUSON working in health care while also being a second or third year student currently enrolled at a university to undertake undergraduate nursing study.

The scope of practice of the RUSON grew during the coronavirus pandemic and became a well-recognised role in Victorian Public Health Services. At Hesse, RUSONs work two days per week in Residential Aged Care where they are provided with the opportunity to apply theory to practice through holistic and comprehensive care of the older person.

Hesse recruited Jessamy Hann as our first RUSON in February 2023 when she was in her second year of her undergraduate nursing degree. Jessamy graduated as a Registered Nurse in January 2025 and since then has been working as a casual Registered Nurse in Hesse Residential Aged Care.

Tara Anderson commenced as a RUSON at Hesse in December 2024 when she was completing her second year of her undergraduate degree.



Jessamy Hann

"The most satisfying part of aged care is getting to know the residents really well and developing a rapport with them. The person-centred nature of aged care is very rewarding.

It has increased my confidence with Blood Glucose Levels, vital sign monitoring and pain assessment. My documentation skills have also improved, which my educators have positively commented on during my placements.

The staff are really friendly and welcoming, and everyone is helpful."

"I've really enjoyed working as a RUSON at Hesse residential aged care. The role has given me valuable opportunities to solidify and grow my confidence in foundational nursing skills, particularly in providing activities of daily living support to each resident. These experiences have been incredibly helpful in supporting my development as a nursing student.

The team at Hesse created such a welcoming and supportive environment for RUSONs, making it an ideal place to learn and grow.

I also appreciate how considerate the workplace is about my university commitments, always supportive when I need time off for placements or around my classes, ensuring I can maintain a healthy balance between study and work."



Tara Anderson

Annual Staff Scholarships and Awards

The Hesse Professional Development Scholarship provides once-off funding contributions to enable employee participation in a course of learning and development.

Established by the Consumer Advisory Committee as a consumer driven contribution to assist in the development of Hesse's workforce, they oversee the appointing of the scholarships. On review of applications received this year, the Consumer Advisory Committee recommended the awarding of the 2024 scholarship to the following Hesse staff members:

- **Victoria Evans - Exercise Physiologist**
Exercise for Breast Cancer Consumers accredited by Oncology Australia
- **Jaxon Grossman - Physiotherapist**
Ex-Med Cancer course accredited by Exercise Oncology EDU
- **Linju Paul - Associate Nurse Unit Manager**
Infection Prevention and Control course accredited by Australasian College for Infection Prevention and Control

Hesse IICARE Values Awards

Following the launch of Hesse's IICARE values, an annual award was established to publicly acknowledge employee achievements in 'living our values.' Six staff nominated by their peers, were selected for recognition of behaviours that exemplify Hesse's core values.

The evaluation committee, including a Consumer Advisory and Board Director Representative, assessed the employee's contributions and accomplishments against the core value they were nominated for, and awarded the following 2024 winners:

- **INNOVATION:** Jaxon Grossman – Physiotherapist
- **INTEGRITY:** Caisha Tanis – Business Support Officer
- **CARING:** Kamal Singh – Enrolled Nurse
- **ACCOUNTABLE:** Jenny Young – Ward Clerk
- **RESPECT:** Kim Chant – Health Care Worker
- **EXCELLENCE:** Margaret Lyons – Health Care Worker



Jaxon Grossman



Caisha Tanis



Kamal Singh



Jenny Young



Kim Chant



Margaret Lyons

Nurse Practitioner

In 2025 implementation planning commenced for a Nurse Practitioner model to enhance access to care and improve health outcomes for consumers in our residential aged care, acute care ward and urgent care centre. The Nurse Practitioner works autonomously and collaboratively within our multidisciplinary team inclusive of medical, nursing, pharmacy and allied health staff as well as external health care professionals.

Within their scope of practice, a Nurse Practitioner provides comprehensive care to patients. They can assess, diagnose and manage a variety of health conditions, prescribe medications, order and interpret diagnostic tests and coordinate care across the health service. The Nurse Practitioner can bridge the gap in healthcare access, especially at times when General Practitioner coverage is not readily achievable or fully available.

To introduce Nurse Practitioners to Hesse, a partnership was established with Great Ocean Road Health (GORH)

to access their existing successful Nurse Practitioner model and training program. Bradley Pickering was the first Nurse Practitioner allocated from GORH, commencing in June 2025 and working for 2 days per week with an on call period between rostered shifts. As the Hesse Nurse Practitioner, Brad also contributes to the organisation through involvement in education, research, quality improvement and professional leadership, as well as working closely with our General Practitioners and Visiting Medical Officers.



Strengthening Winchelsea Community Op Shop

Hesse Rural Health's Winchelsea Hospital Auxiliary has played an important part in assisting Hesse and its former entity to make a valuable contribution to the Winchelsea community over the past 69 years. Established in the late 50's under the By-Laws of the Winchelsea & District Hospital, now known as Hesse Rural Health, the group most recently comprised of around 35 enthusiastic members who continue to volunteer tirelessly to raise important funds for the health service.

Over the years, the Auxiliary's fundraising activities have included casserole luncheons, street stalls, raffles, Devonshire teas, dinner dances, Hesse event catering and even a regular presence at the annual Country Dahlias event. Each year the Auxiliary hosts Christmas parties for Hesse's aged care residents, and provides an end of year gift that is greatly appreciated.

After a few years of running lucrative trash and treasure stalls, an idea sparked, to open and run their own Opportunity Shop. So, in January of 2011 that's exactly what occurred, and the Auxiliary's Op Shop went from strength to strength. Unfortunately, on the morning of Monday 9th November 2020 the Op Shop caught fire in a suspected arson attack and the Auxiliary took a well-earned break while this devastating loss was adjusted to, before the focus turned to fundraising for a new shop and opening a temporary Op Shop.

The volunteers' resilience shone, as the new shop was established in rented premises at 10 Willis St and it returned to being a lifeblood for the Winchelsea community, once again providing low priced items to the community, along with great friendships to the passionate volunteers and their many customers.

In early 2025, and in consultation with Hesse, the Hospital Auxiliary volunteers reviewed their current governance arrangements and established a new entity to operate the Op Shop in Winchelsea, thus ensuring they remain able to continue supporting health and wellbeing in the Winchelsea community for many more years to come. This new entity will be responsible for the Op Shop while still providing support to Hesse for key agreed projects through its purpose to raise

funds, make donations and provide volunteer support to charitable and not-for-profit organisations that promote health and wellbeing within the township of Winchelsea and the broader rural community.

The new entity of Winchelsea Community Op Shop Inc. took over operations of the Op Shop currently operating from 10 Willis St on the 1st July 2025. Planning with Hesse focused on ensuring no material change to shop operations, and that the community continues to receive the same high level of service and support from the volunteers at the shop they know and love.

Hesse would not be where it is today without both the financial and volunteer support of the Auxiliary. Hesse offers thanks to all the volunteers that have contributed to the great outcomes the Auxiliary have assisted Hesse to achieve for our community over many years. Most recently that has included \$37,000 towards the refurbishment of both the Chelsea Lodge aged care residents dining room, and Social Support kitchen for consumers at 53 Hesse St.

Hesse also continues planning to redevelop 44-46 Main St, Winchelsea as a future site for the Op Shop. On completion this building will be made available to the new entity of Winchelsea Community Op Shop Inc. At an appreciation lunch held in June 2025, the Auxiliary Executive presented Hesse with a donation of \$199,000 from Op Shop proceeds towards this redevelopment, which is in addition to the \$200,000 previously donated by the Auxiliary to commence the project planning. Along with community fundraising as of June 2025 totalling \$207,661 and insurance proceeds received, the redevelopment project was finalized and released for tender in early 2025. This resulted in the awarding of the tender to Bowden Corporation, with the project currently planned to commence in late 2025 for completion in 2026 (subject to building permit).

Hesse remains committed to supporting the new arrangement and looks forward to continuing this important relationship under the new structure as Winchelsea Community Op Shop Inc, working together to support the local Winchelsea community.





Statement of Priorities



Part A: Strategic Priorities

Excellence in clinical governance

We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.

MA2 Strengthen all clinical governance systems, as per the Victorian Clinical Governance Framework, to ensure safe, high-quality care, with a specific focus on building and maintaining a strong safety culture, identifying, reporting, and learning from adverse events, and early, accurate recognition and management of clinical risk to and deterioration of all patients.



Adopt best practice guidance in Australian Commission for Safety and Quality in Health Care Accreditation standard 3. (Preventing and controlling healthcare-associated infections).

Outcome: Achieved

Implementation of Infection Prevention and Control (IPC) quality initiatives overseen by an IPC working group, including updating of audit schedule and reporting using a risk management approach, attending education and training as well as regional infection prevention meetings. Formalise external IPC support, award internal scholarship for an additional IPC nurse to provide leave relief, undertake in depth quality review on best practice of urinary tract infection management and update sterile stock room within Community Services.



Strengthen clinical governance systems that support safe care, including clear recognition, escalation, and addressing clinical risk and preventable harm.

Outcome: Achieved

Embedding of procedures across organisation, including those for recognition and responding to deterioration and escalation of care in community. Facilitate education for staff including nurses attending internal and external training on Recognising and Responding to Deterioration, as well as Comprehensive Assessment of the Older Person.

Continue implementation on a number of quality initiatives such as utilisation of Stop and Watch tool in residential aged care, considering in-depth case reviews on all incidents with a severity rating of two and above, and a review on clinical deterioration for identified learnings and recommendations. Others include the updating of medication competency training tool, embedding of on-call procedure, involvement of BARS (Barwon Health Acute Referral Service) into process and procedure for clear escalation pathways, creation of Quality Safety & Risk Manager role, implementation of updated FIRST (escalation of care) education materials and participation in the Improving Care for Older People at risk of Delirium (ICORD) project as part of the SCV Safer Together Program.



Improve paediatric patient outcomes by implementing the “ViCTOR track and trigger” observation chart and escalation system whenever children have observations taken.

Outcome: Achieved

Partnered with Safer Care Victoria (SCV) and relevant multidisciplinary groups to establish protocols and auditing processes to manage effective monitoring and escalation of deterioration in paediatric patients using “ViCTOR track and trigger” observation chart and escalation system. Undertake staff training on these tools to enhance identification and prompt response to deteriorating paediatric patient conditions and added paediatric statistics to monthly Urgent Care Analysis Report for tracking and monitoring.

Operate within budget

Ensure prudent and responsible use of available resources to achieve optimum outcomes.

MB1 Develop and implement a health service Budget Action Plan (BAP) in partnership with the Department to manage cost growth effectively to ensure the efficient operation of the health service.



Deliver on the key initiatives as outlined in the Budget Action Plan (BAP).

Outcome: Achieved

Creation and implementation of BAP to drive operational efficiencies that deliver annual targets set. Key initiatives included savings from previous solar power implementation, workforce leave management and shared regional finance support with Barwon Health.



Utilise data analytics and performance metrics to identify areas of inefficiency and waste and make evidence-based decisions to improve financial sustainability and operational performance.

Outcome: Achieved

Collect and integrate data to identify trends, gain insights into business decision impacts and make informed decisions that drive continuous financial and operational improvement. Key outcomes included a review and improvement of nurse agency use and expenditure, along with private utilisation of consulting spaces during off-peak periods.

Creation and implementation of BAP through evidence-based decisions that utilised data analytics, benchmarking and performance metrics. Achieving key areas of savings, improved operational performance and financial sustainability in 2024-25.



Improving equitable access to healthcare and wellbeing

Ensure that Aboriginal people have access to a health, wellbeing and care system that is holistic, culturally safe, accessible, and empowering. Ensure that communities in rural and regional areas have equitable health outcomes irrespective of locality.

MC1 Address service access issues and equity of health outcomes for priority communities, including LGBTIQ+ communities, multicultural communities, people with disability and rural and regional people, including more support for primary, community, home-based and virtual care, and addiction services.

MC4 Expand the delivery of high-quality cultural safety training for all staff to align with the Aboriginal and Torres Strait Islander cultural safety framework. This training should be delivered by independent, expert, community-controlled organisations or a Kinaway or Supply Nation certified Aboriginal business.



Plans to identify and prioritise the health, wellbeing and service needs of the Aboriginal catchment population and service users – including improved patient identification, discharge planning and outpatient care.

Outcome: Achieved

Create a welcoming environment through implementation of Hesse's Cultural Safety Plan, undertake 'Ask the Question' mandatory training for all staff to improve patient identification, and establishment and regular reporting of Aboriginal and Torres Strait Islander dashboard to monitor service utilisation. Development of intake priority tools for accessing community services and continuation of ongoing multi-disciplinary discharge planning meetings to improve patient needs and outcomes post discharge.



Implement or expand models between health services so that people can receive care closer to their homes.

Outcome: Achieved

Extended scope of practice for Hospital in the Home (HITH) to include day surgery patients and establish acute referral relationship with discharge planning of Barwon Health and private Geelong based hospitals.

Establish new Paediatric Occupational Therapy clinic, source and implement the co-location of new pharmacy service at Rokewood Community Health Centre, introduce new allied health clinics to Bannockburn Community Health Centre, and new Social Support Groups established in Inverleigh and Rokewood.



Implement mandatory cultural safety training and assessment for all staff in alignment with the Aboriginal and Torres Strait Islander cultural safety framework, and developed and/or delivered by independent, expert, and community-controlled organisations, Kinaway or Supply Nation certified Aboriginal businesses.

Outcome: Partially Achieved

Mandatory requirement for all staff to undertake Aboriginal Cultural Awareness training module in place. Onsite training booked with a Kinaway organisation required to be cancelled due to their resourcing limitations. Continue working with Barwon Local Health Service Network and Department of Health for updated module aligning with the Aboriginal and Torres Strait Islander cultural safety framework, and developed by independent, expert, and community-controlled organisations, Kinaway or Supply Nation certified Aboriginal businesses.

A stronger workforce

There is an increased supply of critical roles that support safe, high-quality care. Victoria is a world leader in employee experience, with a focus on future roles, capabilities, and professional development. The workforce is regenerative and sustainable, bringing a diversity of skills and experiences that reflect the people and communities it serves. As a result of a stronger workforce, Victorians receive the right care at the right time, closer to home.

MD2 Explore new and contemporary models of care and practice, including future roles and capabilities.



Pilot, implement or evaluate new and contemporary models of care and practice, including future roles and building capability for multidisciplinary practice.

Outcome: Achieved

Development of Nurse Practitioner (NP) model within Acute, Urgent Care and Residential Aged Care services. This included the development of the Nurse Practitioner framework, scope of practice and credentialling processes and defining the interface between the NP and the General Practitioners.

Creation of Paediatric Occupational Therapist role to offer new service, embed Registered Undergraduate Student of Nursing (RUSON) role as sustainable model within residential aged care team.

Embed updated allied health model of care including establishment of team leader to ensure continue to meet organisational requirements and allied health clinicians working to higher end of scope of practice. Introduced allied health assistants across the organisation (community services, residential aged care and acute).



Implement or expand models of care and practice to develop Urgent Care capability and capacity.

Outcome: Achieved

Introduction of Nurse Practitioner model, ongoing nursing portfolio of acute/urgent care to support best practice, and supporting nursing staff attendance at the three-day emergency update hosted at Barwon Health's University Hospital Geelong, as well as rural urgent care modules provided by Alfred Health. Ongoing urgent care training for Associate Nurse Unit Managers (ANUM) during study days on triage and urgent care scenario training.



Moving from competition to collaboration

Share knowledge, information and resources with partner health and wellbeing services and care providers. This will allow patients to experience one health, wellbeing and care system through connected digital health information, evidence, and data flows, enabled by advanced interoperable platforms.

ME1 Partner with other organisations (e.g., community health, ACCHOs, PHNs, General Practice, and private health) to drive further collaboration and build a more integrated system.



Engage local ACCHO groups and partner with neighbouring Aboriginal Health Units in the identification and delivery of initiatives that improve Aboriginal cultural safety.

Outcome: Achieved

Updating and monitoring of Cultural Safety Plan, continue embedding of relationship with Barwon Health's Aboriginal Health Unit, Colac Area Health's Aboriginal Liaison Officer and Wathaurong Aboriginal Co-operative. Further utilisation of first nations artwork to create welcoming entry in all community centres.

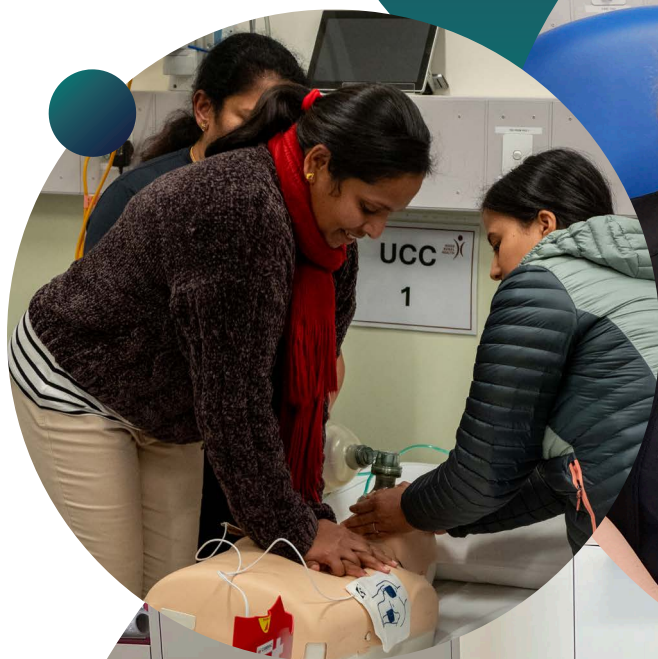


Undertake joint clinical service plans that agree a joint approach to coordinating the delivery of health services at a regional level as opposed to individual health service planning.

Outcome: Achieved

Participate in Barwon South West Health Service Partnership (HSP) regional Clinical Services Planning to assess current state of region. Hesse will continue its commitment to this critical work in 2025-26 by active participation in planned Barwon Local Health Service Network Clinical Services Planning in 2025-26 to develop a regional system-based approach to future health service delivery that responds to local community needs and provides most care locally within the Network.





Part B: Performance Priorities

High Quality and Safe Care		Target	Outcome
Infection Prevention and Control			
Percentage of healthcare workers immunised for influenza		94%	100%
Adverse Events			
Percentage of reported sentinel events for which a root cause analysis (RCA) report was submitted within 30 business days from notification of the event		All RCA reports submitted within 30 business days	Nil events
Aged Care			
Public sector residential aged care services overall star rating		Minimum rating of 3 stars	Achieved 4 stars
Patient Experience			
Percentage of patients who reported positive experiences of their hospital stay		95%	N/A*
Aboriginal Health			
The gap between the number of Aboriginal patients who discharged against medical advice compared to non-Aboriginal patients		0%	0%

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

Strong Governance, Leadership & Culture

Organisational Culture		Target	Outcome
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions.		80%	73%

Effective Financial Management		Target	2024-25 Result
Key Performance Measure			
Operating Result (\$m)		0.00	\$0.00
Adjusted Current Asset Ratio		0.7 or 3% improvement from health service base target	Achieved
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30th June.		5% movement in forecast revenue and expenditure forecasts	Achieved

Part C: Activity & Funding

Funding Type	Achieved
Small Rural	
Small rural primary health & HACC	5,740
Small rural residential care	9,343



Reporting Information

Occupational Health & Safety Statistics

2022-23 2023-24 2024-25

Number of reported hazards / incidents for the year per 100 FTE staff members.	70.96	59.91	66.67
The number of lost time standard Workcover claims for the year per 100 FTE staff members.	1.25	4.50	3.37
The average cost per Workcover claim for the year.	\$39,172	\$20,805	\$25,629.35

Policies and procedures provide guidance for safety in the workplace. Designated work-groups have been established and health and safety representatives are elected. OH&S incidents are recorded and monitored and site audits undertaken. OH&S meetings occur quarterly. No major industrial accidents were reported during the year.

Occupational Violence Statistics

2024-25

Workcover accepted claims with an occupational violence cause per 100 FTE.	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0
Number of occupational violence incidents reported.	19
Number of occupational violence incidents reported per 100 FTE.	16.89
Percentage of occupational violence incidents resulting in a staff injury, illness or condition.	21.05%

DEFINITIONS: for the purposes of the above statistics the following definitions apply.

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

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

Accepted Workcover claims: claims accepted and lodged in 2024-2025.

Lost time: defined as greater than one day.

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

Workforce Statistics - Full Time Equivalent (FTE)

June Current Month FTE* Average Monthly FTE*

2024 2025 2023-24 2024-25

Nursing	43.19	44.9	44.36	42.66
Administration & Clerical	17	18.7	18.35	17.97
Medical Support	0	0	0	0
Hotel & Allied Services	45	42.85	47.76	44.27
Medical Officers	0	0	0	0
Hospital Medical Officers	0	0	0	0
Ancillary Staff (Allied Health)	5.89	6.04	4.7	6.09
Sessional Clinicians	0	0	0	0
Total	111.08	112.49	115.17	110.99

Hesse provided a monthly dataset of our current Full Time Equivalent (FTE) and other payroll information to the Department under the Minimum Employee Data Set (MDS).

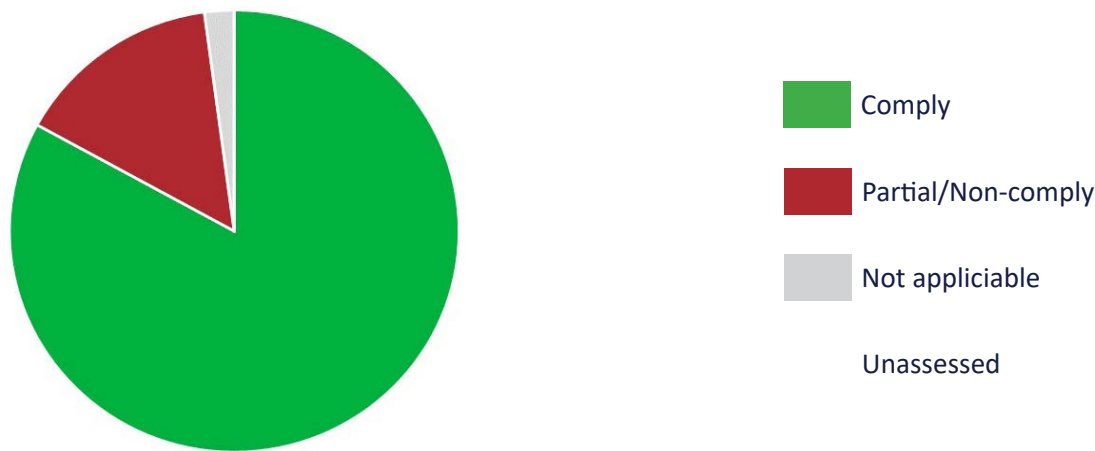


Asset Management Accountability Framework

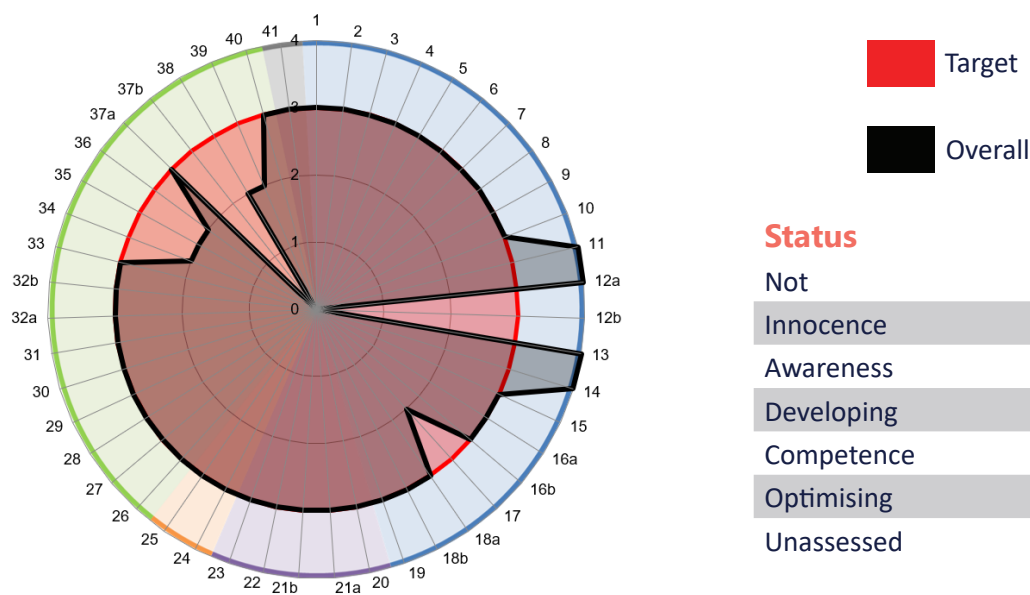
The Asset Management Accountability Framework (AMAF) is a devolved accountability model for asset management. It is non-prescriptive but requires compliance with 41 mandatory requirements, which are available on the DTF website: <https://www.dtf.vic.gov.au/asset-management-accountability-framework>

Hesse’s target maturity rating is level 3, competence. This means our systems and processes are fully in place, consistently applied and systematically meeting AMAF requirements. It also reflects our commitment to continuous improvement, ensuring performance goes beyond the minimum standards.

AMAF Compliance



Compliance and Maturity Rating Tool



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

AMAF Attestations

Leadership and Accountability (requirements 1-19)

Hesse has met or exceeded the target maturity level in this category. The team is currently planning with Barwon Health to assist in the design and implementation of an updated asset management plan.

Asset Planning (requirements 20-23)

Hesse has not met or exceeded its target maturity level in this category. There is no material non-compliance reported in this category. A plan for improvement is in place to improve the Hesse's maturity rating in the areas below the target.

Asset Acquisition (requirements 24 and 25)

Hesse has met or exceeded its target maturity level in this category.

Asset Operation (requirements 26-40)

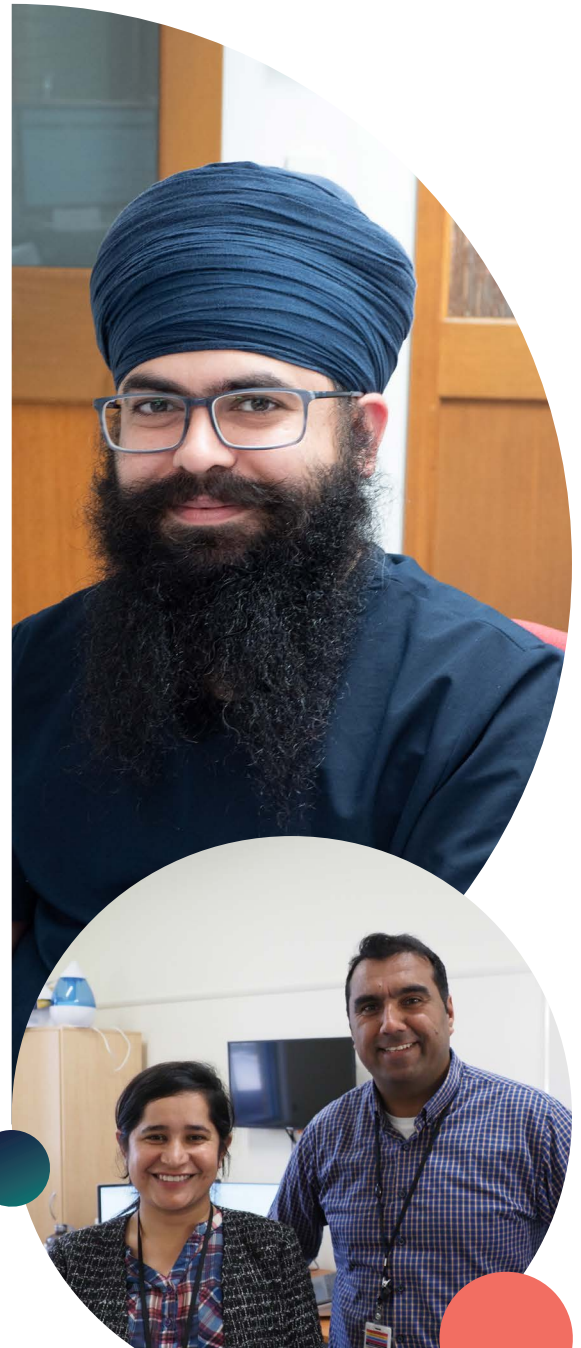
Hesse has met or exceeded its target maturity level under most requirements within this category. Risk Management areas (requirements 26-28), have partial compliance. Hesse has not met its target maturity level in this category. An improvement plan is in place to improve the Hesse maturity rating in the areas below the target. Hesse is currently planning with Barwon Health to design and implement a plan to mitigate the risks.

Information Management (requirements 33 - 39)

All areas have partial compliance. Some have not met the target maturity level in this category. Hesse is currently planning with Barwon Health, to design and implement strategies that improve target maturity level in these areas.

Asset Disposal (requirement 41)

Hesse has met its target maturity level in this category.



Clinical Incidents & Reviews

At Hesse, we strive to provide our residents, consumers and patients with high-quality, safe and effective person-centred care. However, despite our best efforts, clinical incidents do occur. A clinical incident is defined as ‘an event or circumstance that resulted, or could have resulted in unintended and/or unnecessary harm to a person and/or a complaint, loss or damage’ (Australian Commission on Safety and Quality in Health Care).

To understand the causes and to reduce the potential of these incidents recurring, we report all incidents into our RiskMan incident management system. Reporting is an integral aspect of nurturing our safety culture. An increase in reporting rates is welcome, as it provides us with better understanding of clinical risk through trend analysis. Reports are also invaluable as they prompt staff to investigate and implement improvements to ensure our risk controls are appropriate and effective.

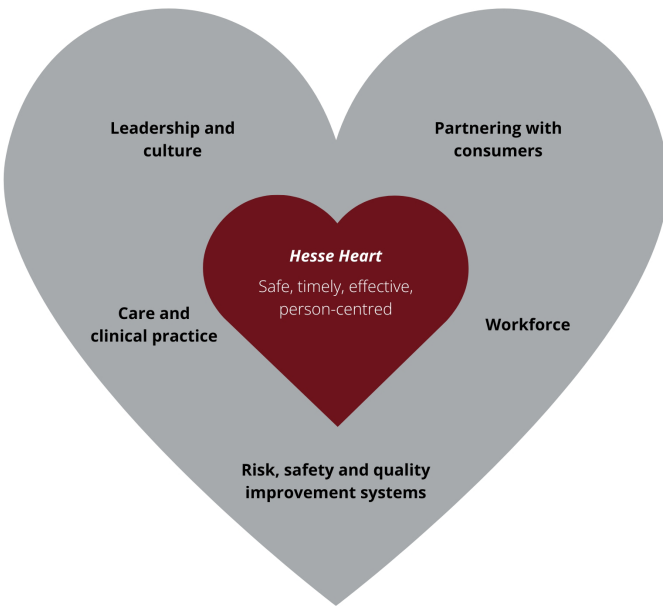
The severity of an incident determines the required level of reporting, escalation and investigation of an incident. The severity is reflected in the Incident Severity Rating (ISR), ranging from 1 = ‘severe’ to 4 = ‘no harm/near miss’. Most of our clinical incidents are rated ISR 4 (no harm = 64%), or ISR 3 (minor = 35%).

All clinical incidents are investigated by managers with staff input. This occurs one-on-one with staff directly involved, through a weekly incident review meeting, and via discussion at our Quality Leadership Committee. For clusters and/or individual incidents rated as ISR 1 (severe) or ISR 2 (moderate), we undertake in-depth

case reviews to better understand the contributing factors and target the controls required. In-depth case views are presented and discussed at the Quality Leadership Committee, General Practitioner meeting and Care & Clinical Governance Committee.

As indicated in the table below, falls, medication errors and skin integrity issues continue to be the top three types of reported incidents. In 2025, we have augmented our in-depth case review methodology to include end-to-end process mapping of key clinical practices related to medication management and benchmarking with peer health services.

Hesse's Clinical Governance Framework



Clinical Incident Type	2024-25	2023-24	2022-23	2021-22	2020-21
Overall Number of Incidents	625	508	505	402	430
Falls	29%	39%	30%	33%	32%
Medication Errors	24%	23%	17%	13%	17%
Pressure Injuries	4%	5%	4%	6%	5%
Skin Tears	8%	6%	9%	9%	7%
Behavioural	11%	6%	11%	16%	19%
Clinical Deterioration	0%	0%	1%	0%	1%
Diet	1%	1%	0%	0%	1%
Other*	23%	19%	27%	22%	18%

* Other incidents include bruises, scratches, wounds, blisters, accidental knocks and near miss falls.



Non-Admitted Patients	2024-25	2023-24	2022-23	2021-22	2020-21
Emergency Medical Treatment	113	84	70	49	28
Community Contact Hours (Home and Community Care, Commonwealth Home Support and Small Rural Health Service funded)	42,431	42,168	28,669	25,717	21,596
Community Nursing	10,110	5,928	7,811	9,400	9,409
Physiotherapy	1,856	784	530	861	597
Occupational Therapy	663	925	1,450	1,476	1,454
Dietitian	341	214	308	67	170
Diabetes Education	216	158	193	135	137
Social Support Program	11,351	15,677	17,551	12,207	9,392
Counselling	543	572	362	N/A	N/A
Other	2,533	362	132	218	90

**42,431
Community
Contact Hours**

**9,343 Bed
Days in
Residential
Aged Care**

Admitted Patients	2024-25	2023-24	2022-23	2021-22	2020-21
Separations					
Acute	25	28	26	34	20
Non-Acute	0	0	0	0	0
Same Day	0	1	0	0	0
Total Hospital Separations	25	29	26	34	20
Patient Bed Days					
Acute	606	535	552	269	332
Non-Acute	0	0	0	0	0
Same Day	0	0	0	0	0
Total Hospital Patient Days	606	535	552	269	332





Disclosures Required Under Legislation

Freedom of Information (FOI) 1982

During 2024-25, Hesse Rural Health Service (Hesse) received 1 valid application from a member of the public. No decisions were made during the 12 months ended 30 June 2025 due to Hesse not holding any records relating to the application.

During 2024-25, no requests were subject to a complaint/internal review by Office of the Victorian Information Commissioner.

Hesse operates within the guidelines defined within the *Freedom of Information Act 1982* and its subsequent amendments. For access to medical records there is a mandatory application fee of \$33.60 that must accompany the written application form. Other charges e.g. for searching, photocopying and postage may also apply.

A member of the public wishing to access information should submit an FOI Request for Documents form to:

Freedom of Information Officer, Hesse Rural Health,
8 Gosney Street, Winchelsea, VIC 3241

or, via email to foi@hesse.vic.gov.au. Further information may be sought from www.foi.vic.gov.au

Buildings and Maintenance

Hesse fully complies with the building and maintenance provisions and regulations of the *Building Act 1993*. Actions that ensure that Hesse complies include:

- The use of qualified engineers, registered building consultants, building surveyors, architects and qualified trade personnel;
- All works and testing are verified during and at completion using a Certificate of Occupancy for new works and supplier sign off for all essential safety measure testing; and
- Hesse undergoes regular internal and external audits regarding fire, risk assessments and safety compliance to ensure ongoing adherence to the Building and Safety codes.

In relation to Hesse buildings, there were no building or occupancy permits, certificates of final inspection, major works projects, emergency or building orders issued. Nor were any buildings required to be brought into conformity with building standards during the reporting period.

Public Interest Disclosures Act 2012

Hesse is compliant with obligations under the *Public Interest Disclosures Act 2012*. Protected disclosures may be made to the CEO at carissa.brock@hesse.vic.gov.au or, the Disclosures Coordinator DHHS on [1300 024 324](tel:1300024324) or, publicinterestdisclosure@health.vic.gov.au or, write to:

Public Interest Disclosures Coordinator, Integrity Unit,
Department of Health,
50 Lonsdale Street, Melbourne VIC 3000

No disclosures were made in 2024-25.

National Competition Policy

As a public entity, Hesse is obliged to compete fairly and equitably in its business processes. Hesse is committed to transparent behaviour in this regard and complied with all government policies regarding competitive neutrality, including compliance with the requirements of the 'Competitive Neutrality Policy Victoria' policy statement, and any subsequent reforms. There were nil competitive neutrality complaints made in the 2024-25 financial year.

Safe Patient Care Act 2015

Hesse 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

No projects undertaken by Hesse during 2024-25 met the threshold for Local Jobs First Policy application. As such, no Local Industry Development Plans were required or submitted.

Workforce Inclusion

Consistent with the *Gender Equality Act 2020*, Hesse has undertaken workforce inclusion initiatives as outlined in our Gender Equality Action Plan 2022–25. Progress has been demonstrated in the areas of:

- Revised recruitment and promotion practices in the workplace;
- Introduction of Flexible Working Arrangements Policy;
- Reduction in staff experiencing bullying or sexual harassment reported in the Victorian public sector's annual employee opinion survey results; and
- Increase in gender composition experienced in all levels of the workforce.

Carers Recognition Act 2012

The *Carers Recognition Act 2012* recognises, promotes and values the role of people in care relationships. Hesse understands the benefits care relationships bring to patients, residents, their carers and the community. Hesse is compliant with Section 11 of the Act, and takes all practicable measures to ensure that its employees, agents and carers have an awareness and understanding of the care relationship principles. This is reflected in our commitment to a model of patient and family centred care, as well as the involvement of carers in the development and delivery of our service.

Hesse has taken all practical measures to comply with its obligations under the *Carers Recognition Act 2012*. These include:

- promoting the principles of the Act to people in care relationships who receive our services;
- ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act; and
- considering the care relationships principles set out in the Act when setting policies and providing services, including employment policies such as those for flexible working arrangements and leave provisions.



Additional Information Available on Request

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

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

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

This information is available on request from:

Freedom of Information Officer
Phone: 03 5267 1200
Email: foi@hesse.vic.gov.au

Social Procurement

In 2024-25, Hesse Rural Health advanced its Social Procurement Strategy, developed in response to the Victorian Government's Social Procurement Framework (SPF), by prioritising four key objectives to maximise social and sustainable value from its procurement activities with:

- opportunities for Victorian Aboriginal people
- opportunities for disadvantaged Victorians
- sustainable Victorian social enterprise and Aboriginal business sectors, and
- sustainable Victorian regions

Progress continued to engage Victorian Aboriginal businesses and social enterprises through targeted market analysis using resources such as VendorPanel, Kinaway Business Directory, Supply Nation and Social Traders. This resulted in an increase in direct spend on social procurement to \$39,000 compared

with \$11,200 the prior year. Social procurement criteria was embedded in all Invitation to Supply documentation, and capability-building initiatives, such as staff training and process updates, supported compliance, operational procurements and monitoring. These efforts aligned with Hesse's strategic priorities of community wellbeing and inclusive workplaces, contributing to broader SPF reporting requirements via the Department of Treasury and Finance and Department of Health.



Procurement Complaints

Nil Complaints

Grants and Transfer Payments

Not applicable – Hesse Rural Health Service did not administer any grants, transfer payments or Commercial-in-Confidence grants in 2024-25.

Environmental Performance & Sustainability

Hesse Rural Health is committed to improving the health and wellbeing of the people and communities we serve, with environmental sustainability at Hesse guided by our 2024-26 Environmental Management Plan (EMP).

All environmental performance indicators including energy, transportation, water, sustainable buildings and infrastructure, sustainable procurement, waste and greenhouse gas emissions are measured and reported. Hesse acknowledges and accepts our responsibility to provide a leadership role for environmental sustainability across waste management, recycling and smart energy use.

Key initiatives implemented in 2024-25 included:

- Transitioning to energy-efficient LED lighting at our main site with support from the Victorian Health Building Authority (VHBA) as part of the Whole of Victorian Government Emissions Reduction Pledge for the Barwon South West region.
- Ongoing replacement of fleet vehicles with hybrid cars, offering a greener alternative to conventional vehicles, with improved fuel efficiency and reduced emissions.
- Many other renewable environmentally friendly initiatives that were Hesse team member led to minimise unnecessary energy waste.



For the purpose of the following environmental reporting, the organisational boundary is our main Winchelsea site at 8 Gosney Street. While best efforts have been made to collect environmental data for activities, in some cases an estimate has been used. Where it was impracticable to report relevant data or an estimation, an explanatory note is provided on our planned activities to improve data collection for future Annual Reports.

Please see the below key to understand the reason of unreported data:

Data Key

N/A	Data not applicable to Hesse Rural Health Service
-	Data unable to be collected
*	Not yet available for the reporting period, data to be collected for publication in future Annual Reports

Energy Use

The following data has been captured and measured through our environmental data exchange portal.

Electricity Use	2024-25	2023-24	2022-23
EL1 Total Electricity Consumption (MWh)			
Purchased	344.99	365.50	414.15
Self Generated	149.37	124.90	45.15
EL1 Total Electricity Consumption	494.36	490.39	459.30
EL2 Onsite Electricity Generated (MWh)			
Consumption Behind The Meter			
Solar Electricity	149.37	124.90	45.15
Total Consumption Behind The Meter	149.37	124.90	45.15
Exports	N/A	N/A	N/A
Solar Electricity	N/A	N/A	N/A
Total Electricity Exported	N/A	N/A	N/A
EL2 Total Onsite Electricity Generated	149.37	124.90	45.15
EL3 Onsite Installed Generation Capacity (kW converted to MW)			
Diesel Generator	0.30	0.30	0.30
Solar System	0.10	0.10	0.10
EL3 Total Electricity Offsets	0.40	0.40	0.40
EL4 Total Electricity Offsets (MWh)			
LGCs Voluntarily retired on the entity's behalf	N/A	N/A	N/A
GreenPower	N/A	N/A	N/A
Renewable Power Percentage In The Grid	63.26	68.58	77.86
Certified climate Active Carbon Neutral Electricity Purchased	N/A	N/A	N/A
EL4 Total Electricity Offsets	63.26	68.58	77.86

Stationary Energy

The following data has been captured and measured through our environmental data exchange portal.

Stationary Energy

2024-25

2023-24

2022-23

F1 Total Fuels Used In Building & Machinery (MJ)

Natural Gas	1,877,818.00	2,115,763.60	2,237,420.40
LPG	23,767.40	128,086.30	174,449.10
F1 Total Fuels Used In Building	1,901,585.40	2,243,849.90	2,411,869.50

F2 Greenhouse Gas Emissions From Stationary Fuel Consumption (Tonnes CO2-e)

Natural gas	96.76	109.03	115.29
LPG	1.44	7.76	10.57
F2 Greenhouse gas emissions from stationary fuel consumption [Tonnes CO2-e]	98.20	116.79	125.87

Transportation

Transportation Energy

2024-25

2023-24

2022-23

T1 Total Energy Used In Transportation (vehicle fleet) Within the Entity (MJ)

Non-executive fleet - E10	1,594,396.80	929,678.40	-
Petrol (E10)	1,594,396.80	929,678.40	-
Executive fleet - Diesel	N/A	N/A	N/A
Non-executive fleet - E10	179,034.60	59,911.50	-
Diesel	179,034.60	59,911.50	-
Total energy used in transportation (vehicle fleet) (MJ)	1,773,431.40	989,589.90	-

T2 Number & Proportion Of Vehicles In The Organisational Boundary

T2 Road Passenger Vehicles

Unleaded	*	19	21
Diesel	*	4	4
T2 Total	*	23	25

T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type [tonnes CO2-e]

Non-executive fleet - E10	97.10	56.62	-
Petrol (E10)	97.10	56.62	-
Executive fleet - Diesel	N/A	N/A	N/A
Non-executive fleet - Diesel	12.61	4.22	-
Diesel	12.61	4.22	-
Total Greenhouse gas emissions from transport	109.70	60.83	-



Data Key

N/A Data not applicable to Hesse Rural Health Service

- Data unable to be collected

* Not yet available for the reporting period, data to be collected for publication in future Annual Reports

Total Energy Use

The following data has been captured and measured through our environmental data exchange portal.

Total Energy	2024-25	2023-24	2022-23
E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]			
Total energy usage from stationary fuels (F1) [MJ]	1,901,585.40	2,243,849.90	2,411,869.50
Total energy usage from transport (T1) [MJ]	1,773,431.40	989,589.90	-
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]	3,675,016.80	3,233,439.80	2,411,869.50
E2 Total energy usage from electricity [MJ]			
Total energy usage from electricity [MJ]	1,779,690.87	1,765,408.69	1,653,489.20
E3 Total energy usage segmented by renewable and non-renewable sources [MJ]			
Renewable	924,917.34	789,467.48	442,847.85
Non-renewable (E1 + E2 - E3 Renewable)	4,529,790.32	4,209,381.01	3,622,510.85
E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser			
Energy per unit of Aged Care OBD [MJ/Aged Care OBD]	430.11	472.46	485.88
Energy per unit of LOS [MJ/LOS]	6,656.92	7,021.47	7,848.18
Energy per unit of bed-day (LOS+Aged Care OBD) [MJ/OBD]	404.00	442.67	457.55
Energy per unit of Separations [MJ/Separations]	147,251.05	143,187.81	150,568.84
Energy per unit of floor space [MJ/m2]	652.25	710.36	720.30

Water Use

The following data has been captured and measured through our environmental data exchange portal.

Water Use	2024-25	2023-24	2022-23
W1 Total Units Of Metered Water Consumed (kl)			
Potable water [kL]	9,327.79	6,014.58	5,221.01
Total units of water consumed [kl]	9,327.79	6,014.58	5,221.01
W2 Units Of Metered Water Consumed Normalised By FTE, Headcount, Floor area, Or Other Entity Or Sector Specific Quantity			
Water per unit of Aged Care OBD (kL/Aged Care OBD)	1.09	0.71	0.62
Water per unit of LOS (kL/LOS)	16.87	10.53	10.08
Water per unit of bed-day (LOS+Aged Care OBD) [kL/OBD]	1.02	0.66	0.59
Water per unit of Separations (kL/Separations)	373.11	214.81	193.37
Water per unit of floor space [kL/m2]	1.65	1.07	0.93



Data Key

- N/A Data not applicable to Hesse Rural Health Service
- Data unable to be collected
- * Not yet available for the reporting period, data to be collected for publication in future Annual Reports

Sustainable Buildings & Infrastructure

The following data has been captured and measured through our environmental data exchange portal.

Sustainable Buildings & Infrastructure		2024-25
B1	No newly completed entity-owned buildings for an environmentally sustainable design (ESD) to be incorporated into.	
B2	No new entity leases entered into to review meeting requirement for the preference of higher-rated office buildings and those with a Green Lease Schedule.	
B3	No newly completed entity-owned buildings or substantial tenancy fit-outs to determine a NABERS Energy rating for.	
B4	No newly completed entity-owned non-office building or infrastructure projects or upgrades with a value over \$1 million, for an environmental performance ratings to be conducted.	
B5	NABERS Energy 3.5 and NABERS Water 1.0 for environmental performance ratings conducted for entity-owned assets portfolio on building, facility, or any infrastructure type.	

Normalisation Factors

The following data has been captured and measured through our environmental data exchange portal.

Normalisation Factors	2024-25	2023-24	2022-23
1000km (Corporate)	N/A	N/A	N/A
1000km (Non-emergency)	N/A	N/A	N/A
Aged Care OBD	8,559.00	8,519.0	8,244.0
ED Departures	0.00	0.00	0.00
FTE	111.00	114.00	106.00
LOS	553.00	571.00	518.00
OBD	9,112.00	9,057.00	8,885.00
PPT	9,137.00	9,085.00	8,912.00
Separations	25.00	28.00	27.00
TotalAreaM2	5,644.00	5,644.00	5,644.00



Data Key

- N/A Data not applicable to Hesse Rural Health Service
- Data unable to be collected
- * Not yet available for the reporting period, data to be collected for publication in future Annual Reports

Waste & Recycling

The following data has been captured and measured through our environmental data exchange portal.

Waste & Recycling	2024-25	2023-24	2022-23
WR1 Total units of waste disposed of by waste stream and disposal method [kg]			
Landfill (total)	N/A	N/A	N/A
General waste	186,688.52	187,200.00	-
Offsite treatment	N/A	N/A	N/A
Clinical waste - incinerated	*	22.47	-
Clinical waste - sharps	*	37.77	40.12
Clinical waste - treated	462.38	462.98	570.36
Recycling/recovery (disposal)	N/A	N/A	N/A
Commingled	23,336.07	23,400.00	-
Total units of waste disposed [kg]	210,486.97	211,123.23	610.48
WR1 Total units of waste disposed of by waste stream and disposal method [%]			
Landfill (total)	N/A	N/A	N/A
General waste	88.69%	88.67%	-
Offsite treatment	N/A	N/A	N/A
Clinical waste - incinerated	*	0.01%	-
Clinical waste - sharps	*	0.02%	6.57%
Clinical waste - treated	0.22%	0.22%	93.43%
Recycling/recovery (disposal)	N/A	N/A	N/A
Commingled	11.09%	11.08%	-
WR2 Percentage of office sites covered by dedicated collection services for each waste stream			
Printer cartridges	*	100%	100%
Batteries	*	100%	100%
e-waste	*	100%	100%
Soft plastics	*	100%	100%
WR3 Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method			
Total waste to landfill per patient treated [(kg general waste)/PPT]	20.43	20.61	-
Total waste to offsite treatment per patient treated [(kg offsite treatment)/PPT]	0.05	0.06	0.07
Total waste recycled and reused per patient treated [(kg recycled and reused)/PPT]	2.55	2.58	-
WR4 Recycling rate [%]			
Weight of recyclable and organic materials [kg]	23,336.07	23,400.00	-
Weight of total waste [kg]	210,486.97	211,123.23	610.48
Recycling rate [%]	11.09%	11.08%	-
WR5 Greenhouse gas emissions associated with waste disposal [tonnes CO2-e]			
tonnes CO2-e	243.30	244.03	0.79

Greenhouse Gas Emissions

The following data has been captured and measured through our environmental data exchange portal.

Greenhouse Gas Emissions

2024-25

2023-24

2022-23

G1 Total scope one (direct) greenhouse gas emissions [tonnes CO2e]

Carbon Dioxide	207.18	177.04	125.51
Methane	0.25	0.27	0.26
Nitrous Oxide	0.47	0.31	0.10
Total	207.91	177.62	125.87
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) [tonnes CO2-e]	98.20	116.79	125.87
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) [tonnes CO2-e]	109.70	60.83	-
Medical/Refrigerant gases	N/A	N/A	N/A
Total scope one (direct) greenhouse gas emissions [tonnes CO2e]	207.91	177.62	125.87

G2 Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]

Electricity	228.20	240.39	284.50
Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]	228.20	240.39	284.50

G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO2e)

Commercial air travel	N/A	N/A	N/A
Waste emissions (WR5)	243.30	244.03	0.79
Indirect emissions from Stationary Energy	38.98	40.73	49.13
Indirect emissions from Transport Energy	27.78	15.43	-
Paper emissions	N/A	N/A	N/A
Any other Scope 3 emissions	15.26	10.09	8.84
Total scope three greenhouse gas emissions [tonnes CO2e]	325.31	310.28	58.77

G(Opt) Net greenhouse gas emissions (tonnes CO2e)

Gross greenhouse gas emissions (G1 + G2 + G3) [tonnes CO2e]	761.42	728.30	469.13
Total gross reported greenhouse gas emission per bed-day (CO2-e(t)/ OBD)	0.08	0.08	0.05
Any Reduction Measures Offsets purchased (EL4-related)	N/A	N/A	N/A
Any Offsets purchased	N/A	N/A	N/A
Net greenhouse gas emissions [tonnes CO2e]	761.42	728.30	469.13



Data Key

N/A Data not applicable to Hesse Rural Health Service

- Data unable to be collected

* Not yet available for the reporting period, data to be collected for publication in future Annual Reports



Financial Overview

CFO Report

In 2024–25, Hesse continued its work to ensure long-term financial sustainability. We remained focused on using available resources efficiently, while staying committed to delivering high-quality, person-centred care across our residential aged care, acute care ward, urgent care centre, allied health and wide range of in home and community-based services.

Our financial performance was underpinned by the Hesse Financial Strategy, the Budget Action Plan, and the Financial Management Improvement Plan. Together, these frameworks guided efforts to rebuild our cash reserves in support of growth, increased workforce, and higher general expenditure. As a result, Hesse achieved financial stability throughout 2024–25 and delivered a positive operating result, despite ongoing sector challenges.

Hesse aimed for a break-even outcome in 2025 and are pleased to report that goal was met. Operating activities generated a net cash inflow of \$19 million, with \$3.4 million used for investing and financing purposes. Overall, total cash on hand increased to \$11.2 million as at 30 June 2025, up from \$7.6 million the previous year. This increase was driven

by a growth in cash holdings of \$3.5 million, resulting from cost savings, a reduced reliance on residential aged care capital income for operating needs and an increase in refundable deposits made by residents. The total cash reported in the cash flow statement includes \$8.6 million in Residential Aged Care Accommodation Deposits and \$2.25 million in other restricted funds. Excluding these, the unrestricted cash available to the health service at year-end was \$350,000. We will continue to implement improvements in the coming years to maintain adequate cash reserves and support ongoing financial sustainability to serve our community.

Hesse is proud to have met all budgetary targets, from operating results to effective management of debtors and creditors. Management is pleased to present fully compliant financial reports for the year.



Nab Khoda
Chief Financial Officer

Subsequent Impacts

There were no events subsequent to 30th June 2025 that would significantly effect Hesse's operations in subsequent years.

Financial Information	2024-25	2023-24	2022-23	2021-22	2020-21
Operating Result*	\$1,209	\$237,465	\$17,471	\$99,901	\$106,013
Total Revenue	\$18,144,416	\$17,120,029	\$15,633,704	\$13,372,594	\$12,685,618
Total Expenses	\$19,124,124	\$16,468,317	(\$15,942,216)	(\$13,850,301)	(\$13,318,587)
Net Result from Transactions	\$(979,708)	\$651,712	(\$308,512)	(\$477,707)	(\$632,969)
Total Other Economic Flows	\$26,899	(\$499,413)	\$18,742	\$134,187	\$931,877
Net Result	(\$952,809)	\$152,299	(\$289,770)	(\$343,520)	\$298,908
Total Assets	\$37,146,509	\$36,519,288	\$27,011,691	\$27,935,756	\$25,201,030
Total Liabilities	\$14,805,229	\$13,225,197	\$12,861,429	\$13,495,724	\$13,111,684
Net Assets / Total Equity	\$22,341,280	\$23,294,091	\$14,150,262	\$14,440,032	\$12,089,346

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

For further details refer to the consolidated financial statements attached at the end of the report



Reconciliation of net result from transactions and operating result		2024-25
Operating Result		\$1,209
Capital Purpose Income		\$329,100
Specific Income		\$859,043
COVID-19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply		\$4,543
Expenditure for Capital Purpose		\$107,031
Depreciation and Amortisation		\$2,066,573
Net Results from Transactions		\$(979,708)

Information & Communication Technology (ICT)

All operational ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT expenditure	Operational Expenditure	Capital Expenditure
Total	Total = Operational Expenditure and Capital Expenditure		
\$617,308	\$119,732	nil reports	\$119,732

Consultancy Expenditure

Consultant	Purpose of Consultancy	Start Date	End Date	Total Approved Project Fee (Exc GST)	Expenditure 2024-25 (Exc GST)	Future Expenditure (Exc GST)
Ansell Strategic	Separation of Winchelsea Hostel & Nursing Home Society Inc.	Oct 2024	30/06/2025	\$135,500	\$128,968	\$25,000

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

In 2024-25, there was 1 consultancy where the total fees payable to the consultant was \$10,000 or greater. The total expenditure incurred during 2024-25 in relation to the consultancy was \$128,968 (Exc GST).

Details of this consultancy can be viewed at: hesseruralhealth.com.au/about/procurement-information/

N/A	N/A	N/A	N/A	\$0.00	\$0.00	\$0.00
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Details of consultancies (under \$10,000)

In 2024-25, there were 0 consultancies where the total fees to the consultants were less than \$10,000. The total expenditure incurred during 2024-25 in relation to consultancy was \$0 (Exc GST).

Government Advertising Campaign

Nil Reports



Disclosure Index

The Annual Report of Operations of Hesse Rural 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.

Charter and purpose

LEGISLATION	REQUIREMENT	PAGE
FRD 22	Manner of establishment and the relevant Ministers	04
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Notes:

- (a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.
- (b) Refer to the Model financial statements section (Part two) for further details.





Financial Report



Hesse Rural Health Service

Financial Statements

Financial Year ended 30 June 2025

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

The attached consolidated financial statements for Hesse Rural Health Service and the Consolidated Entity have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2025 and the financial position of Hesse Rural Health Service and the Consolidated Entity at 30 June 2025.

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 this day.

Board member	Accountable Officer	Chief Finance & Accounting Officer
		
Mr I Whiting	Mrs C Brock	Mr N Khoda
Chair	Chief Executive Officer	Chief Finance Officer
Winchelsea	Winchelsea	Winchelsea
6 October 2025	6 October 2025	6 October 2025

Independent Auditor's Report

To the Board of Hesse Rural Health Service

Opinion	I have audited the financial report of the Hesse Rural Health Service (the health service) which comprises the: • balance sheet as at 30 June 2025 • comprehensive operating statements for the year then ended • statements of changes in equity for the year then ended • cash flow statements for the year then ended • notes to the financial statements, including material accounting policy information • board member's, accountable officer's and chief finance and 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 2025 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and Australian Accounting Standards – Simplified Disclosures.
Basis for Opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the <i>Financial Management Act 1994</i>, 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.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the health service to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the health service. I remain solely responsible for my audit opinion.

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

MELBOURNE
7 October 2025



Simone Bohan
as delegate for the Auditor-General of Victoria

Consolidated Comprehensive Operating Statement

Hesse Rural Health Service

For the Financial Year Ended 30 June 2025

		Consolidated 2025	Consolidated 2024
	Note	\$	\$
Revenue and income from transactions			
Revenue from contracts with customers	2.1	12,073,054	11,079,256
Other sources of income	2.1	5,535,218	5,654,621
Non-operating activities		536,144	386,152
Total revenue and income from transactions		18,144,416	17,120,029
Expenses from transactions			
Employee expenses	3.1	(13,358,725)	(12,188,979)
Finance costs	6.1	(9,346)	(9,829)
Depreciation and amortisation	4.1(a), 4.2	(2,116,747)	(1,086,804)
Other operating expenses	3.1	(3,639,306)	(3,182,705)
Total Expenses from transactions		(19,124,124)	(16,468,317)
Net result from transactions - net operating balance		(979,708)	651,712
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets		24,637	(380,836)
Net loss on financial instruments		(1,869)	(33,712)
Other gain/(loss) from other economic flows		4,104	(84,865)
Total other economic flows included in net result		26,872	(499,413)
Net result		(952,836)	152,299
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus		-	8,991,530
Total other comprehensive income		-	8,991,530
Comprehensive result		(952,836)	9,143,829

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

Consolidated Balance Sheet

Hesse Rural Health Service As at 30 June 2025

		Consolidated 2025	Consolidated 2024
	Note	\$	\$
Financial assets			
Cash and cash equivalents	6.2	11,194,326	7,616,352
Receivables	5.1	1,473,808	2,050,041
Total financial assets		12,668,134	9,666,393
Non-financial assets			
Prepayments		23,317	33,850
Property, plant and equipment	4.1	23,371,810	25,509,045
Investment property	4.3	1,310,000	1,310,000
Total non-financial assets		24,705,127	26,852,895
Total assets		37,373,261	36,519,288
Liabilities			
Payables	5.3	911,128	902,467
Contract liabilities	5.4	53,312	106,052
Borrowings	6.1	432,076	482,280
Employee benefits	3.1(b)	2,606,472	2,623,110
Other liabilities	5.5	11,029,018	9,111,288
Total liabilities		15,032,006	13,225,197
Net assets		22,341,255	23,294,091
Equity			
Reserves		20,251,262	20,251,262
Contributed capital		4,514,616	4,514,616
Accumulated (deficit)/surplus		(2,424,623)	(1,471,787)
Total equity		22,341,255	23,294,091

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



Consolidated Cash Flow Statement

Hesse Rural Health Service

For the Financial Year Ended 30 June 2025

	Consolidated	Consolidated
	2025	2024
Note	\$	\$
Cash Flows from operating activities		
Operating grants from State Government	4,774,112	4,341,272
Operating grants from Commonwealth Government	8,474,575	7,911,821
Capital grants from State Government	13,095	377,779
Capital grants from Commonwealth Government	244,398	-
Donations and bequests received	-	3,425
GST received from ATO	185,251	196,536
Interest and investment income received	464,616	315,046
Other receipts	4,789,679	3,452,059
Total receipts	18,945,726	16,597,938
Payments to employees	(12,186,033)	(11,846,591)
Payments to suppliers and consumables	(2,145,786)	(557,599)
Finance costs	(9,346)	(9,829)
Other payments	(2,851,908)	(3,027,121)
Total payments	(17,193,073)	(15,441,140)
Net cash flows from operating activities	1,752,653	1,156,798
Cash Flows from investing activities		
Proceeds from sale of non-financial assets	238,765	13,000
Purchase of non-financial assets	(367,722)	(581,403)
Transfer of net assets of subsidiary	-	-
Capital donations and bequests received	202,871	7,012
Net cash flows from/(used in) investing activities	73,914	(561,391)
Cash flows from financing activities		
Repayment of borrowings and principal portion of lease liabilities	(293,946)	(112,764)
Receipt of borrowings	-	52,044
Repayment of accommodation deposits	(2,332,968)	(2,654,500)
Receipt of accommodation deposits	4,378,321	3,345,290
Net cash flows from/(used in) financing activities	1,751,407	630,070
Net increase in cash and cash equivalents held	3,577,974	1,225,477
Cash and cash equivalents at beginning of year	7,616,352	6,390,875
Cash and cash equivalents at end of year	11,194,326	7,616,352

6.2

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

Consolidated Statement of Changes in Equity

Hesse Rural Health Service

For the Financial Year Ended 30 June 2025

	Property, Plant and Equipment Revaluation Surplus	General Purpose Surplus	Contributed Capital	Accumulated Surplus/ (Deficit)	Total
Consolidated	\$	\$	\$	\$	\$
Balance at 1 July 2023	10,593,094	-	4,514,616	(957,448)	14,150,262
Net result for the year	-	-	-	152,299	152,299
Other comprehensive income for the year	8,991,530	-	-	-	8,991,530
Transfer from/(to) accumulated surplus/(deficit)	-	666,638	-	(666,638)	-
Balance at 30 June 2024	19,584,624	666,638	4,514,616	(1,471,787)	23,294,091
Net result for the year	-	-	-	(952,836)	(952,836)
Balance at 30 June 2025	19,584,624	666,638	4,514,616	(2,424,623)	22,341,255

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



Notes to the Financial Statements

Hesse Rural Health Service

For the Financial Year Ended 30 June 2025

Structure

1.1 Basis of preparation

1.2 Material accounting estimates and judgements

1.3 Reporting entity

1.4 Economic dependency

Note 1 About this Report

These financial statements represent the consolidated financial statements of Hesse Rural Health Services and its controlled entity for the year ended 30 June 2025.

Hesse Rural Health Service is a not-for-profit entity established as a public agency on 1 July 2000 under the *Health Services Act 1998 (Vic)*. A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

This section explains the basis of preparing the financial statements.

Note 1.1 Basis of preparation

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

Hesse Rural Health Service is a Tier 2 entity in accordance with FRD 101. These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. Hesse Rural Health Service's prior year financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards (Tier 1). As Hesse Rural Health Service is not a 'significant entity' as defined in FRD 101, it was required to change from Tier 1 to Tier 2 reporting effective from 1 July 2024.

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

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



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

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

The financial statements have been prepared on a going concern basis (refer to Note 1.4 Economic Dependency).

The financial statements are presented in Australian dollars.

The amounts presented in the financial statements have been rounded to the nearest dollar. 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 Hesse Rural Health Service on 6 October 2025.

Note 1.2 Material accounting estimates and judgements

Management makes estimates and judgements when preparing the financial statements.

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

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

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

Note 1.3 Reporting Entity

The financial statements include all the controlled activities of Hesse Rural Health Service. Refer to Note 8.6 for further details of controlled entities.

Hesse Rural Health Service's principal address is:

8 Gosney Street
Winchelsea, Victoria 3241

Note 1.4 Economic dependency

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

Note 2 Funding delivery of our services

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

Structure

2.1 Revenue and income from transactions

Note 2.1 Revenue and income from transactions

		Consolidated 2025	Consolidated 2024
	Note	€	\$
Revenue from contracts with customers	2.1(a)	12,073,054	11,079,256
Other sources of income	2.1(b)	5,535,218	5,654,621
Total revenue and income from transactions		17,608,272	16,733,877

Note 2.1(a) Revenue from contracts with customers

	Consolidated 2025	Consolidated 2024
	\$	\$
Government grants (State) - Operating	-	25,633
Government grants (Commonwealth) - Operating	9,098,599	8,104,352
Patient and resident fees	2,961,938	2,877,915
Commercial activities	12,517	71,356
Total revenue from contracts with customers	12,073,054	11,079,256

How we recognise revenue from contracts with customers

Government grants

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

In contracts with customers, the ‘customer’ is the funding body, who is the party that promises funding in exchange for Hesse Rural Health Service’s goods or services. Hesse Rural Health Services 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 Hesse Rural Health Service's revenue streams, with information detailed below relating to Hesse Rural Health Service's material revenue streams:

Government grant	Performance obligation
Commonwealth funding for Home and Community Care (HACC) programs	Revenue is recognised monthly as the programs are run and the contact visits are being met. These performance obligations have been selected as they align with the terms and conditions of the funding provided.
Commonwealth funding for residential aged care (bed subsidies)	The performance obligations for Commonwealth Aged Care Funding are the number and mix of residents in the Aged Care facilities. Revenue is recognised at a point in time which is when AIMS data is submitted monthly.

Patient and resident fees

Patient and resident fees are charges incurred by patients for services they receive. Patient and resident fees are recognised under AASB 15 at a point in time when the performance obligation, the provision of services, is satisfied, except where the patient and resident fees relate to accommodation charges. Accommodation charges are calculated daily and are recognised over time, to reflect the period accommodation is provided.

Note 2.1(b) Other sources of income

		Consolidated 2025	Consolidated 2024
	Note	\$	\$
Government grants (State) - Operating		4,721,803	4,390,211
Government grants (Commonwealth) - Operating		-	137,727
Government grants (State) - Capital		82,474	547,341
Other capital purpose income		28,347	7,012
Capital donations		220,371	3,425
Assets received free of charge or for nominal consideration	2.1(c)	60,379	93,458
Other income from operating activities		421,844	475,447
Total other sources of income		5,535,218	5,654,621



How we recognise other sources of income

Government grants

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

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

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

Capital grants

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

Income is recognised in accordance with AASB 1058 progressively as the asset is constructed which aligns with Hesse Rural Health Service'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.

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

	Consolidated 2025 \$	Consolidated 2024 \$
Other services - LSL and VMIA insurance	55,836	78,905
Personal protective equipment and other consumables	4,543	14,553
Total fair value of assets and services received free of charge or for nominal consideration	60,379	93,458

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

Contributions of assets received free of charge or for nominal consideration are recognised at their fair value when Hesse Rural Health Service 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 Hesse Rural Health Service as a capital contribution transfer.

Non-cash contributions from the Department of Health

The DH makes some payments on behalf of Hesse Rural Health Service as follows:

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Hesse Rural Health Service 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.
Victorian Health Building Authority	The Department of Health made payments to the Victorian Health Building Authority to fund capital works projects during the year ended 30 June 2025, on behalf of Hesse Rural Health Service.
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 health service in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the costs associated with the provision of services are disclosed.

Structure

3.1 Expenses incurred in the delivery of services

Note 3.1 Expenses incurred in the delivery of services

Note	Consolidated 2025	Consolidated 2024
	\$	\$
Employee expenses	13,358,725	12,188,979
Other operating expenses	3,639,306	3,182,705
Total expenses incurred in the delivery of services	16,998,031	15,371,684

Note 3.1(a) Employee expenses

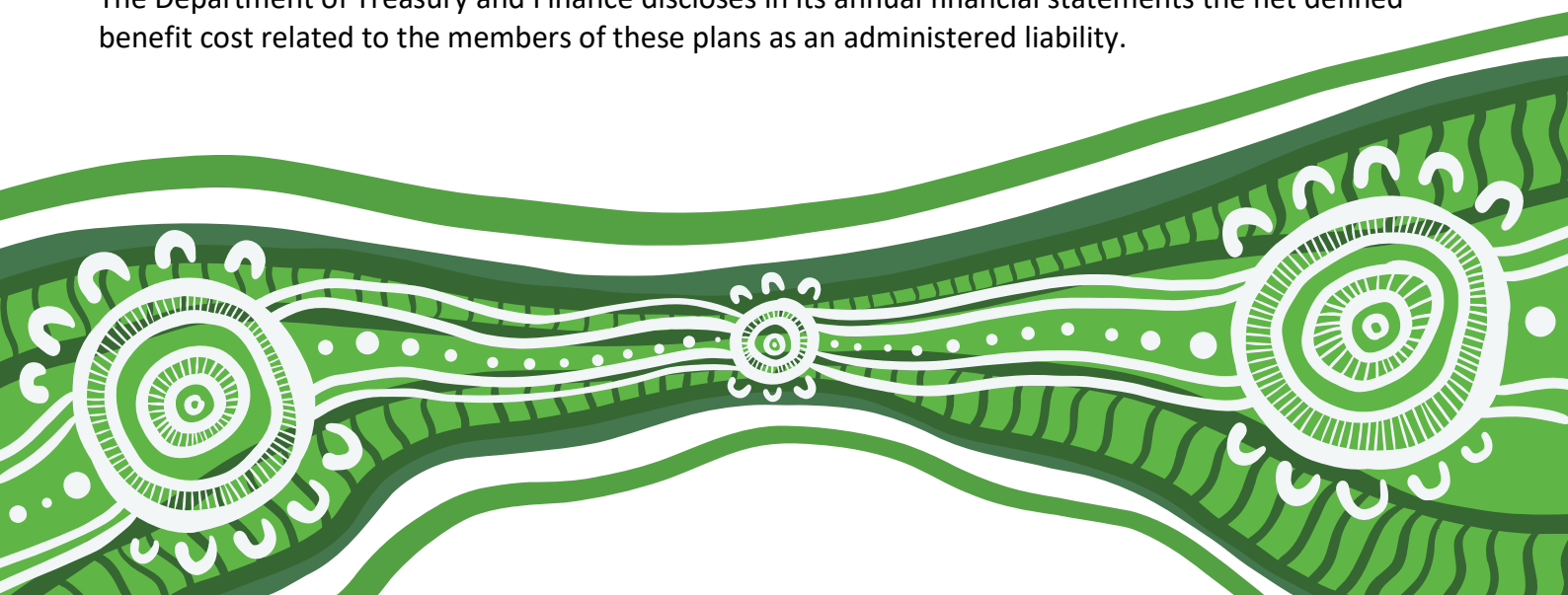
	Consolidated 2025	Consolidated 2024
	\$	\$
Salaries and wages	11,565,078	10,826,828
Defined contribution superannuation expense	1,188,600	1,060,239
Agency expenses	510,110	207,713
Fee for service medical officer expenses	94,937	94,199
Total employee expenses	13,358,725	12,188,979

How we recognise employee expenses

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

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

The Department of Treasury and Finance discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability.



Note 3.1(b) Employee-related provisions

	Consolidated 2025 \$	Consolidated 2024 \$
Current provisions for employee benefits		
Accrued days off	21,290	(13,972)
Annual leave	892,893	911,816
Long service leave	999,690	1,067,934
Provision for on-costs	295,396	306,039
Total current provisions for employee benefits	2,209,269	2,271,817
Non-current provisions for employee benefits		
Long service leave	340,964	305,353
Provision for on-costs	56,239	45,940
Total non-current provisions for employee benefits	397,203	351,293
Total provisions for employee benefits	2,606,472	2,623,110

How we recognise employee-related provisions

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

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

Annual leave and accrued days off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as current liabilities because Hesse Rural Health Service does not have an unconditional right to defer settlement of these liabilities.

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

- nominal value – if Hesse Rural Health Service expects to wholly settle within 12 months or
- present value – if Hesse Rural Health Service does not expect to wholly settle within 12 months.

Long service leave

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where the Hesse Rural Health Service 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 Hesse Rural Health Service expects to wholly settle within 12 months or
- present value – if Hesse Rural Health Service does not expect to wholly settle within 12 months.

Conditional LSL is measured at present value and is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

Provisions

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

Note 3.1(c) Other operating expenses

	Consolidated 2025 \$	Consolidated 2024 \$
Other operating expenses		
Drug supplies	12,695	10,947
Medical and surgical supplies (including Prostheses)	153,886	158,437
Other supplies and consumables	483,034	464,768
Low value lease expenses	17,269	14,836
Fuel, light, power and water	150,116	198,984
Repairs and maintenance	694,606	523,113
Maintenance contracts	234,693	173,314
Medical indemnity insurance	25,852	8,168
Cleaning and linen expenses	235,640	218,094
IT expenses and software licence fees	507,308	433,069
Other administration expenses	1,124,207	978,975
Total other operating expenses	3,639,306	3,182,705

How we recognise other operating expenses

Expense recognition

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

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.

The following lease payments are recognised on a straight-line basis:

- short term leases – leases with a term of twelve months or less, and
- low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Variable lease payments that are not included in the measurement of the lease liability, i.e. variable lease payments that do not depend on an index or a rate such as those based on performance or usage of the underlying asset, are recognised in the Comprehensive Operating Statement (except for payments which have been included in the carrying amount of another asset) in the period in which the event or condition that triggers those payments occurs. Hesse Rural Health Service's variable lease payments during the year ended 30 June 2025 was nil.

Other operating expenses

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

The DH also makes certain payments on behalf of Hesse Rural Health Service. These amounts have been brought to account in determining the operating result for the year, by recording them as revenue (Refer to Note 2.1(c)) and recording a corresponding expense.



Note 4 Key assets to support service delivery

Hesse Rural Health Service 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 Hesse Rural Health Service to be utilised for delivery of services.

Structure

4.1 Property, plant and equipment

4.2 Depreciation

4.3 Investment property

Note 4.1 Property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$
Land at fair value - Freehold	4,983,000	4,983,000	-	-	4,983,000	4,983,000
Buildings at fair value	18,574,611	18,585,360	(1,817,477)	-	16,757,134	18,585,360
Works in progress at cost	146,472	875,351	-	-	146,472	875,351
Right-of-use assets at fair value	572,115	590,132	(167,633)	(159,763)	404,482	430,369
Plant, equipment and vehicles at fair value	1,724,543	2,264,890	(643,821)	(1,629,925)	1,080,722	634,965
Total property, plant and equipment	26,000,741	27,298,733	(2,628,931)	(1,789,688)	23,371,810	25,509,045

How we recognise property, plant and equipment

Items of property, plant and equipment are initially measured at cost, and are subsequently measured at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, being far below the fair value of the asset, the deemed cost is its fair value at the date of acquisition. Assets transferred as part of an amalgamation/machinery of government change are transferred at their carrying amounts.

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

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

	Land	Buildings	Work in progress	Right of use assets	Plant, equipment and vehicles	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2024	4,983,000	18,585,360	875,351	430,369	634,965	25,509,045
Additions	-	-	75,222	128,449	39,243	242,914
Disposals	-	-	(176,802)	(83,595)	(3,005)	(263,402)
Net transfers between classes	-	-	(627,299)	-	627,299	-
Depreciation	-	(1,828,226)	-	(70,741)	(217,780)	(2,116,747)
Balance at 30 June 2025	4,983,000	16,757,134	146,472	404,482	1,080,722	23,371,810

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

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

How we recognise right-of-use assets

Initial recognition

When Hesse Rural Health Service enters a contract, which provides the health services with the right to control the use of an identified asset for a period of time in exchange for payment, this contract is considered a lease.

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information) the contract gives rise to a right-of-use asset and corresponding lease liability.

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

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

Subsequent measurement

Right-of-use assets are subsequently measured at fair value, with the exception of right-of-use assets 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.

Hesse Rural Health Service has applied the exemption permitted under FRD 104 *Leases*, consistent with the optional relief in AASB 16.Aus25.1. Under this exemption, Hesse Rural Health Service is not required to apply fair value measurement requirements to right-of-use assets arising from leases with significantly below-market terms and conditions, where those leases are entered into principally to enable the entity to further its objectives.

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 7.3.

Note 4.1(c) Impairment of property, plant and equipment

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

Note 4.2 Depreciation

How we recognise depreciation

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

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

Useful lives of non-current assets

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

	2025	2024
Buildings	25 - 75 years	25 - 75 years
Plant, equipment and vehicles (including leased assets)	5 - 10 years	5 - 10 years



Note 4.3 Investment property

	Consolidated 2025 \$	Consolidated 2024 \$
Investment property at fair value	1,310,000	1,310,000
Total investment property at fair value	1,310,000	1,310,000
Balance at Beginning of Period	1,310,000	1,691,324
Additions	-	12,512
Net loss from fair value adjustments	-	(393,836)
Balance at End of Period	1,310,000	1,310,000

How we recognise investment properties

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

Initial recognition

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the health service.

Subsequent measurement

Subsequently investment properties are measured at fair value, determined annually by independent valuers. Fair values are determined based on a market comparable approach that reflects recent transaction prices for similar properties. Investment properties are neither depreciated nor tested for impairment.

For investment properties measured at fair value, the current use of the asset is considered the highest and best use.

The fair value of the health service's investment properties at 30 June 2025 have been arrived on the basis of an independent valuation carried out by the Valuer General undertaken on 30 June 2024. The valuation was determined with reference to market evidence of properties including location, condition and lease terms.

Further information regarding fair value measurement is disclosed in Note 7.3.



Note 5 Other assets and liabilities

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

Structure

5.1 Receivables

5.2 Impairment of financial assets

5.3 Payables

5.4 Contract liabilities

5.5 Other liabilities

Note 5.1 Receivables

	Consolidated 2025 \$	Consolidated 2024 \$
Note		
Current receivables		
Contractual		
Trade receivables	175,444	57,113
Patient and resident fees	-	126,853
Allowance for impairment losses	5.2 (13,641)	(36,688)
Accrued revenue	173,202	619,720
Amounts receivable from governments and agencies	242,196	430,633
Total contractual receivables	577,201	1,197,631
Statutory		
GST receivable	69,935	82,406
Total statutory receivables	69,935	82,406
Total current receivables	647,136	1,280,037
Non-current receivables		
Contractual		
Long service leave - Department of Health	826,672	770,004
Total contractual receivables	826,672	770,004
Total non-current receivables	826,672	770,004
Total receivables	1,473,808	2,050,041
 <i>(i) Financial assets classified as receivables</i>		
Total receivables	1,473,808	2,050,041
GST receivable	(69,935)	(82,406)
Total financial assets classified as receivables	7.1 1,403,873	1,967,635



How we recognise receivables

Receivables consist of:

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

Note 5.2 Impairment of financial assets

	2025	2024
Note	\$	\$
Impairment loss on contractual receivables		
From transactions	5.1	
	13,641	36,688
	13,641	36,688

How we recognise impairment of financial assets

Hesse Rural Health Service records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's expected credit loss approach. Hesse Rural Health Service's contractual receivables and statutory receivables are subject to this impairment assessment. Contract assets recognised are also subject to the impairment requirement of AASB 9, however contract assets are immaterial.

Hesse Rural Health Service applies the simplified approach, which requires the loss allowances to always be measured at an amount equal to lifetime expected credit losses. The loss allowance is based on assumptions about risk of default and expected loss rates.

Contractual receivables at amortised cost

Hesse Rural Health Service has grouped contractual receivables on shared credit risk characteristics and days past due and has selected the expected credit loss rate based on Hesse Rural Health Service's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

The expected credit loss rates applied at 30 June 2025 vary from 16% for contractual receivables that are current to 10% for contractual receivables that are more than 90 days past due (30 June 2024: from 20.0% to 33.2%).



Statutory receivables at amortised cost

The statutory receivables 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 a result, the loss allowance recognised for these financial assets during the period was limited to 12 months of expected credit losses. No loss allowance has been recognised.

Note 5.3 Payables

	Consolidated 2025	Consolidated 2024
Note	\$	\$
Current payables		
Contractual		
Trade creditors	227,763	243,754
Accrued salaries and wages	343,194	240,429
Accrued expenses	313,690	338,566
Inter hospital creditors	26,481	79,718
Total contractual payables	911,128	902,467
Total current payables	911,128	902,467
Total payables	911,128	902,467
<i>(i) Financial liabilities classified as payables</i>		
Total payables	911,128	902,467
Total financial liabilities classified as payables	7.1 911,128	902,467

How we recognise payables

Payables consist of:

- **Contractual payables**, including payables that relate to the purchase of goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Hesse Rural Health Service prior to the end of the financial year that are unpaid.
- **Statutory payables**, including Goods and Services Tax (GST) payable are recognised and measured similarly to contractual payables but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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



How we recognise deferred capital grant income

Grant consideration was received from the Department of Health for Regional Health Infrastructure Funding projects.

Capital grant income is recognised progressively as the asset is constructed, since this is the time when Hesse Rural Health Service satisfies its obligations. The progressive percentage of costs incurred is used to recognise income because this most closely reflects the percentage of completion of the building works. As a result, Hesse Rural Health Service has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Note 5.4 Contract liabilities

	Consolidated 2025 \$	Consolidated 2024 \$
Current		
Contract liabilities	53,312	106,052
Total current contract liabilities	53,312	106,052
Total contract liabilities	53,312	106,052

How we recognise contract liabilities

Contract liabilities include consideration received in advance from the State Government in respect of:

- TAC and DVA NWAU variable funding
- Medication management project grant
- SWARH JV deferred income.

The balance of contract liabilities was significantly lower than the previous reporting period due to the fulfilment of performance obligations associated with income received in advance in the previous financial year.

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



Note 5.5 Other liabilities

		Consolidated 2025	Consolidated 2024
	Note	\$	\$
Current monies held in trust			
Patient monies		59,958	61,087
Refundable accommodation deposits		10,969,060	9,049,899
Other monies		-	184
Total current monies held in trust		11,029,018	9,111,170
Non-current monies held in trust			
Other monies		-	118
Total non-current monies held in trust		-	118
Total other liabilities		11,029,018	9,111,288
* Represented by:			
- Cash assets	6.2	7,945,801	6,258,239
- Investment and other financial assets		3,083,217	2,853,049
		11,029,018	9,111,288

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 Hesse Rural Health Service upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home.

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



Note 6 How we finance our operations

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

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

Note 6.1 Borrowings

		Consolidated 2025	Consolidated 2024
	Note	\$	\$
Current borrowings			
Lease liability	6.1(a)	244,792	258,724
Advances from government		26,394	26,394
Total current borrowings		271,186	285,118
Non-current borrowings			
Lease liability	6.1(a)	160,890	172,860
Advances from government		-	24,302
Total non-current borrowings		160,890	197,162
Total borrowings	7.1	432,076	482,280

How we recognise borrowings

Borrowings refer to interesting bearing liabilities mainly raised from advances from the Treasury Corporation of Victoria (TCV) and other funds raised through lease liabilities and other interest-bearing arrangements.

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



Terms and conditions of borrowings

			Maturity Dates						
Consolidated		Weighted average interest rate (%)	Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	Over 5 years
30 June 2025	Note		\$	\$	\$	\$	\$	\$	\$
Lease liabilities	6.1	3.87%	405,682	405,682	6,022	12,044	226,727	160,889	-
Advances from government	6.1	3.20%	26,394	26,394	-	-	26,394	-	-
Total Financial Liabilities			432,076	432,076	6,022	12,044	253,121	160,889	-

			Maturity Dates						
Consolidated		Weighted average interest rate (%)	Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	Over 5 years
30 June 2024	Note		\$	\$	\$	\$	\$	\$	\$
Lease liabilities	6.1	2.25%	431,584	431,584	3,134	9,402	246,188	172,860	-
Advances from government	6.1	3.20%	50,696	50,696	-	-	26,394	24,302	-
Total Financial Liabilities			482,280	482,280	3,134	9,402	272,582	197,162	-

Interest expense

	Consolidated 2025 \$	Consolidated 2024 \$
Interest on lease liabilities	766	631
Other interest	8,580	9,198
Total interest expense	9,346	9,829

Interest expense includes costs incurred in connection with the borrowing of funds and includes interest on bank overdrafts and short term and long-term borrowings, interest component of lease repayments and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest expense is recognised in the period in which it is incurred.

Hesse Rural Health Service recognises borrowing costs immediately as an expense, even where they are directly attributable to the acquisition, construction or production of a qualifying asset.



Note 6.1(a) Lease liabilities

Hesse Rural Health Services' lease liabilities are summarised below:

	Consolidated 2025 \$	Consolidated 2024 \$
Current lease liabilities		
Lease liability	244,792	258,724
Total current lease liabilities	244,792	258,724
Non-current lease liabilities		
Lease liability	160,890	172,860
Total non-current lease liabilities	160,890	172,860
Total lease liabilities	405,682	431,584

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

	Consolidated 2025 \$	Consolidated 2024 \$
Not longer than one year	244,792	271,660
Longer than one year but not longer than five years	160,890	168,567
Minimum future lease liability	405,682	440,227
Less unexpired finance expenses	-	(8,643)
Present value of lease liability	405,682	431,584

How we recognise lease liabilities

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

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



Hesse Rural Health Service’s lease arrangements consist of the following:

Type of asset leased	Lease term
Leased buildings	2 years
Leased plant, equipment, furniture, fittings and vehicles	3 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. Hesse Rural Health Service has elected to apply the practical expedients for short-term leases and leases of low-value assets. As a result, no right-of-use asset or lease liability is recognised for these leases; rather, lease payments are recognised as an expense on a straight-line basis over the lease term, within “other operating expenses” (refer to Note 3.3).

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

	Consolidated 2025 \$	Consolidated 2024 \$
Expenses relating to leases of low-value assets	17,269	14,836
Total amounts recognised as expense	17,269	14,836

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 Hesse Rural Health Service’s incremental borrowing rate. Our lease liability has been discounted by rates of between 3.0% to 4.0%.

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,
- payments arising from purchase and termination options reasonably certain to be exercised.



Subsequent measurement

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

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

Note 6.2 Cash and cash equivalents

	Consolidated 2025	Consolidated 2024
Note	\$	\$
Cash on hand (excluding monies held in trust)	1,782	1,880
Cash at bank (excluding monies held in trust)	3,246,743	1,356,233
Total cash held for operations	3,248,525	1,358,113
Cash at bank (monies held in trust)	7,945,801	6,258,239
Total cash held as monies in trust	7,945,801	6,258,239
Total cash and cash equivalents	7.1 11,194,326	7,616,352



Note 7 Financial instruments, contingencies and valuation judgements

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

Structure

7.1 Financial instruments

7.2 Contingent assets and contingent liabilities

7.3 Fair value determination

Note 7.1 Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Hesse Rural Health Service'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*.

		Carrying amount	Net gain/(loss)	Total interest income/ (expense)	Fee income/ (expense)	Impairment loss
30 June 2025	Note	\$	\$	\$	\$	\$
Financial assets at amortised cost						
Cash and cash equivalents	6.2	11,194,326	-	464,616	-	-
Receivables	5.1	1,403,873	-	-	-	(1,869)
Total financial assetsⁱ		12,598,199	-	464,616	-	(1,869)
Financial liabilities at amortised cost						
Payables	5.3	911,128	-	-	-	-
Borrowings	6.1	432,076	-	(766)	-	-
Other financial liabilities - Refundable Accommodation Deposits	5.5	10,969,060	-	-	-	-
Other financial liabilities - patient monies held in trust	5.5	59,958	-	-	-	-
Total financial liabilitiesⁱ		12,372,222	-	(766)	-	-



		Carrying amount	Net gain/(loss)	Total interest income/ (expense)	Fee income/ (expense)	Impairment loss
30 June 2024	Note	\$	\$	\$	\$	\$
Financial assets at amortised cost						
Cash and cash equivalents	6.2	7,616,352	-	318,192	-	-
Receivables	5.1	1,967,635	-	-	-	(20,088)
Total financial assetsⁱ		9,583,987	-	318,192	-	(20,088)
Financial liabilities at amortised cost						
Payables	5.3	902,467	-	-	-	-
Borrowings	6.1	482,280	-	(631)	-	-
Other financial liabilities - Refundable Accommodation Deposits	5.5	9,049,899	-	-	-	-
Other financial liabilities - patient monies held in trust	5.5	61,087	-	-	-	-
Total financial liabilitiesⁱ		10,495,733	-	(631)	-	-

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

How we categorise financial instruments

Financial assets at amortised cost

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

- the assets are held by Hesse Rural Health Service solely to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

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

Hesse Rural Health Service recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables).

Categories of financial liabilities

Financial liabilities at amortised cost

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

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

Hesse Rural Health Service recognises the following liabilities in this category:

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

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- Hesse Rural Health Service 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
- Hesse Rural Health Service 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 Hesse Rural Health Service has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Hesse Rural Health Service's continuing involvement in the asset.

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

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

A financial liability reclassification is not permitted.



Note 7.2 Contingent assets and contingent liabilities

Details of financial estimates for contingent assets or contingent liabilities are included in the following table:

	Consolidated 2025 \$	Consolidated 2024 \$
Contingent assets		
Quantifiable		
Guarantees and indemnities	-	100,000
Total quantifiable contingent assets	-	100,000

How we measure and disclose contingent assets and contingent liabilities

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

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

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

The quantifiable contingent liability as disclosed relates to a financial guarantee for payroll services.



Note 7.3 Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

- Property, plant and equipment
- Right-of-use assets and
- Investment properties.

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.

Hesse Rural Health Service 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.

Hesse Rural Health Service 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 Hesse Rural Health Service's independent valuation agency for property, plant and equipment.

Fair value determination: non-financial physical assets

AASB 2010-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities amended AASB 13 *Fair Value Measurement* by adding Appendix F *Australian Implementation Guidance for Not-for-Profit Public Sector Entities*. Appendix F explains and illustrates the application of the principals in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable annual reporting periods beginning on or after 1 January 2024. FRD 103 permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation process (whichever is earlier).



The last scheduled full independent valuation of all of Hesse Rural Health Service's non-financial physical assets was performed by VGV on 30 June 2024. The annual fair value assessment for 30 June 2025 using VGV indices does not identify material changes in value. In accordance with FRD 103, Hesse Rural Health Service will reflect Appendix F in its next scheduled formal revaluation on 30 June 2029 or interim revaluation process (whichever is earlier). All annual fair value assessments thereafter will continue compliance with Appendix F.

For all assets measured at fair value, Hesse Rural Health Service considers the current use as its highest and best use.

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

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

Specialised land and specialised buildings

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset.

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

The market approach is also used for specialised land although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued.

The CSO adjustment reflects the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and considers the use of the asset that is physically possible, legally permissible and financially feasible.

For Hesse Rural Health Service, the current replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation.

Vehicles

Vehicles are valued using the current replacement cost method. Hesse Rural Health Service acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in Hesse Rural Health Services who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Furniture, fittings, plant and equipment

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



Significant assumptions

Description of significant assumptions applied to fair value measurement:

Asset class	Valuation technique	Significant assumption ⁽ⁱ⁾	Range (weighted average)
Specialised land	Market approach	Community Service Obligations adjustment ⁽ⁱⁱ⁾	0% (0%)
Specialised buildings	Current replacement cost approach	Cost per square metre Useful life	\$200 - \$7,365/m2 (\$2,463) 25 - 75 years (18 years)

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

⁽ⁱⁱ⁾ No Community Service Obligations (CSO) adjustment was applied to Hesse Rural Health Service’s specialised land.



Note 8 Other disclosures

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

Structure

8.1 Responsible persons disclosures

8.2 Remuneration of executives

8.3 Related parties

8.4 Remuneration of auditors

8.5 Events occurring after the balance date

8.6 Controlled entities

8.7 Joint arrangements

8.8 Voluntary deregistration of Winchelsea Hostel and Nursing Home Society Inc.

Note 8.1 Responsible persons disclosures

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

	Period
The Honourable Mary-Anne Thomas MP:	
Minister for Health	27 Jun 2022 - 30 June 2025
Minister for Ambulance Services	2 Oct 2023 - 30 June 2025
Minister for Health Infrastructure	5 Dec 2022 - 19 Dec 2024
The Honourable Ingrid Stitt MP:	
Minister for Mental Health	2 Oct 2023 - 30 June 2025
Minister for Ageing	2 Oct 2023 - 30 June 2025
Minister for Multicultural Affairs	2 Oct 2023 - 30 June 2025
The Honourable Lizzy Blandthorn MP:	
Minister for Children	2 Oct 2023 - 30 June 2025
Minister for Disability	2 Oct 2023 - 30 June 2025
Governing Boards	
Ian Whiting (Chair of the Board)	1 Jul 2024 - 30 Jun 2025
Vesna Allan	1 Jul 2024 - 30 Jun 2025
Dr Chris Edwards	1 Jul 2024 - 30 Jun 2025
Claire Goodwin	1 Jul 2024 - 30 Jun 2025
Angela Hurren	1 Jul 2024 - 30 Jun 2025
Ben Maw	1 Jul 2024 - 30 Jun 2025
Kym Peter	1 Jul 2024 - 30 Jun 2025
Melika Sukunda	1 Jul 2024 - 30 Jun 2025
Simone Wilkie	1 Jul 2024 - 30 Jun 2025
Accountable Officers	
Carissa Brock (Chief Executive Officer)	1 Jul 2024 - 30 Jun 2025

Remuneration of Responsible Persons

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

Income Band	Consolidated 2025	Consolidated 2024
	No	No
\$0 - \$9,999	9	9
\$210,000 - \$219,999	1	1
Total Numbers	10	10

Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	Consolidated 2025	Consolidated 2024
	\$	\$
	214,487	211,647

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

Note 8.2 Remuneration of executives

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

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

	Consolidated Total Remuneration	
	2025	2024
	\$	\$
Total remuneration ⁱ	371,482	335,624
Total number of executives	2	2
Total annualised employee equivalent ⁱⁱ	2	2

ⁱ The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Hesse Rural Health Services under AASB 124 *Related Party Disclosures* and are also reported within Note 8.3 Related Parties.

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



Note 8.3 Related parties

The Hesse Rural Health Service 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
- controlled entity - the Winchelsea Hostel and Nursing Home Society Inc.
- jointly controlled operation –the South West Alliance of Rural Health (IT alliance) and
- all health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

Significant transactions with government related entities

The Hesse Rural Health Service received funding from the DH of \$4.7 million (2024: \$4.4 million). Balances outstanding as at 30 June 2025 are \$Nil (2024: \$Nil).

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

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

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

Key management personnel

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

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

Entity	KMPs	Position Title
Hesse Rural Health Services	Ian Whiting	Chair of the Board
Hesse Rural Health Services	Vesna Allan	Board Member
Hesse Rural Health Services	Dr Chris Edwards	Board Member
Hesse Rural Health Services	Claire Goodwin	Board Member
Hesse Rural Health Services	Angela Hurren	Board Member
Hesse Rural Health Services	Ben Maw	Board Member
Hesse Rural Health Services	Kym Peter	Board Member
Hesse Rural Health Services	Melika Sukunda	Board Member
Hesse Rural Health Services	Simone Wilkie	Board Member
Hesse Rural Health Services	Carissa Brock	Chief Executive Officer
Hesse Rural Health Services	Margie McLeod	Director of Clinical Services
Hesse Rural Health Services	Sue Ryan	Director of Community Services

Remuneration of key management personnel

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

	Consolidated 2025 \$	Consolidated 2024 \$
Total compensation - KMPs ⁱ	585,969	547,271

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

Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with the Hesse Rural Health Service, there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2025 (2024: none).

There were no related party transactions required to be disclosed for the Hesse Rural Health Service Board of Directors, Chief Executive Officer and Executive Directors in 2025 (2024: none).

Controlled entities related party transactions

Winchelsea Hostel and Nursing Home Society Inc.

Hesse Rural Health Service provides all of the employment, operating and administrative services for Winchelsea Hostel and Nursing Home Society Inc.. The expenses incurred by Hesse Rural Health in providing these services are transfer priced to the Winchelsea Hostel and Nursing Home Society Inc. in accordance with the Department of Health business rules. These are summarised as follows:

- Direct care wages are oncharged based on share of rostered hours.
- Maintenance costs and utilities are oncharged based on share of floor space.
- Administrative overhead expenses are oncharged based on share of EFT.
- Cleaning and food expenses are oncharged based on share of bed days.

There were no related party transactions that involved key management personnel and their close family members, or between Winchelsea Hostel and Nursing Home Society Inc. and Hesse Rural Health Service. Winchelsea Hostel and Nursing Home Society Inc. receives no State Government funding. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.



Note 8.4 Remuneration of auditors

Victorian Auditor-General's Office

Audit of the financial statements

Total remuneration of auditors

Consolidated 2025 \$	Consolidated 2024 \$
36,500	40,000
36,500	40,000

Note 8.5 Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Note 8.6 Controlled entities

The Hesse Rural Health Service's interest in controlled entities are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	Country of Incorporation	Ownership Interest %	Equity Holding
Winchelsea Hostel and Nursing Home Society Inc.	Australia	100	100%

Hesse Rural Health Service has determined that it controls the entity detailed in the above table because it has power over the entity, is exposed to or has the right to variable returns from its involvement with the entity and has the ability to use its power to affect those returns.

Note 8.7 Joint arrangements

		Ownership Interest	
		2025	2024
	Principal Activity	%	%
South West Alliance of Rural Health	Information Technology	0.85%	0.86%

For the year ended 30 June 2025, Hesse Rural Health Service's share of the joint operations financials was:

	2025 \$	2024 \$
Total revenue and income	317,118	264,574
Total expenses	(298,206)	(267,507)
Total net result	18,912	(2,933)
Total other economic flows	2,879	1,268
Comprehensive result for the year	21,791	(1,665)
Total assets	329,186	371,049
Total liabilities	265,719	328,901
Total equity	63,467	42,148

Contingent liabilities and capital commitments

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

Note 8.8 Voluntary deregistration of Winchelsea Hostel and Nursing Home Society Inc.

On 12 May 2025, an agreement was entered into with Hesse Rural Health Service (the parent entity), whereby Winchelsea Hostel and Nursing Home Society Inc. transferred all assets and land to Hesse Rural Health Service on 16 June 2025. Subsequently, at a general meeting of members held 26 June 2025, it was resolved that the Society would be voluntarily deregistered by application to Consumer Affairs Victoria, expected to be submitted following finalisation of the 30 June 2025 annual report.





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