HESSE RURAL HEALTH

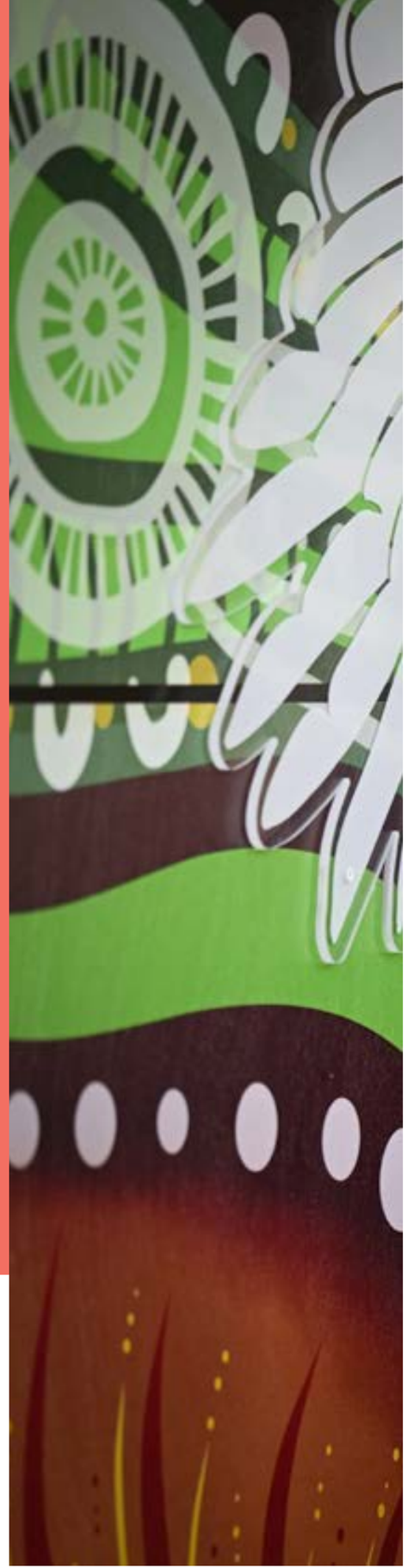
Annual Report
2023-24

About Us

Hesse Rural Health is committed to leading health and wellbeing by providing best practice health, aged care and community services to enable the wellbeing of our community. At the heart of Hesse is our staff, with person-centred care for all stakeholders being central to all decision-making.

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. Hesse partners with the Winchelsea Hostel and Nursing Home Society Inc., a not-for-profit entity and Commonwealth Residential Aged Care Service (RACS) provider, whose charter it is to plan, provide and develop appropriate services for the local community.

Hesse proudly operates our health service on the traditional lands of both the Kulin Nation and Eastern Maar Nations.



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, and 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.

Contents

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 2023 - 30 June 2024

Minister for Ambulance Services
The Hon. Mary-Anne Thomas
2 October 2023 to 30 June 2024

The Hon. Gabrielle Williams
1 July 2023 to 2 October 2024

Minister for Mental Health
The Hon. Gabrielle Williams
1 July 2023 to 2 October 2023

The Hon. Ingrid Stitt
2 October 2023 to 20 June 2024

Minister for Disability, Ageing and Carers
The Hon. Lizzie Blandthorn
1 July 2023 to 2 October 2023

Our Vision, Mission and Values

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

Our Vision
Leading health & wellbeing for our community

- **Innovation**
- **Integrity**
- **Caring**
- **Accountable**
- **Respect**
- **Excellence**

Hesse Heart

177 Employees

25 Residential Aged Care Beds*
95% Average Occupancy

70 Volunteers

24,693 Community Service Contacts

4 Acute Beds

99 Home Care Package Clients
112 Commonwealth Home Support Programme Clients

$15.6M Annual Budget

Approximately 21,000 population

Approximately 6,652 km2

4 Locations

*Hesse also provides support for 31 WH&NHS Beds with 98% Average Occupancy

Nature & Range of Services

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

Acute Care Winchelsea
Urgent Care Service Winchelsea
Residential Aged Care Services

- Dementia Care
- Palliative Care
- Residential Care
- Respite

Social Support Groups

- Beeac
- Winchelsea
- Bannockburn
- Inverleigh

Allied Health

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

Community Nursing

- District Nursing
- Postnatal Care in Home
- Hospital in Home
- Palliative Care
- Post-Acute Care
- Community Health

Community Programs

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

Primary Prevention Programs

- Farm Safety Program
- Personal Development
- Screening Programs

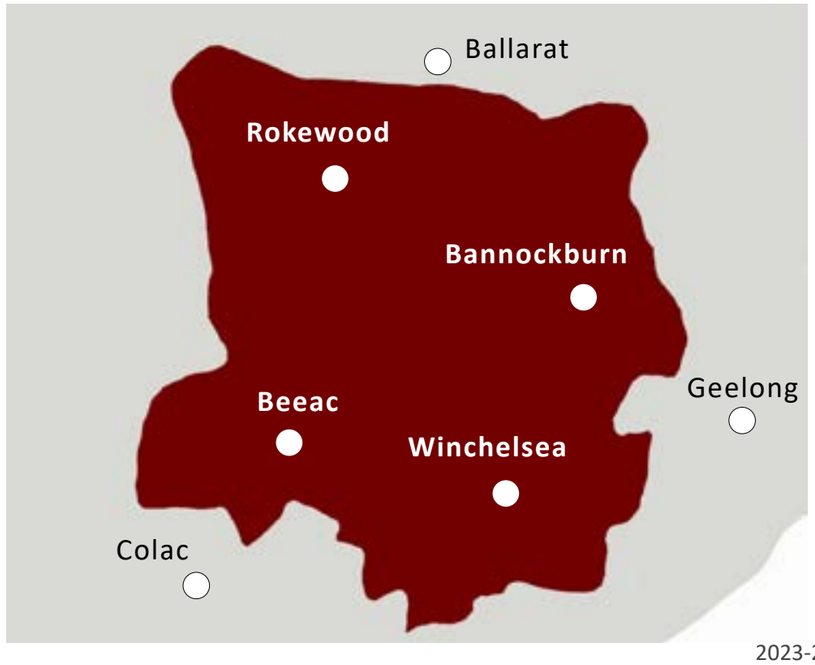
Home Care & Package Management

- Personal & Domestic Assistance
- Home Maintenance & Modifications
- Delivered Meals
- Transport
- Support for Carers

Health Promotion Priority Areas

- Mental Health
- Healthy Eating
- Active Living
- Tobacco & e-cigarette related harm

Volunteering



Message from Board Chair & Chief Executive Officer

We are proud to report that Hesse Rural Health (Hesse) has made significant progress over the past year, continuously improving and delivering high-quality person-centred care to our community. Financially, we achieved a small net operating surplus of $237k for the year, reflecting our commitment to ensuring the ongoing viability of Hesse. There has also been much to celebrate with important progress made to improve the health and wellbeing of our community.

This includes Hesse's residential aged care service being found to meet all aged care standards and was successfully reaccredited by the Aged Care Quality and Safety Commission in July. We are immensely proud of our service, where all consumers and representatives reported safe and effective clinical care that is tailored to individual needs and importantly, they felt valued and respected by staff.

In June, we also commenced the Quality Audit process for re-accrediting our community aged care services, with a site 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 to maintain independence to do the things they want to do. This is a wonderful achievement by the dedicated Hesse team, and we are very pleased that we evidenced our aims to provide safe, effective, person-centred care.

A significant project and investment saw the development of a new seasonal menu to meet all resident and client nutrition standards requirements, including those requiring textured modified diets. We also established a Food Access Action Group for Winchelsea that resulted in the opening of the Winchelsea Community Foodbank, ensuring much needed reliable and regular access to nutritious foods for all.

Our partnerships continued to be strengthened to enable us to broaden our services and provide access for the community to vital services. A major highlight was the commencement of the Your Care Path program from January, funded by the Primary Health Network and operated in collaboration with neighbouring health services partners.

This program provides a multidisciplinary team approach to chronic conditions and has been a fantastic addition to the long-established community health services provided by Hesse.

Significant capital works investment continues, including an ICT upgrade across all Hesse sites to address the replacement of ageing and end of life ICT infrastructure and improve WIFI access. These efforts reflect our commitment to modernise and enhance essential systems, ensuring excellence and efficiency of our ICT operations, including the implementation of an electronic medication management system within our residential aged care facility.

As a responsible organisation committed to minimising our environmental footprint, we recognise the significance of our environmental impact. In response we continue to implement the Hesse Environmental Sustainability Plan, to evaluate and improve our resource management practices. Hesse's Business Continuity Plan also continues to be reviewed to ensure it is robust and ready to be enacted when required, safeguarding our operations.

We extend our gratitude to the dedicated staff and volunteers, who truly are the heart of Hesse, exemplifying our IICARE values of Innovation, Integrity, Caring, Accountability, Respect and Excellence. Our staff approach their roles with passion and empathy, understand the health and well-being of our residents, patients and clients, with their tireless efforts reflecting their genuine desire to improve the health outcomes of our community. The invaluable contributions they make every day, often in challenging circumstances, are greatly appreciated. We continue to implement important measures to support the well-being of our staff, with a comprehensive staff well-being program established, supported by an external Employee Assistance Program.

The unwavering commitment from all to provide exceptional care and support to our community remains inspiring. The resilience and innovation shown demonstrates the Hesse Heart, our Clinical Governance Framework for ensuring the delivery of safe, effective, person-centred care. Our Hesse team is ably led by the Senior Management Team, Sue Ryan (Director Community Services), Margie McLeod (Director Clinical Services), Antionette Burgess (Manager People & Culture), and Nab Khoda (Chief Finance Officer). We acknowledge and thank them, as well as our Quality Leadership Committee, for their dedication and commitment to quality improvement at Hesse.
Our governing Board of nine directors with diverse backgrounds, skills, and experience, have continued to work diligently in providing effective governance.

The Board is responsible for ensuring Hesse meets the Victorian Health Department's expectations by achieving the Statement of Priorities and making decisions that align with our strategic direction. Our governance structure includes Board Sub-Committees that make recommendations to the Board, with a continued focus maintained on providing best-practice care, ensuring financial sustainability, strengthening organisational capability and culture, and building collaborative partnerships across the region.

The Board finalised the 2023-2025 Strategic Planning for the health service, and remain committed to working with our entire community to strengthen our service and provide a safe environment for all. The Care and Clinical Governance Committee, chaired by Dr Chris Edwards and supported by Hesse's clinical and quality team, examined data relating to patient experiences and indicators. The Consumer Advisory Committee chaired by Angela Hurren continued to provide valuable advice relating to community needs, an important input to the Board. Our Finance, Risk and Audit Committee, chaired by Ben Maw, effectively oversaw the mitigation of risk and management of finances, with support from the Hesse finance team, and the Marketing and Fundraising Committee, chaired by Ian Whiting also remained very active, including ongoing fundraising for our future Op Shop rebuild and other activities.

We acknowledge the significant contribution made by Mikel Dean, who concluded his tenure after serving as a Board Director for six years. Mikel brought strong governance processes to the Board as Chair of the Finance, Risk & Audit Committee, and made significant contributions as a member of the Building Planning Committee.

From July 2024, we welcomed Simone Wilkie, appointed by Governor in Council to the Hesse Rural Health Board of Directors. Simone is a Winchelsea local and is dedicated to enhancing the quality of facilities and services for the community and surrounding districts, with personal interests including aged care and promoting the health benefits of connecting with nature, notably the Barwon River (Parwan in Wadawurrung language).

Hesse continues to innovate to ensure we are wellplaced to adapt to the evolving landscape of healthcare and consumer health needs. By nurturing a culture of respect, trust and collaboration, we strive to create an environment where everyone feels empowered to contribute their best and drive positive change. Our key partner is those we serve, to our community we offer our thanks. We are grateful for the extraordinary support we continue to receive and remain genuinely excited about the future of Hesse, to champion the delivery of exceptional, safe and person-centred care delivered close to home, and to improve the health and wellbeing of our community.

Ian Whiting
Board Chair

Carissa Brock
Chief Executive Officer

Our Strategic Plans for the Future

The Hesse Strategic Plan sets our priorities for the next two years and is a demonstration to our valued community and partners, that we are committed to improving the health experience and outcomes of the broad community we service, now and into the future.

Hesse's strategic planning process experienced many delays during the pandemic, with the additional time assisted in reconsidering what, where and how health services are delivered by Hesse to genuinely respond to the health needs of the community. The pandemic affected the way we delivered care and brought about new opportunities and benefits, strengthening our ability to adapt and respond. Hesse's Strategic Plan for 2023-2025 was completed in 2023 and endorsed by the Department of Health in March 2024. The endorsed plan is available on the Hesse website under 'About Us'.

This Strategic Plan guides Hesse's approach in all of its services and ensures we meet the changing need of our community. The Plan sets the direction and service priorities over the next two years, to enable Hesse to support and provide its community with access to high quality health care in the face of changing health care 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 growing and changing needs, Hesse still has room for improvement to continue the shift of focus from treatment to prevention, enhance quality of care, reduce variability in health outcomes given social determinants, provide care at or close to home wherever possible, and enable better universal access. Hesse aims to strengthen and build upon our partnerships, continue to collaborate and better serve our community.

While the Hesse Board and Executive Team focus on implementing the 2023-2025 plan, consultation will also commence on planning the strategic objectives of the health service for beyond 2025.

Our 2023-2025 plan presents a series of priorities and actions 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 2024.

Ian Whiting, Chair
22 September 2024

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
22 September 2024

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
22 September 2024

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 complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within <Health Service Name>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
22 September 2024

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
22 September 2024

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
22 September 2024

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, Building Committee
Chair of Marketing & Fundraising,
Review & Remuneration Committee

Appointed: 2020

Angela Hurren
Board Member
Finance, Risk & Audit Committee, Chair of Consumer Advisory Committee

Appointed: 2023

Ben Maw
Deputy Chair
Marketing & Fundraising Committee, Deputy Chair of Review & Remuneration Committee,
Chair of Finance, Risk & Audit Committee and Building Committee

Appointed: 2021

Philip Kym Peter
Board Member
Care & Clinical Governance Commitee, Marketing & Fundraising Committee

Appointed: 2023

Melika Sukunda
Board Member
Finance, Risk & Audit Committee

Appointed: 2023

Chris Edwards
Board Member
Chair of Care & Clinical Governance Commitee

Appointed: 2021

Vesna Allan
Board Member
Finance, Risk & Audit Committee, Review & Remuneration Committee

Appointed: 2023

Claire Goodwin
Board Member
Care & Clinical Governance Commitee, Consumer Advisory Committee, Review & Remuneration Committee

Appointed: 2023

Mikel Dean
Board Member
Finance, Risk & Audit Committee, Care & Clinical Governance Commitee,

Appointed: 2018
Ceased: May 2024

Executive Structure

Carrisa Brock
Chief Executive Officer
Leads the Senior Leadership Team to execute the strategy of Hesse Rural Health.

Margie McLead
Director of Clinical Services

Leads the Acute, Urgent Care and Residential Aged Care services and theFood & Domestic services.

Sue Ryan
Director of Clinical Services

Leads community based services including Community Nursing, Allied Health, Health Promotion, Social Support and In Home Support Services, and the Facilities & Gardening maintenance program.

Nab Khoda
Chief Financial Officer & Chief Procurement Officer
Leads the implementation of financial governance and fiscal management of Hesse Rural Health.

Antionette Burgess
Manager People & Culture
Leads the human resource management objectives in partnership with the Executive Team.

Director of Medical Services
Dr Ken Cheng

Statement of Priorities

Statement Of Priorities

Hesse Rural Health Service contributed to the Department of Health Operational Plan 2023-2024 through the following strategic priorities.

Part A: Strategic Priorities

Excellence in Clinical Governance

MA2 Strengthen clinical governance systems that support safe care, including clear recognition, escalation, and addressing clinical risk and preventable harm.

Adopt best practices to minimise the risk for patients in acquiring preventable infections in accordance with the Australian Commission for Safety and Quality in Health Care Accreditation Standard 3.

Outcome: Achieved

A review was undertaken to improve sterile stock management within acute and urgent care, with upgraded storage containers implemented, and an update of the Infection, Prevention and Control (IPC) Audit Schedule completed. Regular attendance was maintained at regional infection prevention meetings, with external IPC support formalised for audits, education and training aimed at ensuring Hesse is meeting the requirements for the National Safety & Quality Health Service Standards. Through organisational scholarship, award training of an additional IPC nurse.

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

Outcome: Achieved

Implementation of Stop and Watch in residential aged care, review of recognition and responding to deterioration procedure, and implementation of escalation of care in community procedure. Facilitated multiple education session for nursing staff including attendance at training for recognising and responding to deterioration, comprehensive assessment of the older person, and a 3 day emergency update hosted by Barwon Health's University Hospital Geelong.

Undertake many other quality improvements, including establishment of multi-disciplinary team meetings to improve discharge planning, appointment of a registered nurse to an Acute/Urgent Care Portfolio position, updated medication competency training tool, embedding of BARS (Barwon Health Acute Referral Service) into process and procedure, increase of regular visiting GPs in RAC to reduce GP ratio to assigned residents and formalisation of an on-call procedure for clear escalation pathways.

Recognising & Responding to Deterioration

The complexity of consumers across acute, residential and community settings has been rising. This is mainly due to an ageing population and associated rise in prevalence of chronic conditions. This increase in complexity places a greater reliance on healthcare staff's clinical judgment and skills. This highlighted the need to explore how we better detect the complexity of consumers and consider ways of supporting clinical judgement and decision making of our clinicians.

Hesse has reviewed and developed relevant procedures for managing deterioration in each setting:

- Recognising and Responding to acute deterioration in Acute and Urgent Care.
- Recognising and Responding to acute deterioration in Residential Aged Care.
- Escalation of care in community settings.

These procedures guide staff in the early identification, assessment, management, documentation and communication about changes in the health status of consumers to ensure that any deterioration is recognised early and action is taken to escalate care. Procedures provide staff with criteria to identify clinical deterioration or a change in consumer status, enable a rapid and coordinated intervention response and also avoid transfer to acute settings from aged care settings if not indicated. This promotes better health and quality of life for all consumers.

The STOP and WATCH tool was implemented in Residential Aged Care in 2023. The STOP and WATCH tool is an acronym to assist the care team in alerting the nurse in charge that they have noticed something different in the resident. The STOP and WATCH tool has been added to the daily forms in the Platinum 6 electronic medical record. Education has been provided to staff on the use of the tool.

Hesse Rural Health accesses a medical assessment through the Winchelsea Medical Practice in hours and the on call GP out of hours. When the GP is unable to attend promptly, virtual services are utilised, including the Barwon Acute Referral Service (BARS) and the Victorian Virtual Emergency Department (VVED).

Within the community setting we have seen the introduction of tools to assist in determining complexity, and increased where required in on call supports over weekends to aid sole clinicians. There has also been a focus on regular multi-disciplinary team and discharge planning meetings. Robust care relationships have been built with GP services, Barwon Health's Hospital In the Home Post-Acute Care and PalCare teams.

Staff have been supported to attend education on Comprehensive Assessment of the Older person - a 3 day course conducted by Latrobe University or a single study day on Recognising and Responding to the Deteriorating Patient.

MA11 Develop strong and effective systems to support early and accurate recognition and management of deterioration of paediatric patients.

- Partner with SCV and relevant multidisciplinary groups to establish protocols and auditing processes to manage effective monitoring and escalation of deterioration in paediatric patients via ViCTOR charts.
- Improve paediatric patient outcomes through implementation of the "ViCTOR track and trigger" observation chart and escalation system, whenever children have observations taken.
- Implement staff training on the "ViCTOR track and trigger" tool to enhance identification and prompt response to deteriorating paediatric patient conditions.

Outcome: Achieved

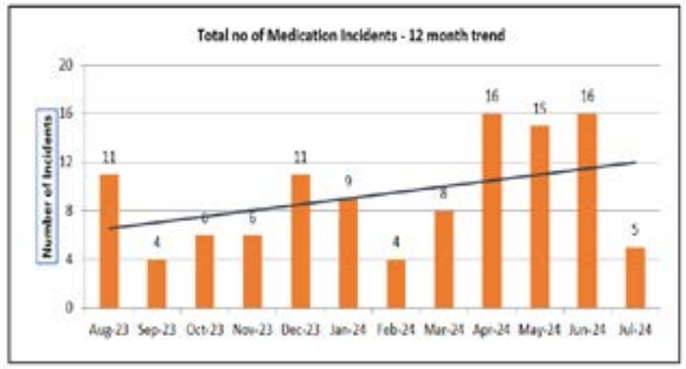
Acute/Urgent Care Portfolio resource developed the required tools, procedures and presented training to clinical staff to support the early and accurate recognition and management of deterioration in paediatric patients.

Electronic Medication Management System in Aged Care

In June 2024, an electronic medication management system was introduced into residential aged care to replace paper-based medication charts. The medication module (P6Med) is an additional module to Leecare Solution's Platinum6 electronic aged care record that was implemented in 2021.

The P6Med module includes medication charts, prescriptions and numerous alerts, assisting staff to achieve a safer, more efficient and effective medication administration process. The module was introduced to bring Hesse into line with current contemporary practice, with the project involving investment in additional software such as laptops for medication trolleys and an extensive education program to ensure all staff were well-supported with the transition including the care team, pharmacist and general practitioners. To ensure safe and accurate transfer of information from the paper drug chart to an electronic record, there were numerous checks and audits to ensure all information was current and error free.

Analysis of data in the two months post going live showed a significant reduction in reported medication related incidents, with the alerts included in the system adding valuable oversight in resident medication management. The Electronic National Residential Medication Chart (eNMRC) additional functionality is planned to be added in 2024-2



Emergency Preparedness

Emergency preparedness in healthcare settings is crucial for ensuring that facilities can respond effectively to a wide range of emergencies, from natural disasters to infectious disease outbreaks. Hesse has an Emergency Response Plan (ERP) that is updated regularly through our emergency planning meetings.

A project in 2024 was to improve the communication of our response to emergency situations through the use of flipcharts located at each phone across our organisation. These flipcharts are easily accessed in an emergency, provide concise information that can be followed step by step, and removed quickly to be carried around by staff in an emergency.

In addition, staff have partaken in staff training including emergency drills to staff in becoming more familiar with Hesse emergency procedures, including how to use emergency equipment and how to respond to different types of emergencies. These drills have allowed staff to utilise the new warden kits that have been purchased across all our facilities.

By implementing these practices, Hesse has improved our resilience and effectiveness in handling emergencies, ultimately ensuring better outcomes for consumers and staff alike.

Achieving the Nutritional and Quality Food Standards

Hesse formed a Nutrition Steering Committee in 2022 when the Nutrition and quality food standards for adults for Victorians in public hospitals and residential aged care were released in August that year. The guidelines provide a framework for providing food and nutrients to inpatients and residents.

The steering committee, consisting of Hesse's Quality Co-ordinator, Director of Clinical Services, Dietitian and Catering Supervisor, undertook a self-assessment against the Nutrition and Quality food standards and an action plan was developed.

The action plan was implemented during 2022 and 2023, resulting in the introduction of a new seasonal menu commencing from January 2024. This was reviewed prior to ensure requirements were met for nutrient banding and menu choices, and the residents were satisfied with the proposed new dishes.

Many continuous quality improvement initiatives have been completed, including the addition of a pictorial menu to assist consumers in making informed choices when ordering their meals. Photos were added to recipes for Hesse's Cooks to refer to, and additional information provided in the kitchen regarding serving sizes, to ensure consistency.

A texture modified diet (TMD) menu for pureed meals was developed according to the International Dysphagia Diet Standards Initiative (IDDSI) and with speech pathologist input. There has been education provided by the speech pathologist to care staff and support services, and the TMD education module is now used within the Hesse online learning system.
Additional audits and surveys were also completed to maintain quality improvement, including a dining room experience survey, food waste audit, meal service audit and mealtime observation audit.

MA10 Implementation of the nutrition and quality food standards for health services.

Consultation with dietitians to formulate strategies to ensure all food provided to patients and residents is of optimal nutritional quality, appealing, offers variety and is culturally diverse, to sustain their nutritional intake, quality of life and wellbeing.

Outcome: Achieved

Hesse's nutrition standards steering committee reviewed our food services menu with greater focus on the needs of aged care residents and ensured alignment with the National Safety and Quality Health Service Standards and Aged Care Quality Standards accreditation requirements. This included a review of menu by internal and external analysis of dieticians and speech pathology focusing on texture modified diets and education for care and support services staff.

Identified actions from the review were implemented to improve the food services menu, including a seasonal menu, addition twice a week for a hot breakfast option, more home baked goods and general improvement of texture modified diet items.

Your Care Path

Your Care Path is a new program, introduced to support people with a chronic condition or who are at risk of developing a chronic condition and who live in a rural or remote area. The program provides holistic support with set outcomes for their health and wellbeing.

Hesse in partnership with Colac Area Health and Great Ocean Road Health (lead Agency), received a grant from the Western Victoria Primary Health Network to deliver Your Care Path in the Colac, Coast and Otways area. This area includes the municipalities of Colac Otway and parts of the Golden Plains and Surf Coast shires.

The model is designed to complement, not replace, managment of existing chronic conditions with support provided by general practice. Clients continue seeing their regular GP while receiving specialised treatment from other service providers at all stages of care.

Key elements of the program

- Delivers person-centred care.
- Supports early intervention and promote evidence-based self-management.
- Supports the development of multidisciplinary collaborative care teams.

Your Care Path takes a multi-disciplinary approach to providing care to consumers. A team of Allied Health professionals are involved in the ongoing care of the consumer. The program includes exercise and healthy lifestyle education and individual treatment plans.

The structure of the exercise programs and education classes are designed to help consumers gain confidence as they move through the different program levels, developing new skills and knowledge that helps them to adopt sustainable, healthy lifestyle behaviours to meet their own personal health goals.

"It's a very good program… being with other people is an advantage. It disciplines you to do exercise when you would normally overlook it… It helps give a sense of community… the Program helps prioritise exercise in a busy schedule" said one participant.

As a result of the introduction of Your Care Path Hesse has seen a significant increase in the number of consumers attending our community health centres and the number and variety of Allied Health programs offered.

Feedback from consumers has indicated there has been an improvement in their overall health and wellbeing, improving confidence in self-management and they feel more social connected.

Improving equitable access to healthcare and wellbeing

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

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

Conduct regular multi-disciplinary discharge planning meetings and development of intake priority tools for accessing community services.

Utilise artwork to create a welcoming environment through the implementation of Hesse's Cultural Safety Plan. Undertake mandatory training for all staff on the importance of 'asking the question' to enable and empower Aboriginal and Torres Strait Islander Australians, and establishment of regular reporting and monitoring of Aboriginal and Torres Strait Islander specific data by the Quality Leadership Committee.

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 in community services.

Further embedding of BARS as a virtual resource in Urgent Care, Residential Aged Care and Community Services.

Utilising video-based care to provide a secondary consultation provided by an emergency physician to potentially avoid attending an Emergency Department.

Strengthening of acute referral relationship with Barwon Health and Epworth Geelong discharge planning co-ordinator.

Harmony of Boundaries

Hesse Rural Health proudly unveiled Harmony of Boundaries in a ceremony on Tuesday 5th December. The captivating artwork installation by esteemed Worimi Artist Gerard Black, appointed through a tender process, is now on display at 8 Gosney Street, Winchelsea.

Harmony of Boundaries reflects the history and journey of the Wadawurrung and Eastern Maar people, who are the Traditional Custodians of the lands on which Hesse operate our healthcare services.

Gerard spoke to how each element in the artwork was a considered choice and echoes the natural flora and fauna seen in Winchelsea, that is significant to Wadawurrung country and Eastern Maar Nation.

Gerard talked of how at its core, the power pays homage to ancestral custodianship of two distinct traditional owner groups. Through a carefully curated interplay of elements, Gerard has bought forth the natural beauty of spiritual essence of the landscape.

The piece is a testament to the profound connection between the land, water, and skies that cradle the Hesse service area. The flowing water, a central motif, symbolizes the dynamic boundary between the Wadawurrung and Eastern Maar territories. It embodies the life-giving force that binds these two nations, offering sustenance, vitality, and a sense of continuity.

The flora and fauna depicted within the artwork mirror the indigenous biodiversity of the Hesse region. Each brushstroke and carving is a homage to the resilience and adaptability of the native species. This connection to nature is integral to the ethos of Hesse Rural Health, where the environment is recognised as a vital factor in the holistic well-being of patients.

The rising sun on Wadawurrung Country signifies not only the dawn of a new day, but also the promise of renewal and growth. Conversely, the setting sun over Eastern Maar Nation ushers in the night, revealing the tapestry of stars that illuminates the sky. The celestial cycle is a reminder of the enduring presence of ancestors and creators, a connection that transcends time and place.

Above, the wedge-tail eagle soars, a symbol of strength and vision, while the Cockatoos dance in a chorus, representing the vibrancy and communal spirit of the land. Their watchful gaze from the skies is a constant, reminding all who pass through the Hesse service area of the ever-present connection to the land, water and sky.

Harmony of Boundaries is more than an artwork, it is a living embodiment of the spirit that defines Hesse Rural Health. It serves as a testament to the enduring relationship between humanity and the natural world, reminding all who interact with it of their place within the greater tapestry of existence.

The decision to commission this artwork was driven by Hesse's endeavour to further deepen our reconciliation efforts and actively partner with First Nations communities to improve care and health outcomes. This beautiful piece of artwork is in a prominent public place where staff, consumers, volunteers, and visitors will engage with and enjoy every day.

Moving from competition to collaboration

ME1 Partner with other organisations 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

Connect with Colac Area Health Aboriginal Liaison Officer, and maintain relationships with Barwon Health Aboriginal Liaison Officer and Wathaurong Aboriginal Co-operative. Launched first nation's artwork to create welcoming entry, introduction of First Nations Ambassador role into Consumer Advisory Committee, and update of Cultural Safety Plan to review progress.

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

Through BSW Health Service Partnership (HSP) participate in regional Clinical Services Planning to assess current state of clinical services in the BSW region.

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.

The mandatory training matrix is regularly reviewed, with the new modules aligned with best practices and national standards introduced, to ensure that both non-clinical and clinical staff receive the most current education available. Our Annual Training Days present a valuable opportunity for staff to engage with different departments and receive important educational updates. Additionally, these training days enable clinical staff to maintain their competencies in alignment with our Mandatory Training Matrix.

Collaborating with the Barwon Southwest Region has facilitated cross-organisational education, enabling staff to access further upskilling opportunities. This collaboaration and developing new partnerships with external providers allows Hesse to offer a range of additional training opportunities for our team, including topics of Basic First Aid, Advanced Life Support, Chemical Safety Training, Palliative Care and the Dementia and Comprehensive Care of the Older Person.

Through our partnerships, we also provide clinical placements for students in Community and Residential Aged Care settings. These placements offer students valuable hands-on experience and skills that support their academic progress and future careers. Through Workplace Training and Career Advisor funding provided in partnership with the Organisational Development team Barwon Health, training for non-clinical staff in Professional Boundaries and Conflict of Interest was made available.

As we continue to embed our staff elected IICARE values into our Hesse culture, we strengthen the opportunities to identify and celebrate our diverse workforce and community. Our Gender Equity Action Plan outlines the actions Hesse is progressing to achieve gender equality in our workforce, and reinforces our commitment to an equitable workplace that provides equal opportunity to all of our employees.

Hesse Emerging Leaders Program

In early 2024, the emerging leaders identified at Hesse participated in a coaching and leadership development program. This investment focused on increasing leadership potential through shared problem solving via peer coaching circles, with a focus on real issues and challenges for the individuals involved. This supportive environment empowered our leaders to self-reflect and develop new ways of thinking and working, learn from each other and provide assistance through organisational change and transition. A key focus was promoting and supporting the health and wellbeing of their teams and themselves, to reduce any potential for overwhelment and overburden. Each participant was also supported with individual coaching sessions.

The evaluation demonstrated the program was valuable to all of the participants and their roles at Hesse, with all implementing learnings into changed behaviours. The program was found to contribute to the participant's sense of health and wellbeing, providing techniques for leadership styles, change management, potential conflicts and resilience, as well as building stronger communication across the leaders at Hesse.

Staff Health & Wellbeing Committee

The Staff Health & Wellbeing Committee continue to meet monthly to discuss and identify possible activities for our staff that support a healthy lifestyle. A staff survey in late 2023 enabled the input on the things that are most important to our team. Key items identified and provided include the establishment of:

- A walking group
- Exercise classes
- Healthy meal options via the Hesse Kitchen

In addition to these activities, the committee has continued to support funded members with their registration for an annual memory walk held in Geelong to raise funds for Dementia Australia, allocation of beverage vouchers, an end of year gift pack, as well as a gift card to celebrate their birthday.

A stonger workforce

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

Undertaking review of allied health model of care including establishment of team leader and provision of allied health therapists within residential aged care to ensure maintaining organisational requirements and clinicians working to higher end of scope of practice. Utilisation of allied health graduate program at Barwon Health to support graduate physiotherapist and introduction of exercise physiologist and allied health assistants across the organisational (community services, residential aged care and acute).

Registered Undergraduate Student Of Nursing (RUSON) pilot completed to develop a sustainable new workforce model within the clinical care team.

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

Outcome: Achieved

Key staff undertook rural urgent care nursing program capability development modules provided by Alfred Emergency Academic Centre, as well as triage education to ensure alignment to Australasian triage scale. The establishment of Acute/Urgent Care Portfolio and embedding of BARS (Barwon Health Acute Referral Service) are also initiatives completed, in addition to scheduling of regular urgent care scenario training.

Training & Development

The monthly Mandatory Training Report from our online learning system demonstrates a positive trend in staff completion rates. By reviewing the mandatory training matrix and introducing new modules aligned with best practices and national standards, we have ensured that both non-clinical and clinical staff receive the most current education available. Additionally, the training matrix was benchmarked against other organisations to confirm its relevance and appropriateness for our staff.

We have also maintained and developed new partnerships with external providers to offer a range of additional training opportunities, including Basic First Aid, Advanced Life Support, Chemical Safety Training, Emerging Leaders Training Program, Palliative Care, Dementia and Comprehensive Care of the Older Person.

Collaborating with the Barwon Southwest Region has facilitated cross-organisational education, enabling staff to access further upskilling opportunities.

To improve accessibility and organisation, our online learning system (Solle) has introduced a booking feature, allowing staff to view upcoming training sessions and easily confirm their attendance.

Through our partnerships, we provide clinical placements for students in Community and Residential Aged Care settings. These placements offer students valuable hands-on experience and skills that support their academic progress and future careers.

Our Annual Training Days present a valuable opportunity for staff to engage with different departments and receive important educational updates. Additionally, these training days enable clinical staff to maintain their competencies in alignment with our Mandatory Training Matrix.

Workplace Training and Career Advisor funding provided in partnership with the Organisational Development team Barwon Health enable training for non-clinical staff in Professional Boundaries and Conflict of Interest.

Annual Staff Scholarship/Awards

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

Originated 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 2023 scholarship to the following Hesse staff member:

- **Kathy Robinson, Community Nurse**
  Nurse Immunisation Course & the Foundations of Infection Prevention and Control Course.

Kathy has completed the 12 week nurse immunisation course provided by Melbourne University, gaining knowledge required to administer vaccines autonomously. This course is approved and recognised by APHRA, enabling Kathy to provide the assistance with our annual immunisation program. Kathy is now enrolled in the Australian College for Infection Prevention & Control course, providing a valuable pathway for further learning and is an important resource for infection control. Once completed, Kathy will then be appointed as a casual Infection Prevention and Control Officer working across Hesse's Residential Aged Care and Community Services. This casual IPC role will relieve the current IPC lead for leave relief and provides support in times of increased demand.

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 displayed 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 2023 winners:

- **INNOVATION**: Matt Hall, Home Care Worker
- **INTEGRITY:** Rachel Wilson, Administration
- **CARING:** Raelene Welton, Home Care Worker
- **ACCOUNTABLE:** Kim Allen, HR Admin Officer
- **RESPECT:** Julie Jelkic, Health Care Worker in Residential Aged Care
- **EXCELLENCE:** Hannah Walker, Health Promotion Officer

Commitment to the Prevention of Family Violence

Hesse is committed to the prevention of family violence and effective response, and is an active participant of Strengthening Hospital Response to Family Violence (SHRFV). Health service staff are in a unique position to identify and provide early support to victim survivors of family violence and their families. For many people affected by family violence, a visit with a health professional may be the first and only step they take to access support and care. A whole-of-organisation model, implementing the SHRFV initiative ensures Hesse staff have skills and experience, personally and professionally, to play a central role in reducing the enduring impact of family violence.

This year, in collaboration with the SHRFV/MARAM Regional Lead for Barwon and Barwon South West, we have prioritised educating our staff on family violence across our organisation. This partnership has led to the enhancement of our family violence modules in the learning system, ensuring they align with the latest information and resources specific to the Barwon Southwest Region. Multiple modules are now available, tailored to various staff roles, both clinical and non-clinical, to equip them with the knowledge, understanding and skills necessary to support patients, consumers and fellow colleagues experiencing family violence.

Educational opportunities have included the “Adults Using Family Violence” workshop facilitated by Barwon Health. Additionally, Hesse hosted an on-site information session on Workplace Response to Family Violence, specifically designed for managers and executives, to enhance their understanding and ability to respond effectively. In collaboration with Barwon South West Health Service Partnership, our staff are provided opportunity for continued learning with regard to the Family Violence Information Sharing scheme to ensure appropriate assessment and reporting of family violence disclosures for the purpose of family violence protection.

SAFE Audit

Victorian hospitals and health services have laid the foundations to identify and respond to family violence, but there’s more work to be done according to an evaluation of the SHRFV program. A research program, the SAFE Project, developed the SAFE Tool to evaluate how hospitals and health services are realising change at the patient, staff and organisation levels to address family violence.

Participating in the SAFE Project and undertaking the SAFE Tool for a second time in 2023 provided Hesse a detailed picture of where positive progress has been made, in addition to identifying areas for further improvement. Audited services who participated were to score highly in organisational culture and policies, procedures and guidelines – the foundations crucial to realising a whole-of-organisation response to family violence – and highly in collaboration,

Empowering people to keep healthy and safe in the community

EA2 Improve the health and wellbeing of our communities, families and individuals by focussing on areas of healthy eating, climate change impacts, increased physical activity, and reduced rates of harmful drug, alcohol and substance behaviours including vaping.

Embed smoking and vaping identification and cessation pathways into routine care.

Outcome: Achieved

Incorporated vaping and smoking screen within holistic needs assessment, and identify referral pathways to Colac Area Health cessation smoking clinic. Embedding of screening process into Urgent Care presentations and Acute Care admissions.

Facilitate and deliver preventative health strategies to improve the wellbeing of people in the community.

Outcome: Achieved

Implementation of Hesse’s Integrated Health Promotion Plan 2022-2025, Community Health Promotion Action Plan 2023-2024 and PHN Chronic Condition Model of Care – Your Care Path.

Care closer to home

EB2 Identify and develop clinical service models of care that can be delivered via virtual care (videocall, telehealth, remote monitoring) where safe and appropriate to enable care closer to home.

Implement programs that increase the number of clinical staff capable and confident to deliver at-home care.

Outcome: Achieved

Training and embedding of virtual care model into clinical practice, with quarterly monitoring on usage of delivery. Attendance at Better at Home community practice forums, scoping of remote patient monitoring model within care delivery and increased community nursing and allied health resources into the growing Golden Plains catchment.

Implement or expand models that facilitate virtual and/or shared remote care delivery between health services so that people can receive care closer to their homes.

Outcome: Achieved

Implementation of PHN Chronic Condition Model of Care – Your Care Path, continued regional collaboration to achieve Better@Home and Residential In Reach objectives of care closer to home and reduce unnecessary presentation to or unplanned readmissions to hospital, and undertake collaborative provision of services within our community with Barwon Health’s palliative care at home program.

Winchelsea Opens New Foodbank: A Boost for Local Families

The Winchelsea Community Foodbank (WCF) opened in early June 2024, in response to community identified need. In 2022 and 2023, data was collected via a community needs assessment and environmental scan conducted by Hesse's Health Promotion Officer (HPO), that indicated Winchelsea is poorly serviced by food relief agencies. Additionally, access to affordable food is limited with only one independent supermarket located in town and access to a larger retailer 30 minutes by car.

This data was in addition to the data presented from the Surf Coast Shire's Winchelsea Community Action Plan 2023-2026, where a survey conducted revealed more households were requiring food relief and assistance than ever before. The survey also indicated need for affordable access to healthier and more convenient food options. Approximately 35 households were accessing the household delivery service via FeedMe Surf Coast. Our research found that whilst delivery services can meet the immediate need, they reduce choice and disempower consumers to meet their own needs. These results, coupled with the current housing and financial crisis, demonstrated an immediate need for a local food relief program which empowered our community.

Access to affordable, nutritious and culturally appropriate food is a key pillar of overall health and wellbeing. In health promotion, we refer to influences such as this, as the social determinants of health.

Subsequently, our Healthy Communities Team felt compelled to act, as without reliable and regular access to nutritious foods, we cannot expect our community to make progress in other areas of their health.

Following a successful grant from the Give Where You Live (GWYL) Foundation in 2023, the Healthy Communities Team established the Food Access Action Group. Using co-design principles, the action group developed a suitable food relief model for Winchelsea. This action group comprised 12 community members who provided experience in the food relief sector, lived experience of accessing food relief, general interest or were well connected community members.

Hesse's Health Promotion Officer undertook a literature review of various food relief models, that the Food Access Action Group reviewed to enable their decision regarding the most suitable food relief mod for Winchelsea. The working group met five times over six months with the support of Hesse's HPO and established a food relief model, the WCF. Everything from the model of food relief to the location and operational hours of the foodbank have been designed in collaboration with the community. The operational procedures which included eligibility criteria, or lack thereof were also agreed upon by the Food Access Action Group. Robust discussion by the working group ensured that the chosen food relief model and procedures best addressed the needs of this specific community.

The foodbank is currently coordinated by Hesse's Food Security Project Officer, and is supported by 20 active volunteers. The WCF is open weekly on each Friday between 12-2pm, supported by volunteers, deliveries and donated food items that arrive each Friday morning. The volunteers diligently sort, organise and unpack all the deliveries – setting up the foodbank shelves to resemble that of a supermarket. You can feel the pride each volunteer takes in making sure the shopping experience is as comfortable and as normal for consumers as possible.

The WCF sees an average of 36 people through the door each week. This equates to feeding an average of 87 people per week and distributing over 300kg of food and household items per week. Foodbank consumer feedback includes,

"I don't know where I'd be without this service and I'm now eating fruit and veggies as I haven't been able to in months."

The impact the WCF is already having on the community is immense and far extends beyond the provision of food. The co-benefit of the project includes social connection for both the consumers and volunteers. The level of social connection shared between the volunteers was not an anticipated impact but has been fantastic to witness.

Most recently, further grants were secured via the GWYL Foundation and the Geelong Community Foundation, to support ongoing work into 2025. We look forward to further building the skills and capacity of our community to address food insecurity.

Moving for Better Health - The Importance of Exercise in Health Settings

Exercise plays a pivotal role in enhancing both physical and mental health. Hesse offer a variety of structured exercise programs in both the community and residential aged care settings as part of our holistic consumer care.

Hesse continues to offer Bones and Balance classes to the community. These classes aim to reduce the risk of fractures, improve mobility, and support overall physical health. They are accessible across our catchment including Beeac, Winchelsea, Inverleigh and most recently introduced in Bannockburn and Rokewood. Consumers are assessed at the commencement of the program and their progress tracked over time. Increasing strength helps with everyday task such as moving pots of water from the sink to the stove, hanging out the washing and mowing the lawns.

Partnerships assist Hesse to provide more exercise opportunities to our communities. The introduction of the new Your Care Path program funded by the Primary Health Network has seen in an increase in the number and variety of exercise groups in community, from walking groups, home exercise programs and gym sessions. After developing a partnership with the Surf Coast Shire, Hesse has been able to offer both individual and groups gym sessions at the Winchelsea Hub. Using a gym settings helps to destigmatise the environment for consumers and increases the likelihood of them taking out their own private gym membership and continuing with exercise beyond the program. Access to equipment at the gym has increased the opportunity to introduce more rigorous cardio exercises for consumer with more advanced needs.

Hesse has been working with the Beeac Primary school to offer a floor base gym circuit to senior students. The enthusiasm exhibited by students has been a delight.

"Each week the students are wanting to enhance their achievements from last week. It was initially only the male students that wanted to participate, now we are designing a class specifically for the female students" Hesse's Exercise Physiologist.

Our Residential Aged Care exercise groups occur three times a week and complement other aspects of care. Our team of allied health professional ensures that physical activity supports residents' goals. Offering a range of exercise options—from aerobic activities to strength training and flexibility exercises, catering to diverse preferences and needs. In addition, one on one exercise programs are conducted and regular wheelchair walks are enjoyed by all.

Social support programs have also begun incorporating exercise into their calendar of events. Although walking is a regular aspect of social support outings, in-house sessions have enjoyed the introduction of gentle chair exercises. Hesse also partnered with Winchelsea Neighbourhood House to offer gentle chair exercises to the boader community.

The introduction of exercise programs across our health settings represents a significant advancement in comprehensive consumer care. By embracing the benefits of physical activity and addressing the challenges involved, we enhance consumer outcomes, support recovery, and promote long-term wellness. As the evidence supporting the positive effects of exercise continues to grow, so will the integration of structured exercise routines across health settings.

Aged Care Quality & Safety Standards

In July, Hesse residential aged care was successfully reaccredited by the Aged Care Quality and Safety Commission following an unannounced site audit. All standards were found to be met, with feedback received that our facilities are well run, staff know the residents well and are kind, respectful and capable, and the residents felt valued and respected.

Our consumers stated the service environment was welcoming, comfortable, and easy to navigate through both our indoor and outdoor spaces. The farm atmosphere developed through the garden space makes consumers feel at home, and consumers reporting they find our service clean and well-maintained including their equipment and mobility aids. The Assessment Team noted observing consumers' rooms to be personalised and reflect their life, hobbies, and interests.

Consumers were observed by assessors participating in activities including quizzes and listening to live music, with interactions between staff and consumers observed to be friendly and caring. During meal times, consumers were seen to be happy with the quality and quantity of the food provided.

The assessors confirmed effective governance systems in place, and compliance with relevant legislation and regulatory requirements. Consumers and representatives reported being involved in assessment and care planning, and that the service provides safe and effective clinical care that is tailored to their needs.

Consumers and representatives stated the service was well-run, staff were kind, respectful and capable, and knew them well, and that their feedback was acted on. Staff were found to be capable, competent and knowledgeable about consumers. Staff were supported with supervision, appropriate equipment, training, and policies to effectively perform their roles. Interactions between staff and consumers were observed to be friendly, respectful and caring.

This was a wonderful achievement by the dedicated Hesse team, and evidenced our aims to provide safe, effective, person-centred care provided at Hesse.

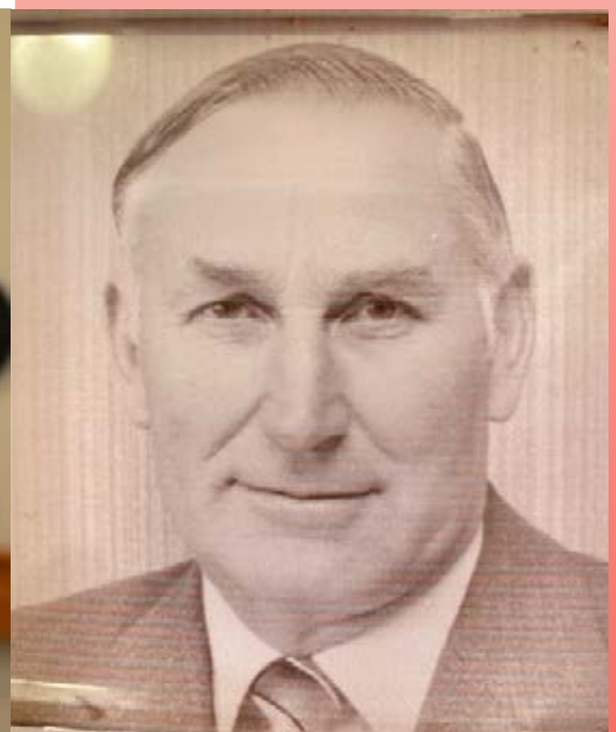
Consumer Story: Hesse Connections Over Generations

Hearing the lived experience from or about our consumers, is an important process when considering governance practice and overall decision making at Hesse. This supports a focus on improving our delivery of person-centred care, with consumer stories regularly presented to the Hesse Board of Directors and their sub-committee, the Consumer Advisory Committee.

One of these consumer stories focused on John W Caldow (Jnr), pictured below, a current resident in Chelsea Lodge. The Caldow family are a local, farming family who have been connected to Hesse throughout the generations, making a significant contribution to the establishment and oversight of the hospital through Board involvement. His father, John S Caldow (Snr) was involved in the community efforts to establish a hospital in Winchelsea in the 1940's. After some protracted delays, the Gosney Street Hospital was opened in 1956 and John S Caldow (Snr) was a member of the Board at the time and subsequently became chairman of the Board.

The Caldow's also purchased the current Winchelsea Community Health building in Gosney St as their home upon retirement, and to the Caldow family this building is referred to as "Grandma's house".

John W Caldow (Jnr) was also a Winchelsea Hospital committee member for 13 years in the 80's and 90's. At 85 years of age, John was diagnosed with Parkinson's. In 2023, he commenced accessing home supports provided by Hesse's In Home Support Team through the allocation of a Home Care Package. In 2023 at the age of 92 years and following multiple falls, he moved into Hesse's Residential Aged Care facility in Gosney Street, where he currently resides.



Fundraising and Donations

Hesse Op Shop Rebuild Appeal

Hesse launched the Op Shop Rebuild Appeal in 2021, following a devastating fire in November 2020, to contribute towards the redevelopment of the health services' property at 44-46 Main Street.

This involves the restoration of the existing building as a first stage, which embraces and recognises the sites valued heritage to ensure the legacy of both the former Orchard bakery and attached dwelling on site are protected. A second stage is proposed to extend the footprint at the rear of the building.

Preliminary works continue following the issuing of an initial planning permit to utilise the site for an Op Shop. This included electrical upgrades to the site and endorsement of amended plans confirming the renovation and rebuild requirements to enable the building to be returned to its former beauty.

Our dedicated Hospital Auxiliary Volunteers continue to run an Op Shop from their temporary location of 10 Willis Street, providing an important service to the Winchelsea community and a much appreciated funding stream for Hesse.

Our generous community continue to show great support to our Op Shop Rebuild Appeal, with $204,609 raised to date of our $400,000 target, including $3,425 raised in the 2023-24 financial year. We are very thankful for this support raised through fundraising activities and many community and local business donations.

Hesse is very grateful for these many contributions, as well as the very passionate Hospital Auxiliary volunteers and the members of our Marketing and Fundraising Committee.

Hospital Auxiliary

Hesse is very fortunate to be supported by the Hospital Auxiliary, with two Hesse projects funded by Op Shop proceeds in 2023-24. As an end of year gift to the residents, the Auxiliary pledged $1,000 towards the upgrade of the hairdressing salon room that included the plumbing of a new salon basin and a more practical and comfortable chair. The Hospital Auxiliary also provided $37,000 towards a dining room and soft furnishings upgrade. Our residents are very grateful to have these upgrades made to their home for all to enjoy.

General Donations

Many generous individual donations were also made in 2023-24, with $960 received. These funds were used to support lifestyle activities for our residents, and the bringing of a coffee van on-site for all staff to acknowledge and celebrate International Nurses Day.

Op Shop Rebuild Appeal **$204,609** already raised

The Hospital Auxillary donating **$37,000** towards our aged care dining room upgrade

Statement Of Priorities

Part B: Performance Priorities

High Quality and Safe Care Key Performance Measures	Target	Outcome
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	85%	90%
Percentage of healthcare workers immunised for influenza	94%	100%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses - Quarter One, Two and Three	95%	No result due to less than 10 responses in 2023-24
Victorian Healthcare Experience Survey – percentage of positive patient experience responses - Quarter Two	95%	No result due to less than 10 responses in 2022-23
Victorian Healthcare Experience Survey – percentage of positive patient experience responses - Quarter Three	95%	No result due to less than 10 responses in 2022-23
Percentage of Aboriginal admitted patients who left against medical advice2	25%	0%

Strong Governance, Leadership & Culture

People Matter Survey	Target	Outcome
Percentage of staff with an overall positive response to safety culture survey questions Safety Culture Amongst Healthcare Workers	62%	78%

Key Performance Indicators

Key Performance Indicator	Target	2023-24 Result
Operating Result ($m)	$0	$0.24m
Average Number of Days to Paying Trade Creditors	60 Days	48 days
Average Number of Days to receiving Patient Fee Debtors	60 Days	13 days
Adjusted Current Asset Ratio	0.7	0.75
Actual number of days available cash, measured on the last day of each month	14 days	3 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30th June.	Variance ≤ $250,000	Achieved

Part C: Activity & Funding

Funding Type

Funding Type	Achieved
Small Rural Acute	3
Small Rural Primary Health & HACC	5,999
Small Rural Residential Care	8,630

Reporting

Reporting Information

Occupational Health & Safety Statistics	2021-22	2022-23	2023-24
Number of reported hazards / incidents for the year per 100 FTE staff members.	42.24	46.00	61.22
The number of lost time standard Workcover claims for the year per 100 FTE staff members.	2.63	1.25	4.50
The average cost per Workcover claim for the year	$13,504	$39,172	$20,805

Occupational Violence Statistics	2023-24
1. Workcover accepted claims with an occupational violence cause per 100 FTE.	0
2. Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0
3. Number of occupational violence incidents reported.	12
4. Number of occupational violence incidents reported per 100 FTE.	10.80
5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0%

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 the course of a planned or unplanned Code Grey, the incident must be included.
Accepted Workcover claims: accepted Workcover claims that were lodged in 2022-23.
Lost time: is defined as greater than one day.
Injury, illness or condition: this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

Workforce Statistics - Full Time Equivalent (FTE)	June Current Month FTE*		Average Monthly FTE*	
	2023	2024	2022-23	2023-24
Nursing	37	43.19	38	44.36
Administration & Clerical	17.5	17	16.1	18.35
Medical Support	0.0	0	0.0	0
Hotel & Allied Services	42.1	45	42.2	47.76
Medical Officers	0.0	0	0.0	0
Hospital Medical Officers	0.0	0	0.0	0
Ancillary Staff (Allied Health)	3.0	5.89	3.9	4.7
Sessional Clinicians	0.0	0	0.0	0
Total	**99.6**	**111.08**	**100.2**	**115.17**

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).

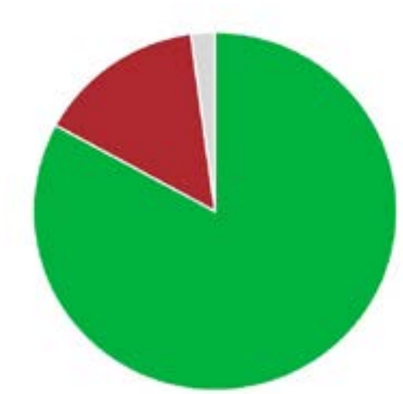
Assets Management Accountablility Framework

The following sections summarise Hesse Rural Health assessment of maturity against the requirements of the Asset Management Accountability.

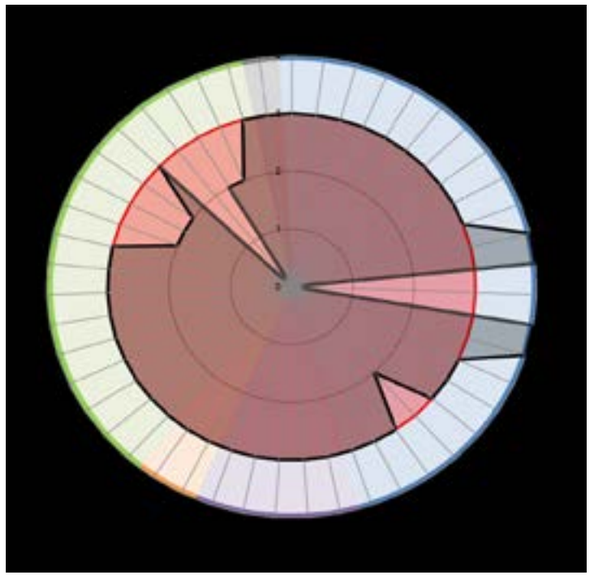
Framework (AMAF).

The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework). Hesse Rural Health target maturity rating is 3 ‘competence’, meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.

AMAF Compliance



Compliance and Maturity Rating Tool



Legend

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

Leadership and Accountability (requirements 1-19)
Hesse Rural Health has met or exceeded its target maturity level in this category.

Asset Planning (requirements 20-23)
Hesse Rural Health 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 Rural Health’s maturity rating in the areas below target.

Asset Acquisition (requirements 24 and 25)
Hesse Rural Health has met or exceeded its target maturity level in this category.

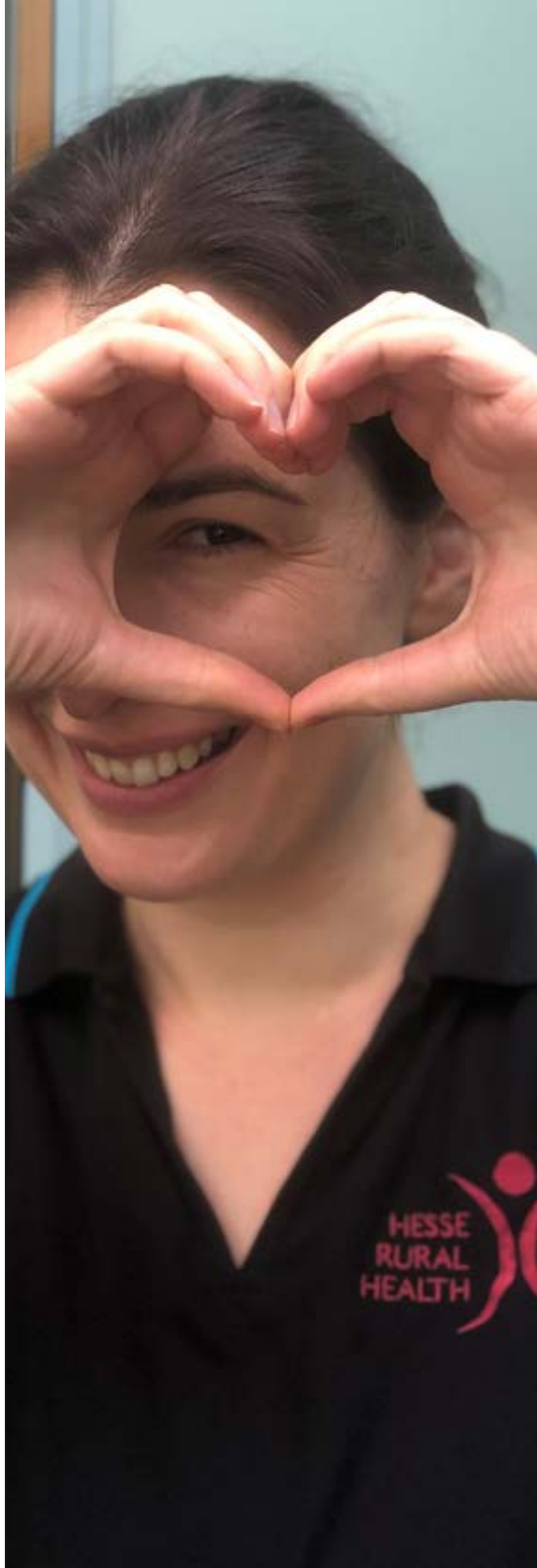
Asset Operation (requirements 26-40)
Hesse Rural Health has met or exceeded its target maturity level under most requirements within this category.

Risk Management (requirements 26, 27 and 28)

All areas have partial compliance. Hesse Rural Health has not met its target maturity level in this category. A plan for improvement is in place to improve the Hesse Rural Health maturity rating in the areas below target.

Information Management (requirements 37a and 38)
All areas have partial compliance. Hesse Rural Health has not met its target maturity level in this category. A plan for improvement is in place to improve the Hesse Rural Health maturity rating in the areas below target.

Asset Disposal (requirement 41)
Hesse Rural Health has met its target maturity level in this category.



Clinical Incidents & Reviews

Everyday across Hesse Rural Health, our residents, consumers and patients receive high quality, safe and effective care. However, despite our best efforts, clinical incidents do occasionally occur. A clinical incident is defined by the Australian Commission on Safety and Quality in Health Care 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'.

To prevent these incidents occurring again, it imperative that the incident is reported into the RiskMan incident management system as part of a safety culture of incident reporting. This enables staff to respond effectively through an investigation process including the identification and implementation of improvements.

Falls, medication incidents and skin tears are commonly reported incidents, and all clinical risk are reported. Our increased reporting rates in recent years is welcome, as it provides Hesse with a clearer understanding of clinical risk through trend analysis, as well as the opportunity to manage the incident and put measures in place to minimise both individual and systemic risk.

Hesse Rural Health strives for a just culture to ensure staff feel comfortable to report and allow for matters to be addressed, with the increase in both the incident number and variety of incidents reported a reflection of this culture. The severity of an incident determines the required level of reporting and investigation of an incident. The incident severity is determined by incident severity rating (ISR) from 1 to 4, with 1 signifying 'severe' and 4 as 'no harm/ near miss'. Most of our clinical incidents are reported with as an ISR of 4/no harm/near miss (64%), or an ISR of 3/mild (35%) which demonstrates staff are identifying and managing clinical risk to prevent significant harm to our residents and consumers. No incidents that occurred were rated 'severe'.

All clinical incidents are followed up by managers and with broader staff input through the weekly incident review meeting, and monitored at the Quality Leadership Committee and the Care & Clinical Governance Committee.

In-depth case reviews are undertaken by a multidisciplinary team for incidents rated as 'moderate' to better understand the factors preceding the incident and analyse the response to the incident with the aim of improving systems to minimise the risk of harm and prevent further incidents occurring. These in-depth case views are presented and discussed at the Quality Leadership Committee, General Practitioner meeting and Care & Clinical Governance Committee. Six incidents were rated as 'moderate'.

Clinical Incident Type	2023-24	2022-23	2021-22	2020-21
Overall Number of Incidents	**508**	**449**	**402**	**430**
Falls	39%	33%	33%	32%
Medication Errors	23%	20%	13%	17%
Pressure Injuries	5%	3%	6%	5%
Skin Tear	7%	10%	9%	7%
Behavioural	7%	8%	16%	19%
Clinical Deterioration	0%	0%	0%	1%
Diet	2%	1%	0%	1%
Other*	18%	25%	22%	18%

* Other Incidents includes from unknown causes such as bruises, scratches, wounds, blisters and accidental knocks, near miss falls.

Non-Admitted Patients	2023-24	2022-23	2021-22	2020-21
Emergency Medical Treatment	84	70	49	28
Community Contact Hours (Home and Community Care, Commonwealth Home Support and Small Rural Health Service funded)	42,168	28,669	25,717	21,596
Community Nursing	5,928	7,811	9,400	9,409
Postnatal Care at Home	245	332	267	240
Physiotherapy	784	530	861	597
Occupational Therapy	925	1,450	1,476	1,454
Dietitian	214	308	67	170
Diabetes Education	158	193	135	137
Social Support Program	15,677	17,551	12,207	9,392
Counselling	572	362	NA	NA
Other	362	132	218	90

42,168 Community Contact Hours

8,630 Bed Days in Residential Aged Care

Admitted Patients	2023-24	2022-23	2021-22	2020-21
SEPARATIONS				
Acute	28	27	34	20
Non-Acute	0	0	0	0
Same Day	1	0	0	0
Total Hospital Separations	**29**	**27**	**34**	**20**
PATIENT BED DAYS				
Acute	535	552	269	332
Non-Acute	0	0	0	0
Same Day	0	0	0	0
Total Hospital Patient Days	**535**	**552**	**269**	**332**

Disclosures Required Under Legislation

Freedom of Information (FOI) 1982
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 $30.58 that must accompany the written charges for searching, photocopying and postage.

A member of the public wishing to access information should make a written request to the Chief Executive Officer, Hesse Rural Health, 8 Gosney Street, Winchelsea, VIC 3241 or on 5267 1200. Further information may be sought from www.foi.vic.gov.au.

For the 12 months ending 30 June 2024, Hesse Rural Health received 3 valid applications. (1 subponea, 1 research data consent, 1 copy of own record).

Buildings and Maintenance
Hesse complies with the Building Act 1993, and relevant provisions of the 'National Construction Code' for publicly owned buildings during maintenance and redevelopment. An essential fire safety service maintenance program is in place.

Public Interest Disclosures Act 2012 (Vic)
Hesse is compliant with obligations under the Public Interests Disclosures Act 2012 (Vic). Protected disclosures may be made to the CEO or the Disclosures Coordinator DHHS on 1300 131 431 or public.interest.disclosures@dffh.vic.gov.au. No disclosures were made.

Competitive Neutrality
Hesse is compliant with the requirements of the government statement 'Competitive Neutrality Policy Victoria'. The purpose is to account for advantages arising out of public ownership.

National Competition Policy
Hesse is compliant with the National Competition Policy and all requirements of the Competitive Neutrality Policy Victoria and any subsequent reforms.

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
In 2023-24, there were no jobs requiring disclosure under the 'Local Jobs First Policy'. There were no applications made in the July 2023 to June 2024 reporting period.

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, and the involvement of carers in the development and delivery of our service.

Occupational Health & Safety Act 2004
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.

Privacy
Hesse complies with legislation relating to confidentiality and privacy including the Health Services Act 1988 (Vic.), Health Records Act 2001 (Vic.), Privacy Act 1988 (Commonwealth) and Privacy & Data Protection 2014 (Vic.). Policies ensure that personal health information remains confidential, secure and accessible under Freedom Of Information guidelines.

Subsequent Impacts
There were no events subsequent to 30th June 2024 that would significantly effect Hesse's operations in subsequent years.

Gender Equality Act 2020 - Workforce Inclusion Policy
Hesse has initiated a workforce inclusion action plan consistent with the Gender Equality Act 2020. Hesse has conducted a workplace gender audit that analysed workforce data from payroll and Human Resources, employee experience data from the Victorian public sector's annual employee opinion survey and added data where available. We conducted a gender impact assessment of policies, programs and services that have a direct and significant impact on the public. As part of this assessment Hesse reviewed programs such as grants and public events, services such as public infrastructure development and community development and policies such as equal access and community engagement policies.

Additional Information Available on Request

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

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

Social Procurement

In FY 2024, Hesse Rural Health exemplified its commitment to social procurement by directing its spending towards businesses and enterprises that contribute to social good where practically reasonable to do so. Specifically, the organization spent $11.2K on Victorian Aboriginal businesses, supporting the economic empowerment and sustainability of Indigenous communities. Additionally, $600 was allocated Victorian Social Enterprises (VicSE) and Australian Disability Enterprises (ADE), as well as another $600 to other Victorian Social Enterprises. These expenditures illustrates Hesse Rural Health's dedication to fostering social impact through its procurement practices, supporting enterprises that align with its values and mission to promote community well-being.

Sustainability in Health Care

Environmental sustainability at Hesse is guided by our 2024-26 Environmental Management Plan (EMP). Sustainability in health care refers to the adoption of practices that minimize the environmental impact of health care systems while improving public health outcomes. This movement is driven by the recognition that health care facilities are significant contributors to greenhouse gas emissions and waste.

Across the region health care facilities are investing in energy-efficient technologies and renewable energy sources. Hesse have been implementing energy-saving measures such as LED lighting, efficient heating, ventilation, and air conditioning systems, and smart building technologies. The integration of new 99kW solar panels have reduced dependence on fossil fuels and lower carbon footprints. LGP usage has reduced by 31% related to the change from gas to electric hot water system at Beeac and removal of gas heating at Rokewood.

Medical waste management is another critical area of focus. Hesse are adopting strategies to reduce, reuse, and recycle medical supplies and packaging. Our general waste and commingled recycling is now on a HealthShare Victoria (HSV) contract. Additionally, initiatives such as single-use device reprocessing and waste segregation support by new recycling signage for bins are being employed to manage waste more effectively.

Hesse has begun the implementation of green procurement policies through HSV contracts, ensuring supply chains with minimal environmental impact are selected. This includes sourcing materials from eco-friendly suppliers and supporting products with minimal environmental impact.

This year Hesse have added two hybrid cars to our fleet. Hybrid cars offering a greener alternative to conventional vehicles, with improved fuel efficiency and reduced emissions (refer Hesse on the Move info below).

As these initiatives continue to evolve, they underscore the importance of integrating sustainability into everyday practices. By embracing such innovations, we not only address the immediate challenges of climate change but also contribute to a healthier, more sustainable future for generations to come.

Hesse on the Move with Arrival of Electric Vehicle.

Hesse Rural Health community outreach staff took to the country roads in June in our very first hybrid electric vehicle.

The new Toyota Corolla hybrid sedan forms part of Hesse's Environmental and Sustainability Plan to deliver cleaner, greener healthcare and community services to rural communities.

The move towards greener powered cars falls in line with Hesse's ability to go the distance in delivering urgent and acute care, hospital in-home care, dementia and aged care services, as well as a broad range of community outreach services to the region.

Pic below: Hesse fleet administrator Caisha Tanis in front of the Toyota Corolla hybrid EV.

Working to achieve long term environmental sustainability

MB2 Development of a health service financial sustainability plan in partnership with the Department with a goal to achieving long term health service safety and sustainability.

- Implementation of cost-containment initiatives: Identify and implement cost-saving measures such as optimising supply chain management, optimising workforce utilisation and streamlining administrative processes.

Outcome: Achieved

Creation and implementation of a financial management improvement plan (FMIP) to identify key areas of savings that resulted in an operating surplus and ensured a positive cash position at end of financial year.

- Collaborative partnerships: Collaborate with other health service providers, community organisations, the department, and stakeholders to explore opportunities for shared services, joint procurement, and resource sharing to reduce costs and improve efficiency.

Outcome: Achieved

Access regional payroll services from SouthWest Healthcare, and participate in a Barwon South West regional human resource system implementation. Further expand regional procurement services provided by SouthWest Healthcare, including implementation of online ordering system iProcurement. Other initiatives include the sourcing of regional finance support from Barwon Health, with formal monthly assistance from 1st July 2024, implementation of regional facilities and asset management system and participate in a centralised procurement process with other regional health services to acquire an electric temperature monitoring system.

Whether it's providing cleaning services for a client in Moriac, helping someone to shower in Bannockburn, or taking someone shopping in Mt Mercer, our staff are constantly on the road.

Delivering high-quality in-home care is something we are very proud of, and the arrival of the hybrid vehicle is one of the many ways we are making what we do in community more environmentally sustainable.

Hybrid vehicles can run on both petrol/diesel and electric power and non-plug-in hybrid electric vehicles do not need to be plugged into an outlet.

They are a cheaper alternative to a fully electric vehicle and provide the benefits of having better fuel economy and reduced impact on the environment than a standard car with only a petrol or diesel motor.

Quotes about installing an electric vehicle charging station in Hesse's main Winchelsea car park have been obtained and Hesse will now seek grant funding opportunities to enable this to proceed so that full electric vehicles can be considered in the future.

Environmental Performance

Hesse Rural Health is committed to improving the health and wellbeing of the people and communities we serve. All environmental performance indicators including energy (as well as transportation), waste, water, greenhouse gas emissions, sustainable buildings and infrastructure, and sustainable procurement 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.

It is an expectation that all Hesse team members play their part to minimise unnecessary energy waste and actively participate in renewable environmentally friendly initiatives.

For the purpose of the following environmental reporting, the organisational boundary is our main Winchelsea site at 8 Gosney Street. This includes the Winchelsea Hostel & Nursing Home Society Inc.'s Chelsea Lodge Hostel.

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.

Energy Use

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

Electricity Use	**2023-24**	**2022-23**	**2021-22**
EL1 Total Electricity Consumption (MWh)			
Purchased	365.5	436.6	462.6
Self Generated	106.5	36.6	-
EL1 Total Electcity Consumption	**472.0**	**473.2**	**-**
EL2 Onsite Electricity Generated (MWh)			
Consumption Behind The Meter			
Solar Electricity	106.5	36.6	-
Total Consumption Behind The Meter	**106.5**	**36.6**	**-**
Exports			
Solar Electricity	0	0	0
Total Electricity Exported	**0**	**0**	**0**
EL2 Total Onsite Electricity Generated	**106.56**	**36.6**	**-**
EL3 Onsite Installed Generation Capacity (kW converted to MW)			
Diesel Generator	0.3	0.3	0.3
Solar System	0.1	0.1	0.1
EL3 Total Electricity Offsets	**0.4**	**0.4**	**0.4**
EL4 Total Electricity Offsets (MWh)			
LGCs Voluntarily retired on the entity's behalf	0	0	0
GreenPower	0	0	0
Renewable Power Percentage In The Grid	68.7	82.0	86.0
Certified climate Active Carbon Neutral Electricity Purchased	0	0	0
EL4 Total Electricity Offsets	**68.7**	**82.1**	**86.0**

Stationary Energy

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

Stationary Energy	2023-24	2022-23	2021-22
F1 Total Fuels Used In Building & Machinery (MJ)			
Natural Gas	2,115,763.6	2,311,386.3	2,212,188.0
LPG	128,086.3	174,449.1	211,423.7
F1 Total Fuels Used In Building	**2,243,849.9**	**2,485,835.4**	**2,423,611.7**
F2 Greenhouse Gas Emissions From Stationary Fuel Consumption (Tonnes CO2-e)			
Natural gas	109.0	119.1	113.9
LPG	7.2	10.6	12.8
F2 Greenhouse gas emissions from stationary fuel consumption [Tonnes CO2-e]	116.2	129.7	126.8

Transportation

The following data has been estimated by annualising available data within our fleet management system for Jan-Jun 2023. Full year actual data will be available for publication in future Annual Reports.

Transportation Energy	2023-24	2022-23	2021-22
T1 Total Energy Used In Transportation (vehicle fleet) Within the Entity (MJ)			
Non-executive fleet - E10	929,678.4	24,488.2	-
Petrol (E10)	929,678.4	101.3	-
Executive fleet - Diesel	24,318.0	5,573.9	-
Non-executive fleet - E10	59,911.5	-	-
Diesel	84,229.5	-	-
Total energy used in transportation (vehicle fleet) (MJ)	**1,013,907.9**	**-**	**-**
T2 Number & Proportion Of Vehicles In The Organisational Boundary			
T2 Road Pasenger 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			
Petrol (E10)	56.62	-	-
Executive fleet - Diesel	1.71	-	-
Non-executive fleet - Diesel	4.22	-	-
Diesel	**5.93**		
Total Greenhouse gas emissions from transport	**62.55**		

Total Energy Use

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

Total Energy	2023-24	2022-23	2021-22
E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]			
Total energy usage from stationary fuels (F1) [MJ]	2,243,849.9	2,485,835.4	2,423,611.7
Total energy usage from transport (T1) [MJ]	1,013,907.9	*	-
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]	3,257,757.8	2,485,835.4	2,423,611.7
E2 Total energy usage from electricity [MJ]			
Total energy usage from electricity [MJ]	1,699,389.4	1,703,642.2	1,665,359.3
E3 Total energy usage segmented by renewable and non-renewable sources [MJ]			
Renewable	723,941.8	427,383.7	309,590.3
Non-renewable (E1 + E2 - E3 Renewable)	4,616,812.3	3,762,093.9	3,779,380.7
E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser			
Energy per unit of Aged Care OBD [MJ/Aged Care OBD]	462.8	508.2	514.1
Energy per unit of LOS [MJ/LOS]	6,905.8	8,087.8	15,200.6
Energy per unit of bed-day (LOS+Aged Care OBD) [MJ/OBD]	433.8	457.55	497.32
Energy per unit of Separations [MJ/Separations]	140,829.9	155,165.8	120,263.8
Energy per unit of floor space [MJ/m2]	698.6		

Water Use

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

Water Use	2023-24	2022-23	2021-22
W1 Total Units Of Metered Water Consumed (kl)			
Potable water [kL]	6,015.4	5,164.5	6,309.1
Total units of water consumed [kl]	**6,015.4**	**5,164.5**	**6,309.1**
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)	0.7	0.6	0.8
Water per unit of LOS (kL/LOS)	10.5	9.9	23.5
Water per unit of bed-day (LOS+Aged Care OBD) [kL/OBD]	0.6	0.5	0.7
Water per unit of Separations (kL/Separations)	214.8	191.3	185.6
Water per unit of floor space [kL/m2]	1.0	0.9	1.12

Sustainable Buildings & Infrastructure

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

Sustainable Buildings & Infastructure	2023-24
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 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	2023-24	2022-23	2021-22
1000km (Corporate)	-	-	-
1000km (Non-emergency)	-	-	-
Aged Care OBD	8,519.0	8,244.0	7,953.0
ED Departures	0.0	0.0	0.0
FTE	114.0	100.2	98.0
LOS	571.0	518.0	269.0
OBD	9,090.0	8,762.0	8,222.0
PPT	9,118.0	8,789.0	8,256.0
Separations	28.0	27.0	34.0
TotalAreaM2	5,644.0	5,644.0	5,644.0

NOTE: Indicators are not reported where data is unavailable or an indicator is not relevant to the organisation's operations

Waste & Recycling

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

Waste & Recycling	2023-24	2022-23	2021-22
WR1 Total units of waste disposed of by waste stream and disposal method [kg]			
Landfill (total)	*	*	-
General waste	187,200.0	1,87,200.0	-
Offsite treatment		*	-
Clinical waste - incinerated	22.4		
Clinical waste - sharps	37.7	40.1	24.8
Clinical waste - treated	462.9	570.4	396.0
Recycling/recovery (disposal)	-	-	-
Commingled	**23,400.0**		
Total units of waste disposed [kg]	**211,123.2**	**610.5**	**420.8**
WR1 Total units of waste disposed of by waste stream and disposal method [%]			
Landfill (total)	-	-	-
General waste	88.69%	*	-
Offsite treatment		*	-
Clinical waste - incinerated	0.01%		
Clinical waste - sharps	0.02%	6.57%	5.89%
Clinical waste - treated	0.22%	93.43%	94.11%
Recycling/recovery (disposal)		*	-
Commingled	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]	**20.5**	-	-
Total waste to offsite treatment per patient treated [(kg offsite treatment)/PPT]	0.6	0.7	0.5
Total waste recycled and reused per patient treated [(kg recycled and reused)/PPT]	2.5		
WR4 Recycling rate [%]			
Weight of recyclable and organic materials [kg]	23,400.0	-	
Weight of total waste [kg]	211,123.2	610.5	420.8
Recycling rate [%]	**11.08%**	*	-
WR5 Greenhouse gas emissions associated with waste disposal [tonnes CO2-e]			
tonnes CO2-e	244.0	0.8	0.6

Greenhouse Gas Emissions

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

Greenhouse Gas Emissions	2023-24	2022-23	2021-22
G1 Total scope one (direct) greenhouse gas emissions [tonnes CO2e]			
Carbon Dioxide	178.7	129.3	126.4
Methane	0.2	0.3	0.3
Nitrous Oxide	0.3	0.1	0.1
Total	**179.33**	**129.7**	**126.8**
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) [tonnes CO2-e]	116.79	129.7	126.8
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) [tonnes CO2-e]	62.5	*	-
Medical/Refrigerant gases	*	*	-
Total scope one (direct) greenhouse gas emissions [tonnes CO2e]	**179.3**	**129.7**	**126.8**
G2 Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]			
Electricity	240.3	299.9	337.8
Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]	**240.3**	**299.9**	**337.8**
G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO2e)			
Commercial air travel	0	0	0
Waste emissions (WR5)	244.0	0.8	0.6
Indirect emissions from Stationary Energy	40.7	51.4	46.5
Indirect emissions from Transport Energy	15.8	*	-
Paper emissions	*	*	-
Any other Scope 3 emissions	10.0	8.8	11.9
Total scope three greenhouse gas emissions [tonnes CO2e]	**310.7**	**60.9**	**58.9**
G(Opt) Net greenhouse gas emissions (tonnes CO2e)			
Gross greenhouse gas emissions (G1 + G2 + G3) [tonnes CO2e]	730.4	490.6	523.5
Carbon Neutral Electricity	0.0	0.0	0.0
Green Power Electricity	0.0	0.0	0.0
Purchased LGCs	0.0	0.0	0.0
Any Offsets purchased	0.0	0.0	0.0
Net greenhouse gas emissions [tonnes CO2e]	**730.4**	**490.6**	**523.5**

*Not available for reporting period. Data to be collected for publication in future Annual Reports.

Financial Overview

CFO Report

In 2023-24, Hesse continued working on adapting to ensure we maintained financial sustainability. A focus remained on efficient use of available resources, while being committed to delivering high quality, person-centred care within our Residential Aged Care, Acute, Urgent Care, Allied Health and vast In Home & Community based services.

Our financial performance is under pinned by the Hesse Financial Strategy 2022-25 and a Financial Management Improvement Plan, which ensures a rebuilding of cash holdings to support our continued growth and subsequent increase in workforce and general expenditure. This created financial stability in FY2023-24 and enabled the achievement of a positive operating position at the end of the year, whilst delivering the highest standards of care to our consumers amongst the current challenging environment.

After targeting a break-even outcome, an operating surplus was achieved for the year of $237K. Operating activities resulted in a net cash inflow of $16.2M, with $59K used for investing and financing activities. Overall, cash holdings increased by $1.2M with total cash on hand amounting to $7.6M at 30 June 2023 compared to $6.4M at the end of the previous year, attributed to the operating surplus and a reduction in residential aged care capital income required for operating purposes.

Total cash detailed on the cashflow statement includes Residential Aged Care Accommodation Deposits of $6.1M and other restricted funds of $1.06M. Total cash available to the health service at the end of the financial year was $148K (excluding these restricted funds).

Key improvements will continue to be implemented into the next financial year to ensure our cash reserves remain adequate for business needs and financial sustainability maintained.

Hesse is proud to have meet all budgetary objectives from operating performance to debtor and creditor control, and management are pleased to present fully compliant financial reports.

Nab Khoda
Chief Financial Officer

Financial Information	2023-24	2022-23	2021-22	2020-21
Operating Results *	237,465	$17,471	$ 99,901	$106,013
Total Revenue	17,120,029	$15,633,704	$13,372,594	$12,685,618
Total Expenses	16,468,317	($15,942,216)	($13,850,301)	($13,318,587)
Net Result from Transactions	651,712	($308,512)	($477,707)	($632,969)
Total Other Economic Flows	(499,413)	$18,742	$134,187	$931,877
Net Result	152,299	($289,770)	($343,520)	$298,908
Total Assets	36,519,288	$27,011,691	$27,935,756	$25,201,030
Total Liabilities	13,225,197	$12,861,429	$13,495,724	$13,111,684
Net Assets / Total Equity	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				

Information & Communication Technology	2023-24
Business as Usual Expense (exc GST)	$535,488
Non-Business as Usual Expense (exc GST)	N/A
Operational Expenditure	N/A
Capital Expenditure	$260,749
Total	**$796,237**

Reconciliation of net result from transactions and operating result	2023-24
Operating Result	$237,465
Capital Purpose Income	$554,353
Specific Income	$964,131
COVID-19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	$14,553
State supply items consumed up to 30 June 2023	N/A
Assets provided free of charge	N/A
Assets received free of charge	N/A
Expenditure for Capital Purpose	$516,847
Depreciation and Amortisation	$1,086,804
Impairment of Non-Financial Assets	N/A
Finance Costs (Other)	N/A
Net Results from Transactions	$152,299

Consolidated Activity funding 2023-24 activity statement

83.85 Acute admitted, sub acute admited, emergency services, non-admitted NWAU

Consultants

Consultant	Purpose of Consultancy	Start Date	End Date	Total Approved Project Fee (Exc GST)	Expenditure 2023-24 (Exc GST)	Future Expenditure (Exc GST)
Consultancies: (valued at $10,000 or greater)						
Western District Health Service	Sub regional	Jul 2023		$22,000	$21,593	$25,000
Health Legal			on going		$16,625	$12,500
Workforce Legal			on going		$14,185	12,500

In 2023-24, there was 3 consultancy where the total fees payable to the consultant was $10,000 or greater. The total expenditure incurred during 2022-23 in relation to the consultancy was $ (Exc GST).

Consultancies: (valued up to $10,000)

NA	NA	NA	NA	$0.00	$0.00	$0.00

In 2023-24, there were 0 consultancies where the total fees payable were less than $10,000. The total expenditure incurred during 2023-24 in relation to consultancy was $0 (Exc GST).

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.

Ministerial Directions

Charter and Purpose

LEGISLATION	REQUIREMENT	PAGE
FRD 22	Manner of establishment and the relevant ministers	03
FRD 22	Purpose, functions, powers and duties	03
FRD 22	Nature and range of services provided	05
FRD 22	Activities, programs and achievements for the reporting period	06
FRD 22	Significant changes in key initiatives and expectations for the future	06

Management and Structure

FRD 22	Organisational structure	12
FRD 22	Workforce data / employment and conduct principles	41
FRD 22	Occupational health & safety	41

Financial Information

FRD 22	Summary of the financial results for the year	58
FRD 22	Significant changes in financial position during the year	06 & 58
FRD 22	Operational & budgetary objectives & performance against objectives	06 & 58
FRD 22	Subsequent events	58
FRD 22	Details of consultancies over $10,000	59
FRD 22	Details of consultancies under $10,000	59
FRD 22	Disclosure of government advertising expenditure	59
FRD 22	Disclosure of ICT expenditure	59
FRD 22	Assets Management Accountability Framework	42
FRD 22	Reviews and Studies expenditure	59

Legislation

FRD 22	Application and operation of *Freedom of Information Act 1982*	46
FRD 22	Compliance with building & maintenance provisions of *Building Act 1993*	46
FRD 22	Application and operation of *Public Interest Disclosures Act 2012*	46
FRD 22	Statement on National Competition Policy	46
FRD 22	Application and operation of *Carers Recognition Act 2012*	46
FRD 22	Additional Information Available on Request	47
FRD 24	Environmental data reporting	51
FRD 25	*Local Jobs First Act 2003* Disclosures	46
SD 5.1.4	Financial Management Compliance attestation	10
SD 5.2.3	Declaration in Report of Operations	10

Attestations

Attestation on Data Integrity	10
Attestation on Managing Conflicts of Interest	10
Attestation on Integrity, Fraud and Corruption	10
Compliance with HealthShare Victoria (HSV) Purchasing Policies	10

Other reporting requirements

Reporting on Outcomes from the Statement of Priorities 2023-24	15
Occupational Violence Reporting	41
Assets Management Accountability Framework	42
Gender Equality Act 2020	46
Reporting Obligations under the *Safe Patient Care Act 2015*	46

Financial Report

Hesse Rural Health Service

Financial Statements
Financial Year ended 30 June 2024

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

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 Assistant Treasurer under the *Financial Management Act 1994* , applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

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

At the time of signing, we are not aware of any circumstances 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.

MR I. WHITING	MRS C. BROCK	MR N. Khoda
Chairperson	Chief Executive Officer	Chief Finance Officer
Winchelsea	Winchelsea	Winchelsea
Dated: 22nd September, 2024	Dated: 22nd September, 2024	Dated: 22nd September, 2024

Comprehensive Operating Statement

Hesse Rural Health Service
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2024

	Note	Parent 2024 $	Parent 2023 $	Consolidated 2024 $	Consolidated 2023 $
Revenue and Income from transactions					
Operating activities	2.1	13,132,049	12,320,368	16,733,877	15,430,693
Non-operating activities	2.1	209,498	95,645	386,152	203,011
Total revenue and income from transactions		**13,341,547**	**12,416,013**	**17,120,029**	**15,633,704**
Expenses from transactions					
Employee expenses	3.1	(9,809,535)	(9,655,511)	(12,188,979)	(11,995,665)
Supplies & consumables	3.1	(577,843)	(309,844)	(634,152)	(665,817)
Depreciation	3.1	(714,275)	(688,483)	(1,086,804)	(1,064,574)
Other operating expenses	3.1	(1,486,584)	(1,371,650)	(2,558,382)	(2,216,160)
Total expenses from transactions		**(12,588,237)**	**(12,025,488)**	**(16,468,317)**	**(15,942,216)**
Net result from transactions - net operating balance		**753,310**	**390,525**	**651,712**	**(308,512)**
Other economic flows included in net result					
Net gain/(loss) on sale of non-financial assets	3.2	(389,791)	25,986	(380,836)	25,986
Net (loss) on financial instruments	3.2	(20,088)	-	(33,712)	-
Change in value of joint operation net assets	3.2	(89,809)	-	(89,809)	-
Other gain/(loss) from other economic flows	3.2	4,944	(7,244)	4,944	(7,244)
Total other economic flows included in net result		**(494,744)**	**18,742**	**(499,413)**	**18,742**
Net result for the year		**258,566**	**409,267**	**152,299**	**(289,770)**
Other comprehensive income					
Items that will not be reclassified to net result					
Changes in property, plant & equipment revaluation surplus		4,395,617	-	8,991,530	
Total other comprehensive income		**4,395,617**	**-**	**8,991,530**	**-**
Comprehensive result for the year		**4,654,183**	**409,267**	**9,143,829**	**(289,770)**

This statement should be read in conjunction with the accompanying notes

Balance Sheet

Hesse Rural Health Service
Balance Sheet as at 30 June 2024

	Note	Parent Entity 2024 $	Parent Entity 2023 $	Consolidated 2024 $	Consolidated 2023 $
Current Assets					
Cash and cash equivalents	6.2	2,161,480	1,902,016	7,616,352	6,390,875
Receivables	5.1	1,088,590	1,027,744	1,280,037	1,109,752
Prepaid expenses		33,850	88,880	33,850	88,880
Total Current Assets		**3,283,920**	**3,018,640**	**8,930,239**	**7,589,507**
Non-Current Assets					
Receivables	5.1	770,004	695,432	770,004	695,432
Investment property	4.5	1,310,000	1,691,324	1,310,000	1,691,324
Property, plant & equipment	4.1	15,373,115	11,188,988	25,078,676	16,568,705
Right of use assets	4.2	430,369	466,723	430,369	466,723
Total Non-Current Assets		**17,883,488**	**14,042,467**	**27,589,049**	**19,422,184**
TOTAL ASSETS		**21,167,408**	**17,061,107**	**36,519,288**	**27,011,691**
Current Liabilities					
Payables	5.2	806,167	940,159	902,467	967,895
Contract liabilities	5.3	106,052	263,671	106,052	263,671
Borrowings	6.1	285,118	157,531	285,118	157,531
Employee benefits	3.3	1,859,673	1,799,744	2,271,817	2,264,039
Other liabilities	5.4	2,119,650	2,330,524	9,111,170	8,419,053
Total Current Liabilities		**5,176,660**	**5,491,629**	**12,676,624**	**12,072,189**
Non-Current Liabilities					
Borrowings	6.1	197,162	385,469	197,162	385,469
Employee benefits	3.3	283,688	327,085	351,293	402,444
Other liabilities	5.4	118	1,327	118	1,327
Total Non-Current Liabilities		**480,968**	**713,881**	**548,573**	**789,240**
TOTAL LIABILITIES		**5,657,628**	**6,205,510**	**13,225,197**	**12,861,429**
NET ASSETS		**15,509,780**	**10,855,597**	**23,294,091**	**14,150,262**
EQUITY					
Property, plant & equipment revaluation surplus	SCE	10,226,230	5,830,613	19,584,624	10,593,094
General purpose reserve	SCE	502,901	-	666,638	-
Contributed capital	SCE	3,527,113	3,527,113	4,514,616	4,514,616
Accumulated surpluses/(deficits)	SCE	1,253,536	1,497,871	(1,471,787)	(957,448)
TOTAL EQUITY		**15,509,780**	**10,855,597**	**23,294,091**	**14,150,262**

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

Cash Flow Statement

Hesse Rural Health Service
Cash Flow Statement
For the Financial Year Ended 30 June 2024

	Note	Parent Entity 2024 $	Parent Entity 2023 $	Consolidated 2024 $	Consolidated 2023 $
Cash flows from operating activities					
Operating grants from State Government		4,341,272	5,489,671	4,341,272	5,489,671
Operating grants from Commonwealth Government		4,917,578	4,520,482	7,911,821	6,628,390
Capital grants from State Government		377,779	301,239	377,779	301,239
Patient and resident fees received		1,730,470	936,086	2,816,052	1,917,487
Donations received		3,425	858	3,425	858
GST received from ATO		196,536	196,536	196,536	196,536
Interest received		138,392	54,406	315,046	161,772
Other receipts		1,232,679	586,945	636,007	599,980
Total receipts		**12,938,131**	**12,086,223**	**16,597,938**	**15,295,933**
Payments to employees		(9,415,110)	(8,977,465)	(11,846,591)	(11,233,202)
Payments for supplies & consumables		(557,599)	(175,185)	(557,599)	(531,158)
Finance costs		(9,829)	(18,138)	(9,829)	(18,138)
Other payments		(1,964,277)	(1,618,210)	(3,027,121)	(2,470,607)
Total payments		**(11,946,815)**	**(10,788,998)**	**(15,441,140)**	**(14,253,105)**
Net cash flows from operating activities	8.1	**991,316**	**1,297,225**	**1,156,798**	**1,042,828**
Cash flows from investing activities					
Purchase of property, plant and equipment		(466,431)	(638,606)	(568,891)	(648,418)
Proceeds from sale of non-financial assets		13,000	53,851	13,000	53,851
Capital donations received		7,012	250,000	7,012	250,000
Payments for investment properties		(12,512)	(63,797)	(12,512)	(63,797)
Net cash flows used in investing activities		**(458,931)**	**(398,552)**	**(561,391)**	**(408,364)**
Cash flows from financing activities					
Receipt of borrowings		52,044	150,880	52,044	150,880
Repayment of borrowings		(112,764)	(133,734)	(112,764)	(133,734)
Repayment of monies held in trust		(5,514)	(91,094)	(5,514)	(91,094)
Receipt of accommodation deposits		600,000	1,485,000	3,345,290	3,031,780
Repayment of accommodation deposits & resident loan obligations		(806,687)	(2,499,673)	(2,648,986)	(4,235,304)
Net cash flows used in financing activities		**(272,921)**	**(1,088,621)**	**630,070**	**(1,277,472)**
Net decrease in cash and cash equivalents held		**259,464**	**(189,948)**	**1,225,477**	**(643,008)**
Cash and cash equivalents at beginning of year		1,902,016	2,091,964	6,390,875	7,033,883
Cash and cash equivalents at end of year	6.2	**2,161,480**	**1,902,016**	**7,616,352**	**6,390,875**

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

Statement of Changes in Equity

Hesse Rural Health Service
Statement of Changes in Equity
For the Financial Year Ended 30 June 2024

Consolidated	Property, Plant & Equipment Revaluation Surplus $	Contributed Capital $	General Purpose Reserves $	Accumulated (Deficits) $	Total $
Balance at 1 July 2022	**10,593,094**	**4,514,616**	**-**	**(667,678)**	**14,440,032**
Net result for the year	-	-	-	(289,770)	(289,770)
Other comprehensive income for the year	-	-	-	-	-
Balance at 30 June 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
Transfers to/(from) reserves	-	-	666,638	(666,638)	-
Balance at 30 June 2024	**19,584,624**	**4,514,616**	**666,638**	**(1,471,787)**	**23,294,091**

Parent	Property, Plant & Equipment Revaluation Surplus $	Contributed Capital $	General Purpose Reserves $	Accumulated Surpluses $	Total $
Balance at 1 July 2022	**5,830,613**	**3,527,113**	**-**	**1,088,604**	**10,446,330**
Net result for the year	-	-	-	409,267	409,267
Other comprehensive income for the year	-	-	-	-	-
Balance at 30 June 2023	**5,830,613**	**3,527,113**	**-**	**1,497,871**	**10,855,597**
Net result for the year	-	-	-	258,566	258,566
Other comprehensive income for the year	4,395,617	-	-	-	4,395,617
Transfers to/(from) reserves	-	-	502,901	(502,901)	-
Balance at 30 June 2024	**10,226,230**	**3,527,113**	**502,901**	**1,253,536**	**15,509,780**

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

Note 1: Basis of preparation

Structure

These financial statements represent the audited general purpose financial statements for Hesse Rural Health Service and its controlled entity for the year ending 30 June 2024. The purpose of the report is to provide users with information about the health service's stewardship of resources entrusted to it.

This section explains the basis of preparing the financial statements.

Note 1.1 Basis of preparation of the financial statements

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

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

The health service is a not-for profit entity and therefore applies the additional AUS paragraphs applicable to “not-for-profit” health services under the Australian Accounting Standards. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

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

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

The financial statements are presented in Australian dollars.

All amounts shown in the financial statements have been rounded to the nearest dollar, unless otherwise stated. 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 and its controlled entity on September 22, 2024.

Note 1.2 Abbreviations and terminology used in the financial statements

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

Reference	Title
AASB	Australian Accounting Standards Board
AASs	Australian Accounting Standards, which include Interpretations
AIMS	Agency Information Management System
DH	Department of Health
DTF	Department of Treasury and Finance
FMA	Financial Management Act 1994
FRD	Financial Reporting Direction
NWAU	National Weighted Activity Unit
SD	Standing Direction
VAGO	Victorian Auditor General’s Office
SWARH	South West Alliance of Rural Health

Note 1.3 Principles of consolidation

The financial statements include the assets and liabilities of Hesse Rural Health Service and its controlled entity as a whole as at the end of the financial year and the consolidated results and cash flows for the year.

Hesse Rural Health Service controls Winchelsea Hostel and Nursing Home Society Inc.

Details of the controlled entity are set out in Note 8.7.

The transactions and balances of the parent entity are not disclosed separately in the notes to the financial statements.

An entity is considered to be a controlled entity where the health service has the power to govern the financial and operating policies of an organisation so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are considered.

Hesse Rural Health Service consolidates the results of its controlled entity from the date on which the health service gains control until the date the health service ceases to have control. Where dissimilar accounting policies are adopted by the entity and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

Transactions between segments within Hesse Rural Health Service have been eliminated to reflect the extent of Hesse Rural Health Service’s operations as a group.

Note 1.4 Joint arrangements

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

Hesse Rural Health Service is a member of South West Alliance of Rural Health, which has been classifed as a joint operation.

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

Note 1.5 Material accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

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

- Note 2.1: Revenue and income from transactions
- Note 3.1: Employee benefits and related on-costs
- Note 4.1: Property, plant and equipment
- Note 4.2: Right-of-use assets
- Note 4.3: Depreciation
- Note 4.4: Investment property
- Note 4.5: Impairment
- Note 5.1: Receivables
- Note 5.2: Payables
- Note 5.3: Contract liabilities
- Note 6.1 (a): Lease liabilities
- Note 7.4: Fair value determination

Note 1.6 Accounting standards issued but not yet effective

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

Standard	Adoption Date	Impact
AASB 2022-5: *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*	Reporting periods beginning on or after 1 January 2024	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*	Reporting periods on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: *Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*	Reporting periods on or after 1 January 2024.	The impact of this standard is under review.

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

Note 1.7 Goods and Services Tax (GST)

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

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

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

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

Note 1.8 Reporting Entity

The financial statements include all the controlled activities of Hesse Rural Health Service.

Hesse Rural Health Service's principal address is:
8 Gosney Street
WINCHELSEA VIC 3241

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

Notes to the Financial Statements
Hesse Rural Health Service
For the Financial Year Ended 30 June 2024

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

Material judgements and estimates

This section contains the following Material judgements and estimates:

Material judgements and estimates	Description
Identifying performance obligations	Hesse Rural Health Service applies material judgement when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criterion is met, the contract/funding agreement is treated as a contract with a customer, requiring Hesse Rural Health Service to recognise revenue as or when Hesse Rural Health Service transfers promised goods or services to customers. If this criterion is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	Hesse Rural Health Service applies material judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.
Determining time of capital grant income recognition	Hesse Rural Health Service applies material judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure Hesse Rural Health Service's progress as this is deemed to be the most accurate reflection of the stage of completion.
Assets and services received free of charge or for nominal consideration	Hesse Rural Health Service applies material judgement to determine the fair value of assets and services provided free of charge or for nominal value. The value of PPE received free of charge from State supply is determined by Monash Health and advised to Hesse Rural Health Service.

Note 2.1: Revenue and income from transactions

Operating activities	Note	Consolidated 2024 $	Consolidated 2023 $
Revenue from contracts with customers			
Government grants (State) - Operating		25,633	30,348
Government grants (Commonwealth) - Operating		8,104,352	6,539,623
Patient and Resident Fees		2,877,915	1,800,865
Commercial activities*		71,356	29,507
Total revenue from contracts with customers	**2.1(a)**	**11,079,256**	**8,400,343**
Other sources of income			
Government grants (State) - Operating		4,390,211	5,592,230
Government grants (State) - Capital		547,341	201,670
Government grants (Commonwealth) - Operating		137,727	150,443
Other Capital purpose income		7,012	43,827
Assets received free of charge or for nominal consideration	**2.1(b)**	96,883	529,967
Other income from Operating Activities		475,447	512,213
Total other sources of income		**5,654,621**	**7,030,350**
Total revenue and income from operating activities		**16,733,877**	**15,430,693**
Non-operating activities			
Income from other sources			
Interest		315,046	161,772
Rental income		71,106	41,239
Total Income from other sources		**386,152**	**203,011**
Total revenue from non-operating activies		**386,152**	**203,011**
Total revenue and income from transactions		**17,120,029**	**15,633,704**

* Commercial activities represent business activities which Hesse Rural Health Service enters into to support its operations.

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

	Consolidated 2024 $	Consolidated 2023 $
Hesse Rural Health Service disaggregates revenue by the timing of revenue recognition.		
Goods and services transferred to customers:		
At a point in time	880,277	139,612
Over time	10,198,979	8,260,731
Total revenue from contracts with customers	**11,079,256**	**8,400,343**

How we recognise revenue and income from operating activities

Government operating grants

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

When both these conditions are satisfied, the health service:

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

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

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

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

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

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

Government grant	Performance obligation
Commonwealth funding for 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.

Capital grants

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

Income is recognised progressively as the asset is constructed which aligns with 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.

Patient and Resident Fees

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

Commercial activities

Revenue from commercial activities includes items such as Adult Day Activity Support Services (ADASS) revenue, provision of meals and occasional childcare fees. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

How we recognise revenue and income from non-operating activities

Rental income - investment properties

Rental income from investment properties is recognised on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the pattern of use of the underlying asset.

Interest Income

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

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

	Consolidated 2024 $	Consolidated 2023 $
Cash donations and gifts	3,425	250,858
Personal protective equipment and other consumables	14,553	64,701
Other services - VMIA insurance, LSL	78,905	214,408
Total fair value of assets and services received free of charge or for nominal consideration.	96,883	529,967

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

Donations and bequests

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

Personal protective equipment

Under the State Supply Arrangement, Health Share Victoria supplies personal protective equipment to Hesse Rural Health Service for nil consideration.

Contributions of resources

Hesse Rural Health Service may receive assets for nil or nominal consideration to further its objectives. The resources 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.

Volunteer services

Hesse Rural Health Service has a number of volunteers who generously contribute their time to support staff led program and service activities. Activities undertaken by volunteers include friendly visiting to aged residents, assistance with small group programs, transportation of clients and residents on outings or to appointments, pastoral care and consumer representation on advisory committees. The volunteer program provides opportunities for broader community and social engagement.

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

Hesse Rural Health Service greatly values the services contributed by volunteers but it does not depend on volunteers to deliver its services.

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.
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.
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 2024, on behalf of Hesse Rural Health Service.

Note 3: The Cost of delivering services

This section provides an account of the expenses incurred by Hesse Rural Health Service 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 provision of services are disclosed.

Structure
3.1 Expenses from transactions
3.2 Other Economic Flows
3.3 Employee benefits and related on-costs
3.4 Superannuation

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Classifying employee benefit liabilities	Hesse Rural Health Service Service applies material judgment when classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Hesse Rural Health Service does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category. Employee benefit liabilities are classified as a non-current liability if Hesse Rural Health Service has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.
Measuring employee benefit liabilities	Hesse Rural Health Service applies material judgment when measuring its employee benefit liabilities. Hesse Rural Health Service applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if Hesse Rural Health Service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees. Expected future payments incorporate: - an inflation rate of 4.45%, reflecting the future wage and salary levels - durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 51% and 93% - discounting at the rate of 4.455%, as determined with reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.

Note 3.1: Expenses from transactions

	Note	Consolidated 2024 $	Consolidated 2023 $
Salaries and wages		10,485,708	10,489,273
On-costs		1,060,239	987,836
Agency expenses		207,713	143,162
Fee for service medical officer expenses		94,199	87,339
Workcover premium		341,120	288,055
Total Employee Expenses		**12,188,979**	**11,995,665**
Drug supplies		10,947	18,895
Medical and surgical supplies		158,437	251,067
Other supplies and consumables		464,768	395,855
Total Supplies and Consumables		**634,152**	**665,817**
Finance costs		9,829	18,928
Domestic supplies		240,969	245,716
Patient transport		2,624	2,975
Fleet expenses		134,872	110,101
Insurance		12,657	32,870
IT expenses		535,488	293,174
Other administrative expenses		853,236	779,692
Fuel, light, power and water		198,984	175,902
Repairs and maintenance		388,241	229,293
Maintenance contracts		173,314	221,688
Medical indemnity insurance		8,168	95,447
Expenditure for capital purposes		-	10,374
Total Other Operating Expenses		**2,558,382**	**2,216,160**
Total Operating Expenses		**15,381,513**	**14,877,642**
Depreciation	4.4	1,086,804	1,064,574
Total Depreciation		**1,086,804**	**1,064,574**
Total Expenses from Transactions		**16,468,317**	**15,942,216**

How we recognise expenses from transactions

Expense Recognition

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

Employee expenses

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

Supplies and consumables

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

Finance costs

Finance costs include:
• finance charges in respect of finance leases which are recognised in accordance with *AASB 16 Leases* .

Other Operating Expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include such things as:
- Fuel, light and power;
- Repairs and maintenance;
- Other administrative expenses;
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of $5000.

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 and recording a corresponding expense.

Non-operating expenses

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

Note 3.2: Other economic flows

	Consolidated 2024 $	Consolidated 2023 $
Net gain on revaluation of investment property	393,836	-
Net gain from fair value adjustment of resident loan obligations - independent living units	-	1,800
Net gain/(loss) on disposal of property plant and equipment	(13,000)	24,186
Total net gain/(loss) on non-financial assets	**380,836**	**25,986**
Allowance for impairment losses of contractual receivables	33,712	-
Total net gain/(loss) on financial instruments	**33,712**	**-**
Share of other economic flows from Joint Operations		
Change in value of JV net assets	89,809	-
Total Share of other economic flows from Joint Operations	**89,809**	**-**
Net gain/(loss) arising from revaluation of long service liability	(4,944)	(7,244)
Total other gains/(losses) from other economic flows	**(4,944)**	**(7,244)**
Total gains from other economic flows	**499,413**	**18,742**

How we recognise other economic flows

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

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

Net gain/ (loss) on non-financial assets

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

- Revaluation gains/ (losses) of investment properties
- Revaluation gains/ (losses) of non-financial physical assets
- Net gain/ (loss) on disposal of non-financial assets, recognised at the date of disposal

Net gain/ (loss) on financial instruments

Net gain/ (loss) on financial instruments includes:

- impairment and reversal of impairment for financial instruments at amortised cost refer to Note 7.1 Financial Instruments.

Note 3.3: Employee benefits and related on-costs

	Consolidated 2024 $	Consolidated 2023 $
Current employee benefits and related on-costs		
Accrued days Off		
-Unconditional and expected to be settled wholly within 12 months	(13,972)	15,889
	(13,972)	**15,889**
Annual leave		
-Unconditional and expected to be settled wholly within 12 months*	790,315	875,895
-Unconditional and expected to be settled wholly after 12 months**	121,501	133,432
	911,816	**1,009,327**
Long service leave		
-Unconditional and expected to be settled wholly within 12 months*	214,157	212,002
-Unconditional and expected to be settled wholly after 12 months**	853,777	738,788
	1,067,934	**950,790**
Provisions related to employee benefit on-costs		
- Unconditional and expected to be utilised within 12 months*	152,203	152,909
- Unconditional and expected to be utilised after 12 months**	153,836	135,124
	306,039	**288,033**
Total current employee benefits and related on-costs	**2,271,817**	**2,264,039**
Non-current employee benefits and related on-costs		
Conditional long service leave	305,353	348,743
Provisions related to employee benefit on-costs	45,940	53,701
Total non-current employee benefits and related on-costs	**351,293**	**402,444**
Total employee benefits and related on-costs	**2,623,110**	**2,666,483**

* The amounts are disclosed are nominal amounts

** The amounts disclosed are discounted to present value

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

	Consolidated 2024 $	Consolidated 2023 $
Current employee benefits and related on-costs		
Unconditional long service leave entitlements	1,373,973	1,238,823
Unconditional annual leave entitlements	911,816	1,009,327
Unconditional accrued days off	(13,972)	15,889
Total current employee benefits and related on-costs	**2,271,817**	**2,264,039**
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	351,293	402,444
Total non-current employee benefits and related on-costs	**351,293**	**402,444**
Total Employee Benefits and Related On-Costs	**2,623,110**	**2,666,483**
Attributable to:		
Employee benefits	2,271,131	2,324,749
Provision for related on-costs	351,979	341,734
Total employee benefits and related on-costs	**2,623,110**	**2,666,483**

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

	Consolidated 2024 $	Consolidated 2023 $
Carrying amount at start of year	2,666,483	2,285,766
Additional provisions recognised	83,784	488,735
Amounts incurred during the year	(122,213)	(100,774)
Net loss arising from revaluation of long service leave liability	(4,944)	(7,244)
Carrying amount at end of year	**2,623,110**	**2,666,483**

How we recognise employee benefits

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

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Comprehensive Operating Statement 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 health services do 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 (LSL)
The liability for long service leave 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 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 disclosed as a non-current liability. Any gain or loss followed revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in estimations e.g. bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flows.

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

Provision for on-costs related to employee expense
Provision for on-costs, such workers compensation and superannuation are recognised separately from provisions for employee benefits.

Note 3.4: Superannuation

	Paid Contributions for the year		Contributions Outstanding at year-end	
	Consolidated 2024	Consolidated 2023	Consolidated 2024	Consolidated 2023
Defined contribution plans:	$	$	$	$
Aware Super (previously First State Super)	425,273	422,286	473	93,790
HESTA Accumulation	349,286	328,199	-	-
AUSTRALIAN SUPER	64,856	58,346	-	-
HostPlus Accumulation	43,409	25,816	-	-
Bendigo Superannuation Plan	16,531	15,456	-	-
AUSTRALIAN RETIREMENT TRUST	14,083	22,708	-	-
Australian Ethical Super	9,235	7,870	-	-
Vision Super Accum	8,892	9,355	-	-
MLC MASTERKEY SUPER	5,431	-	-	-
Other	122,772	4,013	-	-
Total	**1,059,766**	**894,048**	**473**	**93,790**

How we recognise superannuation

Employees of Hesse Rural Health Service are entitled to receive superannuation benefits and it contributes to defined contribution plans only.

Superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of Hesse Rural Health

Defined contribution superannuation plans

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

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 those outputs.

Structure
4.1 Property, plant & equipment
4.2 Right-of-use assets
4.3 Depreciation
4.4 Investment properties
4.5 Impairment of assets

Material judgements and estimates

This section contains the following material judgements and estimates:

material judgements and estimates	Description
Estimating useful life of property, plant and equipment	Hesse Rural Health Service assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset. Hesse Rural Health Service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where Hesse Rural Health Service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. Hesse Rural Health Service applies material judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Identifying indicators of impairment	At the end of each year, Hesse Rural Health Service assesses impairment by evaluating the conditions and events specific to Hesse Hesse Rural Health Service considers a range of information when performing its assessment, including considering: - If an asset's value has declined more than expected based on normal use - If a significant change in technological, market, economic or legal environment which adversely impacts the way Hesse Rural Health - If an asset is obsolete or damaged - If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life - If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, Hesse Rural Health Service applies material judgement and estimate to determine the recoverable amount of the asset.

Note 4.1: Property, plant and equipment

Note 4.1(a): Gross carrying amount and accumulated depreciation	Consolidated 2024 $	Consolidated 2023 $
Land		
Land - Freehold	4,983,000	4,753,000
Total land at fair value	4,983,000	4,753,000
Buildings at fair value	18,585,360	11,477,648
Less accumulated depreciation	-	(844,842)
Total buildings at fair value	18,585,360	10,632,806
Works in Progress at Cost	875,351	557,207
Total land and buildings	**24,443,711**	**15,943,013**
Plant and equipment at fair value	912,174	774,884
Less accumulated depreciation	(467,628)	(393,768)
Total plant and equipment at fair value	444,546	381,116
Motor vehicles at fair value	238,784	270,606
Less accumulated depreciation	(230,164)	(245,582)
Total motor vehicles at fair value	8,620	25,024
Medical equipment at fair value	166,382	166,382
Less accumulated depreciation	(114,405)	(106,450)
Total medical equipment at fair value	51,977	59,932
Furniture and fittings at fair value	947,550	947,550
Less accumulated depreciation	(817,728)	(787,930)
Total furniture and fittings at fair value	129,822	159,620
Total plant, equipment, furniture, fittings and vehicles at fair value	**634,965**	**625,692**
Total property, plant and equipment	**25,078,676**	**16,568,705**

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

Consolidated	Note	Land	Buildings	Motor Vehicles	Plant & Equipment	Medical Equipment	Furniture & Fittings	Total Consolidated
		$	$	$	$	$	$	$
Balance at 1 July 2022		**4,753,000**	**11,783,846**	**44,457**	**320,006**	**50,529**	**163,541**	**17,115,379**
Additions		-	251,009	-	106,158	16,677	33,076	406,920
Disposals		-	-	-	-	-	-	-
Revaluation Increments		-	-	-	-	-	-	-
Depreciation	4.4	-	(844,842)	(19,433)	(45,048)	(7,274)	(36,997)	(953,594)
Balance at 1 July 2023	4.1(a)	**4,753,000**	**11,190,013**	**25,024**	**381,116**	**59,932**	**159,620**	**16,568,705**
Additions		-	356,504	-	160,343	-	-	516,847
Disposals		-	-	-	-	-	-	-
Revaluation Increments		230,000	8,761,530	-	-	-	-	8,991,530
Depreciation	4.4	-	(847,336)	(16,404)	(96,913)	(7,955)	(29,798)	(998,406)
Balance at 30 June 2024	4.1(a)	**4,983,000**	**19,460,711**	**8,620**	**444,546**	**51,977**	**129,822**	**25,078,676**

Land and buildings carried at valuation

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

How we recognise property, plant and equipment

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

Initial Recognition

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

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

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

Subsequent measurement

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

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

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

Revaluation

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

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

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

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

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

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

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

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

Note 4.2: Right-of-use assets

	Consolidated	Consolidated
Note 4.2(a): Gross carrying amount and accumulated depreciation	**2024**	**2023**
	$	**$**
Right-of-use buildings at fair value	-	31,146
Less accumulated depreciation	-	(19,537)
Total right of use buildings at fair value	-	11,609
Right-of-use equipment and vehicles at fair value		
- Equipment	64,180	171,347
Less accumulated depreciation	-	(104,984)
- Motor vehicles	525,952	477,995
Less accumulated depreciation	(159,763)	(89,244)
Total right of use equipment and vehicles at fair value	430,369	455,114
Total right of use property, equipment and vehicles	**430,369**	**466,723**

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

Consolidated	Note	Right-of-use Buildings	Right-of-use Vehicles	Right-of-use Equipment	Total Consolidated
		$	$	$	$
Balance at 1 July 2022		**24,692**	**323,263**	**72,949**	**420,904**
Additions		-	150,881	-	150,881
Disposals		-	(27,866)	-	(27,866)
Depreciation expense	4.4	(13,083)	(57,527)	(6,586)	(77,196)
Balance at 30 June 2023	4.2(a)	**11,609**	**388,751**	**66,363**	**466,723**
Additions		-	47,957	4,087	52,044
Disposals			-	-	-
Depreciation expense	4.4	(11,609)	(70,519)	(6,270)	(88,398)
Balance at 30 June 2024	4.2(a)	**-**	**366,189**	**64,180**	**430,369**

How we recognise right-of-use assets

Initial recognition

When a contract is entered into, Hesse Rural Health Service assesses if the contract contains or is a lease. If a lease is present, a right-of-use asset and corresponding lease liability is

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.

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

Subsequent measurement

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

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

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

Note 4.3: Depreciation

	Consolidated 2024	Consolidated 2023
	$	$
Property, plant and equipment		
Buildings	847,336	844,842
Plant & equipment	96,913	78,832
Motor vehicles	16,404	19,433
Medical equipment	7,955	7,274
Furniture and fittings	29,798	36,997
Total depreciation - property, plant and equipment	**998,406**	**987,378**
Right-of-use assets		
- Right of use buildings	11,609	13,083
- Right of use equipment and vehicles	76,789	64,113
Total depreciation - right-of-use assets	**88,398**	**77,196**
Total Depreciation	**1,086,804**	**1,064,574**

How we recognise depreciation

All buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases, assets held for sale, land and investment properties) that have finite useful lives are depreciated. Depreciation 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 Hesse Rural Health Service anticipates to exercise a purchase option, the specific right-of-use asset is depreciated over the useful life of the underlying asset.

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

	2024	2023
Buildings		
- Structure Shell Building Fabric	50 to 75 years	50 to 75 years
- Site Engineering Services and Central Plant	30 to 40 years	30 to 40 years
Central Plant		
- Fit Out	25 to 30 years	25 to 30 years
- Trunk Reticulated Building Systems	30 to 40 years	30 to 40 years
Plant & Equipment	5 to 10 years	5 to 10 years
Medical equipment	5 to 10 years	5 to 10 years
Motor vehicles	6 to 10 years	6 to 10 years

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

Note 4.4: Investment property

Note 4.4(a): Gross carrying amount	Consolidated 2024 $	Consolidated 2023 $
Investment property at fair value	1,310,000	1,691,324
Total investment property at fair value	**1,310,000**	**1,691,324**

Note 4.4(b): Reconciliation of carrying amount	Consolidated 2024 $	Consolidated 2023 $
Balance at Beginning of Period	1,691,324	1,691,324
Additions	12,512	-
Net Gain/(Loss) from fair value adjustments	(393,836)	-
Balance at End of Period	**1,310,000**	**1,691,324**

Hesse Rural Health Service has classified independent living units as investment property for the purposes of AASB140 Investment Property.

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 Hesse Rural Health Service.

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 Hesse Rural Health Service.

Subsequent measurement

Subsequent to initial recognition at cost, investment properties are revalued to 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 Hesse Rural Health Service's investment properties have been arrived on the basis of an independent valuation carried out by the Valuer General as at 30 June 2024. The valuation was determined by reference to market evidence of transaction process for similar properties with no significant unobservable adjustments, in the same location and condition.

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

Rental revenue from leasing of investment properties is recognised in the comprehensive operating statement in the periods in which it is receivable on a straight line basis over the lease term.

Note 4.5: Impairment of assets

How we recognise impairment

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

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

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

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

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

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

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

Hesse Rural Health Service did not record any impairment losses for the year ended 30 June 2024 (30 June 2023: Nil).

Note 5: Other Assets and liabilities

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

Structure
5.1 Receivables
5.2 Payables
5.3 Contract liabilities
5.4 Other liabilities

Material judgements and estimates

This section contains the following material judgements and estimates:

material judgements and estimates	Description
Estimating the provision for expected credit losses	Hesse Rural Health Service uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Measuring deferred capital grant income	Where Hesse Rural Health Service has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. Hesse Rural Health Service applies material judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.
Measuring contract liabilities	Hesse Rural Health Service applies material judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, Hesse Rural Health Service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.
Recognition of other provisions	Other provisions include Hesse Rural Health Service's obligation to restore leased assets to their original condition at the end of a lease term. Hesse Rural Health Service applies material judgement and estimate to determine the present value of such restoration costs.

Note 5.1: Receivables

	Consolidated 2024 $	Consolidated 2023 $
Current receivables		
Contractual		
Patient and Resident Fees	126,853	98,702
Trade receivables	57,113	83,519
Accrued revenue	619,720	627,277
Amounts receivable from governments and agencies	430,633	257,994
Allowance for expected credit losses	(36,688)	(16,600)
Total contractual receivables	**1,197,631**	**1,050,892**
Statutory		
GST Receivable	82,406	58,860
Accrued Revenue - Commonwealth	-	-
Total statutory receivables	**82,406**	**58,860**
Total current receivables	**1,280,037**	**1,109,752**
Non-current receivables		
Contractual		
Long Service Leave - Department of Health	770,004	695,432
Total contractual receivables	**770,004**	**695,432**
Total non-current receivables	**770,004**	**695,432**
Total receivables	**2,050,041**	**1,805,184**
(i) Financial assets classified as receivables and contract assets (Note 7.1(a))		
Total receivables	2,050,041	1,805,184
Allowance for expected credit losses	36,688	16,600
Contract asset	-	-
GST receivable	(82,406)	(58,860)
Total financial assets classified as receivables	2,004,323	1,762,924

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

Balance at beginning of year	(16,600)	(16,600)
Increase in allowance	(20,088)	-
Amounts written off during the year	-	-
Balance at end of year	**(36,688)**	**(16,600)**

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 costs'. They are initially recognised at fair value plus any directly attributable transaction costs. Hesse Rural Health Service holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

• **Statutory receivables**, including amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits 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. Hesse Rural Health Service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates,

Impairment losses of contractual receivables

Refer to Note 7.2 (a) Contractual receivables at amortised costs for Hesse Rural Health Service's contractual impairment losses.

How we recognise contract assets

Contract assets relate to the Hesse Rural Health Service's right to consideration in exchange for goods transferred to customers for works completed, but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, at this time an invoice is issued. Contract assets are expected to be recovered early in the 2024/25 financial year.

Note 5.2: Payables

	Notes	Consolidated 2024 $	Consolidated 2023 $
Current payables			
Contractual			
Trade creditors		243,754	417,034
Accrued salaries and wages		240,429	225,346
Accrued expenses		338,566	104,604
Deferred grant revenue	5.2(a)	-	169,562
Inter-health service creditors		79,718	40,675
Amounts payable to governments and agencies		-	10,674
Total contractual payables		**902,467**	**967,895**
Total current payables classified as payables		**902,467**	**967,895**
(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))			
Total payables		902,467	967,895
Deferred grant income		-	(169,562)
Total financial liabilities classified as payables		**902,467**	**798,333**

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.

• S**tatutory payables,** including Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as

The normal credit terms are usually Net 30 days.

Note 5.2 (a) Deferred capital grant income	Consolidated 2024 $	Consolidated 2023 $
Opening balance of deferred capital grant income	169,562	87,064
Grant consideration for capital works received during the year	305,609	315,524
Deferred capital grant income recognised as income due to completion of capital works	(475,171)	(233,026)
Closing balance of deferred capital income	-	169,562

How we recognise deferred capital grant revenue

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.

Hesse Rural Health Service expects to recognise all of the remaining deferred capital grant revenue for capital works by 30 June 2025.

Note 5.3 Contract liabilities

	Consolidated 2024 $	Consolidated 2023 $
Current		
Contract liabilities	106,052	263,671
Total contract liabilities	106,052	263,671

Note 5.3(a) Movement in Contract liabilities

	2024 $	2023 $
Opening balance of contract liabilities	263,671	274,226
Add: grant consideration for sufficiently specific performance obligations received during the year	-	77,694
Less: grant revenue recognised in the reporting period for the completion of a performance obligation	(157,619)	(88,249)
Total contract liabilities	106,052	263,671

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 lower than the previous reporting period due to the expenditure of specific purpose funding received.

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

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

Note 5.4: Other Liabilities

	Consolidated 2024 $	Consolidated 2023 $
Current monies held in trust		
Patient monies	61,087	60,147
Refundable accommodation deposits	9,049,899	8,353,595
Other monies	184	5,311
Total current monies held in trust*	**9,111,170**	**8,419,053**
Non-Current Other Liabilities		
Other monies	118	1,327
	118	**1,327**
Total other liabilities	**9,111,288**	**8,420,380**
*** Represented by:**		
Cash assets	6,258,239	5,466,122
Other financial assets	-	-
Land and Buildings - Residential Aged Care	2,852,931	2,952,931
	9,111,170	**8,419,053**

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. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

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

Note 6: How we finance our operations

This section provides information on the sources of finance utilised by 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
6.3 Commitments for expenditure
6.4 Non-cash financing and investing activities

Material judgements and estimates

This section contains the following material judgements and estimates:

material judgements and estimates	Description
Determining if a contract is or contains a lease	Hesse Rural Health Service applies material judgement to determine if a contract is or contains a lease by considering if Hesse Rural Health Service: - has the right-to-use an identified asset - has the right to obtain substantially all economic benefits from the use of the leased asset and - can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	Hesse Rural Health Service applies material judgement when determining if a lease meets the short-term or low value lease exemption criteria. Hesse Rural Health Service estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, Hesse Rural Health Service applies the low-value lease exemption. Hesse Rural Health Service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months Hesse Rural Health Service applies the short-term lease exemption.
Discount rate applied to future lease payments	Hesse Rural Health Service discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for Hesse Rural Health Service's lease arrangements, Hesse Rural Health Service uses its incremental borrowing rate, which is the amount Hesse Rural Health Service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Hesse Rural Health Service is reasonably certain to exercise such options. Hesse Rural Health Service determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: - If there are significant penalties to terminate (or not extend), Hesse Rural Health Service is typically reasonably certain to extend (or not terminate) the lease. - If any leasehold improvements are expected to have a significant remaining value, Hesse Rural Health Service is typically reasonably certain to extend (or not terminate) the lease. - Hesse Rural Health Service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1: Borrowings

	Consolidated 2024 $	Consolidated 2023 $
Current borrowings		
Lease liability (i)	258,724	131,137
Advances from government	26,394	26,394
Total current borrowings	**285,118**	**157,531**
Non-Current borrowings		
Lease liability (i)	172,860	337,919
Advances from government	24,302	47,550
Total non-current borrowings	**197,162**	**385,469**
TOTAL BORROWINGS	**482,280**	**543,000**

(i) Secured by the assets leased.

How we recognise borrowings

Borrowings refer to interesting bearing liabilities raised from lease liabilities with Vic-Fleet, and other interest-bearing arrangements with the Department of Health.

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

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

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

Defaults and breaches
During the current and prior year, there have been no defaults and breaches of any of the borrowings.

Note 6.1 (a) Lease liabilities

Hesse Rural Health Service's lease liablities are summarised below:

	Consolidated 2024 $	Consolidated 2023 $
Total undiscounted lease liabilities	440,227	485,952
Less unexpired finance expenses	(8,643)	(16,896)
	431,584	**469,056**

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

	Consolidated 2024 $	Consolidated 2023 $
Not later than one year	271,660	137,694
Later than one year but not longer than five years	168,567	348,259
Minimum future lease liability	**440,228**	**485,952**
Less unexpired finance expenses	(8,643)	(16,896)
Present value of lease liability	**431,584**	**469,056**
*** Represented by:**		
- Current liabilities	258,724	131,137
- Non-current liabilities	172,860	337,919
	431,584	**469,056**

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 an agreed 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 equipment	5 years
Leased vehicles	3 years
Leased building	2 years

All leases are recognised on the balance sheet, with the exception of low value leases (less than $10,000 AUD) and short term leases of less than 12 months. The following low value,

Type of payment	Description of payment	Type of leases captured
Low value lease payments	Leases where the underlying asset's fair value, when new, is no more than $10,000	n/a
Short-term lease payments	Leases with a term less than 12 months	Monthly rental of container and site office.
Low value lease payments	Leases where the underlying asset's fair value, when new, is no more than $10,000	Monthly rental of photocopier machines.

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 2.25%

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

Hesse Rural Health Service's current leases do not contain extension and termination options.

Subsequent measurement

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

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

Note 6.2: Cash and Cash Equivalents

	Note	Consolidated 2024 $	Consolidated 2023 $
Cash on Hand (excluding monies held in trust)		1,880	-
Cash at Bank (excluding monies held in trust)		1,356,233	681,085
Total cash held for operations		**1,358,113**	**681,085**
Cash at Bank (Monies held in trust)		6,258,239	5,709,790
Total cash held as monies in trust		**6,258,239**	**5,709,790**
Total Cash and Cash Equivalents	**7.1(a)**	**7,616,352**	**6,390,875**

How we recognise cash and cash equivalents

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

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

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

Note 6.3: Commitments for Expenditure

There were no commitments for expenditure for the year ending 30 June 2024 (2023: NIL).

How we disclose our commitments

Expenditure commitments

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

Short term and low value leases

Hesse Rural Health Service discloses short term and low value lease commitments which are excluded from the measurement of right-of-use assets and lease liabilities. Refer to Note 6.1 for further information.

Note 6.4: Non-cash financing and investing activities

	Consolidated 2024 $	Consolidated 2023 $
Acquisition of buildings and motor vehicles by means of leases	52,044	119,735
Total non-cash financing and investing activities	**52,044**	**119,735**

Note 7: Risks, Contingencies & Valuation Uncertainties

Introduction

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 Hesse Rural Health Service is related mainly to fair value determination.

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

Material judgements and estimates

This section contains the following material judgements and estimates:

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

Note 7.1: Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Hesse Rural Health Service's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

Note 7.1(a) Categorisation of financial instruments

Consolidated 30 June 2024	Note	Financial Assets at Amortised Cost $	Contractual Financial Liabilities at Amortised Cost $	Total $
Financial Assets				
Cash and Cash Equivalents	6.2	7,616,352	-	7,616,352
Receivables				
- Trade Debtors	5.1	183,966	-	183,966
- Other receivables	5.1	1,820,357	-	1,820,357
Total Financial Assets (i)		**9,620,675**	**-**	**9,620,675**
Financial Liabilities				
Payables	5.2	-	902,467	902,467
Borrowings	6.1	-	482,280	482,280
Other Financial Liabilities				
- Refundable Accommodation Deposits	5.3	-	9,049,899	9,049,899
- Other monies held in trust	5.3	-	61,087	61,087
Total Financial Liabilities (i)		**-**	**10,495,733**	**10,495,733**

Consolidated 30 June 2023	Note	Financial Assets at Amortised Cost $	Contractual Financial Liabilities at Amortised Cost $	Total $
Financial Assets				
Cash and Cash Equivalents	6.2	6,390,875	-	6,390,875
Receivables				
- Trade Debtors	5.1	182,221	-	182,221
- Other receivables	5.1	1,580,703	-	1,580,703
Total Financial Assets (i)		**8,153,799**	**-**	**8,153,799**
Financial Liabilities				
Payables	5.2	-	798,333	798,333
Borrowings	6.1	-	543,000	543,000
Other Financial Liabilities				
- Refundable Accommodation Deposits	5.3	-	8,353,595	8,353,595
- Other monies held in trust	5.3	-	60,147	60,147
Total Financial Liabilities (i)		**-**	**9,755,075**	**9,755,075**

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

Notes to the Financial Statements
Hesse Rural Health Service
For the Financial Year Ended 30 June 2024

How we categorise financial instruments

Categories of financial assets

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

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

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

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

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:
• the assets are held by Hesse Rural Health Service to collect the contractual cash flows, and
• the assets' contractual terms give rise to cash flows that are solely payments of principal and interests on the principal amount outstanding on specific dates.

These assets are initially recognised at fair value plus any directly attributable transaction costs and 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; and
• receivables (excluding statutory receivables).

Categories of financial liabilities

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

Financial liabilities at amortised cost

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

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

Hesse Rural Health Service recognises the following liabilities in this category:
- Payables (excluding statutory payables)
- Borrowings (leases)
- Other liabilities (including monies held in trust).

Offsetting financial instruments

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

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

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired or
- 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.

Note 7.2: Financial risk management objectives and policies

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

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

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

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

Note 7.2(a) Credit risk

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

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

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

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

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

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

There has been no material change to Hesse Rural Health Service's credit risk profile in 2023-24.

Impairment of financial assets under AASB 9

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

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

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

Notes to the Financial Statements
Hesse Rural Health Service
For the Financial Year Ended 30 June 2024

Contractual receivables at amortised cost

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

On this basis, Hesse Rural Health Service determines the closing loss allowance at the end of the financial year as follows:

30 June 2024	Current	Less than 1 Month	1-3 Months	3 Months - 1 Year	1-5 Years	Total
	$	$	$	$	$	$
Expected loss rate	**0%**	**0.0%**	**0.0%**	**33.2%**	**20%**	
Gross carrying amount of contractual receivables	73,539	-		110,427	-	183,966
Loss allowance	**-**	**-**	**-**	**36,668**	**-**	**36,668**

30 June 2023	Current	Less than 1 Month	1-3 Months	3 Months - 1 Year	1-5 Years	Total
	$	$	$	$	$	$
Expected loss rate	**0%**	**2.5%**	**2.5%**	**62.8%**	**20%**	
Gross carrying amount of contractual receivables	30,708	25,039	19,130	24,692	-	99,569
Loss allowance	**-**	**626**	**478**	**15,496**	**-**	**16,600**

Statutory receivables at amortised cost

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

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

Note 7.2 (b) Liquidity risk

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

Hesse Rural Health Service is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. Hesse Rural Health Service manages its liquidity risk by:

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

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

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

		Consolidated		Maturity Dates			
Consolidated 30 June 2024	**Note**	**Carrying Amount**	**Nominal Amount**	**Less than 1 Month**	**1-3 Months**	**3 Months - 1 Year**	**1-5 Years**
Financial liabilities at amortised cost		**$**	**$**	**$**	**$**	**$**	**$**
Payables	5.2	902,467	902,467	902,467		-	-
Borrowings	6.1	482,280	482,280	3,134	9,402	272,582	197,162
Other Financial Liabilities	5.3						
- Refundable Accommodation Deposits		9,049,899	9,049,899	-	-	3,021,203	6,028,696
- Other monies held in trust		61,087	61,087	51,147	9,940	-	-
Total Financial Liabilities		**10,495,733**	**10,495,733**	**956,748**	**19,342**	**3,293,785**	**6,225,858**

		Consolidated		Maturity Dates			
Consolidated 30 June 2023	**Note**	**Carrying Amount**	**Nominal Amount**	**Less than 1 Month**	**1-3 Months**	**3 Months - 1 Year**	**1-5 Years**
Financial liabilities at amortised cost		**$**	**$**	**$**	**$**	**$**	**$**
Payables	5.2	798,333	798,333	798,333		-	-
Borrowings	6.1	543,000	543,000	3,134	9,402	144,995	385,469
Other Financial Liabilities	5.3						
- Refundable Accommodation Deposits		8,353,595	8,353,595	-	-	3,021,203	5,332,392
- Other monies held in trust		60,147	60,147	50,207	9,940	-	-
Total Financial Liabilities		**9,755,075**	**9,755,075**	**851,674**	**19,342**	**3,166,198**	**5,717,861**

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

Note 7.2 (c) Market risk

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

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

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

Note 7.3: Contingent Assets and Contingent Liabilities

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

Contingent liabilities **Quantifiable**	**Consolidated 2024 $**	**Consolidated 2023 $**
Guarantees and indemnities - financial guarantee for payroll services	100,000	100,000
Total quantifiable contingent liabilities	**100,000**	**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 Hesse Rural 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 Hesse Rural Health Service or
- present obligations that arise from past events but are not recognised because:
- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations or
- the amount of the obligations cannot be measured with sufficient reliability.

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

Note 7.4: Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

Balance at 30 June 2024	**Note**	**Consolidated carrying amount**	**Fair value measurement at end of reporting period using:**		
			Level 1 (i)	**Level 2 (i)**	**Level 3 (i)**
		$	**$**	**$**	**$**
Non-specialised land		4,803,000	-	4,803,000	-
Specialised land		180,000	-	-	180,000
Total of land at fair value	4.1(a)	**4,983,000**	**-**	**4,803,000**	**180,000**
Non-specialised buildings		51,000		51,000	-
Specialised buildings		18,534,360	-	-	18,534,360
Total of buildings at fair value	4.1(a)	**18,585,360**	**-**	**51,000**	**18,534,360**
Plant and equipment at fair value	4.1(a)	444,546	-	-	444,546
Motor Vehicles at fair value	4.1(a)	8,620	-	-	8,620
Medical equipment at fair value	4.1(a)	51,977	-	-	51,977
Furniture and fittings at fair value	4.1(a)	129,822	-	-	129,822
Total other plant, equipment and vehicles at fair value		**634,965**	**-**	**-**	**634,965**
Right-of-use buildings	4.2(a)	-	-	-	-
Right-of-use plant, equipment and vehicles	4.2(a)	430,369	-	-	430,369
Total right-of-use assets at fair value		**430,369**			**430,369**
Investment property	4.5(a)	1,310,000	-	1,310,000	-
Total investment property at fair value		**1,310,000**	**-**	**1,310,000**	**-**
Total non-financial physical assets at fair value		**25,943,694**	**-**	**6,164,000**	**19,779,694**

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

Balance at 30 June 2023	Note	Consolidated carrying amount	Fair value measurement at end of reporting period using: Level 1 (i)	Level 2 (i)	Level 3 (i)
		$	$	$	$
Non-specialised land		2,152,000	-	2,152,000	-
Specialised land		2,601,000	-	-	2,601,000
Total of land at fair value	4.1(a)	**4,753,000**	**-**	**2,152,000**	**2,601,000**
Non-specialised buildings		205,089		205,089	-
Specialised buildings		10,427,717	-	-	10,427,717
Total of buildings at fair value	4.1(a)	**10,632,806**	**-**	**205,089**	**10,427,717**
Plant and equipment at fair value	4.1(a)	247,703	-	-	247,703
Motor Vehicles at fair value	4.1(a)	25,024	-	-	25,024
Medical equipment at fair value	4.1(a)	59,932	-	-	59,932
Furniture and fittings at fair value	4.1(a)	159,620	-	-	159,620
Total other plant, equipment and vehicles at fair value		**492,279**	**-**	**-**	**492,279**
Right-of-use buildings	4.2(a)	11,609	-	-	11,609
Right-of-use plant, equipment and vehicles	4.2(a)	388,751	-	-	388,751
Total right-of-use assets at fair value		**400,360**	**-**	**-**	**400,360**
Investment property	4.5(a)	1,691,324	-	1,691,324	-
Total investment property at fair value		**1,691,324**	**-**	**1,691,324**	**-**
Total non-financial physical assets at fair value		**17,969,769**	**-**	**4,048,413**	**13,921,356**

How we measure fair value of non-financial physical assets

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

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

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

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

Non-specialised land, non-specialised buildings 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.

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

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

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

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

Notes to the Financial Statements
Hesse Rural Health Service
For the Financial Year Ended 30 June 2024

Specialised land and specialised buildings (continued)

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

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

An independent valuation of Hesse Rural Health Service's' specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2024.

Vehicles
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 Hesse Rural Health Service who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

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

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

Reconciliation of level 3 fair value measurement

Consolidated	Land	Buildings	Motor Vehicles	Plant and equipment	Medical equipment	Right-of-use assets
	$	$	$	$	$	$
Balance at 1 July 2022	2,604,630	11,233,307	44,457	350,134	50,529	354,541
Additions/(Disposals)	(3,630)	39,252	-	139,234	16,677	123,015
Net transfer between classes				-	-	
Gains or losses recognised in net result						
- Impairment loss	-					
Subtotal	2,601,000	10,427,717	25,024	407,323	59,932	400,360
Items recognised in other comprehensive income						
- Revaluation	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Balance at 30 June 2023	**2,601,000**	**10,427,717**	**25,024**	**407,323**	**59,932**	**400,360**
Purchases (sales)	-	38,360	-	293,756	-	118,407
Net transfer between classes	(2,395,000)	1,861,530		-	-	
Gains or losses recognised in net result						
- Depreciation	-	(838,714)	(16,404)	(126,711)	(7,955)	(88,398)
- Impairment loss	-					
Subtotal	**206,000**	**11,488,893**	**8,620**	**574,368**	**51,977**	**430,369**
Items recognised in other comprehensive income						
- Revaluation	(26,000)	7,045,467	-	-	-	-
Subtotal	(26,000)	7,045,467		-	-	-
Balance at 30 June 2024	**180,000**	**18,534,360**	**8,620**	**574,368**	**51,977**	**430,369**

Fair value determination of level 3 fair value measurement

Asset class	Fair	Valuation approach	Significant inputs (Level 3 only)
Specialised Land (Crown / Freehold)	Level 3	Market approach	Community Service Obligations Adjustments (i)
Specialised buildings	Level 3	Depreciated replacement cost approach	- Cost per square metre - Useful life
Vehicles	Level 3	Depreciated replacement cost approach	- Cost per unit; useful life
Plant and equipment	Level 3	Depreciated replacement cost approach	- Cost per unit - Useful life

(i) A community service obligation (CSO) of 0% 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

Note 8.1: Reconciliation of Net Result for the Year to Net Cash Flows from Operating Activities

	Note	Consolidated 2024 $	Consolidated 2023 $
Net Result for the Year		152,299	(289,770)
Non-Cash Movements			
Net (gain)/loss from disposal of non financial physical assets		(380,836)	(25,986)
Depreciation	4.4	1,086,804	1,064,574
Revaluation of LSL provision		(4,944)	(7,878)
Movements in assets and liabilities:			
Change in Operating Assets & Liabilities			
Increase/(Decrease) in Payables		(222,929)	325,620
Increase/(Decrease) in Employee Entitlements		(43,373)	325,115
(Increase)/Decrease in Receivables		(244,857)	(88,545)
(Increase)/Decrease in Other Liabilities		759,604	(249,679)
(Increase)/Decrease in Prepayments		55,030	(10,622)
Net Cash Inflow From Operating Activities		1,156,798	1,042,829

Note 8.2: Responsible Persons Disclosures

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

Responsible Ministers:	Period From	To
The Honourable Mary-Anne Thomas MP:		
Minister for Health	1/07/2023	30/06/2024
Minister for Health Infrastructure	1/07/2023	30/06/2024
Former Minister for Medical Research	1/07/2023	2/10/2023
Minister for Ambulance Services	2/10/2023	30/06/2024
The Honourable Gabrielle Williams MP:		
Former Minister for Mental Health	1/07/2023	2/10/2023
Former Minister for Ambulance Services	1/07/2023	2/10/2023
The Honourable Ingrid Stitt MP:		
Minister for Mental Health	2/10/2023	30/06/2024
Minister for Ageing	2/10/2023	30/06/2024
The Honourable Lizzy Blandhorn MP:		
Former Minister for Disability, Ageing and Carers	1/07/2023	2/10/2023
Minister for Children	2/10/2023	30/06/2024
Minister for Disability	2/10/2023	30/06/2024

	Period From	To
Governing Board		
I. Whiting (Chair of the Board)	1/07/2023	30/06/2024
M. Dean	1/07/2023	21/05/2024
B. Maw	1/07/2023	30/06/2024
C. Edwards	1/07/2023	30/06/2024
V. Allan	1/07/2023	30/06/2024
C. Goodwin	1/07/2023	30/06/2024
A. Hurren	1/07/2023	30/06/2024
P. Peter	1/07/2023	30/06/2024
M. Sukunda	1/07/2023	30/06/2024
Accountable Officers		
C. Brock (Chief Executive Officer)	1/07/2023	30/06/2024

Remuneration of Responsible Persons

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

Income Band reported in $'000	Consolidated 2024 $	Consolidated 2023 $
$0 - $9,999	9	10
$160,000 - $169,999	1	-
$170,000 - $179,999	-	1
Total Numbers	**10**	**11**

	2024 $	2023 $
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$211,647**	**$214,564**

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

Note 8.3: Remuneration of Executives

Remuneration of Executives

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

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.4)	Consolidated 2024 $	Consolidated 2023 $
Short-term benefits	295,908	351,100
Post-employment benefits	32,550	36,865
Other long-term benefits	7,166	9,353
Total Remuneration (i)	**335,624**	**397,318**
Total number of executives	2	3
Total annualised employee equivalent (AEE) (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 Service under AASB 124 Related Party Disclosures and are also reported within Note 8.4 Related Parties.

(ii) Annualised employee equivalent is based on the time fraction worked over the reporting period.

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

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

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

Other long-term benefits include long service leave, other long-service benefit or deferred compensation.

Note 8.4: Related parties

Hesse Rural Health Service is a wholly owned and controlled entity of the State of Victoria. Related parties of Hesse Rural Health Service include:

- all key management personnel and their close family members;
- all cabinet ministers and their close family members
- controlled entity - Winchelsea Hostel and Nursing Home Society Inc.
- jointly controlled operation - A member of the SWARH IT alliance; and
- all health services and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

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

Key management personnel

The Board of Directors and the Executive Directors of Hesse Rural Health Service and it's controlled entity are deemed to be KMPs.

			Period	
Entity	**KMP's**	**Position Title**	**From**	**To**
Hesse Rural Health Service	I. Whiting	Chair of the Board	1/07/2023	30/06/2024
Hesse Rural Health Service	M. Dean	Board member	1/07/2023	21/05/2024
Hesse Rural Health Service	B. Maw	Board member	1/07/2023	30/06/2024
Hesse Rural Health Service	C. Edwards	Board member	1/07/2023	30/06/2024
Hesse Rural Health Service	V. Allan	Board member	1/07/2023	30/06/2024
Hesse Rural Health Service	C. Goodwin	Board member	1/07/2023	30/06/2024
Hesse Rural Health Service	A. Hurren	Board member	1/07/2023	30/06/2024
Hesse Rural Health Service	P. Peter	Board member	1/07/2023	30/06/2024
Hesse Rural Health Service	M. Sukunda	Board member	1/07/2023	30/06/2024
Hesse Rural Health Service	C. Brock	Chief Executive Officer	1/07/2023	30/06/2024
Hesse Rural Health Service	S. Ryan	Director of Community Services	1/07/2023	30/06/2024
Hesse Rural Health Service	M. McLeod	Director of Clinical Services	1/07/2023	30/06/2024

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

	Consolidated 2024	Consolidated 2023
Compensation - KMP's	**$**	**$**
Short term employee benefits	487,036	544,996
Post-employment benefits	48,867	53,179
Other long-term benefits	11,368	13,707
Termination benefits	-	-
Total (i)	**547,271**	**611,882**

(i) KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Significant transactions with government related entities

Hesse Rural Health Service received funding from the Department of Health of $4.4 million (2023: $5.7 million).

Expenses incurred by Hesse Rural Health Service in delivering services and outputs are in accordance with HealthShare Victoria requirements. Goods and services including procurement, diagnostics, and payroll services are provided by other Victorian Health Service Providers on commercial terms.

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

The Standing Directions of the Assistant Treasurer require 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.

Transactions with KMP's and other related parties

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

Outside of normal citizen type transactions with Hesse Rural Health Service, there were no related party transactions that involved key management personnel, their close family members and their personal business interests, except for the transactions listed below. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2024.

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 2024.

Note 8.5: Remuneration of Auditors

	Consolidated 2024	Consolidated 2023
Victorian Auditor-General's Office	**$**	**$**
Audit of financial statement	40,000	40,000
	40,000	40,000

Note 8.6: Events Occurring after the Balance Date

No matters or circumstances have arisen since the end of the reporting period which further significantly affects or may significantly affect the operations of Hesse Rural Health Service,

Note 8.7: Controlled Entities

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:

Name of Entity	**Country of Incorporation**	Equity Holding
Winchelsea Hostel and Nursing Home Society Inc.	Australia	100%

Control is established due to both entities having common Board of Management.

Controlled Entities contribution to the consolidated results

	2024 $	2023 $
Net Result for the year	**$'000**	**$'000**
Winchelsea Hostel and Nursing Home Society Inc.	4,490	(699)

Contingent liabilities and capital commitments

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

Note 8.8: Joint Arrangements

	Principal Activity	2024 %	2023 %
South West Alliance of Rural Health (SWARH)	Information Technology	0.86%	1.89%

Hesse Rural Health Service's interest in assets employed in the above joint arrangement is detailed below. The amounts are included

	2024 $	2023 $
Current Assets		
Cash and cash equivalents	194,037	243,668
Receivables	56,246	82,652
Other assets	9,572	12,315
Total Current Assets	259,855	338,635
Non-Current Assets		
Property, plant & equipment	100,627	199,776
Receivables	10,567	14,257
Total Non-Current Assets	111,194	214,033
Total Assets	371,049	552,668
Current Liabilities		
Payables	109,269	119,118
Finance lease liabilities	23,199	23,235
Deferred income	120,470	185,977
Employee benefits and related on-cost provisions	19,630	37,360
Total Current Liabilities	272,568	365,690
Non-Current Liabilities		
Finance lease liabilities	41,475	44,314
Employee benefits and related on-cost provisions	14,740	7,714
Other liabilities	118	1,327
Total Non Current Liabilities	56,333	53,355
Total Liabilities	328,901	419,045
Net Assets	42,148	133,623

Hesse Rural Health Service interest in revenues and expenses resulting from joint arrangements is detailed below, based on unaudited figures:

Revenues		
Operating activities	257,562	302,682
Revenue from Non-Operating Activities		
Non-operating activities	7,012	43,827
Total revenue and income from transactions	264,574	346,509
Expenses from transactions		
Employee Benefits	140,896	145,706
Maintenance contract and IT cupport	102,977	125,195
Operating Lease Costs		
Finance costs	581	790
Depreciation	23,053	33,784
Total expenses from transactions	267,507	305,475
Net result from transactions	(2,933)	41,034
Other economic flows included in the net result		
Revaluation of long service leave	1,268	317
Total other economic flows included in the net result	1,268	317
Comprehensive result for the year	(1,665)	41,351

Note 8.9: Economic dependency

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

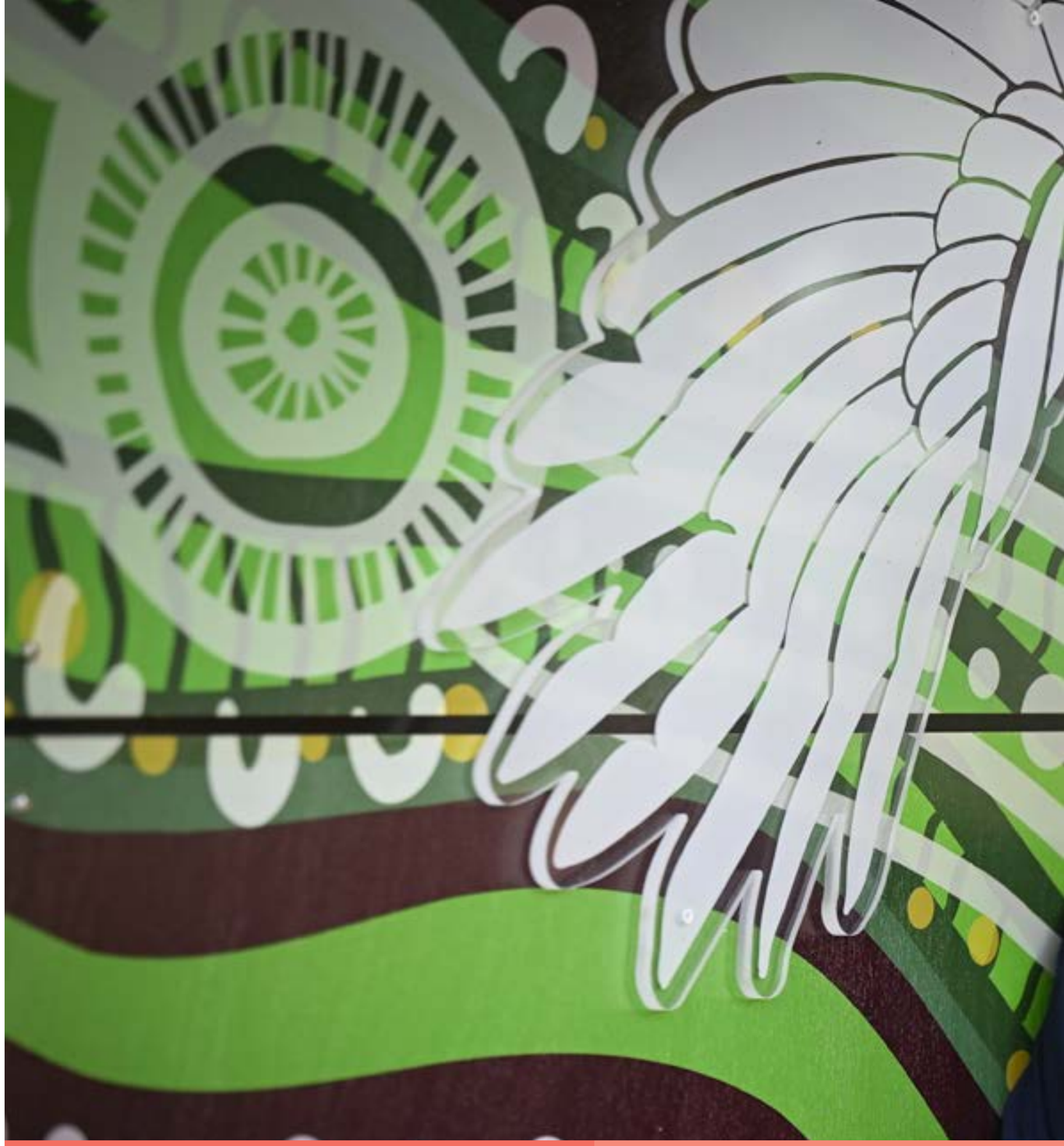
Note 8.10: Equity

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

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

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

General purpose reserves
The general purpose reserve represents funds set aside by Hesse Rural Health Service for specific purpose, where the funds have been internally generated.



Annual Report 2023-24

This annual report is prepared in accordance with Ministerial Directions issued by the Minister for Finance under the Financial Management Act 1994, and outlines the operational and financial performance of Hesse Rural Health from 1 July 2023 to 30 June 2024. The disclosures are made regarding responsible persons for the reporting period.

Additional information is available on request. Our annual reports are available on our website and a hard copy of this issue can be obtained upon request. Hesse is committed to providing accessible services. If you have any difficulty in understanding this annual report, you can contact us to arrange appropriate assistance.

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