LATROBE COMMUNITY HEALTH SERVICE

ANNUAL REPORT 2014

Latrobe Community Health Service

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VISION

Better health, Better lifestyles, Stronger communities.

MISSION

Latrobe Community Health Service is a rapidly developing health service that has grown its people, its technology and infrastructure to offer more services to those who need them, along with a greater ability for people to look after their own health using a variety of fee-free and fee-based models.

VALUES

Providing excellent customer service

Actively assist our customers and clients to receive the quality services they require in a professional and courteous manner.

Always providing a personal best

Embrace a 'can do' attitude and go the extra distance when required.

Creating a successful environment

Contribute to making Latrobe Community Health Service a positive, respectful, innovative and healthy place to be.

Acting with the utmost integrity

Practice the highest ethical standards at all times.

CONTENTS.

CHAIRPERSON & CEO'S REPORT

> **Latrobe Community Health Service has a tremendous workforce, strong financial position, excellent infrastructure, a sound business model and a great reputation.**

There has been significant change within Australia's primary health sector this year.

The Federal Government is proposing significant changes to Medicare. The National Disability Insurance Scheme is rolling out. The State Government has recommissioned community mental health and drug treatment. Services such as National Respite for Carers face significant change. Primary Health Networks will replace Medicare Locals from 1 July 2015. Other programs will be reviewed soon.

Continual and rolling change is here to stay. Those organisations that embrace and thrive on change and new opportunities will be successful. Those that don't will be left behind.

Given these rapid shifts within the health sector, our staff and volunteers at Latrobe Community Health Service deserve credit for their achievements in 2013-14. We continue to diversify and expand to ensure the health of the organisation and to respond to community need. This year, we increased revenue by 18%.

We established new aged care services in the Hume and Grampian regions. We opened a GP clinic at our Traralgon site. We also took over an existing GP clinic at the William Angliss Institute Medical Centre in Melbourne. The rebuild of our Churchill GP clinic was also completed.

Staff moved from our old site at the Korumburra hospital to our new Wonthaggi site. This will improve our ability to provide services to the Bass Coast community.

We continue to foster innovation. Latrobe Community Health Service won the Victorian Public Healthcare Gold Award for 'Optimising healthcare through e-health and communications technology' under the Healthcare Innovation section for our Mobile Wound Care project.

Latrobe Community Health Service continued to partner with other organisations, leading to great results. We worked with GippsTAFE, Advance TAFE and Monash University to develop a new Diploma of Community Health. We look forward to employing graduates from this course in the future.

Our Healthy Together Latrobe partnership continued with Latrobe City Council. Together we hosted the Jamie Oliver Ministry of Food mobile kitchen in Traralgon. More than 520 people took part in cooking lessons and education. More than 35 early childhood services, 24 schools and 17 workplaces took part in the Healthy Together Latrobe Achievement Program, which helps schools and workplaces create healthy environments for learning, working and living.

Latrobe Community Health Service led a successful consortium bid to plan and deliver drug and alcohol pharmacotherapy services to the Gippsland and Hume regions. We also led the successful tender to establish a drug and alcohol consortium in Gippsland. This consortium will deliver counselling and recovery services across the region.

In February, thick smoke blanketed Morwell for weeks after the Hazelwood open cut mine fire. This major emergency required a great deal of our attention. Staff ensured our services continued and looked after our volunteers and clients. Latrobe Community Health Service also provided staff for the health assessment centre, and liaised with other health and emergency professionals to coordinate the response. This was a practical demonstration of the resilience and adaptability of our staff in a fluid environment.

The board of directors had some changes this year, with Dennis O'Neill's term finishing in November 2013. We thank Dennis for his contribution. In February 2014 the board appointed Stephen Howe and Mark Biggs.

Latrobe Community Health Service has a tremendous workforce, strong financial position, excellent infrastructure, a sound business model and a great reputation.

This leaves us well placed to achieve the best outcomes for our community, whatever changes we may face.

Ben Leigh – Chief Executive Officer

John Guy – Board Chairperson

Latrobe Community Health Service staff receive a Victorian Public Healthcare Award from Victorian Minister for Health David Davis (far left)

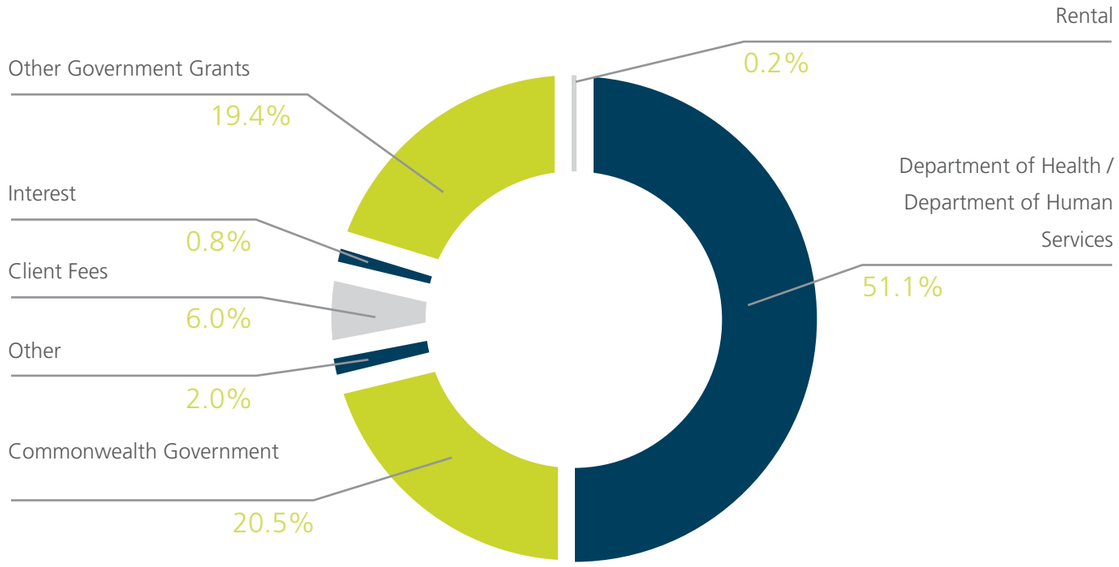
FINANCIAL SUMMARY

Latrobe Community Health Service delivered a net surplus of $2.69 million and maintained a strong financial position in 2013/14. The financial ratios and cash position remained healthy and within financial strategy benchmarks during the year.

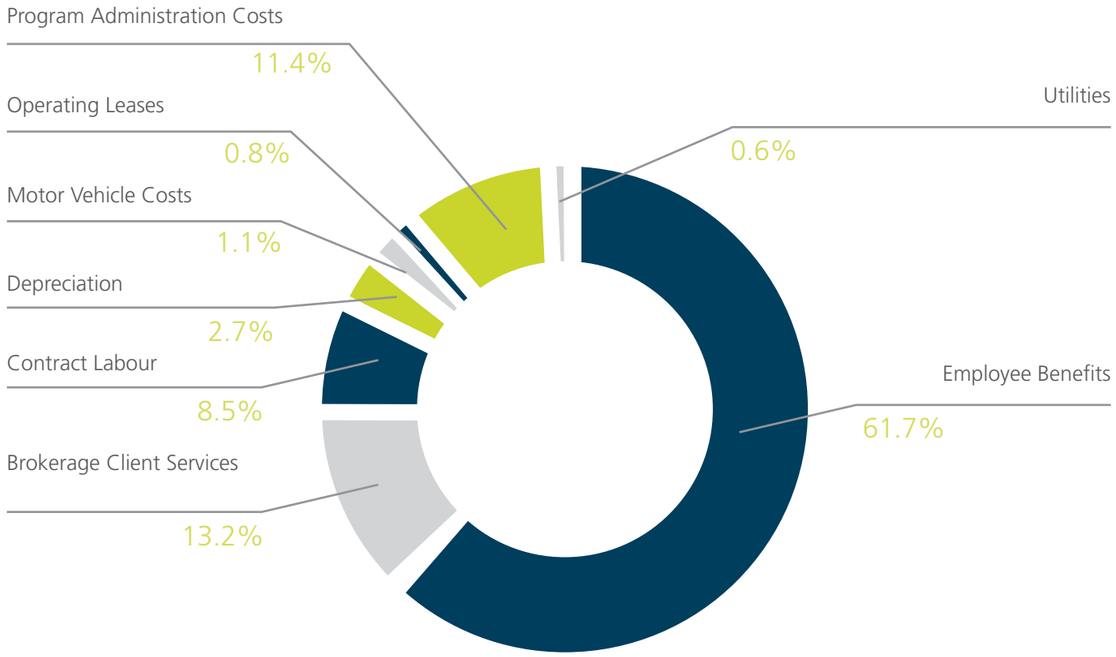
OPERATING RESULTS

Our operating result for the year, excluding capital income, was a surplus of $0.3 million. Operating revenue, excluding capital grants, increased by 18% to $44.18 million.

Funding from the Department of Health was again the major source of income, representing 51.1% of the total. Client fees increased to 6% of total income (2013: 3.3%).



“Latrobe Community Health Service delivered a net surplus of $2.69 million and maintained a strong financial position in 2013/14.”



The increase in revenue was accompanied by an increase in operating expenditure of 12.4% ($4.84 million) to $43.88 million. This was principally due to an increase of $3.7 million in Employee Benefits and Contract Labour to fund additional resources required to deliver expanded services to our community, including dental and GP clinics.

*The four main components making up 'Program Administration' costs are medical supplies, staff training, information technology and maintenance.

NET RESULTS

After taking into consideration capital grants (primarily related to the Moe site development), the Latrobe Community Health Service overall net result for the 2013/14 financial year was a surplus of $2.69 million.

Net Results	2013/14 ($M)	2012/13 ($M)	2011/12 ($M)	2010/11 ($M)	2009/10 ($M)
What we receive - Revenue	44.18	37.45	34.69	33.89	31.48
What we spent - Expenses	43.88	39.03	33.23	34.33	30.70
Operating result for the year	0.31	(1.58)	1.45	(0.44)	0.78
Plus capital grants received	2.38	4.23	0.19	0.54	13.95
Less building contractor payments	-	-	-	1.30	16.17
Net Result for the year	2.69	2.65	1.64	(1.20)	(2.28)

ASSETS & LIABILITIES

Latrobe Community Health Service total assets increased by $0.7 million. This consists of a decrease in current assets of $5.55 million due mostly to implementing our capital works program and an increase in non-current assets of $6.26 million for construction works.

Liabilities reduced by $1.99 million as we reduced our obligations to creditors over the year.

Assets & Liabilities	2013/14 ($M)	2012/13 ($M)	2011/12 ($M)	2010/11 ($M)	2009/10 ($M)
What we own - Assets	27.83	27.13	21.17	19.04	20.06
What we owe - Liabilities	7.38	9.36	6.09	5.61	5.42
Net Assets	20.45	17.77	15.08	13.43	14.64

The above-mentioned changes in assets and liabilities result in a reduction in the Working Capital Ratio and a reduction in the Debt Ratio.

	2013/14	2012/13	2011/12	2010/11	2009/10
Working Capital Ratio					
Current Assets / Current Liabilities	1.45	1.75	1.90	1.94	2.26
Debt Ratio					
Total Liabilities / Total Assets	26.51%	34.50%	28.78%	29.67%	27.02%

CASH FLOW

The cash position reduced by $5.27 million over the 2013/14 financial year due to capital spending, predominantly relating to the Moe site redevelopment. This use of cash represents an investment in fixed assets.

Cash Flow	2013/14 ($)	2012/13 ($)	2011/12 ($)	2010/11 ($)	2009/10 ($)
Cash Flow from Operating Activities	(217,920)	1,455,483	3,077,100	(1,002,111)	(1,725,712)
Cash Flow from Investing Activities	(5,049,333)	(1,687,843)	(2,091,534)	(227,870)	2,225,919
Cash and Cash Equivalents at Beginning of Period	12,254,414	9,111,088	8,125,522	9,355,502	8,855,296
Cash and Cash Equivalents at End of Period	**6,987,161**	**12,254,414**	**9,111,088**	**8,125,521**	**9,355,503**

BOARD & GOVERNANCE

Latrobe Community Health Service Ltd (Latrobe Community Health Service) is incorporated under the Corporations Act 2001 as a Company Limited by Guarantee. It is governed by a skills-based board of up to nine directors.The membership of the company elects five directors and the board appoints four directors.

Three board committees support the work of the board:

- Audit and Risk
- Quality and Safety
- Governance

AUDIT & RISK COMMITTEE

The purpose of the Audit and Risk Committee is to assist the Latrobe Community Health Service Board to exercise due care, diligence and skill. The terms of reference for the committee relate to:

- reporting financial information to users of financial reports
- applying accounting policies
- the independence of Latrobe Community Health Service's external auditors
- the effectiveness of the internal and external audit functions
- financial management
- internal control systems
- risk management
- organisational performance management
- Latrobe Community Health Service business policies and practices
- complying with Latrobe Community Health Service constitutional documentation and material contracts
- complying with applicable laws and regulations, standards and best practice guidelines.

The committee includes two independent representatives:

Liz (Elizabeth) Collins – appointed April 2009

BBus, CPA, GAICD, Cert Bus.

Liz is the General Manager Governance at Wellington Shire Council. She was also the Manager Finance at Latrobe City Council for ten years. Liz has experience with financial controls, risk assessments, legislative compliance, policy development, management accounting and asset management.

Ron Gowland – appointed February 2012

Dip Management, FCPA, Economics degree.

Ron is employed by Silcar Pty Ltd as a Commercial Manager for the High Voltage Technical Services business. He has Public Practice Certification from CPA Australia and is the owner/principal at Latrobe Business Solutions Pty Ltd public accounting practice. Ron served four years as Chair of the Gippsland Water Audit Committee. He has been a member of the Latrobe City Council Audit Committee for the past six years and has been chair of this committee for the past four years.

BOARD GOVERNANCE COMMITTEE

The role of the Governance Committee is to assist and advise the board on:

- composition, structure and operation of the board
- CEO selection and performance
- remuneration
- other matters as required.

QUALITY & SAFETY COMMITTEE

The role of the Quality and Safety Committee is to:

- build a culture of trust and honesty through open disclosure in partnership with consumers and the community
- foster organisational commitment to continuous improvement
- establish rigorous monitoring, reporting and response systems
- evaluate and respond to key aspects of organisational performance.

The Quality and Safety Committee is informed by the work of three staff committees:

- Occupational Health and Safety Committee
- Clinical Governance Advisory Committee
- Quality Implementation Advisory Committee

The committee includes a client representative:

Allison Higgins – appointed August 2009

Bachelor of Arts (Communications).

Allison has cerebral palsy and requires the use of a mobility aid and paid personal care supports. She has a keen interest in disability advocacy and is involved in the management of her care in order to be as independent as possible. As a client receiving care and support services, Allison is able to draw on her personal experiences within the healthcare system and provide her valuable insights to the Board Quality and Safety Committee.

Latrobe Community Health Service Morwell office.

LATROBE COMMUNITY HEALTH SERVICE
BOARD DIRECTORS

JOHN V GUY, OAM

JP Grad. Dip. P.A. (Board Chairperson) – Board Director since September 1997. Board Chair from 2002-04, and 2008-14.

Member Governance Committee, Board Recruitment Selection Panel, former Chair Audit Committee.

John spent 35 years with State Electricity Commission of Victoria, six years on the Morwell Shire / City Council (three consecutive years as Mayor) was Chairman of the Latrobe Regional Commission, and Chairman of Commissioners of Wellington Shire during the amalgamation process. Currently Chair Advance Morwell Incorporated, he is a Justice of the Peace, a volunteer with the Office of the Public Advocate, Independent Third Person Program and a volunteer with the Youth Referral and Independent Person Program.

PETER WALLACE

BBus (Marketing), Post Graduate Diploma (Health Services Management), Master of Administration, (Board Deputy Chairperson) – Board Director since January 2007.

Chair Quality & Safety Committee, Governance Committee; former Member Audit Committee.

Peter's previous appointments include Director Corporate Services at Latrobe Regional Hospital, Chief Executive Officer at Maroondah Hospital, Deputy Chief Executive Officer at Box Hill Hospital and Director of General Services at Monash Medical Centre. Peter has also undertaken project and consulting assignments at Mercy Health and Aged Care, Royal Children's Hospital, Barwon Health, Dental Health Services Victoria and Department of Health. Peter completed the Australian Institute of Company Directors Company Directors course in 2011.

JUDITH WALKER

PhD, Grad Dip Ed, BA Hons, FACE & AFACHSE – Board Director since July 2012.

Member Audit & Risk Committee and Governance Committee.

Judi is the Professor / Head of the School of Rural Health at Monash University. She came to Monash from the University of Tasmania, where she held the inaugural Chair of Rural Health – a conjoint appointment with the Tasmanian Department of Health and Human Services for ten years. As a medical educator specializing in open and distance education methodologies, she has a wealth of experience in innovative approaches to clinical placements, vertical integration in medical education, community engagement, health workforce role re-design and health services reform. Judi is Chair of the Federation of Rural Australian Medical Educators and represents Monash University on the Board of the Australian Rural Health Education Network. She is Vice President, Monash Academic Board.

MELISSA BASTIAN

LLB (Honours), BBus (Management), Grad Dip Legal Practice, GAICD - Board Director since January 2011

Member of the Audit & Risk Committee and Governance Committee.

Melissa is a former State Registered Nurse and a 2011 graduate of the Gippsland Community Leadership Program. Melissa has a diverse background in the health, insurance and legal industries. She has held senior roles in the public and private sectors. Melissa is experienced in facilitation, compliance and managing teams and stakeholders. She is a Non-Executive Director of bankmecu and a voluntary speaker on organ donation for DonateLife.

STEVEN PORTER

BA Eng (Civil), Masters in Organisation Dynamics, GAICD – Board Director since November 2004.

Chair Audit & Risk Committee; former Member Audit Committee & Board Treasurer.

Steven is an alumnus of Leadership Victoria and a member of the Australian Institute of Company Directors. He has completed a Masters in Organisation Dynamics at RMIT. Steven has experience in senior management positions in asset planning, capital works, communications and public relations, business processes, change and resource management. He is a committee member of the Victorian branch of the Australian Water Association.

LATROBE COMMUNITY HEALTH SERVICE
BOARD DIRECTORS

CAROLYNE BOOTHMAN

Bachelor of Education (Primary), Graduate Certificate of Religious Education – Board Director since February 2010.

Member Quality & Safety Committee.

Carolyne has been a member of the Gippsport Board for 18 years, and many other sporting committees in the local area. She is Secretary of the Yinnar and District Festivals Association, and President / Publicity Officer for the Gippsland Acoustic Music Club. She is Chair of the Morwell and District Community Recovery Committee and a member of the Latrobe Regional Hospital Foundation. Carolyne is a music specialist teacher at Sale Catholic College, with a passionate interest in health, fitness and music. She has lectured at Monash University.

PETER STARKEY

Board Director since June 2013.

Member Quality & Safety Committee and Governance Committee.

Peter is General Manager of Worksafe Training Centre and has 15 years of experience in diverse roles focusing on business management and the financial services industry. Due to this experience he has developed leadership, management and communication skills. Peter has experience in human resources as well as strategic management, continuous quality improvement, risk management and financial management. Peter is also a board member of the Baw Baw Latrobe Learning and Employment Network and Advance Morwell.

MARK BIGGS

BA (SocSci), Grad Dip Counselling Psychology – Board Director since February 2014.

Member Quality & Safety Committee.

Mark has an extensive management career in the primary health and human services sector, including child protection, youth, disability, occupational rehabilitation and project and business management. He has expertise in strategic planning, policy, risk and business management. Mark is on the board of Gippsland Medicare Local. He was a board director of Latrobe Regional Hospital for nine years, holding positions as Deputy Chair and Audit Chair. Mark is skilled in the areas of governance, quality assurance and compliance.

STEPHEN HOWE

BEng Civil (Hons), MIE Aust CP Eng GAICD – Board Director since February 2014.

Member Audit & Risk Committee.

Stephen is the Regional Manager Gippsland for SMEC Australia. He was the Independent Director for Greater Eastern Primary Health for many years and is a member, and former president and vice president, of the Warragul Theatre Company. Stephen has been a Chartered Professional Engineer with the Institute of Engineers Australia since 1992. He has experience in management, business planning, strategic development, financial management, human resources and corporate governance. He also has expertise in the areas of asset planning, construction and capital works.

BOARD ATTENDANCE

Details of attendance by Board Directors of Latrobe Community Health Service at Board, Audit & Risk Committee, Quality & Safety Committee and Governance Committee meetings held during the period 1 July 2013 – 30 June 2014, are as follows:

Board Director	MEETINGS							
	BOARD		Audit & Risk Committee		Quality & Safety Committee		Governance Committee+	
	A	B	A	B	A	B	A	B
John Guy (Board Chairperson)	11	10	-	3^	-	3^	4	4
Peter Wallace (Deputy Chairperson)	11	11	-	-	4	4	4	4
Steven Porter	11	9	4	4	-	-	-	-
Judi Walker	11	9	4	3	-	-	1	1
Carolyne Boothman	11	10	-	-	4	3	-	-
Melissa Bastian	11	10	4	4	-	-	3	3
Peter Starkey	11	10	-	-	4	4	1	1
Dennis O'Neill*	6	6	-	-	2	1	-	-
Stephen Howe**	5	5	2	1	-	-	-	-
Mark Biggs**	5	5	-	-	1	1	-	-

Audit & Risk Committee Independent Representatives	A	B
Liz Collins	4	4
Ron Gowland	4	4

Quality & Safety Committee Client Member	A	B
Allison Higgins	4	3

Notes

Column A - Indicates number of meetings held while board director / committee member was a member of the board / Audit & Risk Committee / Quality & Safety Committee

Column B - Indicated number of meetings attended

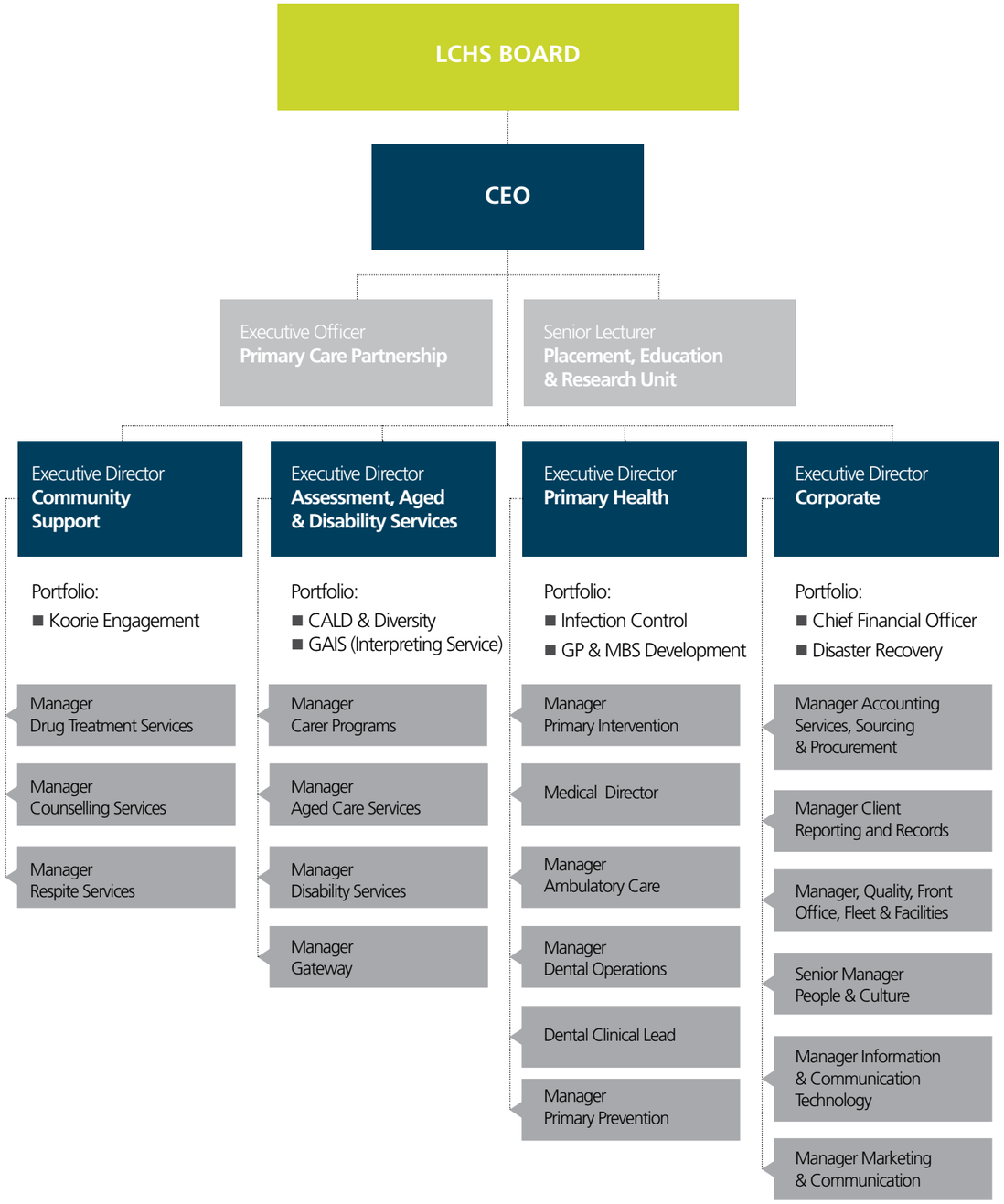
* Dennis O'Neill's term on the board ceased effective 28 November 2013

** Stephen Howe and Mark Biggs were appointed to the board effective 25 February 2014

^ Board Chair will on occasion attend board committees ex-officio

\+ Changed from "Remuneration Committee" to "Governance Committee" in April 2014

ORGANISATIONAL CHART



AMBULATORY CARE

Rachel Strauss

“Ambulatory Care has had another busy year. Highlights include winning a Victorian Public Healthcare Award, and further growth of our GP clinics.”

Ambulatory Care has had another busy year. Highlights include winning a Gold Award at the Victorian Public Healthcare Awards, further growth and development of our GP clinics, and the introduction of new services in district nursing.

MOBILE WOUND CLINIC

Our regional mobile wound clinic was the winner of the 2013 Victorian Public Healthcare Award for ‘Optimising healthcare through e-health and communications technology‘. This program enables nurses across Gippsland to enter clinical data on patient wounds, including digital photos, into a web-based program. The regional nurse consultant can access the electronic referral data immediately and make clinical recommendations. Wound healing duration was reduced by 43%. Consumable cost-per-wound was reduced by $50, and the standardisation of regional clinical practice improved clinical skills.

DISTRICT NURSING AND PALLIATIVE CARE

Ambulatory Care has undergone considerable change this year with the introduction of the ‘Non-emergency in Home Nursing Services Program‘. This is a two-year partnership with Ambulance Victoria to respond to non-urgent ambulance calls in Latrobe and some areas of Baw Baw. It adds to the comprehensive suite of home- and clinic-based services Latrobe Community Health Service offers.

Once again Latrobe Community Health Service completed the Victorian Palliative Care Satisfaction Survey, providing a snapshot of patient and carer satisfaction with services. The main intention was to assist service providers in identifying the key areas for improvement that have the greatest potential to influence overall satisfaction. Overall, Latrobe Community Health Service received a high satisfaction rate.

The Palliative Care Nurse Practitioner Candidate completed all areas of study and is aiming for endorsement in November 2014. The Pastoral Care Nurse is undertaking extensive clinical pastoral education and is looking forward to putting that experience into practice.

GP CLINICS

Our GP clinics have continued to expand over the past 12 months. The Morwell GP clinic has five General Practice doctors who also assist with student placements of nursing, medical and biomedical students. The Integrated Primary Health Care Clinics now have over 5,000 clients. There were 11,823 completed appointments during the last year. The Morwell GP clinic passed its first accreditation with Australian General Practice Accreditation Limited. This ensures the facility, systems, processes and services provided to the community are of the highest standard. Gippsland Pathology is also operating from the Morwell site to increase the services provided to the local community. We also commenced a GP service at our Traralgon site, with 1,915 clients seen since opening in October 2013.

Latrobe Community Health Service continues to support the GP clinic at Churchill with administrative and nursing support from Latrobe Community Health Service staff. The GP clinical area at this site has been re-developed. There are five new purpose-built consulting and treatment rooms and a pathology collection centre. Clinicians are now using these new facilities.

Moe After Hours Medical Service continues to provide an after-hours service to the local community seven days a week. With the Moe site under redevelopment, the service was moved from its original building to the main Latrobe Community Health Service building. The Moe After Hours Medical Service operates in collaboration with four General Practice doctors based in Moe. Together with Latrobe Community Health Service nurses and administrative staff, they provide a service to over 8,000 clients each year.

During the year an opportunity arose to manage an existing clinic located on campus at the William Angliss Institute in central Melbourne. The William Angliss Medical Centre is open and accessible to the 4,000 students that pass through the campus throughout the year, as well as teaching staff and the local community.

The refugee health nurse provides a free service to the refugee community to improve their health and well-being. The nurse also provides support to adjust to life in the local area. By building relationships, health promotion and assisting with integration into a new community, refugee clients have improved health outcomes. The refugee health nurse works within the GP clinic to provide a comprehensive health assessment, care planning and treatment plans.

Key Performance Indicators

Management Unit	Number of KPIs	Lowest % Achieved	Highest % Achieved	Average % Achieved
Ambulatory Care	5	71	127	97.2
GP	4	35	95	74

Senior Wound Consultant Linda Raymond providing care for Joyce Williams.

PRIMARY HEALTH

Rachel Strauss

"The Primary Health team continues to provide a range of clinical, allied health, and nursing services to our communities to support good health."

The Primary Health team continues to provide a range of clinical, allied health, nursing, chronic disease, dental, paediatric, health promotion and education services to our communities to support managing good health.

PRIMARY INTERVENTION

The goal for primary intervention in 2014 was to increase the profile of our services. This is to ensure people who are not accessing our services have an opportunity to benefit from them. We have achieved this by taking our services out into the community.

Key initiatives included:

- Co-location of an occupational therapist with Latrobe City Council for easier access to people requiring services in their own home.
- Increased liaison with Aboriginal Community Controlled Health Organisations, through an Aboriginal allied health worker to guide people through our services.
- In conjunction with Continence Australia, increasing the profile of continence educators with aged care providers, in order to improve their knowledge and enhance the quality of life of people with continence problems.
- Partnering with providers of pre-school services to increase the capacity of families and staff to identify and manage concerns regarding the development of children attending the centres.
- Increasing the profile of our podiatrists within the Aboriginal community by linking in with community events. As a result, more Aboriginal members of our community who have diabetes are now seeking assistance before significant issues arise.
- Our respiratory nurse conducts a 'Breathing Wind Clinic' at Ramahyuck District Aboriginal Corporation to assist members of the Aboriginal community to manage their respiratory conditions.
- We partnered with major businesses and industry to provide employees with wellness programs to help them manage their own health and to prevent illness, injury and disease.

DENTAL SERVICES

It has been another year of significant growth. The funding from the National Partnership Agreement On Treating More Public Dental Patients helped decrease dental waiting times for our community from months to weeks. This initiative also led to the recruitment of several key dental staff to the region, including the appointment of clinical leads for Dental Services and Dental Prosthetics.

The Child Dental Benefits Schedule was also introduced in 2014. This means that eligible children are now able to receive dental care to the value of $1,000 over a two-year period. This is important for Gippsland, which has been identified as having a high incidence of oral health disease – most of which would be preventable with early intervention.

Latrobe Community Health Service is in its second year of hosting a dental graduate under the Voluntary Dental Graduate Year Program. We were also successful in submitting to be part of the new Oral Health Therapist Graduate Year Program which commenced in January this year.

Several specialty clinics have commenced to further complement the paediatric theatre, Koorie and Sudanese clinics already in place. Latrobe Community Health Service now also provides dental services to Windana drug and alcohol recovery facility, and has commenced talks to work in the aged care sector. In addition, we provided an information and education day for both clients and carers at Cooinda Hill, focusing on oral health promotion for people with a disability.

PRIMARY PREVENTION

The Healthy Together Latrobe team works with the local community to promote the importance of good health and wellbeing across all areas of life: at schools, in the workplace, at home and in the community. This program is a partnership between Latrobe Community Health Service, Latrobe City Council and the Department of Health.

One of the most successful Healthy Together Latrobe initiatives for the year was a food system audit. Our staff assessed food sources in the city of Latrobe. The scan revealed there are 79 takeaway or fast food outlets, but just four specialist greengrocers.

Healthy Together Latrobe also organised a well-received food forum in late 2013. Food producers and stakeholders discussed ways to improve consumer access to fresh, affordable food.

The Achievement Program is a Healthy Together Latrobe project that supports the development of healthy environments for learning, working and living in. There are 35 Early Childhood Services, 24 schools and 17 workplaces participating in the Achievement Program.

Health Champions is another Healthy Together Latrobe initiative. It is a grass roots program to inspire and equip people with ideas on improving community health. The community has proposed ideas such as a healthy lifestyle radio program, community gardens and a bicycle repair scheme.

Key Performance Indicators

Management Unit	Number of KPIs	Lowest % Achieved	Highest % Achieved	Average % Achieved
Allied Health	7	88	128	102
Dental	5	86	108	97

COMMUNITY SUPPORT

Alison Skeldon

"During the year we were successful in tendering for alcohol and drug treatment support services in counselling, care and recovery, non-residential withdrawal and catchment-based planning."

COUNSELLING SERVICES

GAMBLER'S HELP

During 2013 Latrobe Community Health Service was proactive in the consultation and review of the state-wide Gambler's Help service system. The review covered clinical services and community education and venue support programs. The outcome is a new program framework for Gambler's Help. We responded to an invitation to apply for ongoing provision of the service. The Victorian Responsible Gambling Foundation notified us in May 2014 that we were successful.

We also held a successful Responsible Gambling Awareness Week event that brought together counselling staff, venue workers and school students to hear about the risks of gambling.

FAMILY VIOLENCE PROGRAMS

Demand continues to exceed capacity across all family violence programs at Latrobe Community Health Service. Additional funding was received for the Men's Behaviour Change Program. This allows for additional support to respond when men who choose to use violence are referred to the program by police.

GENERALIST COUNSELLING

Collaboration between our counselling and palliative care nursing services resulted in the implementation of an outreach model for delivery of psychological support and grief and loss counselling to palliative care clients and their families. Support is also available to the nursing staff in the form of debrief and reflection with our counsellor. This is intended to provide group reflection and peer support.

DRUG TREATMENT SERVICES

In November 2013 we successfully tendered for the delivery of pharmacotherapy area-based networks with six partner community health services across the Gippsland and Hume regions.

We submitted a tender for the delivery of alcohol and drug treatment services in partnership with three other health services in Gippsland. We were successful in tendering for services in counselling, care and recovery, non-residential withdrawal and catchment-based planning.

Staff participated in a parliamentary inquiry in Traralgon, facilitated by the Law Reform, Drugs and Crime Prevention Committee. The aim was to examine the nature, prevalence, and culture of methamphetamine (ice) use and the impact on users and their families in Gippsland. This was a public hearing and staff responded to a number of questions on the day.

Latrobe City held a community safety and wellbeing forum called 'Breaking The Ice', in Traralgon in October 2013. Over 500 people attended the forum where Latrobe Community Health Service staff presented information on the services we provide, along with family advice and information.The audience was a mix of parents, carers, health providers, law enforcement agencies and solicitors.

RESPITE SERVICES

DRUMMING GROUP

The Drumbeat program focused on exploring connections, building relationships and using rhythm to communicate in a calm and neutral social environment where people are learning and interacting. The aim is to reduce the stigma associated with dementia, and provide local support to reduce the impact of social isolation and disengagement of people living with it. Drumming is an effective communication tool and all participants enjoyed the opportunity to learn new skills and express themselves in a different way. The ten-week program was delivered in Traralgon at Creative House in partnership with GippsTAFE. A new theme was introduced and explored weekly.

CARERS SUPPORT GROUP

The carers support program provides respite for carers of frail elderly people by offering opportunities to get together and have a break from their caring role. Carers attend monthly gatherings while their loved ones attend a planned activity group. So far this year carers have participated in activities such as shopping and lunch in Yarragon, a visit to Melbourne Aquarium, and feeding the pelicans at San Remo.

This program commenced in February 2014 and has already generated much enthusiasm from our clients. Recurrent funding ensures this program will continue into the future.

CREATIVE HOUSE

The Creative House program was a mental health community support program for those with enduring mental health illnesses. The program was run from Hyde Park Road in Traralgon for ten years. Creative House has built client capacity and helped integrate clients into the mainstream community.

All community-based mental health services were recommissioned during the financial year, and Creative House did not receive ongoing funding. Our day programs have now closed, and new provider MIND Australia will continue to support our former clients. Extensive support has been given to all clients, volunteers and staff with the transition of the program to the new provider.

Key Performance Indicators

Management Unit	Number of KPIs	Lowest % Achieved	Highest % Achieved	Average % Achieved
DTS	13	67	322	123
Counselling	14	18	517	237
Respite	12	84	138	109

ASSESSMENT, AGED & DISABILITY SERVICES

Vince Massaro

"We reviewed our service delivery model, and increased staff knowledge through training. Our clients now have far more control over their services."

AGED CARE SERVICES

In 2012 Latrobe Community Health Service applied for, and was granted, an additional 79 home care packages. A home care package is government funding for services that may help elderly people stay in their homes for longer. It may include cleaning and preparing meals, or transport so people can go shopping or attend appointments.

The 79 packages were not only for the Gippsland region. There was a considerable expansion of our aged care service as 26 packages were for the Grampians region and 35 were for the Hume region.

Aged care reforms were legislated in June 2013, so these new packages are being delivered using a consumer-directed care model. This means our clients have far more control over what services they want, and how their home care package is spent.

This has meant a major change for our service. We reviewed our service delivery model, increased staff knowledge through training, and developed new policies and procedures so these home care packages could be delivered. Major changes were required to our client management and financial reporting systems so we could provide clients with monthly statements to show the expenditure, care management time delivered and the amount of remaining funding available to the client.

As well as this, we needed to establish a presence in the Hume and Grampians regions by locating office space, hiring staff, purchasing supporting equipment, building relationships and establishing contracts with service providers.

Latrobe Community Health Service commenced services in the Grampians region in February 2014. We commenced in Hume in March. By June 2014, all home care packages for both regions were allocated.

Latrobe Community Health Service now has all home care packages allocated to clients and is building good working relationships with other services. We have two full time employees who are local to the Hume and Grampians regions and participate in local networking meetings. We also entered into an associate membership with Central Hume Primary Care Partnership and Central Highlands Primary Care Partnership. We are in the process of formalising a relationship with Gateway Community Health in Wangaratta.

Latrobe Community Health Service is looking forward to developing these relationships further and is also looking to build our service in these areas by applying for additional packages in the next government funding round.

"These activities have contributed to improved financial resilience and enhanced well-being for our clients."

GATEWAY

Latrobe Community Health Service has received funding over the past three years to support vulnerable groups in the Latrobe Valley. One such stream of funding assists people who have come to Latrobe on humanitarian grounds.

This form of emergency relief aims to help people deal with their immediate financial crises in a way that maintains their dignity and encourages self-reliance.

Relief options include:

- purchase vouchers of a fixed value (for example, food, transport or chemist vouchers)
- part-payment of an outstanding account (for example rent, accommodation, utility bills)
- material assistance such as household goods, food parcels or clothing
- budgeting assistance
- information, advocacy and referrals.

These activities are an important gateway to other support services that help people deal with more complex issues. For example, referrals can be made to:

- financial counselling, microfinance and matched savings initiatives
- financial literacy programs
- drug and alcohol support
- crisis accommodation
- mental health services
- family support services.

In June 2014 a 'bring your bill' day was held at both Moe and Traralgon. This saw 65 people learn about reading and understanding utility accounts, and how to engage with utility providers. We also provided assistance with outstanding accounts.

These activities have contributed to improved financial resilience and enhanced wellbeing for our clients.

CARER PROGRAMS

YOUNG CARER PRODUCTION

Our carer programs support young carers of people with a disability or mental illness. We supported 72 young carers across Gippsland last year. Their ages ranged from 8 to 18 years.

During the year we paired with Youthworx Production Services, a social enterprise that works with marginalised and homeless young people. Together with young carers, they produced a short film about the young carer program.

The film features young carers enjoying a respite activity at an adventure camp. There are also moving interviews with two young carers who are caring for parents with mental health issues and chronic illness. The clip also features another young carer who provides care to her brother with a disability.

The young carers enjoyed talking about their experience of caring and the support the Latrobe Community Health Service program gave them.

One of the young carers featured in the film has now turned eighteen and will remain involved in the program as a volunteer peer mentor.

The film can be viewed at the Latrobe Community Health Service website.

PROMOTING LATROBE COMMUNITY HEALTH SERVICE NATIONALLY

Latrobe Community Health Service presented information about our delivery of 'Living Well' forums to the Gippsland culturally and linguistically diverse community at the Cultural Diversity in Ageing 2014 Conference.

Between 2010 and 2013 a total of seven living well forums were delivered to the Filipino, Italian, Polish, Croatian, Greek, Maltese, German and Dutch communities. This resulted in increased referrals to Latrobe Community Health Service and improved access to health services by members of our local culturally and linguistically diverse community.

DISABILITY SERVICES

In May 2013, we commissioned an external review of our disability services. During the year, we invited the external auditors to return and assess how successfully we had implemented their recommendations. Their report found all 28 of their original recommendations were fully achieved, with some ongoing activities and further improvements identified.

Themes to come out of the report were:

- Improved client outcomes through reduced waiting lists, and a reduction in client complaints.
- All disability services procedures and policies have been updated.
- Program development and review is now embedded in a continuous quality improvement cycle that is grounded in consumers' lived experiences.
- A redeveloped management approach and leadership model.

Key Performance Indicators

Management Unit	Number of KPIs	Lowest % Achieved	Highest % Achieved	Average % Achieved
Gateway	7	94	125	104
Carer Programs	9	99	388	212
Disability Services	9	98	292	145
Aged Care Services	8	97	100	99

RESEARCH & PLACEMENT

The Placement Education and Research Unit (PERU) at Latrobe Community Health Service aims to:

- support and develop health-focussed research
- increase the quality and number of student placements
- develop Latrobe Community Health Service staff capacity for interprofessional collaboration
- improve quality of client care.

There were several highlights during the year:

- Latrobe Community Health Service provided placements for students from 24 education providers across 28 different healthcare disciplines. Two students were employed following their placement.
- We provided 157 students with 467 hours of interprofessional collaboration experience across 43 clinics.
- We provided 228 students with 25,214.5 hours of supervision.
- Latrobe Community Health Service has four internal research projects with eight staff in progress, and 14 external research projects involving Latrobe Community Health Service staff, clients or carers.
- Two Latrobe Community Health Service staff members from earlier research projects are undertaking further research in their PhD. studies.

INTERPROFESSIONAL COLLABORATION

The Interprofessional Collaboration Development Group is a group of staff that champion interprofessional collaboration within Latrobe Community Health Service. They promote and demonstrate collaborative practice in their role and deliver two staff interprofessional collaboration forums each year. The key outcomes from the forums this year were an 'Elder Abuse' training package and improved use of interpreter services with clients.

IMPROVED STUDENT COLLABORATION

Our redeveloped Moe site has a state-of-the-art training environment. Health Workforce Australia funded this staff and program development after PERU assisted Latrobe Community Health Service to apply for funding. Three clinical areas are linked to a training and observation room via video cameras and microphones. This allows a group of students to observe one of their peers delivering a simulated treatment with a specially-trained volunteer 'client'. This improves our students' communication, collaboration, cooperation and teamwork.

EDUCATION

Latrobe Community Health Service's student supervision training program continues to provide education and support for Latrobe Community Health Service staff who are supervising students while they are on placement. The program provides two training sessions per year to maintain our supervisor numbers at about 50. We also have eight staff who are advanced supervision trainers. These trainers co-facilitate the basic supervision programs.

OUTCOMES: 'TRANSLATING RESEARCH INTO PRACTICE'

In partnership with Monash University Department of Rural and Indigenous Health, PERU assists Latrobe Community Health Service staff apply research to improve their practice.

For example, three Latrobe Community Health Service staff undertook a number of research projects as part of their Masters in Biomedical Science degree. The aim of the project was to understand the dilemmas faced by rural, unpaid and informal caregivers of a frail aged person across Gippsland, with each researcher examining different aspects of this topic.

CORPORATE

Rick Davies

> **"As Latrobe Community Health Service has developed new programs, our client base has grown. Constant service improvement for our clients is our priority."**

PROVIDING EXCELLENT CUSTOMER SERVICE

The front-of-house service at every Latrobe Community Health Service location is the first point of contact for our clients. Over the year we took more than 125,000 calls, including 16,723 GP enquiries and 29,640 dental enquiries. We attended to over 80,000 presenting clients and coordinated 88,840 appointments.

Service improvement is our priority. As Latrobe Community Health Service has developed new programs, our client base has grown and the need for appointments along with it. We had over 8,000 more appointments than the previous financial year. Staff have focused on providing a more efficient service to our clients. This is evidenced by maintaining a 2% abandoned call rate and an improved answering time from 25 seconds to an average of 11 seconds.

INFORMING THE COMMUNITY

In 2013/14, our marketing and communication continued to raise community awareness of Latrobe Community Health Service. We produced 202 flyers, brochures, and posters; 40 advertorials in regional newspapers; and 1,571 advertisements across regional television and radio. Our news media activity increased during year, with more than 150 stories about Latrobe Community Health Service across print, radio and television.

The Latrobe Community Health Service website continues to perform well, with website traffic increasing more than 38% during the year. More than 35,549 users visited the site. A full review of our website identified opportunities for further innovation, and a new website has been commissioned. Website development work will continue into the coming year, when the new website will be launched.

We also began a comprehensive review of all publications and advertisements to ensure the language used is clear and easily understood. This work will be reflected in new publications that are released in the coming year.

ESSENTIAL BUSINESS SUPPORT SYSTEMS

Corporate has implemented a state of the art client management system, The Care Manager 7 (TCM7). This replaced two unsupported legacy systems. Key benefits include:

- the introduction of an electronic health record
- the phasing out of paper client files
- immediate access to client information
- enhanced capacity for clinical staff to analyse service performance
- securing critical data that was at risk because legacy systems are no longer supported by vendors.

This new system was launched in three phases over the past 18 months. The final phase was completed in June 2014. This implementation has involved over 300 staff, all requiring program-specific tailored training and business processes to suit their particular program needs. Work now continues to embed TCM7 into day-to-day practice and to create processes within TCM7 that improve efficiencies for staff.

The provision of health records information has grown exponentially in the past 12 months. There were 136 requests received in 2013/14, an increase of 81% from the previous year. The Health Records Act (2001) stipulates these requests must be processed within 45 days. The average time taken to release information has been 14.2 days, a slight decrease from the 2012/13 average of 14.6 days.

PROVIDING ESSENTIAL ICT INFRASTRUCTURE

Information and Communication Technology (ICT) provides support to over 700 staff and volunteers across nine sites who access our systems on a daily basis. To assist with meeting demand, ICT has teamed with IBM to introduce state-of-the-art server infrastructure. This provided an overall performance improvement of 50%, while reducing the cost of maintaining the server environment by 15%.

ICT has been instrumental in developing the new student learning environment at the Latrobe Community Health Service Moe site. This includes eight rooms linked to a training and observation room via video cameras and microphones. Student practice sessions can be recorded, and there is a learning facility with online reviewing of sessions, video conferencing and lecture theatre capability.

> **"Information and Communication Technology provides support to over 700 staff and volunteers."**

An upgrade to our phone services has taken place with the addition of hold messages to the GP and dental services phone queues. This allows clients to receive important information about us while waiting to speak to an operator.

Remote access to our systems and client services has progressed over the course of the year with the introduction of a new type of remote access service, providing a reliable and easier process for staff. This was supported with the deployment of blue tick 4G mobile phones, which provide a stronger signal in regional areas. This means staff in regional areas can still remotely access email and client management systems.

AN EFFICIENT VEHICLE FLEET

The vehicle fleet continues to be monitored for efficiency and optimum utilisation. We have cut the fleet by a further nine vehicles this year, achieving a 15% reduction in the last two years, notwithstanding increasing staff numbers.

ROBUST BUSINESS AND FINANCIAL CONTROLS

We have again strengthened financial reporting through further development of financial reports available in our Technology One finance system and by implementing long-term cash flow forecasting.

We have improved financial processes to align with health reforms, including the ability to track spending of brokerage by client. We have implemented the convenience of direct debit as a payment option to clients.

RSM Bird Cameron continue to conduct our three-year internal audit program. Audits undertaken during the year included payroll processes, information technology security, and fraud controls.

Our Technology One contract management module has grown since implementation in February 2013 and is now our primary tool to enable centralised administration of all purchasing and sales contracts. Centralised management of purchasing contracts ensures the maintenance and monitoring of appropriate credentialing of suppliers.

EXPANDING AND PROTECTING OUR PROPERTY ASSETS

Corporate has a lead role in major building and redevelopment in Moe and Churchill. Latrobe Community Health Service moved from its location at Korumburra to a new site in Wonthaggi (more information reported under ‘Redevelopments’ in this Annual Report).

Latrobe Community Health Service installed closed-circuit television cameras to strengthen security at all sites across Gippsland. This has contributed to minimal vandalism of our assets.

MANAGING RISK, ASSURING QUALITY AND LEGISLATIVE COMPLIANCE

The identification and management of clinical and non-clinical risks remains a high priority. Robust controls are in place, with risks being monitored and reviewed on a regular basis by the Audit & Risk and the Quality & Safety board committees. These committees also oversee compliance with current legislation.

Latrobe Community Health Service undertakes accreditation review against a number of quality standards. From these reviews, a Quality Work Plan is developed. The plan is then submitted for approval to the peak reviewers, Quality Innovation Performance. The Latrobe Community Health Service plan has their approval and we continue to work towards implementing their recommendations.

VALUING OUR VOLUNTEERS

Our volunteer program now has over 180 registered volunteers, with approximately 100 of those volunteers active in providing regular support. We continue to provide opportunities for disadvantaged groups, and the socially isolated, in a supportive environment where they feel valued and included in the community.

SUPPORTING OUR VALUED STAFF

Total employment reduced by 14 staff to 461 by year end. There was growth in part time staff, mostly dental services, primary intervention, work health and front-of-house staff.

Our total human resources measured as equivalent full time employees is 370.5. This is an increase of 12.5 (or 3%) on the previous year. Our online e-recruit system has over 5,400 active registered members, an increase of 23% (or 1,000 members) compared to 2012/13.

Staff make up	2013 / 14	2012 / 13	Change
Full Time	200	223	-10%
Part Time	229	214	7%
Casuals	32	38	-16%
Total	461	475	-3%

Latrobe Community Health service continued to invest in improving infrastructure at (L-R) Moe, Churchill, Wonthaggi and Warragul

BUILDING DEVELOPMENTS

MOE REDEVELOPMENT

Stages 2 and 3 of the Moe redevelopment were near completion at the end of 2013/14. A new suite of clinical rooms was built to accommodate the growing needs of the Moe community. These rooms will provide a wide range of services, including physiotherapy, podiatry and counselling. Three new GP clinic rooms were added, with a large treatment room area.

A new entrance was completed, with an open reception area and two new large waiting rooms to accommodate clients. A new activity room is now in operation. Staff facilities were refurbished with an open plan staff room and outdoor area.

All works were delivered on time and within budget.

OTHER SITE REFURBISHMENT

During the year, our Churchill site underwent an upgrade to provide clinical rooms. This refurbishment included four new clinical rooms, two treatment rooms, a pathology room and a utility room. This will allow us to increase our service provision to clients in the Churchill area with the expansion of GP services.

In June 2014 we moved from our site of ten years at Gippsland Southern Health – Korumburra to a refurbished facility in Wonthaggi. The new facility allows for future growth of our services in the Bass Coast Shire.

FUTURE DEVELOPMENT

As part of the Moe redevelopment a ‘community and training’ area will be built on the site of the current car park between the main building and Moe After Hours Medical Service. This building will provide valuable space for community members to meet or join in group activities. The building process is scheduled to commence in October 2014, with a completion date of July 2015.

A purpose-built facility is under construction in Warragul that will see us provide specialised clinical services to the community of Warragul and West Gippsland. The services to be provided in this area are:

- GP services
- private dental services
- private physiotherapy and podiatry services
- counselling
- drug treatment services.

The building is scheduled for completion in June 2015, with services commencing from July 2015.

“A purpose-built facility is under construction in Warragul that will see us provide specialised clinical services to the community of Warragul and West Gippsland.”

PROFESSIONAL DEVELOPMENT

During 2013/14, Latrobe Community Health Service supported staff to further develop their level of skill and knowledge through professional development and skills training.

Latrobe Community Health Service uses a Performance Review and Development Plan to determine individual staff development needs. The aim of the plan is to improve overall organisational performance by aligning an employee's objectives with the goals of the organisation, directorate and program.

Staff and their manager identify and prioritise training needs based on the staff member's key responsibilities for the year.

Over the course of the year staff attended 99 external training courses and ten internal training courses. Included in these training sessions were resuscitation, manual handling, occupational health and safety, conferences and interprofessional forums.

Latrobe Community Health Service identifies needs and then supports the development of staff through organisation-wide initiatives and various internal mandatory training sessions involving a number of our systems and internal processes. Mandatory training sessions for relevant staff are shown in the table below.

Other significant organisational training undertaken during the year included:

- training staff in a new client management system
- business writing skills
- additional courses via the online learning centre
- media training.

We continue to support staff to undertake studies to gain further qualifications. Many staff received support (financial or other incentives) assisting them in their studies. This in turn develops skills and knowledge that has workplace applications.

Training / Development	Number of attending staff
Privacy & Confidentiality	55
Bullying & Harrassment	18*
Koorie cultural awareness	17**
Excellence in customer service	65
Formal orientation	72
Payroll	59

* Bullying and harassment training is now completed online.

** A number of sessions were cancelled due to issues with provider. Future sessions are anticipated.

STAFF RECOGNITION

Latrobe Community Health Service recognises outstanding performance through a number of different mechanisms. These include annual staff achievement awards, service recognition awards and staff achievement awards.

Award winners during 2013/14 were:

EMPLOYEE OF THE YEAR

- Leonie Riddle

Annual achievement award winners

- Ambulatory Care – Sue Whittle
- Corporate – Leonie Riddle
- Community Support – Wayne Atkinson
- Assessment, Aged and Disability Services – Jacqui Francis-Kelly
- Primary Health – Katia DeSilva
- Service Excellence Award – Innovation and Excellence in Service Coordination – Sale office staff

STAFF SERVICE RECOGNITION AWARDS

25 YEARS

- Jan Beuthin

15 YEARS

- Jennie Hyland
- Julie Aitken
- Maree Keating
- Rosemarie McCaw
- Robyn Holman

10 YEARS

- Christine McIver
- Jenny Svoboda
- Chrissy Wallace
- Lloyd Davies
- Amanda Denton
- Gary Cain
- Elizabeth Harris
- Rajeev DeSilva
- Stacey Podmore
- Leonie Daley
- Karen Rosenboom
- Anita Harnden

STAFF ACHIEVEMENT AWARD WINNERS

- Greg Randles (May 2014)

Employee of the year, Leonie Riddle, with John Guy, Board Chairperson.

VOLUNTEER RECOGNITION

Latrobe Community Health Service is fortunate to have over 200 volunteers who donate their time and talents. Our trained volunteers deliver support that has a significant positive impact and provides valuable program support. Our volunteers come from all walks of life, ages and beliefs to support the community and make a difference.

Dedicated volunteers provide their time and energy to support our many programs, including:

- cooking and serving meals
- driving and transportation
- community visitors and individual support
- day trips and camps
- planned activity groups
- mental health and respite support
- palliative care
- health promotion
- community kitchens
- crafts and life skills
- peer-to-peer volunteers
- simulated patients
- travel training
- open days and special events
- administration and program support.

VOLUNTEER PROGRAM HIGHLIGHTS

BUDDY BEARS

The Buddy Bear Sewing Group is an inspiring group of passionate volunteers and clients. They meet to sew, create and package hand-made calico bears. These bears are distributed free to community members who may have suffered a traumatic experience or simply need the support of a friend. Over 1,000 bears have been distributed. The Buddy Bear Sewing Group won the 2014 Latrobe City Award – Community Service of the Year.

NATIONAL VOLUNTEERS WEEK

During May we celebrated National Volunteers Week. The official theme was 'Celebrating the power of volunteering'. Latrobe Community Health Service hosted a superhero-themed event, complete with dress ups and activities for superheroes to enjoy. The event was a fun-filled afternoon with games, music and afternoon tea.

TRAVEL TRAINING

Latrobe Community Health Service, in partnership with Latrobe City Council and Latrobe Libraries, developed and implemented an innovative transport buddies program that helps disadvantaged citizens access public transport.

The program recruited and trained volunteers. A series of resources was developed for the training that provided guidance and advice on public transport, including accessing support services. The training program was flexible and adapted to clients' needs.

2014 VOLUNTEER OF THE YEAR

Gwenda Martyn - pictured above with CEO Ben Leigh and Board Chairperson John Guy - was our volunteer of the year for 2014. Gwenda has been assisting with administration tasks with Latrobe Community Health Service for over ten years. Her caring, positive attitude is an inspiration. Gwenda is an important part of the Latrobe Community Health Service family and a shining example of someone giving back to their local community.

Congratulations to the following volunteers on being nominated for the 2014 Latrobe Community Health Service Volunteer of the Year:

- Michael Lancaster
- Charles D'Costa
- Dianne Watson
- Marlene Quennell

VOLUNTEER SERVICE RECOGNITION AWARDS

35 YEARS

- June Gilfillan
- Marianne Franssen
- Judith Van Maurik

25 YEARS

- Wendy Steenbergen

10 YEARS

- Carmen Bowler
- Wally Weston
- Joseph Kus

5 YEARS

- Alan Dingwall
- Michael Lancaster

LATROBE COMMUNITY HEALTH SERVICE LTD.

ABN 74 136 502 022

FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2014

CONTENTS

LATROBE COMMUNITY HEALTH SERVICE LTD.
ABN: 74 136 502 022
DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2014.

Directors

The names of each person who has been a director during the year and to the date of this report are:

John Guy
Peter Wallace
Steven Porter
Judi Walker
Carolyne Boothman
Melissa Bastian
Peter Starkey
Dennis O'Neill resigned (28/11/2013)
Stephen Howe appointed (25/02/2014)
Mark Biggs appointed (25/02/2014)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the company during the financial year was:

Provision of Community Health Services

Information on Directors

John Guy	—	Board Chairperson
Peter Wallace	—	Deputy Chairperson
Steven Porter	—	Director
Judi Walker	—	Director
Carolyne Boothman	—	Director
Melissa Bastian	—	Director
Peter Starkey	—	Director
Dennis O'Neill	—	Director
Stephen Howe	—	Director
Mark Biggs	—	Director

Meetings of Directors

During the financial year, 11 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	No. eligible to attend	No. attended
John Guy	11	10
Peter Wallace	11	11
Steven Porter	11	9
Judi Walker	11	9
Carolyne Boothman	11	10
Melissa Bastian	11	10
Peter Starkey	11	10
Dennis O'Neill	6	6
Stephen Howe	5	5
Mark Biggs	5	5

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the company. At 30 June 2014, the total amount that members of the company are liable to contribute if the company is wound up is $290 (2013: $310).

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LATROBE COMMUNITY HEALTH SERVICE LTD.
ABN: 74 136 502 022
DIRECTORS' REPORT

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 3 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Board Chairman _____ John Guy

Dated this 30th day of September 2014

2

LSH ACCOUNTING
simple solutions

Chartered Accountants

Phone (03) 5134 4955
Fax (03) 5134 6201
Email admin@lshaccounting.com.au

235-237 Princes Drive
Morwell VIC 3840

PO Box 600
Morwell VIC 3840

Auditor's Independence Declaration under Section 307C
of the Corporations Act 2001

To The Directors of Latrobe Community Health Services Limited
ABN 74 136 502 022

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been:

i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

LSH ACCOUNTING

Joanne Loh
Partner
Dated this 16th day of September 2014
Morwell

Simple Solutions

LATROBE COMMUNITY HEALTH SERVICE LTD. ABN 74 136 502 022

STATEMENT

OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 ($)	2013 ($)
Revenue	2	40,320,614	34,990,739
Other income	2	6,242,834	6,694,475
Employee entitlements expense		(27,055,858)	(25,498,234)
Depreciation and amortisation expense	3	(1,194,758)	(1,080,805)
Bad and doubtful debts expense	3	(7,202)	(1,066)
Motor vehicle expenses		(489,098)	(429,365)
Utilities expense		(240,705)	(267,825)
Rental expense	3	(321,852)	(274,420)
Staff training and development expense		(284,617)	(261,888)
Audit, legal and consultancy fees		(635,027)	(849,584)
Marketing expenses		(181,253)	(160,185)
Client support services expenses		(5,807,042)	(5,691,660)
Sundry expenses		(7,658,113)	(4,517,629)
Net current year surplus		**2,687,923**	**2,652,553**
Other comprehensive income:			
Net gain on revaluation of property, plant and equipment	8	-	36,899
Total other comprehensive income for the year		**-**	**36,899**
Total comprehensive income for the year		**2,687,923**	**2,689,452**
Net current year surplus attributable to members of the entity		2,687,923	2,652,553
Total comprehensive income attributable to members of the entity		2,687,923	2,689,452

The accompanying notes form part of these financial statements.

LATROBE COMMUNITY HEALTH SERVICE LTD. ABN 74 136 502 022

STATEMENT

OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	2014 ($)	2013 ($)
ASSETS			
CURRENT ASSETS			
Cash on hand	4	6,987,161	12,254,414
Accounts receivable and other debtors	5	402,863	1,282,760
Inventories on hand		152,435	74,032
Other current assets	6	1,502,505	983,648
TOTAL CURRENT ASSETS		**9,044,964**	**14,594,855**
NON-CURRENT ASSETS			
Property, plant and equipment	7	14,285,930	11,522,741
Capital work in progress		4,499,637	1,007,781
TOTAL NON-CURRENT ASSETS		**18,785,567**	**12,530,522**
TOTAL ASSETS		**27,830,531**	**27,125,377**

LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	8	3,131,141	5,540,434
Employee provisions	9	3,104,944	2,778,334
TOTAL CURRENT LIABILITIES		**6,236,085**	**8,318,768**
NON-CURRENT LIABILITIES			
Employee provisions	9	1,140,478	1,040,564
TOTAL NON-CURRENT LIABILITIES		**1,140,478**	**1,040,564**
TOTAL LIABILITIES		**7,376,563**	**9,359,332**
NET ASSETS		**20,453,968**	**17,766,045**

EQUITY			
Retained earnings		15,951,972	10,368,004
Reserves	17	4,501,996	7,398,041
TOTAL EQUITY		**20,453,968**	**17,766,045**

The accompanying notes form part of these financial statements.

LATROBE COMMUNITY HEALTH SERVICE LTD. ABN 74 136 502 022

STATEMENT

OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

For a description of each reserve, refer to Note 17. The accompanying notes form part of these financial statements.

	Note	Retained Surplus ($)	Asset Revalution Reserve ($)	Capital Improvements Reserve ($)	Community Projects Reserve ($)	General Reserve ($)	Total ($)
Balance at 1 July 2012		**11,595,002**	**1,432,346**	**1,240,324**	**403,451**	**405,470**	**15,076,592**
Comprehensive Income							
Surplus for the year attributable to the entity		2,652,553					2,652,553
Net gain on revaluation of property	7		36,899				36,899
Total comprehensive income attributable to members of the entity		**2,652,553**	**36,899**	**-**	**-**	**-**	**2,689,452**
Other transfers							
Transfers to/(from) Capital Improvements Reserve		(3,676,746)		3,676,746			-
Transfers to/(from) Community Projects Reserve		101,468			(101,468)		-
Transfers to/(from) General Reserve		(304,273)				304,273	-
Total other transfers		**(3,879,551)**	**-**	**3,676,746**	**(101,468)**	**304,273**	**-**
Balance at 30 June 2013		**10,368,005**	**1,469,245**	**4,917,069**	**301,983**	**709,743**	**17,766,045**
Comprehensive Income							
Surplus for the year attributable to the entity		2,687,923					2,687,923
Net gain on revaluation of property							-
Total comprehensive income attributable to members of the entity		**2,687,923**	**-**	**-**	**-**	**-**	**2,687,923**
Other transfers							
Transfers to/(from) Capital Improvements Reserve		2,177,036		(2,177,036)			-
Transfers to/(from) Community Projects Reserve		109,266			(109,266)		-
Transfers to/(from) General Reserve		609,743				(609,743)	-
Total other transfers		**2,896,045**	**-**	**(2,177,036)**	**(109,266)**	**(609,743)**	**-**
Balance at 30 June 2014		**15,951,973**	**1,469,245**	**2,740,034**	**192,717**	**100,000**	**20,453,968**

STATEMENT

OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 ($)	2013 ($)
CASH FLOWS FROM OPERATING ACTIVITIES			
Commonwealth, State, Local Government and other grants		43,897,857	36,060,695
Payments to suppliers and employees		(44,448,421)	(35,070,970)
Interest received		332,644	465,759
Net cash generated from operating activities	15	(217,920)	1,455,483
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		333,113	387,046
Payment for property, plant and equipment		(7,761,588)	(2,929,638)
Receipts from Government and others - Capital		2,379,141	4,230,435
Net cash used in investing activities		(5,049,333)	1,687,843
Net increase in cash held		(5,267,253)	3,143,326
Cash on hand at beginning of the financial year		12,254,414	9,111,088
Cash on hand at end of the financial year	4	6,987,161	12,254,414

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Latrobe Community Health Service Ltd. has elected to early adopt the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

Consequently, the Company has also early adopted the following reduced disclosure (Tier 2) standards:

- AASB 2011–2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements which incorporates Tier 2 disclosure requirements for amendments made to AASB 101: Presentation of Financial Statements and AASB 1054: Australian Additional Disclosures;
- AASB 2011-11: Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements which contains the Tier 2 disclosure requirements for AASB 119: Employee Benefits (September 2011);
- AASB 2012-1: Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements which contains the Tier 2 disclosure requirements for AASB 13: Fair Value Measurement; and
- AASB 2012–7: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements as it relates to the full-disclosure (Tier 1) standards that are mandatorily applicable for not-for-profit entities for the year ending 31 December 2013.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under 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. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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 amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 30 September 2014 by the directors of the company.

Accounting Policies

(a) Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Latrobe Community Health Service Ltd. receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax.

(b) Inventories

Inventories are measured at the lower of cost and current replacement cost. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Freehold Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	5% to 33%
Leased plant and equipment	20% to 33%
Motor vehicles	10% to 15%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

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 recognised immediately as expenses in profit or loss.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative

amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing 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 profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(g) Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Company's obligation for other long-term employee benefits, which is measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates approximating the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefit expense.

The Company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, in which case the obligations are presented as current liabilities.

Retirement benefit obligations

All employees of the Company receive contribution superannuation entitlements, for which the Company pays the fixed superannuation guarantee contribution (currently 9.25% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' contribution entitlements are recognised as an expense when they become payable. The Company's obligation with respect to employees' contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Company's statement of financial position.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997.*

(k) Intangibles

Software

Software is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated useful life of between three and ten years. It is assessed annually for impairment.

(l) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

(m) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(n) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(o) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates

Valuation of freehold land and buildings

The freehold land and buildings were independently valued at 30 April 2013 by CJALee Property Valuers and Consultants. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings and recent sales data for similar properties. The valuation resulted in a revaluation increment of $36,898 being recognised for the year ended 30 June 2013.

At 30 June 2014 the directors have performed a directors' valuation on freehold land and buildings. The directors have reviewed the key assumptions adopted by the valuers in 2013 and do not believe there has been a significant change in the assumptions at 30 June 2014. They directors therefore believe the carrying amount of the land correctly reflects the fair value less cost to sell at 30 June 2014.

Key Judgments

Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the Company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12 month period that follows (despite an informal Company policy that requires annual leave to be used within 18 months), the Directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

(p) Economic Dependence

Latrobe Community Health Service Ltd. is dependent on the Department of Health for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the Department of Health will not continue to support Latrobe Community Health Service Ltd.

NOTE 2 REVENUE AND OTHER INCOME

Revenue	2014 ($)	2013 ($)
Revenue from (non-reciprocal) government grants and other grants		
- Commonwealth government grants - operating	7,590,752	6,490,355
- State government grants - operating	23,706,496	22,518,818
- Local government and other grants – operating	8,672,371	5,523,510
	39,969,619	34,532,683
Other Revenue		
- Interest received on investments in government and fixed interest securities	350,995	458,056
	350,995	458,056
Total Revenue	**40,320,614**	**34,990,739**
Other income		
- Gain on disposal of property, plant and equipment	21,328	20,497
- Charitable income and fundraising	14,643	867
- State/Commonwealth government grants – capital	2,027,699	3,363,238
- Other capital grants	351,442	867,197
- Rental income	116,011	93,666
- Other	907,263	845,597
- Client fees	2,804,449	1,503,415
Total other income	**6,242,834**	**6,694,475**
Total revenue and other income	**46,563,448**	**41,685,214**
Revenue and other income excluding capital grants	**44,184,307**	**37,454,779**

NOTE 3 SURPLUS FOR THE YEAR

Expenses	2014 ($)	2013 ($)
Employee benefits expense:		
- Employee benefits expense	27,055,858	25,498,234
Total employee benefits expense	27,055,858	25,498,234
Depreciation and amortisation:		
- land and buildings	158,908	150,610
- motor vehicle	337,714	333,005
- furniture and equipment	698,136	597,190
Total depriciation and amortisation	1,194,758	1,080,805
Bad and doubtful debts:		
- trade and other receivables	7,202	1,066
Rental expense on operating leases:		
- minimum lease payments	321,852	274,420
Total Rental Expense	321,852	274,420
Auditor fees		
- audit services	19,355	17,992
Total Audit Remuneration	19,355	17,992
Total Expenses	**43,875,525**	**39,032,661**

NOTE 4 CASH ON HAND

	2014 ($)	2013 ($)
Current		
Cash at bank	1,982,281	3,068,982
Cash float	4,880	4,929
Term deposits	5,000,000	9,180,502
Total cash and cash equivalents as stated in the statement of financial position	6,987,161	12,254,414
Total cash and cash equivalents as stated in the cash flow statement	6,987,161	12,254,414

NOTE 5 ACCOUNTS RECEIVABLE AND OTHER DEBTORS

	Note	2014 ($)	2013 ($)
Current			
Accounts receivable		365,412	1,246,794
Provision for doubtful debts	5(a)	(12,574)	(11,263)
		352,838	1,235,532
Other Debtors		-	-
Consumer fees		50,025	47,228
Total current accounts receivable and other debtors	**16**	**402,863**	**1,282,760**

(a) Provision for Doubtful Debts Movement in the provision for doubtful debts is as follows:		**$**
Provision for doubtful debts as at 1 July 2012		10,534
- charge for year		728
- written off		
Provision for doubtful debts as at 30 June 2013		11,263
- charge for year		1,311
- written off		
Provision for doubtful debts as at 30 June 2014		12,574

NOTE 6 OTHER CURRENT ASSETS

	2014 ($)	2013 ($)
Accrued Income	1,275,975	542,002
Prepayments	226,530	441,646
	1,502,505	983,648

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

	2014 ($)	2013 ($)
Land and Buildings		
Freehold land at fair value:		
- Directors valuation 2014	1,889,840	
- Independent valuation 2013		1,889,840
Total Land	1,889,840	1,889,840
Buildings at fair value		
- Directors valuation 2014	6,236,091	
- Independent valuation 2013		5,280,733
Less accumulated depreciation	(445,672)	(287,879)
Total buildings	5,790,420	4,992,854
Total land and buildings	**7,680,259**	**6,882,694**
Plant and Equipment		
Furniture and equipment		
At cost	10,454,301	7,904,209
(Accumulated depreciation)	(5,449,415)	(4,751,279)
	5,004,886	3,152,930
Motor Vehicles		
At cost	2,247,317	2,337,751
(Accumulated depreciation)	(646,533)	(850,634)
	1,600,785	**1,487,117**
Total plant and equipment	**6,605,671**	**4,640,047**
Total property, plant and equipment	**14,285,930**	**11,522,741**

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings $	Motor Vehicles $	Furniture & Equipment $	Total $
2014				
Balance at the beginning of the year	6,882,694	1,487,117	3,152,930	11,522,741
Additions at cost	956,473	763,916	2,550,093	4,270,481
Additions at fair value				-
Disposals		(312,534)		(312,534)
Revaluations				-
Depreciation expense	(158,908)	(337,714)	(698,136)	(1,194,758)
Carrying amount at end of year	**7,680,259**	**1,600,785**	**5,004,886**	**14,285,930**

Asset revaluations

The freehold land and buildings were independently valued at 30 April 2013 by CJA Lee Property Valuers and Consultants. The valuation resulted in a revaluation increment of $36,898 being recognised in the revaluation surplus for the year ended 30 June 2013.

At 30 June 2014 the directors reviewed the key assumptions made by the valuers at 30 April 2013. They have concluded that these assumptions remain materially unchanged, and are satisfied that the carrying amount does not exceed the recoverable amount of land and buildings at 30 June 2014.

NOTE 8 ACCOUNTS PAYABLE AND OTHER PAYABLES

	Note	2014 ($)	2013 ($)
Current			
Accounts payable		722,063	1,296,198
Deferred income		1,116,917	2,398,280
Other current payables		(8,660)	(3,340)
Other payables (net amount of GST payable)		188,610	222,207
Accrued expenses		571,181	504,941
Accrued salaries and wages		541,028	1,122,148
		3,131,141	**5,540,434**

	Note	2014 ($)	2013 ($)
(a) Financial liabilities at amortised cost classified as trade and other payables			
Accounts payable and other payables			
- Total current		3,131,141	5,540,434
		3,131,141	5,540,434
Less deferred income		(1,116,917)	(2,398,280)
Financial liabilities as trade and other payables	16	2,014,223	3,142,154

NOTE 9 EMPLOYEE PROVISIONS

	2014 ($)	2013 ($)
Current		
Short-term employee benefits		
Opening balance at 1 July 2013	2,778,334	2,261,373
Additional provisions raised during year	2,964,871	2,542,422
Amounts used	(2,638,261)	(2,025,461)
Balance at 30 June 2014	3,104,944	2,778,334
Non-Current		
Long-term employee benefits		
Opening balance at 1 July 2013	1,040,564	759,107
Additional provisions raised during year	259,106	482,932
Amounts used	(159,192)	(201,475)
Balance at 30 June 2014	1,140,478	1,040,564

	2014 ($)	2013 ($)
Analysis of employee provisions		
Current	3,104,944	2,778,334
Non-Current	1,140,478	1,040,564
	4,245,422	3,818,898

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

NOTE 10 CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2014 ($)	2013 ($)
Payable - minimum lease payments		
- not later than 12 months	327,029	293,295
- later than 12 months but not later than 5 years	2,108,220	645,007
- later than 5 years	2,149,207	
	4,584,456	**938,302**

The property lease commitments are non-cancellable operating leases contracted for but not recognised in the financial statements with a five-year term. Increase in lease commitments may occur in line with the Consumer Price Index (CPI).

(b) Capital Commitments

As at 30 June 2014 LCHS has capital commitments with a construction contractor of $3,132,169 for the redevelopment of the Moe site.

NOTE 11 CONTINGENT LIABILITIES AND CONTINGENT AREAS

There was no contingent liabilities as at 30 June 2014

NOTE 12 EVENTS AFTER THE REPORTING PERIOD

No material events occurred after the reporting date.

NOTE 13 KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

	2014 ($)	2013 ($)
Key Management personnel compensation	**915,696**	**1,139,410**

NOTE 14 RELATED PARTY TRANSACTIONS

Other related parties include close family members of Key Management Personnel, and entities that are controlled or jointly controlled by those Key Management Personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

During the 2013/14 financial year there were no transactions with related parties.

NOTE 15 CASH FLOW INFORMATION

	2014 ($)	2013 ($)
Reconciliation of Net Result to Cash provided from operating activities		
Net result from operating activities	**2,687,923**	**2,652,553**
Less capital income	(2,379,141)	(4,230,435)
Non cash flow from ordinary activities		
Add depreciation	1,194,758	1,080,805
Add bad / doubtful debts	7,202	1,066
Add Net (surplus) / Loss on disposal of plant and equipment	(21,328)	(20,497)
Changes in assets and liabilities		
(Increase) / Decrease in trade and other receivables	872,695	(784,761)
(Increase) / Decrease in inventories	(78,403)	16,505
(Increase) / Decrease in other assets	(518,857)	(527,557)
(Increase) / Decrease in trade and other payables	(2,409,293)	2,469,384
(Increase) / Decrease in provisions	426,524	798,418
Net cash by operating activities	**(217,920)**	**1,455,483**

NOTE 16 FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, receivables and payables, and lease liabilities. The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2014 ($)	2013 ($)
Financial assets			
Cash on hand	4	6,987,161	12,254,414
Accounts receivable and other debtors	5	402,863	1,282,760
Total financial assets		**7,390,024**	**13,537,174**
Financial liabilities			
Financial liabilities at amortised cost			
- accounts payable and other payables	8(a)	2,014,223	3,142,154
Total financial liabilities		**2,014,223**	**3,142,154**

NOTE 17 RESERVES

a. Asset Revaluation Reserve

The Asset Revaluation Reserve records the revaluations of non-current assets

b. Capital Improvements reserve

The Capital Improvements Reserve records funds allocated to Capital projects.

c. Community Projects Reserve

The Community Projects Reserve records funds allocated to future Board initiatives and community Projects.

d. General Reserve

The General Reserve records funds allocated to the replacement of IT equipment and other Fixed Assets.

NOTE 18 ENTITY DETAILS

The registered office of the entity is:

Latrobe Community Health Service Ltd.
81-87 Buckley Street
Morwell
Victoria 3840

The principal place of business is:

Latrobe Community Health Service Ltd.
81-87 Buckley Street
Morwell
Victoria 3840

NOTE 19 MEMBERS GUARANTEE

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstandings and obligations of the entity. At 30 June 2014 the number of members was 29.

LATROBE COMMUNITY HEALTH SERVICE LTD.
ABN: 74 136 502 022
DIRECTORS' DECLARATION

The directors have determined that the company is a reporting entity that does not have public accountability as defined in AASB 1053: Application of Tiers of Australian Accounting Standards and that these general purpose financial statements should be prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

In accordance with a resolution of the directors of Latrobe Community Health Service Ltd., the directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 18, are in accordance with the Corporations Act 2001 and:
   (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
   (b) give a true and fair view of the financial position of the company as at 30 June 2014 and its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

Board Chairman _____ John Guy

Dated this 30th day of September 2014

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LATROBE COMMUNITY HEALTH SERVICE

Report on the financial report

We have audited the accompanying financial statements of Latrobe Community Health Service (the company), which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Simple Solutions

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Latrobe Community Health Service on 16th September 2014, would be in the same terms if provided to the directors as at the date of this auditor's report.

Opinion

In our opinion, the financial report of Latrobe Community Health Service is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

LSH Accounty

LSH Accounting

Joanne Loh
Morwell

30th September 2014

SERVICES PROVIDED

- Aboriginal Health Worker (Yarning with the Mob Clinic)
- After Hours Diabetes Clinic
- Aged Care Assessment Service
- Aged Care Services
- Alcohol and Drug - Family Support Program
- Alcohol and Drug - Cautious with Cannabis
- Auslan Interpreter Service (GAIS)
- Better Health Self Management
- Carer Programs - Commonwealth Respite and Carelink Centre (CRCC)
- Children and Adolescent Sexual Assault Support Service
- Children's Counselling (Aged 4-17)
- Children's Service
- Chronic Disease Management Care Coordination
- Community Health Nurse – Innovative Health Services for Homeless Youth
- Community Health Nurse-general services
- Community Kitchens
- Continence Service
- Counselling Group- Partners in Depression
- Counselling Services
- Creative House
- Dementia Access and Support Program
- Dementia Education and Training for Carers Program
- Dental
- Diabetes Education
- Disability Services
- District Nursing Service
- Drug Treatment Services
- Early Parenting Day Stay Program
- Emergency Relief
- Exercise Physiology
- Facilitation; Futures for Young Adults; and Assistance with Extensive Planning - Disability Services
- Gambler's Help Counselling
- Gambler's Help Financial Counselling
- GIST - Gambling Information and Support Team
- GP Clinic
- Home and Community Care (HACC) Response Service
- Health Promotion
- Hydrotherapy
- Koorie Services
- 'Life! Taking Action on Diabetes' - Diabetes Prevention Program
- Liverwise Program - Victorian Integrated Hepatitis C Service (VIHCS)
- Lymphoedema Clinic
- Mayfair House - Planned Overnight Respite
- Men's Behaviour Change Program (MBCP) & CHOICES
- Moe After Hours Medical Service (MAHMS)
- Nutrition & Dietetics
- Occupational Therapy
- Palliative Care
- Physical Activity programs
- Physiotherapy
- Planned Activity Group (PAG)
- Podiatry
- Podiatry - Footcare
- Psychology and Clinical Psychology
- Refugee Health Nurse
- Respiratory, Clinical Nurse Consultant
- Room Hire
- Settlement Grants Program - Community Coordination and Development
- Settlement Grants Program and Vulnerable Group Assistance Program - Casework and Referral
- Speech Pathology
- Support Group - Latrobe Type 2 Diabetes
- Support Group - Latrobe Valley Type 1 Diabetes
- Support Group - Parkinson's
- Travel Training - Transport Buddy Support Service
- Venue Support Worker- Gambler's Help
- Video Relay Interpreting
- Walking Groups (Heart Foundation)
- Women & Children's Family Violence Counselling
- WorkHealth Checks
- Wound Clinic

www.lchs.com.au

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Latrobe Community Health Service ABN: 74 136 502 022