Annual Report 2023

Latrobe Community Health Service

We acknowledge

All Aboriginal and Torres Strait Islander peoples as the traditional custodians on whose ancestral lands our offices are situated.

We recognise and pay our respects

To Elders – past, present and emerging – and their ongoing connections to country, and to all Aboriginal and Torres Strait Islander peoples and communities across Australia.

Artwork by Dixon Patten (Yorta Yorta and Gunai artist)

Each of us have our own unique path throughout life. This artwork represents that journey; with a particular focus on caring, health and community. The 4 pathways depict the diversity within our community; which is depicted as the large circle in the middle. The outreached hands represent care-giving and nurturing. The large 'U' shaped symbols represent our elders guiding us on our journey and passing down knowledge to the smaller 'u' shaped symbols; acknowledging cultural principle exchange. The smaller circles depict the satellite communities across Gippsland. The gum leaves symbolise caring for Country and also encompasses caring for people and culture.

Contents

About us

Purpose

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

Vision

Better health, better lifestyles, strong and inclusive communities.

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

Our values

Providing excellent customer service

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

Creating a successful environment

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

Always providing a personal best

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

Acting with the utmost integrity

Practice the highest ethical standards at all times.

Board Chair and CEO's statement

Ben Leigh
Chief Executive Officer

Judith Walker
Board Chairperson

The beginning of 2022-23 was an exciting time, as the organisation reflected on the previous strategic plan and set out the new strategic direction for the next five years. Together, the Latrobe Community Health Service Board and Executive feel we have struck the right balance. The new plan builds on the foundations we laid with the previous strategic plan, while also being bold in setting out new ambitions to ensure we remain a sustainable, innovative community health service.

Across 2022-2027, Latrobe Community Health Service has four key priority areas:

- Strengthen community health
- Enable sustainable growth
- Grow a fit-for-purpose workforce
- Partner for comprehensive care

We have made great strides in co-designing our services with clients and their families. Importantly, this is no longer a novel undertaking, but is embedded as standard practice across the organisation. From alcohol and drug services, to palliative care, to our NDIS services, staff are working alongside clients to create and improve the services we offer.

Our ongoing aspiration as an organisation is to build client expectation of excellent customer service. We view this as a matter of dignity; no matter a client's circumstances, they are deserving of the very highest standards of care, delivered professionally and with compassion. One way we are doing this is by constantly seeking integration of services, with the client at the centre of their own care. For example, we have nursing and GP services co-located at headspace Morwell so young people can get holistic care for their physical and mental wellbeing without the burden of re-telling their story.

Our innovative partnership with Latrobe Regional Hospital to deliver the Gippsland High-Risk Foot Clinic for people with diabetes-related foot diseases is another example.

A range of clinical experts from our two organisations work together – often out in the community – to better manage serious foot wounds. This has improved healing rates and reduced travel time for our clients, leading to substantial improvements in their quality of life. Such integrations and partnerships will be an ongoing focus in the years ahead.

Sovereignty and independence remain critical. Over the coming five years we plan to grow further into advocacy for both Latrobe Community Health Service, and the broader clients and community we serve. Over the first year of the plan the main vehicle for this advocacy was through *Community Health First*, a joint initiative of all 24 Victorian community health services. The aim is to highlight the strengths of community health – deep community connection and integrated care models – and show how these help ease many of the pressures on the broader health system by addressing chronic health conditions and relieving pressure on the acute care sector. The solutions the sector provides deserve to be better recognised in health system planning, and funded accordingly.

Recruiting, retaining, and building the capacity of our workforce is another priority of the new plan. Finding exceptional talent and then nurturing it has only grown in importance in the years since the peak of the Covid-19 pandemic. Latrobe Community Health Service has already made good progress over the past 12 months, halving both our recruitment times and our number of vacancies.

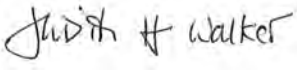
And we have developed a range of strategies to support and foster leadership. This year we partnered with Deakin University to create the *Leading for Success* pilot program. This program is tailored specifically to Latrobe Community Health Service, and is open to all managers. Those who successfully complete the program graduate with a Graduate Certificate in Management.

Our Board membership remained steady in 2022-23. However, we would like to thank Tracey Tobias for her contribution to LCHS. Tracey finished her time on the Board in April 2023. We would also like to welcome Melissa McConnell as a Non-Director Member on our Board Quality & Safety Committee and Leanne Mulcahy, who joins as Non-Director Member on our Board Nominations Committee. Melissa brings extensive experience in risk and compliance, and Leanne has more than 15 years of Non-Executive Director experience in health, employment, statutory authorities, and not-for-profits.

We would also like to acknowledge John Guy OAM, who sadly passed away in April 2023. John is a central figure in the history of LCHS, contributing more than 20 years of service to the LCHS Board in various roles. He is a much respected and loved part of LCHS. We were one of the countless organisations that were lucky enough to work with John over the years, undoubtedly benefiting from the breadth and depth of his professional and community experience.

Lastly we would like to thank our staff and volunteers for their unwavering commitment to our clients and the wider community. There is an adage attributed to management consultant Peter Drucker, who said 'culture eats strategy for breakfast'. We are so fortunate to have an exceptional culture, driven by the people who work and volunteer at LCHS. This culture is what makes us so optimistic about the strategic direction of LCHS over the coming five years.

Ben Leigh
Chief Executive Officer



Judith Walker
Board Chairperson

Financial summary

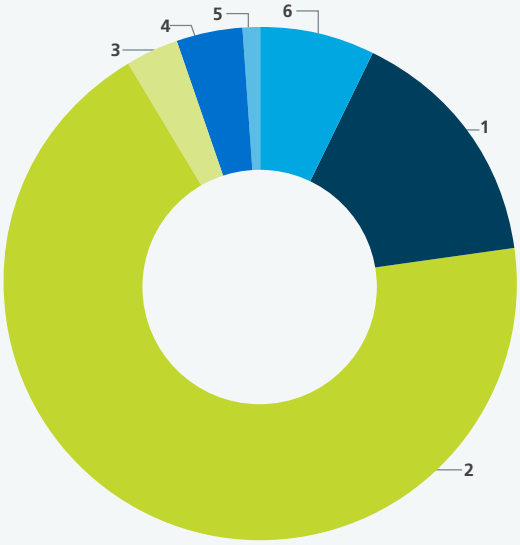
Latrobe Community Health Service (LCHS) delivered a net surplus of $2.7 million and retained a strong financial position in 2022-23. Financial ratios and cash position remained healthy and within financial strategy benchmarks during the year.

Operating results

Total revenue increased by 9 percent to $184.8 million. Commonwealth revenue increased by 15.9 percent to $130.7 million and represents 70.8 percent of operating income received. This is primarily the result of National Disability Insurance Scheme (NDIS) revenue for 2022-23 which contributed $80 million (2021-22: $74.7 million).

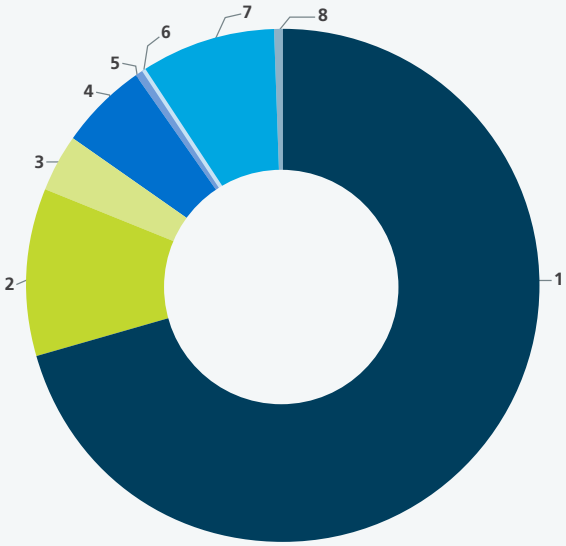
Operating expenditure increased by 11.6 percent ($18.9 million) to $182 million. This was principally due to an increase in employment expenses which showed the largest increase with an additional $14.9 million spent during 2022-23.

Total revenue 2022-23



1. Department of Health and Department of Human Services **15.5%**
2. Commonwealth Government **68.6%**
3. Other **3.5%**
4. Client fees **4.1%**
5. Interest **1.0%**
6. Other Government grants **7.3%**

Total expenditure 2022-2023



1. Employee benefits **68.5%**
2. Brokerage client services **10.1%**
3. Contract labour **3.7%**
4. Depreciation **5.2%**
5. Motor vehicle costs **0.6%**
6. Operating leases **0.04%**
7. Program administration costs* **8.2%**
8. Utilities **0.5%**

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

	2022-23 ($m)	2021-22 ($m)	2020-21 ($m)	2019-20 ($m)	2018-19 ($m)	2017-18 ($m)	2016-17 ($m)
Net results							
What we receive - revenue	184.8	169.5	153.3	116.4	117.7	96.1	62.4
What we spent - expenses	182.0	163.1	149.5	113.9	105.3	86.1	54.5
Operating result for the year	**2.7**	**6.4**	**3.7**	**2.5**	**12.4**	**10.0**	**7.8**
Plus Link merger	-	-	10.6	-	-	-	-
Plus capital grants received	-	0	-	0	0.1	2.5	2.0
Net result for the year	**2.7**	**6.4**	**14.3**	**2.5**	**12.5**	**12.5**	**9.8**

Assets and liabilities

Latrobe Community Health Service's total assets increased by $8.6 million. This consists of an increase in non-current assets of $5.6 million due mostly to additional right of use assets, that is renewed office facility and vehicle leases in relation to the NDIS Directorate following the extension of our contract with NDIA to 30 June 2025.

Liabilities increased by $4.9 million. This consists of increases of $2.4 million in employee provisions and $5.3 million in leases which were partially offset by a decrease of $4.1 million in contract liabilities.

	2022-23 ($m)	2021-22 ($m)	2020-21 ($m)	2019-20 ($m)	2018-19 ($m)	2017-18 ($m)	2016-17 ($m)
Assets and liabilities							
What we own - assets	150.5	141.9	146.2	98.8	84.7	68.2	51.4
What we owe - liabilities	59.7	54.8	64.2	41.7	21.7	17.7	13.5
NET ASSETS	**90.8**	**87.1**	**82.0**	**57.1**	**63.0**	**50.4**	**37.9**
Working capital ratio							
Current assets / current liabilities	1.91	1.69	1.79	2.13	2.88	2.54	2.33
Debt ratio							
Total liabilities / total assets	**39.82%**	**38.61%**	**44.19%**	**42.48%**	**35.56%**	**26.01%**	**26.27%**

	2022-23 ($m)	2021-22 ($m)	2020-21 ($m)	2019-20 ($m)	2018-19 ($m)	2017-18 ($m)	2016-17 ($m)
Cash flow including financial assets							
Cash flow from operating activities	6.9	9.9	26.9	11.7	21.5	16.5	12.3
Cash flow from investing activities	(4.1)	(15.5)	4.3	(2.6)	(4.6)	(6.1)	(2.1)
Cash flow from financing activities	(4.2)	(4.8)	(4.3)	(3.5)	-	-	-
Cash and cash equivalents at beginning of period	74.6	85.0	22.7	17.0	0.1	25.1	14.8
Cash and cash equivalents at end of period	**73.2**	**74.6**	**49.6**	**22.7**	**17.0**	**0.1**	**25.1**

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 service. It is governed by a skills-based Board of up to nine directors who are elected by Latrobe Community Health Service members or appointed by the Board.

Professor Judith Walker

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

Board Chairperson

Board Chairperson since October 2019; Director since July 2012; Chair of the Board Governance Committee.

Judi has had a long, satisfying and amazing career in higher education leadership, academic and public sector governance, and strategic policy development across Victoria and Tasmania. Currently, she holds a part-time position as Professor Rural Health in the School of Medicine, University of Tasmania where she works with final year medical students building their research capacity and providing support to the Head of School. She recently completed compilation of the University's Medical Program accreditation extension submission. She holds honorary professorial positions at Monash and Federation universities.

As Principal Co-Investigator of the Hazelwood Long Term Health Study, Judi investigated the health impact of the 2014 Hazelwood open cut brown coal mine fire in the Latrobe Valley, Victoria. The team developed a unique multi-disciplinary, inter-institutional research program based on strong engagement with the local community. Judi led the Older Persons Research Stream and was responsible for the study's community engagement and governance activities.

Judi is Board Chair of Latrobe Community Health Service, inaugural Board Chair of Health Consumers Tasmania, Board Director of the Postgraduate Medical Council of Tasmania, and Chair of the Friends Advisory Committee, National Rural Health Alliance.

Bernadette Uzelac

GAICD, FIML, B.Com, Grad Dip Organisation Change and Development

Deputy Board Chairperson

Director since 2019; Member of the Board Governance Committee; Member of the Board Community Investment Committee.

Bernadette has previously served on the LCHS Quality & Safety Committee and as Chair of the Nominations Committee. Her executive career includes nine years as Chief Executive of the Geelong Chamber of Commerce and nearly five years as Managing Director of a disability employment not-for-profit organisation. For over 20 years she was CEO of a successful recruitment and human resources company, growing it from a regional start-up business and expanding the consultancy internationally to Hong Kong and Singapore. Bernadette has a strong commercial and entrepreneurial background with skills in business development and marketing, strategic planning, human resources, change management, government relations, regional development, stakeholder engagement and media. She currently holds several Victorian Government Ministerial board appointments including Kardinia Park Stadium Trust, Kardinia Park Advisory Committee Chair and Geelong Cemeteries Trust, where she is also Chair of the Audit and Risk Committee. She is also a member of the Telstra Victorian Regional Advisory Council and a judge for the Telstra Best of Business Awards. Bernadette previously served as Chair of the Victorian Small Business Ministerial Council, Chair of the Geelong Tech School Committee, Board Member of G21 Geelong Region Alliance, and Deputy Chair of the Committee for Geelong.

Placido Cali

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

Director since 2017; Chair of the Board Audit & Risk Committee; Member of the Board Governance Committee.

Placido has extensive experience in areas of finance, strategic development and corporate growth. He has held senior roles in pharmaceutical, primary health, and technology organisations. Placido has helped companies grow from local organisations to nationally recognised brands.

Mark Biggs

BA (SocSci), Grad Dip Counselling Psychology

Director since February 2014; Member of the Board Audit & Risk Committee, Member of the Board Nominations Committee; Member of the Board Quality & Safety Committee.

Mark is an accomplished professional with a diverse background in the primary health and community services sector Throughout his career, he held various management roles in critical areas, including child protection, youth services, disability services, occupational rehabilitation and project management. He has expertise in strategic planning, policy, risk and business management and is skilled in governance, quality assurance and compliance. Mark has demonstrated his commitment to the community through his previous board positions. He served as the Chair of Lyrebird Village for the Aged, Deputy Chair, and Audit Chair at the Latrobe Regional Hospital. Moreover, Mark was a Board Director at the Gippsland Primary Health Network (GPHN) and Gippsland Medicare Local.

Mark served as LCHS Board Chairperson from 2016-2019.

Nathan Voll

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

Director since March 2016; Chair of the Board Community Investment Committee; Member of the Nominations Committee.

Nathan has over 25 years of experience in the private and public sector in management, consulting and finance/accounting. He is currently the Regional Finance Manager for South Eastern Victoria with the Department of Education and Training. He 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 Board Director of West Gippsland Healthcare Group (WGHG) for six years. He is also a member of the Latrobe Health Risk and Investment Committee's and the Chair of the Audit Committee.

Nathan is a Director and Deputy Chair of the Gippsland Primary Health Network, the Chair of their Audit Risk and Finance Committee, a former Director and member of the WGHG Audit Committee and Clinical Governance Committee and was previously on the Faculty of Education Board at Monash University. Nathan is a Fellow of CPA Australia (Certified Practicing Accountant) and a Fellow of the AICD.

Stelvio Vido

BCom, LLB, MBA, GAICD

Deputy Chairperson; Director since 2018; Chair of the Board Quality and Safety Committee; Chair of the Board Nominations Committee; Member of the Board Governance Committee.

Stelvio is an experienced Board Director with more than 20 years' Board experience across a range of sectors including health and human services, group training and employment services, community legal aid and TAFE. He also has extensive executive experience having worked in senior roles in community organisations, management consulting, local government and commercial media. His most recent executive role was CEO of Spectrum Migrant Resource Centre. Since then he has focused on governance roles in 'for purpose' organisations. Stelvio is currently a Director of Sexual Health Victoria, Windana Drug and Alcohol Recovery Ltd. and Sunraysia TAFE.

Murray Bruce

LLB, BA (Political Science), GAICD

Director since 2018; Member of the Board Audit & Risk Committee, Member of the Board Community Investment Committee, Member of the Board Quality & Safety Committee.

Murray is an experienced Director, commercial lawyer and government executive. He has extensive Board and governance experience with expertise in areas of strategic planning, risk management, commissioning, change management and policy development. Murray has held senior roles at the Department of Health and Human Services, including as the Director of the Victorian Bushfire & Flood Appeal Funds from 2010 to 2014. Prior to this Murray was a Senior Solicitor in the Victorian Government Solicitor's Office and also developed policy, legislation and Ministerial Orders at Consumer Affairs Victoria. He started his career working in private practice as a Barrister and Solicitor for Martin, Irwin & Richards Lawyers in Mildura from 2004-2007. Recently, he was Director of the Commercial & Property Law Division at the Department of Education & Early Childhood Development, and he has served on the Board of the Gippsland Primary Health Network for the past seven years.

Joanne Booth

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

Director since 2017; Member of the Board Audit & Risk 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 has held multiple Board and committee appointments in the Victorian heath and water sectors. Her current appointments include Independent Chair of the Nominations Committee Western Victoria Primary Health Network.

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.

The committee includes two non-Director Members:

Tanya James

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

Tanya is an experienced management consultant and corporate finance executive working previously 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). Tanya previously chaired the Finance Committee for Brighton Secondary College and has served as a College Councillor and Treasurer. She is a GAICD.

Rob Setina

GAICD, MBA, Grad. Dip Applied Finance, B.Comm LLB

Rob is a senior leader with over 20 years' of experience within both the private and public sector, and across Business Transformations and Information Technology including consulting. Rob is a skilled innovator and uses technology, workforce mix, practical thinking and empowerment as enablers to drive business transformation.

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:

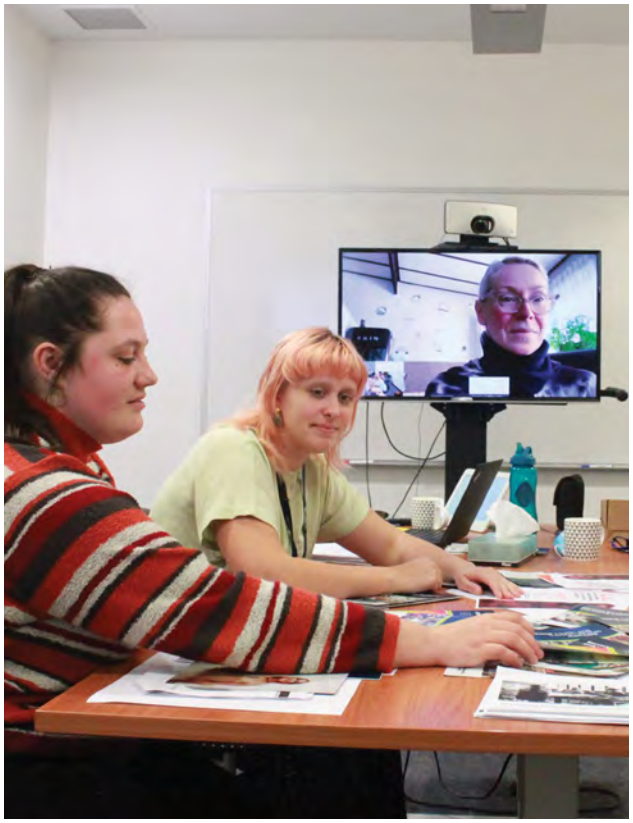
- Occupational Health and Safety Committee.
- Clinical Governance Advisory Committee.

The committee includes two non-Director Members:

Melissa McConnell (Board Quality & Safety Committee)

GAICD

Melissa, a Graduate and Member of the Australian Institute of Company Directors (GAICD), is the current Director of MelSafe Audit & Compliance Services, as well as a Non-Executive Director with Cricket Victoria.



Melissa brings experience in risk and compliance frameworks, specialising in policy and management system development to address stakeholder needs and legislative obligations. Her strengths lie in quality, safety, environmental, social accountability, modern slavery and information security systems, providing organisations with systems and strategies to meet their compliance arrangements.

Petra Bovery-Spencer (Board Quality & Safety Committee)

B.A Science (Physiotherapy), Grad Cert Management

Petra is a qualified physiotherapist with management experience in the health industry across a number of sectors, private and public. She is a former Senior Program Advisor at the Department of Health and Human Services and a former Manager and Acting Executive Director of LCHS in the Primary Health directorate (10 years) including experience on the Clinical Governance Committee. Petra has been actively involved in many committees focused on improving the services and outcomes for those living and working in rural communities and is committed to ensuring people in rural and remote communities have equitable access to health services and improved health outcomes. She has a particular interest in the innovative development of workforce and service models that deliver evidence based services.

The Board Quality and Safety Committee is also informed by the work of Latrobe Community Health Service's Customer Voice Group. 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.

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.

Board Nominations Committee

The Board Nominations Committee provides advice and recommendations to the Board on specified matters as set out in the Latrobe Community Health Service Constitution. These include conducting searches for 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 two non-Director Members:

Janet Nelson

Ph.D. Chemistry, B.A. Chemistry, Member of the Board Nominations Committee 2022.

Janet is a demonstrated senior executive leader with global career experiences and networks that extend across academia, government, not-for-profit organizations, and industrial communities.

In Janet's 35 year career, she has gained experience in scientific research and teaching, scientific review and research portfolio administration, complex and multi-disciplinary program/project management, business development, and science policy implementation. She has served on numerous boards in Australia and the United States, and has a strong understanding of the importance of having the right mix of technical and other specific skills (including a good cross-section and generality of skills) on boards. Janet is a member of the Australian Institute of Company Directors and has completed the Company Director's Course.

Leanne Mulcahy (Board Nominations Committee)

GAICD, LLMEntGov, MBA, NMAS Accredited Mediator

Leanne is a Non-Executive Director and corporate governance expert with strengths in risk management, strategic planning, dispute resolution and stakeholder engagement. She has an accomplished career as a senior executive across local government and not-for-profit organisations. Leanne has more than 15 years Non-Executive Director experience across health, employment, statutory authority and not-for-profit organisations. Currently, Leanne serves as a non-executive director with North East Water, Co-Chairs the Victorian Women in Water Directors' Network and Chairs the Victorian Local Governance Association's Governance & Risk Committee. She recently established Mediation Resolutions delivering dispute resolution and corporate governance services. Leanne is a recipient of the Victorian Women's Network Scholarship and is a Fellow of both the Goulburn Murray Fairley Leadership Program and the LGPro Executive Leadership Program.

Board Community Investment Committee

The Board Community Investment Committee is responsible for overseeing the Latrobe Community Health Service Community Grants program, which is funded by the Latrobe Community Health Service Community Capital Investment Fund dividend as set by the Board annually.

As part of undertaking an annual grants program, the Board Community Investment Committee recommends projects to the Board for funding, and monitors the progress of projects and reports this to the Board.

Upon the Board Community Investment Committee's recommendation, the Board recently provided funding to:

- Churchill Christian Fellowship to establish a community garden to provide food, a social gathering place and to educate about gardening.
- Churchill Neighbourhood Centre to purchase a freezer to help service the Churchill and district community with quality food security and education.
- Latrobe Valley Beekeepers Association Incorporated to provide an all-accessible community space "The Pollinator Food Bowl" for growing and harvesting food to encourage 'eat healthy – bee healthy'.
- Live Well Yallourn North for the "Yallourn North (A Bee Friendly Town)" initiative educating and raising community awareness, selecting and growing 'bee friendly' plants for food.
- Old Gippstown to develop a community garden and showcase produce in a 'Swap Share Stall' cart.
- Traralgon Men's Shed & Woodworking Incorporated for the manufacture of CFA identified projects to provide community connection and social building through group activities that support CFA volunteers and Gippsland communities.
- Traralgon Neighbourhood Learning House for the 'Grow Latrobe' initiative growing community members knowledge to grow fresh produce and providing education on healthy food choices.

Board attendance

Details of attendance by Directors and non-Director Members of Latrobe Community Health Service at Board, Board Audit and Risk Committee, Board Quality and Safety Committee, Board Governance Committee, Board Nominations Committee and Board Community Investment Committee meetings held during the period 1 July 2022 – 30 June 2023, are as follows:

	Meetings											
	Board		Board Audit and Risk Committee		Board Quality and Safety Committee		Board Governance Committee		Board Nominations Committee		Board Community Investment Committee	
	A	B	A	B	A	B	A	B	A	B	A	B
Judith Walker	11	11	4^	4^	4^	4^	4	4	-	-	2^	1^
Bernadette Uzelac	11	11	-	-	-	-	4	4	-	-	1	1
Stelvio Vido	11	11	-	-	4	4	4	4	2	2	-	-
Joanne Booth	11	11	4	3	1	1	-	-	-	-	1	1
Mark Biggs	11	10	3	2	-	-	-	-	-	-	-	-
Nathan Voll	11	11	1	2	-	-	-	-	3	3	1	1
Murray Bruce	11	9	-	-	3	2	-	-	1	0	2	2
Placido Cali	11	10	4	3	-	-	4	4	-	-	-	-
Tracey Tobias[1]	8	7	-	-	3	3	-	-	-	-	-	-
	Non-Director Members											
Tanya James	-	-	4	4	-	-	-	-	-	-	-	-
Robert Setina	-	-	4	4	-	-	-	-	-	-	-	-
Kaye Borgelt[2]	-	-	-	-	1	0	-	-	-	-	-	-
Petra Bovery-Spencer	-	-	-	-	4	4	-	-	-	-	-	-
Melissa McConnell[3]	-	-	-	-	2	2	-	-	-	-	-	-
John Guy[4]	-	-	-	-	-	-	-	-	1	1	-	-
Janet Nelson	-	-	-	-	-	-	-	-	3	3	-	-
Leanne Mulcahy[5]	-	-	-	-	-	-	-	-	2	2	-	-

Notes:

Column A: Indicates the number of meetings held while the Director / non-Director Member was a member of the Board / Board Committee.
Column B: Indicates number of meetings attended.

^ *Board Chairperson will on occasion attend Board committees ex-officio.*

[1] Tracey Tobias resigned on 26 April 2023
[2] Kaye Borgelt resigned effective 11 October 2022
[3] Melissa McConnell was appointed on 24 November 2022
[4] John Guy's term ceased on 31 December 2021
[5] Leanne Mulcahy was appointed on 24 November 2022

Risk management

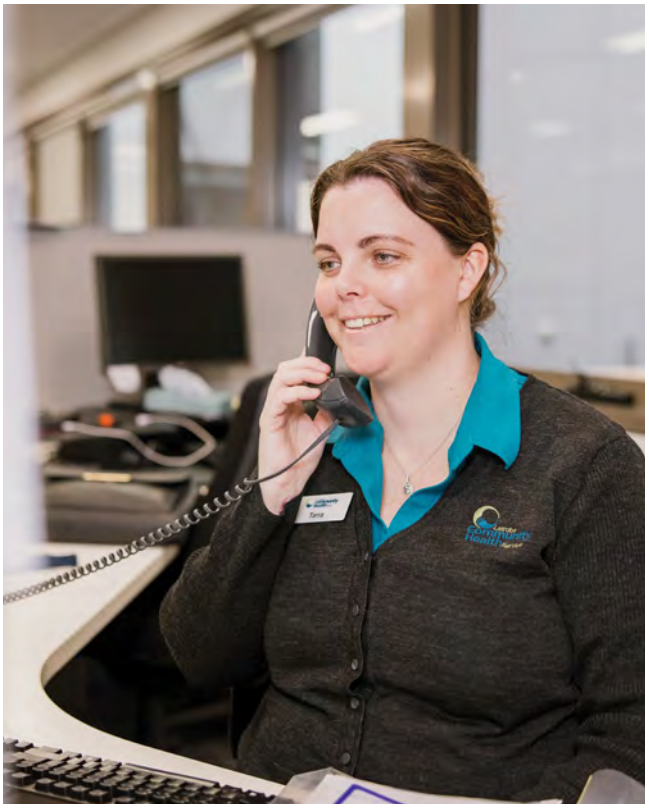
Latrobe Community Health Service maintains a robust and flexible risk management framework that supports future growth, a safe environment and compliance with relevant legislation, regulations and standards. This framework both promotes and is supported by a positive risk culture in which staff are able to identify and respond to emerging risks. Latrobe Community Health Service ensures effective risk management occurs by connecting the values and goals of the organisation with the practical risk management activities conducted by management and staff.

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 policies and procedures 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 and safety of care
- Infection control
- ICT systems and security
- Occupational health and safety
- Business continuity
- Management of physical assets and facilities
- Financial position
- Strategic growth and innovation.

A positive risk culture at Latrobe Community Health Service is one where staff, volunteers and contractors fulfil their risk management responsibilities to help manage client, community, organisation and workforce risks.



Organisational structure

Ben Leigh
Chief Executive Officer

Vince Massaro
Executive Director NDIS Services

- Regional Manager Local Area Coordination Service North West Victoria
- Regional Manager Local Area Coordination Service South East Victoria and South East Sydney
- Regional Manager Early Childhood

Andrina Romano
Executive Director Primary Health

- Manager Paediatric and Youth Hub
- Manager Integrated Primary Health Service Central
- Manager Integrated Primary Health Service West
- Manager Integrated Primary Health Service Metro
- Manager Dental Services Gippsland
- Manager Dental Services Metro
- Manager Gateway
- GP Practice Manager Gippsland
- GP Practice Manager Metro
- Manager Priority Primary Care Centre

Michelle Francis
Executive Director Community Care

- Manager Prevention and Partnerships
- Manager Family Safety Services
- Manager Addiction Services
- Manager headspace Morwell & Youth Services

Matt Vella
Executive Director Aged Care

- State Manager Home Care Services
- Manager Your Care Choice
- Manager Commonwealth Home Support and Carer Programs

Steve Avery
Executive Director Corporate

- Manager Marketing and Communications
- Manager Governance
- Senior Manager People, Learning and Culture
- Manager Information, Communication and Technology
- Manager Finance
- Manager Client Services
- Manager Facilities and Fleet
- Manager Business Development
- Manager Legal

Our organisational enablers

At the start of the 2022-23 financial year, the Latrobe Community Health Service Board set out a new five-year strategic plan.

In charting our course for the next five years, we are determined to be bold. By 2027, we will be partnering with more communities to drive better health, better lifestyles and stronger communities.

We will have strengthened our position as an independent, trusted provider of high quality, evidence-driven health and social services, and we will be using our influence to drive a stronger, fairer health system.

We will have ensured that we have the right culture and leadership, workforce and organisational capability, infrastructure and finances to deliver world-class services.

As a for-purpose community health organisation, everything we do serves to positively impact the growing number of communities we serve. Our impact model is focused on delivering world-class services, continuously improving our delivery models, expanding our reach interstate and using our influence to shape a better healthcare system to ultimately improve outcomes for our customers and clients.

Our impact model focuses on four areas:

INFLUENCE – We use our influence to advocate for stronger, fairer and more accessible health and social service systems.

REACH – We reach more people by growing our services in new and existing communities, including services for under-served groups.

QUALITY – We deliver effective, evidence-based services to the communities we serve.

IMPROVEMENT – We get better at what we do through data-driven service improvement and innovation, and through engaging our clients in service co-design.

Our organisational enablers

Our ability to deliver on our model for impact is underpinned by our organisational enablers. These are:

- The right leadership and culture
- An engaged and enabled workforce
- Fit-for-purpose systems and infrastructure
- Sound financial health
- Strategic independence

Ensuring these elements are in place is a precursor to strategic success.

Accreditation success showcases clinical quality across LCHS

Our first obligation as a community health service is to ensure we deliver outstanding clinical care. Everyone at Latrobe Community Health Service is responsible for crafting a culture of service excellence, regardless of their position.

Of all the systems needed to operate, our clinical governance systems are perhaps the most important. Our governance systems are certainly fit-for-purpose: LCHS is accredited against more standards than any other Victorian community health service, including:

- Aged Care Quality Standards
- headspace Model Integrity Framework
- Royal Australian College of General Practice - Standards for General Practice
- Quality Innovation Council Health and Community Services Standards
- National Safety and Quality Health Service Standards (NSQHS)
- Human Services Standards

The October 2022 NSQHS accreditation report found compelling evidence LCHS has developed systems to monitor safe healthcare provision. It said:

"LCHS has an effective and well-organised system of clinical governance. The board provides the overall leadership and strategic aspects, along with fostering a culture of quality and safety that is evident in the services assessed.

"The framework for clinical governance is well developed and drives the management of all the services provided. Staff are well aware of the quality and safety aspects of their work from their induction to the organisation through to their participation in quality activities, along with continuing education.

"Reports on safety and quality flow up to the board as well as down to the workforce, consumers and the communities; this is augmented by clinical risk management, a key part of the governance activities, along with an overview of incidents, complaints and general feedback. All of which provide information about areas of concern or emerging risks to services.

"All aspects of care are monitored to try to achieve the best possible quality and safety for consumers. All clinicians are carefully credentialed and monitored to ensure their work is within the scope and parameters of expected outcomes and demonstrate compliance with the principles of the current best care."

Investing in fit-for-purpose ICT systems

LCHS has invested in making sure staff have suitable technology platforms. In 2022-23 the organisation rolled out Carelink to improve the care coordination for Home Care Package clients. Resonate, customer feedback software, is now allowing us to collect client experience information at scale, with clients receiving SMS or email surveys straight after using our services. We also commenced commissioning MasterCare, which will streamline client care and improve our reporting and analytics.

MasterCare to transform client management and record keeping

In 2022-23, a new project team was assembled to manage the transition from TCM and TrakCare – systems previously used by LCHS and Link Health & Community to capture client data, medical records and client notes – to LCHS's new client management system, called MasterCare.

The benefits of MasterCare include:

- LCHS and Link Health & Community teams working off the same platform
- Simplified workflows and processes
- Streamlined data collection and reporting
- SMS and email appointment reminders
- A patient web portal

The team managing MasterCare's implementation, part of our ongoing commitment to strengthen our operational infrastructure, worked with various LCHS teams to transition data from existing platforms. These efforts included an audit of existing LCHS data that needed to be moved onto this new platform. By June 2023, they successfully moved more than 1.3 million individual file attachments from TCM to MasterCare.

Physical infrastructure investment

Providing fit-for-purpose infrastructure is also vital. Our Facilities and Fleet team has been hard at work in 2022-23 to ensure our infrastructure provides a safe and welcoming environment for our clients.

Key updates in 2022-23 include:

- Redeveloping our Bayswater site to create a more flowing, connected client experience
- Creating a designated room for seeing children at our Bairnsdale site
- Installing furniture for an infection control waiting room at our Glen Waverley site
- Refurbishing the Moe After Hours Medical Service (MAHMS) site into the Latrobe Priority Primary Care Centre (PPCC)
- Landscaping our Morwell site
- Adding additional consulting rooms at our Sale site
- Painting client areas at our Dandenong site

Strong financial position primes LCHS for sustainable growth

Solid financial health, underpinned by a healthy operating margin, allows us to grow sustainably, integrate new systems that boost operational efficiencies, and foster a culture of innovation across our organisation. Our strong 2022-23 balance sheet reflects a successful history of organic growth. This includes merger and acquisitions, such as Link Health & Community, which required no debt.

However, margin erosion – where costs rise faster than revenue – remains an ongoing challenge for community health organisations like LCHS. For example, in 2022-23 we saw substantial increases in WorkCover premiums, which cover the costs of benefits if our staff are injured or become ill because of their work.

In response to such costs, we must work more efficiently. In 2022-23, this included a review of staffing levels, and the systems and processes required to deliver the highest quality services for our clients.

We also remain strategically independent with a wide variety of funders – from the Victorian and Commonwealth Governments and agencies, to direct co-payments from individual clients.

This is critical to weathering funding fluctuations. For example, in late 2022-23 the Victorian Government announced a 15 percent funding cut to preventative community health programs for 2023-24. While we continue to voice opposition to this decision, namely through the Community Health First advocacy campaign, we have a broad range of service and funding lines that help us manage such eventualities.

Our strategic independence also means we can consider new services without approval from other funders and stakeholders – a luxury other community organisations may not have. This includes acquisitions and mergers that our Executive team and the LCHS Board can approve without the need for an external go-ahead.

Our status as a community health provider that operates in multiple service areas, such as the NDIS, aged care, primary health and community care, is emblematic of our ongoing efforts to diversify our revenue streams. This continued in 2022-23 with the integration of the Latrobe Priority Primary Care Centre (PPCC), funded by the Victorian Government, as an alternative service model for emergency care. These efforts will continue in 2023-24 as we look to grow our aged care services, providing us further economies of scale as we continue to meet the needs of our ageing communities.

PRIORITY ONE

Strengthening community health

Outcomes

- Evidence and data capability is better integrated into our work.
- Increased influence within the public policy sphere.
- Stronger connections with our service communities.

Leading the sector in client outcome measurement

We continue to better integrate evidence and data capability into our work; LCHS is a thought leader in data gathering and analysis. As far we know, we are the only Victorian community health service to publicly release data on client outcomes. By measuring outcomes, we are better able to understand the strengths of our services and identify improvement opportunities.

We are measuring client health outcomes in five areas:

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

Last financial year we collected enough data to analyse our impact in three areas: mental health, improvement in functioning, and achievement of goals:

- 91 percent of clients reported maintaining or improving their mental health after using our services
- 88 percent of clients reported maintaining or improving their functioning after using our services
- 73 percent of clients reported they achieved at least one goal they set with their clinician

We expect to gain enough data on social connection and physical health as more programs begin measuring client outcomes in these areas.

LCHS adds weight to statewide community health advocacy initiative

Australia invests two percent of total health expenditure on preventative care, well below OECD averages. Moreover, according to data from the Australian Government, more than 569,000 hospital presentations in 2021-22 in Victoria could have also been diverted through contact with primary and community health services. The Victorian Healthcare Association estimates community health services like LCHS have the potential to save the Victorian Government around $3.1 billion a year by reducing the number of these avoidable hospital presentations.

Despite these benefits, community health funding continues to lag behind inflation and population growth. We know the key to solving our current healthcare crisis sits within the services we provide. No other part of our healthcare system has the same level of community connection and ability to provide community-level solutions to emerging public health issues. The community health sector ensures world-class healthcare is accessible to all, especially the most vulnerable and hard-to-reach people in our communities.

We want to work alongside government, with adequate funding and tangible partnerships, as a critical solution to help alleviate the pressure on our health system. So in 2022 we joined all 24 registered independent community health services in Victoria to create Community Health First. This advocacy initiative calls for greater recognition and funding, and highlights to key state and federal decision makers the critical role that we and other community health services play across the Victorian health system.

Over the past year LCHS staff have met with key stakeholders, including meeting with Victorian Health Minister, Mary-Anne Thomas. LCHS has also been a major contributor to public awareness, generating significant media coverage of the challenges facing the community health sector.

Priorities for Community Health First

- A cost-effective and well-funded system that can keep people healthy and well in their communities
- A trusted community health model that is consistent and responsive to the needs of local communities
- An elevated role for community health to ensure holistic care that treats the person, not just the condition
- Accessible, affordable and quality care for everyone – especially vulnerable groups, and regional and rural communities
- Show that every person has the skills, resources and supportive environment to achieve their full health potential

Customer Voice Group goes from strength to strength

Embedding community voices in our services is a key action of the new LCHS Strategic Plan. Consumer engagement to develop and improve our services can take different forms and we continue to enhance our participatory practices to strengthen our connections to our service communities. Our Customer Voice Group is a key pillar of this approach.

The LCHS Customer Voice Group (based on a model at Thunder Bay Health service in Canada) provides a consumer perspective that reflects their health journey and the collective experience of health consumers and community members.

We have 13 Customer Voice Advisors whose ages range from early-20s to mid-80s, and who are located in Melbourne, the Latrobe Valley, and Western Victoria. LCHS actively draws on their experiences to inform many of our service offerings and projects.

Moe garden redesign proves successful test bed for Customer Voice Group

Customer Voice Group successes in 2022-23 include the ongoing redesign of the garden at our Moe site. Our Facilities team met one of our Customer Voice Advisors in October 2022 to explore how best to create the most customer-centric garden possible. They subsequently met with a landscape gardener, who created an initial concept that balanced the requirements of both the LCHS Facilities team and the Customer Voice Group.

The garden redesign shows how effective engagement between our Customer Voice Advisors and LCHS can spawn tangible, positive change.

The Customer Voice Group has also guided the creation and operation of our new AOD Clinic [described later in this report], and worked with our Marketing and Communications team to raise the profile of the group in the wider community.

Client feedback strengthens customer service commitment

To further build our connection with the communities we service, LCHS has introduced the Resonate platform, allowing us to capture – at scale – client feedback via automated SMS and email surveys. In its first year of use, we collected feedback from 5,458 clients across 14 program areas. This feedback is relayed to program areas, allowing LCHS to make improvements as a direct response to customer experiences.

The Resonate platform also allowed us to track our Net Promoter Score (NPS), a measure of how likely clients are to recommend our services. In the first year, the score was +66 on a scale of -100 to +100. This is an exceptional result. 76 percent of NPS respondents were 'promoters', meaning more than three quarters of our clients would recommend us to their friends and family. These 'promoters' cited the knowledgeability, friendliness and helpfulness of our staff, alongside our professional customer service in a safe and clean environment.

PRIORITY TWO

Enabling sustainable growth

Outcomes

- Fit-for-purpose organisational infrastructure.
- The integrated primary health model is well established.
- Growth in our disability services.
- Innovation is embedded in our culture and practice.
- Growth in our community-based aged care services.

Embedding innovation in LCHS culture

LCHS continues to develop processes to innovate across clinical and non-clinical areas. The organisation has a dedicated Innovation Projects Lead, and an innovation policy and framework. LCHS currently has 15 innovation projects underway.

Community pharmacist integrated after successful 2022 pilot

Managing complex and chronic diseases is both a responsibility and a challenge for primary health services like LCHS. Under best practice guidelines, multiple medications and therapies are often recommended to manage chronic conditions. But as the number of required medications increases, so does the complexity and cost for patients – alongside the risk of medication-related harm.

A non-dispensing community pharmacist uses their pharmacotherapy expertise to review patient medication. They ensure the patient is on the simplest, best-suited combination of medication, and improve patient understanding of how and when to take their medication for the best results. The pharmacist can also identify combinations of medication that could lead to potentially adverse drug events.

The aim of our six-month 'Non-Dispensing Community Pharmacist' innovation pilot, which wrapped up in the first quarter of 2022, was to build a sustainable model to improve outcomes for customers that are at a high risk of 'medication misadventure'. These can include medication error, adverse drug reactions and events, or any negative effects of using multiple medicines to treat disease.

We surveyed the pilot's customers three months in to gauge satisfaction levels and whether they wanted the service to continue. Four out of five said they "agree" or "strongly agree" that information from our community pharmacist saved them from making an appointment with their GP to discuss their medications. All surveyed said the Community Pharmacist was helpful, they knew more about their medications, and would continue using the service if it was available.

With this in mind, we were able to secure ongoing funding for a community pharmacist in 2022-23, integrating their work across LCHS services, including:

- the Chronic Disease Management (CDM) team
- the Gippsland High Risk Foot Clinic (GHRCF), including our monthly clinic at Ramahyuck
- the District Nursing team, in particular our Palliative Care team
- our GP clinics (for care plan co-ordination and medication review)

Sexual health, screening clinics transform access to sexual and reproductive health

In 2022 LCHS launched a Sexual and Reproductive Health Hub to provide integrated sexual health services, addressing a critical local need. A focus of the hub is providing information on all forms of contraception, pregnancy options and sexual health. It also provides services such as facilitating diagnosis and management of polycystic ovarian syndrome, menopause and endometriosis, and promoting local access to cervical screening and Breast Screen services.

In addition to on-site education, sexual health nurses visit community groups such as TAFE Gippsland English language classes and local playgroups to undertake cancer screening education and sexual health education.

Cervical cancer screening can be a stigmatised health service. In a lot of cultures, "if you don't speak about it you don't have to worry about it". Our long, nurse-led appointments allow patients to share their concerns, and not feel they are taking up the GP's time. Since the hub opened, it has completed 93 cervical cancer screenings, with 26 of those needing more investigation.

The hub also addresses another service shortfall in the Latrobe region, providing abortion services. In Latrobe in 2021, 112 women wanted a medical abortion; more than half of them had to travel out of area to access this service. Many went to Melbourne; some had to make three trips. Our clinic helps stop this. The hub (overseen by the LCHS GP Clinic) has undertaken 50 medical terminations of pregnancy since October 2022.

We have reduced the number of appointments required by training in bedside ultrasound. This means an LCHS nurse and GP can do ultrasounds so patients don't need to go elsewhere (and possibly pay) for an ultrasound to date their pregnancy. This saves money and time for patients; it costs money to take time off work, get childcare, and travel to appointments.

Sexual health nurse, GP help more young people at headspace Morwell

Twelve to 25-year-olds now have better access to our integrated primary health services thanks to weekly clinics at headspace Morwell – from both an LCHS GP and sexual health nurse.

Working with headspace Morwell staff, our GP can now establish whether client symptoms are the result of a mental health or physiological problem, or a combination of both. This diagnosis can impact how a young person is treated, benefiting them in the long term.

So far in 2023 the GP has had 64 appointments with young people at headspace Morwell. The LCHS Sexual Health Nurse is also on hand – operating weekly half-day clinics at headspace Morwell since February 2023.

Face-to-face group work, one of the headspace Morwell's key offerings, also returned to full strength in 2022-23 after the lengthy pandemic-related hiatus. For example, the centre's 'Whatever' group is again meeting in-person as the centre's dedicated LGBTQIA+ safe space. Attendees can share their experiences, develop friendships and plan specific events.

Many of headspace Morwell's neuro-diverse attendees are also feeling the benefits of the 'headspace Heroes' group and the centre's 'Geek Club', which now hosts a 'Dungeons and Dragons' event every two weeks – helping attendees with communication, problem solving and social anxiety. And the centre's 'Make, Create, Relate' group is again helping users talk more about their physical health with the help of a mental health counsellor and an LCHS Community Nurse – another benefit of the centre's co-location with LCHS Morwell.

Safe growth underpins Home Care Package business in 2022-23

Community-based aged care services have been an area of significant growth for Latrobe Community Health Service over the past six years. We are well into our third decade of delivering home care services, carer support programs, and aged care assessment services for older Australians.

However, 'safe growth' remains the backbone of our Home Care Package offering. Today, our aged care team holds weekly allocation meetings to ensure LCHS has the capacity to provide the best possible care for each prospective Home Care Package client we speak to. Key discussion points include whether LCHS has the care advisors needed in a client's location.

Our insistence on quality continues to be recognised in the community, with demand for home care packages remaining high; between November 2022 and June 2023, our home care package business increased by seven percent. The team is poised to grow further, recruiting more care advisors across regional Victoria and in Sydney.

Your Care Choice – the LCHS direct home care service – also went from strength to strength over the 2022-23 financial year, growing by 47 percent. Staff headcount has mirrored this trajectory, doubling to 70 since July 2022 and supported by increased team lead capacity – to ensure standards and expectations continue to be met.

Efficiencies, care quality boosted across Aged Care

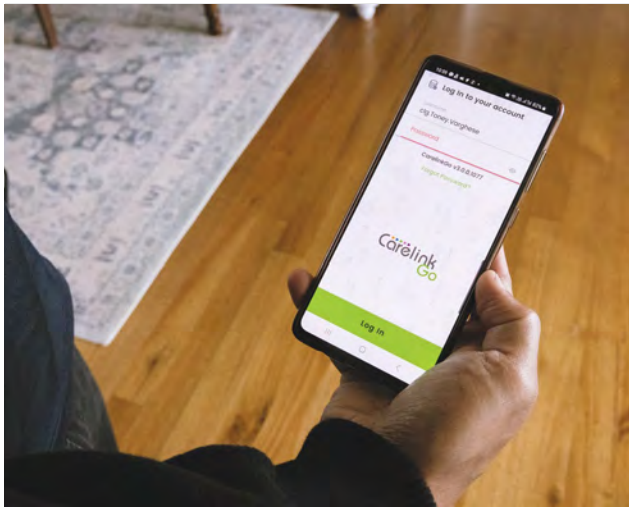
In 2022-23, our Aged Care team implemented a number of improvements to boost efficiencies and care quality across the directorate. They include a new Management of Consumer Clinical Risk procedure and a new Risk and Vulnerability Tool, which has been purchased, tested and is currently in use. All staff have been fully trained on these procedures, which include review and approval by a team leader or senior care advisor for every assessment. These procedures were fully implemented on 24 November 2022.

Our Home Care Package team also introduced a Senior Quality and Safety Coordinator to oversee plan assessments, the planning and delivery of care, complaints and incident management, and oversight of the directorate's continuous improvement plan. It has also worked with providers to improve the information they receive about consumers and improved the quality of information provided on our statements. This includes a new style of monthly Carelink statements after we implemented a new software system, incorporating client feedback into the new design to make sure key information is delivered in a clear and concise way.

Carelink app boosts efficiencies across Your Care Choice

Improving and integrating our business systems is essential to our ongoing success. One example is our rollout of Carelink to our Your Care Choice staff. This mobile app is a customer relationship management system that provides many process enhancements to the overall Your Care Choice service delivery model. It means our Aged Care team can see the entire customer journey using real time data.

The app also provides efficiencies in the rostering process, automated timesheets and more informative reporting. This means our service coordination team can spend more time on our client's specific needs and not on time-consuming manual processes. Our workforce is also freed of administration tasks and manual rostering, and can now enter shift data and client information in real time to ensure fewer errors and more accurate charges to the client. With Carelink, our Your Care Choice clients also receive their monthly statements in a more timely manner.



LCHS Home Care Package helps Victorian couple stay living in their rural home

As a former nurse, Robyn knows all too well the importance of acting early.

"It only takes an accident or an incident and you go where you fit, not where you would choose," she says.

Robyn and Mal regard themselves as "high maintenance – medically and surgically-wise" but want to remain living at home for as long as possible.

So, one afternoon with a cuppa in hand, Robyn phoned My Aged Care. She and Mal both had an aged care assessment, and before they knew it, their Latrobe Community Health Service Care Advisor Maddi was on their doorstep.

"Maddi's suggested things we hadn't thought of," Robyn says. "That's kept us independent, because we don't have family close."

As their care advisor, Maddi has helped arrange services and equipment that reflect Robyn and Mal's care plan. Some of the services they receive with their Home Care Package funding include mowing and gardening, gutter and window cleaning, fuel cards to get them to and from medical appointments, and education to help them use their laptop so they can stay connected with family and access telehealth.

"Boy, has it made a difference," Robyn says. "I'm forever preaching to friends and anyone who will listen to move early. If you make these choices early, it's a smart move – much smarter."

Smoother transition for NDIS-supported children and their families

With the National Disability Insurance Scheme (NDIS) now more mature, in 2022-23, our NDIS directorate focused on participants with reviewing existing plans, as well as greater community connection and outreach work. Staff also eased the transition of NDIS participants and their families from the Early Childhood Approach (EC Approach) to Local Area Coordination (LAC).

Our nationally-consistent EC Approach is for children under seven with developmental delay or disability and their families. It was developed based on evidence-based research with the help of leading experts in early childhood intervention. However, children under six years-old who do not fully meet the definition of developmental delay or disability – and have developmental concerns – are also supported through the EC Approach.

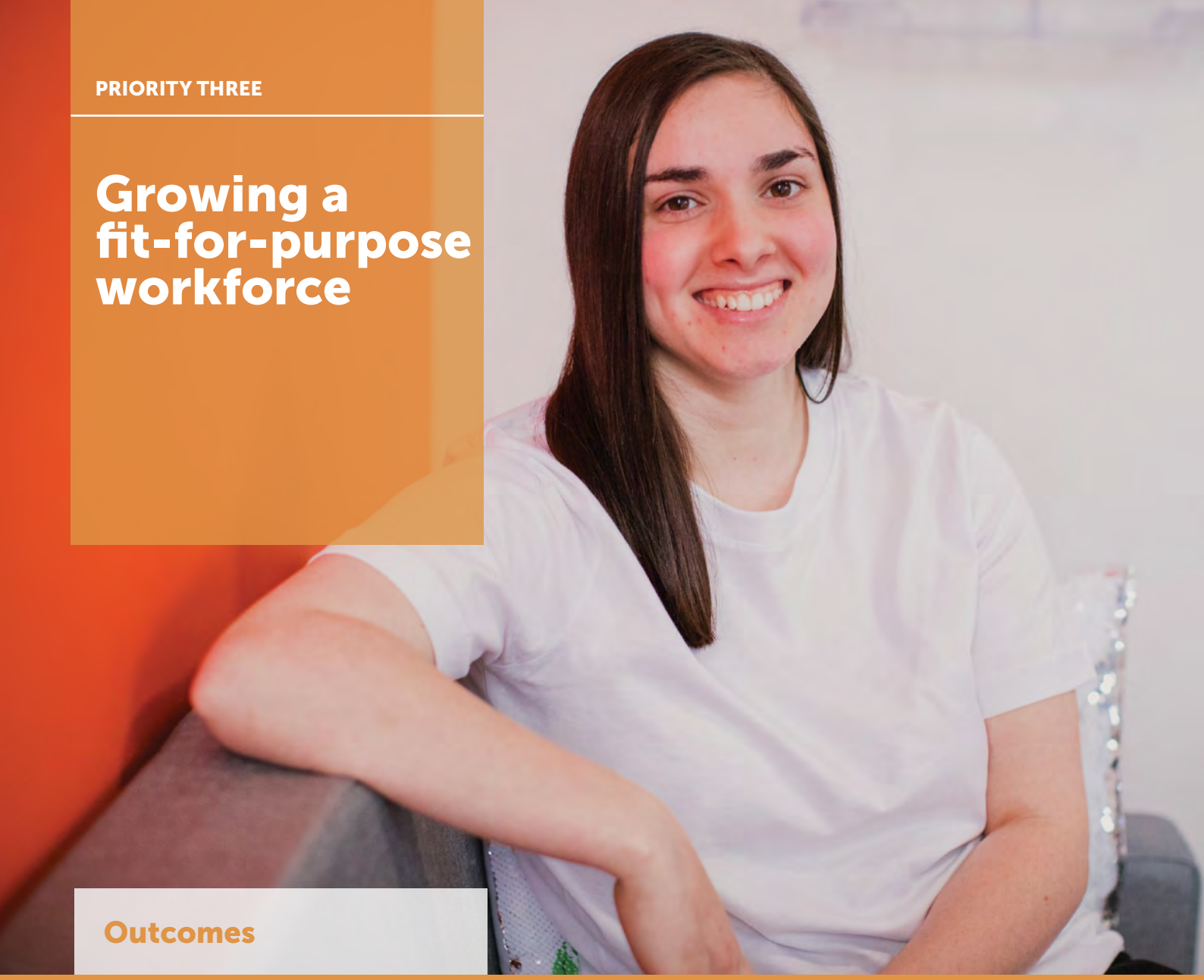
Just before a child turns seven, and if eligible, they are transitioned to the LAC service – a transition that must be as smooth as possible for NDIS participants and their families. In line with this commitment, and after consultation and feedback from families, a working group of Early Childhood Coordinators (ECs) and Local Area Coordinators (LACs) – led by the EC Regional Manager – was developed to review the transition from EC to LAC.

The group explored and refined the current processes, creating very clear guidance about a 'warm handover' during this transition and developing different handovers depending on a family's individual needs. A trial was then completed in Gippsland and Outer East Melbourne, with positive feedback from ECs, LACs and parents. This reflected the value of the early work we conducted speaking with participants so they could help shape the final outcome. The revised process will now be rolled out across the LCHS NDIS directorate.


Early Childhood
Early Intervention

PRIORITY THREE

Growing a fit-for-purpose workforce



Outcomes

- Increased attractiveness as a preferred employer.
- Effective leadership at all levels.
- Stronger workforce pipeline.
- Improved workforce capability.

Contributing to a positive workplace culture

Central to building a positive workplace culture is understanding the experience of staff. For more than a decade LCHS has undertaken an annual staff survey, run by an external agency that benchmarks results against similar organisations nationally.

The 2022-23 survey showed 73 percent of staff feel LCHS is a 'truly great place to work' – clear evidence of positive workplace culture. Respondents said the support, teamwork, and friends and colleagues are the top three reasons why they enjoy LCHS.

The executive implemented and monitors an organisational development plan that addresses the challenges and opportunities the surveys identify.

Recognition is also a vital contributor to positive workplace culture. In 2022-23, LCHS introduced the Star online platform, allowing any staff member to acknowledge a colleague for demonstrating the LCHS values. More than 7,757 Star cards were sent in 2022-23. In addition, LCHS holds annual staff awards to recognise exceptional performance, values-driven behaviour and innovation.

The Healthy Workplace Committee (HWC) is also a major driver of initiatives to promote positive workplace culture.

The HWC coordinates staff events to mark key dates such as IDAHOBIT day and NAIDOC week. The committee also launched 'Get Active, LCHS!' to encourage increased physical activity among staff. More than 140 staff logged a combined 1,980 hours of activity.

Securing a pipeline of future workforce talent

The LCHS Workforce Plan outlines opportunities for developing a robust community health workforce for coming years. It lays out a path for recruitment and retention that matches our strategic aspirations.

As part of this plan, LCHS partnered with Federation University to create a new allied health scholarship program.

Future of Allied Health Professionals Scholarship recipients receive $1,000 each semester for text books and other study materials. They attend site days with the LCHS allied health team, and take part in training and other team events. This supports recruitment and local employment, while also making our organisation more desirable to prospective employees.

Meanwhile our Allied Health Graduate Program, open to Allied Health graduates who have graduated in the past two years, continues to accept applications on a rolling basis. By June 2023, seven Allied Health graduates were participating in the program. If graduates successfully complete their six month probation with LCHS, they receive an offer of conditional employment witH us.

The future of allied health in the Latrobe Valley

In May 2023, LCHS welcomed five students from Federation University as part of the Future of Allied Health Professionals Scholarship program.

Ella Buckley, Bridie Byrne, Jaime Earles, Jayla Morcom and Emma Spagnolo were the successful candidates and received their scholarship from Executive Director Primary Health Andrina Romano at an event at Federation University.

"I'm really grateful for the opportunity I've been offered with LCHS, and I'm excited for the experience I will gain through this scholarship," says successful candidate Emma. "The opportunity to solidify what I'm learning at university and experience real-life scenarios is the reason I applied."

Our five scholars will be allocated to a number of allied health teams within the Primary Heath directorate. The aim of the scholarship is to re-shape our employee journey and appeal to new allied health professionals in the Latrobe Valley.

Smiles all around: Dental trainees start year-long, on-the-job training

In April 2023, we also welcomed four dental trainees who will be undertaking their Certificate III in Dental Assisting at LCHS. Tracy, Cassie, Emily and Tijana are completing their studies via 'on-the-job' learning with our dental team over the next 12 months.

Jenny Juschkat, Manager, Dental says the program is a positive thing for both the trainees and LCHS. "All of our trainees will take on Dental Assistant duties while they complete their Certificate III, which is really beneficial for their career development. Tracy, Cassie, Emily and Tijana have already transitioned to surgery observation, including surgery set up and pack down, and chair-side assisting.

"This type of work will build their capacity to support our dental program directly, but it also builds the local workforce."

Tracy says the opportunity to help people within the community was what drew her to the traineeship: "I have always wanted to be part of something that helps others. Being there for someone during a procedure that might seem scary, but will possibly change their lives, was the reason I applied for the job."

Tijana says being able to explore a number of career pathways within the health sector was the reason she applied for the role: "It's exciting to begin working in the health industry, which opens a lot of new avenues and career opportunities for the future."

Following the completion of the 12 month program, all four dental trainees will be eligible for a permanent role with LCHS.

Improving workforce capability

Over the past year we have invested more than $700,000 on staff professional development and leadership development. The training we fund ranges from cultural competency, best practice in service delivery and software skills, to qualifications in fields like dental, allied health, health promotion, counselling, nursing, and community services.

LCHS also implemented a Mentally Healthy Workplace Policy, outlining our tools and steps to encourage staff mental wellbeing. In addition, we provided Mental Health First Aid training, and now have 64 Certified Mental Health First Aid Officers across the organisation. These measures have led to a 75 percent reduction in mental health injuries.

Embedding a culture of high performance and effective leadership

We have partnered with Deakin University to create the Leading for Success pilot program, open to all managers. Those who successfully complete the program graduate with a Graduate Certificate in Management.

Women & Leadership course propels further study from LCHS leaders

Under efforts to strengthen our workforce's leadership capabilities, over the past two years two members of our Integrated Primary Health Team participated in Executive Ready – a seven month leadership and career accelerator designed to stretch existing female leaders and rapidly propel them towards executive level performance, behaviours and mindsets.

The course is comprised of workshops, webinars, peer coaching sessions, readings, assignments and project tasks.

"I thoroughly enjoyed the course – it was very practical with a great mix of leadership personnel across different industries, each of whom had their own individual experiences and insights," says Karen Pettifer, a manager in our Integrated Primary Health Service team.

"The biggest take away for me was the work we did around teams, as well as the modules on leadership style and communication. I continue to use this information and other course learnings in my work," Karen adds, citing the accelerator was a catalyst to pursue further study.

Karen used her Executive Ready graduate status to apply for her Masters of Business Administration at Deakin University. Integrated Primary Health Service Duty Nurse Katie Graham is following in Karen's footsteps, having kicked off her 'Executive Ready' course in March 2023.

Katie also plans to complete an MBA once she completes the seven month course.


a-dec

PRIORITY FOUR

Partnering for comprehensive care

Outcomes

- **Stronger lived experience partnerships.**
- **Stronger connections with our service communities.**
- **Increased collaboration with other providers.**

Innovative services, shaped by the communities we help

One of the key aims of the new strategic plan is to better integrate lived experience expertise within our organisation, and in how we plan, co-design and deliver services at every level.

For example, in January 2023 we launched a walk-in Alcohol and Other Drug (AOD) hub for people seeking on-the-spot help for their alcohol or drug use. We identified a critical need, with pathways for people to access AOD help in Victoria often reliant on a catchment-based phone intake service. Our AOD Hub uses a wrap-around model to help clients and their families at any of the 'stages of change'. It is the only walk-in AOD service in regional Victoria and one of only three in the state.

Two of our Customer Voice Advisors were integral in the hub's development. Both were women from regional Victoria who had lived experience of supporting family and friends through AOD use. One was the mother of a child who had a drug addiction. Their input shaped the final model for the hub.

Another example is our Service Design Framework (SDF) methodology. Led by the LCHS Business Development Unit we improved 10 services in 2022-23, speaking to 120 clients and using their feedback to implement service improvement plans. This process was used with palliative care clients and their families, who shared they had not realised the importance of end-of-life planning. We trained our staff on how to lead those conversations, and made early staff-client discussions about Advanced Care Directives part of our procedures, leading to improved client understanding and reduced stress.

First Nations Advisory Group launched

Addressing the healthcare needs of Aboriginal and Torres Strait Islander people is a priority for LCHS.

This year LCHS launched a First Nations Advisory Group, whose vision is 'Help LCHS provide better services for First Nations people'. The initial membership is seven people, with plans to grow further in the coming year.

The group ensures we provide relevant and culturally safe health services. Its current projects are reviewing the LCHS AOD walk-in hub and our headspace Morwell services.

Diabetes-related amputations: Gippsland High Risk Foot Clinic boosts outcomes

Increasing collaboration with other providers is vital if we are to provide clients with continuous, holistic care and support.

For example, people in regional and remote Australia are up to 11 times more likely to have amputations due to diabetes-related foot disease (DFD). The Gippsland Primary Health Network (PHN) has the second highest prevalence of diabetes among all PHNs in Australia.

To address this, in September 2022 LCHS and Latrobe Regional Hospital established the Gippsland High Risk Foot Clinic (GHRFC) – the first ever joint clinic to collect data on DFD presentations and outcomes in the region.

In the first six months of service, the clinic treated 76 DFD patients who presented with 106 ulcerations. The healing rate for diabetes-related foot ulcers 12 weeks after visiting the GHRFC was 31 percent - equivalent to major Melbourne tertiary centres.

The GHRFC is also working hard to reach traditionally underserved communities, running regular outreach clinics in Bairnsdale at the Gippsland & East Gippsland Aboriginal Co-op.

Previously patients had to travel long distances to hospitals in metropolitan Melbourne to receive the specialised care offered at the GHRFC. The major benefit of our partnership with LRH is patients now receive a continuity of specialised care - closer to home - between acute and community services.

The establishment of the GHRFC shows that a collaborative inpatient and community model of care between independent organisations may be one effective solution to better manage the burden of health diseases, such as DFD, in regional communities with limited access to healthcare.

Lived experience strengthens community outreach, service improvements

To reduce inequality in health and wellbeing, in 2022-23 we implemented the Latrobe Mobile Community Connectors. This program engages vulnerable community members with complex health needs in high-risk housing such as caravan parks, community and public housing, and rooming houses.

Our Community Connectors link residents with the services and support they need, in areas such as employment and training, financial disadvantage and alcohol and other drug support. Residents also present with other needs like accessing the NDIS, dental, mental health, and housing and homeless services.

In 2022-23 the team went to 483 doors across three caravan parks, 13 public housing settings and 10 rooming houses. Between February and May 2023, the team reached 723 residents, referring residents to more than 120 services.

Our lived experience workers helped develop the scheme's service delivery and implementation, providing invaluable insights and an ability to easily engage with residents.

GHRFC transforms diabetes care for Gippslander Fiona

Fiona, a 56 year old Gippslander with Type 1 diabetes, is one of many people already experiencing the benefits of the new Gippsland High Risk Foot Clinic (GHRFC).

Fiona's first encounter with diabetes was 26 years ago during pregnancy. Following a misdiagnosis and many diabetes-related health issues, Fiona developed a foot ulcer that required ongoing medical care.

"For years I travelled multiple hours per day, each week, to medical appointments all over Victoria, Fiona says. "I was driving back and forth from Sale to Melbourne and, prior to that, I lived in outback Queensland and would fly to meet my endocrinologist once a year."

Due to the unrelenting travel, Fiona's ulcer didn't get better – it got worse – until she found the GHRFC.

"I now have continuity of care, which has been so beneficial for my physical health, but also for my mental health," says Fiona, who attends the clinic every Tuesday. She says it's her favourite day of the week.

"I absolutely love coming here - it feels like home. The team give me so much hope and positivity. I honestly have a new lease on life."

Attending the GHRFC means Fiona no longer needs to travel long distances to get the care she needs. She can access all of the required services under one roof.

"When I visit the clinic, I see one of the LCHS podiatrists, John," says Fiona. "[Dr Chen] is professional beyond his years, and he has given me so much hope and support in the short time I've known him.

"I've been living with my diabetes for 25 years, but coming to the GHRFC has made a world of difference. I finally feel like I have the tools to keep it under control."

After being in a dark place, Fiona feels positive about what her future holds: "I can see a future where I can do the things I haven't been able to do for years, like go for a swim at Christmas or even just have a shower. I feel so grateful to John and the team for all that they do!


Community Health
Caitlin

Our volunteers

Community day centres (known as friendship groups and later social support groups) began in the Latrobe Valley in 1979.

They were designed to increase social connectedness, with volunteers preparing meals and helping participants do different activities. LCHS's first volunteers started in the same year. Fast-forward more than 40 years and we still rely heavily on volunteers in our social support group programs.

Our volunteer roles include:

- Transport driver - taking people to and from their medical appointments
- Bus jockey - helping clients get on and off a shuttle bus, to and from planned activities
- Meal server - preparing and serving meals
- Activity assistant - helping clients participate in crafts and games
- Sewer - sewing buddy bears that are gifted to children when seeing the doctor or dentist
- Simulated patient - acting as a client to help train student medical professionals
- Administration assistant - helping with filing, data entry, mail-outs
- Community visitor - visiting people who live in aged care facilities and provide companionship
- Pet carer - helping older people take care of their pets

Our volunteer services began to recover in 2022-23 after taking a hard knock from the COVID-19 pandemic, which halved the number of LCHS volunteers. From building 'buddy bears' as a distraction for children when they see a dentist or doctor, or providing comfort and company to palliative care patients and their families, our volunteers remain critical. Each volunteer contribution allows us to invest more into the services we offer.

More than 60 volunteers worked for LCHS in 2022-23, contributing more than 14,500 hours of work across a variety of program areas. The monetary value of their contributions equates to more than $544,000 in 2022-23.

LCHS volunteers: Kids buddy bears bring smiles

Julie and Rose volunteer in the LCHS Buddy Bears program, where they hand make teddies for children to take into their medical appointments.

Buddy Bears provide children with a bit of comfort during their appointments and are a beautiful handmade gift they can keep forever.

"I have been sewing since my teen years, but only as a hobby," says Rose. "I didn't really imagine my sewing skills could be valuable in a volunteering sense but, to my surprise, they are!"

"We are creating bears to support children; it warms our hearts to think we are creating them for the comfort and enjoyment of children," adds Julie, who volunteers with Rose on a weekly basis across LCHS's Gippsland sites.

"A typical volunteering session consists of sanitising our work area, cutting, pinning, sewing, ironing and stuffing the bears," says Julie. "I also enjoy fun conversations and interactions with co-workers. I definitely look forward to attending each week!"

"I would definitely encourage anyone who may be considering it, to try volunteering at LCHS," says Rose.

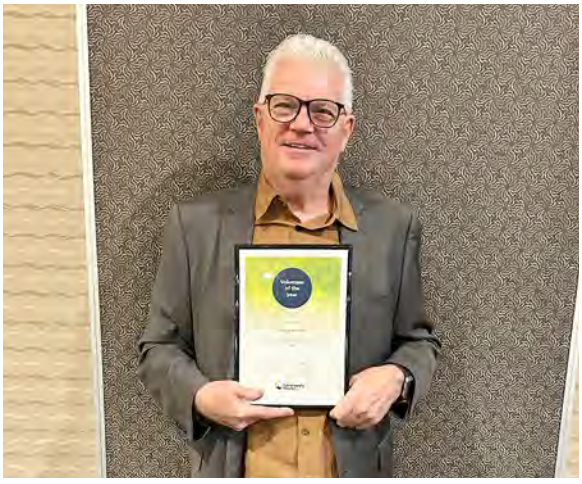
"It's a wonderful environment and we are supported by fabulous leaders who encourage us constantly."

Thank you Rose, Julie, and all of our wonderful volunteers for everything that you do.

Meet 2023 LCHS Volunteer of the Year

2023 LCHS 'Volunteer of the Year' winner George Graham has contributed nearly 2,926 hours of service since joining LCHS in 2017 – providing support for transport, social support groups and companionship to patients, and recording biographies of people who are nearing the end of life.

"In 1977, I was recognised as the most outstanding student for electric power subjects in the UK by the Institution of Electrical Engineers," says George. "But being awarded LCHS Volunteer of the Year means more to me because it relies on people's opinions and interactions with me. There are loads of fantastic volunteers at LCHS. So, regardless of the outcome, I'm in really great company."



End-of-life support: Meet LCHS palliative care volunteer Deb

Most of us don't like thinking about death, but it is a conversation that Deb leans into. Deb is one of our amazing palliative care volunteers, who also works as an end-of-life doula.

As a registered nurse for 43 years, Deb has always been passionate about working with older people in the community, and those receiving palliative care. At the end of her nursing career, Deb felt she could do more with her free time, and began looking into ways she could support her community.

"I came across the concept of an end-of-life doula," says Deb. "It's essentially someone who supports terminally ill people, and their loved ones, as death approaches."

Deb has been an end-of-life doula for a number of years now, mostly for young children with a terminal illness. "Providing support to families during this difficult period of their lives gives me such joy," says Deb.

"I become an extension of their family in a time of need, and help them through one of the hardest things they will ever go through."

As an end-of-life doula, Deb does everything from hand holding, assisting with documentation and funeral planning, to organising vigils. Her support continues right through to after-death care. Building on her work as a doula, Deb also recently became a palliative care volunteer for Latrobe Community Health Service (LCHS).

"I've been volunteering with LCHS for eight months and I love it," says Deb, who is currently working with palliative care clients to complete biographies they can leave behind for loved ones.

"It's a therapeutic task for them; our palliative care clients get to tell me their story, share poems, songs or tales of their past. We have between nine and 10 sessions with each client, and they are free to share whatever they like."

When asked how she stays positive while doing this line of work, Deb says: "It's not easy - I've certainly had some tough times, but I've found meditation and journaling work for me."

The most important thing Deb wants people to know about death is that it requires preparation: "We often prepare so much to bring life into this world, but we neglect a plan for leaving. I'd like to see more people having conversations about death, about their wishes, and making plans for end-of-life.

Deb adds: "You never know what is around the corner, and it's better to make plans now that will ensure your wishes are fulfilled when you're no longer here."

Thank you Deb for sharing this incredible work with us, and for volunteering your time to help our clients.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Latrobe
Community
Health Service

Financial report for the year ended 30 June 2023

LATROBE COMMUNITY HEALTH SERVICE LIMITED
AND CONTROLLED ENTITIES
ABN: 74 136 502 022
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 Consolidated $	2022 Consolidated $
Revenue	2	182,528,342	167,339,397
Other income	2	2,244,123	2,197,685
Employee benefits expense		(125,008,345)	(110,098,480)
Depreciation and amortisation expense	3	(9,515,252)	(9,653,332)
Interest expense on lease liabilities	3	(156,259)	(85,074)
Motor vehicle expenses		(1,114,160)	(944,389)
Utilities expense		(663,745)	(636,933)
Staff training and development expenses		(679,948)	(531,155)
Audit, legal and consultancy fees		(490,314)	(953,074)
Marketing expenses		(560,154)	(454,364)
Service agreements		(2,003,275)	(2,082,443)
Contract labour		(6,407,931)	(3,657,416)
Client support services expense		(24,074,797)	(22,259,076)
Doubtful debts expense		(121,450)	(41,353)
Other expenses		(11,246,625)	(11,736,930)
Current year surplus before income tax		2,730,210	6,401,760
Income tax expense		-	-
Net current year surplus		2,730,210	6,401,760
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Equity instrument at FVOCI - fair value change		937,922	(1,247,751)
Total other comprehensive (losses)/income for the year		937,922	(1,247,751)
Total comprehensive income for the year		3,668,132	5,154,009

The accompanying notes form part of these financial statements.

LATROBE COMMUNITY HEALTH SERVICE LIMITED
AND CONTROLLED ENTITIES
ABN: 74 136 502 022
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2023 Consolidated $	2022 Consolidated $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	31,600,534	4,226,841
Trade and other receivables	5	1,848,897	1,497,155
Inventories	6	578,092	303,307
Financial assets	8	41,587,122	70,391,969
Other current assets	7	9,586,199	5,841,995
TOTAL CURRENT ASSETS		85,200,844	82,261,268
NON-CURRENT ASSETS			
Property, plant and equipment	10	56,532,920	56,329,729
Right-of-use assets	11	8,724,462	3,336,256
TOTAL NON-CURRENT ASSETS		65,257,382	59,665,984
TOTAL ASSETS		150,458,226	141,927,253
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	8,035,628	6,780,090
Contract liabilities	13	22,672,600	26,796,868
Lease Liabilities	15	3,622,578	2,152,100
Employee provisions	14	13,827,203	12,838,060
TOTAL CURRENT LIABILITIES		48,158,009	48,567,118
NON-CURRENT LIABILITIES			
Lease Liabilities	15	5,304,619	1,479,221
Employee provisions	14	6,203,562	4,757,010
TOTAL NON-CURRENT LIABILITIES		11,508,181	6,236,231
TOTAL LIABILITIES		59,666,190	54,803,349
NET ASSETS		90,792,036	87,123,904
EQUITY			
Retained surplus		73,270,622	69,433,936
Reserves		17,521,414	17,689,968
TOTAL EQUITY		90,792,036	87,123,904

The accompanying notes form part of these financial statements.

LATROBE COMMUNITY HEALTH SERVICE LIMITED
AND CONTROLLED ENTITIES
ABN: 74 136 502 022
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Note	Retained Surplus	Asset Revaluation Reserve	Capital Reserve	Community Projects Reserve	General Reserve	Equity FVOCI Reserve	Total
		$	$	$	$	$	$	$
Balance at 1 July 2021		55,642,143	9,972,286	7,323,248	-	7,942,227	1,089,991	81,969,694
Comprehensive Income								
Surplus for the year		6,401,760	-	-	-	-	-	6,401,760
Total other comprehensive income		62,043,902	9,972,286	7,323,248	-	7,942,227	1,089,991	88,371,654
Other transfers								
Transfers to/(from) capital reserve		628,983	-	(628,983)	-	-	-	-
Transfers to/(from) community projects reserve		-	-	-	-	-	-	-
Transfers to/(from) general reserve		6,761,051	-	-	-	(6,761,051)	-	-
Equity investments FVOCI - Fair value change		-	-	-	-	-	(1,247,751)	(1,247,751)
Total other transfers		7,390,034	-	(628,983)	-	(6,761,051)	(1,247,751)	(1,247,751)
Balance at 30 June 2022		69,433,936	9,972,286	6,694,265	-	1,181,176	(157,759)	87,123,904
Balance at 1 July 2022		69,433,936	9,972,286	6,694,265	-	1,181,176	(157,759)	87,123,904
Comprehensive Income								
Surplus for the year		2,730,210						2,730,210
Total other comprehensive income		72,164,146	9,972,286	6,694,265	-	1,181,176	(157,759)	89,854,114
Other transfers								
Transfers to/(from) capital reserve		2,130,749	-	(2,130,749)	-	-	-	-
Transfers to/(from) general reserve		(1,024,273)	-	-	-	1,024,273	-	-
Equity investments FVOCI - Fair value change							937,922	937,922
Total other transfers		1,106,476	-	(2,130,749)	-	1,024,273	937,922	937,922
Balance at 30 June 2023		73,270,622	9,972,286	4,563,516	-	2,205,449	780,163	90,792,036

For a description of each reserve, refer to Note 23.

The accompanying notes form part of these financial statements.

LATROBE COMMUNITY HEALTH SERVICE LIMITED
AND CONTROLLED ENTITIES
ABN: 74 136 502 022
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 Consolidated $	2022 Consolidated $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants and other income		174,119,794	163,910,747
Payments to suppliers and employees		(168,444,360)	(154,806,600)
Interest received		1,176,211	882,203
Net cash generated from operating activities	19	6,851,645	9,986,350
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		1,475,221	902,335
Payment for property, plant and equipment		(6,484,732)	(15,305,819)
Proceeds from held-to-maturity investments		29,742,769	(8,400,000)
Net cash from/(used in) investing activities		24,733,258	(22,803,484)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(4,211,210)	(4,794,576)
Net cash used in financing activities		(4,211,210)	(4,794,576)
Net increase/(decrease) in cash held		27,373,693	(17,611,709)
Cash on hand at beginning of the financial year		4,226,841	21,838,551
Cash on hand at end of the financial year	4	31,600,534	4,226,841

The accompanying notes form part of these financial statements.

The financial report includes the consolidated financial statements of Latrobe Community Health Service Limited (LCHS), Link Health and Community Limited, Link Private Practice Pty Ltd. and Latrobe CHS nominees Pty Ltd. (controlled entity). Latrobe CHS Nominees Pty Ltd does not have any financial transactions as it is not yet operational. LCHS acquired Link Health and Community Limited and Link Private Practice Pty Ltd. on the 1 July 2020.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures 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 are in Australian Dollars and have been rounded to the nearest dollar.

The financial statements were authorised for issue on 28 September 2023 by the directors of the company.

Accounting Policies

Principles of consolidation
Consolidation is the incorporation of the assets and liabilities of the Parent and all subsidiaries as at the reporting date and the results of the Parent and all subsidiaries for the year then ended as if they had operated as a single entity. The balances and effects of intragroup transactions are eliminated from the consolidation. Subsidiaries are those entities controlled by the Parent. An investor controls an investee if and only if the investor has power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Where an entity either began or ceased to be controlled during a financial reporting year, the results are included only from the date control commenced or up to the date control ceased. The financial information of all subsidiaries is prepared for consolidation for the same reporting year as the Parent, using consistent accounting policies. Where a subsidiary is less than wholly owned, the equity interests held by external parties are presented separately as non-controlling interests on the consolidated balance sheet, except where the subsidiary is a trust or similar entity for which the third party interest is presented separately on the consolidated balance sheet as a liability.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(a) Revenue and Other Income

The Entity is first required to determine whether amounts received are accounted for as Revenue per AASB 15: Revenue from Contracts with Customers or Income per AASB 1058: Income of Not-for-Profit Entities.

Funding arrangements which are enforceable and contain sufficiently specific performance obligations are recognised as revenue under AASB 15. Otherwise, such arrangements are accounted for under AASB 1058, where upon initial recognition of an asset, the Entity is required to consider whether any other financial statement elements should be recognised (for example, financial liabilities representing repayable amounts), with any difference being recognised immediately in profit or loss as income.

The Entity is first required to determine whether amounts received are accounted for as Revenue per AASB 15: Revenue from Contracts with Customers or Income per AASB 1058: Income of Not-for-Profit Entities.

Revenue and Other Income

Operating Grants, Donations and Bequests

When the entity receives operating grant funding, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Entity:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Other Income

Capital Grant

When the Entity receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions) recognised under other Australian Accounting Standards.

The Entity recognises income in profit or loss when or as the Entity satisfies its obligations under terms of the grant.

Client Fees

The group recognises revenue from client fees when the services are provided to the client.

Interest income

Interest income is recognised using the effective interest method.

(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 a 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 in profit or loss. 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 plant and equipment 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%
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

The Entity as lessee

At inception of a contract, the Entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Entity where the Entity is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(e) Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the group 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 company'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 group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposits.

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.

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 group 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 group 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 group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.
The group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. The group 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

The group'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 high quality corporate 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 10.5% 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 goods sold.

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(f) 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) 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

(i) Valuation of freehold land and buildings

The freehold land and buildings were independently valued at 30 June 2021 by Bertacco Ferrier property consultants. Properties at Moe, Churchill and Traralgon were separately valued based on the depreciated replacement costs prepared by Prowse Quantity Surveyors. The valuations resulted in a revaluation increment of $9,485,799 which was credited to the asset revaluation reserve. However, due to the impacts of COVID-19, there is some estimation uncertainty regarding the fair values which cannot be qualified as the impacts are unknown.

At 30 June 2023 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 2021 and do not believe there has been a significant change in the assumptions at 30 June 2023. The directors therefore believe the carrying amount of the land and buildings of $39,096,082 correctly reflects the fair value at 30 June 2023.

Key judgements

(i) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

Management have assessed its contracts with the National Disability and Insurance Agency and concluded that the contracts have sufficiently specific performance obligations under AASB 15.

(ii) Lease term and Option to Extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the group will make. The group determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the group.

(iii) Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* 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 service. As the group 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.

(iv) Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(v) Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

(o) Economic Dependence

The group 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 Governments will not continue to support Latrobe Community Health Service Ltd.

(p) 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.

(q) Rounding

Amounts in the financial report have been rounded to the nearest dollar. Figures in the financial report may not equate due to rounding.

(r) New and Amended Accounting Standards Adopted by the Entity

AASB 2022-3: Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

AASB 2022-3 amends the Australian illustrative examples for not-for-profit entities accompanying AASB 15 Revenue from Contracts with Customers to illustrate how AASB 15 applies to the recognition and measurement of upfront fees. The amendments do not change the requirements of AASB 15.

The Basis for Conclusions also document the Board's decision to retain the accounting policy choice on an ongoing basis for NFP private sector lessees to elect to initially measure a class of ROU assets arising under concessionary leases at cost or at fair value. The adoption of the amendment did not have a material impact on the financial statements.

Note 2 Revenue and Other Income

	2023 $	2022 $
Revenue		
Revenue from grants:		
— Commonwealth government grants – operating	130,735,101	114,258,862
— State government grants - operating	28,569,932	33,943,825
— Other organisations	13,847,874	11,344,732
— Client fees	7,533,092	6,970,818
Total revenue	180,685,999	166,518,237
Other Revenue		
— Interest received on investments in government and fixed interest securities	1,842,343	821,160
Total revenue	182,528,342	167,339,397
Other Income		
— Gain on disposal of property, plant and equipment	590,052	416,729
— Charitable income and fundraising	22,636	13,044
— Rental income from operating leases	86,872	152,921
— Other	1,544,563	1,614,990
Total other income	2,244,123	2,197,685
Total revenue and other income	184,772,464	169,537,081

Note 3 Surplus for the Year

	2023 $	2022 $
a. Expenses		
Finance costs:		
— interest expense on lease liabilities	156,259	85,074
Total interest expense	156,259	85,074
Depreciation and amortisation:		
— buildings	1,890,961	2,078,799
— motor vehicles	672,560	737,273
— furniture and equipment	2,832,851	2,440,414
— Leased assets	4,118,880	4,396,846
Total depreciation and amortisation	9,515,252	9,653,332
Contributions to defined contribution superannuation	11,102,556	9,583,538
Auditor remuneration - Auditing financial statements	27,800	26,700
Auditor remuneration - Audit of funding acquittals	17,178	8,525

Note 4 Cash and Cash Equivalents

	2023 $	2022 $
CURRENT		
Cash at bank	797,709	1,721,841
Cash on hand	2,825	5,000
Cash at deposit	30,800,000	2,500,000
	31,600,534	4,226,841

Note 5 Trade and Other Receivables

	Note	2023 $	2022 $
CURRENT			
Trade receivables		958,387	1,049,312
Other receivables		1,052,568	554,002
Provision for impairment		(162,058)	(106,161)
Total current accounts receivable and other debtors	21	1,848,897	1,497,155

The entity's normal credit term is 30 days.

Note 6 Inventories

	2023 $	2022 $
CURRENT		
At cost:		
Inventory	578,092	303,307
	578,092	303,307

Note 7 Other Assets

	2023 $	2022 $
Accrued income	8,726,330	4,315,932
Prepayments	859,869	1,526,064
	9,586,199	5,841,995

Note 8 Other Financial Assets

	Note	2023 $	2022 $
CURRENT			
Term deposits with original maturities greater than 3 months		27,000,000	57,000,000
Other financial assets - Investment portfolio - measured at fair value through OCI.		14,587,122	13,391,969
Total current assets	21	41,587,122	70,391,969

Note 9 Interest in Subsidiaries

(a) **Information about Principal Subsidiaries**

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units or shares limited by guarantee and are controlled by the Group. Each subsidiary's principal place of business is also its country of incorporation.

		Controlling interest held by the Group	
		2023	2022
Name of subsidiary	Principal place of business	(%)	(%)
Link Health and Community Limited (in liquidation)	81-83 Buckley St Morwell Vic 3840	-	100%
Link Private Practice Pty Ltd	81-83 Buckley St Morwell Vic 3840	-	100%
Latrobe CHS Nominees Pty Ltd	81-83 Buckley St Morwell Vic 3840	100%	100%

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

Link Private Practice Pty Ltd was deregistered in 2022.

Link Health and Community Limited is currently in voluntary liquidation.

(b) **Significant Restrictions**

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

Note 10 Property, Plant and Equipment

	2023 $	2022 $
LAND AND BUILDINGS		
Freehold land at fair value:		
— Directors valuation in 2023	8,352,340	-
— Directors valuation in 2022	-	8,352,340
Total land	8,352,340	8,352,340
Buildings at fair value:		
— Directors valuation in 2023	32,728,686	-
— Directors valuation in 2022	-	23,374,589
— At cost	-	9,354,097
Less accumulated depreciation	(1,984,944)	(1,139,085)
Total buildings	30,743,742	31,589,601
Leasehold improvements		
— Leasehold improvements at cost	9,015,980	7,585,875
Less accumulated depreciation	(5,822,249)	(4,777,147)
Total leasehold improvements	3,193,731	2,808,728
Total buildings and leasehold improvements	33,937,472	34,398,329
PLANT AND EQUIPMENT		
Furniture and Equipment		
— At cost	31,752,675	28,335,384
Less accumulated depreciation	(22,098,954)	(19,265,567)
	9,653,721	9,069,817
Motor Vehicles		
— At cost	4,734,435	4,573,644
Less accumulated depreciation	(1,417,124)	(1,531,903)
	3,317,311	3,041,741
Total plant and equipment	12,971,032	12,111,558
Capital work in progress	1,272,076	1,467,502
Total property, plant and equipment	56,532,920	56,329,729

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 $	Buildings $	Motor Vehicles $	Furniture and Equipment $	Capital work in progress $	Total $
2022						
Balance at the beginning of the year	8,352,340	26,757,199	3,277,412	7,792,876	526,388	46,706,214
Additions at cost		9,719,929	927,421	3,717,355	941,114	15,305,819
Disposals			(425,819)			(425,819)
Depreciation expense		(2,078,799)	(737,273)	(2,440,414)		(5,256,485)
Carrying amount at the end of the year	8,352,340	34,398,329	3,041,741	9,069,817	1,467,502	56,329,729
2023						
Balance at the beginning of the year	8,352,340	34,398,329	3,041,741	9,069,817	1,467,502	56,329,729
Additions at cost		1,430,104	1,637,873	3,416,755		6,484,732
Disposals			(689,743)		(195,426)	(885,169)
Depreciation expense		(1,890,961)	(672,560)	(2,832,851)		(5,396,371)
Carrying amount at the end of the year	8,352,340	33,937,472	3,317,311	9,653,721	1,272,076	56,532,920

Asset Revaluations

The freehold land and buildings were independently valued at 30 June 2021 by Bertacco Ferrier property consultants based on market value. Specialised properties at Moe, Churchill and Traralgon were separately valued based on the depreciated replacement costs prepared by Prowse Quantity Surveyors. The valuations resulted in a revaluation increment of $9,485,799 which was credited to the asset revaluation reserve. However, due to the impacts of COVID-19, there is some estimation uncertainty regarding the fair values which cannot be qualified as the impacts are unknown.

At 30 June 2023 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 2021 and do not believe there has been a significant change in the assumptions at 30 June 2023. The directors therefore believe the carrying amount of the land and buildings of $39,096,082 correctly reflects the fair value at 30 June 2023.

At 30 June 2023, 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 2022 and do not believe there has been a significant change in the assumptions at 30 June 2023. The directors therefore believe the carrying amount of the land correctly reflects the fair value less costs of disposal at 30 June 2023.

Note 11 Right-of-use Assets

The group's lease portfolio includes equipment, motor vehicles and buildings. These leases have an average of 3 years as their lease term.

(a) Options to Extend or Terminate

The option to extend or terminate are contained in several of the property leases of the group. These clauses provide the group opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the group. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset. The group has included any options exercisable in the next 5 years in the lease term.

i) AASB 16 related amounts recognised in the balance sheet

Right-of-use assets	2023 $	2022 $
Leased building	11,946,721	8,601,314
Accumulated depreciation	(3,265,651)	(5,318,000)
	8,681,070	3,283,314
Leased motor vehicles	553,637	146,808
Accumulated depreciation	(510,245)	(93,866)
	43,392	52,942
Total right-of-use asset	8,724,462	3,336,256
Movements in carrying amounts:		
Leased buildings:		
Opening balance	3,283,314	8,551,753
Additions	9,107,878	160,422
Terminations	(7,620)	(1,445,218)
Depreciation expense	(3,702,502)	(3,983,642)
Net carrying amount	8,681,070	3,283,314
Leased motor vehicles:		
Opening balance	52,942	107,666
Additions	406,828	358,479
Depreciation expense	(416,378)	(413,204)
Net carrying amount	43,392	52,942

ii) AASB 16 related amounts recognised in the statement of profit or loss

	2023 $	2022 $
Depreciation charge related to right-of-use assets	4,118,880	4,396,846
Interest expense on lease liabilities	156,259	85,074

Note 12 Trade and Other Payables

	Note	2023 $	2022 $
CURRENT			
Trade payables		783,013	2,449,212
GST payable		825,260	(1,497,950)
Accrued expenses		3,585,122	4,217,661
Employee benefits		2,842,233	1,611,166
	12a	8,035,628	6,780,090

		2023 $	2022 $
a	**Financial liabilities at amortised cost classified as accounts payable and other payables**		
	Accounts payable and other payables:		
	— Total current	8,035,628	6,780,090
		8,035,628	6,780,090
	Less other payables (net amount of GST payable)	(825,260)	1,497,950
	Financial liabilities as trade and other payables 21	7,210,368	8,278,040

Note 13 Contract Liability

	2023 $	2022 $
Balance at the beginning of the year	26,796,868	30,110,074
Funding repaid during the year	(6,304,911)	(7,562,926)
Additions:		
Grants for which performance obligations will only be satisfied in subsequent years.	2,180,643	4,249,720
Closing balance at the end of the year	22,672,600	26,796,868

If grants are enforceable and have sufficiently specific performance obligations in accordance with AASB 15, the amount received at that point in time, is recognised as a contract liability until the performance obligations have been satisfied.

Note 14 Provisions

	2023 $	2022 $
CURRENT		
Provision for employee benefits: annual leave	9,546,245	9,031,331
Provision for employee benefits: long service leave	4,280,958	3,806,729
	13,827,203	12,838,060
NON-CURRENT		
Provision for employee benefits: long service leave	6,203,562	4,757,010
	6,203,562	4,757,010
	20,030,765	17,595,070

Analysis of total provisions:	Employee Benefits
Opening balance at 1 July 2022	17,595,070
Additional provisions raised during the year	15,141,125
Amounts used	(12,705,430)
Balance at 30 June 2023	20,030,765

Note 15 Leasing Liabilities

	2023 $	2022 $
a Right of use leases		
Payable - minimum lease payments:		
— not later than 12 months	3,882,913	2,243,575
— between 12 months and five years	5,524,059	1,530,900
— later than five years	-	-
Minimum lease payments	9,406,972	3,774,475
Less future finance charges	(479,775)	(143,154)
Present value of minimum lease payments	8,927,197	3,631,321
Reconciled to:		
Current lease liability	3,622,578	2,152,100
Non current lease liability	5,304,619	1,479,221
	8,927,197	3,631,321

Note 16 Contingent Liabilities and Contingent Assets

There were no contingent liabilities or assets as at the reporting date. (2022: Nil)

Note 17 Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period

Note 18 Key Management Personnel Compensation

Key Management Personnel

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

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

	2023 $	2022 $
KMP compensation:	2,040,885	1,707,046

Note 19 Cash Flow Information

Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus		
Net current year surplus	2,730,210	6,401,760
Non-cash flows:		
Depreciation and amortisation expense	9,515,252	9,653,332
Gain on disposal of property, plant and equipment	(590,052)	(416,729)
Doubtful debts expense	121,450	41,653
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(473,192)	(1,255,553)
Increase/(decrease) in trade and other payables	(2,868,728)	(3,453,959)
Increase/(decrease) in other assets	(3,744,203)	(521,525)
Increase/(decrease) in provisions	2,435,694	(411,541)
(Increase)/decrease in inventories on hand	(274,785)	(51,088)
	6,851,645	9,986,350

Note 20 Other Related Party Transactions

Board Member	Related Parties
Murray Bruce	Gippsland Primary Health Network
Nathan Voll	Gippsland Primary Health Network
Ben Leigh	Latrobe Health Assembly
Ben Leigh	TAFE Gippsland

During the year revenue of $3,324,971 (2022: $1,595,996) was received from Gippsland Primary Health Network, $1,137,550 (2022: $20,233) from Latrobe Health Assembly and $51,669 (2022: $4,929) from TAFE Gippsland.

During the year $160 (2022: $2,300) was paid to TAFE Gippsland.

All transactions with related parties are made at normal, arms length, commercial terms and conditions.

Note 21 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	2023 $	2022 $
Financial assets			
Financial assets:			
— cash and cash equivalents	4	31,600,534	4,226,841
— trade and other receivables	5	1,848,897	1,497,155
— other financial assets	8	41,587,122	70,391,969
Total financial assets		75,036,553	76,115,966
Financial liabilities			
Financial liabilities at amortised cost:			
— trade and other payables	12a	7,210,368	8,278,040
— lease liabilities	15	8,927,197	3,631,321
Total financial liabilities		16,137,565	11,909,361

Note 22 Fair Value Measurements

The entity measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income; and
- freehold land and buildings.

The entity does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

Valuation techniques

The entity selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the entity are consistent with one or more of the following valuation approaches:

- the market approach, which uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities;
- the income approach, which converts estimated future cash flows or income and expenses into a single discounted present value; and
- the cost approach, which reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the entity gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Recurring fair value measurements	Note	2023 $	2022 $
Financial assets			
Term deposits with original maturities greater than 3 months	8	27,000,000	57,000,000
Investment portfolio - measured at fair value through OCI (i)	8	14,587,122	13,391,969
		41,587,122	70,391,969
Property, plant and equipment			
Freehold land (ii)	10	8,352,340	8,352,340
Buildings (ii)	10	30,743,742	31,589,601
		39,096,082	39,941,941

(i) For investments in listed shares, the fair values have been determined based on closing quoted bid prices at the end of the reporting period.

(ii) For freehold land and buildings, the fair values are based on a directors' valuation taking into account land and building indices and an external independent valuation performed in the previous year, which used comparable market data for similar properties.

Note 23 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)**
This reserve records movements in share prices

Note 24 Entity Details

The registered office of the entity is:

Latrobe Community Health Service LimitedAnd Controlled Entities
81-87 Buckley Street
Morwell
Victoria

The principal place of business is:

Latrobe Community Health Service LimitedAnd Controlled Entities
81-87 Buckley Street
Morwell
Victoria

Note 25 Members' Guarantee

The group is incorporated under the Australian Charities and Not-for-profit Commission Act 2012 and is a company limited by guarantee. If the group is wound up, the constitution states that each member is required to contribute a maximum of $10 towards meeting any outstanding obligations of the company. At 30 June 2023 the number of members was 20.

LATROBE COMMUNITY HEALTH SERVICE LIMITED
AND CONTROLLED ENTITIES
ABN: 74 136 502 022
DIRECTORS' DECLARATION

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

1. The financial statements and notes, as set out on pages 1 to 20, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
   (a) comply with Australian Accounting Standards - Simplified Disclosures applicable to the entity; and
   (b) give a true and fair view of the financial position of the consolidated group as at 30 June 2023 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the consolidated group 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  ***Judith Walker***

Dated this 28th day of September 2023

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INDEPENDENT AUDIT REPORT

To the Members of Latrobe Community Health Service Limited

Opinion

We have audited the accompanying financial report of Latrobe Community Health Service Limited and Controlled Entities ("the Group"), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards – Simplified Disclosures 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 Group 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 Group, 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 Group are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures 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 Group'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 group 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

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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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

JA BR

Justin Brook
Director
Forefront Pty Ltd

Place: Sale
Date: 28 September 2023

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Latrobe Community Health Service ABN: 74 136 502 022