Latrobe Community Health Service

Annual Report

2015-2016

www.lchs.com.au

VISION:

Better health, Better lifestyles, Stronger communities

To find out more about our strategic plan go to:
www.lchs.com.au

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

FINANCIAL SUMMARY

Latrobe Community Health Service delivered a net surplus of $4.86 million and retained a strong financial position in 2015-16.

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 $4.0 million. Operating revenue, excluding capital grants, increased by 12.7% to $49.7 million.

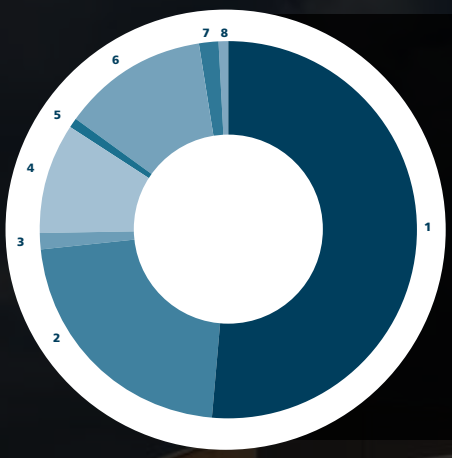
Funding from the Department of Health and Human Services was again the major source of income, representing 51.5% of the total. Client fees increased to 9.4% of total income (2015: 8.9%).

The increase in revenue is accompanied by an increase in operating expenditure of 11% ($4.5 million) to $45.8 million.

This was principally due to an increase of $1.5 million in contract labour in line with the increased funding to the dental voucher service and increased revenue earned by general practitioners.

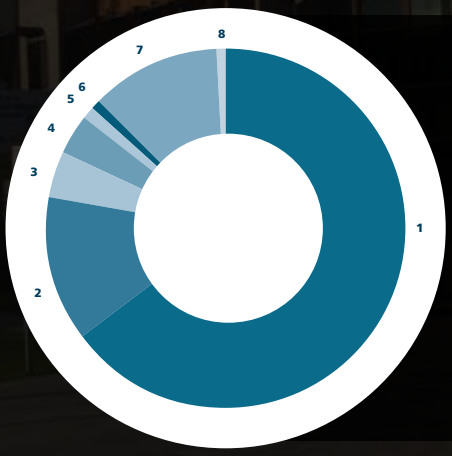
Net results

After taking into consideration capital grants (primarily related to the Churchill and Moe site redevelopments), Latrobe Community Health Service's overall net result for the 2015-16 financial year was a surplus of $4.9 million.



2015-16 Total revenue

1. Department of Health and Human Services **51.5%**
2. Commonwealth Government **21.1%**
3. Other **1.3%**
4. Client fees **9.4%**
5. Interest **0.7%**
6. Other government grants **12.6%**
7. Capital grants **1.8%**
8. Rental **0.6%**



2015-16 Total expenditure

1. Employee benefits **64.9%**
2. Brokerage client **13.1%**
3. Contract labour **4.1%**
4. Depreciation **3.7%**
5. Costs **1.0%**
6. Operating leases **0.8%**
7. Program administration costs **11.7%**
8. Utilities **0.7%**

**The main components making up program administration costs are medical supplies, staff training, information technology, consortium payments and maintenance.*

NET RESULTS	2015-16 ($m)	2014-15 ($m)	2013-14 ($m)	2012-13 ($m)	2011-12 ($m)
What we receive - revenue	49.7	44.1	43.6	37.5	34.7
What we spent - expenses	45.8	41.2	43.9	39.0	33.2
Operating result for the year	4.0	2.9	(0.3)	(1.6)	1.5
Plus capital grants received	0.9	1.1	2.4	4.2	0.2
Less building contractor payments	-	-	-	-	-
Net result for the year	**4.9**	**4.0**	**2.1**	**2.7**	**1.6**

Assets and liabilities

Latrobe Community Health Service's total assets increased by $6.5 million. This consists of an increase in current assets of $5.2 million due mostly to cash held from grants for capital works and community projects that will be completed in future years. These grants have been transferred to reserves. Non-current assets increased by $1.3 million for completed IT and construction works.

Liabilities increased by $1.6 million, primarily due to accrued client expenditure and outstanding payments to consortium members.

	2015-16 ($m)	2014-15 ($m)	2013-14 ($m)	2012-13 ($m)	2011-12 ($m)
ASSETS AND LIABILITIES					
What we own - assets	37.6	31.1	27.0	27.1	21.2
What we owe - liabilities	9.0	7.4	6.9	9.4	6.1
Net assets	**28.5**	**23.7**	**20.1**	**17.8**	**15.1**

The above mentioned changes in assets and liabilities resulted in an increase to the working capital ratio and an increase to the debt ratio.

	2015-16	2014-15	2013-14	2012-13	2011-12
WORKING CAPITAL RATIO					
Current assets/Current liabilities	2.26	1.93	1.59	1.75	1.90
Debt ratio					
Total liabilities/Total assets	**24.03%**	**23.75%**	**25.52%**	**34.50%**	**28.78%**

Cash flow

The cash position has increased by $3.89 million over the 2015-16 financial year due to cash held from grants for capital works and community projects. These grants have been transferred to reserves for planned expenditure in future years.

	2015-16 ($'000)	2014-15 ($'000)	2013-14 ($'000)	2012-13 ($'000)	2011-12 ($'000)
CASH FLOW INCLUDING FINANCIAL ASSETS					
Cash flow from operating activities	6,367	6,000	(218)	5,353	3,077
Cash flow from investing activities	(2,480)	(2,030)	(5,049)	(2,210)	(2,092)
Cash and cash equivalents at beginning of period	10,957	6,987	12,254	9,111	8,126
Cash and cash equivalents at end of period	**14,844**	**10,957**	**6,987**	**12,254**	**9,111**

CHAIR AND CEO'S STATEMENT

John Guy
Chair

Ben Leigh
CEO

The first step to preparing any annual report is to revisit the reports that precede it. In doing so for Latrobe Community Health Service, two themes become apparent; funding for health services is uncertain, and organisations must diversify if they are to thrive.

In 2015-16, the Latrobe Community Health Service Board formalised this approach, adopting a growth policy that calls for a deliberate strategy of growth and diversification. This allows us to help more people with a wider range of services. It also acts to fortify the organisation against uncertainty and ensures our overall position remains robust when individual funding streams fluctuate.

We want to continue to protect our status as a non-government, not-for-profit, charitable organisation, as well as our independent governance. In the years ahead, our focus will continue to be on improving and growing community health and primary care services. We recognise this means strengthening our foothold in a competitive environment that is characterised by large national private companies, government services and other large non-government organisations.

In practical terms, we know this approach means seeking new business; both in new geographical areas and new service areas. Over the past financial year, Latrobe Community Health Service has had significant success in this regard.

Of particular note was our successful tender to provide local area coordination services for the National Disability Insurance Scheme (NDIS) in the Central Highlands region of Victoria. This work is a great fit with the skill set and expertise of our work force. The NDIS will be available in the Central Highlands from January 2017, and Latrobe Community Health Service has already recruited several staff to work with the community to prepare for this enormous change to disability services in Australia. We will also tender for local area coordination services in Gippsland in the coming year.

In Gippsland, our Newmason Medical Centre opened in Warragul in July 2015. We provide GP and dental services, while West Gippsland Healthcare Group provides podiatry, physiotherapy, diabetes education and dietetics services from the centre. The population in West Gippsland is growing rapidly, and we are confident there will be ongoing demand for our services there.

We also completed the redevelopment of our Moe site in November. This has resulted in the transformation of an outdated building to a state-of-the-art medical facility for the people of Moe and district. This centre provides new community spaces, clinical and counselling rooms, and improved planned activity group facilities.

Our delivery of Home Care Packages continued to grow in 2015-16. In addition to our existing presence in Gippsland, Hume and the Grampians, we also secured new Home Care Packages in Melbourne's eastern metropolitan region. We are working hard to position the organisation well for the legislated changes to aged care services that will commence in February 2017.

The Federal Government will then provide funding for Home Care Packages directly to eligible consumers. In turn, they can choose which organisations provide them with support. This is an area we intend to grow further in coming years.

In November 2015, Latrobe Community Health Service assumed responsibility for the provision of GP services at La Trobe University's

Medical Centre in Bundoora. The GP clinic is on-campus, where there is a combined staff and student population of more than 28,000, as well as the general public who live or work in the area. We are encouraged by the strong growth in patient numbers since we commenced work at the clinic.

The first goal of our strategic plan focuses on engaging young people, so we were pleased to secure the contract for the operation of headspace Morwell. The local drop-in centre for young people is enjoying renewed energy and an increased public profile.

Drug and alcohol rehabilitation options are limited in Gippsland. Recognising this, we partnered with Windana Drug and Alcohol Recovery during the year to secure $450,000 for a therapeutic day rehabilitation program in Moe. The program is the first of its kind in the region. It helps people recovering from substance use issues to reintegrate into the community. Already, 50 people have completed the program.

After several years of planning and lobbying, in December we were able to secure the final tranche of funding to redevelop our Churchill site. The $6.2 million project includes funding from the Australian and Victorian governments as well as Latrobe Community Health Service's own contribution.

It will deliver 38 permanent jobs to Gippsland, as well as sector-leading dental prosthetics manufacturing, training facilities, and expanded community health facilities. Work will commence in July 2016.

The sum of these and other efforts over the 2015-16 year is a strong financial performance. Our operating revenue, excluding capital grants, grew by 12.7% to $49.7 million from the previous year. Of course, the pursuit of financial and organisational stability is not an end in itself. It is a means to a deeper purpose: better health, better lifestyles, and stronger communities. Latrobe Community Health Service exists to help people – whatever their means – live full, healthy lives.

Federal Member for Gippsland Darren Chester (left) with Board Chair John Guy and CEO Ben Leigh at a funding announcement for the Churchill site redevelopment.

To this end, during the year we established a community investment fund. A portion of Latrobe Community Health Service surplus funds will be invested in eligible health and community projects that are not funded by any other source. We know how valuable grassroots efforts are, and look forward to further investing in the future of our communities.

Latrobe Community Health Service welcomed Nathan Voll to the Board during the year. Nathan has over 18 years' experience in the private and public sector in management, consulting and finance, and is a valuable addition to our team. Nathan replaces Steven Porter. Steven stepped down after 11 years of service, with new work commitments taking him to Queensland. Steven made a significant contribution to the Board. His counsel will be missed, and we would like to thank him for his work.

We often meet people who have used one or more of the many services that Latrobe Community Health Service offers.

The warmth with which they speak of the staff and the quality of their experience is a source of real encouragement to us.

The 2015-16 financial year was productive and transformative for Latrobe Community Health Service. We are known as a trusted state-wide provider of quality community health services, and we are well positioned for future growth and success.

BOARD AND GOVERNANCE

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.

The work of the Board is supported by four Board committees:

- Audit and Risk
- Quality and Safety
- Governance
- Community Investment.

AUDIT AND RISK COMMITTEE

The purpose of the Audit and Risk Committee is to assist the Latrobe Community Health Service Board to discharge its responsibility to exercise due care, diligence and skill.

The terms of reference 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's constitutional documentation and material contracts
- complying with applicable laws and regulations, standards and best practice guidelines.

The committee includes two independent representatives:

Elizabeth (Liz) Collins

BBus, CPA, GAICD, Cert Bus
Appointed April 2009, retired December 2015

Liz is the Executive Manager Finance at East Gippsland Shire Council.

She is a former General Manager Governance at Wellington Shire Council and a former Manager Finance at Latrobe City Council. Liz has experience with financial controls, risk assessments, legislative compliance, policy development, management accounting, procurement and asset management.

Liz retired from the Board Audit and Risk Committee in December 2015.

Ron Gowland

Dip Management, FCPA, Economics Degree
Appointed February 2012

Ron is semi-retired, has a Public Practice Certification from CPA Australia and is a Director of public accounting practice Latrobe Business Solutions Pty Ltd.

Ron is a former Chair of Gippsland Water and Latrobe City Audit Committees. He has substantial experience in the finance sector spanning 50 years.

QUALITY AND SAFETY COMMITTEE

The purpose of the Quality and Safety Committee is to assist the Latrobe Community Health Service Board to maintain systems by which the Board, managers and clinicians share responsibility and are held accountable for patient or client care, minimising risk to consumers and continuously monitoring and improving the quality of clinical care.

The standards we report against are:

- Quality Improvement Council Health and Community Services Standards
- National Safety and Quality Health Service Standards
- Health Standards
- Aged Care Standards
- Royal Australian College of General Practitioners Standards.

The committee also ensures Latrobe Community Health Service quality and safety systems support the implementation of the four key principles of clinical governance, which are:

- Build a culture of trust and honesty through open disclosure in partnership with consumers and 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 two staff committees:

- Occupational Health and Safety Committee
- Clinical Governance Advisory Committee.

The committee includes a client representative:

Allison Higgins
Bachelor of Arts (Communications)
Appointed August 2009

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 actively 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.

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.

COMMUNITY INVESTMENT COMMITTEE

The role of the Community Investment Committee is to oversee the Community Grants program funded by the Latrobe Community Health Service Community Capital Investment Fund dividend, as set by the Board annually.

The committee shall:

- undertake an annual grants application program, including developing grant guidelines and assessment criteria
- recommend projects to the Board for funding
- monitor the progress of projects and report this to the Board.

BOARD DIRECTORS

John V Guy, OAM JP
Board Chair

G

Board Director since September 1997; Board Chair 2002-04 and 2008-16; member Governance Committee and Board Recruitment Selection Panel.

John spent 35 years with State Electricity Commission of Victoria and six years on the Morwell Shire/City Council with three consecutive years as Mayor. He was Chair of the Latrobe Regional Commission and Chair of Commissioners of Wellington Shire during the amalgamation process.

He is currently Chair of Advance Morwell. 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.

John is a member of the Hazelwood Mine Fire Recovery Committee and represents Latrobe Community Health Service on the Hazelwood Mine Fire Health Study.

Mark Biggs
Board Deputy Chair

Q G

Board Director since February 2014; member Quality and Safety Committee and Governance Committee.

Mark has an extensive management career in the primary health and community services sector including child protection, youth, disability, occupational rehabilitation and project and business management.

Mark is currently Deputy Chair of Gippsland Primary Health Network and a Director on the Board of Gippsland Anglican Retirement Living Limited in Bairnsdale. Mark was a Board Director of Latrobe Regional Hospital for nine years.

Nathan Voll

A

Board Director since March 2016; member Audit and Risk Committee.

Nathan has over 18 years' experience in the private and public sector in management, consulting, as well as finance and accounting.

He is currently the General Manager Corporate Services at the Department of Justice and Regulation. Nathan has experience in the healthcare sector, serving on the Board of Latrobe Health Insurance since 2011 and a Board Director of West Gippsland Healthcare Group for the past six years.

Nathan is a Fellow of Certified Practising Accountants (CPA) Australia and a Fellow of the Australian Institute of Company Directors.

Peter Wallace

Q C

Board Director since January 2007; Chair Quality and Safety Committee; member Community Investment 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 AICD Company Directors course in 2011.

Carolyne Boothman

A C

Board Director since February 2010; member Audit and Risk Committee and Community Investment Committee.

Carolyne has been a member of the GippSport Board for over 20 years, and many other sporting committees in the local area. She is Chair of the Morwell and Districts Community Recovery Committee, which has worked closely with all levels of government following the bushfires and Hazelwood mine fire of 2014. She has been appointed to the Health Innovation Zone Taskforce, and is a member of the Community Advisory Committee for the Hazelwood Health Study.

Carolyne is a member of the Latrobe Regional Hospital Foundation. She is currently teaching at Morwell Primary School, and has a passionate interest in health, fitness and music. She has lectured at Monash University.

A Audit and Risk Committee
Q Quality and Safety Committee
G Governance Committee
C Community Investment Committee

Melissa Bastian

A

Board Director since January 2011; Chair Audit and Risk Committee.

Melissa has a diverse background and experience in a variety of industries including health, banking, law, education, local and federal government, insurance, and leadership development.

She has advanced leadership and communication skills and extensive management, business planning, compliance, strategy development, financial management and corporate governance experience.

Melissa is a former State Registered Nurse and a 2011 graduate of the Gippsland Community Leadership Program. She is also a Director of Bank Australia and a member of the Gippsland committee for the Australian Institute of Company Directors.

Peter Starkey

Q G

Board Director since June 2013; member Quality and Safety Committee and Governance Committee.

Peter has 15 years of experience in diverse roles focusing on business management and the financial services industry.

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.

Judith (Judi) Walker

Q G

Board Director since July 2012; member Quality and Safety Committee and Governance Committee.

Judi has over 20 years' experience in senior academic and health leadership positions. She recently completed a five-year term as Head of the School of Rural Health at Monash University.

In 2015 she was the Vice Chancellor's nominee leading negotiations for a new funding framework - the Rural Health Multidisciplinary Training Program - with the Commonwealth Department of Health. Judi was recently successful, as Principal Co-Investigator, in winning a major Victorian Government tender to undertake a 10-year longitudinal study into the health impacts of the Hazelwood mine fire in the Latrobe Valley. Judi has 15 years' experience as a Board member or Director of a number of government, private sector and not-for-profit organisations.

Stephen Howe

A C

Board Director since February 2014; member Audit and Risk Committee and Community Investment 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 and Risk Committee, Quality and Safety Committee and Governance Committee meetings held during the period 1 July 2015 – 30 June 2016, are as follows:

BOARD MEETINGS								
Board Directors	Board		Audit and Risk Committee		Quality and Safety Committee		Governance Committee	
	A	B	A	B	A	B	A	B
John Guy (Board Chair)	12	12	--	2^	--	4^	4	4
Mark Biggs (Deputy Chair)	12	12	--	--	4	4	4	4
Peter Wallace	12	12	--	--	4	4	--	--
Judi Walker	12	12	--	--	4	4	4	4
Carolyne Boothman	12	11	4	4	--	--	--	--
Melissa Bastian	12	12	4	4	--	--	--	--
Peter Starkey	12	10	--	--	4	2	4	3
Stephen Howe	12	11	4	4	--	--	--	--
Nathan Voll	5	5	1	1	--	--	--	--

AUDIT AND RISK COMMITTEE INDEPENDENT REPRESENTATIVES		
	A	B
Liz Collins	2*	2
Ron Gowland	4	4

QUALITY AND SAFETY COMMITTEE CLIENT MEMBER		
	A	B
Allison Higgins	4	4

NOTES:

Column A: Indicates number of meetings held while Board Director or committee member was a member of the Board committee.

Column B: Indicates number of meetings attended.

^ Board Chair will on occasion attend Board committee meetings ex-officio.

* Liz Collins resigned effective the 7 December 2015 Audit and Risk Committee meeting.

BOARD DIRECTOR REMUNERATION		
	2014	2015
Chair	$16,971	$17,395
Director	$10,183	$10,438

As per Category 4, Schedule A of the *Appointment and Remuneration Guidelines for Victorian Government Boards Statutory Bodies and Advisory Committees*, Board Directors received an increase in remuneration effective from 1 July 2015.

ORGANISATIONAL STRUCTURE

Ben Leigh
Chief Executive Officer

Elizabeth Meggetto
Executive Officer
Central West Gippsland Primary Care Partnership

Alison Skeldon
Executive Director
Community Support & Connection

Portfolio
Koorie engagement

Site responsibility
Churchill and Bairnsdale

Manager Alcohol & Other Drugs & Counselling

Manager Connected Communities

Manager Primary Prevention

Vince Massaro
Executive Director
Assessment, Aged & Disability Services

Portfolio
CALD and diversity
GAIS (Interpreting Service)

Site responsibility
Wonthaggi and Warragul

Manager Disability & Carer Programs

Statewide Manager Aged Care Services

Manager Gateway

Area Manager Local Area Coordination Servce (Central Highlands)

Rachel Strauss
Executive Director
Primary Health

Portfolio
Infection control
GP & MBS development

Site responsibility
Traralgon and Sale

Manager Dental Services

Manager Primary Intervention

Medical Director

Manager Ambulatory Care

Rick Davies
Executive Director
Corporate

Portfolio
Chief Financial Officer
Disaster recovery

Site responsibility
Morwell and Moe

Manager Accounting Services, Sourcing & Procurement

Manager Client Reporting & Records

Manager Quality & Front Office, Fleet & Facilities

Senior Manager People Learning & Culture
(Including Placement, Education & Research Unit)

Manager Information & Communication Technology

Manager Marketing & Communications

Goal One

More people look after their own health

When it comes to people's health, getting in early delivers the best results.

We aim to help people to look after their own health and stay independent wherever possible. We're helping people to make healthy lifestyle choices, and want to reach more people than ever before.

We are doing this by:

- ✔ Making our services more youth friendly and working with young people in schools
- ✔ Helping people with high needs stay at home with support packages tailored to their specific circumstances
- ✔ Doing health assessments in workplaces and communities
- ✔ Improving the health information we provide online
- ✔ Helping you keep track of your health using internet-based tools.

ENGAGING WITH YOUTH AND CHILDREN

We know from our years of working in the community that long-term engagement produces some of the best health outcomes.

To this end, we continued our school dental outreach program, seeing 960 children from 12 schools in the local government areas of Latrobe and Baw Baw.

In addition to providing free dental screenings, our dental teams also spoke about the importance of maintaining good oral hygiene. Most of the children screened received show bags containing toothbrushes and water bottles to encourage good oral health habits.

Our dental staff also contacted families to offer follow-up exams for the children who were screened, and examinations for any other children in the family. Nearly 30% of students returned for a full dental examination and treatment.

Through our Koolin Balit oral health promotion officer, in partnership with Ramahyuck District Aboriginal Corporation and the Gippsland and East Gippsland Aboriginal Co-operative, we also conducted oral health screenings for local Aboriginal children during the year.

Over the course of the year, we screened 60 Aboriginal children at the Gunai Lidj Multifunctional Children's Service and Dala Lidj – Woolum Bellum Kindergarten, with 20% further engaging with us by coming in for a dental exam and treatment. Most of these children required additional dental treatment.

We also conducted an oral health education program for 22 Aboriginal health workers, in conjunction with Dental Health Services Victoria.

The program aimed to encourage workers to consider and look for potential oral health issues in the children and families they worked with, and to encourage families to seek care at Latrobe Community Health Service or another dental service.

During the year, Latrobe Community Health Service became the lead agency of youth-based service headspace Morwell. We took over this role from Gippsland Medicare Local, after it became the Gippsland Primary Health Network and could no longer act as a direct service provider.

headspace Morwell provides mental health care and support services for young people aged between 12 and 25 years. We have seen an excellent fit with our mental and physical health and wellbeing service offerings, allowing us to address an issue as a whole. For example, a young person with drug issues seeing the doctor at headspace can also speak to a withdrawal nurse at Latrobe Community Health Service, and seek advice about mental health issues they may be facing.

Another way we are engaging with children and youth is through a model of coordinated care and health planning for children in out-of-home care. This is known as the *Pathway to Good Health*. It is a service for children who have experienced abuse and neglect, which means they are likely to have poorer health outcomes than the general child population.

This service is delivered in metropolitan areas of Melbourne and Gippsland, with most clients in the Latrobe Valley. We have seen more than 65 children since August 2015, with funding of this project to remain in place until December 2016.

Under this model of care, a selected doctor conducts an initial health assessment for children aged from nine weeks old to 16 years of age. A paediatrician from Latrobe Regional Hospital then sees the child at Latrobe Community Health Service. The paediatrician works together with a speech pathologist and psychologist to develop a health management plan with assessments and recommendations for treatment. The document forms the basis of the child's ongoing health planning, and the child's future caregivers can use it as a reference.

Health promotion officer Nlkki Visser (right) watches a community member take the blender bike for a spin.

To ensure the child's general health is addressed immediately, a community outreach nurse also works with the child to ensure their immunisations are up-to-date and they have access to dental care.

HELPING PEOPLE STAY AT HOME

We understand that staying at home and among loved ones is important to many older people. However, everyday tasks like preparing meals or maintaining the garden can become challenging.

We support older people in the community to stay home through Home Care Packages. Clients use their government funding to purchase personal care services, nursing services and respite, among others.

During the year, we delivered a total of 338 Home Care Packages. Of this figure, 39 were delivered from our new location in Melbourne's eastern metropolitan region. We were also successful in securing 12 new

packages in Gippsland, while maintaining our existing packages in Hume and Grampians.

We also continued to deliver information to communities about how they can remain at home for longer, in addition to linking them to key service providers.

Following on from last year's successful forum about the changes to the aged care system, we ran two more forums during the financial year. These forums for Latrobe Valley residents covered the transition to a consumer-directed care model in February 2017 and the My Aged Care website as the Australian Government's central information and registration point, among other topics.

At each forum, a panel of representatives from agencies including Centrelink, the Aged Care Assessment Service and Leading Age Services Australia answered questions, and local service providers set up information booths. More than 160 frail and aged people, their carers, and service providers attended the forums.

We also delivered more education programs targeted at carers during the year.

Over a 12-month period, we delivered several six-week programs aimed at improving the health of carers and reducing the risk of premature entry into permanent care.

Two of these programs were aimed at the culturally and linguistically diverse community, and Aboriginal and Torres Strait Islander people, respectively. A total of 62 people attended the course during the year.

Through the Carer Awareness, Respite and Education (CARE) for Carers program, we worked to enhance the capacity of carers to maintain their role through education, taking care of their health and peer support.

Most of the sessions were delivered on a weekday, with the exception of one course that was run on a Saturday to enable working carers to attend.

We provided carers with information about other supports available to them, their rights as a carer, and self-care tips.

As a result of the program, many of the attendees linked in to other services at Latrobe Community Health Service, as well as building new friendships and support networks.

TAKING CARE OF WORKERS

Businesses and organisations are increasingly seeing the benefits of maintaining and improving the health and wellbeing of their staff. A happy, healthy workforce is good for business, with fewer sick days and improved staff morale.

Through our Corporate Health service, Latrobe Community Health Service contacted more than 300 employers in the Latrobe Valley to talk about how we can support the improvement of staff health and wellbeing through information sessions and health checks.

We also purchased a 'blender bike', which has been very popular among schools and organisations with a health slant. The blender attached to the bike is powered when a person pedals. The bike is available for hire and six different schools and organisations rented it out 12 times during the year.

The blender bike conveys the message that it is easy to make healthy, fresh smoothie snacks – as simple as pedalling a bicycle. Organisations that hire the bike have the option of having our health promotion staff along to their event, to reinforce the health message.

We also continued to work with office-based workers. In Latrobe, it is estimated that 32% of residents spend seven or more hours seated each day. This sedentary behaviour can lead to a range of negative effects on the body.

To encourage workers to move more and stimulate healthy competition among workplaces, we launched the first Latrobe-wide Workplace Walking Challenge at the end of May 2016. Workplace teams were challenged to reach 10,000 steps per day - the recommended daily step total for a healthy adult.

A total of 71 teams from 17 different workplaces across Latrobe registered for the challenge, including Latrobe Community Health Service. In total, 671 participants registered. Participants said getting to the 10,000 steps a day was a challenge, but one they met enthusiastically.

PROVIDING MORE INFORMATION ONLINE

During the year, our Marketing and Communication team continued to diversify the organisation's advertising strategy to include digital communication.

On Facebook, we ran a number of Gambler's Help campaigns. Through Facebook's targeted advertising capabilities, we were able to target advertising to specific demographic and interest groups. Over a nine month period to 30 June 2016, we reached 38,292 people with these advertisements. We got 1,599 clicks from Facebook to the landing page on our website for our Gambler's Help service.

We also ran a six-week GP clinic media campaign on local television, complemented by YouTube pre-roll advertising (the ads shown before watching a clip on YouTube). The online campaign was a success, particularly among younger viewers, who are notoriously difficult to reach.

More than 4,180 people watched the entire 30-second advertisement on YouTube, with a further 21,940 people watching a portion of the advertisement. The advertisement was shown 26,124 times over a five-week period.

With its low cost and detailed breakdown of viewer demographics, Latrobe Community Health Service will continue to utilise digital advertising as a complementary way of reaching out to the community.

Goal Two

People connect to services when and where they need them

We believe that people in rural and regional areas have a right to the same quality of healthcare as those who live in cities.

We know that better links between health providers will deliver the quality services people deserve. We're working to provide the services that are often missing in regional areas - and at the same time reduce the waiting times for all of our services.

We are doing this by:

- Improving our existing services and prioritising the areas of greatest need
- Working with other community and health agencies to plug service gaps
- Trialling 'virtual' clinics so you can contact health professionals and even get some services online
- Building systems so you can track appointment times, get test results and referrals from your phone or computer
- Developing a centralised call centre, so you can get through to us easily and quickly
- Reaching out to people in isolated areas with mobile health services
- Making many more people aware of the services we provide and how they'll benefit them.

SERVING AREAS OF NEED

For people living in rural or regional Victoria, there is not always the same access to services to improve their quality of life. For many people who need help recovering from substance use, this may mean travelling to the city for services, or going without.

One of the previously under-served areas was pharmacotherapy - the replacement of a substance of dependence with a legally prescribed and dispensed substitute. In the case of opioids, this is Methadone and Suboxone.

After setting the groundwork for the expansion of a Methadone program in Gippsland and Hume last year, we continued to increase the number of doctors and pharmacies participating in pharmacotherapy.

There are now 22 prescribing clinics and 35 pharmacies in Gippsland. In Hume, 36 clinics prescribe Methadone or Suboxone while 35 pharmacies dispense it, an increase from 25 clinics and 34 pharmacies in the previous year.

During the year, Latrobe Community Health Service played a key role in setting up Sale's first pharmacotherapy clinic, working together with Central Gippsland Health Service.

We also established a pharmacotherapy clinic in Morwell, and set the groundwork for the establishment of a clinic in Moe.

These developments have gone a long way in helping people recovering from substance use get their lives back on track. The stigma that prescribers and dispensers have about treating people needing pharmacotherapy is also reducing.

Latrobe Community Health Service also partnered with Fulham Prison in Sale to deliver drug education and harm minimisation programs to people in prison.

We were chosen to deliver this program after the Department of Justice and Regulation identified that people in prison are particularly vulnerable to alcohol and other drug use.

Our staff deliver the Aboriginal alcohol and other drug education program one day a week for three weeks. The program runs every three months.

In February 2016, we were pleased to reopen the doors to our newly-refurbished Moe centre. The centre now features a broader range of service offerings, new dental surgeries, podiatry, physiotherapy, medical and consulting rooms, a spacious room and garden for our planned activity groups, and large community rooms.

To celebrate, we held a free 'Family Fun Day' to thank the community for their patience during the refurbishment. More than 500 people attended the event, with Federal Member for McMillan, Russell Broadbent officially reopening the building.

Visitors participated in a treasure hunt that doubled as a tour of the building.

Our dental team provided oral health checks, screening seven adults and 28 children. They also gave away 200 fresh apples as a healthy snack. In expressing their gratitude for such a significant investment in Moe, the community said the day's events were excellent.

During the last financial year, we expanded our footprint in Melbourne when we assumed responsibility for the GP clinic at La Trobe University Medical Centre in Bundoora. With a student population of more than 25,600 students and 2,500 staff, it is an exciting opportunity to position ourselves as a high quality provider of GP services within a tertiary setting.

In the lead up to winter, we were named the preferred provider of the influenza immunisation service for university staff. Our nurses and doctors immunised more than 650 staff over a number of weeks.

We also worked together with the university to ensure a suitable immunisation

(From left) Gunaikurnai elder Colin Thomas, Latrobe City Council deputy mayor Sharon Gibson, Federal Member for McMillan Russell Broadbent, CEO Ben Leigh, Board Chair John Guy and former Board Chair Lorraine Bartling at the reopening of the Moe site in February.

process was in place for students about to commence their clinical placements, to protect their health and the health of their clients.

Students undertaking clinical supervision are now required to produce documented proof of their immunisation status before being accepted on placement. More than 250 students received their vaccinations from our doctors and nurses.

EASE OF ACCESS TO SERVICES

Our central 1800 242 696 phone number is the most common way for the community to access or enquire about our services.

We know our clients value convenience, ease of access and speed of response when they contact us. To ensure they have a great experience, we have worked hard to improve benchmarking for how quickly we answer calls.

During the 2015-16 financial year, we received 144,881 calls, an increase of 11% from the 130,030 calls we received in the previous year. Despite this growth, we continued to meet or exceed call answer targets.

Making an appointment to see the doctor usually takes a brief phone call. To make it more convenient to book an appointment, clients can now do this online through *Appointuit*, a third party application.

During the year, we opened up appointments to new clients to our GP clinics in Melbourne through the *Appointuit* app on smartphones or through the Latrobe Community Health Service website. Previously, only existing clients had this convenience.

A total of 1,711 GP clinic appointments were booked online during the year. Based on the assumption each phone call lasts two minutes, this is equivalent to approximately 57 hours of phone time.

Our district nursing team continued to bring their compassion and health expertise into the homes of the frail aged and those unable to travel to attend health checks.

La Trobe University Medical Centre pharmacist David Hui (right) taking a student's blood pressure.

In the last financial year, our team of 33 nurses made 36,659 visits to clients to assist with the management of diabetes, wounds, medication and pain. From our base in Morwell, our nurses travel as far as Budgeree in the south and Toongabbie in the north, Flynn to the east and Yallourn North to the west.

The service provided by the nurses, complemented by home visits from allied health staff, ensures the community can receive health services, even in their own homes.

GETTING OUR MESSAGES TO THE COMMUNITY

We continued to build on our online presence to keep the community informed about the services we provide, and where we deliver them from.

As we expand into other geographical areas outside Gippsland, it has become increasingly important to make more people aware of the services we provide. Our new-look website continued to attract visitors who want to find out more about who we are and the services we provide.

Year-on-year, the number of visitors to our website has grown 61.44% to 56,207 users. The number of pageviews also rose to 187,541, which was 15.89% more than the previous year.

Although we have grown our online advertising, traditional media such as print, broadcast and information brochures and flyers remain an important part of our communication to the community.

In the past year, we produced more than 300 flyers, brochures and advertisements. There were more than 70 news stories featuring Latrobe Community Health Service across print, radio and television.

We also conducted a mail drop of more than 40,000 flyers promoting our GP clinic services in Churchill, the Melbourne CBD and around La Trobe University's Bundoora campus, as well as our carer programs services in South Gippsland.

Goal Three

Those with multiple needs get holistic support

When people have more than one health issue it makes sense that they're not treated for each issue alone, but as part of a whole.

This means coordinating the care and support a person needs in a way that's highly customised to their particular situation. At Latrobe Community Health Service, we're working to make sure that more of our clients are able to access the care and support they need, when they need it.

We are doing this by:

- ✔ Trialling new systems where one key worker coordinates all your needs, so you don't end up having to tell your story over and over
- ✔ Joining up different programs that logically go together, so you don't need to find your way around a complicated system - we'll do that for you
- ✔ Using the latest technology to coordinate client information and supports, so our people always know what they need to do next for you
- ✔ Working out which combination of service supports has the greatest impact - and the best ways to pay for these with the least burden on clients.

COORDINATING CARE AND SUPPORT

For many new arrivals and refugees, adjusting to life in Australia can be overwhelming and confusing. Knowing where to look for help is often the hardest part, especially for people from a non-English speaking background.

In the last financial year, our settlement support program became available to communities across Gippsland. This service was previously only available in the Latrobe Valley and Wellington Shire.

Our settlement support workers receive referrals to help new arrivals navigate the social support system.

By listening to their stories, our staff are able to determine what is the best service to link them into. This may be accessing English lessons, finding help for medical or dental issues, or linking into employment or training courses.

Our workers often arrange appointments for people with our refugee health nurse, who assesses their overall health and wellbeing and can connect them to a doctor if required. Under this model of care, newly arrived people are better supported and have access to well-coordinated health services.

Our children's service team meet with the Department of Education and Training every term to support our youngest clients.

During these meetings, they discuss children who may need extra help in transitioning to primary school from kindergarten, as well as the progress of any children currently being seen at Latrobe Community Health Service under our allied health program for young children.

In the last financial year, our team delivered classroom services at six different primary schools and four preschools in the Latrobe Valley. Through this consultative approach, both the schools and our team remain aware of what the other is doing to assist the child.

Executive Director Community Support and Connection Alison Skeldon (left) with the settlement program team and attendees of a Refugee Week event in Morwell.

The school can also refer children to us for additional support. We also give teachers and students ideas about classroom activities to encourage development and inclusiveness.

By engaging with young children in need of extra support early on, as well as their teachers and parents, we hope to close the gap of developmental disadvantage. We also aim to reduce children's needs for additional supports later on, while encouraging them to use appropriate health services into their adulthood.

SIMPLIFYING SERVICES FOR A BETTER EXPERIENCE

One of the barriers to seeking help can be navigating the complex processes of the healthcare system. We have sought to reduce these hurdles by making it easier and faster for clients to get the help they need.

During the last financial year, we incorporated our counselling services into our Community Support and Connection directorate. By doing this, we were able to streamline our intake and allocation processes to reduce waiting times.

In the area of primary health, we also worked hard to address clients' healthcare needs.

This was evident in our high-risk foot clinic, which went from strength to strength.

The clinic is the first of its kind in Gippsland to operate out of a standalone community health centre, and is run in collaboration with Monash Health.

The podiatry team at the high-risk foot clinic see clients who have had, or are at risk of having a lower limb amputation. Before the establishment of this clinic, local clients had to travel to Melbourne to receive treatment. More than 60 people have received specialist help locally.

At the clinic, the podiatrists can better monitor client wounds.

Clients are also connected to dietitians, diabetes educators and allied health assistants to help ensure they have the best possible care and health outcomes.

IMPROVING ACCESS TO CLIENT INFORMATION

With staff regularly travelling between sites in Gippsland, quick access to client notes, while still maintaining privacy and confidentiality, is of utmost importance.

Last year, we integrated an appointment scheduling feature into our client management system.

This means that clinicians checking their appointments with clients can go directly to client notes on their computers, without waiting for paper files to be delivered from our head office in Morwell.

This has greatly improved service coordination, making it easier for clinicians to see who else is involved in the care of a client, while also reducing duplication.

STAYING RESPONSIVE TO NEEDS WITH FLEXIBLE FUNDING

One of the things we are proud of at Latrobe Community Health Service is our responsiveness to the needs of the people we serve. We know that people's needs change quickly, and there are times where we need to be flexible to accommodate these needs.

In the field of disability services, we continued to reduce the amount of time clients spent waiting for services. At the end of the financial year, we had just 12 clients on our waiting list.

Under our new system, the clinical lead assesses each client's needs and can allocate a case worker almost immediately, if the need is urgent.

The case worker then has a discussion with the client and their carers to determine their immediate and holistic needs, whether it is a one-off purchase of equipment, or several months' worth of therapy.

In some cases we cover the entire cost; in other instances we may fund part of the cost. The end result is clients receiving the support they need, sooner.

This screening process has allowed for more consistency and streamlining of processes, which clients and staff have both welcomed.

We also placed a stronger emphasis on building our clients' independence in partnership with their families and other healthcare providers.

We want to encourage clients and their families to be proactive in letting us know what they need and what we can do for them. Our aim is to be partners in their journey instead of having them depend on us.

Carer support coordinator Brianna Matthews (centre) with comedians Dave O'Neil and Ivan Aristeguieta at an event for carers from Bass Coast and South Gippsland.

Carers Recognition Act 2012

Latrobe Community Health Service recognises and upholds the *Carers Recognition Act 2012.*

In 2015-16, we:

- ✔ Updated our organisation-wide Carer Entitlements policy
- ✔ Made the policy available to all staff and volunteers
- ✔ Referenced the Act and staff entitlements during new staff orientation
- ✔ Distributed information about the Act to attendees of our Carer Programs events
- ✔ Provided information to clients about their rights under the Act, if applicable.


STAFF
STAFF
STAFF
STAFF

Goal Four

We use our resources for maximum impact, effectiveness and efficiency

We want to create the most skilled team we can. We know that when staff are well supported and united behind common goals, they will work hard for their clients and for the organisation they believe in.

Our productivity is testament to their passion. We also invest in technology and other systems to create better outcomes for our clients.

We are doing this by:

- ✔ Improving our technology so we collect better information about our results as well as link services much better
- ✔ Partnering more with other services with whom we have common aims
- ✔ Pioneering new ways to attract and retain staff so that we continue to be an 'employer of choice'
- ✔ Putting our volunteers in areas where they have greatest impact
- ✔ Telling individuals and communities about the areas in which we have great success.

STRATEGIC PARTNERSHIPS FOR BETTER OUTCOMES

The ever-present challenge of healthcare is to deliver services to more people, using limited resources in the most effective way. We believe partnerships and strategic pooling of resources is one of the best ways to improve health outcomes in the community.

During the year we partnered with Windana Drug and Alcohol Recovery to establish a day rehabilitation centre based at our Moe site.

This much-needed service is the first of its kind in the region. It helps people recovering from substance addiction stay on track, with their support networks by their side. It is a free six-week program, taking place four days a week.

The program offers rehabilitation with a therapeutic focus. Participants do yoga, art and attend nutritional sessions. They also discuss rebuilding relationships, future employment and education pathways. Since it began, 49 people have completed the program.

In another landmark service for the region, the Morwell Multidisciplinary Centre for sexual assault opened its doors in September.

Two Latrobe Community Health Service nurses are based there permanently, carrying out health assessments and providing support to people who attend the centre.

Our nurses work in partnership with Victoria Police, the Gippsland Centre Against Sexual Assault and other agencies to support adults and children who have experienced sexual assault. The Morwell centre is one of six centres operating across the state.

PUTTING OUR VOLUNTEERS WHERE THEY'RE NEEDED

While we advocate for people to remain as independent as possible in their later years and continue to live at home, we recognise this may also mean fewer opportunities for socialising. Making new friends or finding the chance to discuss interests and hobbies becomes more challenging for older Australians, which may affect their mental health.

One of the ways we are putting our volunteers in areas where they have the greatest impact is through the nationwide Community Visitors Scheme (CVS). Through this program, local volunteers visit our clients in their homes and in aged care homes across the region.

In the last financial year, we had 40 registered CVS volunteers, 20 of whom are primary school students from Moe and Morwell. The other volunteers conduct one-on-one visits to people in their homes. Over the 12 months, they made 234 visits.

The intergenerational visits are particularly enjoyable for both parties. The young volunteers were given empathy training and have demonstrated patience, compassion and respect for the people they visit, as well as their peers. Meanwhile, the older residents benefit from the social interaction and the opportunity to mentor their younger visitors.

RECRUITING AND RETAINING TOP TALENT

Growing our service offerings cannot happen successfully without a corresponding growth in staff numbers.

We recognise that as a regional healthcare provider, attracting and retaining talent will always be a challenge. The onus is on us to provide staff opportunity for growth, a safe and nurturing work environment and competitive salaries.

To give the next generation of healthcare professionals a taste of working in a regional setting, we welcomed 219 students on placement in the last financial year.

A vast majority of these students were dental and nursing students. There were also a significant number of students on rural interprofessional placements in the fields of medicine, paramedicine and pharmacy.

Latrobe Community Health Service Morwell staff wore purple to raise awareness of violence, discrimination and repression of lesbian, gay, bisexual, transgender and intersex people on the International Day Against Homophobia, Transphobia and Biphobia on 17 May.

In the last financial year, we continued to grow our general practice clinics, adding one doctor in Churchill and recruiting new doctors to our clinic at La Trobe University Medical Centre, bringing the total there to five. We now have a total of 23 doctors working at our six GP clinics.

A FOCUS ON ORGANISATIONAL VALUES

All aspects of care are important to us, whether it's for our clients or for staff delivering these services. Over the last financial year, we have further focused on putting our organisational values at the forefront of everything we do.

We introduced a new way of recognising and rewarding staff who do an exceptional job. The *Kudos* system was launched in September 2015, replacing the monthly achievement award. Since it went live, an average of 150 congratulatory messages are sent out every month.

Through the staff intranet-based application, staff send a *Kudos* message to a colleague or team who demonstrate the core values of excellent customer service, creating a successful environment, always providing a personal best and acting with the utmost integrity, or even just to say thank you for a great job.

The introduction of the *Kudos* system helped improve levels of staff engagement. This was reflected in the 2015 staff survey results, which showed an improvement from the previous year.

The 2015 results showed that 70% of survey respondents felt Latrobe Community Health Service is a truly great place to work.

To help managers and staff keep on track to achieving key performance outcomes, the People, Learning and Culture team also introduced a new annual performance review to replace the previous performance review and development plan.

Under the new system, at least three times a year staff and their manager step away from the day-to-day work demands and have a focused discussion about their performance and aspirations.

2015 Employee of the Year, Lauren Smith.

This arrangement benefits both staff and their managers, as both parties have ample opportunities to exchange feedback, taking personal and professional circumstances into consideration.

For staff who care for a family member, flexible working arrangements at the discretion of each manager allow staff to carry out their personal and professional obligations in a supportive environment.

At the end-of-year function in December 2015, we rewarded staff in the annual achievement awards and service recognition awards. It is great to see fine examples of staff who embody the values we strive for.

Our Employee of the Year for 2015 was Lauren Smith, a counsellor with our alcohol and other drug treatment services team. Her nomination read:

"Lauren's best strength is the capacity to collaborate and coordinate, build and connect, which makes her a standout team player in a large team. Lauren achieved exceptional outcomes throughout the year in the context of the team restructure and change of managers."

EMPLOYEE OF THE YEAR
Lauren Smith

SERVICE EXCELLENCE AWARD
Connected Communities

ANNUAL ACHIEVEMENT AWARDS

Megan Jacques
Corporate

Lauren Smith
Community Support and Connection

Wendy Marshall
Assessment, Aged and Disability Services

Corina Christie
Primary Health

STAFF SERVICE RECOGNITION AWARDS

10 YEARS

Sandra Maynard
Heather Watt
Eva Hawkett
Diana Stipkovich
Renae Grabham
Karen Young
Wendy O'Brien
Liyin Weckmann
Kerri Trotter
Ann Riley

15 YEARS

Amba Winsor
Andrea Norman
Julia Churches
Wayne Atkinson
Kim Rossiter
Leanne Maskiell

20 YEARS

Marianne Ablitt

25 YEARS

Betty Beacham

30 YEARS

Janette Henry
Denise Bromiley

Goal Five

We're increasing our scope and scale to assure long-term investment into the community

Adding to our range of services means smoother and more complete support, especially for people with multiple needs.

A mix of free and fee-paying services makes our services available to all, regardless of income. We think this is the fairest way to service our community.

We are doing this by:

- ✔ Securing extra funds from new sources, particularly for our coordinated support work, to support disadvantaged clients, and to reach new communities
- ✔ Collaborating with smaller providers for smoother client care
- ✔ Asking our clients (and the communities we operate in) for regular feedback, so we can continue to improve
- ✔ Expanding into new markets, across Gippsland and beyond
- ✔ Gathering evidence about what works and what doesn't and thinking about everything we do in this context.

MORE SERVICES TO MORE PEOPLE

Our new GP clinic at La Trobe University in Bundoora opened its doors for us to serve a combined staff and student population of more than 28,000, as well as the general public who live or work in the area.

One of the first things we did was to recruit new doctors, bringing the total there to five. We also participated in the university's student orientation week in February, where we distributed almost 1,000 showbags and promotional items over the course of a few hours.

During the year, we participated in various university events, including Queer Pride Day, the Wellbeing Week Carnival and Reorientation events. We also conducted presentations to students on the services we provide, and worked with the university to help 250 health science students meet their clinical placement requirements.

We have worked hard to raise our profile among the university cohort and the general public, undertaking advertising and mail-drop campaigns as well as a physical presence at student events. The clinic now has 3,557 clients.

In preparation for a 1 July 2016 start date for the National Disability Insurance Scheme (NDIS) rollout, Latrobe Community Health Service successfully tendered for the contract to provide local area coordination services for the NDIS in the Central Highlands area.

In this role, we will work together with people with a disability and their carers to plan the mix of supports they need to meet their goals and aspirations.

We recruited six new staff based in Ballarat, including an area manager, and have set up a temporary office at the St John of God Hospital. In the year ahead, we plan to recruit up to 100 staff in this service area.

While elements of this role are new to us, the work is not dissimilar to the case management services currently delivered by our disability services team.

Our years of experience, as well as our ability to scale up our operations, mean we are well-positioned to deliver this service.

Tenders for local area coordination services in inner and outer Gippsland will open in the coming year, and we intend to make submissions for these areas too.

SECURING ADDITIONAL FUNDING FOR SERVICES

During the last financial year, we were successful in securing extra funds to expand our services, provide better facilities for clients, and to carry out preventive health work.

The Federal Government allocated $2.66 million to our Churchill project in December 2015, bringing our vision for a dental prosthetics laboratory and university training clinic closer to reality. This was in addition to the $2 million from the Victorian Government and our own contribution of $665,000.

Early works have commenced at the site to allow some services to continue operating during construction.

When it is completed, the building will be almost double its current size, and have three dental surgeries, consulting rooms, a student learning centre and community meeting rooms. The laboratory will inject new specialist medical manufacturing capacity into Latrobe City and assist in its economic transition. The project, which was four years in the making, is expected to be completed in August 2017.

In the field of preventative health, we were successful in securing an extra $90,000 per year for the three years to 2017 for our Gambler's Help program to create resources for the Aboriginal community about managing money responsibly.

Based on community consultation, we also found people were hungry for video-based resources about managing their money.

In the year ahead, we will focus on producing these videos and determine the best method of sharing them with the people who need it most.

In May, we held a successful Aboriginal art competition for the artwork to be used in the community resource.

Aboriginal family violence worker Joshua Hart (centre) with some attendees of the Aboriginal art show in February.

These videos and other resources will be released in the coming year.

We take pride in our work with refugees and new arrivals to the region. We successfully applied for $17,500 from the Gippsland Primary Health Network to produce resources, update directories listing additional languages spoken by GPs, and to run a series of Refugee Week events across Gippsland.

We organised six events in partnership with various agencies, including Federation Training and Gippsland East Learn Local Alliance (GELLA). These events included a multicultural festival in Bairnsdale's Main Street, a free morning tea in Morwell and the free screening of *Freedom Stories*, a documentary about the stories of former 'boat people', in Traralgon. The events were well received, with the events in Bairnsdale and Morwell being notable successes.

We successfully applied for significant funding for a number of other projects in the last 12 months.

This includes headspace Morwell, where we received $585,000 for the 2015-16 financial year. We received an additional $18,000 for the six months ended 30 June 2016 for headspace's FReezA event committee.

We also secured $450,000 for our therapeutic day rehabilitation program in Moe. Run in partnership with Windana Drug and Alcohol Recovery, the program helps people recovering from substance abuse issues reintegrate into the community.

Our Men's Behaviour Change Program secured an additional $110,000 during the year to deliver more family violence counselling services, and we received $105,000 to provide community health nursing services at the Multidisciplinary Centre in Morwell.

SEEKING FEEDBACK FOR CONTINUOUS IMPROVEMENT

We are always looking for ways to better promote our services to people who need them. After opening our new health centre at Newmason, Warragul, we surveyed new clients to give us some insight into how they found out about our services.

Using iPads placed at the front office, clients answered short questions, including how they found out about us. In Warragul, we found that 25% of clients had observed building signage. This was followed closely by word-of-mouth and referrals.

We also employed the same technique at our Morwell site and the insights were slightly different; more than a third indicated they found out about our services from a friend or family member. These localised insights help inform where and how we try to connect with community members.

During the last financial year, Latrobe Community Health Service commissioned a major piece of market research. The findings will form the foundation of how we engage with the community in the future through advertising and media channels and community engagement.

We found that while many people were aware of Latrobe Community Health Service, understanding of our specific services was low. The people surveyed were mostly interested in factual information, rather than in-depth client stories.

The market research has also prompted us to evaluate our advertising mix. Historically, we have invested in press advertising. However, the research told us that Facebook use among the people we polled was high, with more than 70% of respondents using the social networking site at least once a week. These and other insights will be reflected in an adjusted communication strategy in the coming year.

We are also keen to find out what specific groups of people think of our services. In February, we opened our doors to the Aboriginal and Torres Strait Islander community for a free art exhibition and competition. Under the theme 'Togetherness: Reconciliation, tolerance and respect', the event coincided with the review of Latrobe Community Health Service's reconciliation action plan.

This plan provides a roadmap of how Latrobe Community Health Service will support and involve Aboriginal people in improving their health and wellbeing, with the aim of closing the health gap between Aboriginal and non-Aboriginal people.

The winner of the people's choice award was Morwell artist Helen Treadgold, while Gloria Whalan took second place.

The day's events were extremely well received, with more than 50 members of the community gathering to admire the artwork.

RESEARCHING OUR FUTURE

Health innovation is important to Latrobe Community Health Service. To ensure we remain competitive, our Placement, Education and Research Unit (PERU) works to coordinate research and evaluation activities within the organisation.

This unit is a partnership between Latrobe Community Health Service and Monash University.

During the last financial year, there were three research projects underway:

- The role of a high-risk foot clinic in improving health outcomes for clients at risk of or who have had lower limb amputations.
- Program outcomes for clients with a chronic disease through the 'Guided Care' model.
- The benefits of transition to work programs for early career allied health practitioners and health services.

OUR VOLUNTEERS

The volunteer program at Latrobe Community Health Service has more than 200 registered volunteers. Approximately 105 of those people provide active support across a number of program areas.

Our volunteers play an integral role in ensuring the smooth running of programs and events by assisting with tasks such as:

- cooking and serving meals
- driving and transportation
- day trips and camps
- planned activity groups
- mental health and respite support
- palliative care
- crafts and life skills
- simulated patients
- open days and special events
- administration and program support.

We recorded 18,207 volunteer hours over 2015-16. We saw an increase in program areas with active volunteers, going from 12 in previous years to 23.

We also began community partnerships with Mission Providence and the Department of Justice and Regulation to expand our Buddy Bear program. The Buddy Bears are a special bear for children who have gone through a traumatic or stressful experience. Our partnerships have allowed us to further distribute the bears and share this wonderful project with our community.

2016 VOLUNTEER OF THE YEAR

Karen Spark was named 2016 Volunteer of the Year.

Karen has volunteered at Latrobe Community Health Service since 2014. Her roles include replenishing the Tuckerbox, a centre volunteer for our planned activity group and Creative Club, as well as a community visitor.

Karen shows great kindness and strength to volunteers, staff and clients. She received eight nominations. Two of the nominations read:

"Karen has gained the trust and respect of all our clients. She tirelessly ensures that all the clients are well-fed on a Monday with meals both nutritiously wholesome and very tasty. She relates well to the clients, treating them with dignity and respect at all times."

"Karen is a crucial part of our team and helps Latrobe Community Health Service to be a successful environment and a healthy place to work and be. The work she completes in our team is only a small part of her work and wider contribution to Latrobe Community Health Service, our clients and the community."

Latrobe Community Health Service Chair John Guy (left) and Executive Director Corporate Rick Davies (right) with 2016 Volunteer of the Year, Karen Spark.

VOLUNTEER SERVICE RECOGNITION AWARDS

5 YEARS OF SERVICE

Leslie Watson
Dianne Watson
Rosalie Hamilton

10 YEARS OF SERVICE

Verna Mackenzie
Judy Bone

OPERATING AND FINANCIAL REVIEW

CONTENTS OF THE OPERATING AND FINANCIAL REVIEW

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 2016.

Directors

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

John Guy
Mark Biggs
Peter Wallace
Judi Walker
Carolyne Boothman
Melissa Bastian
Peter Starkey
Stephen Howe
Nathan Voll appointed (2/03/2016)

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
Mark Biggs	—	Deputy Chairperson
Peter Wallace	—	Director
Judi Walker	—	Director
Carolyne Boothman	—	Director
Melissa Bastian	—	Director
Peter Starkey	—	Director
Stephen Howe	—	Director
Nathan Voll	—	Director

Meetings of Directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
John Guy	12	12
Mark Biggs	12	12
Peter Wallace	12	12
Judi Walker	12	12
Carolyne Boothman	12	11
Melissa Bastian	12	12
Peter Starkey	12	10
Stephen Howe	12	11
Nathan Voll	5	5

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

The entity is incorporated under the Australian Charaties and Not-for-profit Commision Act 2012 and is a 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 outstanding obligations of the entity. At 30 June 2016, the total amount that members of the entity are liable to contribute if the entity is wound up is $210 (2015: $260).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors.

Director _____ John Guy

Dated this 27th day of September 2016

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012

To the Directors of Latrobe Community Health Service Ltd

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2016, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

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

Rochelle Wrigglesworth
Director
GippsAudit Pty Ltd

Date: 27 September 2016
Place: Sale

STATEMENT

OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 $	2015 $
PROFIT OR LOSS			
Revenue	2	43,987,450	39,240,332
Other income	2	6,643,182	6,028,143
Employee provisions expense		(27,617,757)	(26,786,182)
Depreciation and amortisation expense	3	(1,751,585)	(1,529,136)
Bad and doubtful debts expense	3	(1,075)	(3,824)
Repairs, maintenance and vehicle running expenses		(371,405)	(397,179)
Fuel, light and power expense		(282,250)	(232,153)
Rental expense	3	(669,106)	(351,657)
Training expense		(160,913)	(118,365)
Audit, legal and consultancy fees		(396,259)	(371,783)
Marketing expenses		(310,896)	(179,796)
Client support services expenses		(6,160,653)	(5,381,451)
Service agreements		(825,537)	(925,680)
Contract labour		(2,865,157)	(1,411,569)
Sundry expenses		(4,360,791)	(3,559,222)
Net current year surplus		**4,857,247**	**4,020,478**
OTHER COMPREHENSIVE INCOME			
Net gain/(loss) on revaluation of property, plant and equipment		-	(461,054)
Total other comprehensive income for the year		**-**	**(461,054)**
Total comprehensive income for the year		**4,857,247**	**3,559,424**
Net current year surplus attributed to members of the entity		4,857,247	3,559,424
Total comprehensive income attributable to members of the entity		**4,857,247**	**3,559,424**

The accompanying notes form part of these financial statements.

STATEMENT
OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Notes	2016 $	2015 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	3,844,035	3,956,919
Trade and other receivables	5	585,767	199,922
Inventories	6	156,817	163,901
Financial assets	8	11,000,000	7,000,000
Other assets	7	1,598,968	647,569
Total current assets		17,185,587	11,968,310
NON-CURRENT ASSETS			
Property, plant and equipment	9	20,394,050	19,104,967
Total non-current assets		**20,394,050**	**19,104,967**
Total assets		**37,579,637**	**31,073,277**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	3,897,715	2,910,443
Provisions	11	3,719,609	3,279,317
Total current liabilities		**7,617,324**	**6,189,760**
NON-CURRENT LIABILITIES			
Provisions	11	1,412,752	1,191,204
Total non-current liabilities		**1,412,752**	**1,191,204**
Total liabilities		**9,030,076**	**7,380,964**
Net assets		**28,549,561**	**23,692,313**
EQUITY			
Retained surplus		23,184,765	20,154,392
Reserves		5,364,796	3,537,921
Total equity		**28,549,561**	**23,692,313**

The accompanying notes form part of these financial statements.

STATEMENT

OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Retained surplus $	Asset revaluation reserve $	Capital reserve $	Community projects reserve $	General reserve $	Total $
BALANCE AT 1 JULY 2014 (as reported)	**15,666,306**	**1,433,833**	**2,740,033**	**192,717**	**100,000**	**20,132,889**
Surplus for the year attributable to members of the entity	4,020,478					4,020,478
Net gain on revaluation of property						-
Total comprehensive income attributable to members of the entity	4,020,478	-	-	-	-	4,020,478
OTHER TRANSFERS						
Cumulative revaluation surplus relating to sale of property, transferred to retained surplus						-
Transfers to/(from) asset revaluation reserve		(461,054)				(461,054)
Transfers to/(from) capital reserve	1,735,025		(1,735,025)			-
Transfers to/(from) community projects reserve	(1,367,417)			1,367,417		-
Transfers to/(from) general reserve	100,000				(100,000)	-
Total transactions with owners and other transfers	**467,607**	**(461,054)**	**(1,735,025)**	**1,367,417**	**(100,000)**	**(461,054)**
Balance at 30 June 2015	**20,154,392**	**972,779**	**1,005,008**	**1,560,134**	**-**	**23,692,313**
Balance at 1 July 2015	**20,154,392**	**972,779**	**1,005,008**	**1,560,134**	**-**	**23,692,313**
COMPREHENSIVE INCOME						
Surplus for the year attributable to members of the entity	4,857,247					4,857,247
Net gain/(loss) on revaluation of property	-					-
Total comprehensive income attributable to members of the entity	4,857,247	-	-	-	-	4,857,247
OTHER TRANSFERS						
Cumulative revaluation surplus relating to sale of property, transferred to retained surplus						
Transfers to/(from) asset revaluation reserve						-
Transfers to/(from) capital reserve	(956,978)		956,978			-
Transfers to/(from) community projects reserve	1,060,134			(1,060,134)		-
Transfers to/(from) general reserve	(1,930,030)				1,930,030	-
Total transactions with owners and other transfers	(1,826,874)	-	956,978	(1,060,134)	1,930,030	-
Balance at 30 June 2016	**23,184,765**	**972,779**	**1,961,986**	**500,000**	**1,930,030**	**28,549,561**

For a description of each reserve, refer to Note 18. The accompanying notes form part of these financial statements.

STATEMENT
OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants and other income		48,849,843	44,973,731
Payments to suppliers and employees		(42,779,340)	(39,335,719)
Interest received		296,539	361,546
Net cash generated from operating activities	16	**6,367,042**	**5,999,558**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		452,887	298,245
Payment for property, plant and equipment		(3,497,056)	(3,464,159)
Proceeds/(Payment) for held-to-maturity investments		(4,000,000)	(4,000,000)
Receipts from capital grants		564,243	1,136,114
Net cash used in investing activities		**(6,479,926)**	**(6,029,800)**
Net increase in cash held		(112,885)	(30,242)
Cash on hand at beginning of the financial year		3,956,919	3,987,161
Cash on hand at end of the financial year	4	**3,844,035**	**3,956,919**

The accompanying notes form part of these financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Latrobe Community Health Service Ltd applies 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.

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 *Australian Charities and Not-for-profits Commission Act 2012*.

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 the 27 September 2016 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.

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 held for sale are measured at the lower of cost and net realisable value. 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 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 the estimated recoverable amount,

the carrying amount is written down immediately to the 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	2.50%
Plant and equipment	5% to 33%
Motor vehicles	10% to 20%

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 (refer to Note 1(p)), amortised cost using the effective interest method, or cost.

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) 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.

(ii) 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.

(iii) 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 of disposal 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 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 are 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 that approximate 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 benefits 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 12 months after the reporting date, in which case the obligations are presented as current liabilities.

(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) 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.

(l) Comparative figures

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

(m) 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.

(n) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements 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, the current strong demand for land and buildings in the area 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. Significant redevelopment works were undertaken on the Moe site and therefore CJALee Property Valuers and Consultants conducted a valuation at 30 June 2015 on the freehold land and buildings.

The valuation resulted in a decrement of $461,054 being recognised for the year ended 30 June 2015 and was written back to the asset revaluation reserve.

At 30 June 2016 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 2015 and do not believe there has been a significant change in the assumptions at 30 June 2016.

They Directors therefore believe the carrying amount of the land correctly reflects the fair value less cost to sell at 30 June 2016.

Key judgements

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.

(o) Economic dependence

Latrobe Community Health Service Ltd is dependent on the Department of Health and Human Services 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 and Human Services will not continue to support Latrobe Community Health Service Ltd.

(p) Fair value of assets and liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. 'Fair value' is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability).

In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

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

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

NOTE 2 REVENUE AND OTHER INCOME

	2016 $	2015 $
REVENUE		
Revenue from (non-reciprocal) government grants and other grants		
Commonwealth government grants – operating	11,180,959	9,375,173
State government grants	26,067,768	24,144,091
Other organisations	6,376,781	5,421,244
	43,625,508	**38,940,508**
OTHER REVENUE		
Interest received on investments in government and fixed interest securities	361,942	299,824
	361,942	299,824
Total revenue	**43,987,450**	**39,240,332**
OTHER INCOME		
Gain/(Loss) on disposal of property, plant and equipment	(3,501)	(56,324)
Charitable income and fundraising	17,626	4,575
Capital grants	891,328	1,136,114
Rental income	296,192	167,259
Other	669,029	748,509
Client fees	4,772,508	4,028,009
Total other income	**6,643,182**	**6,028,143**
Total revenue and other income	**50,630,631**	**45,268,475**

NOTE 3 EXPENSES

	2016 $	2015 $
EXPENSES		
Depreciation and amortisation		
Land and buildings	313,335	293,953
Motor vehicles	375,740	320,750
Furniture and equipment	1,062,510	914,433
Total depreciation and amortisation	1,751,585	1,529,136
Bad and doubtful debts		
Trade and other receivables	1,075	3,824
Rental expense on operating leases		
Minimum lease payments	669,106	351,657
Total rental expense	**669,106**	**351,657**
Total expenses	**45,773,384**	**41,247,997**

NOTE 4 CASH AND CASH EQUIVALENTS

	2016 $	2015 $
CURRENT		
Cash at bank	158,194	131,728
Cash on hand	4,580	3,930
Cash at deposit	3,681,261	3,821,261
Total cash on hand as stated in the statement of financial position and statement of cash flows	**3,844,035**	**3,956,919**
Restricted cash for specific purposes	4,392,016	1,560,133

NOTE 5 TRADE AND OTHER RECEIVABLES

	2016 $	2015 $
CURRENT		
Accounts receivable	506,972	158,080
Provision for doubtful debts	(16,652)	(15,576)
	490,320	142,504
Other debtors		
Consumer fees	95,447	57,418
Total current accounts receivable and other debtors	**585,767**	**199,922**
(a) Provision for doubtful debts Movement in the provision for doubtful debts is as follows:		
Provision for doubtful debts as at 1 July 2014	12,574	
Charge for the year	3,824	
Written off	(822)	
Provision for doubtful debts as at 30 June 2015	15,576	
Charge for the year	1,076	
Written off	-	
Provision for doubtful debts as at 30 June 2016	16,652	

NOTE 6 INVENTORIES

	2016 $	2015 $
CURRENT		
At cost		
Inventory	156,817	163,901
	156,817	**163,901**

NOTE 7 OTHER ASSETS

	2016 $	2015 $
CURRENT		
Accrued income	865,604	320,857
Prepayments	733,364	326,711
	1,598,968	**647,568**

NOTE 8 FINANCIAL ASSETS

	2016 $	2015 $
CURRENT		
Term deposits with original maturities greater than three months	11,000,000	7,000,000
	11,000,000	**7,000,000**

NOTE 9 PROPERTY, PLANT AND EQUIPMENT

	2016 $	2015 $
LAND AND BUILDINGS		
Freehold land at fair value	2,112,840	2,112,840
Total land	**2,112,840**	**2,112,840**
Buildings at fair value	10,798,989	8,370,586
Less accumulated depreciation	(337,395)	(112,537)
Total buildings	**10,461,594**	**8,258,049**
Leasehold improvements at cost	1,205,230	1,009,541
Less accumulated depreciation	(264,201)	(194,293)
Total Leasehold improvements	941,029	815,248
Total land and buildings	**13,515,462**	**11,186,137**
PLANT AND EQUIPMENT		
Furniture and equipment		
At cost	12,486,810	10,838,137
(Accumulated depreciation)	(7,426,358)	(6,363,848)
	5,060,452	4,474,289
Motor vehicles		
At cost	2,336,076	2,234,251
(Accumulated depreciation)	(713,785)	(696,183)
	1,622,291	1,538,068
Total plant and equipment	**6,682,743**	**6,012,357**
Capital work in progress	195,845	1,906,473
Total property, plant and equipment	**20,394,050**	**19,104,967**

NOTE 9 PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

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 and equipment $	Total $
2015				
Balance at the beginning of the year	6,880,259	1,600,785	5,004,887	13,485,930
Additions at cost	5,060,885	612,602	383,835	6,057,322
Additions at fair value				-
Disposals		(354,569)		(354,569)
Revaluations	(461,054)			(461,054)
Depreciation expense	(293,953)	(320,750)	(914,433)	(1,529,136)
Carrying amount at the end of the year	**11,186,137**	**1,538,068**	**4,474,289**	**17,198,494**
2016				
Balance at the beginning of the year	11,186,137	1,538,068	4,474,289	17,198,494
Additions at cost	2,642,660	916,351	1,648,673	5,207,684
Additions at fair value				-
Disposals		(456,388)		(456,388)
Revaluations	-			-
Depreciation expense	(313,335)	(375,740)	(1,062,510)	(1,751,585
Carrying amount at the end of the year	**13,515,462**	**1,622,291**	**5,060,452**	**20,198,205**

Asset revaluations

The freehold land and buildings were independently valued at 30 April 2013 by CJALee 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. Significant redevelopment works were undertaken on the Moe site and therefore CJALee Property Valuers and Consultants conducted a valuation at 30 June 2015 on the freehold land and buildings.

The valuation resulted in a decrement of $461,054 being recognised for the year ended 30 June 2015 and was written back to the asset revaluation reserve.

At 30 June 2016 the Directors reviewed the key assumptions made by the valuers in 2013 and 2015. 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 2016.

NOTE 10 TRADE AND OTHER PAYABLES

	Notes	2016 $	2015 $
CURRENT			
Trade and other payables		1,788,621	1,267,887
Monies held in trust		-	35,456
GST payable		90,897	133,157
Accrued expenses		1,016,376	833,976
Accrued salaries and wages		1,001,821	639,967
	10(a)	3,897,715	2,910,443
(a) Financial liabilities at amortised cost classified as trade and other payables Accounts payable and other payables:			
Total current		3,897,715	2,910,443
GST payable		(90,897)	(133,157)
Financial liabilities as trade and other payables		3,806,818	2,777,286

NOTE 11 PROVISIONS

	2016 $	2015 $
CURRENT		
Provision for employee benefits: annual leave	2,126,506	1,936,044
Provision for employee benefits: long service leave	1,593,103	1,343,273
	3,719,609	**3,279,317**
NON-CURRENT		
Provision for employee benefits: long service leave	1,412,752	1,191,204
	1,412,752	1,191,204
	5,132,361	**4,470,521**

NOTE 12 CAPITAL AND LEASING COMMITMENTS

	2016 $	2015 $
(a) Operating lease commitments		
Payable – minimum lease payments:		
• Not later than 12 months	709,156	672,862
• Later than 12 months but not later than five years	1,756,315	1,943,179
• Later than five years	1,321,225	1,740,327
Minimum lease payments	3,786,696	4,356,368
(b) Capital commitments		
As at 30 June 2015, Latrobe Community Health Service had capital commitments of $1,252,359 with a construction contractor for the redevelopment of the Moe site.		

NOTE 13 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or assets as at 30 June 2016 (2015: Nil).

NOTE 14 EVENTS AFTER THE REPORTING PERIOD

No material events occurred after the reporting date.

NOTE 15 KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company directly or indirectly, including any Director (whether executive or otherwise) is considered key management personnel. The total remuneration paid to key management personnel of the company during the year are as follows:

	2016 $	2015 $
Key management personnel compensation	**1,219,020**	**1,292,403**

NOTE 16 CASH FLOW INFORMATION

	2016 $	2015 $
Reconciliation of cash flow from operating activities with current year surplus		
Net current year surplus	4,857,247	4,020,478
Less capital income	(564,243)	(1,136,114)
Non-cash flows:		
Depreciation and amortisation expense	1,751,585	1,529,136
Loss on disposal of property, plant and equipment	3,501	56,324
Doubtful debts expense	1,075	3,824
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(386,920)	199,117
Increase/(decrease) in trade and other payables	987,272	592,836
(Increase)/decrease in other assets	(951,399)	854,937
Increase/(decrease) in provisions	661,840	(109,514)
(Increase)/decrease in inventories on hand	7,084	(11,466)
	6,367,042	**5,999,558**

NOTE 17 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:

	Notes	2016 $	2015 $
FINANCIAL ASSETS			
Cash and cash equivalents	4	3,844,035	3,956,919
Loans and receivables	5	585,767	199,922
Held-to-maturity investments	8	11,000,000	7,000,000
Total financial assets		**15,429,802**	**11,156,841**
FINANCIAL LIABILITIES			
Financial liabilities at amortised cost:			
Accounts payable and other payables	10(a)	3,806,818	2,777,286
Total financial liabilities		**3,806,818**	**2,777,286**

NOTE 18 RESERVES

(a) Asset revaluation reserve
The asset revaluation reserve records the revaluations of non-current assets.

(b) Capital reserve
The capital 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 19 RESPONSIBLE PERSONS DISCLOSURES

Board member	Related parties
Mark Biggs	Gippsland Primary Health Network
Melissa Bastian	Bank Australia
Nathan Voll	West Gippsland Health Care Group
Executive management	
Ben Leigh	Gippsland Primary Health Network

During the year revenue of $141,653 was received from Gippsland Primary Health Network. Investments were held with Bank Australia which earned interest revenue of $21,547 during the year. During the year $14,089 was paid to West Gippsland Healthcare Group. All transactions with related parties were per normal commercial terms and conditions.

NOTE 20 ENTRY DETAILS

The registered office of the entity is:
Latrobe Community Health Service Ltd
81-87 Buckley Street
Morwell 3840
Victoria

The principal place of business is:
Latrobe Community Health Service Ltd
81-87 Buckley Street
Morwell 3840
Victoria

NOTE 21 MEMBERS' GUARANTEE

The entity is incorporated under the *Australian Charities and Not-for-profit Commission Act 2012* 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 outstanding's and obligations of the entity. At 30 June 2016 the number of members was 21.

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.

The directors of the Company declare that, in the directors' opinion:

1. The financial statements and notes as set out on pages 8 to 18 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 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 2016 and of its performance for the year ended on that date.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Director  *John Guy*

Dated this 27th day of September 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of Latrobe Community Health Service Ltd

We have audited the accompanying financial report of Latrobe Community Health Service Ltd, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other 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.

Director's Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012,* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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 report is 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 judgement, 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 company's preparation of the financial report that gives a true and fair view 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 company'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 report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012.* We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012,* which has been given to the directors of the company, would be in the same terms if given to the directors at the time of this auditor's report.

Opinion

In our opinion, the financial report of Latrobe Community Health Service Ltd is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013.*

Rochelle Wrigglesworth
Director
GippsAudit Pty Ltd

Date: 27 September 2016
Place: Sale

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