Latrobe Community Health Service

Better health,
Better lifestyles,
Stronger communities

ANNUAL REPORT 2018-19

Our vision & values

vision

Better health, better lifestyles, stronger communities.

We're inspired by a vision of strong, vibrant communities, where people enjoy good health and healthy lifestyles.

purpose

Delivering services that improve the health and social wellbeing of Australians.

values

Providing excellent customer service

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

Always providing a personal best

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

Creating a successful environment

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

Acting with the utmost integrity

Practice the highest ethical standards at all times.

Pictured: St Gabriel's student enjoying a healthy lunch order.

Latrobe Community Health Service acknowledges and pays respect to the Traditional Owners of the country on which our sites across Victoria are located, and we pay our respects to Elders past and present.

Pictured: Ballarat community members enjoying International Day of People with Disability celebrations.

contents

Board Chair & CEO's statement

As a community health service, our purpose is clear: to deliver services that improve the health and social wellbeing of the communities where we operate. The provision of primary health services is a given for an organisation such as ours. But the quality of the experience we provide our clients, from their very first contact with us, is what distinguishes us as a leading health provider in rural, regional and metropolitan areas.

2018-19 marks the second year of our 2017-2022 strategic plan. We spent the first year of the strategic plan laying the foundations of the following four years; another year in and we are well on track to achieving the goals we've set ourselves. Continued growth in Gippsland and across Australia; embracing technology to improve people's health outcomes; and making well-informed, evidence-based business decisions are among our strategic priorities.

We know that in order to achieve genuine service excellence and in turn our strategic priorities, we must focus on our internal processes, structures, technology and culture to ensure our people feel valued and supported in the work they do. We have reviewed and improved our approach to attracting and retaining great staff; people whose skills and values align with the needs and standards of the organisation. We have created a framework that outlines a clear and consistent approach to service design, so rather than telling our clients how our services work for them, we ask them how we can help. Our service design framework is a tool that can be used at any program level across Latrobe Community Health Service to set and measure client experience objectives and identify areas of service improvement. It ensures we provide an excellent client experience and deliver truly client-centred care.

> The quality of the experience we provide our clients, from their very first contact with us, is what distinguishes us as a leading health provider in rural, regional and metropolitan areas.

Throughout this report you'll read of the steps we've taken - some small, some significant - to deliver on our long-term goals and objectives. Over 2018-19 we have continued our investment in technologies that allow us to be more efficient and accessible.

Our state-of-the-art dental prosthetics laboratory in Churchill has embraced the use of 3D printers, which means we can generate dentures digitally - reducing the waiting time and invasiveness of traditional methods. We successfully trialled the use of video conferencing technology in two regions where we offer planning services as part of the National Disability Insurance Scheme (NDIS) and will roll this out across all of our NDIS sites in Victoria in 2019-20.

This means people with disability who have difficulty physically attending our centres can still 'meet' their planner and discuss their needs and objectives to develop an individualised NDIS plan. We have also identified new technologies that will help us improve the health outcomes of our clients and support our staff to deliver efficient and effective services. These technologies are described in this report and will be implemented across the organisation in the coming years.

Innovation is not just tied to technology. In 2018-19, we commenced the development of an organisation-wide innovation strategy, driven by our quest to improve care and health outcomes for the communities we serve. We have created an 'innovation ready' checklist to determine Latrobe Community Health Service's capability and culture, asking ourselves whether we are prepared to

Ben Leigh
Chief Executive Officer

Mark Biggs
Board Chairperson

embrace new ways of doing things. At Latrobe Community Health Service, we encourage our staff to initiate evidence-based projects that aim to improve client experience and outcomes.

This past year, we've seen several of those projects start or expand, demonstrating our commitment to fostering a 'safe-to-fail' culture.

Of course, the quality and safety of everything we do at Latrobe Community Health Service is our number one priority. This year, our board adopted Safer Care Victoria's clinical governance framework, which outlines how the internal systems, processes, leadership and culture of health services are central to providing safe, effective, accountable and person-centred care. We don't just want to meet these standards; we want to exceed them by undertaking continuous improvement activities that guarantee high quality, safety and best practice. In practical terms, our policies and procedures align with the objectives and expectations set out in this framework. We recognise that everyone at Latrobe Community Health Service has a role in the delivery of safe care and excellent service.

There is no denying our people are the backbone of this organisation. It would be remiss of us not to thank our staff and volunteers for their effort and commitment. We celebrate 40 years of volunteers at Latrobe Community Health Service, and we pay tribute to each and every one of you who have dedicated your time - whether that be an hour or 20 hours each week. Without our staff and volunteers, we could not reach our vision of better health, better lifestyles and stronger communities.

We feel great pride in sharing our progress over the past financial year, and know we have much to look forward to in 2019-20.

Ben Leigh
Chief Executive Officer

Mark Biggs
Board Chairperson

Financial summary

Latrobe Community Health Service delivered a net surplus of $12.5 million and retained a strong financial position in 2018/19.

The financial ratios and cash position remained healthy and within financial strategy benchmarks during the year.

Operating Results

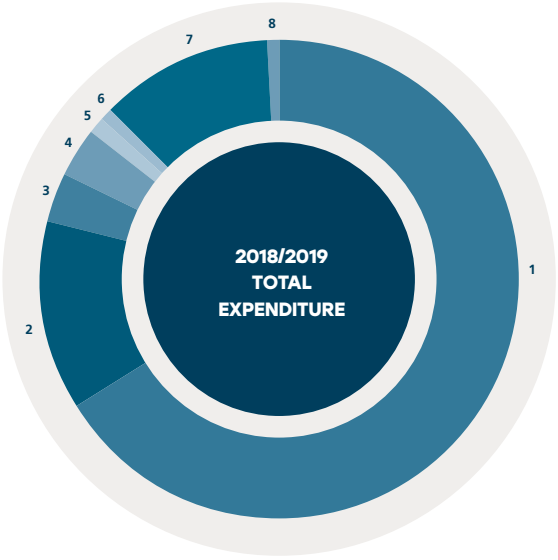
Our operating result for the year, excluding capital income, was a surplus of $12.4 million. Operating revenue, excluding capital grants, increased by 22.49% to $117.7 million. Commonwealth funding continued to grow and now represents 64.8% of income received. This is primarily the result of National Disability Insurance Scheme (NDIS) funding for 2018/19 which has increased to $51.1 million (2017/18: $34.9 million).

The increase in revenue is accompanied by an increase in operating expenditure of 22.35% ($19.2 million) to $105.3 million. This was principally due to an increase related to the additional NDIS funding received.

The employee benefits expense showing the largest increase with an additional $13.7m spent during 2018/19.

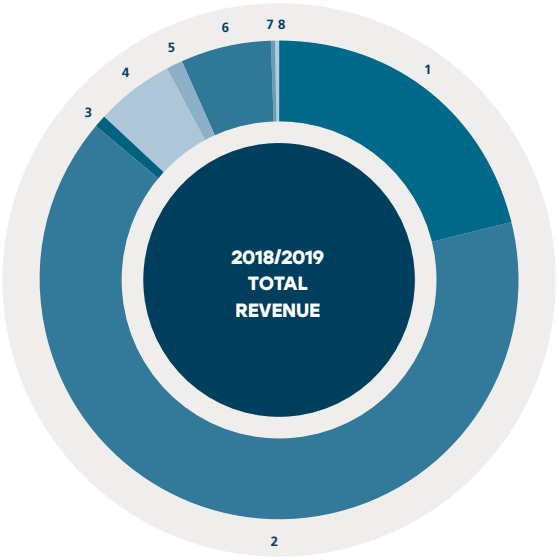
Net Results

After taking into consideration capital grants, Latrobe Community Health Service overall net result for the 2018/19 financial year was a surplus of $12.5 million.



1. Employee benefits **66.8%**
2. Brokerage client services **13.1%**
3. Contract labour **3.4%**
4. Depreciation **3.2%**
5. Motor vehicle costs **1.2%**
6. Operating leases **0.8%**
7. Program administration costs **11.8%***
8. Utilities **0.7%**

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



1. Department of Health and Human Services **21.4%**
2. Commonwealth Government **64.8%**
3. Other **0.9%**
4. Client fees **5.4%**
5. Interest **1.2%**
6. Other government grants **6.1%**
7. Capital grants **0.1%**
8. Rental **0.2%**

	2018/19 ($m)	2017/18 ($m)	2016/17 ($m)	2015/16 ($m)	2014/15 ($m)	2013/14 ($m)
NET RESULTS						
What we receive - revenue	117.7	96.1	62.4	49.7	44.1	43.6
What we spent - expenses	105.3	86.1	54.5	45.8	41.2	43.9
Operating result for the year	**12.4**	**10.0**	**7.8**	**4.0**	**2.9**	**(0.3)**
Plus capital grants received	0.1	2.5	2.0	0.9	1.1	2.4
Net result for the year	**12.5**	**12.5**	**9.8**	**4.9**	**4.0**	**2.1**

ASSETS AND LIABILITIES

Latrobe Community Health Service's total assets increased by $16.5 million. This consists of an increase in current assets of $16.9 million due mostly to cash held for regular programs that will be completed in future years; these grants have been transferred to reserves.

Non-current assets increased by $1.3 million with this primarily relating to the purchase of property at 10 Argyle Street, Traralgon. Liabilities increased by $4 million due to a large increase in leave provisions with the growth in staff numbers during 2018/19.

	2018/19 ($m)	2017/18 ($m)	2016/17 ($m)	2015/16 ($m)	2014/15 ($m)	2013/14 ($m)
ASSETS AND LIABILITIES						
What we own - assets	84.7	68.2	51.4	37.6	31.1	27.0
What we owe - liabilities	21.7	17.7	13.5	9.0	7.4	6.9
NET ASSETS	**63.0**	**50.4**	**37.9**	**28.5**	**23.7**	**20.1**
Working Capital Ratio						
Current Assets/Current Liabilities	2.88	2.54	2.33	2.26	1.93	1.59
Debt Ratio						
Total Liabilities/Total Assets	**25.93%**	**26.01%**	**26.27%**	**24.03%**	**23.75%**	**25.52%**

	2018/19 ($m)	2017/18 ($m)	2016/17 ($m)	2015/16 ($m)	2014/15 ($m)	2013/14 ($m)
CASH FLOW INCLUDING FINANCIAL ASSETS						
Cash flow from operating activities	21.5	16.5	12.3	6.4	6.0	(0.2)
Cash flow from investing activities	(4.6)	(6.1)	(2.1)	(2.5)	(2.0)	(5.0)
Cash and cash equivalents at beginning of period	35.5	25.1	14.8	11.0	7.0	12.3
Cash and cash equivalents at end of period	**52.4**	**35.5**	**25.1**	**14.8**	**11.0**	**7.0**

Board and governance

Latrobe Community Health Service is incorporated under the Corporations Act 2001 as a Company Limited by Guarantee and is regulated by the Australian Charities and Not-for-profits Commission Act 2012. It is also registered with the Victorian Government as a community health centre. It is governed by a skills-based board of up to nine directors who are elected by LCHS members or appointed by the board.

Mark Biggs

Board Chairperson

BA (SocSci), Grad Dip Counselling Psychology.

Board Chairperson since October 2016; Board Director since February 2014.

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

Mark is currently on the board of the Gippsland Primary Health Network and a member of the audit committee, and on the board of Lyrebird Village for the Aged. Mark was a director of Latrobe Regional Hospital for nine years, holding positions as deputy chair and audit chair. Mark is skilled in the areas of governance, quality assurance and compliance.

Professor Judith Walker

Deputy Board Chairperson

PhD, Grad Dip Ed, BA Hons, FACE & AFACHSE.

Board Director since July 2012; Deputy Chair; Chair Board Quality & Safety Committee; Chair Board Governance Committee.

Judi Walker is the lead of an anticipatory care project – Connecting Care, a new GP-led health initiative looking at how well primary health is organised for partnering with patients and the wider community to manage and reduce chronic conditions, and how this may be more effective.

She holds a part-time position at Monash University as Principal Co-Investigator of the Hazelwood Health Study, investigating the long-term health impact of the 2014 Hazelwood open cut brown coal mine fire in the Latrobe Valley.

She holds honorary positions as Adjunct Professor, Faculty of Health at both the University of Tasmania and at Federation University Australia.

Carolyne Boothman

Board Director

Bachelor of Education (Primary), Graduate Certificate of Religious Education.

Board Director since February 2010; Member of the Board Quality & Safety Committee.

Carolyne is currently Leading Teacher at Newborough Primary School, leading health and physical education, implementing the literacy professional learning teams, and teaching grades 4/5. Carolyne is a life member of Gippsport, having been a member of the Gippsport Board of Management for more than 25 years.

She is chair of the Morwell and Districts Community Recovery Committee, which has worked closely with all levels of government following the bushfires and Hazelwood mine fire of 2014. Carolyne is an appointed community representative to the Community Advisory Committee for the Hazelwood Health Study.

In October 2017, Carolyne also became chair of the Hazelwood Health Study. She has lectured at Monash University in music and sport. She has a passionate interest in health, fitness, music and community development.

Stephen Howe

Board Director

BEng Civil (Hons), FIE Aust CP Eng.

Board Director since February 2014; Member of the Board Quality & Safety Committee.

Stephen is Principal, Transport Infrastructure at consulting firm Cardno. Prior to relocating back to Melbourne in 2018, he lived in Gippsland, working in a variety of senior public and private sector roles and gained board experience as independent director for Knox Division of General Practice/Greater Eastern Primary Health.

He has also been part of community organisations involved in sport, recreation and the performing arts across the Yarra Valley, Gippsland and Melbourne. Stephen is a Fellow of Engineers Australia and has held the status of Chartered Professional Engineer since 1992. In 2006 Stephen completed the AICD Company Directorship Diploma with an Order of Merit.

He has experience in management, business planning, strategy development, financial management, human resources and corporate governance. He also has expertise in asset planning and in the design, construction and maintenance of community and transport infrastructure.

Nathan Voll

Board Director

B Commerce, Grad Cert Bus Mgt, FCPA MBA, FAICD.

Board Director since March 2016; Chair Board Audit & Risk Committee.

Nathan has more than 20 years of experience in the private and public sector in management, consulting and finance/accounting. He is currently the Regional Finance Manager for South East Victoria with the Department of Education and Training and has previously worked as the General Manager Corporate Services at the Department of Justice and Regulation.

Nathan has experience in the healthcare sector, serving on the board of Latrobe Health Insurance since 2011 and as a director of West Gippsland Healthcare Group (WGHG) for six years. He is also the chair of the Latrobe Health Audit Committee, an independent member of the Gippsland Primary Health Network Audit and Risk Committee, a former member of the WGHG Audit Committee and Clinical Governance Committee and was previously on the Faculty of Education Board at Monash University.

Placido Cali

Board Director

B. Bus (Accounting), Grad.Dip Business Administration, MAICD, Chartered Accountant ICAA.

Board Director since October 2017; Member of the Board Audit & Risk Committee & Board Community Investment Committee.

Placido has more than 14 years of experience in the areas of finance, strategic development and corporate growth, and is the chief financial officer and company director of Advantage Pharmacy.

Placido has helped grow Advantage from servicing 14 pharmacies in Gippsland to an organisation that services more than 300 pharmacies nation-wide.

Board and governance

Joanne Booth

Board Director

Grad Cert Internal Audit, GAICD, Cert Governing Non-Profit Excellence, Master Public Health, Grad Dip Occupational Health, Bachelor Arts, Advanced Cert Nursing, Cert General Nursing.

Board Director since November 2017; Chair Board Nominations Committee; Member of the Board Governance Committee.

Joanne is committed to improving health and social outcomes for disadvantaged people and communities. Joanne has a background in public health and policy and has worked extensively in the health, public and not-for-profit sectors, and operates a governance and risk management consultancy.

Joanne currently serves as the board chair of the East Gippsland Region Water Corporation, independent chair of the Nominations Committee Western Victoria Primary Health Network, independent member of the VicHealth Finance, Audit & Risk Committee and independent member of the Latrobe City Council Audit Committee.

Murray Bruce

Board Director

LLB, BA (Political Science), GAICD.

Board Director since October 2018; Member of the Board Governance Committee.

Murray is an experienced commercial lawyer and government executive with extensive experience in areas such as commercial law, administrative law, contract management, procurement and compliance. From 2010-2014, he was employed by the Department of Health and Human Services undertaking roles as the Director of the Victorian Bushfire & Flood Appeal Funds, Principal Risk Advisor and Acting Director Contract Management & Procurement Branch.

Prior to this Murray was a senior solicitor in the Victorian Government Solicitors Office and also developed policy, legislation and Ministerial Orders at Consumer Affairs Victoria. He worked in private practice as a barrister and solicitor for Martin, Irwin & Richards Lawyers in Mildura from 2004-2007. Recently he managed the Commercial & Property Law Division of the Department of Education & Early Childhood Development, and he has served on the board of the Gippsland Primary Health Network for the past 3 years.

Stelvio Vido

Board Chairperson

BCom, LLB, MBA, GAICD.

Board Director since October 2018; Member of the Board Audit & Risk Committee.

Stelvio is an experienced director and chair with more than 15 years of board experience in healthcare, group training and employment services, community legal services and TAFE. Stelvio has 30 years of senior executive experience in not-for-profits, consulting, local government and commercial media with a strong skill set in leadership, general management, business development and corporate governance.

Most recently he was the CEO of Spectrum MRC. From 2003-2014, Stelvio was the Executive General Manager Projects and Business Development for the Royal District Nursing Service. Prior to this he was Director Community Development for the City of Yarra, held a Station/ Business Manager role for the Nine Network for almost a decade and was the deputy executive director for the Australian Medical Association.

Retirements

Two of Latrobe Community Health Service's long-standing directors retired from their positions on the board in October 2018. Latrobe Community Health Service would like to thank Peter Wallace and John Guy for their invaluable service, guidance and counsel to the organisation over a collective 32 years.

Board attendance

Details of attendance by board directors and non-board director members of Latrobe Community Health Service at board, Board Audit & Risk Committee, Board Quality & Safety Committee, Board Governance Committee and Board Nominations Committee meetings held during the period 1 July 2018 – 30 June 2019, are as follows:

The Board Community Investment Committee did not meet during the 2018-19 financial year.

	Board		Audit and Risk Committee		Quality Safety Committee		Governance Committee		Nominations Committee		Community Investment Committee	
	A	B	A	B	A	B	A	B	A	B	A	B
Mark Biggs	11	11	-	4^	-	4^	4	4	-	-	-	-
Judi Walker	11	11	-	-	4	4	4	4	4	4	-	-
Carolyne Boothman	11	10	-	-	4	2	-	-	-	-	-	-
Nathan Voll	11	11	4	4	-	-	-	-	1	1	-	-
Stephen Howe	11	10	-	-	4	4	-	-	-	-		
Placido Cali	11	9	4	2	-	-	-	-	4	4		
Joanne Booth	11	10	-	-	1	1	3	3	5	5		
Stelvio Vido	8	7	3	3	-	-	-	-	1	1		
Murray Bruce	8	7	-	-	-	-	3	2	-	-		
*John Guy	3	2	-	-	-	-	1	1	-	-		
*Peter Wallace	3	3	1	1	-	-	1	1	-	-		
	Non-board director members											
*Ronald Gowland	-	-	2	2	-	-	-	-	-	-		
*Maria Dalton	-	-	1	1	-	-	-	-	-	-		
Tanya James	-	-	3	3	-	-	-	-	-	-		
Allison Higgins	-	-	-	-	4	3	-	-	-	-		
Rosemary Parker	-	-	-	-	4	4	-	-	-	-		
Angela Hutson	-	-	-	-	-	-	-	-	5	5		
Chris Devers									3	3		

NOTES:

Column A: Indicates the number of meetings held while board director / non-board director member was a member of the board / board committee.

Column B: Indicates number of meetings attended.

^ Board chair will on occasion attend board committees ex-officio * John Guy and Peter Wallace retired at the AGM in October 2018.

* Maria Dalton's term of office ceased September 2018.

* Ronald Gowland stepped down in February 2019

Board committees

The work of the board is supported by five board committees:

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

Board Audit and Risk Committee

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

The terms of reference relate to:

- Reporting financial information to users of financial reports
- Applying accounting policies
- The independence of Latrobe Community Health Service's external auditors
- The effectiveness of the internal and external audit functions
- Financial management
- Internal control systems
- Risk management
- Organisational performance management
- Latrobe Community Health Service business policies and practices
- Complying with Latrobe Community Health Service's constitutional documentation and material contracts
- Complying with applicable laws and regulations, standards and best practice guidelines
- Information communication technology

The committee includes one non-board director member:

Tanya James

GAICD, CPA, Bachelor of Arts (Political Science), Master of Science in Accountancy

Tanya is an experienced management consultant and corporate finance executive. She has previously worked for global firms such as Deloitte and Carlson Companies and their subsidiaries. She was an external auditor for Deloitte & Touche in the US and Russia, and is currently working with the Department of Education and Training Victoria.

Tanya held a non-executive director position on the Women's Cancer Resource Centre's Board in the USA, and was a director and chaired the International Service Committee for the Rotary Club of Orono (USA). Currently, she chairs the Finance Committee for Brighton Secondary College and has served as a college councillor and treasurer.

Board Quality and Safety Committee

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

The committee also ensures Latrobe Community Health Service's 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 two staff committees:

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

The committee includes two non-board director members:

Allison Higgins

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

Pictured: The Board Quality and Safety Committee is also informed by the work of Latrobe Community Health Service's new Consumer and Community Participation Committee.

system and provide her valuable insights to the Board Quality and Safety Committee.

Rosemary Parker

Fellow of the Australian College of Midwives, Registered Nurse and Midwife, Cert. IV Workplace Training and Assessment

Rosemary has extensive experience in the health industry including involvement with quality, governance and education. Also as a client of LCHS and user of services in the healthcare system, Rosemary has a broad understanding of patient / client needs to bring to the Board Quality & Safety Committee.

The Board Quality and Safety Committee is also informed by the work of Latrobe Community Health Service's new Consumer and Community Participation Committee, which is a mechanism introduced in 2018-19 to encourage community member and consumer engagement.

The committee facilitates consumer or community representative feedback to the organisation to influence health services, policy, systems and service reform from the consumer perspective

This includes:

- Providing a consumer and community member perspective that reflects their health journey and the collective experience of health consumers and community members.
- Helping the organisation to think about things from a consumer perspective by raising consumer concerns and views.
- Providing broader community feedback to inform system and service level improvements.
- Engagement with formal and informal consumer and community networks.

The committee's membership consists of four community representatives and three Latrobe Community Health Service staff members. The committee meets quarterly and reports to both the executive and the Board Quality and Safety Committee.

Board Governance Committee

The role of the Board Governance Committee is to assist and advise the board to fulfil its responsibilities to the members of Latrobe Community Health Service on:

- Matters relating to the composition, structure and operation of the board and its committees
- Matters relating to CEO selection and performance
- Remuneration
- Other matters as required by the board

The Board Governance Committee is not a policy-making body, but assists the board by implementing board policy and recommending nominations that require board approval.

Board Nominations Committee

The board established a Board Nominations Committee to provide advice and recommendations on specified matters as set out in the Latrobe Community Health Service Constitution.

These include conducting searches for board directors, reviewing elected and appointed nominations for validity, providing advice to the board on the prevailing skills matrix and consulting with the board regarding preferred candidates.

The committee includes one non-board director member:

Angela Hutson

FAICD, B. Arts, Masters Organisational Leadership, Dip Frontline Management, Dip Education, Grad. Dip Business in Entrepreneurship and Innovation, Grad. Cert Enterprise Management

Angela served on the board of Bairnsdale Regional Health Service for 17 years and was board chair for 6 years. She is currently a board director of Workways Australia, East Gippsland Water and TAFE Gippsland.

Angela has a depth of experience in establishing skills matrices, developing board capability profiles, the recruitment and shortlisting process and has a strong background in governance

Board Community Investment Committee

The Board Community Investment Committee is responsible for overseeing the Community Grants program, which is funded by the earnings from the Community Capital Investment Fund.

As part of undertaking an annual grants program, the Board Community Investment Committee will develop grant guidelines, assessment criteria, recommend projects to the board for funding and monitor the progress of projects.

Risk management

Latrobe Community Health Service maintains a robust and flexible risk management framework that supports future growth, a safe environment and compliance with relevant legislation, regulations and standards. This framework both promotes and is supported by a strong risk culture in which staff are able to identify and respond to emerging risks.

The Latrobe Community Health Service Board oversees the organisation's risk management via the Board Audit and Risk Committee and the Board Quality and Safety Committee.

All staff members at Latrobe Community Health Service are responsible for identifying, reporting and responding to risks in a timely and effective manner. Our stringent policies and procedures clearly outline how current and emerging risks should be managed.

As a community health service, our exposure to risk may occur at a strategic, operational or clinical level, and therefore our risk management framework relates to the organisation's:

- Quality of care
- Infection control
- Occupational health and safety
- Business continuity
- Management of facilities
- Financial position
- Growth and innovation

A strong risk culture at Latrobe Community Health Service means that all risks are adequately evaluated and monitored; incidents are promptly reported, responded to and resolved; staff complete mandatory training, and our clients receive high-quality and safe healthcare.

Pictured: Occupational Health and Safety Committee.

Organisational structure





Ben Leigh

Chief Executive Officer

BN, Member ACHSM, Member AAPM

Rachel Strauss

Executive Director Primary Health

BN, Member ACHSM, Member AAPM

Portfolio

- Infection control
- GP and MBS devlopment

Reports

- Manager, Specialist Services
- Manager, Integrated Primary Health Service (Central Gippsland)
- Manager, Integrated Primary Health Service (West Gippsland)
- Practice Manager, GP Clinics (Melbourne Cluster)
- Manager, Dental Services
- Manager, Gateway

Vince Massaro

Executive Director NDIS Services

BA, GradDipSocWelf

Portfolio

- NDIS sites

Reports

- Regional Manager, Victoria South East
- Regional Manager, Victoria North West

Rick Davies

Executive Director Corporate

BBus(Acc), GradDipOpMgt, CPA, Company Directors Diploma

Portfolio

- Chief Financial Officer
- Disaster recovery

Reports

- Manager, Marketing & Communications
- Manager, Governance
- Senior Manager, People Learning & Culture
- Manager, Information Communication Technology
- Manager, Accounting Services & Procurement
- Manager, Client Reporting & Records
- Manager, Client Services
- Manager, Facilities & Fleet
- Manager, Business Development

Alison Skeldon

Executive Director Aged & Community Care

GradDip Business & Technology, Member ACHSM, Member AAPM

Portfolio

- Koorie engagement

Reports

- Manager, Prevention & Partnerships
- Manager, Aged Care Services North West Vic
- Manager, Aged Care Services South East Vic
- Manager, Carer & Disability Programs
- Manager, headspace Morwell & Youth Services
- Executive Officer - Central West Gippsland Primary Care Partnership

Key enablers

We know that to achieve our vision of better health, better lifestyles and stronger communities, we must prioritise positive client experiences and the retention of talented staff.

When we formulated our latest five-year strategic plan, we realised service excellence and an internal organisational focus would be key to the success of our plan. Service excellence paves the way to improved outcomes and positive experiences for our clients. An internal organisational focus allows us to refine our processes, structures and technology, and to continue workforce planning so we attract and retain the best people.

These key enablers provide the foundations for achieving our four strategic priorities.

Service excellence

A strong culture of service excellence can achieve client satisfaction and empower and motivate our workforce. In 2017-18, we hired a service excellence officer whose responsibility lies in measuring client outcomes to inform where we should make specific service improvements. This new role was the first step to ensuring a coordinated, whole-of-organisation approach in the delivery of consistent and high quality healthcare.

We know there are many examples of service excellence at Latrobe Community Health Service, but before now we've lacked a framework in which we can consistently capture the experience of our clients, identify areas in need of improvement and co-design those improvements alongside the very people who use our services.

In 2018-19, our service excellence officer introduced a 'service design' framework that can be used in any program across our organisation, whether that be in counselling services for people experiencing alcohol and other drug dependencies, or our primary health services for people with complex and chronic conditions.

This framework allows us to measure how we currently deliver healthcare and identify ways we can improve, all the while engaging our clients from the start of their journey with us. By directly involving the people who use our services and asking them specifically about their experience with us, we are able to first ascertain 'what matters to you' and then offer truly client-centred care.

This shared vision not only benefits our clients, but also our employees who can consistently see the direct impact they make in people's lives. This provides our staff with increased satisfaction in their work, and also acts as a motivator for staff to deliver service excellence.

Without an empowered and motivated workforce, an organisation cannot achieve its goals.

At Latrobe Community Health Service, we don't compromise on recruiting staff who share our values and who are willing to live these out in their day-to-day roles at work. We know equipping our people with the resources and support they need to do their job well will not only generate a positive working environment; it will allow our people to grow, to learn and to feel empowered in the workplace.

During 2018-19, more than 4,200 instances of training occurred and staff completed more than 6,300 online learning modules. We continued to provide new training opportunities based on feedback from staff and their managers.

We developed an online training portal, produced several video tutorials and moved to a new e-learning system for a smoother, more user-friendly experience. We also selected 73 staff members to undergo a leadership development program, demonstrating our commitment to providing clear career pathways within the organisation.

Internal organisational focus

An ongoing focus at Latrobe Community Health Service is on the 'behind-the-scenes' components of our organisation. We are continuously monitoring our systems, policies,

Pictured from L to R: Sarah Denson and Chanelle Dark at the Gippsland Pride Formal.

> Service excellence paves the way to improved outcomes and positive experiences for our clients.
>
> **Ben Leigh**
> CEO

infrastructure and technology to ensure they support our frontline staff to deliver safe, best practice and high-quality healthcare.

Throughout this annual report are examples of how we're using technology to streamline our processes and changing the way we do things so we can have a bigger impact, sooner.

Many of these activities are not visible to our clients, but they inevitably affect each and every interaction they have with our organisation.

One such activity is workforce planning. Recruitment and retention of talented staff is key to the success of any organisation. At Latrobe Community Health Service, we have reviewed and improved our ongoing workforce plan so we can:

- Attract a more diverse staff, including young people, people with disability, and Aboriginal and Torres Strait Islander people
- Retain the knowledge, wisdom and skill of our mature age workers
- Develop leadership skills in our existing, new and emerging leaders
- Improve the digital literacy of our staff
- Recruit and retain professionals with specialist clinical skills, including GPs

The workforce plan is a living document that will grow and change with the organisation.

Another focus for 2018-19 has been improving how we communicate internally. Whether it be sending regular newsletters across the organisation, informing staff when new policies and procedures are implemented or sharing the innovative work of a specific team, we know employees who are kept informed feel more engaged in their workplace.

This financial year, we appointed an internal communications advisor who has revamped program-specific newsletters, increased the frequency of organisation-wide communications and is working collaboratively with our Information, Communication and Technology team to implement a new intranet. This new role was created following a comprehensive review of our internal communications in 2017-18, and will further strengthen the culture of our organisation.

Pictured: Ben Leigh, CEO and Alison Skeldon, Executive Director of Aged and Community Care celebrating National Reconciliation Week with the Indigenous HIP HOP Projects dance group.

Pictured from L to R: Chris Gibson, Cliff Wandin and John Hannah from the Koorie Men's Behaviour Change Program.

Strategic priority one

Focus on primary and community health services within Gippsland

GOALS

1. Continue to develop community and primary health service offerings in Gippsland
2. Achieve genuine integration of services in the Latrobe Valley

Latrobe Community Health Service is Gippsland's largest community health agency. We have been delivering primary healthcare across the region for more than four decades. Gippsland is where we began, but we have grown rapidly across Victoria and, in 2018-19, we began operations interstate. Today, we operate across more than 40 sites and employ about 1000 staff.

Despite this growth, we maintain our focus on delivery of truly integrated, high-quality health services in Gippsland. We provide coordinated GP, nursing, allied health, dental, counselling and carer support services in the region, and have renewed our focus on achieving genuine integration of primary health services in the Latrobe Valley.

In February 2019, we realigned the structure of our nursing, GP, allied health and specialist services to better meet community needs. We did this because we believe people should be able to access the health services they need at the one location, and closest to where they live. In doing this we are also better supporting our clinicians to work closer together and discuss the care of shared clients, reducing the need for people to repeat their story each time they attend a healthcare appointment.

Research tells us genuine service integration allows people to:

- Receive high quality healthcare at the right time and place, based on their individual needs
- Have a smooth and faster transition between services at Latrobe Community Health Service; for example, someone can see the GP, diabetes educator, podiatrist and dietitian at the same location, without needing to repeat their story multiple times
- Experience a better quality of life because of earlier intervention and strengthened healthcare coordination.

We now have two integrated primary health service teams that operate in the Latrobe Valley and in part of Baw Baw; one cluster operates from Warragul, Moe and Churchill and the other operates in Morwell and Traralgon.

These clusters are made up of GP clinic services, district nursing and our full suite of allied health clinicians. We have also combined our range of specialist services to operate within the one cluster, with staff working across our two integrated primary health service teams and in some cases, across Gippsland. Our specialist services incorporate palliative care, paediatric services, the multidisciplinary sexual assault nursing program, forensic mental health in community health, and other speciality nursing services. We continue to deliver chronic disease management across our Latrobe Valley sites and our dementia nurse practitioner supports the entirety of Gippsland.

In order to better forward plan and deliver genuine integration, we have also brought the leadership team from all primary health programs together. This has led to new, collaborative programs being developed in 2018-19. Our dental team is working alongside our school nurses to establish dental checks in schools, and a range of nursing and multidisciplinary clinics are being run in conjunction with our GP clinics.

The health and wellbeing of Gippslanders remains central to our purpose. So too does helping the people who need us most, especially those with several health problems and complex needs. Building on from the goals of our primary health service integration, this year we piloted a model of healthcare for people with chronic and complex health conditions who frequently require medical attention, including at hospital.

Our aim is to help people avoid being admitted to hospital by providing a holistic model of care based on the Department of Health's national Health Care Homes program.

Each person involved in our model has access to a dedicated care team consisting of their usual doctor, our chronic disease nurse and a care coordinator. Our care team works together to develop a coordinated care plan and supports our clients in navigating the health system. By developing a shared plan, the care team is better able to coordinate the client's care and help each person manage their condition proactively, within their own community. Our care coordinator visits clients in their home and will make regular phone calls to ensure they are getting the healthcare and other supports they need. In doing so, people with chronic and complex conditions have the tools and advice to improve their health and enhance their quality of life, reducing the likelihood of hospitalisation.

Latrobe Community Health Service believes all children should have access to high-quality healthcare that supports their development and allows them to grow into healthy adults. Our children's service has experienced significant growth in 2018-19 as we expand our focus from traditional one-on-one therapy at our health centres to outreach in schools, kindergartens and supported playgroups.

In 2018-19, we introduced a new children's dietetics position that allows us to not only provide dietetics support in our centre, but also visit children and their families in their natural environments, such as supported playgroups. This builds the capacity and knowledge of families and carers around children's nutritional needs and means we are engaging children and families who might otherwise find it difficult accessing traditional health centres.

We also expanded our nurses in schools outreach program following a successful trial in 2017-18. What began as a pilot in one school has evolved into a program that sees a community outreach nurse based at eight Latrobe Valley primary schools. These nurses help improve the overall health outcomes of children and families, particularly our most vulnerable children.

Furthering our work in the places where children spend most of their time, our children's services team is also delivering the 'School Readiness' and 'Speech Pathology in Schools' programs in Latrobe, Baw Baw, Bass Coast and South Gippsland regions. Both programs are funded through the Victorian Department of Education and Training and see a team of allied health professionals work within kindergarten and school settings to improve the educational and developmental outcomes of children.

The role of our allied health professionals is to support and upskill educators and families as they seek to develop children's language, wellbeing, access and inclusion. These programs have many benefits, including earlier intervention, bridging the gap between health and education, and increased support for educators and families.

We are particularly committed to helping the people who need us most, especially those with high support needs. We run a weekly, multidisciplinary clinic from our Morwell centre for children in out-of-home care or involved in child protection who live in Latrobe Valley, Baw Baw and South Gippsland.

At the clinic, the children can see a paediatrician, psychologist, speech pathologist and outreach nurse coordinator for a comprehensive health check and individualised health management plan. We also deliver the same service to children in residential care. This service provides our most vulnerable children with pathways to good health. It is pleasing to report more children are accessing this service each quarter; we saw 25 children in the last quarter of 2018 compared with 43 in the last quarter of 2019.

Our allied health therapy team also runs information sessions for parents and carers of children with sensory processing difficulties. These sessions are aimed at providing parents and carers with a basic understanding of sensory processing difficulties as well as practical ideas about what they can do at home to support their child. Parents and carers have told us these sessions are of value to them, and with increased attendance numbers, we have increased the number of sessions we will run in 2019.

Children's services at Latrobe Community Health Service are rapidly growing in the Latrobe Valley and outlying areas. The expansion in our range of services - dietetics, speech pathology, occupational therapy, nursing, continence support and physiotherapy - and where we offer them is of huge benefit to our community's most vulnerable children. Latrobe Community Health Service is fast becoming a leading rural paediatric community health provider.

Pictured: Anh Hoang, Prosthetic Laboratory Teaching Coordinator, Dental Services.

Pictured: Home Care Package client, Reg Selwyn.

Strategic priority two

Grow our organisation to deliver services across Australia

GOALS

1. Achieve coverage across Australia for aged care and disability services
2. Achieve growth in aged care and disability services within Victoria
3. Grow user-pays services in aged care (across Australia) and dentistry (within Gippsland) to diversify revenue sources

Latrobe Community Health Service is committed to supporting the Latrobe Valley community while delivering services across Australia. We are proud of our roots in Gippsland and believe our decades of healthcare experience and expertise places us in good stead to achieve growth beyond Victoria. We are aware this growth should not occur without purpose, and so we've been deliberate in deciding which areas of our business to expand. This kind of strategic growth allows us to diversify our revenue streams and continue to invest in providing high-quality, affordable healthcare.

Over the past few years, the main areas of growth for Latrobe Community Health Service have been in the delivery of planning support and early childhood intervention via the National Disability Insurance Scheme (NDIS) and in aged care services, in the form of home care packages. This growth continued in 2018-19, when we began delivering Local Area Coordination (LAC) services in two new NDIS service areas in Victoria: Southern Melbourne and Outer Gippsland. We recruited an additional 70 new staff members as a result of these new contracts. We are also pleased to report our existing contracts as an NDIS partner in seven regions have been extended until 2021.

As a Local Area Coordinator for the National Disability Insurance Agency, we work alongside people with disability, their families and carers to plan a suitable combination of equipment and services that will help them to live the life of their choosing. We also provide Early Childhood Early Intervention (ECEI) services for the NDIS in Wimmera South West and Central Highlands. The ECEI approach is designed to support children with developmental delay or disability and their families to achieve better long-term outcomes through support services in their local community.

In 2018-19, we completed more than 9,000 first plans—that's 9,000 more people entering the NDIS for the first time.

We also completed more than 13,000 plan reviews, and worked with more than 22,000 NDIS participants throughout the year.

Latrobe Community Health Service has delivered home care packages to older Australians for 22 years. Home care packages are government-funded and allow older people to access the services and care they need to continue living in their own home. In 2018-19, we experienced 12 percent growth in the number of home care packages we provide across metropolitan and regional Victoria, demonstrating our reputation as a trusted provider.

At Latrobe Community Health Service, we also provide a direct care service called Your Care Choice, which is designed for older people who are able to pay for home care privately or who can purchase home care services through their home care package. Your Care Choice delivers personal care, cleaning, shopping assistance, in-home respite and social support to older people who live in Gippsland.

Latrobe Community Health Service is committed to supporting the Latrobe Valley community while delivering services across Australia.

Ben Leigh
CEO

Revenue from Your Care hoice grew by 17 percent in 2018-19, and the number of hours of service we delivered increased by 29 percent. We recruited eight new staff this year and will undergo a significant recruitment drive across Gippsland in 2019-20.

While we continue to achieve growth in the NDIS and aged care service delivery, we also began operating in Western Australia for the first time. In May 2019, Latrobe Community Health Service started to provide Veterans' Home Care assessment and coordination services across all 11 regions in the state. The Veterans' Home Care program is designed to provide eligible veterans, war widows and widowers with home care services that maintain their health, wellbeing and independence. As the assessment agency in Western Australia, Latrobe Community Health Service's role is to assess the needs of eligible veterans, war widows and widowers and approve the services that will help them live at home, independently, for longer. We have recruited six new staff as a result of obtaining these new contracts.

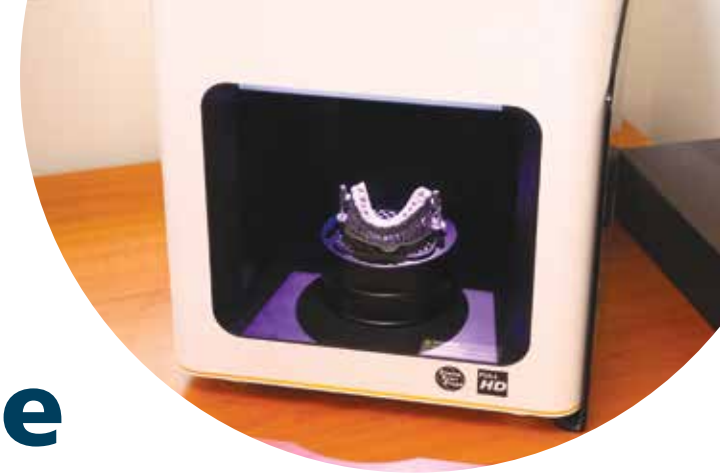
Throughout 2018-19 we have worked to expand our provision of private dental care. We now offer private dental care at our sites in Warragul, Moe, Morwell and Churchill.

By providing quality and affordable private dental treatment, we are able to offer continuity of care to clients who require treatment that isn't offered under the public schedule. This includes children who receive free treatment under the Child Benefits Dental Scheme or people who have previously attended Latrobe Community Health Service and are no longer eligible to be seen as a public client.

Not only do we offer continuity of care to people previously seen under the public dental system, we have improved our retention of dental staff as they are able to use their full scope of practice.

Pictured: Latrobe Community Health Service staff in the Central Highlands celebrating International Day of People with Disability.

Strategic priority three



Pictured: 3D print scanner, Churchill Prosthetics Laboratory.

Innovate to improve client outcomes

GOALS

1. Use technology innovatively to improve client outcomes

2. Utilise research to drive improvement in client outcomes

A common theme throughout our five-year strategic plan is innovation. Without innovation, regional community health services will fail to achieve their purpose; that is, to improve the health and social wellbeing of Australians. Without innovation, we will continue to use technology only when we answer phone calls and send emails. Without innovation, we will stick to providing the same services we always have, regardless of the impact they have on the people we serve.

Innovation - in technology, research and daily practice - is key to the success of our strategic plan. Innovation motivates and empowers our staff; it creates a 'safe to fail' culture where trialling, evaluating and implementing new ways of service delivery is encouraged. Innovation allows us to embrace new technologies, meaning we become more efficient in our internal processes, and ultimately more accessible to more people in remote and regional communities.

Over 2018-19, we conducted market research to identify and assess available technologies that could help the organisation achieve better health, better lifestyles and stronger communities. We have identified three technologies that will support our entire health workforce to perform everyday tasks more efficiently and effectively, and will strengthen our relationships with our clients. These are:

- A new document management system that will reduce our use of paper and enable staff to better store, track and work on digital documents.
- A new customer relationship management system, so we can improve our relationship with existing clients and allow staff to collaborate and coordinate care more efficiently.
- A new client record management system, which will strengthen our approach to securely storing and transferring client files.

We plan to roll out each of these technologies after they've each been piloted, evaluated and proved in their own right. Although these technologies sit 'behind-the-scenes' in the collection, management and communication of client records and data, these technologies will drive an overall improved client experience at Latrobe Community Health Service.

There is much to be gained from the use of technology in even the simplest of tasks. Knowing this, Latrobe Community Health Service has made great in-roads into the use of technology over the years. In 2015, we introduced an online appointment booking system for our GP clinics, and in 2017-18 our dental services team went completely paperless. Building on the introduction of digital x-rays, intraoral scanners and a denture injection system at our dental prosthetics laboratory last year, Latrobe Community Health Service this year welcomed a brand new 3D printer to the lab. The new equipment has transformed the way we make dentures and night guards, from start to finish.

The implementation of digital dental technology allows our highly-trained staff to construct and fit a partial denture (less than nine teeth) in two appointments instead of the five required when using older denture construction processes. In the first appointment, we scan the teeth using an intraoral scanner. This generates 3D modelling of the teeth and allows dentures to be made digitally. In the second appointment, we provide clients with the finished product.

Moving forward, we will introduce more state-of-the-art equipment, including an automated dental milling machine and casting equipment to undertake specialist dental laboratory services in Gippsland. Not only are we keeping the work local, but this kind of technological support allows us to grow our workforce.

> Innovation - in technology, research and daily practice - is key to the success of our strategic plan.
>
> **Ben Leigh**
> CEO

Our dental technology apprentices can complete their training locally rather than attending a campus in Melbourne.

We know physically attending medical or other healthcare appointments is harder for people who live in remote or regional communities and for people with disabilities. We also know the use of technology in health settings can reduce people's barriers in accessing the healthcare they need. Latrobe Community Health Service has investigated the use of video conferencing technology for our clients. In previous years, we have embraced teledentistry so we can provide better access to oral healthcare specialists based in Melbourne and we have offered clients the option to see a psychologist via video link from our Morwell centre.

In 2018-19, we trialled the use of video conferencing technology in two NDIS service areas where we provide planning services - in Wimmera South West and Outer Gippsland. Our NDIS Services staff worked in collaboration with the National Disability Insurance Agency and our Information, Communication and Technology department to build a secure video conferencing system that allows us to hold planning meetings with people who find it difficult to get to our physical sites.

One person from Mallacoota reported the video conferencing option saved them a six-hour round trip, as well as the discomfort of sitting for long periods due to the nature of their disability.

They also felt that 'seeing' their Local Area Coordinator on screen instead of hearing them over the phone meant they could build a rapport with their Local Area Coordinator sooner. Another person with quadriplegia told us that attending an office would have been problematic. They found it easy to log onto the virtual meeting room and felt comfortable and relaxed throughout the planning process, as they were in their own surroundings.

Evaluation and feedback has shown this is a worthwhile option for many people with NDIS plans. We have developed procedures, work instructions and an evaluation tool; trained all of our NDIS staff across LAC and ECEI services; and set up video conferencing equipment at each site across Victoria. We look forward to offering the option of 'virtual' planning meetings across all of our NDIS service areas from July 2019.

Innovation does not apply only to technology. It applies to the way we do things, too. Historically, people have waited a long time to access general dental care in the public health system. By the time they reach the top of the waiting list, their dental needs usually multiply and become more complex. This means people typically need more than one appointment. In order to buck the ongoing cycle of dental disease, Latrobe Community Health Service has revolutionised its delivery of dental care.

Now when people first come in for dental care, they attend a free group information session to find out how dental services work at Latrobe Community Health Service. They receive advice on how to prevent dental disease, such as decay. They then attend a one-on-one session with an oral health educator, who provides customised information on how clients can improve their oral hygiene and maintain healthy teeth at home.

Pictured: Nyange and Victorina participate in our Multicultural Friendship Group.

Pictured: Ecotherapy combines therapeutic practices with the proven benefits of immersing oneself in nature.

Our clients then see an oral health therapist or dental therapist for a comprehensive dental check-up and clean before they attend an appointment with a dentist to finish their required treatment.

Similar changes have been made at other Victorian public dental agencies, which have seen a 79 percent decrease in waiting times. These agencies have also reported a reduction in the amount of treatment people require when they return for their subsequent course of general dental care. By introducing these changes at Latrobe Community Health Service, we too are giving people the knowledge and the skills to maintain a healthy mouth at home while treating people's dental care needs sooner.

When we instilled a 'safe to fail' culture in our latest strategic plan; we paved the way for staff to trial new, evidence-based projects and to feel supported doing so. Several pilot projects have taken off since we introduced our five-year strategic plan in 2017; two years on, and our staff continue to initiate, evaluate and implement innovative concepts to improve client outcomes.

In 2017-18, we responded to a growing body of research that demonstrates the conclusive links between an individual's engagement in nature-based, group activities and their improved mental health. Driven by a lead clinician and with the support of our executive, we trialled an ecotherapy program for current clients engaged in alcohol and other drug treatment. Over a six-month period, we delivered six, single-day programs that involved 25 people, some of whom participated twice.

Overall, we delivered 31 episodes of care, with participants reporting significant improvements in their psychological state, physical health and quality of life after completing the program.

We continue to deliver the ecotherapy program in 2018-19 as part of our therapeutic day rehabilitation program at Moe. In March 2019, we started providing overnight ecotherapy excursions.

These overnight trips see clients of Latrobe Community Health Service camp in places like the Baw National Park and Cape Liptrap Coastal Park, where they are asked to consciously think about what they see, hear, feel and smell, and practise breathing techniques for relaxation.

Ecotherapy combines therapeutic practices with the proven benefits of immersing oneself in nature. Early evaluation of the quantitative and qualitative client data suggests this overnight camping experience is benefiting those who take part. Participants have indicated the program gave them a positive experience they hadn't had in quite some time and they would like to complete further nature-based therapies.

Research on the benefits of gardens in a health setting show they play an important role in reducing stress. In 2017, Latrobe Community Health Service planted its very own garden at its Moe site to provide an area for relaxation, skill building and fulfilment through growing and harvesting food. Aptly named 'Grow Hope', the garden is now a resource for people who participate in our therapeutic day rehabilitation program.

Clients and staff involved in the therapeutic day rehabilitation program plant, grow and harvest food, which they cook together on program days.

The garden's abundance of fresh produce allows clients to practise the essential life skills of cooking, cleaning, handling and storing food safely in both structured and therapeutic sessions.

Clients are welcome to take home excess fruit and vegetables and meals they've prepared for their families, making the most of the knowledge and skills they've learnt with support from Latrobe Community Health Service dietitians and volunteers.

In 2018-19, we began measuring the impact therapeutic gardening has for people engaged in treatment for alcohol and other drugs. We have invited clients of our therapeutic day rehabilitation program to share their views and experiences with the Grow Hope garden, so we can make informed decisions around the design and delivery of future programs.

To date, we have collected data from clients across four rounds of the therapeutic day rehabilitation program, which runs over six weeks. Our next step is to capture the views and experiences of our clinicians so we can fully evaluate the effectiveness of therapeutic gardening in this setting.

Strategic priority four

Pictured above: Jess and Nina, Planned Activity Group clients.

Pictured below: Lauren Sewell, Gambler's Help Gippsland.

Use evidence-based outcomes to drive improvement across services

GOALS

1. Develop the capability to measure client and organisational outcomes

Historically health organisations have collected extensive data on the services they provide, measuring things like number of clients, what kind of care has been provided, or how many appointments were booked.

Latrobe Community Health Service does this too, and it provides important insights into our operational performance. However we have become increasingly aware that this data collection measures outputs - our activity. What is missing is a comprehensive measure of outcomes - has the service we provided meaningfully improved the lives of our clients? Some of this information is collected in some parts of the organisation, in a variety of ways. What has been missing is a systematic, intentional and organisation-wide effort to collect client outcome information in a consistent manner.

To address this, in 2017-18 we appointed a research and evaluation officer to undertake the challenging work of researching and identifying what client outcomes Latrobe Community Health Service wants to measure. After all, the work of a wound care nurse and a financial counsellor is very different. The challenge of this work was to identify outcomes that could be measured in a consistent manner across the diversity of our program areas.

Throughout 2018-19, our research and evaluation officer has worked alongside our executive team, program managers and staff to identify client outcomes that can be measured consistently across Latrobe Community Health Service.

Latrobe Community Health Service's executive team has endorsed five health outcomes that will be key to measuring the effectiveness of our services. These five key outcomes can be applied to the organisation's broad range of programs and services, and align with our purpose of improving the health and social wellbeing of Australians.

The five outcomes Latrobe Community Health Service will measure for each of our clients are:

1. Improved or maintained physical health

2. Improved or maintained mental health

3. Improved or maintained social connection or participation

4. Improved or maintained functioning

5. Achievement of client's or participant's goals

Once fully implemented, these measures will give a program-by-program snapshot of our effectiveness in meaningfully improving people's lives. Where programs are successful, we will be able to learn lessons and apply them to other program areas. For services that are less successful, we will have an early and clear indicator that improvements need to be made to address that service's shortcomings.

The next step in this project is to undertake a thorough review of our existing data collection to understand where we already have measurement of the five agreed outcomes in place, and where we need to build this capacity. The longer-term aim is to build staff capacity and data collection tools that allow us to measure and report on the agreed outcomes in a consistent and timely fashion.

Our volunteers

Latrobe Community Health Service celebrated four decades of volunteering and friendship in 2019.

Our very first volunteers began service in 1979 when community day centres, also known as friendship groups, were established to increase social connectedness and provide a space to perform meaningful activities.

Four decades on and today's volunteers support more than 25 program areas at Latrobe Community Health Service, which formed in 1995 after the Latrobe Valley's community health centres merged.

At this year's annual celebratory night – held every year during National Volunteer Week (20-26 May 2019) – Latrobe Community Health Service's Board Chair Mark Biggs thanked our volunteers for the enormous contribution they make to our community, whether it be one hour or 20 hours each week.

In 2019, we recognised volunteers who have served an impressive five, 10, 15, 30 and 40 years of service. We also named Vicki Grealy as our Volunteer of the Year.

Latrobe Community Health Service has a diverse range of roles available for volunteers to take on. These involve administration and clerical assistance, meal preparation, transporting people and goods, and simply being a friendly face for our clients.

Our 132 active volunteers dedicated a tremendous 24,187 volunteer hours throughout 2018-19. This equates to about $1 million in monetary value to the organisation. The contribution of our volunteers allows Latrobe Community Health Service to invest in providing free or affordable healthcare for more people – a crucial factor in achieving our vision of better health, better lifestyles and stronger communities.

Years of service:

5 YEARS

Karen Spark

Donald McArthur

Vicki Grealy

Keith Kosterman

Allan Wallwork

Geoffrey Robison

Garry Twomey

10 YEARS

Heather May

Reginald May

Reg passed away in August 2019. We are grateful for Reg's commitment to his community and our organisation. Reg was a beloved member of our Planned Activity Groups. We thank Reg and remember his kindness and generosity over the past decade.

15 YEARS

Carmen Aida Bowler

30 YEARS

Wendy Steenbergen

40 YEARS

June Gilfillan

VOLUNTEER OF THE YEAR

Vicki Grealy

Pictured: Gail Ludlow, volunteer with Planned Activity Group.

132
active volunteers

24,187
hours of work

$1m
worth of work

Volunteer of 40 years, June Gilfillan

Morwell woman June Gilfillan started volunteering in June 1979 and she hasn't looked back since.

Our longest standing volunteer began her service when community day centres, or friendship groups, were established in the Latrobe Valley to increase social connectedness and provide a space to perform meaningful activities.

From crafts and crocheting to cooking, serving meals and acting as the bus jockey to get people safely to and from activities, it's safe to say June has covered a fair bit of territory in her four decades as a volunteer.

What's kept her at it?

"Mostly the clients have kept me at it," she says.

"They really make your day when you walk in the door and you see their smiles."

June has enjoyed the formation of lifelong friendships; many of the volunteers at Latrobe Community Health Service continue their service for five, 10, even 30 years.

"I've met a lot of nice girls and that, really, in the groups," she says. "We've had some fun."

June still has the very first badge she wore as a volunteer and she swears she'll keep volunteering for a while yet. To those who are considering giving a little of their time to help others in the community, June says, "go and try it; see how you like it. It is a really worthwhile thing."

Pictured: June Gilfillan, longest serving volunteer at Latrobe Community Health Service.

Operating & financial review

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

Your directors present this report on the entity for the financial year ended 30 June 2019.

Directors

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

Mark Biggs
Judi Walker
Carolyne Boothman
Stephen Howe
Nathan Voll
Joanne Booth
Placido Cali
Murray Bruce appointed (30/10/2018)
Stelvio Vido appointed (30/10/2018)
John Guy retired (30/10/2018)
Peter Wallace retired (30/10/2018)

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 entity during the financial year was:

Provision of Community Health Services

Information on Directors

Mark Biggs	—	Board Chair
Judi Walker	—	Director
Carolyne Boothman	—	Director
Stephen Howe	—	Director
Nathan Voll	—	Director
Joanne Booth	—	Director
Placido Cali	—	Director
Murray Bruce	—	Director - Appointed 30 October 2018
Stelvio Vido	—	Director - Elected 30 October 2018
John Guy	—	Director - Retired 30 October 2018
Peter Wallace	—	Director - Retired 30 October 2018

Meetings of Directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
Mark Biggs	11	11
Judi Walker	11	11
Carolyne Boothman	11	10
Stephen Howe	11	10
Nathan Voll	11	11
Joanne Booth	11	10
Placido Cali	11	9
Murray Bruce	8	7
Stelvio Vido	8	7
John Guy	3	2
Peter Wallace	3	3

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

The company is incorporated under the Australian Charaties and Not-for-profit commission Act 2012 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 2019, the total amount that members of the company are liable to contribute if the company is wound up is $240 (2018: $220).

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

Director _____
Mark Biggs

Dated this 24th day of September 2019

AUDITOR'S INDEPENDENCE DECLARATION

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

To the Directors of Latrobe Community Health Service Ltd

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2019, there have been:

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

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

Rochelle Wrigglesworth
Director
GippsAudit Pty Ltd

Date: 24 September 2019
Place: Sale

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 $	2018 $
PROFIT OR LOSS			
Revenue	2	110,157,498	88,273,033
Other income	2	7,666,505	10,312,424
Employee benefits expense		(70,323,450)	(56,573,170
Depreciation and amortisation expense	3	(3,383,242)	(2,707,031)
Bad and doubtful debts expense	3	(13,618)	(915)
Motor vehicle expenses		(835,712)	(627,772)
Utilities expense		(586,566)	(468,722)
Rental expense	3	(3,588,197)	(2,721,459)
Staff training and development expenses		(679,492)	(347,108)
Audit, legal and consultancy fees		(670,737)	(706,420)
Marketing expenses		(372,379)	(449,524)
Client support services expense		(9,560,338)	(8,217,014)
Service agreements		(1,488,444)	(1,289,431)
Contract labour		(3,029,019)	(3,574,526)
Sundry expenses		(10,779,641)	(8,387,106)
Current year surplus before income tax		**12,513,169**	**12,515,259**
Income tax expense		-	-
Net current year surplus		**12,513,169**	**12,515,259**
OTHER COMPREHENSIVE INCOME			
Equity instrument at FVOCI - fair value change		148,356	53,116
Total other comprehensive income for the year		**148,356**	**53,116**
Total comprehensive income		**12,661,525**	**12,568,375**

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 $	2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	7,044,494	9,407,078
Trade and other receivables	5	1,139,440	1,036,464
Inventories	6	262,472	205,979
Financial assets	8	45,423,719	26,112,380
Other current assets	7	1,757,528	3,692,170
TOTAL CURRENT ASSETS		**55,627,653**	**40,454,071**
NON-CURRENT ASSETS			
Property, plant and equipment	9	29,065,303	27,693,586
Capital work in progress		-	26,242
TOTAL NON-CURRENT ASSETS		**29,065,303**	**27,719,828**
TOTAL ASSETS		**84,692,956**	**68,173,898**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	11,930,796	10,039,848
Employee provisions	11	7,364,842	5,880,135
TOTAL CURRENT LIABILITIES		**19,295,637**	**15,919,983**
NON-CURRENT LIABILITIES			
Employee provisions	11	2,444,329	1,814,095
TOTAL NON-CURRENT LIABILITIES		**2,444,329**	**1,814,095**
TOTAL LIABILITIES		**21,739,966**	**17,734,078**
NET ASSETS		**62,952,990**	**50,439,821**
EQUITY			
Retained surplus		45,084,589	38,771,177
Reserves		17,868,402	11,668,644
TOTAL EQUITY		**62,952,990**	**50,439,821**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Retained surplus $	Asset revaluation reserve $	Capital reserve $	Community projects reserve $	General reserve $	Equity FVOCI reserve $	Total $
BALANCE AT 1 JULY 2017	**30,598,488**	**486,486**	**1,877,349**	**1,000,000**	**3,916,247**	**(7,125)**	**37,871,445**
COMPREHENSIVE INCOME							
Surplus for the year	12,515,259	-	-	-	-	-	12,515,259
Total other comprehensive income	**12,515,259**	**-**	**-**	**-**	**-**	**-**	**12,515,259**
OTHER TRANSFERS							
Transfers to/(from) capital reserve	(839,329)	-	839,329	-	-	-	-
Transfers to/(from) community projects reserve	(1,000,000)	-	-	1,000,000	-	-	-
Transfers to/(from) general reserve	(2,503,241)	-	-	-	2,503,241	-	-
Equity investments FVOCI - Fair value change	-	-	-	-	-	53,116	53,116
Total other transfers	**(4,342,570)**	**-**	**839,329**	**1,000,000**	**2,503,241**	**53,116**	**53,116**
Balance at 30 June 2018	**38,771,177**	**486,486**	**2,716,678**	**2,000,000**	**6,419,488**	**45,991**	**50,439,821**
Balance at 1 July 2018	**38,771,177**	**486,486**	**2,716,678**	**2,000,000**	**6,419,488**	**45,991**	**50,439,821**
COMPREHENSIVE INCOME							
Surplus for the year	12,513,169	**-**	**-**	**-**	**-**	**-**	12,513,169
Total other comprehensive income	**12,513,169**	**-**	**-**	**-**	**-**	**-**	**12,513,169**
OTHER TRANSFERS							
Transfers to/(from) capital reserve	(2,387,390)	-	2,387,390	-	-	-	-
Transfers to/(from) community projects reserve	1,000,000	-	-	(1,000,000)	-	-	-
Transfers to/(from) general reserve	(4,664,013)**-**	**-**	**-**	**-**	4,664,013	-	-
Equity investments FVOCI - Fair value change	(148,356)	-	-	-	-	148,356	-
Total other transfers	**(6,199,759)**	**-**	**2,387,390**	**(1,000,000)**	**4,664,013**	**148,356**	**-**
Balance at 30 June 2019	**45,084,588**	**486,486**	**5,104,068**	**1,000,000**	**11,083,501**	**194,347**	**62,952,990**

For a description of each reserve, refer to Note 19. The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants and other income		116,807,848	95,658,192
Payments to suppliers and employees		(96,442,430)	(79,698,825)
Interest received		1,175,336	548,690
Net cash generated from operating activities	16	**21,540,754**	**16,508,057**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		355,143	309,871
Payment for property, plant and equipment		(5,037,424)	(7,855,516)
Payment for held-to-maturity investments		(19,311,339)	(11,109,704)
Receipts from capital grants		90,282	2,466,172
Net cash used in investing activities		**(23,903,338)**	**(16,189,178)**
Net increase in cash held		(2,362,584)	318,879
Cash on hand at beginning of the financial year		9,407,078	9,088,199
Cash on hand at end of the financial year	4	**7,044,494**	**9,407,078**

The accompanying notes form part of these financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Latrobe Community Health Service applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The entity 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 accrual 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 24 September 2019 by the directors of the company.

Accounting Policies

(a) Revenue

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

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

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

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

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

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

(b) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

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

(c) Property, Plant and Equipment

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

Freehold Property

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

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

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

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

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

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

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

Depreciation

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

The depreciation rates used for each class of depreciable assets are:	
Class of Fixed Asset	Depreciation Rate
Buildings	3%
Plant and equipment	5% to 33%
Leased motor vehicles	10% to 20%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. Gains are not classified as revenue. 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

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Amortised cost
- Fair value through profit or loss (FVPL)
- Equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets.

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The entity's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit that were previously classified as held-to-maturity under AASB 139.

Equity instruments at fair value through other comprehensive income (Equity FVOCI).

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category includes unlisted equity securities – JB Were that were previously classified as 'available-for-sale' under AASB 139.

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI and trade receivables.

The entity considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The entity makes use of a simplified approach in accounting for trade and other receivables records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The entity assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. The entity allows 1% for amounts that are 30 to 60 days past due, 1.5% for amounts that are between 60 and 90 days past due and writes off fully any amounts that are more than 90 days past due.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the entity's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below. The entity's financial liabilities include borrowings and trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges are included within finance costs or finance income.

(f) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

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.

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

(g) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

The entity classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which

the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the entity receive defined contribution superannuation entitlements, for which the entity pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable.

The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

(h) Cash and Cash Equivalents

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

(i) Trade and Other Debtors

Trade and other debtors include amounts due from members as well as amounts receivable from customers for services provided in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(j) 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.

(k) 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.

(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

When required by Accounting Standards comparative figures have been adjusted to conform to 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 entity 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 Judgements

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

Key estimates

Valuation of freehold land and buildings

At 30 June 2019 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 2018 and do not believe there has been a significant change in the assumptions at 30 June 2019.

The directors therefore believe the carrying amount of the land correctly reflects the fair value less costs to sell at 30 June 2019.

Key judgements

Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services.

As the entity expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12 month period that follows (despite an informal internal policy that requires annual leave to be used within 18 months), the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

(p) Economic Dependence

Latrobe Community Health Service Ltd. is dependent on the Commonwealth and State Government including the National Disability Insurance Agency for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the Commonwealth and State Government will not continue to support Latrobe Community Health Service Ltd.

(q) Fair Value of Assets and Liabilities

The entity measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

'Fair value' is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

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

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

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

(r) Rounding

Amounts in the financial report have been rounded to the nearest dollar.

Figures in the financial report may not equate due to rounding.

(s) Changes in accounting policies - New standards adopted as at 1 July 2018

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets. When adopting AASB 9, LCHS has applied transitional relief and opted not to restate prior periods. There were no material differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment that were required to be recognised in opening retained earnings as at 1 July 2018.

The adoption of AASB 9 has impacted the following areas:

Classification and measurement of financial assets

Investments - Available for sale financial assets under AASB 139 included unlisted equity investments in JB Were of $2,112,380 at 30 June 2018 were reclassified to fair value through other comprehensive income (equity FVOCI) under AASB 9 because this is held as a long-term investment.

There was no impact on the financial statements as a result of this change. Deposits with original maturities of greater than 3 months that were classified as held to maturity financial assets under AASB 139 were $24,000,000 at 30 June 2018. These were reclassified at amortised cost under AASB 9. LCHS intends to hold these to maturity to collect the contractual cash flows, and these cash inflows are solely payments of principal and interest.

NOTE 2 REVENUE AND OTHER INCOME

	2019 $	2018 $
REVENUE		
REVENUE FROM (NON-RECIPROCAL) GOVERNMENT GRANTS AND OTHER GRANTS		
Commonwealth government grants – operating	76,300,954	55,874,363
State government grants	25,269,976	25,534,733
Other organisations	7,210,443	6,121,294
	108,781,373	**87,530,390**
OTHER REVENUE		
Interest received on investments in government and fixed interest securities	1,376,125	742,643
Total revenue	**110,157,498**	**88,273,033**
OTHER INCOME		
Gain on disposal of property, plant and equipment	46,437	54,780
Charitable income and fundraising	12,143	14,042
Capital grants	90,282	2,466,172
Rental income	202,338	270,623
Other	946,988	668,255
Client fees	6,368,318	6,838,552
Total other income	**7,666,505**	**10,312,424**
Total revenue and other income	**117,824,003**	**98,585,457**

NOTE 3 EXPENDITURE

	2019 $	2018 $
EXPENSES		
DEPRECIATION AND AMORTISATION		
Buildings and leasehold improvements	963,931	598,490
Motor vehicles	588,773	504,941
Furniture and equipment	1,830,537	1,603,600
Total depreciation and amortisation	**3,383,242**	**2,707,031**
BAD AND DOUBTFUL DEBTS		
Trade and other receivables	13,618	915
RENTAL EXPENSE ON OPERATING LEASES		
Minimum lease payments	3,588,197	2,721,459
Total rental expense	**3,588,197**	**2,721,459**

NOTE 4 CASH AND CASH EQUIVALENTS

	2019 $	2018 $
CURRENT		
Cash at bank	840,681	903,398
Cash on hand	3,814	3,680
Cash at deposit	6,200,000	8,500,000
	7,044,494	**9,407,078**

NOTE 5 TRADE AND OTHER RECEIVABLES

	2019 $	2018 $
CURRENT		
Trade receivables	874,297	961,928
Consumer fees	298,384	94,160
Provision for impairment	(33,242)	(19,624)
Total current accounts receivable and other debtors	**1,139,440**	**1,036,464**

The entity's normal credit term is 30 days.

NOTE 6 INVENTORIES

	2019 $	2018 $
CURRENT		
At cost:		
Inventory	262,472	205,979
	262,472	**205,979**

NOTE 7 OTHER ASSETS

	2019 $	2018 $
CURRENT		
Accrued Income	891,931	1,347,301
Deposits	146,283	140,245
Prepayments	719,313	2,204,624
	1,757,528	**3,692,170**

NOTE 8 FINANCIAL ASSETS

	Note	2019 $	2018 $
CURRENT			
Term deposits with original maturities greater than 3 months		40,000,000	24,000,000
Other financial assets - investment portfolio		5,423,719	2,112,380
Total current assets	18	**45,423,719**	**26,112,380**

NOTE 9 PROPERTY, PLANT AND EQUIPMENT

	2019 $	2018 $
LAND AND BUILDINGS		
FREEHOLD LAND AT FAIR VALUE		
Directors' valuation in 2019	3,031,031	-
Directors' valuation in 2018	-	2,064,839
Total land	**3,031,031**	**2,064,839**
BUILDINGS AT FAIR VALUE		
Directors' valuation in 2019	15,039,262	-
Directors' valuation in 2018	-	15,020,457
Less accumulated depreciation	(668,313)	(292,569)
Total buildings	**14,370,949**	**14,727,888**
LEASEHOLD IMPROVEMENTS		
Leasehold improvements at cost	4,060,142	3,232,582
Less accumulated depreciation	(1,262,071)	(673,885)
Total leasehold improvements	2,798,071	2,558,697
Total land and buildings	**20,200,051**	**19,351,424**
PLANT AND EQUIPMENT		
FURNITURE AND EQUIPMENT		
At cost	18,824,141	16,569,347
(Accumulated depreciation)	(12,084,789)	(10,254,427)
	6,739,351	**6,314,920**
MOTOR VEHICLES		
At cost	3,256,074	2,936,319
(Accumulated depreciation)	(1,130,173)	(909,078)
	2,125,900	2,027,242
Total plant and equipment	**8,865,252**	**8,342,162**
Total property, plant and equipment	**29,065,303**	**27,693,586**
Capital work in progress	**-**	**26,242**
	29,065,303	**27,719,828**

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

Movements in carrying amounts

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

	Land and buildings $	Motor vehicles $	Furniture and equipment $	Total $
2018				
Balance at the beginning of the year	12,595,631	1,890,813	5,813,525	20,299,969
Additions at cost	7,354,283	895,307	2,106,149	10,355,739
Disposals	-	(253,937)	(1,154)	(255,091)
Depreciation expense	(598,490)	(504,941)	(1,603,600)	(2,707,031)
Carrying amount at the end of the year	**19,351,424**	**2,027,242**	**6,314,920**	**27,693,586**
2019				
Balance at the beginning of the year	19,351,424	2,027,241	6,314,920	27,693,585
Additions at cost	1,812,558	1,024,886	2,256,995	5,094,439
Disposals		(337,454)	(2,026)	(339,480)
Depreciation expense	(963,931)	(588,773)	(1,830,537)	(3,383,242)
Carrying amount at the end of the year	**20,200,051**	**2,125,900**	**6,739,352**	**29,065,303**

Asset revaluations

The freehold land and buildings were independently valued at 30 June 2017 by Herron Todd White. The valuation resulted in a revaluation decrement of $681,413 for the year ended 30 June 2017 of which $486,293 was written back to the asset revaluation reserve to fully utilise available reserves for the respective asset class and the remaining $195,120 was taken up as an impairment on buildings expense in the statement of profit or loss.

At 30 June 2019, 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 2017 and do not believe there has been a significant change in the assumptions at 30 June 2019. The directors therefore believe the carrying amount of the land correctly reflects the fair value less costs of disposal at 30 June 2019.

NOTE 10 TRADE AND OTHER PAYABLES

	Notes	2019 $	2018 $
CURRENT			
Trade payables		3,209,337	2,380,792
Deferred income		5,215,598	3,837,075
Other current payables		30,978	69,436
GST payable		149,202	78,369
Accrued expenses		1,837,536	1,449,573
Accrued salaries and wages		1,488,146	2,224,603
	18	**11,930,796**	**10,039,848**

NOTE 11 PROVISIONS

	2019 $	2018 $
CURRENT		
Provision for employee benefits: annual leave	4,550,489	3,834,454
Provision for employee benefits: long service leave	2,814,353	2,045,681
	7,364,842	**5,880,135**
NON-CURRENT		
Provision for employee benefits: long service leave	2,444,329	1,814,095
	2,444,329	**1,814,095**
	9,809,171	**7,694,230**

NOTE 12 CAPITAL AND LEASING COMMITMENTS

	2019 $	2018 $
(a) Operating lease commitments Non-cancellable operating leases contracted for but not capitalised in the financial statements Payable – minimum lease payments:		
Not later than 12 months	3,288,311	2,788,361
Between 12 months and five years	4,949,779	3,898,533
Later than five years	503,346	967,208
Minimum lease payments	**8,741,436**	**7,654,102**

NOTE 13 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or assets as at the reporting date.

NOTE 14 EVENTS AFTER THE REPORTING PERIOD

No material events occurred after the reporting date

NOTE 15 KEY MANAGEMENT PERSONNEL COMPENSATION

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

The totals of remuneration paid to KMP of the company during the year are as follows:

	2019 $	2018 $
Key management personnel compensation:	1,466,052	1,339,450

NOTE 16 CASH FLOW INFORMATION

	2019 $	2018 $
Reconciliation of cash flow from operating activities with net current year surplus		
Net current year surplus	12,513,169	12,515,259
Less capital income	(90,282)	(2,466,172)
Non-cash flows:		
Depreciation and amortisation expense	3,383,242	2,707,031
Gain on disposal of property, plant and equipment	(46,437)	(54,780)
Doubtful debts expense	13,618	915
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(116,593)	1,000,362
Increase/(decrease) in trade and other payables	1,890,948	2,892,924
(Increase)/decrease in other assets	1,934,642	(2,087,813)
Increase/(decrease) in provisions	2,114,941	2,020,992
(Increase)/decrease in inventories on hand	(56,494)	(20,661)
	21,540,754	**16,508,057**

NOTE 17 RESPONSIBLE PERSONS DISCLOSURE

Board member	Related parties
Mark Biggs	Gippsland Primary Health Network
Murray Bruce	Gippsland Primary Health Network
Joanne Booth	East Gippsland Water
Peter Wallace	Yallambee Village
Ben Leigh	Latrobe Health Assembly

During the year revenue of $1,404,767 was received from Gippsland Primary Health Network and $36,040 from the Latrobe Health Assembly. During the year $6,223 was paid to Yallambee Village and $1,025 was paid to East Gippsland Water.

All transactions with related parties are per normal commercial terms and conditions.

NOTE 18 FINANCIAL RISK MANAGEMENT

The entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, accounts receivable and payable, and lease liabilities. The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019 $	2018 $
FINANCIAL ASSETS			
Cash and cash equivalents - amortised cost	4	7,044,494	9,407,078
Trade and other receivables - amortised costs	5	1,139,440	1,036,464
Financial assets - amortised costs	8	45,423,719	26,112,380
Total financial assets		**53,607,653**	**36,555,922**
FINANCIAL LIABILITIES			
Financial liabilities at amortised cost:			
Trade and other payables	10	11,930,796	10,039,848
Total financial liabilities		**11,930,796**	**10,039,848**

NOTE 19 RESERVES

(a) Asset Revaluation Reserve
The Asset Revaluation Reserve records the revaluations of non-current assets (land and buildings).

(b) Capital Reserve
The Capital Reserve records funds allocated to capital projects.

(c) Community Projects Reserve
The Community Projects Reserve records funds allocated to future board initiatives and community projects.

(d) General Reserve
The General Reserve records funds allocated to deliver programs to the community.

(e) Equity Fair Value through Other Comprehensive Income (Equity FVOCI) - previously, available for sale financial asset reserve
This reserve records movements in share prices.

NOTE 20 ENTRY DETAILS

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

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

NOTE 21 MEMBERS' GUARANTEE

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the entity. At 30 June 2019 the number of members was 24.

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

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

1. The financial statements and notes, as set out on pages 3 to 17, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
   (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
   (b) give a true and fair view of the financial position of the registered entity as at 30 June 2019 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

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

Director _____

Mark Biggs

Dated this 24th day of September 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Latrobe Community Health Service Ltd

Opinion

We have audited the accompanying financial report of Latrobe Community Health Service Ltd ("the Entity"), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and directors' declaration.

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

(i) giving a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the year ended on that date; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

Rochelle Wrigglesworth
Director
GippsAudit Pty Ltd

Date: 24 September 2019
Place: Sale