Annual Report

Building a healthy future

2013

Latrobe Community Health Service

Latrobe Community Health Service

Vision

Better health, Better lifestyles, Stronger communities.

Mission

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

Contents

Chairperson & Chief Executive Officer's Report

The theme for our report this year is *Building a Healthy Future* and our activities have been focused on achieving this outcome for our community and our organisation.

Building a healthy future - facilities

Major work was undertaken during the year on redeveloping our facilities to provide more modern accommodation and cater for the expansion of services.

We were pleased to have commenced construction of Stages 2, 3 and 4 of the $7.9 million Moe Redevelopment. This will see the facility significantly upgraded to allow a broader range of clinical services to be provided. University training facilities are also incorporated into the developments.

An enhancement of the Traralgon site has improved the facility's ability to offer a broader range of clinical services. This has allowed us to introduce after-hours health care services in Traralgon with a focus on chronic disease, mental illness and alcohol and drug issues.

Master planning for a redevelopment of our Churchill facility was undertaken and funding has been received for a major upgrade of the clinical and waiting areas. Work is planned to begin in November 2013. A further proposal and business case to develop the site as a university training centre and prosthetics manufacturing facility was successful with $4 million announced by the federal government.

Building a healthy future - services

A number of new and expanded services were introduced during the year.

After much preparation the Morwell GP Clinic opened and is proving very successful and popular with the community. We have also introduced new allied health services funded through the Medicare Benefits Schedule (MBS), making our clinic truly interprofessional and simplifying services for clients. The MBS and private allied health sessions are continuing to increase each month as the community and GPs become more aware of the range available. Podiatry and dietetics remain the most in demand service referrals.

Our new private dental service and Medicare Teen Dental program commenced with the first client seen on 8 May. We have two dentists providing private clinic services augmenting our public dental service, and providing the whole community access to our dental service.

A partnership with Latrobe City Council supported by the state and federal governments saw the launch of the Healthy Together Latrobe program. This program aims to reduce the burden on our health system due to the rise of lifestyle related chronic disease. Emphasis has been put on the importance of implementing preventative health and wellbeing measures. This work will occur in places where people live their lives:

- early childhood services
- schools
- workplaces
- community settings.

LCHS commenced a paediatric service in January. This was in response to the lack of accessible paediatric services in Latrobe Valley with many clients required to travel to Melbourne. LCHS is also taking the lead in sub-regional paediatric allied health collaborative model development. Our paediatric team will include speech pathology, occupational therapy, allied health assistants, physiotherapy and a clinical lead.

The new National Disability Insurance Scheme, DisabilityCare Australia, will allow consumers with funding packages to 'shop around' for service providers to obtain the 'best deal' on a range of services. The Australian Government has funded LCHS to be the lead agency in developing an online portal for consumer directed care by bringing all stakeholders together through a single website. This allows clients to select desired service options, and includes a financial calculator for individual budget management. The project will profile LCHS as a market leader in the state and national disability sector.

Another service innovation is the Psychiatric Disability Rehabilitation Support Services (PDRSS) Community Triage and Intake Assessment Pilot covering the Gippsland Medicare Local catchment area. LCHS tendered for this Victorian Government program in partnership with Latrobe Regional Hospital (LRH) and other Gippsland PDRSS providers, with LCHS as lead agency. The aim of the pilot project is to develop and test how to consistently, effectively and efficiently triage prospective PDRSS clients. The pilot will conclude in June 2014 and we propose to integrate this function within our Service Access program if successful.

Other funding from the Victorian Government will extend services in financial counselling for people affected by problem gambling, and federal support for the Family Mental Health Support Service will provide respite services targeted to children and young people at risk of, or experiencing, mental illness.

Building a healthy future - organisation

A major task of the Board was completed with the adoption of the new Strategic Plan covering 2012-17. This plan has driven activity for much of the year and has informed future planning. Details of the plan are covered elsewhere in this Annual Report.

Staff numbers increased by 47 to 475 (11%). This reflected revenue increases of $3.6 million (11%) and additional staff for the introduction of new revenue-generating services in the GP Clinic, Dental, Primary Intervention and WorkHealth programs. Front Office also increased in line with the new services.

A focus on improving our response times to our customers and clients has led to a significant improvement in our response times for the 115,000 telephone calls that we received during the year.

New systems to improve management and reporting included the implementation of Finance/Payroll Human Resource and Contracts Management System, a new Staff Training System, and activity to start the replacement our obsolete client information management system. Each of these new systems will contribute to improving the quality and the efficiency of the services we provide.

An external HR consultant has been engaged to undertake an independent review of our People and Culture department in order to optimize its effectiveness and efficiency, particularly in the context of significant rapid growth and diversification of LCHS' workforce. The results of the review will be reported to the Board Quality and Safety Committee when completed.

LCHS continued our leadership role in oral health by conducting a regional professional development day for Gippsland public dental staff. The Gippsland Oral Health Consortium has been extremely productive over the year. We have secured two dental graduates under the voluntary dental graduate year program which is supported by the Commonwealth. Additionally, we obtained $1 million infrastructure funding to support the placements ongoing, which includes new dental chairs and equipment to support virtual supervision.

The Australian Government's Standing Council on Health has released the first National Primary Health Care Strategic Framework that promotes a new approach for the Commonwealth, states and territories to work in partnership to better integrate health care across settings and to improve health outcomes for all Australians. The Framework is not supported by additional funding, and any changes that come from its recommendations are expected to be funded from existing resources. The full impact of this for LCHS and other services is yet to be determined, however the Board feels our Strategic Plan 2012-17 largely shares this overall move to greater prevention and consumer focus.

The Board of Directors had some changes this year with the retirement of long standing Director Mr Chris Devers at the 2012 Annual General Meeting. Chris made a major contribution to the development of LCHS during his 11 years on the Board. New Director Mark Gibson was unable to stay with us for long and left in May 2013. We welcomed Peter Starkey in June 2013.

John V Guy OAM JP
Board Chairperson
Grad Dip PA

Ben Leigh
Chief Executive Officer
Master Public Policy and Management
B App Sci, ACHSM, AIMM

New Strategic Plan 2012-2017

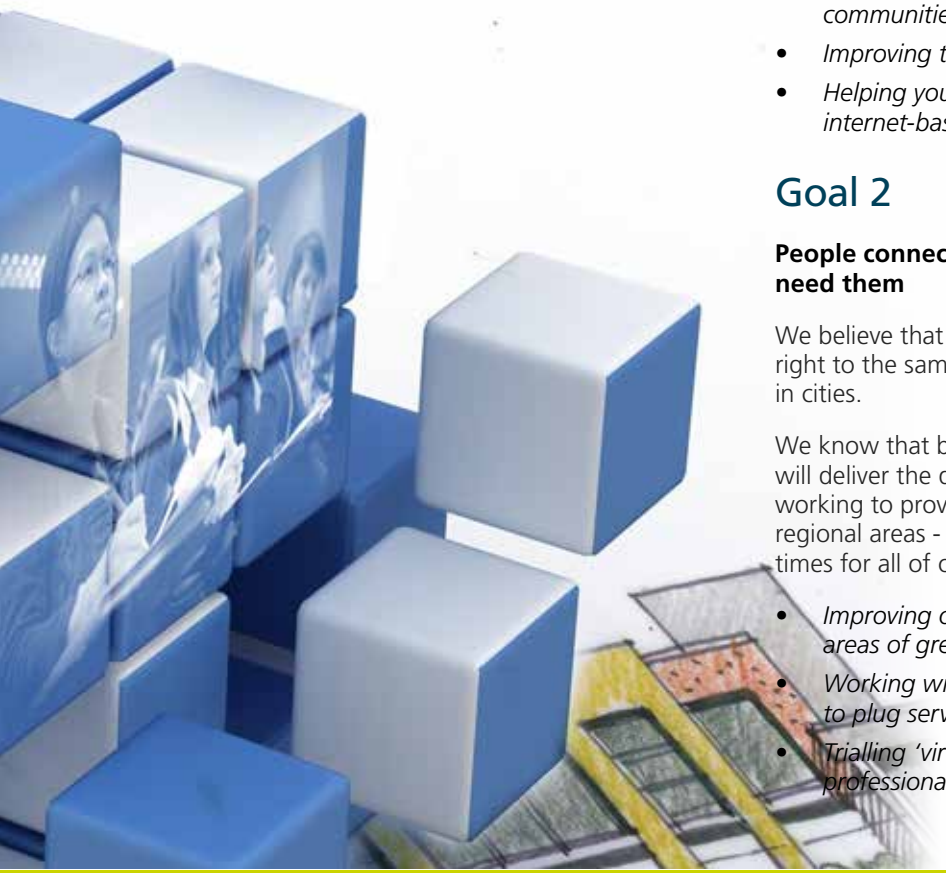
Building a service for future

For the last five years Latrobe Community Health Service (LCHS) has been guided by a Strategic Plan adopted in 2007. As this five-year plan came to an end it became necessary to develop a new Strategic Plan not merely as an extension of the previous plan, but one that anticipates and addresses the developments in community health that will occur in the foreseeable future. To that end the Board and Executive of LCHS have identified key changes that will drive the delivery of community health over the next five years.

The Board also recognised that the key challenge in regional communities is the disadvantage in healthcare. Statistics show that regional communities have reduced access to health services and health information.

The Vision

The Board and Executive believed the core Vision of the organisation was still very relevant to community needs. 'Better health, Better lifestyles, Stronger communities' remains a fundamental driving force in community health. Improved access to healthcare and better information about healthy lifestyle choices are the building blocks of strong communities.



Achieving the Vision

As a not-for-profit service LCHS' core interest is improving the health of the community. We are particularly committed to helping the people who need us most, especially those with several health problems and high support needs. To achieve this outcome requires five key goals to be achieved over the next five years. We have started this process.

Goal 1

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:

- *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.*

Goal 2

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:

- *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 on-line*

Community and LCHS staff members at events held during the year.

- *Building systems so you track appointment times, get test results and referrals - from your phone or computer*
- *Developing a centralised call centre covering the Gippsland region, 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.*

Goal 3

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 a whole. This means coordinating the care and support a person needs in a way that's highly customised to their particular situation.

At LCHS, 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:

- *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 have the greatest impact - and the best ways to pay for these with the least burden on clients.*

Goal 4

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:

- *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.*

Goal 5

Increasing our scope and scale to assure long-term reinvestment 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:

- *Attempting to secure extra funds from new sources, particularly for our coordinated support work, to support disadvantaged clients, and 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.*

Copies of our full Strategic Plan 2012-2017 are available from any LCHS facility or on our website.

Financial Summary

Latrobe Community Health Service (LCHS) delivered a net surplus of $2.65 million and retained a strong financial position. The financial ratios and cash position remained healthy and within financial strategy benchmarks during the 2012/13 year.

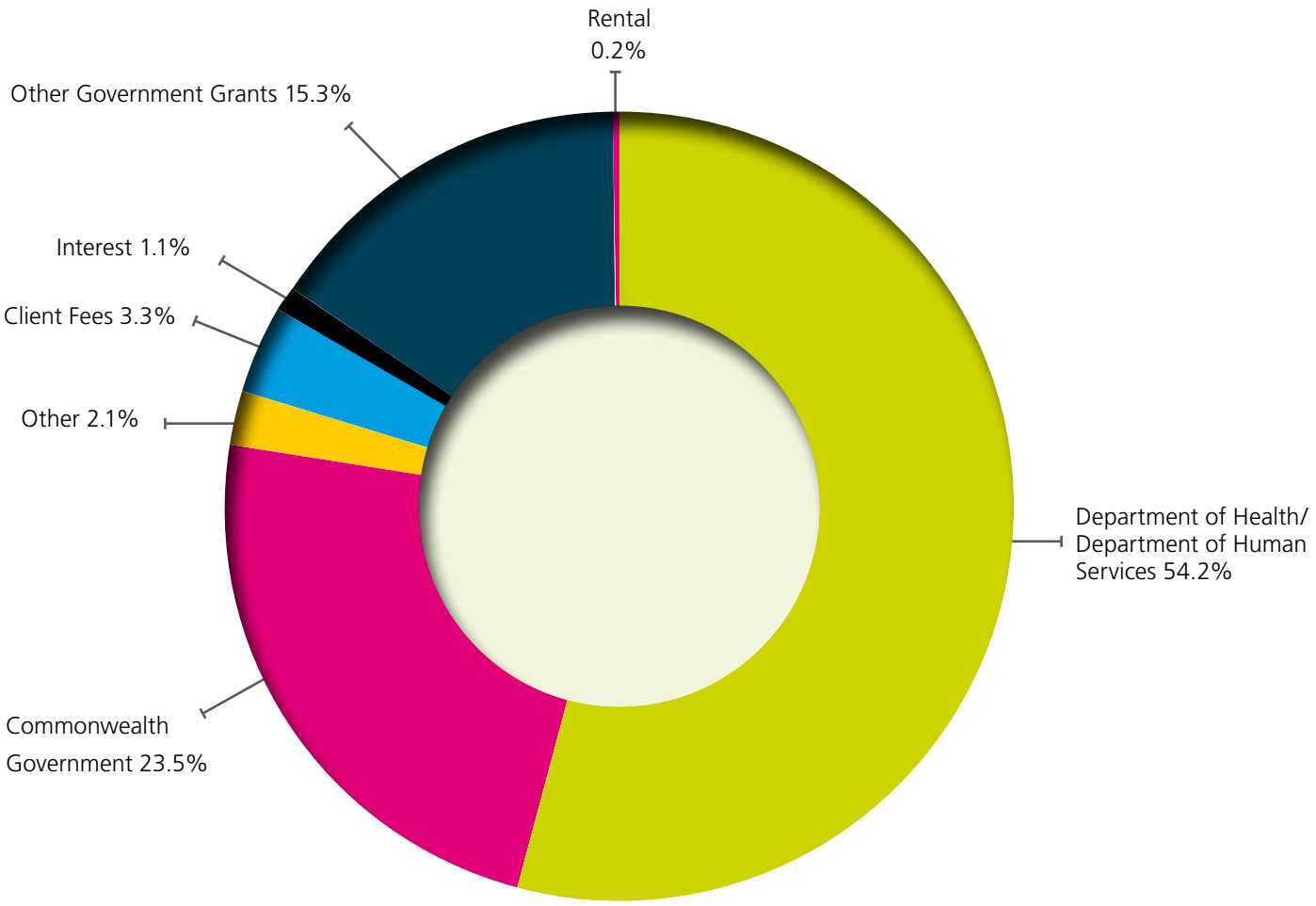
Operating Results

Our operating result for the year, excluding capital income, was a deficit of $1.58 million. The operating deficit was primarily due to research and start-up costs for new services, and continued improvements to infrastructure for existing services. Another significant contributing factor was a salary accrual for an upcoming increase related to the Management and Health Professionals Awards.

Operating revenue, excluding capital grants, increased by 7.98% to $37.45 million.

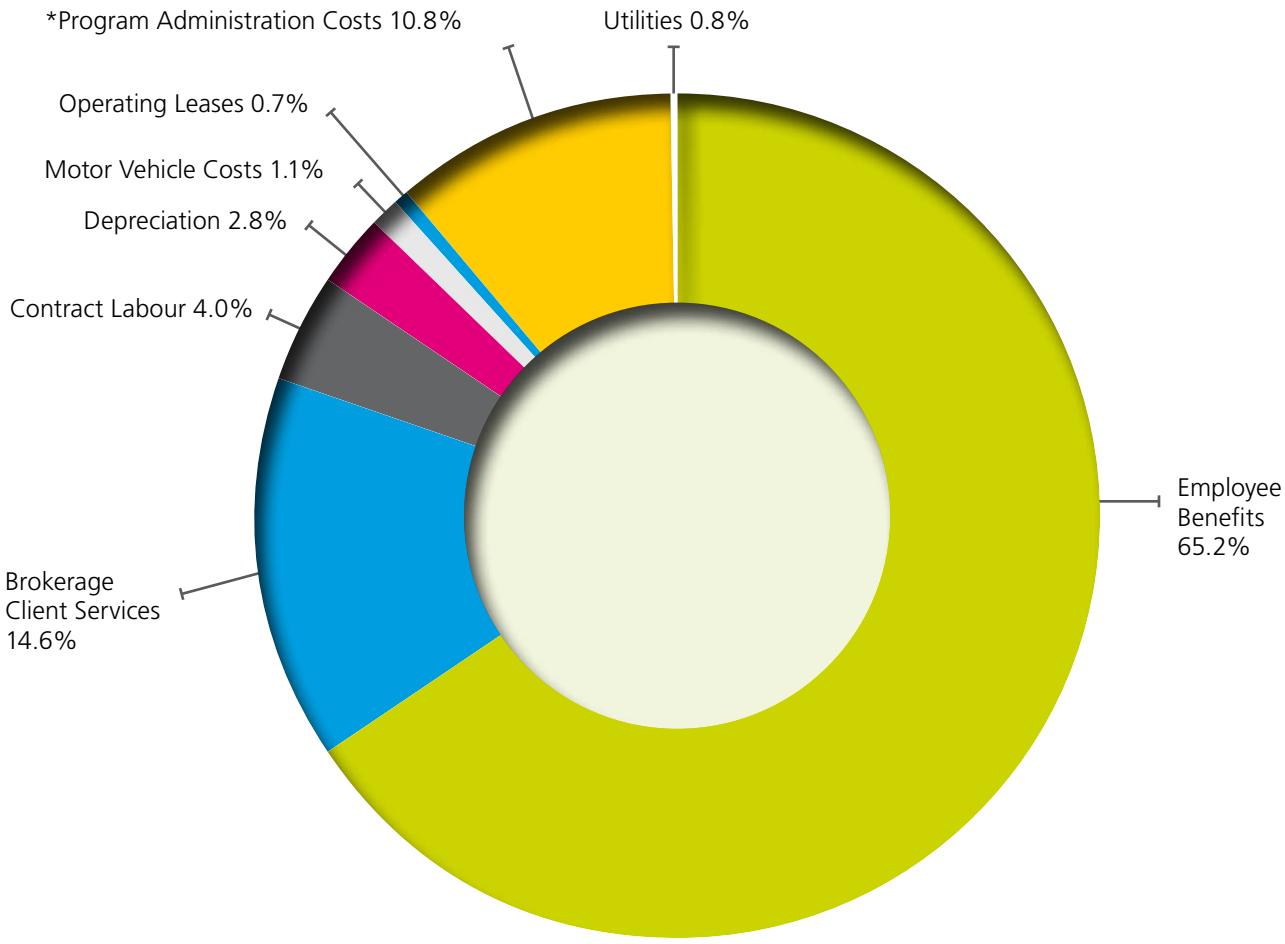
Funding from the Department of Health increased by $1.02 million from last year and was again the major source of funding, representing 54.2% of operating income. Client fees increased by 31.5% ($0.36 million) which was predominately due to the opening of the GP Clinic in Morwell and a focus on generating Medicare Benefits Schedule (MBS) income.

2012/13 Total Operating Revenue



The increase in revenue is accompanied by an increase in operating expenditure of 17.45% ($5.80 million) to $39.03 million. This is principally due to an increase of $5.0 million in 'Employee Benefits' and 'Contract Labour' to fund additional resources required to deliver expanded services to our community including dental and GP clinic and recognition of changes in several industrial agreements affecting staff salaries.

2012/13 Total Operating Expenditure



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

Financial Summary continued

Net Results

After taking into consideration capital grants (primarily related to the Moe site redevelopment), LCHS overall net result for the 2012/13 financial year was a surplus of $2.65 million.

Net Results

	2012/13 ($M)	2011/12 ($M)	2010/11 ($M)	2009/10 ($M)
What we receive - Revenue	37.45	34.69	33.89	31.48
What we spent - Expenses	39.03	33.23	34.33	30.70
Operating result for the year	**(1.58)**	**1.45**	**(0.44)**	**0.78**
Plus Capital Grants received	4.23	0.19	0.54	13.95
Less building contractor payments	0	-	1.30	16.17
Less loss on disposal of assets	0	-	-	0.84
Net Result for the year	**2.65**	**1.64**	**(1.20)**	**(2.28)**

Assets and Liabilities

LCHS total assets increased by $5.96 million. This consists of an increase in current assets of $4.44 million due mostly to grants for capital works that will progress in 2013/14 and an increase in non-current assets of $1.52 million for completed IT and construction works.

The increase in assets is partially offset by an increase in Liabilities of $3.27 million related mostly to current liabilities ($2.99 million). The latter is primarily due to recognition of upcoming salary award increases.

There has been an overall growth in Net Assets of 17.84% to $17.77 million.

Assets and Liabilities

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

The above mentioned changes in assets and liabilities result in a minor reduction in the Working Capital ratio and an increase in the Debt ratio.

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

Cash Flow

The cash position has increased by $3.14 million over the 2012/13 financial year due to capital funding relating to the Moe site redevelopment. This has been placed in reserves for planned expenditure in 2013/14.

Cash Flow

	2012/13 ($)	2011/12 ($)	2010/11 ($)	2009/10 ($)
Cash Flow from Operating Activities	5,352,913	3,077,100	(1,002,111)	(1,725,712)
Cash Flow from Investing Activities	(2,209,587)	(2,091,534)	(227,870)	2,225,919
Cash and Cash Equivalents at Beginning of Period	9,111,088	8,125,522	9,355,502	8,855,296
Cash and Cash Equivalents at End of Period	**12,254,414**	**9,111,088**	**8,125,521**	**9,355,503**

Board and Governance

Latrobe Community Health Service Ltd (LCHS) 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 of which five Directors are elected by the membership of the company and four Directors appointed by the Board.

The work of the Board is supported by three Board Committees:

- Audit and Risk
- Quality and Safety
- Remuneration.

Audit and Risk Committee

The purpose of the Audit and Risk Committee is to assist the LCHS 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 LCHS' external auditors
- the effectiveness of the internal and external audit functions
- financial management
- internal control systems
- risk management
- organisational performance management
- LCHS business policies and practices
- complying with LCHS' constitutional documentation and material contracts
- complying with applicable laws and regulations, standards and best practice guidelines.

The Committee includes two independent representatives:

Liz (Elizabeth) Collins – *appointed April 2009*

BBus, CPA, GAICD, Cert Bus. Liz is the General Manager Governance at Wellington Shire Council. A former Manager Finance at Latrobe City Council for 10 years Liz has experience with financial controls, risk assessments, legislative compliance, policy development, management accounting and asset management.

Ron Gowland – *appointed February 2012*

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

Quality and Safety Committee

The purpose of the Quality and Safety Committee is to assist the LCHS 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 (Quality Improvement Council Standards).

The Committee also ensures LCHS quality and safety systems will 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 three staff committees:

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

The Quality and Safety Committee includes a Client Representative:

Allison Higgins – *appointed August 2009*

Bachelor of Arts (Communications). Allison has Cerebral Palsy and requires the use of a mobility aid and paid personal care supports. She has a keen interest in disability advocacy and is 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 Quality and Safety Committee.

Remuneration Committee

The role of the Remuneration Committee is to provide advice and make recommendations to the Board on:

- remuneration policy and any changes to remuneration policy and practices for all employees whose remuneration is not determined through awards or enterprise bargaining agreements
- the remuneration for the Chief Executive Officer (CEO) and members of the executive group, being those executives reporting to the CEO
- the performance of the CEO
- the review and assessment of the effectiveness of the company's remuneration procedure
- corporate governance processes relating to remuneration
- the Remuneration Report and processes supporting its preparation.

LCHS Board Directors

John V Guy, OAM JP Grad Dip PA (Board Chairperson) –
Board Director since September 1997.

Chair Remuneration Committee, Board Recruitment Selection Panel, Former Chair Audit Committee.

John spent thirty five years with SECV, Served six years on the Morwell Shire/ City Council; (three consecutive years as Mayor) was Chairman of the Latrobe Regional Commission; and Chairman of Commissioners Wellington Shire. Currently Chair "Advance Morwell Inc.". He is a volunteer with the Office of the Public Advocate the Youth Referral and Independent Person Program and the Document Signing Roster at the Morwell Police Station.

Peter Wallace, Bachelor of Business (Marketing), Post Graduate Diploma (Health Services Management), Master of Administration, GAICD (Board Deputy Chairperson) –
Board Director since January 2007.

Chair Quality & Safety Committee, Remuneration Committee; previous Member Audit Committee.

Previous appointments have included 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 & Aged Care, Royal Children's Hospital, Barwon Health, Dental Health Services Victoria and Department of Health.

Steven Porter, BA Eng (Civil), GAICD –
Board Director since November 2004.

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

Alumni of Leadership Victoria & member of the Australian Institute of Company Directors. Completed Masters in Organisation Dynamics at RMIT. Experience in senior management positions in asset planning, capital works, communications/public relations, business processes, change & resource management.

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

Member Quality & Safety Committee.

Carolyne has been a member of the GippSport Board of Management for 16 years, and many other sporting committees in the local area. She is Secretary of the Yinnar and District Festivals Association, and Minutes Secretary/Publicity Officer for the Gippsland Acoustic Music Club. Currently in leadership and a music specialist role at Newborough East Primary School, with a passionate interest in health and fitness and music, and has previously lectured at Monash University.

Melissa Bastian, LLB (Hons), Grad. Dip. Legal Practice, BBus (Management), GAICD –
Board Director since January 2011.

Member of the Audit & Risk and Remuneration Committees

Former State Registered Nurse, 2011 Graduate of the Gippsland Community Leadership Program. Melissa has a diverse background in the health, insurance and legal industries. She is currently a Non-Executive Director of bankmecu and Co-Facilitator of the Gippsland Community Leadership Program. She has held a variety of senior roles in both the public and private sectors and is experienced in managing teams and stakeholders.

Dennis O'Neill, Bachelor of Science (Hons) –
Board Director since June 2012.

Member Quality & Safety Committee.

Dennis has comprehensive experience in the Australian resource and infrastructure sectors in board, management, policy, technical and commercial roles in both private and public sectors. He has been a Director at Resource Futures P/L since 1988 and has specialities in governance, strategy, project management and policy leadership, technical and financial management, media representation, political and commercial negotiation.

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

Member Audit & Risk Committee.

Judi is the Professor/Head of the School of Rural Health at Monash University. She came to Monash from the University of Tasmania (UTAS) where she held the inaugural Chair of Rural Health – a conjoint appointment with the Tasmanian Department of Health and Human Services (DHHS) for 10 years. As a medical educator specializing in open and distance education methodologies she has a wealth of experience in innovative approaches to clinical placements, vertical integration in medical education, community engagement, health workforce role re-design and health services reform generally. Judi is currently Chair of the Federation of Rural Australian Medical Educators (FRAME) and represents Monash University on the Board of the Australian Rural Health Education Network (ARHEN). She is Vice President, Monash Academic Board.

Peter Starkey –
Board Director since June 2013.

Member Quality & Safety Committee.

Peter has experience in Human Resources as well as Strategic Management, Continuous Quality Improvement and Risk Management and Financial Management. Currently the General Manager at Worksafe Training Centre he has well developed leadership and management skills. Peter has experience in financial control from previous employment in mortgage lending and investment. As a lifelong resident of the Valley, he has knowledge of the community and is a Committee Member of Advance Morwell and a Board Member of Baw Baw Latrobe Learning and Employment Network.

Board Attendance

Details of attendance by Board Directors of LCHS at Board, Audit & Risk Committee, Quality & Safety Committee and Remuneration Committee meetings held during the period 1 July 2012 – 30 June 2013, are as follows:

BOARD DIRECTOR	MEETINGS							
	Board		Audit & Risk Committee		Quality & Safety Committee		Remuneration Committee	
	A	B	A	B	A	B	A	B
John Guy *(Board Chairperson)*	11	10	--	2^	--	3^	4	4
Peter Wallace *(Deputy Chairperson)*	11	11	--	--	4	3	4	4
Steven Porter	11	9	4	4	--	--	--	--
Chris Devers *	4	4	--	--	--	--	3	3
Judi Walker **	11	10	4	4	--	--	--	--
Carolyne Boothman	11	11	--	--	4	4	--	--
Melissa Bastian	11	9	4	3	--	--	1	1
Dennis O'Neill	11	11	--	--	4	3	--	--
Mark Gibson ***	6	6	--	--	3	3	--	--
Peter Starkey ****	1	1	--	--	--	--	--	--

AUDIT & RISK COMMITTEE INDEPENDENT REPRESENTATIVES	A	B
Liz Collins	4	4
Ron Gowland	4	4

QUALITY & SAFETY COMMITTEE CLIENT REPRESENTATIVE	A	B
Allison Higgins	4	3

Notes:

Column A – Indicates number of meetings held while Board Director/Committee Member was a member of the Board/Audit & Risk Committee/Quality & Safety Committee/ Remuneration Committee

Column B – Indicates number of meetings attended

* Chris Devers term on the Board ceased effective 25 October 2012

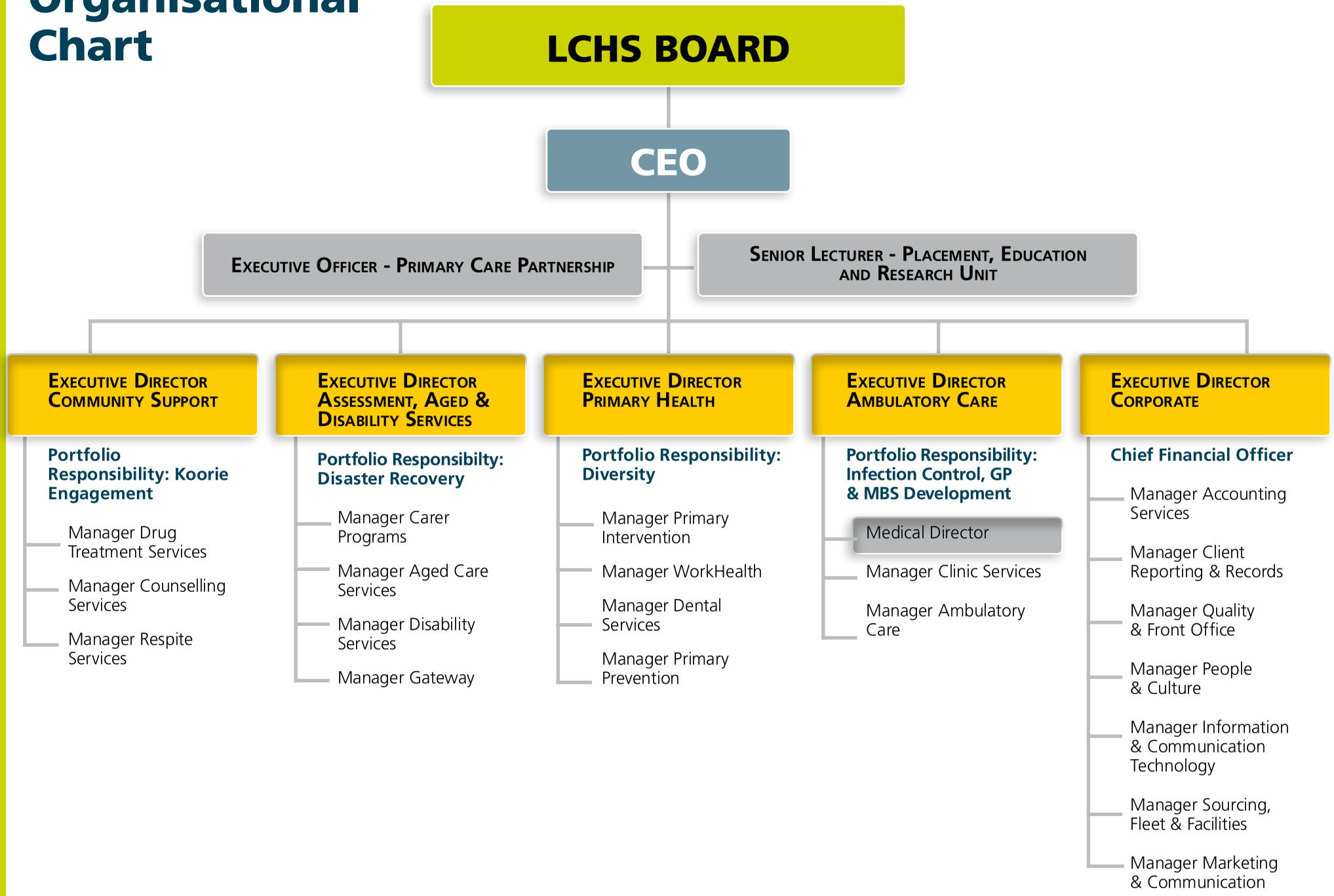
** Judi Walker appointed on the Board effective 26 July 2012

*** Mark Gibson resigned from the Board effective 2 May 2013

**** Peter Starkey appointed on the Board effective 27 June 2013

^ Board Chair will on occasion attend Board Committees ex-officio

Organisational Chart



Nicole Steers
RN Div 1, Grad Cert Cancer Nursing, RN Critical Care, MRCNA, AFACHSM, AIMM

Ambulatory Care

Ambulatory Care has had a very successful year, highlighted by the opening of the GP Clinic. The clinic has steadily increased capacity and looks forward to another GP commencing 2013. Most targets in other areas were achieved or exceeded and the Mobile Wound Care (MWC) research project came to a conclusion with some extraordinary results.

GP Clinic progress

The GP Clinic opened in October and has achieved over 5000 appointments. There are currently three doctors working within the clinic alongside three highly skilled practice nurses. At present the clinic is operating Monday to Friday with late appointments available on a Wednesday evening.

The clinic is busy in preparation for its initial accreditation through Australian General Practice Accreditation Limited (AGPAL). Accreditation requires considerable work, especially in policy and procedure development, to ensure a streamlined approach creating better outcomes for all.

The GP Clinic recently completed a patient satisfaction survey. Some 100 confidential surveys were sent out providing an opportunity for patients to rate and comment on important facets of the clinic such as efficiency, consultation, arriving, interacting and accessing the practice. Overall the GP Clinic rated extremely well, with all aspects of patients' care equal to or above the benchmark average.

The GP Clinic managed the LCHS staff influenza vaccination program this year with 117 vaccinated. The clinic also provided external organisation vaccinations in Latrobe Valley. In total, 193 flu vaccinations were given with numbers expected to increase during next flu season.

Churchill Clinic

LCHS continues to support the GP Clinic co-located at our Churchill site by providing nursing and administrative staff to this busy practice.

An application for funding under the Primary Care Infrastructure Grants Scheme was successful and as such a redevelopment is expected to commence in November 2013. The refurbishment will include consulting and treatment rooms, capacity for a pathology collection centre, client toilets and better facilities for nursing staff.

MAHMS

The Moe After Hours Medical Service (MAHMS) continues to operate seven days per week providing almost 8000 consultations per year. This year MAHMS is undergoing an extensive security upgrade so that staff and patient safety is ensured. Planning for the upgrade was completed after consultation with Victoria Police Crime Prevention Unit, Ambulance Victoria, LCHS management and staff. The security upgrade includes new signage, security cameras and lighting improvements.

Wound Management

The Gippsland Regional Mobile Wound Management Research project has concluded. The research utilised a web-based electronic system that facilitates remote clinical monitoring via e-records called Mobile Wound Care TM (MWC). While the primary focus of MWC was on remote wound management consultancy, the system led to the collection of client, wound, and treatment data which has enabled the extent and profile of wounds in Gippsland to be measured. For the first time, wound management practice data was collected, prospectively by the Victorian Department of Health, along with clinical profiles of clients receiving services from community care district nursing services. Having access to the data provided by MWC is crucial for the holistic management of clients and identifying areas where targeted training interventions could improve the management of certain wounds such as skin tears. A uniform protocol was established and results indicate a reduction in average healing time across all skin tear types, dropping from 39 to 32 days following the introduction of the protocol. Similarly, the cost of consumables dropped from $49 to $42.

District Nursing and Palliative Care

The Ambulatory Care Program continues to provide home and clinic based services. Under the Active Service Model philosophy, doing 'with' not 'for' clients is promoted, encouraging and supporting individuals to develop capacity, increase their independence, quality of life and social connectedness. Our staff work closely with our Home and Community Care (HACC) clients supporting them to live as independently as possible with control of decisions about their life and care.

Members of an international delegation of nurses visiting LCHS in Morwell experienced the effects of 'beer goggles' which simulate the effect of intoxication, facilitated by LCHS Alcohol and Other Drug Nurse Clinician Debbie Stoneman (bottom left).

LCHS participated once again in the Victorian Palliative Care Satisfaction Survey (VPCSS) which provides an annual snapshot of patient, carer and bereaved carer satisfaction with palliative care services. The main intention is to assist service providers in identifying the key areas for improvement which have the greatest potential to positively influence overall satisfaction.

LCHS performed better than both the region and the state and also improved upon the 2012 score for 'Overall Satisfaction with the Standard of Care Provided'. Overall the results indicate that in the last 12 months, LCHS has provided a high quality service that generally exceeded scores across the region and state.

The Palliative Care service continues to participate in the National Standards Assessment Program (NSAP). This is a structured framework for continuous quality improvement with the core objective the improvement of quality in the palliative care experiences and outcomes for patient, carers and families.

LCHS has commenced a second NSAP self-assessment process and finalised key improvement areas. A report has been provided to NSAP for consideration and a quality improvement action plan has been developed that will guide palliative care services for the next 18 months.

Our Nurse Practitioner Candidate is in her final year of Master of Nursing (Nurse Practitioner) and is working towards completing her 5000 hrs of Advanced Practice aiming for application for endorsement in December 2014.

A Pastoral Care Nurse (PCN) has been employed adding to the suite of services in palliative care. The PCN provides spiritual support and guidance to palliative care clients, their carers and families. The role focusses on person-centred care allowing the client to concentrate on spiritual concerns, issues and expression.

Aboriginal Health Worker

LCHS continued to support 'Closing the Health Gap' initiatives with the introduction of the new Aboriginal Health Worker position.

The Aboriginal Health Worker will provide support and guidance to the Aboriginal community in accessing the organisation's various services to improve health outcomes. This will include assisting clients in making and meeting appointments, providing information regarding their health conditions and assistance with developing life goals.

International Congress of Nurses (ICN)

LCHS played host to an international delegation of 50 nurses from 19 countries including Africa, Japan, Taiwan, Canada, Norway, Bahamas and Portugal. The nurses, who attended the ICN 25th Quadrennial Congress in Melbourne, were invited by LCHS to visit Gippsland and experience the diversity of nursing in regional Victoria. LCHS had the opportunity to showcase drug treatment services, palliative care, district nursing, dental and community health nursing.

Ambulatory Care	Key Performance Indicator	Annual Target	Achieved to 30/06/2013	% Achieved
District Nursing - Community Health	Hours by Staff	1,592	1,682	106%
District Nursing - Full Cost Recovery	Hours to Clients	4,041	4,217	104%
District Nursing - HACC	Hours to Clients	25,325	23,392	92%
GP Clinic	Number of Consults	7,502	5,175	69%
Moe After Hours Medical Services (MAHMS)	Contacts	8,000	7,505	94%
Palliative Care - Community (Sub Acute)	Contacts	4,254	7,939	187%

Bernadette Kennedy (Acting)
GCert Public Service Management, GDip Periop Nursing, Cert Inf Control & Sterilisation; Cert Gen Nursing (Div 1), MRCNA, AFACHSM

Assessment, Aged & Disability Services

AADS provides a range of assessment, education and support services for the frail aged, people with disability, and their carers across the Gippsland region.

Aged Care Services (ACS)

LCHS gained four new Community Aged Care Packages (CACPs) for the Gippsland region. There are now 150 CACPs packages delivered across five Gippsland regions to frail aged clients living in their own homes.

Aged Care Services (ACS) staff have undergone training in dementia, continence management and falls prevention as part of incorporating broader portfolios to complement their roles. ACS has seen an increase in staff attending professional development relevant to their portfolios as well as interprofessional development, the primary objective is to achieve positive outcomes for the ACS community. Consideration was concentrated on the prevalent issues for the ACS demographic in Gippsland. This includes care recipients and carers in remote/regional areas and those in special needs groups. For example, the Dementia portfolio was developed as this covers both a special needs area within the clientele and takes into account the future Commonwealth Aged Care Reform. Similarly, the portfolio of 'Social Inclusion' was developed to reflect the Reform announcement of the Gay, Lesbian, Bisexual, Transgender and Intersex (GLBTI) Ageing and Aged Care Strategy.

During 2012, mandatory training in Elder Abuse was introduced for staff working directly with persons over 65 years. The aim is to provide the knowledge and tools for staff to assist the older person to feel safer and to promote independence. Senior staff attended training delivered by Seniors Rights Victoria with another 91 direct care staff to attend by August 2013.

Carer Connexions Program

LCHS gained a new funding grant of $1.7 million over three years to provide an expanded service for carers of people with a mental illness. This program will be particularly focussed on the East Gippsland and Wellington local government areas.

There are 4178 unpaid carers in the Wellington Shire and 4507 in the East Gippsland Shire. Whilst there is no available data that is specific to the number of mental health carers in Gippsland, many carers do not identify themselves due to the significant stigma associated with mental illness. The Victorian Population Health Survey 2008 indicates that 11.1% of the Wellington and 16.2% of East Gippsland populations experience high to very high levels of psychological distress.

Carer Connexions will seek to identify young carers and Koorie carers and will offer carer-centred services to:

- increase awareness and uptake of respite services to this carer group
- address social isolation by connecting consumers to community resources and forming social relationships
- find and support hidden carers, and
- support longer term carers through self-directed respite care packages.

Carers in Transition Workshop

A five day workshop was run by Carer Programs (CP) in partnership with Carers Victoria (CV) and two aged care facilities, Grossard Court at Cowes and Domain Seahaven at Inverloch. The aim was to assist carers who were struggling with the idea of residential care. All people attending were caring for someone who was frail aged, had dementia, a significant mental health issue or Parkinson's disease. The agenda included information about financial matters, medical and enduring powers of attorney, wills, executors and costs of residential care.

Aged Care Package eWaitlist

The Aged Care Assessment Service operates from within the Gateway Program. All clients, following their assessment, are placed in a database called the eWaitlist until a suitable home care package becomes available. There had been issues identified with this system. A consultant was engaged to lead a collaborative project to find solutions to these issues and this has resulted in:

- the development of an interagency protocol to increase service partnerships to improve service coordination for clients on the waitlist
- a central point of contact to notify changes to status of clients on the waitlist
- common processes for service providers and case management
- common information packages.

Carers from the Latrobe and Wellington local government area enjoying a lunch in Yarragon on the way home from a theatre performance in Melbourne.

Disability Services

Disability Services (DS) introduced a new planning service in late 2012. The service assists people with a disability, and others who are important in their life, to develop a plan to meet their goals and strategies. It is based on the philosophy of the Active Service Model and also leads LCHS to a position of readiness for the introduction of DisabilityCare Australia (previously the National Disability Insurance Scheme – NDIS) which enables clients to be independent and self-determining.

The Information Technology and Secondary Consults program delivered eight training events during 2012/13. This included Motivational Interviewing, Behaviour and Mental Health following an Acquired Brain Injury (ABI), Dealing with Challenging Behaviours and Working with Complex Clients with an ABI.

Assessment, Aged & Disability Services	Key Performance Indicator	Annual Target	Achieved to 30/06/2013	% Achieved
Aged Care Assessment Service (ACAS)	Completed Assessments	3,177	2,987	94%
Aged Carer Support Worker Respite	No of hours provided	7,000	15,279	218%
Aged Flexible Respite	No of hours provided	4,778	20,380	427%
Carers of Young People	No of clients	60	53	88%
Case Management	No of clients	23	18	78%
Commonwealth Carelink Centre	No of phone calls	Not set	1,362	N/A
Commonwealth Carer Respite Centre	No of clients	550	726	132%
Community Aged Care Packages	Maximum Active Packages	158	164	104%
Consumer Directed Respite Care	No of clients	7	10	143%
Dementia Education & Training for Carers	Information Sessions	8	15	188%
Dementia Services	No of carers assisted	43	97	226%
Disability Respite	No of Episodes	5,308	4,848	91%
Dept of Veterans Affairs Veteran's Home Care	Completed Assessments	Not set	1,121	N/A
Early Childhood Intervention Services (ECIS)	No of clients	12	33	275%
Emergency Relief	Hours by Staff	1,277	2,373	186%
Emergency Relief	No of Clients assisted	Not set	1,249	N/A
Extended Aged at Home - Dementia Packages	Maximum Active Packages	4	5	125%
Extended Aged at Home Packages	Maximum Active Packages	10	10	100%
Facilitation Reviews and Set Ups	No of clients	22	24	109%
Flexible Support Packages	No of clients	170	191	112%
Futures for Young Adults	No of clients	14	34	243%
Home & Community Care Response Service	No of call outs provided	Not set	321	N/A
In & Out of Home Respite	No of hours provided	23,500	19,418	83%
Individual Support Packages	No of clients	28	28	100%
Information Training & Secondary Consults	No of Consults	18	26	144%
Linkages	Maximum Active Packages	183	185	101%
Mental Health Respite Program	No of clients	160	166	104%
National Respite for Carers Program Ongoing Respite	No of clients	50	102	204%
On Call Carer Support Services	No of hours provided	650	24	4%
Planning Service	Hours provided	1,931	1,528	79%
Respite for Older Carers - Direct Service	No of clients	3,217	2,096	65%
Service Access - Externally funded	Hours by Staff	2,554	2,989	117%
Service Access - Internally funded	Hours by Staff	Not set	5,600	N/A
Young Carer Program	No of clients	25	55	220%

Anne-Maree Kaser
Grad Dip Human Services Management, Div 1 Nursing, AFACHSM, AIMM

Community Support

The Community Support Directorate provides social support services including, drug treatment, counselling, respite and mental health services.

Drug Treatment Services (DTS)

In preparation for the recommissioning of Victoria's Alcohol and Other Drug (AOD) services in 2013/14, Drug Treatment Services have developed an AOD Reform Action Plan. Actions focus on increased person-centred, family and culturally inclusive practice, recovery-oriented treatment with high quality evidence based interventions, integrated accessible treatment and pathways, and workforce development. Supporting this work into the future has seen the acceptance of a Nurse Practitioner (NP) candidate into Monash University that will ultimately enrich the scope of practice and include prescribing capacity for pharmacotherapy. A Consumer Consultant has been appointed to assist with planning, delivery and evaluation, and to provide representation of clients.

DTS has responded to a surge in referrals for family support since September. Education courses entitled *'Keeping Kids in Mind'* and *'Short Session Family Work'* will assist all DTS staff to develop skills and provide mentoring.

Our DTS team has created and built on partnerships over the last 12 months. In partnership with Community Corrections, two Justice Day forums have been held for the region. These forums enabled both treatment agencies and correctional service organisations opportunities to network with a wide representation of services/agencies from our region.

During this year we also hosted ICE (methamphetamine) training in February and invited external providers, attracting over 50 people from a range of Gippsland service providers.

Respite Services

A survey was distributed to clients and feedback has informed some remodelling and enhancement of the Planned Activity Groups program. Key activities for this program included:

- *Pimp My Walker* - Clients dazzled up their wheelie walker
- *PAG Cruise* - Programs joined together with Latrobe City programs and celebrate a virtual cruise holiday to tropical locations
- *Computer Class* - Classes expanded to a new group of clients
- *Craft Class* - A new craft class which takes on projects such as scrapbooking, digital photo art and mosaics.

A new Home and Community Care (HACC) Access and Support program commenced in September 2012. This program assists people with dementia and their carers to access the services and supports that can delay a transition into aged care. Initially servicing Bass Coast and East Gippsland Local Government Areas, the program provided direct support to more than 120 clients, carers and family members.

We were advised in May that we were successful in our submission for the Regional Psychiatric Disability Rehabilitation Support Service (PDRSS) Triage and Intake Assessment pilot project to provide clients a single point of contact and coordination. This pilot program is in partnership with SNAP Gippsland, Mental Illness Fellowship Victoria, Mind Australia, and Ramahyuck and District Aboriginal Corporation.

Counselling Services

During Responsible Gambling Awareness week in May the Gambler's Help program held a highly successful video competition for youth – the theme was responsible gambling. The quality and creativity displayed in the entries was amazing, and it was pleasing to see how the message of responsible gambling was understood so well. The Gambler's Help program worked in partnership with the Central West Gippsland Primary Care Partnership on a project entitled 'Equal Access, Extra Risk'. The target group included people with an intellectual disability and their carers. An alternative outings guide for Latrobe City was also developed and will be available in the second half of 2013.

After hours services commenced in our Traralgon offices to enhance and make the following services more accessible:

- Gambler's Help Problem Gambling Counsellor
- Gambler's Help Problem Gambling Financial Counsellor
- Children's Counselling (Generalist and Sexual Assault)
- Partners in Depression

Our Family Violence programs continue to exceed targets. We received some additional funding in December 2012 for our Women's and Children's Family Violence Counselling

Participants of the Planned Activity Group held their own Olympic events at Mirboo North Football Club in conjunction with the London Olympics.

Program. Family Violence programs were audited against Department of Human Services standards in December 2012.

The outcome of the review indicated that our programs met or exceeded all 16 of the standards.

Psychologists are now delivering Medicare Benefits Schedule (MBS) services from Morwell, Churchill and Moe sites. This includes access to two counselling psychologist and a clinical psychologist.

Community Support	Key Performance Indicator	Annual Target	Achieved to 30/06/2013	% Achieved
Acquired Brain Injury Forensic Counsellor	Episodes of Care	22	18	82%
Child & Adolescent Sexual Assault Service	No of Clients	96	54	56%
Case Mgt for Indigenous Men who use Family Violence	No of Clients	31	33	106%
Community Nursing for IHSHY[1]	Hours by Staff	358	349	97%
Counselling	Hours by Staff	6,014	5,814	97%
Counselling, Consultancy & Continuity of Care (CCCC)	Episodes of Care	696	698	100%
Creative House - Camps	Contact Hours	3,880	4,645	120%
Creative House - Community Respite	Contact Hours	423	420	99%
Creative House - Day Programs	Contact Hours	3,000	3,482	116%
Creative House - Individual Support Package	No of Clients	1	1	100%
Family Violence	No of Clients	29	137	472%
Forensic Services	Episodes of Care	327	472	144%
Gipps Withdrawal & Rehabilitation Service	Episodes of Care	596	696	117%
Indigenous Men's Groups	No of Clients	33	72	218%
Innovative Health Services for Homeless Youth	Hours by Staff	920	935	102%
Koorie CCCC	Episodes of Care	50	53	106%
MBCP - Enhanced Access	No of Referrals	120	628	523%
Men's Behaviour Change Program (MBCP)	No of Clients	62	92	148%
Mobile Drug Worker	Contacts	120	453	378%
Needle & Syringe Program	1 to 1 Client Contact	Not set	8,680	N/A
NIDS[2] Breaking the Cycle	Episodes of Care	50	54	108%
NRCP[3] Overnight Respite (Mayfair House)	Hours of Service	6,994	9,532	136%
Parent Support	Episodes of Care	50	72	144%
Planned Activity Groups – CALD[4] Garden Group	Hours by Client	Not set	256	N/A
Planned Activity Groups - Core	Hours by Client	34,011	33,594	99%
Planned Activity Groups - High	Hours by Client	10,025	9,714	97%
Regional Gambler's Help - Counselling	Hours of Service	3,812	2,741	72%
Regional Gambler's Help - Financial Counselling	Hours of Service	1,835	1,221	67%
Supported Accommodation	Episodes of Care	12	17	142%
Women's Supported Accommodation	Episodes of Care	12	10	83%
Youth Outreach	Episodes of Care	56	59	105%

[1] Innovative Health Services for Homeless Youth
[2] National Illicit Drugs Strategy
[3] National Respite for Carers Program
[4] Culturally and Linguistically Diverse

Rachel Strauss
Bachelor of Nursing, Cert Gen Nursing, Cert Midwifery, ACHSM, AIMM

Primary Health

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

The year 2012/13 has seen the Primary Health Directorate expand and grow so we can provide more services to all members of our community.

Clinical/Chronic Disease Services

In November 2012 we increased our allied health workforce and commenced providing services under the Medicare Benefits Schedule and Department of Veterans Affairs as well as private services. Access can be via a referral from a client's own doctor or by self-referral for private clients. This has allowed us to see more people and reduced waiting lists for public services as well as improving our ability to provide continuity of care, particularly for clients with multiple needs. Two new podiatrists and a physiotherapist have joined our team. We have continued to provide individual and group programs including introducing some after-hours services for people that work.

Dental Services

Our dental services, along with others in the Gippsland region, have been supported through the Voluntary Graduate Dental Program. LCHS was successful as the lead agency in securing two graduate placements for the region along with infrastructure funding to build new dental clinics. Graduates will continue to work with us for the next three years. The establishment of new dental clinics is enabling us to see more public patients and reduce our waiting lists. We have also commissioned another new dental clinic and commenced providing private dental services as of May this year – anyone can now receive dental care services at LCHS.

Paediatric Service

Early 2013 saw the implementation of a paediatric allied health service at LCHS. A team of allied health clinicians - speech pathologist, physiotherapist, occupational therapist and allied health assistants - are now providing early intervention services from our Latrobe sites to children with developmental delay issues.

WorkHealth Program

We have provided 7647 WorkHealth checks across Gippsland, Hume and Grampians regions this past year. Some 990 workplaces have participated in the program along with nine events where we provided a mobile van at football matches, field days and show days across the regions. The WorkHealth program provides individual assessment on the worker's risk factors for chronic disease including diabetes and cardiovascular disease. A significant number of workers were found to be at risk and are now being treated and/or are making lifestyle changes to manage this.

Healthy Together Latrobe

The Healthy Together Latrobe team works with the local community to promote the importance of good health and wellbeing across all areas of life: at schools, in the workplace, at home and in the community. This program is a partnership between LCHS and Latrobe City Council, supported by the Victorian Department of Health and the Australian Government. Latrobe is one of 12 local government areas that have been specifically funded to provide this initiative in Victoria. Activities include the Achievement Program with schools and workplaces which focus on key health areas including healthy eating and oral health, physical activity, mental health and wellbeing, safe environments, sun protection, sexual health and wellbeing, tobacco control and alcohol and other drug use.

New Arrivals/Refugees

Throughout the year we have continued to work closely with new arrival communities in partnership with other local agencies. Our Refugee Health Nurse, Settlement Grant program and caseworkers have worked together to provide health information, support and referral services to new arrivals.

1. Members of the public took the opportunity to undergo a free WorkHealth check in Traralgon.
2. Health Promotion Officer Pieta Bucello with volunteer Jim Howes at a free lunch event to promote the Community Kitchen program.
3. Dental Assistant Simone Albanese and dentist Pegah Tavakol in Morwell.

Primary Health	Key Performance Indicator	Annual Target	Achieved to 30/06/2013	% Achieved
Allied Health - Community Health	Hours by Staff	5,066	6,550	129%
Allied Health – Home and Community Care (HACC)	Hours to Clients	12,972	13,587	105%
Allied Health - Nursing	Hours by Staff	1,022	1,259	123%
Community Nursing - Community Health	Hours by Staff	4,322	5,527	128%
Community Nursing - HACC	Hours to Clients	523	583	111%
Dental	No of Patients	9,727	10,512	N/A
Dental	No of Treatments	Not set	75,597	N/A
Dental	No of Dental Units of Value	22,826	23,624	103%
Early Intervention in Chronic Disease	Hours by Staff	5,062	4,812	95%
Family Planning	Hours by Staff	252	249	99%
New Arrivals Program	Level of Satisfaction	80%	100%	125%
Refugee Health Nursing	Hours by Staff	824	790	96%
WorkSafe - WorkHealth Checks Gippsland	No of Employees Seen	4,298	3,712	86%
WorkSafe - WorkHealth Checks Grampians	No of Employees Seen	3,144	1,833	58%
WorkSafe - WorkHealth Checks Hume	No of Employees Seen	4,618	1,904	41%

Anubis Pacifico
FCPA, GAICD, AFAIM, AFACHSE, Master of Business Administration, Bachelor of Business (Accounting), Graduate Diploma in Applied Finance, Diploma Financial Services.

Corporate

The Corporate Directorate is a multi-discipline professional team providing the 'front of house' service in each location and company-wide management of essential functions. Responsibilities include finance and accounting, human resources, industrial relations, properties, motor vehicles, sourcing, information technology, telecommunications, marketing and corporate communication, risk management, quality, record management and clinical governance programs across the organisation. The Executive Director, Corporate is the Chief Financial Officer of LCHS.

Customer service excellence – connecting with our clients

The front of house service provided by Corporate in every location is the first point of contact between LCHS and its clients. Over the year we took more than 115,000 calls including 7677 GP inquiries and 22,618 dental inquiries. We attended to over 80,000 presenting clients and coordinated 55,951 appointments.

Service improvement is our priority. We have reconfigured the call flow system to ensure a more efficient and client focussed process and we introduced call flow metrics including calls received, answered and abandoned. A new rostering program was launched to optimise staff availability. A comprehensive training program designed to achieve excellence in customer service was commenced. These initiatives reduced the number of abandoned calls from 11% to 2% of total calls.

Our front of house service received the LCHS 2012 Service Excellence Award.

Improving business support systems is a continuing priority

Corporate commenced implementation of a state of the art client management system - The Care Manager 7 (TCM) - to replace two underperforming legacy systems. Key benefits include the introduction of an electronic health record replacing paper files, immediate access to client information, enhanced capacity for clinical staff to analyse service performance and securing critical data now at risk because legacy systems are no longer supported by vendors. This new system will be launched in three phases over 18 months. The first phase was completed in May 2013.

Our TechnologyOne business support system has been enhanced by adding a contract management module to strengthen controls of purchasing as well as contract renewal and variations. The new module, which went live in February 2013, now has 249 contracts online.

We are progressively adding new human resource functions into the TechnologyOne system. We now have an online Performance Management and Development Plan, a training module, grievance and discipline records, 40 online forms and associated workflow reports.

Corporate has also implemented an online learning system to support staff orientation, and mandatory and other training.

Robust business and financial controls

LCHS has put in place a new three year internal audit program to be conducted by RSM Bird Cameron. Three key areas have been audited: Dental data integrity, Brokerage, and Project Management. The Board Audit & Risk Committee continues to monitor progress in the implementation of all internal audit recommendations.

With the implementation of the TechnologyOne finance system, essential income, balance sheet and cash flow reports are now generated directly by the system and reported monthly. The TechnologyOne suite has been enhanced to introduce a project ledger to capture capital, income and expenditure on major projects.

LCHS has maintained its prudent course of investing reserves in a range of fixed term deposits within the Australian banking system.

Managing risk, assuring quality and legislative compliance

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

Our Quality Work Plan has been developed and accepted by Quality Improvement and Community Services Accreditation (QICSA) and the implementation of improvements is progressing.

Seventy five requests for personal health information under the Health Records Act have been received and actioned.

Providing the essential ICT infrastructure

The Corporate Information and Communication Technology (ICT) team continues to underpin business sustainability. Over 600 staff and volunteers throughout Gippsland now access our network, systems, email and telecommunication facilities. LCHS staff working in the Hume and Grampians regions are also being supported.

New management systems enabled staff to resolve problems remotely leading to improved response times and reduced costs. Wireless connectivity is now available at each site. Solid state memory technology added to desktop computers reduced boot and application load times by up to 80%, and extended the life of computers by up to two years.

Costs for mobile phone and data services were reduced following the adoption of new service plans.

Expanding and protecting our property assets

Corporate has a lead role in major building and redevelopment in Moe, Morwell and Traralgon (more information reported under 'Redevelopments' in this Annual Report).

Additional CCTV cameras to strengthen security have been provided in Morwell. Cameras now cover entrances and exits at all sites. Vandalism at Traralgon has been addressed by installing electronic gates and security fencing the car park.

Fleet Goes Green

The carbon footprint for the vehicle fleet is 25% lower compared to the previous year. We now have 23 fuel efficient diesel-powered vehicles, representing 28% of the fleet.

The vehicle fleet continues to be monitored for efficiency and optimum utilisation. We have cut the fleet by a further five vehicles, achieving a 10% reduction in the last two years notwithstanding increasing staff numbers.

Supporting our valued staff

Total employment rose by 47 to 475 (11%) by year end. The growth was all in full time staff, key areas being dental services, primary intervention, WorkHealth and front of house.

Staff make up	2012/13	2011/12	Change
Full Time	223	170	+53
Part Time	214	214	0
Casuals	38	44	-6
Total	**475**	**428**	**+47**

Our total human resource, measured as equivalent full time (EFT) employees is 358, an increase of 50.4 (or 16.4%) on the previous year.

Our online e-recruit system has over 4,400 active registered members, an increase of 19% compared to 2011/12.

Valuing our volunteers

The volunteer program continues to expand and is being actively supported by Corporate. LCHS volunteers contribute over 55,000 volunteer hours across a number of program areas and in various roles.

As at 30 June 2013, LCHS has 200 registered volunteers, 25% more than in the previous year.

Supporting Home and Community Care (HACC) Training

LCHS has been the lead agency for Home and Community Care (HACC) training throughout Gippsland for 12 years, this year providing 319 HACC training programs with 933 regional participants. This service will be replaced from 1 July by a state program.

Keeping our community informed

Marketing and communication programs continued to develop community awareness of LCHS services. Corporate produced 246 flyers, brochures, and posters; 33 advertorials in four regional newspapers; 1100 ads in regional television and radio. Our news media activity increased during year, with 107 media releases being issued.

LCHS' website continues to be improved, including printable versions of key brochures. Website traffic increased 164% during the year, with the number of visitors annually rising from 14,937 to 39,474. The total number of page views for the year reached 134,447.

Redevelopments
- Building the future

LCHS continues to expand and refurbish its facilities to cater for future community health demands.

Moe Redevelopment

Stages 2, 3 & 4

LCHS was granted significant funding for the Moe Redevelopment by the Australian Government in the 2012/13 budget enabling the final planning and commencement of construction of stages 2, 3 and 4 of the Moe Redevelopment. These final stages of this $7.9m redevelopment follow the successful completion of Stages 1a and 1b in the previous year.

From the Expression of Interest in June 2012, a panel of five selected tenderers were appointed with the tender documentation issued in September 2012 and tenders received in October 2012.

The preferred tenderer, Farnham Developments Pty Ltd, was approved at the November 2012 Board meeting of LCHS and works began in April 2013 following signing of the funding agreement with the Australian Government.

All staff where required have been relocated and a temporary entrance and reception area has been constructed during the redevelopment works. All works are on time and budget with Stage 2 planned to be completed by December 2013 and Stage 3 to commence early 2014.

Stages 1a & 1b

The warranty period for Stages 1a and 1b of the redevelopment was completed in December 2012 with no defects identified and bank guarantee returned.

Churchill Development

An upgrade of the clinical area at the Churchill site is planned to begin in November 2013. This will provide access to new services at Churchill that meet local community health needs with a focus on early intervention and an after-hours multi-disciplinary clinic based services focussing on better chronic disease management, counselling services and in partnership with the Latrobe Regional Hospital, acute mental health services. The works will include redeveloping the front area of the LCHS facility at the Churchill site, to incorporate upgraded consulting rooms, a nurse's station, treatment and preparation rooms that will allow for the increase in GP and Allied Health professional services.

A proposal and business case to further develop the Churchill site as a university training centre and prosthetics manufacturing facility has been submitted to the Australian Government. A response is expected in the second half of 2013.

Other Sites – Refurbishment

The new Morwell Headquarters continues to be improved to ensure business continuity and improve the aesthetics of the building. During this year, the electrical system was upgraded and improved to allow connection to a portable generator to ensure full operation in the event of a power supply outage. This will also allow the IT network to be maintained across other sites not affected by the power outage and ensure business continuity and client service is maintained.

In addition, the vinyl flooring across the majority of the building was replaced due to a fault that arose from the works conducted during the handover of the building. The flooring was replaced under an insurance claim made by LCHS.

A minor redevelopment of the Traralgon site during the year improved the staff accommodation area, upgraded the treatment and consulting areas to allow for the expansion of services for after hours and improved the natural lighting into the site. The upgrade of the Traralgon site included:

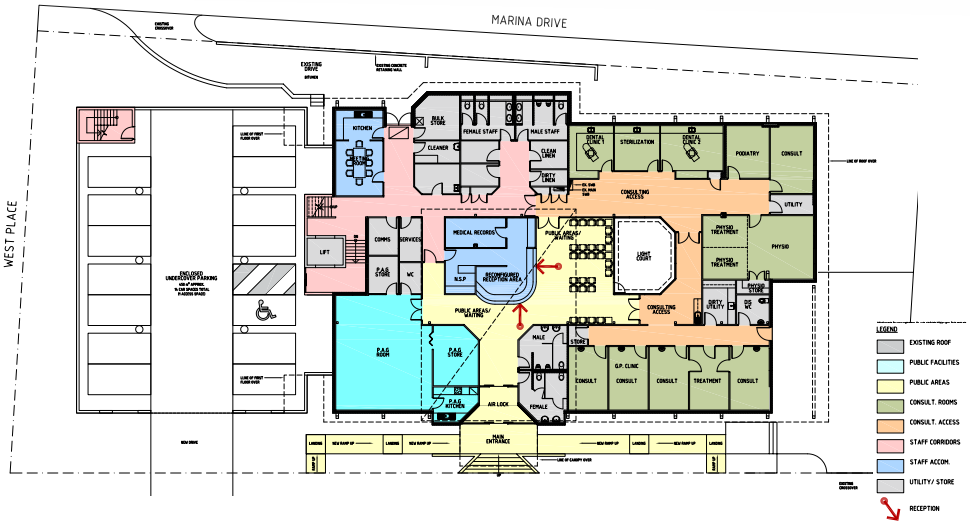
- additional equipment for clinical treatments
- connecting two existing rooms to make a large treatment room
- security lighting to provide safe and easily accessible entrance/exit points for clients
- car park development including gates and security fencing.

The upgrade also included provision for comprehensive after-hours services across the Latrobe Valley, increasing the capacity to deliver an after-hours health care service including but not be limited to:

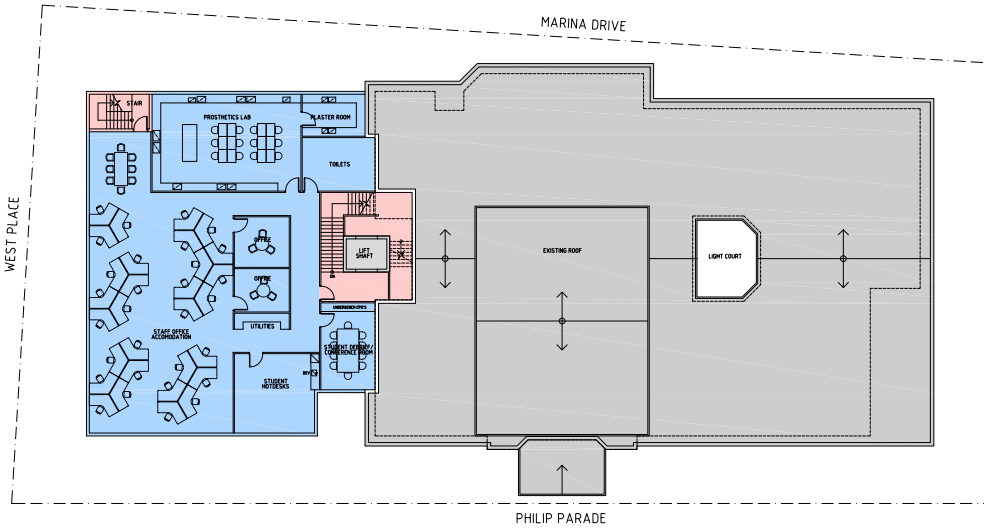
- Mental Health and Dual Diagnosis clinics
- Chronic disease management clinics
- Student supervised clinics
- General Practitioner services.

Two earthquakes, which affected Gippsland in June 2012, caused damage to both the Morwell and Moe sites, requiring sections of the ceiling to be replaced on the first floor at Morwell and an external wall removed and replaced at Moe. All works were covered by insurance. In addition, a burst fire service caused inundation of the Warragul site requiring the replacement of both carpet and furniture. Staff were relocated during the clean-up.

Artist's impression of the Latrobe Valley University Training Clinic in Churchill.



The proposed floor plans for the Latrobe Valley University Training Clinic in Churchill.



Artist's impression of the completed Moe Redevelopment.

Professional Development

During 2012/13, LCHS has supported staff to further develop their level of skill and knowledge through professional development and skills training.

The key tool used by LCHS to determine individual development needs is the Performance Review and Development Plan (PRDP). The aim of the PRDP is to improve organisational performance by interlinking individual objectives with organisational, directorate and program goals. Staff and their manager identify and prioritise training needs based on the staff member's key responsibilities for the year.

For the year ending 30 June 2013, the following professional development activities were recorded as undertaken by LCHS staff:

Training Topic	No of Hours	No of Participants
Business Practice	1636	818
Clinical Practice/Service Delivery	846	266
Conference/Seminar	273	29
Information Technology/ Management	179	21
Management/Leadership	871	13
OH&S	82	3
Other	24	1

LCHS identifies needs and then supports the development of staff through organisational wide initiatives and various internal mandatory training sessions involving a number of our systems and internal processes. Mandatory training sessions for relevant staff have covered:

Training/Development	No of Staff Attended
Privacy and Confidentiality	115
Bullying and Harassment	134
Koorie Cultural Awareness	72
Excellence in Customer Service	69
Formal Orientation	100
Payroll	71
SWITCH/TCM(client record systems)	419
Other Systems	30

The partnership between LCHS and the Australian Institute of Management (AIM) continued with a three day Contract Management training session conducted for key Corporate personnel.

Other significant organisational training undertaken during the year included:

- Excel training (Intermediate & Advanced)
- Minute taking
- Cardio Pulmonary Resuscitation (CPR)

We also continued to support staff to undertake studies to gain a tertiary qualification. Many staff have received support (financial or other incentives) assisting them in their studies, which in turn develops skills, and knowledge, which has workplace applications.

Staff Recognition

Jan Smart, Manager WorkHealth was named Employee of the Year 2012/13.

LCHS recognises outstanding performance through a number of different mechanisms. These include Annual Staff Achievement Awards, Service Recognition Awards and Staff Achievement Awards.

Award winners during 2012/13 were:

Employee of the Year

Jan Smart

Annual Achievement Award winners:

Ambulatory Care – Brooke Randall

Corporate – Adrien Driver

Community Support – Charlotte Anderson

Assessment, Aged and Disability Services – Kerry Jarvis

Primary Health – Jan Smart

Service Excellence Award - Innovation and Excellence in Service Coordination

Front Office Team

Staff Service Recognition Awards

10 Years

Jennifer Mitchell
Jay Duncan
Deb Sevensen
Heather Shepherd
Paul Hunt
Kevin Gray
Dianne Smith

15 Years

Linda Higginbotham

20 Years

Cathy White

25 Years

Cornelia Brent
Corina Christie
Heather Lavell

30 Years

Jan Inglis

Staff Achievement Award Winners

The following Achievement Awards were presented during 2012/13:

August 2012 - Carer Services Team (Julie Statkus, Stephanie Borg, Ronald Edwards, Sharon Kingaby, Vida Wallace and Noelleen Baxter)

November 2012 - Continuing Care Counselling and Forensic Counselling Team (Brendan Witt, Charlotte Anderson, Chris Gibson, Debbie Gregory, Jacqueline Collison, Joanne Ramselaar, Kim Jacobs, Lauren Smith, Rosanne Rand, Sharon Guganovic & Sharon Robinson)

March 2013 - Michelle Possingham (Carer Connexions)

Front Office Team received the Service Excellence Award

Volunteer Recognition

Planned Activity Group program leaders Hayley Jarvis and Lorella Calafiore together with PAG coordinator Ann Riley and Volunteer of the Year 2013 Joan Leister.

Every week many people from all areas generously donate their time, skills and knowledge to support LCHS and their community. Our dedicated and valued volunteers come from all walks of life, varying backgrounds, ages and beliefs to support the community and make a difference.

Volunteers are making valuable contributions within LCHS and across Gippsland. The Volunteers Program continues to grow. At the end of June 2013 we have 200 registered volunteers (an increase of 25% compared to last year). Volunteer roles have expanded across LCHS sites.

Volunteers undertake a variety of roles contributing to the community including cooking and serving meals, driving and transportation, home visiting and individual support, day trips and camps, mental health and respite support, palliative care, health promotion, community kitchens, crafts and life skills, mentored volunteers, simulated patients, transport trainers, administration and program support, open days and special events. Volunteers can regularly be seen out and about around Gippsland providing support, sharing their skills and making new friends.

Highlight of the volunteers program have included:

- **Volunteers Database and Management System**
  A new electronic volunteers' database has been introduced to assist the organisation in managing and rostering volunteers.
- **Buddy Bears and Colour-In packs**
  Volunteers and program participants have created over 400 Buddy Bears to be distributed free to children and adults who may have suffered a traumatic event. In addition volunteers have also undertaken small fundraising events to make up colour-in packs. The packs are given away free through LCHS receptions, GP clinic and dental services.
- **Launch of the Transport Buddy Support Service – Travel Training**
  A collaborative effort between LCHS, Latrobe City Council and the state government, this free program is designed to assist individuals to learn to use public transport.
- **HACC Transport**
  Volunteers have contributed over 1000 hours providing direct support and transportation.

National Volunteers Week

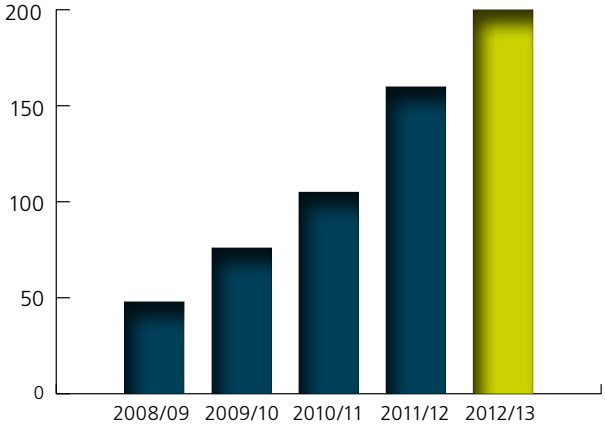
During National Volunteers week, LCHS turned back the clock to the 1950's with a rock & roll sock hop themed event in recognition of the work done by its volunteers. Everyone got into the swing of things, there was music, trivia, dancers in poodle skirts, a vintage hot rod and a fabulous old time drive in concession stand.

2013 Volunteer of the Year

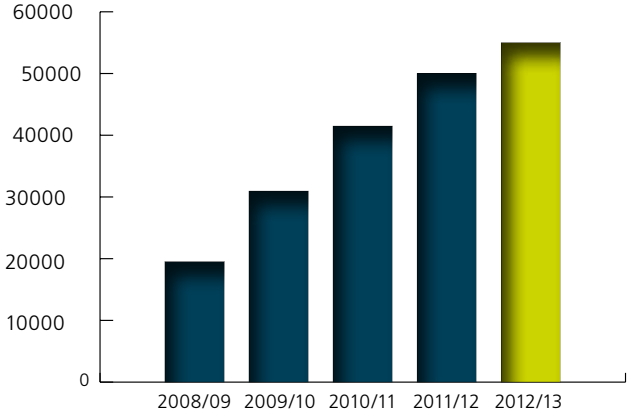
Joan Leister

Joan's dedication and years of service were recognised when she was awarded the LCHS Volunteer of the Year for 2013 during National Volunteers Week. A valued volunteer at the Moe Planned Activity Group, Joan's passion and commitment is inspiring with more than three decades of volunteer experience at LCHS.

Volunteer Intake



Volunteer Hours



Research and Placement

The Placement Education and Research Unit (PERU) aims to support and develop health focussed research, increase the quality and numbers of student placements, and develop the capacity of LCHS staff for interprofessional collaboration to improve quality of client care.

Interprofessional Collaboration

The Interprofessional Collaboration Development Group (IPCDG) has representation from every LCHS directorate. In the last 12 months the IPCDG sponsored two Interprofessional Collaboration Forums for all staff, addressing the topics of 'Falls Prevention' and 'Elder Abuse'.

Student Placements

In the last year PERU has provided placements for 200 students across the organisation, with 95% of students returning very high positive evaluations. Eight of these students were offered employment at LCHS. PERU has worked with all program managers to negotiate placements and nominate a student supervisor for each student. PERU also provided a variety of interprofessional activities such as workshops, tutorials and a student clinic where students learned 'from, with and about' each other. The most significant of these is the Integrated Student Supervised Clinic (ISSC) where students from different disciplines collaboratively interview simulated clients. The ISSC has expanded with senior students leading clinics and taking in some real clients.

Education

This year PERU has provided one day Student Supervision Training program for 19 LCHS staff, and a further eight staff have completed the additional half day advanced program. In addition two LCHS staff completed Student Supervision Training (Basic & Advanced) for the Mental Health sector which was delivered by PERU in collaboration with a Mental Health co-facilitator, and funded by the Gippsland Clinical Placement Network (GCPN). PERU also coordinated the Monash University Department of Rural and Indigenous Health (MUDRIH) Gippsland Mental Health Vacation School program at LCHS with the aim of attracting healthcare professionals to Mental Health.

Research

Through PERU, the LCHS Research Council monitored and supported research in LCHS. Currently there are eight internal research projects with approximately 20 staff and one student involved. There are eight external research projects involving LCHS staff, clients or carers. PERU has also continued to support the journal clubs at LCHS, and supports LCHS as a partner in the Joanna Briggs Institute (JBI) Gippsland Node for Chronic Disease Management.

Funding

PERU has been successful in assisting LCHS' on-going Health Workforce Australia simulation funding for staff and program development. This adds to the previous infrastructure and equipment funds from the Victorian Healthcare Association; Department of Health, Victoria; Rural Education Infrastructure Development (REID) Pool and Health Workforce Australia.

Outcomes 'spreading the word'

PERU has continued to play a significant role in partnership with MUDRIH in disseminating the initiatives developed at LCHS. State and Australia wide and international presentations have included the Monash School of Rural Health Research Day, the Australian Rural Health Education Network conference in Adelaide, the All Together Better Health international conference in Kobe Japan, the AHREN seminar in Adelaide and the Australian and New Zealand Health Professional Educators conference in Melbourne.

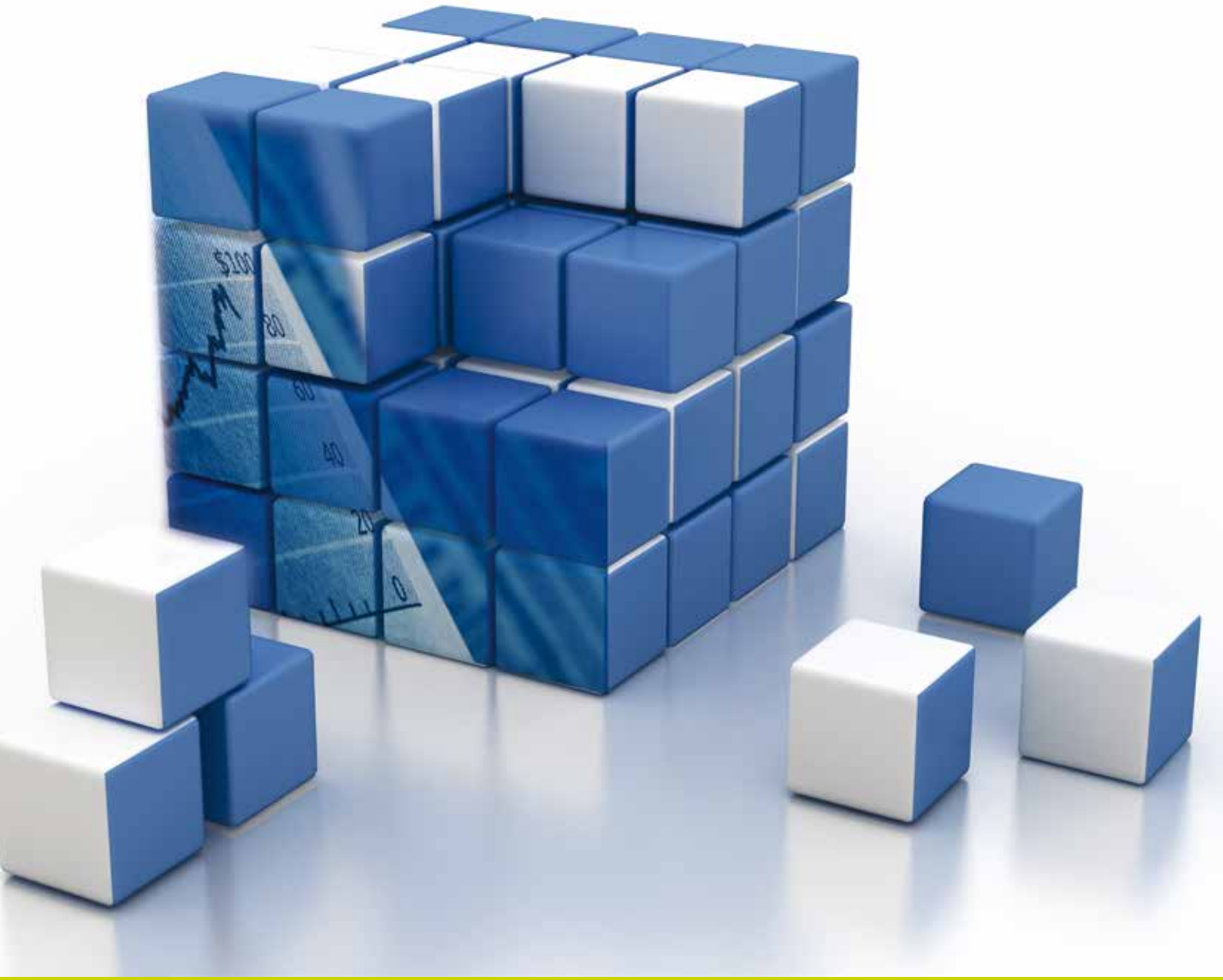
The LCHS/MUDRIH partnership has now consolidated many of our early initiatives to develop LCHS capacity in research, interprofessional collaboration and student placements and will continue to strengthen achievements in these areas.

Latrobe Community Health Service Ltd

Financial Report

for the Year Ended 30 June 2013

ABN: 74 136 502 022



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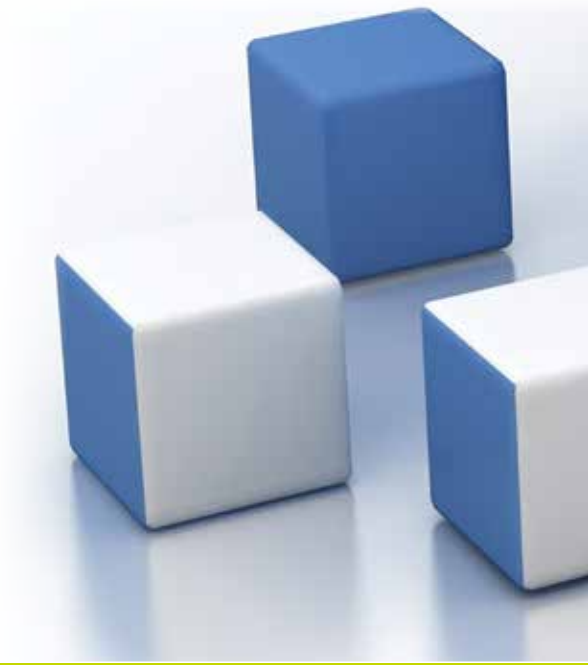

81-87 Buckley Street Morwell Victoria
(PO Box 960 Morwell Victoria 3840)

ABN: 74 136 502 022

Call 1800 242 696

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 2013.

Directors

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

John Guy
Peter Wallace
Steven Porter
Chris Devers resigned (25/10/2012)
Judi Walker appointed (26/07/2012)
Carolyne Boothman
Melissa Bastian
Dennis O'Neill
Mark Gibson resigned (2/05/2013)
Peter Starkey appointed (27/06/2013)

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

Principal Activities

The principal activity of the company during the financial year was:
Provision of Community Health Services

Information on Directors

John Guy	—	Board Chairperson
Peter Wallace	—	Deputy Chairperson
Steven Porter	—	Director
Chris Devers	—	Director
Judi Walker	—	Director
Carolyne Boothman	—	Director
Melissa Bastian	—	Director
Dennis O'Neill	—	Director
Mark Gibson	—	Director
Peter Starkey	—	Director

Meetings of Directors

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

	Directors' Meetings	
	No. eligible to attend	No. attended
John Guy	11	10
Peter Wallace	11	11
Steven Porter	11	9
Chris Devers	4	4
Judi Walker	11	10
Carolyne Boothman	11	11
Melissa Bastian	11	9
Dennis O'Neill	11	11
Mark Gibson	6	6
Peter Starkey	1	1

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the company. At 30 June 2013 the total amount that members of the company are liable to contribute if the entity is wound up is $310 (2012: $310).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2013 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 26th day of September 2013

LSHACCOUNTING
simple solutions

Chartered Accountants

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Email admin@lshaccounting.com.au

235-237 Princes Drive
Morwell VIC 3840

PO Box 600
Morwell VIC 3840

Latrobe Community Health Service Limited
ABN 74 136 502 022

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there have been:

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

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

LSH Accounting

LSH ACCOUNTING

Joanne Loh
Partner

Dated this 16th day of September 2013
Morwell

LATROBE COMMUNITY HEALTH SERVICE ABN: 74 136 502 022

Statement of Comprehensive Income

For the Year Ended 30 June 2013

	Note	2013 $	2012 $
Revenue	**2**	35,857,935	32,299,258
Other income	**2**	5,827,279	2,576,985
Employee provisions expense		(25,498,234)	(21,177,211)
Depreciation and amortisation expense		(1,080,805)	(1,021,429)
Bad and doubtful debts expense	**3**	(1,066)	713
Motor vehicle expenses		(429,365)	(464,172)
Utilities expense		(267,825)	(203,251)
Rental expense	**3**	(274,420)	(311,881)
Staff training and development expenses		(261,888)	(259,807)
Audit, legal and consultancy fees		(849,584)	(450,394)
Marketing expenses		(160,185)	(147,741)
Client support services expenses		(5,691,660)	(5,550,777)
Sundry expenses		(4,517,629)	(3,647,092)
Current year surplus before income tax		2,652,553	1,643,201
Income tax expense		-	-
Net current year surplus		2,652,553	1,643,201
Other comprehensive income:			
Net gain on revaluation of property, plant and equipment		36,899	-
Total other comprehensive income for the year		36,899	-
Total comprehensive income for the year		2,689,452	1,643,201
Net current year surplus attributable to members of the entity			
Total comprehensive income attributable to members of the entity		2,689,452	1,643,201

The accompanying notes form part of these financial statements.

LATROBE COMMUNITY HEALTH SERVICE ABN: 74 136 502 022

Statement of Financial Position

For the Year Ended 30 June 2013

	Note	2013 $	2012 $
ASSETS			
CURRENT ASSETS			
Cash on hand	**4**	12,254,414	9,111,088
Accounts receivable and other debtors	**5**	1,282,760	499,065
Inventories on hand	**6**	74,032	90,538
Other current assets	**7**	983,648	456,092
TOTAL CURRENT ASSETS		14,594,855	10,156,782
NON-CURRENT ASSETS			
Property, plant and equipment	**8**	11,522,741	9,839,637
Capital WIP		1,007,781	1,171,703
TOTAL NON-CURRENT ASSETS		12,530,522	11,011,340
TOTAL ASSETS		27,125,377	21,168,122
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	**9**	5,540,434	3,071,050
Employee provisions	**10**	2,778,334	2,261,373
TOTAL CURRENT LIABILITIES		8,318,768	5,332,423
NON-CURRENT LIABILITIES			
Employee provisions	**10**	1,040,564	759,107
TOTAL NON-CURRENT LIABILITIES		1,040,564	759,107
TOTAL LIABILITIES		9,359,332	6,091,530
NET ASSETS		17,766,045	15,076,592
EQUITY			
Retained surplus		10,368,004	11,595,002
Reserves	**17**	7,398,041	3,481,590
TOTAL EQUITY		17,766,045	15,076,592

The accompanying notes form part of these financial statements.

LATROBE COMMUNITY HEALTH SERVICE ABN: 74 136 502 022

Statement of Changes in Equity

For the Year Ended 30 June 2013

	Note	Retained Surplus $	Asset Revaluation Reserve $	Capital Improvements Reserve $	Community Projects Reserve $	General Reserve $	Total $
Balance at 1 July 2011		9,112,118	1,432,346	1,361,800	101,128	1,426,000	13,433,391
Comprehensive Income							
Profit/(Loss) attributed to the entity		1,643,201					1,643,201
Total comprehensive income attributable to members of the entity		1,643,201	-	-	-	-	1,643,201
Other transfers							
Transfers to/(from) Capital Improvements Reserve	**17(b)**	121,476		(121,476)			-
Transfers to/(from) Community Projects Reserve	**17(c)**	(302,323)			302,323		-
Transfers to/(from) General Reserve	**17(d)**	1,020,530				(1,020,530)	-
Total other transfers		839,683	-	(121,476)	302,323	(1,020,530)	-
Balance at 30 June 2012		11,595,002	1,432,346	1,240,324	403,451	405,470	15,076,592
Comprehensive Income							
Profit/(Loss) attributed to the entity		2,652,553					2,652,553
Net gain on revaluation of property	**17(a)**		36,899				36,899
Total comprehensive income attributable to members of the entity		2,652,553	36,899	-	-	-	2,689,452
Other transfers							
Transfers to/(from) Capital Improvements Reserve	**17(b)**	(3,676,746)		3,676,746			-
Transfers to/(from) Community Projects Reserve	**17(c)**	101,468			(101,468)		-
Transfers to/(from) General Reserve	**17(d)**	(304,273)				304,273	-
Total other transfers		(3,879,551)	-	3,676,746	(101,468)	304,273	-
Balance at 30 June 2013		10,368,005	1,469,245	4,917,069	301,983	709,743	17,766,045

For a description of each reserve, refer to Note 17.

The accompanying notes form part of these financial statements.

LATROBE COMMUNITY HEALTH SERVICE ABN: 74 136 502 022

Statement of Cash Flow

For the Year Ended 30 June 2013

	Note	2013 $	2012 $
CASH FLOW FROM OPERATING ACTIVITIES			
Commonwealth, State and Local Government grants		40,291,129	34,666,713
Payments to suppliers and employees		(35,403,976)	(32,079,948)
Interest received		465,759	490,335
Net cash generated from operating activities		5,352,913	3,077,100
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		20,497	192,331
Payment for property, plant and equipment		(2,230,083)	(2,283,865)
Net cash used in investing activities		(2,209,587)	(2,091,534)
Net increase/(decrease) in cash held		3,143,326	985,566
Cash and cash equivalents at the beginning of the financial year		9,111,088	8,125,522
Cash and cash equivalents at the end of the financial year	**4**	12,254,414	9,111,088

The accompanying notes form part of these financial statements.

LATROBE COMMUNITY HEALTH SERVICE ABN: 74 136 502 022

Notes to the Financial Statements

For the Year Ended 30 June 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Latrobe Community Health Service Ltd has elected to early adopt the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements. The company has also adopted AASB 2011-2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements and AASB 2012-7: 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 and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

The financial statements were authorised for issue on 26 September 2013 by the directors of the company.

Accounting Policies

a. Revenue

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

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

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

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

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 (GST).

b. Inventories

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

Inventories acquired at no cost or for nominal consideration are measured 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 impairment losses.

Freehold Property

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

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

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

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

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

Plant and Equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

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	3%
Plant and equipment	5% to 33%
Leased plant and equipment	20% to 33%
Motor Vehicles	10% to 15%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised as income in profit or loss in the period 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 transactions costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and Subsequent Measurement

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

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

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

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

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

(iv) Available-for-sale investments

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

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

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

(v) Financial liabilities

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

Impairment

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

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

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

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

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

Derecognition

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

f. Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

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

g. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

h. Cash and Cash Equivalents

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

i. Goods and Services Tax (GST)

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

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

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

j. Income Tax

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

k. Intangibles

Software

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

l. Provisions

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

m. Comparative Figures

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

n. Trade and Other Payables

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

o. Critical Accounting Estimates and Judgments

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

Key Estimates

Impairment

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

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

p. Economic Dependence

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

NOTE 2: REVENUE AND OTHER INCOME

	2013 $	2012 $
Revenue		
Revenue from (non-reciprocal) government grants and other grants		
- Commonwealth government grants - operating	6,490,355	5,712,231
- State government grants - operating	22,518,818	21,503,059
- Local government grants - operating	6,390,707	4,598,076
	35,399,880	31,813,366
Other revenue		
- interest received on investments in government and fixed interest securities	458,056	485,893
	458,056	485,893
Total revenue	35,857,935	32,299,258
Other income		
- Gain on disposal of property, plant and equipment	20,497	25,832
- State and Commonwealth Gov. grants - capital	3,363,238	278,183
- Rental income	93,666	102,851
- Other	845,597	1,004,742
- Charitable income and fundraising	867	21,968
- Client Fees	1,503,415	1,143,410
Total other income	5,827,279	2,576,985
Total revenue and other income	41,685,214	34,876,243

NOTE 3: SURPLUS FOR THE YEAR

	2013 $	2012 $
(a) Expenses		
Employee benefits expense		
- Employee benefits expense	25,498,234	21,177,211
Total employee benefits expense	25,498,234	21,177,211
Depreciation and amortisation		
- land and buildings	150,610	35,540
- motor vehicle	333,005	316,123
- furniture and equipment	597,190	669,766
Total depreciation and amortisation	1,080,805	1,021,429
Bad and doubtful debts	1,066	(713)
Rental expense on operating leases		
- minimum lease payments	274,420	311,881
Total Rental Expense	274,420	311,881
Auditor fees		
- audit services	17,992	36,350
Total Audit Remuneration	17,992	36,350
(b) Significant Revenue and Expenses		
Salary and wages backpay accrual	770,705	-

A salary and wages accrual has been taken up in the 2012/13 financial year to account for an upcoming pay increase not yet paid due to the award agreements not being signed at 30 June 2013. The accrual relates to the Victorian Stand-Alone Community Health Services (Health and Allied Services, Managers and Administrative Officers) Multiple Enterprise Agreement 2011-2015 and Health Professionals, Stand Alone Community Health Centres Enterprise Agreement 2011-2015.

Total Expenses	39,032,661	33,233,042

NOTE 4: CASH ON HAND

	2013 $	2013 $
CURRENT		
Cash at bank - unrestricted	3,068,982	1,500,005
Cash float	4,929	5,512
Cash at deposit	9,180,502	7,605,571
Total cash and cash equivalents as stated in the statement of financial position	12,254,414	9,111,088
Total cash and cash equivalents as stated in the cash flow statement	12,254,414	9,111,088

NOTE 5: ACCOUNTS RECEIVABLE AND OTHER DEBTORS

	Note	2013 $	2012 $
CURRENT			
Accounts receivable		1,246,794	470,161
Provision for doubtful debts	5(a)	(11,263)	(10,534)
		1,235,532	459,627
Other debtors			
Consumer fees		47,228	39,438
Total current accounts and other receivables	16	1,282,760	499,065

(a) Provision for Doubtful Debts

Movement in the provision for doubtful debts is as follows:

Provision for doubtful debts as at 1 July 2011	12,468
- Charge for year	(713)
- Written off	(1,220)
Provision for doubtful debts as at 30 June 2012	10,534
- Charge for year	728
- Written off	-
Provision for doubtful debts as at 30 June 2013	11,263

NOTE 6: INVENTORIES ON HAND

	2013 $	2012 $
CURRENT		
At cost		
Inventory	74,032	90,538
	74,032	90,538

NOTE 7: OTHER CURRENT ASSETS

	2013 $	2012 $
Accrued Income	542,002	401,363
Prepayments	441,646	54,729
	983,648	456,092

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2013 $	2012 $
LAND AND BUILDINGS		
Freehold land at fair value:		
- Directors' valuation 2013	1,889,840	-
- Independent valuation 2012	-	2,054,840
Total land	1,889,840	2,054,840
Buildings at fair value:		
- Directors' valuation 2013	5,280,733	-
- Independent valuation 2012	-	5,023,316
- Less accumulated depreciation	(287,879)	(254,372)
Total buildings	4,992,854	4,768,944
Total land and buildings	6,882,694	6,823,784
PLANT AND EQUIPMENT		
Furniture and equipment		
At Cost	7,904,209	5,958,996
(Accumulated depreciation)	(4,751,279)	(4,154,596)
	3,152,930	1,804,401
Motor Vehicles		
At Cost	2,337,751	2,198,070
(Accumulated depreciation)	(850,634)	(986,618)
	1,487,117	1,211,453
Total plant and equipment	4,640,047	3,015,853
Total property, plant and equipment	11,522,741	9,839,637

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 $
2013				
Balance at the beginning of the year	6,823,785	1,211,453	1,804,399	9,839,637
Additions at cost	172,621	971,863	1,949,093	3,093,577
Additions at fair value	-	-	-	-
Disposals	-	(363,194)	(3,372)	(366,566)
Revaluations	36,899	-	-	36,899
Depreciation expense	(150,610)	(333,005)	(597,190)	(1,080,805)
Carrying amount at end of year	6,882,694	1,487,117	3,152,930	11,522,741

NOTE 8: PROPERTY, PLANT AND EQUIPMENT continued

Asset revaluations

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

The land surrounding the Morwell site retained book value on the basis that the building occupying the land is owned by Department of Health and LCHS is currently in negotiations for the sale of land to Department of Health at cost price.

The land and buildings at the Moe site retained book value on the basis that major redevelopment work is currently occurring. A valuation will be conducted on completion of works.

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

NOTE 9: ACCOUNTS PAYABLE AND OTHER PAYABLES

	Note	2013 $	2012 $
CURRENT			
Accounts payable		1,296,198	229,873
Deferred income		2,398,280	1,847,693
Other current payables		218,867	229,518
Accrued expenses		504,941	363,049
Accrued salaries and wages		1,122,148	400,916
	9(a)	5,540,434	3,071,050

		2013 $	2012 $
(a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables			
- Total current		5,540,434	3,071,050
		5,540,434	3,071,050
Less deferred income		(2,398,280)	(1,847,693)
Financial liabilities as trade and other payables	**16**	3,142,154	1,223,357

NOTE 10: EMPLOYEE PROVISIONS

	2013 $	2012 $
CURRENT		
Short-term Employee Benefits		
Opening balance at 1 July 2012	2,261,373	2,296,255
Additional provisions raised during year	2,542,422	1,607,328
Amounts used	(2,025,461)	(1,642,209)
Balance at 30 June 2013	2,778,334	2,261,373
NON-CURRENT		
Long-term Employee Benefits		
Opening balance at 1 July 2012	759,107	746,265
Additional provisions raised during year	482,932	177,214
Amounts used	(201,475)	(164,372)
Balance at 30 June 2013	1,040,564	759,107

	2013 $	2012 $
Analysis of Employee Provisions		
Current	2,778,334	2,261,373
Non-current	1,040,564	759,107
	3,818,899	3,020,480

Employee Provisions

Employee provisions represent amounts accrued for annual leave and long service leave.

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

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

NOTE 11: CAPITAL AND LEASING LIABILITIES

(a) Operating Lease Commitments

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

	2013 $	2012 $
Payable - minimum lease payments		
- not later than 12 months	293,295	282,348
- later than 12 months but not later than 5 years	645,007	866,950
- greater than 5 years	-	25,576
	938,302	1,174,874

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

(b) Capital Commitments

As at 30 June 2013 LCHS has capital commitments with a construction contractor of $3,235,210 for the redevelopment of the Moe site.

NOTE 12: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no potential contingent liabilities as at 30 June 2013.

NOTE 13: EVENTS AFTER THE REPORTING PERIOD

LCHS is currently negotiating the sale of land attached to the Buckley St premises in Morwell to the Department of Health for $505,000.

NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION

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

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

	2013 $	2012 $
Key management personnel compensation	1,139,410	1,013,589

NOTE 15: RELATED PARTY TRANSACTIONS

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

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

During the 2012/13 financial year there were no transactions with related parties.

NOTE 16: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2013 $	2012 $
Financial assets			
Cash on hand	**4**	12,254,414	9,111,088
Accounts receivable and other debtors	**5**	1,282,760	499,065
Total financial assets		13,537,174	9,610,153
Financial liabilities			
Financial liabilities at amortised cost			
- trade and other payables	**9(a)**	3,142,154	1,223,357
Total financial liabilities		3,142,154	1,223,357

Fair Values

(i) For listed available-for-sale financial assets and financial assets at fair value through profit or loss, the fair values have been based on closing quoted bid prices at the end of the reporting period. In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).

(ii) Fair values of held-to-maturity investments are based on quoted market prices at the end of the reporting period.

NOTE 17: RESERVES

a. Asset Revaluation Reserve

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

b. Capital Improvements reserve

The Capital Improvements Reserve records funds allocated to Capital projects.

c. Community Projects Reserve

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

d. General Reserve

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

NOTE 18: MEMBERS' GUARANTEE

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstandings and obligations of the entity. At 30 June 2013 the number of members was 31.

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

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

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

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:

   (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and

   (b) give a true and fair view of the financial position of the company as at 30 June 2013 and its performance for the year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director ..... *John Guy*

Dated this 26th day of September 2013

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Morwell VIC 3840

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

Report on the financial report

We have audited the accompanying financial statements of Latrobe Community Health Service (the company), which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Latrobe Community Health Service on 16th September 2013, would be in the same terms if provided to the directors as at the date of this auditor's report.

Opinion

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

(i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

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

LSH Accounting

LSH Accounting

Joanne Loh
Morwell

27th September 2013

Services Provided

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

Bairnsdale
68 Macleod Street

Morwell
81-87 Buckley Street

Churchill
20-24 Philip Parade

Sale
52 Macarthur Street

Korumburra
Gordon Street, at Gippsland Southern Health Service

Traralgon
Corner Princes Highway and Seymour Street

Moe
42-44 Fowler Street

Warragul
122 Albert Street

Latrobe Community Health Service

www.lchs.com.au

1800 242 696

Latrobe Community Health Service ABN: 74 136 502 022