



Annual Report 11

The name ISIS comes from the ancient Egyptian goddess Isis, who had special powers of healing and care. She was a protective goddess, skilled in the treatment of children and families and often depicted as a nursing mother. The ISIS logo is based around the Egyptian 'ankah', a symbol representing life and community.



Our Mission

ISIS Primary Care works in partnership with local communities in the Western Metropolitan Region of Melbourne to provide responsive, interconnected health and community services.

We work together for excellence, service enhancement and innovation.

We are dedicated to the continued improvement of the health and wellbeing of individuals and the community, within available resources.

Our Values

Respect *We value the diversity and strengths of our people and communities*

Responsiveness *We respond to the needs of our community, clients and colleagues in a timely and sensitive manner*

Fairness *We treat all with whom we work consistently and equitably and advocate to redress disadvantage*

Creativity *We recognise the importance of creativity and innovation and its application in our professional lives*

Connectedness *We build and foster inclusive relationships and partnerships with our communities*

Quality *We strive for excellence*

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PRESIDENT'S REPORT

We finished the financial year with a bang, having secured a \$15 million grant from the Department of Health and Ageing, for the establishment of a new GP Super Clinic in Wyndham Vale. This is a great outcome for our organisation and the local community. For the first time in our history, we have secured funding to develop the infrastructure of a significant new site in Wyndham Vale, in the heart of the one the fastest growing suburbs in Australia, as the families move in, not years later.



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The grant allows us to develop a new service site, which incorporates a large General Practice, significant space to relocate and expand Community Health services and space to lease out to other providers from the Health and Welfare sector to establish services in this area.

The securing of the grant now seems to be the easy part of the process as we work with a number of developers in the area to secure a suitable site, so that we can start construction early in the 2012 calendar year.

It has also been a year of mixed outcomes for the organisation, given the fairly

tight financial situation linked to the global financial crisis and the negotiations of changes to the National Health Reform Agenda, ISIS Primary Care has seen very little growth with respect to funding of services we provide to the community. In 2009/10 year we made a decision to employ a number of additional service staff, particularly in child health area, to meet the growing demand for these services, in the hope that we could secure funding during 2010/11. This was not possible and at Easter

2011, given an increasing deficit, we reluctantly made a decision to reduce the service back to the funded level and effectively shed these additional staff. The flow on from this is that despite providing much needed services to our community we incurred a significant deficit and one which cannot be sustained into the future. Significant increases in growth of our costs, particularly for interpreters and the in the cost of employing staff, resulted in an effective operation deficit before depreciation and special grants of \$968,474.

It is pleasing to report that action taken in the last quarter in 2010/11 has seen the projections for 2011 staff costs come down to a point where we believe that in the next financial year we should have an operating surplus, before depreciation, to reduce long term impact of the 2010/11 deficit. At note 11 you will also see we have income in advance of growth funds for 2011/12 of \$224,198, a great kick start to the new year.

While these were two very important issues in the minds of the organisation, a number of other things occurred during the year including the completion of the Australian Council of Healthcare Standards whole of organisation survey. It is pleasing to report that we have now received our Certificate of Accreditation for the next four years.

The development of Medicare Locals has been an interesting project as part of the National Health Reform Agenda. A decision was made by State Government to maintain control over existing Primary and Community Health Services currently funded in Victoria, which includes a significant portion of our direct funding from the State. Together with our partners our initial submission for the Medicare Local in the West was

unsuccessful. The boundaries were subsequently redefined to create two Medicare Locals, one being for the local government areas of Hobsons Bay and Wyndham and the other covering Maribyrnong, Brimbank, Melton and areas to the North and West including Bacchus Marsh, Sunbury and Kyneton. Two very different proposals went to Canberra, in late June, for the two Medicare Locals in our catchment. We remain optimistic about these two bids and await their consideration by Federal Department of Health and Ageing.

During the period of financial restraint our ongoing partnerships with a range of providers in our service sector has ensured that our community receives the maximum access to services available, within the limited funds that we all have in this area. Much of funding does not have an automatic increase for growth and despite the very significant growth in the West, particularly within Wyndham, Brimbank and Melton, there has not been a corresponding increase in our funding to support expansion of services into this area. We

mentioned earlier the Super Clinic proposal, however it does not come with extra service delivery funding, other than Medicare funding for the GP Super Clinic. This represents a challenge for our organisation over the next two years to secure the funding and develop a comprehensive suite of services at this site. I am optimistic that given the overcrowding we currently have at our Hoppers Crossing site, that we will hit the ground running in terms of services at Wyndham Vale and the building will provide us with an opportunity to further develop and enhance services to the Community of Wyndham.

I again thank all our partner organisations for their ongoing support during the year and particularly extend our thanks for the maintenance of our ongoing funding through the Department of Health and the staff at the North and West Regional Office, the Department of Human Services and their regional staff, Department of Justice and the Department of Education and Early Childhood Development. We also work closely with the Cities of Brimbank,

Wyndham and Hobsons Bay and these three partnerships are crucial to our ongoing service provision. We thank them for their ongoing support, both in funding when possible and through cooperation in the development and enhancements of services delivery. In particular I would thank the City of Brimbank for whom we provide the Maternal and Child Health Services, for passing on some growth funding that came from the Department of Education and Early Childhood Development, which has enabled us to further develop services to new mothers within this catchment.

I thank my fellow Board Members, Executive and Staff of ISIS Primary Care for a great job during very difficult circumstances. While we have to undergo some belt tightening during 2011/12 to address our deficit, I am certain that we will continue to expand and grow the much needed services to our various communities and look forward a very successful 2011/12.

Clovis Bonner



(left to right) Clovis Bonner, Meredith Swaby, John Sipek, Jenny Matic, Phillippa Dee



Mekonnen Kebede



Aneta Pazeski



Trish McCluskey

CEO's REPORT



The 2010/11 year has been a good news and bad news year for our organisation. The good news is the success of our bid to establish a GP Super Clinic

in Wyndham Vale and the signing of a contract with the Commonwealth for a \$15 million grant. The GP Super Clinic facility has been budgeted to cost \$23 million. Our challenge for the 2011/12 year is to secure the additional \$8 million, although our fallback position is covered by a agreement with our bankers to provide a loan for \$6 million and from our Board, to subsidise up to \$2 million from existing funds. The challenge as CEO is to find other sources of funding for this facility to reduce the \$8 million to close to zero and to get what will be a model Primary Community Health Centre up and running in a new suburb. This will be a demonstration of how we should plan for healthier community services by providing the facilities and social infrastructure to families as they create newer communities, particularly in the fast growing areas of the Western outer fringe. This is particularly important in the City of Wyndham for which we are the registered Community Health Centre, as it is the fastest growing area of all.

The bad news is that we have a quite significant operational deficit, despite having a technical surplus of \$5.6 million. The deficit has three components, the first and most significant is the flow on effect of a decision in 2010, when we had a surplus, to increase the number of staff to meet the increasing demand from our community for access to services. This was at a time when there was no growth funding coming from Government.

The second has been an increase in the cost of interpreters, which is an important part of providing quality access to services for our clients. The cost 2 years ago was a little over \$300,000, it has increased to over \$600,000 this financial year, with no effective funding increase to support this expenditure. The third has been creeping up on us for a number of years and it relates to service increments and award increases for the majority of the staff. The impact has been greater costs, than the increases in funding for these programs, resulting in an increase cost of employment for staff that outstrips our increases in funding. Given that staffing costs represents 75% of our total expenditure, an effective unfunded increase of our staffing costs of each 1% means, a budget black hole of \$260,000.

Initiatives were put in place in the latter part of the reporting year to reduce our expenditure. While the flow on saving of these isn't reflected in our 2011 result, they will be apparent in our 2012 result. On current expenditure forecasts we are likely to have a small and realisable surplus for the year. The cost of the surplus is that we will have less staff providing services to our community and this is a significant downside of maintaining our financial viability going forward.

Significant work has also been done on addressing the National Reform Health process as we work with a new State Government on a new direction for Primary Care, which remains part of the Victorian landscape of service provision, directly funded by the State. The changes in the Reform Agenda have also seen changes in the approach to the Medicare Local catchments. While we were unsuccessful in our submission for the single catchment in the Western Metropolitan Region, the boundaries have changed and there are two Medicare

Local catchments covering our service area. We remain an active participant with the development of these two Medicare Locals and in the second round of submissions we have partnered on both submissions for these new catchments and await a favourable response from Government.

Partnerships are important part of what we do and who we are and we continue to maintain strong relationships with a range of service providers in the region. This includes the HealthWest Primary Care Partnership and direct relationships within the three major local government areas of Brimbank, Wyndham and Hobsons Bay.

I thank my staff for the positive and constructive work they have done, during what has proven to be a very difficult year. They have faced the challenges of our budget deficit, while at the same time advocating for the important services that they provide to our wider community. I know that while they accept the need for reductions, they share our concern regarding the impact on some of most vulnerable clients that delays in accessing services will create. They also share the joy of the news of the new GP Super Clinic funding and are looking forward to the opening of this new facility in 2013.

I personally thank the Board for their ongoing support and guidance during this period and look forward to a very successful 2012. Likewise, I thank all the staff for their commitment to our services and our clients, job well done. To our volunteers, your tireless work to support our work is greatly appreciated and a very big thank you to all our volunteers. I look forward to a successful 2012.

EXECUTIVE MANAGEMENT



Michael Girolami
Director Community Support Services



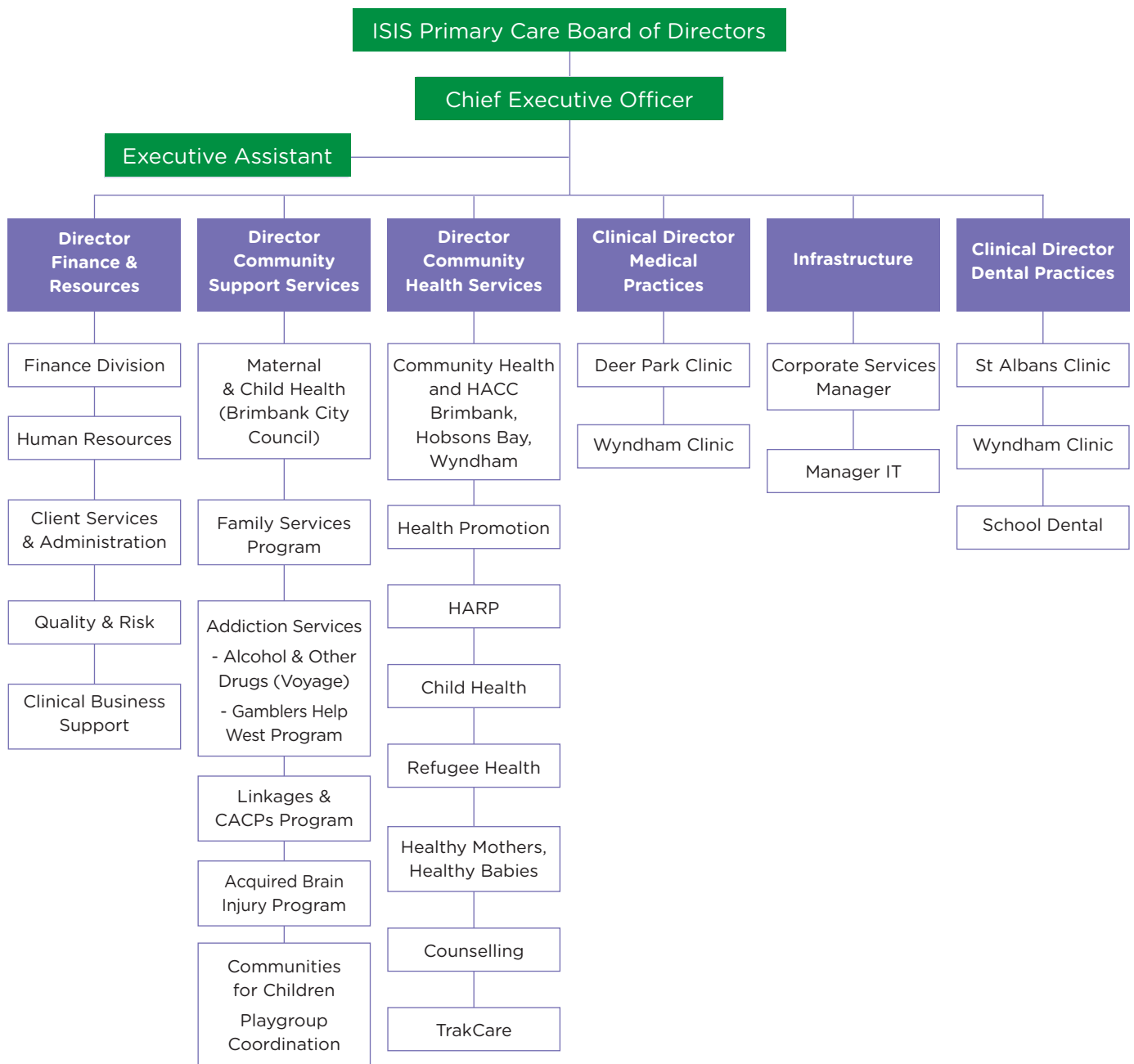
Anne Cox
Director Community Health Services



Reno Capanna
Director of Finance and Resources



Dawna Tayua
Clinical Director Dental Clinics



COMMUNITY HEALTH DIRECTORATE

This has been another busy year with our prime focus being on the provision of high quality services to the community. A wide range of Allied Health and Counselling Services were provided to children, teenagers, and adults across the three municipalities of Brimbank, Hobsons Bay and Wyndham.

Service	Occasions of service
Audiology	671
Child Psychology	2,259
Counselling and social work	11,911
Dietetics	7,959
Healthy Mums Healthy Babies	4162
Living Well	2,296
Nursing	5,843
Occupational Therapy	21,732
Physiotherapy	17,067
Podiatry	11,452
Refugee Health	3,369
Speech Pathology	12,435

Total number of occasions of service: 101,156

Total number of clients seen: 17,091

Total number of groups: 2139

We were granted additional HACC Allied Health positions this year, 2.8 EFT Occupational Therapy and 0.5 EFT Physiotherapy. These positions were well received as wait lists continue to expand with population growth particularly in Wyndham and Brimbank.

The Active Service Model for HACC services has progressed in the last twelve months in partnership through HealthWest and also locally particularly at Wyndham and Hobsons Bay. Strong relationships with both councils have made this work possible. Some excellent outcomes are being achieved with clients:

Mrs B is a 63yo lady who lives alone, her family all live overseas. Mrs B has a medical history of brain tumour and chronic pain. She is trying to setup a small business.

Mrs B was assessed by both OT and Physio, to determine how she was

managing day to day activities and if there were any strategies that could be put in place to maximise her independence. Mrs B was finding housework very difficult and was receiving regular home care from the council.

Mrs B attended the Easy at Home Group- which provided detailed information regarding joint protection, back care and energy conservation. After attending the group Mrs B made several changes to the way that she completed tasks and also asked her children to help purchase cleaning equipment (new vacuum, mop and long handled duster) so that she could start implementing strategies and techniques shown. Encouragement and support was provided. Council staff incorporated recommendations into their service with the homecare workers supporting Mrs. B to do tasks herself.

Mrs B resumed all cleaning tasks and cancelled her home care service by being provided the right kind of support. She is back to being much more independent and in control of her life.

The Western HARP program has undergone significant review over the last few years with a strengthening of resources to prevent the need for admission to hospital at key entry places such as emergency departments. Community resources overall have reduced, however ISIS PC continues to be a significant provider. An additional position for a Complex Needs Care facilitator was funded recently bringing our total to 5 EFT. We also continue to have Nurses working in Diabetes education and Nurses and Exercise Physiologists in our Cardiac Rehabilitation programs to support community members with chronic conditions in the community.

The Healthy Mothers Healthy Babies program continued to work with at risk mothers. An example of the program's work follows:

A Single mother of three girls was referred to the service when 25 weeks pregnant. The family had arrived in Australia in June 2009 from Ethiopia. Following assessment the client was assisted through:



- transport to antenatal appointments
- education on the Australian health system; re: pre/post natal
- education in accessing services for material aid and financial support
- provision of emotional support

The mother became familiar with the health system and had a fairly comfortable birthing experience with no health concerns. She was prepared for the birth of her baby as she had clothing, furniture and general required baby items. She developed an understanding of services available to support families.

The Refugee Health program continued to develop its partnerships with AMES, New Hope, Foundation House, local GP's and the two divisions of general practice: Westgate and Pivot West. These interagency relationships are instrumental in providing collaborative care to refugees settling into our three municipalities and we have appreciated a more planned, coordinated approach. During the past 12 months we appointed a Karen speaking access worker, who has assisted the team in working more effectively with the Karen community. In Brimbank we have further developed our vitamin D initiative, and through our close work with the Western Health outreach paediatric clinic, we have provided a comprehensive vitamin D program for refugee's identified at risk. Additionally, the Refugee Health program in partnership with HealthWest hosted the annual Refugee Health Services Coordination Forum, in Wyndham. This event proved as successful as past years, with 79 participants attending from a range of relevant agencies.

The past year has seen a rapid increase in demand for child health services at ISIS. The child health team has worked closely with Early Intervention agencies and Western Health to develop improved screening tools, with the aim of identifying eligible children as early as possible. In Brimbank we have offered a language group for Vietnamese children, in response to the high demand from this prominent community. The Hobsons Bay team have worked closely with the local council, Maternal and Child



Health nurses and kindergartens. This has raised awareness of our services and improved the quality of referrals. The Hungry Caterpillars program in Wyndham has continued to accommodate many parents and children from a range of backgrounds.

After a program restructure in 2010 we have since seen a marked improvement in the quality of health promotion programs being implemented in the community. We currently have 12 projects across the three LGA's some of these include:

- Working with secondary school teachers to support them to teach sexuality education;
- working within schools and workplaces to address factors within the setting that are contributing to poor health and wellbeing such as improving canteen menus;
- working with a group of young people to enable them to improve their own school environment;
- the development of an activity resource guide for the west- to enable planned activity group coordinators to identify appropriate activities for participants in their groups.

The quality of our activities has improved by having two year project timelines (previously 12 months), a comprehensive planning and needs analysis process for all projects and seeking ethics approval where appropriate to ensure that our implementation processes are rigorous

and that the findings of our projects may be shared with others. We have also implemented a new graduate program to aid recruitment and retention issues for health promotion in the west.

We have had significant involvement in the Western Clinical placement Network representing Community Health Services. Clinical placement Networks are an initiative of the Department of Health with an aim to increase the capacity of health services to provide clinical placements to students. We successfully submitted for the Hospital to Community project (H2Co) which involves coordinating a set of four student placements within the west, spanning from acute to a range of community based settings, so that students can gain valuable experience of the service system, referral mechanisms, agency partnerships and coordinated care through the care continuum.

Staff remain our key asset in the Community Health Directorate. Thank you to all Community Health staff for your efforts. Your ongoing commitment to high standards in practice has meant that we have met targets but more importantly achieved significant outcomes with our clients. Thank you also to the many organisations with whom we work in partnership –our achievements together are many and your support is appreciated.

COMMUNITY SUPPORT

ISIS is all about the service we provide to our community. This year's Community Support Directorate report highlights examples where individual staff or programs have 'gone the extra mile' in service to our community.

Aged Care and Disability Program

This year we provided Age or Disability support packages to 327 clients to remain living in their own home. The team finished the year feeling as if we have once again made a strong contribution to improving our client's lives and assisted them to achieve their goals in difficult circumstances. Once again, we have seen an increase in clients with complex needs. With continual economic pressures and some service shortages in the sector, the team has strengthened its focus on working collaboratively with clients to make the best use of their package using person centred practice.

A 74-year-old client who was living in her own home and had to be admitted to an Aged Care Facility where she was extremely unhappy. The Case Manager liaised and advocated on behalf of the client with Administrator and Guardian and convinced them that this lady had sufficient funds to enable her to return home in relative safety, to live with her dog. The case manager also put in place practical supports included additional hours of home and personal care services, organised increased health and medication checks, employed a paid carer who is a long time friend and enlisted the support of a caring neighbour to assist with the lady's reintegration into her community. She was also able to assist in reuniting her client with an estranged family member. This lady is now back in her familiar environment which has allowed her to enjoy her own home and community with an improved quality of life.

Addiction Program

Voyage Alcohol and Drug Service

Over the past year the program saw almost 1800 clients with a variety of issues for which their drug and alcohol misuse is often a misguided form of self-medication. This highlights the fact that a significant number of our clients (in excess of 40%), also have mental health issues. The program has invested heavily, with the support of the Department of Health and Ageing, in the up-skilling of clinicians in the management of clients with mental health issues.

In the last year there are been a number of examples of Voyage staff going the extra mile in developing and providing services to our clients and their families. One of our Drug and Alcohol counsellors has been working on a project with the Florey Neuroscience Institute and in collaboration has developed an information tool called 'Drugs and the Brain'. This tool has been widely endorsed by the alcohol and drug sector and we are pleased to advise that we have had national and international interest and orders in purchasing this tool. Our Forensic Team Leader has negotiated the integration of an Alcohol and Drug counsellor with Community Corrections in Melton and as of the beginning of September we will have a staff member out-posted. We have been advised by senior Departmental representatives that this is a first in Victoria.

Gamblers Help Western

Many of the people accessing the services of Gamblers Help Western do so under considerable pressure and we work with them to achieve the best possible outcomes. Here is a real life example as told by one of our counselors:

'In May 2010, I started working with a client who had recently attempted to kill himself. This was one of many past suicide attempts. This client

had been gambling for 10 years, was unable to keep a job, suffered from chronic depression and anxiety and was also struggling with unpaid debts and loans to support his gambling problem.

Since commencing in counselling, he has been able to stop gambling for over 6 months, he quit smoking, and resumed his medication. Through our Financial Counselling program, the client has been able to rearrange his financial affairs and develop a budget for better financial management. He has also stopped borrowing money from a lender and has recovered all of his pawned items. The client was referred to a dietitian to assist with a better diet, independence and hopefully continue improving his self-esteem.

I was also able to connect him with an employment agency who developed a back-to-work plan. This led to a job and he is thrilled to have re-established his career path.'

The Playgroup Coordination Project

The Playgroup Coordination Project covers the Sunshine, Albion, Ardeer and St Albans areas. The project aims to engage socially isolated and vulnerable families through playgroup participation. There are 25 playgroups in these locations. The playgroups are a range of community parent run, multicultural, young and parenting, special needs and culturally specific groups. Playgroup Coordination assists families to start or join playgroups that suit their needs.

This year, the Project has had a major role in recruiting playgroups for the WestSide Circus program. This has been a very successful partnership and has seen 5 playgroups participate with WestSide Circus. We also noticed an increased interest by CALD groups in training. To build on this interest, the Playgroup Coordination Project sourced additional funding to provide CALD Playgroup Leaders with an intensive but enjoyable 6 week

training program to increase their knowledge and confidence to provide playgroups for their community and to assist facilitated groups to become self sufficient. It is the first time that this program has been offered in Brimbank.

Acquired Brain Injury (ABI) Program

This year saw the ABI team transfer to a new version of a computer software client management system called TCM (The Care Manager). It involved such things as training for all staff and testing of the new system. The ABI team undertook this change extremely well, showing enthusiasm and commitment.

We have also spent many months preparing for a new accreditation system to come into practice. This system called the Quality Framework is being undertaken by all Department of Human Services disability funded organisations. Preparations are nearly complete and we look forward to passing this new form of quality improvement.

Brimbank Maternal and Child Health (M&CH)

Brimbank continues to be a growing municipality with a high numbers of births. The Maternal and Child Health Service enrolled 2531 babies in the service, similar to the 2009 -2010 financial year of 2526.

The highest proportion of births in the municipality occurs in the 3021 postcode which includes suburbs – St Albans; Albanvale, Kings Park and Kealba.

In 2011 the State Government introduced a new program “The Nursery Equipment Program” which was established to provide safe nursery equipment for eligible vulnerable families where a safety concern is identified by a Maternal and Child Health nurse. The program officially commenced taking referrals in March. Since then the nurses have identified a number homes with safety

concerns and are now referring 7-8 families to the program per week

Family Services

This year the Family Services team provided services to approximately 1014 children families and young people across the Cities of Brimbank, Hobson’s Bay and Wyndham. The families we work with often experience insecure housing, social isolation, mental health, family violence and poverty which at times can affect the children’s safety, stability and development.

Due to the complex issues our families face, advocacy is a key component of the Family Services team work. Working alongside the families, we have achieved some positive outcomes such as: securing safe and affordable housing, significant reduction of financial debt e.g.; rental arrears, utility bills, priority access to community services. The Family Services Program, on behalf of ISIS Primary Care also submitted a paper to the Inquiry into Protecting Victoria’s Vulnerable Children.

In 2010 the team introduced Good News stories in their monthly team meetings. The purpose of this is to share good stories of the positive outcomes the team is undertaking with children, young people and their families and to remind us that from small steps of change can lead to bigger changes. Here is an example:

A Family Services worker was working with a family who were very socially isolated, they had no contact with their extended family or their local community. The Family Services worker sat with the children and parents and started drawing their family tree over a number of generations. This activity brought out the families’ stories, memories and curiosity about grandparents, aunts, uncles and cousins and a desire to re- connect with family members. The Family Worker helped

the family in making contact with their extended family and slowly relationships were re-discovered, mended and the children and parents were receiving support from some extended family members. This experience had a wider impact for the family as it increased their confidence to connect with local community support e.g. youngest child commenced Kinder, the children were encouraged to invite school friends home.

GENERAL PRACTICE MEDICAL CLINICS

Over the past 12 months, there have been significant changes at the medical clinics at Deer Park and Wyndham. Whilst we continue to provide high quality services to the community, the challenge of recruiting and retaining experienced Medical Practitioners remains. Three very skilled and highly valued Doctors left ISIS Primary Care during the year. With an average of 7.5 effective full time (EFT) Doctors, and 7 part time registered nurses, the clinics provided a total of 27 727 patient visits.

In December, our Clinical Director – Dr Caroline Ong left the clinic to pursue further studies overseas. Carol commenced at ISIS as a GP registrar in February 1999. In 2007, Carol was appointed to the Clinical Director position. Carol was an asset to the clinics both in her clinical knowledge skills as a Doctor but also as a support and colleague to all clinic staff.

At the end of January this year, Dr Quentin Miles left the clinic after 13 years at ISIS. Quentin was very much appreciated by all of his patients and colleagues.

Whilst we continue to seek new GPs for the clinics, we are continuously reviewing our practice to find new and innovative ways of providing an accessible and quality service to our patients. This includes:

- In May 2011, a nurse led clinic providing comprehensive patient assessments commenced at Deer Park. This service is in line with current government health policy to provide annual health reviews to focus on preventative health.
- In February 2011, the number of nursing sessions to prepare care plans on behalf of the Doctors was increased. The preparation of care

plans and team care arrangements (known as Chronic Disease management) is also a focus of current health policy.

- The Nurses continue to provide a range of services that greatly assist both patients and the doctors. Most of the nursing staff have now completed additional qualifications in Nurse immunisation and ear syringing. Our childhood immunisation rates have remained extremely high with the nurses coordinating recall systems and patient follow ups.
- Changes in the Doctors led us to further review the appointment system. The number of appointments available on the day has been reduced. Patients presenting without an appointment are now seen only by the Nurse. 299 patients have had their presentation managed solely by the nurse in the last 12 months. Only those deemed by the nursing staff to have an urgent problem are then seen by a GP in between appointments.
- All patients with a mobile phone number recorded now receive an SMS reminder of their appointment.

The clinics are committed to providing comprehensive and coordinated care. In addition to ISIS Primary Care Nursing, Counseling and Allied Health services, both clinics have developed agreements with a range of services for patients to compliment the GP clinic. A Cardiologist has provided a fortnightly session at Deer Park for many years and a general Surgeon commenced in January this year. Both these services provide on site bulk billing specialist services to our patients.

At Wyndham, the GP clinic works closely with the Refugee Health team to provide services to the large Karen (Burmese) community to ensure that appropriate assessments and follow up of medical conditions are managed. This is assisted by interpreters where required and often results in negotiation with other services around language needs and access.

Our Infectious Disease Physician provides specialist services to refugees with Infectious diseases. Other co-located services working closely with the GP Clinic include the Paediatric clinic for children with development delay and behavioural issues 2 days per week, the Australian College of Optometry (in collaboration with the Refugee Health team) and the Sunshine Hospital case management Anti-natal service. A shared Hepatitis Care and Hep C nurse on site is being developed with Western Health.

The clinic staff continue to maintain their knowledge and skills through regular professional development, both externally and internally.

Overall the year has been one of much change. The clinics continue to review and streamline services and systems to provide the best possible service within the available resources. I would like to thank the doctors for their professionalism, support and advice throughout 2010/2011 and for their commitment to community health. The doctors, nurses, client services staff and medical billing staff have worked hard towards our common aim of quality holistic patient care for the community. I am grateful to be able to work with and assist this dedicated team.

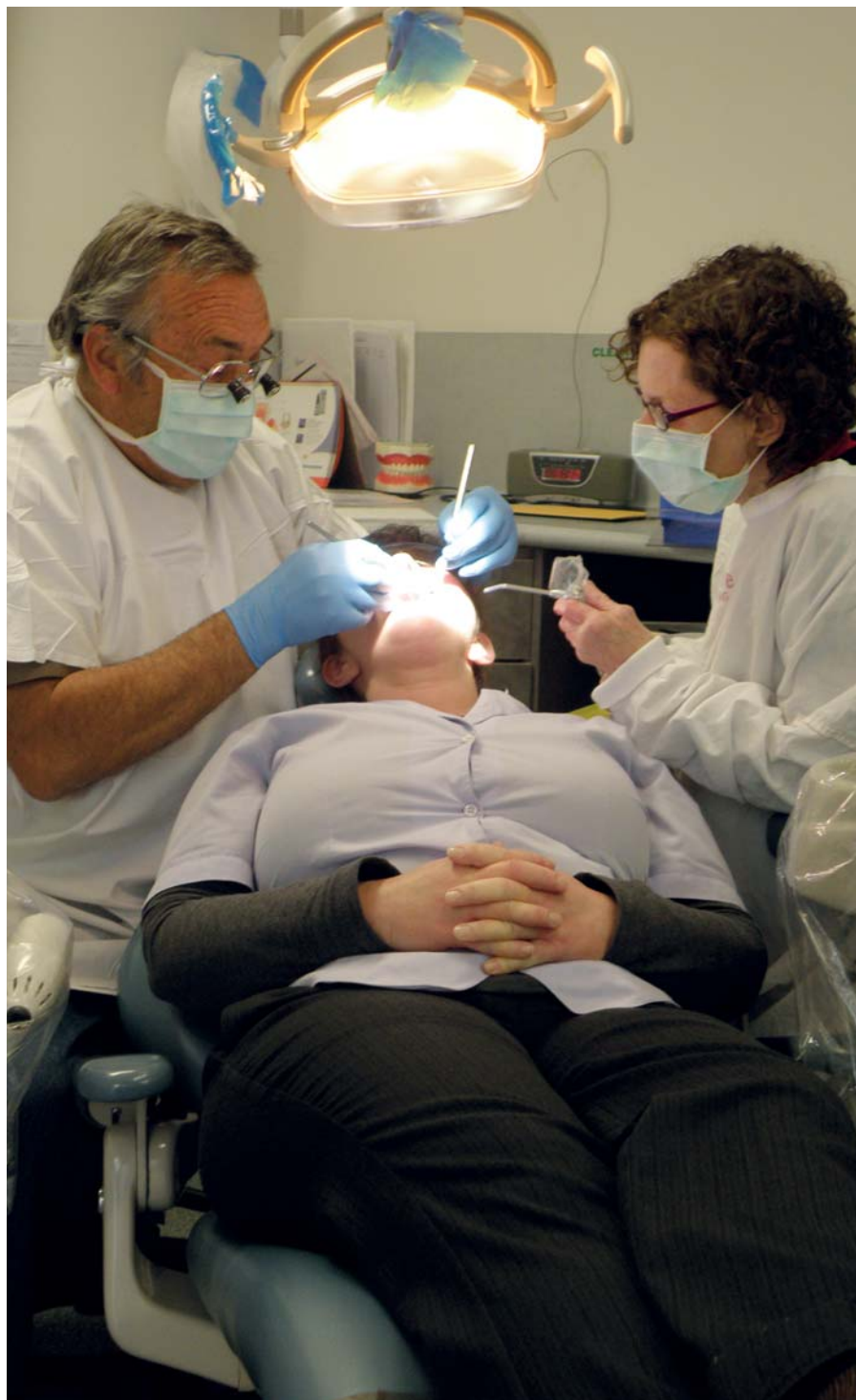
DENTAL SERVICES

This year we have welcomed a new director to the Dental Services. Dr Dawna Tuyau is a Melbourne University graduate who has 16 years of experience in Dentistry in both the private and public sector. We farewelled Dr Anissa Kong and wish her all the best in her future endeavours. We would like to extend a big thank you to Anissa for her valuable contribution to the Dental Unit during her time with us.

The new Clinic at Hobsons Bay has been operating successfully for the last year. Currently a Dental Therapist works there 4 days a week. The clinic has been able to provide dental treatment to 2000 children over the past year. All three clinics have been successful in reducing the recall system for children to a one month wait. This is a huge improvement on the previous 3 year wait.

Over 20 000 clients have been seen by the Dental Unit over the last year. The unit continues to provide quality care to the greatest number of clients possible. We are constantly reviewing our procedures and as a result have improved the efficiency of service delivery with a reduction of fail to attend rates from 15% to 5%.

On the first of July the Department of Health introduced a new Dental Health Program Funding and Accountability reform program. This has been introduced across the state. The new arrangements will simplify public dental funding and improve the quality and consistency of data used for planning and decision-making. This has been successfully implemented.



FINANCE AND RESOURCE DIRECTORATE

Finance Division

The financial result for ISIS Primary Care Ltd (ISIS) for the year ending 30 June 2011 is \$5,691,545 surplus. This represents an increase of \$6,805,848 compared to the previous year's result of \$1,114,303 deficit.

Included in this amount is \$7.5 million received as part of the Federal Government's distribution of funding to successful applicants for construction of Superclinics as part of their Healthcare reform agenda. Removing this extraordinary receipt produces an operating deficit of \$1,808,455. This is an increase of \$694,152 on the previous year's operating deficit of \$1,114,303.

Income net of Superclinic funding was therefore \$34,592,659. This is up 3.23% on the previous year's funding of \$33,511,217. Total expenditure, including depreciation of \$839,981, was \$36,401,114 representing an increase of 5.13% on the previous year.

Total Salaries and Wages increased by 2.84% to \$25,852,149. This value includes oncosts and represents approximately 74.73% of total net income. This is comparable to the previous year's ratio of total salaries and wages to total income.

Total Assets increased by 31.79% while total liabilities rose by a marginal 15.58% resulting in total equity moving up by 38.47%.

During the financial year we said farewell to Shamila Hewamanna and welcomed her replacement to the role of accounts receivable.

Upon reflection the financial year ending 30 June 2011 has seen challenges not experienced by the organisation since it was incorporated on 1 March 1998.

Notwithstanding this the divisions within the Finance and Resources directorate have continued to support the service provider

directorates in a positive and timely manner. I am now pleased to share with you a brief summary of their contributions.

Quality & Risk Management Division

ISIS demonstrates its commitment to risk management and continuous quality improvement (CQI) through its policies, procedures, allocation of resources for the management of risk management and quality improvement, and its ongoing voluntary participation in the Australian Council on Healthcare Standards (ACHS) Evaluation and Quality Improvement Program (EQUIP).

In December 2010, three surveyors from ACHS spent four days at ISIS to conduct the EQUIP Organisation-Wide Re-Accreditation Survey. We are pleased to say that the organisation was successful in achieving a further four years EQUIP accreditation. The surveyors commented that "a commitment to quality and the evaluation and improvement of services that are provided was obvious to the survey team" and that "quality and risk are very well managed" at ISIS.

In addition to EQUIP, the GP Clinics, Family Service, ABI, Linkages and CACPs, and Home and Community Care (HACC) programs have continued to make improvements to ensure they continue to meet the requirements of the program specific standards they are reviewed against.

Human Resources Division

Human Resources functions include responsibility for recruitment, induction, professional development, occupational health and safety and provision of advice to all employees and management on all aspects of employment terms and conditions. At the end of the financial year there were in excess of four hundred and fifty employees. Human resources support is provided by 2.1 EFT.

From 1st July 2010 to 30th June 2011 a total of fifty nine employees were recruited into the organisation. Of these positions, two were newly created roles. All new employees were provided an opportunity of attending a comprehensive induction process. For the same period of time sixty eight employees voluntarily left and five employees had their employment terminated for breach of policy and/or performance issues. This represents a turnover of 16% for the year July 2010 - June 2011. This is a decrease from the 18% turnover of the previous financial year. As part of the commitment to ensuring employees maintain the skills required within their roles, there were one thousand occasions of professional development provided across the organisation.

Human Resources employees continue to have involvement in a wide range of organisational committees and working groups, including the Marketing Committee, Occupational Health and Safety Committee, Recruitment & Retention Working Group, Clinical Governance, Policy Committee and the Health & Wellbeing Committee.

Clinical Business Support Coordinator Division

The past 12 months has seen many changes in both the Medical and Dental programs with both Clinical Directors leaving the organisation. The Coordinator has worked with both teams to provide support and assistance as well as streamlining systems and processes. The EQUIP organisation wide survey was undertaken in November 2010. This provided both programs with an opportunity to review systems and formally evaluate and document progress.

Some specific initiatives undertaken by the Coordinator have been a review of the GP clinic stock ordering system to provide a

more efficient imprest process, develop, educate and implement an electronic purchase order system, endorsement by GPA Accreditation plus of our two GP clinics, review of steriliser placement and reallocation of organisation wide Infection Control resources to provide the most effective usage, implementation of a nurse led health assessment clinic at Deer Park with assistance from the GP Division - Pivotwest. In addition further implementation of SMS messaging to enable all patients with a phone number recorded to receive a reminder text and securing a General Surgeon for a monthly session at Deer Park, enabling timely access for patients requiring review by a general surgeon.

The Coordinator would like to thank the staff of the clinics who have been receptive to change and open to consider new systems to increase patient access and clinic resourcefulness. Their commitment to their patients and their management makes it a pleasure to assist them.

Client services and administration Division

The Client Services and Administration team (CSA), provide quality, proficient services to all clients and support to all ISIS programs. The provision of these services is underpinned by a structure of ongoing training and professional development. Training undertaken by team members for the past year includes, First Aid & CPR, Infection Control, Needle and Syringe training and updates in the following software packages; TrakCare, TCM, Pracsoft and Titanium. In addition 6 team members received a Certificate IV in Health Administration and 9 team members a Certificate III in Health Services. The North Cluster Team Leader completed a Diploma of Management. All Team Leaders are now Diploma-qualified in leadership.

The administration arm of the team has taken on an additional administrative role in assisting the Drug & Alcohol Forensic Addictions program and supporting the Maternal & Child Health team.

The CSA team has representatives who are actively involved in almost all of the organisational committees, spanning areas such as OHS, Marketing, Policy and Community Participation. Our commitment as a learning organisation and to local communities has provided work experience to five mature age students from the Flagstaff and St Albans AMES to gain experience in the health administration field.

As a final comment to Coordinators, Team Leaders and staff, I thank you for your efforts in maintaining your commitment to the organisation and the level of support you have delivered to the service provider directorates and clients. Your contribution has facilitated the uncompromised delivery of quality healthcare to a community with healthcare needs. The professional manner within which you perform your duties is also noted.



FINANCIAL REPORT

For the Year Ended 30 June 2011

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Directors' Report

30 June 2011

Your directors present their report on the company, for the financial year ended 30 June 2011.

Directors

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

Names	Position	Appointed/Resigned
Clovis Bonner	Chairperson	
Mekonnen Kebede	Deputy Chairperson	
Jenny Matic	Board Treasurer	
Aneta Pazeski		
Phillippa Dee		
Meredith Swaby	Deputy Chairperson	
John Sipek		
Trish McCluskey		Appointed 24/11/2010

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

Principal Activities

The principal activities of ISIS Primary Care Ltd during the financial year were to provide a range of health and welfare services to adequately meet the identified needs of individuals living within the western region of Melbourne.

No significant change in the nature of these activities occurred during the year.

Short term objectives

The company's short term objectives are to meet the service obligations of our funding bodies associated with the delivery of a range of health care welfare services to the three local government areas within the western region of Melbourne for which ISIS is the registered community health service.

The current National Health Reform Process (NHRP) has provided quite limited opportunities for funding growth with the exception of funding for a GP Super Clinic, construction of which will commence within the next twelve months in Wyndham Vale.

Long term objectives

The company's long term objectives are to actively support the health care needs of both its clientele, and the wider community in its catchment within the local government areas of Wyndham, Brimbank and Hobsons Bay. The Board works with government at all three levels to identify service gaps and/or growth requirements and advocate for resources to satisfy service demand and need.

The Wyndham Vale Super clinic is a pilot to demonstrate the value of establishing a comprehensive service site in a newer community to provide local access as families move into the area and not wait for many years which occurs under the current system. The Super Clinic is planned to be completed and operational by the middle of 2013.

Strategy for achieving the objectives

The Board of Directors has developed an ongoing Strategic Plan which is reviewed annually. The strategic plan has embedded within it, both short term and long term Key Result areas. Milestone achievement targets are assigned to responsible officers. The current plan was developed in 2009 and will run through to 2012. These documents are available to staff via the organisation's intranet.

How principal activities assisted in achieving the objectives

The organisation continues to develop and enhance service delivery to the local community and despite the lack of opportunity as a result of the NHRP, the organisation has grown over 7 years from \$18.1 million revenue to \$34.5 million, excluding half the Super Clinic grant of \$7.5 million invoiced in the current year. The organisation has developed facilities at all of its sites to accommodate the resultant staff growth from within its own resources. The new

Super Clinic represents the next big step in service provision given both the capital grant of \$15 million and access to additional future Medicare revenue.

The maintenance of existing funding and the successful bid for funding represented by this growth provides the clearest example of achieving our objectives. The increased expenditure on interpreters has seen the development of ongoing culturally appropriate and effective service delivery.

The Board still see significant unmet demand and growth and is working with governments at all levels to address these issues.

Performance measures

Measurement of organisational performance includes the capture of statistical data through TrakCare, a state government funded and managed data collection and warehousing technology introduced into the Victorian Health Care system in 2009/10. This data is reconciled to targets by the respective funding bodies and communicated back to the organisation.

Financially the organisation has a budgeting process administered at a global level. Monthly financial reports are prepared for all programs and received by the Management Executive and the Board of Directors. These reports are used to monitor the financial performance of the organisation.

Members' guarantee

ISIS Primary Care Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 10 for all members, subject to the provisions of the company's constitution.

At 30 June 2011 the collective liability of members was \$ 330 (2010: \$ 330).

Operating Results

The surplus of the company for the financial year amounted to \$ 5,691,545 after a government contribution of \$7.5m (2010: deficit \$1,114,303).

Review of operations

A review of the operations of company during the financial year and the results of those operations found that during the year, the company continued to engage in its principal activity, the result of which are disclosed in the attached financial statements.

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

Information on Directors

Clovis Bonner Chairperson

Qualifications

Diploma in Accounting (NZ)
FCA, MAICD

Mekonnen Kebede Deputy Chairperson

Qualifications

Masters of Applied and
Lab. Sciences
B.Sc Hons, B.Sc
MASM

Jenny Matic Board Treasurer

Qualifications

Bachelor of Science
Advanced Dip Business
(Accounting)
Proficiency in Dental Nursing,
Bachelor of Arts
(currently studying)

Aneta Pazeski

Qualifications

Masters in Business
Administration
CPA
Bachelor of Commerce
(Accounting)

Phillippa Dee

Qualifications

Graduate Certificate in
Management
CA (NZ)
Post Grad IPAA Advanced
Insolvency Law Practice 1
Post Grad IPAA Advanced
Insolvency Law Practice 2
National Diploma in
Accountancy (NZ)

Meredith Swaby Deputy Chairperson

Qualifications

Bachelor Applied Science
(Speech Pathology)
Graduate Certificate Health
Service Management

John Sipek

Qualifications

Mechanical Engineer
Advanced Certificate of
Electronics
Certificate of Advanced Maths
Certificate of Physics
Certificate of Production
Planning
MAICD

Trish McCluskey

Qualifications

Registered Div 1 Nurse
Cert Adult & Tertiary Education
Bachelor of Arts
Grad Cert in Health Science
Grad Cert in Educational
Leadership
Masters in Education
Doctor of Education
(in progress)

Meetings of Directors

	Directors' Meetings		Audit and Risk Sub-Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Clovis Bonner	11	11	2	2
Mekonnen Kebede	11	8	-	-
Jenny Matic	11	8	2	1
Aneta Pazeski	5	3	1	1
Phillippa Dee	11	9	2	2
Meredith Swaby	11	10	1	1
John Sipek	11	6	-	-
Trish McCluskey	7	5	-	-

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 5 of the financial report.

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

Director: 
Phillippa Dee

Director: 
Jenny Matic

Dated 29 August 2011

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Board of ISIS Primary Care Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



DANBY BLAND PROVAN & CO
Chartered Accountants



R A LANE
Partner

29 August 2011

Statement of Comprehensive Income

For the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
Revenue	2	34,592,659	33,511,217
Employee benefits expense		(25,852,149)	(25,138,469)
Depreciation and amortisation expense	3	(839,981)	(737,091)
Lease expenses		(550,958)	(564,573)
Client services		(4,719,141)	(4,300,309)
Medical & paramedical expenses		(354,837)	(379,435)
Repairs & maintenance expenses		(623,716)	(486,639)
Motor vehicle expenses		(1,171,673)	(1,127,695)
Staff amenities & training		(858,170)	(704,427)
Other expenses		(1,430,489)	(1,186,882)
Operating surplus/(deficit) for the year		(1,808,455)	(1,114,303)
Government grant - super clinic	4	7,500,000	-
Surplus/(deficit) for the year		5,691,545	(1,114,303)
Total comprehensive income/(loss) for the year		5,691,545	(1,114,303)

Statement of Financial Position

As at 30 June 2011

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	4,860,648	6,296,153
Trade and other receivables	7	8,823,580	446,646
Other assets	8	142,628	252,931
TOTAL CURRENT ASSETS		13,826,856	6,995,730
NON-CURRENT ASSETS			
Property, plant and equipment	9	13,698,009	13,889,034
TOTAL NON-CURRENT ASSETS		13,698,009	13,889,034
TOTAL ASSETS		27,524,865	20,884,764
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	3,845,974	3,344,241
Short-term provisions	12	296,670	247,408
Other liabilities	11	224,198	-
TOTAL CURRENT LIABILITIES		4,366,842	3,618,649
NON-CURRENT LIABILITIES			
Longterm provisions	12	2,670,034	2,469,671
TOTAL NON-CURRENT LIABILITIES		2,670,034	2,469,671
TOTAL LIABILITIES		7,036,876	6,088,320
NET ASSETS		20,487,989	14,796,444
EQUITY			
Reserves		2,538,282	2,538,282
Retained Earnings		17,949,707	12,258,162
TOTAL EQUITY		20,487,989	14,796,444

Statement of Changes in Equity

For the Year Ended 30 June 2011

2011	Retained Earnings \$	Capital Profits Reserve \$	Asset Realisation Reserve \$	Total \$
Balance at 1 July 2010	12,258,162	1,333,833	1,204,449	14,796,444
Surplus	5,691,545	-	-	5,691,545
Balance at 30 June 2011	17,949,707	1,333,833	1,204,449	20,487,989

2010	Retained Earnings \$	Capital Profits Reserve \$	Asset Realisation Reserve \$	Total \$
Balance at 1 July 2009	13,372,465	1,333,833	1,204,449	15,910,747
(Deficit)	(1,114,303)	-	-	(1,114,303)
Balance at 30 June 2010	12,258,162	1,333,833	1,204,449	14,796,444

Statement of Cashflows

For the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from clients		5,710,489	7,193,519
Grant receipts		31,109,417	29,479,019
Donations received		20,703	2,311
Interest received		328,132	273,330
Payments to suppliers and employees		(37,946,356)	(36,881,879)
Net cash provided by (used in) operating activities	15	(777,615)	66,300
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		25,160	17,500
Purchase of property, plant and equipment		(683,050)	(1,034,321)
Net cash provided by (used in) investing activities		(657,890)	(1,016,821)
Net increase (decrease) in cash held		(1,435,505)	(950,521)
Cash at beginning of financial year		6,296,153	7,246,674
Cash and cash equivalents at end of financial year	6	4,860,648	6,296,153

Notes to the Financial Statements

For the Year Ended 30 June 2011

The financial statements are for ISIS Primary Care Ltd as an individual entity, incorporated and domiciled in Australia. ISIS Primary Care Ltd is a company limited by guarantee.

1 Summary of Significant Accounting Policies

Basis of preparation

The financial statements are a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.

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 have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) Property, plant and equipment

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

Property

Freehold land and buildings are measured on a cost basis less depreciation and impairment losses. Freehold land and buildings 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.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been not been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company 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:

Buildings	2.5-5%
Motor Vehicles	20%
Office Equipment	10%
Computer Equipment	33%
Leasehold improvements	10%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

(a) Property, plant and equipment continued

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(b) Impairment of assets

At the end of each reporting period, the company reviews the carrying values 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 to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

(c) 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.

(d) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the company to various employee superannuation funds and are charged as expenses when incurred.

(e) Income taxes

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

(f) Leases

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

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

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

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Summary of Significant Accounting Policies (continued)

(g) Revenue continued

Grant revenue is recognised in the Statement of Comprehensive Income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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

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

ISIS Primary Care Ltd receives nonreciprocal contributions of assets from the government and other parties for no value or a nominal value. These assets are recognised at fair value on the date of acquisition in the Statement of Financial Position, with a corresponding amount of income recognised in the Statement of Comprehensive Income.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

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

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

(h) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cashflows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Critical Accounting Estimates and Judgments

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

Key estimates Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(j) Economic Dependence

ISIS Primary Care Ltd is dependent on grant funding, the majority of which comes from State, Federal and local sources to operate the business. At the date of this report the directors have no reason to believe the funding organisations will not continue to support ISIS Primary Care Ltd.

Notes to the Financial Statements

For the Year Ended 30 June 2011

	2011 \$	2010 \$
2. Revenue		
- Business undertakings	2,905,325	2,768,207
- Interest received	328,132	273,330
- Other fees	1,903,860	2,058,850
- Other income	1,748,188	1,424,915
- Government grants	27,686,451	26,983,604
- Donations	20,703	2,311
Total Revenue	34,592,659	33,511,217

3. Surplus for the Year

Expenses

Depreciation and Amortisation

Depreciation and amortisation expense

839,981 737,091

Rental expense on operating leases

lease payments

550,958 564,573

Audit Remuneration

auditing or reviewing the financial statement

25,000 25,000

other services

6,600 3,800

Total Audit Remuneration

31,600 28,800

4. Commonwealth Government Grant

GP Super Clinic

7,500,000 -

In June 2011 ISIS Primary Care Ltd was offered a funding agreement to establish the GP Super Clinic in West Melbourne. Under the funding agreement \$7.5m has been invoiced in June and received in July 2011.

5. Key Management Personnel Compensation

The totals of remuneration paid to key management personnel are as follows:

Salary and Fees	826,526	810,553
Superannuation	95,527	95,373
Non cash benefits	104,966	114,811
	1,027,019	1,020,737

Notes to the Financial Statements

For the Year Ended 30 June 2011

	2011 \$	2010 \$
6. Cash and cash equivalents		
Cash on hand	5,600	5,900
Cash at bank	2,099,041	1,182,506
Short-term bank deposits	2,756,007	5,107,747
	4,860,648	6,296,153

7. Trade and other receivables

CURRENT

Trade receivables	8,317,135	401,935
Provision for impairment	(10,000)	(10,000)
	8,307,135	391,935
Other receivables	516,445	54,711
Total current trade and other receivables	8,823,580	446,646

(a) Provision for Impairment of receivables

Current trade receivables are generally on 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. There was no movement in the provision for impairment.

(b) Credit risk

The company has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the company.

8. Other Assets

CURRENT

Prepayments	142,628	252,931
-------------	---------	---------

Notes to the Financial Statements

For the Year Ended 30 June 2011

	2011 \$	2010 \$
9. Property, plant and equipment		
LAND AND BUILDINGS		
Freehold land		
At cost	2,521,487	2,521,487
Buildings		
At cost	14,222,329	13,911,469
Accumulated depreciation	(4,155,470)	(3,699,693)
Total buildings	10,066,859	10,211,776
Total land and buildings	12,588,346	12,733,263
PLANT AND EQUIPMENT		
Motor vehicles		
At cost	572,551	582,163
Accumulated depreciation	(365,304)	(286,430)
Total motor vehicles	207,247	295,733
Office equipment		
At cost	1,450,806	1,260,507
Accumulated depreciation	(762,911)	(628,266)
Total office equipment	687,895	632,241
Computer equipment		
At cost	535,215	411,977
Accumulated depreciation	(320,694)	(184,180)
Total computer equipment	214,521	227,797
Leasehold improvements		
At cost	426,280	426,280
Accumulated amortisation	(426,280)	(426,280)
Total plant and equipment	1,109,663	1,155,771
Total property, plant and equipment	13,698,009	13,889,034

Notes to the Financial Statements

For the Year Ended 30 June 2011

Movements in Carrying Amounts

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

	Land \$	Buildings \$	Motor Vehicles \$	Office Equipment \$	Computer Equipment \$	Total \$
Balance at 30 June 2011						
Balance at the beginning of year	2,521,487	10,211,776	295,733	632,241	227,797	13,889,034
Additions	-	310,858	49,656	190,298	132,238	683,050
Disposals	-	-	(25,094)	-	(9,000)	(34,094)
Depreciation expense	-	(455,775)	(113,048)	(134,644)	(136,514)	(839,981)
Carrying amount at the end of 30 June 2011	2,521,487	10,066,859	207,247	687,895	214,521	13,698,009
Balance at 30 June 2010						
Balance at the beginning of year	2,521,487	9,929,246	365,637	630,112	167,606	13,614,088
Additions	-	701,211	64,013	118,085	151,012	1,034,321
Disposals	-	-	(22,284)	-	-	(22,284)
Depreciation expense	-	(418,681)	(111,633)	(115,956)	(90,821)	(737,091)
Carrying amount at the end of the year	2,521,487	10,211,776	295,733	632,241	227,797	13,889,034

10. Trade and other payables

CURRENT

Unsecured liabilities

Trade payables

Other payables

GST payable

Employee benefits

2011
\$

2010
\$

717,778

627,638

1,317,164

758,595

102,089

136,225

1,708,942

1,821,783

3,845,973

3,344,241

11. Other Liabilities

CURRENT

Income in advance

224,198

-

224,198

-

Notes to the Financial Statements

For the Year Ended 30 June 2011

	2011 \$	2010 \$
12. Provisions		
Analysis of Total Provisions		
Current - LSL	296,670	274,408
Non-current - LSL	2,670,034	2,469,671
	2,966,704	2,744,079

Provision for LongTerm Employee Entitlements

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

13. Capital and Leasing Commitments

Operating Lease Commitments

Noncancelable operating leases contracted for but not capitalised in the financial statements:

Payable - minimum lease payments:

- not later than 12 months	906,055	1,019,638
- between 12 months and 5 years	921,457	1,063,098
	1,827,512	2,082,736

Operating lease commitments comprise of motor vehicles and rental of buildings.

14. Capital Management

The Board of Directors manages cash to ensure that adequate cash flows are generated to fund the operations of the company. Management procedures include estimations of cash flows and future cash requirements.

15. Cash Flow Information

Reconciliation of Cash Flow from Operations with Surplus/(deficit)

Surplus/(deficit) for the year	5,691,545	(1,114,303)
Cash flows excluded from surplus/(deficit) attributable to operating activities		
Noncash flows in surplus		
Depreciation of property, plant and equipment	839,981	737,091
Net (gain)/loss on disposal of property, plant and equipment	(66)	4,785
Changes in assets and liabilities		
(Increase)/decrease in receivables	(8,367,934)	193,186
(Increase)/decrease in other assets	110,303	(10,587)
(Increase)/decrease in income in advance	224,198	-
Increase/(decrease) in trade payables and accruals	501,733	(176,810)
Increase/(decrease) in employee benefits	222,625	432,938
	(777,615)	66,300

Notes to the Financial Statements

For the Year Ended 30 June 2011

16. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and fixed interest securities.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the company.

At 30 June 2011 the company does not believe it is exposed to any material credit rate risk.

(b) Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

At 30 June 2011 the company does not believe it is exposed to any material liquidity rate risk.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

	Within 1 Year Total		Contractual Cash Flow	
	2011	2010	2011	2010
	\$	\$	\$	\$
Financial liabilities due for payment				
Trade and other payables (excluding estimated annual leave)	2,137,033	1,522,457	2,137,033	1,522,457
Total contractual outflows	2,137,033	1,522,457	2,137,033	1522457
Financial assets cash flows realisable				
Cash and cash equivalent	4,860,648	6,296,153	4,860,648	6,296,153
Trade, term and loans receivable	8,823,580	446,646	8,823,580	446,646
Total anticipated inflows	13,684,228	6,742,799	13,684,228	6,742,799

(c) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect cash flows or the fair value of fixed rate financial instruments.

At 30 June 2011 the company does not believe it is exposed to any material interest rate risk.

(d) Net Fair Values

The company has assessed the fair value of assets and liabilities as at 30 June 2011 and believes there are no differences between the carrying values and fair values of those assets and liabilities.

(e) Sensitivity Analysis

The company has performed a sensitivity analysis relating to its exposure to interest rate risk, liquidity risk, credit risk and price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in interest rates. A 1% increase would have resulted in an increase to profit and equity of \$48,606 (2010: \$62,961). A decrease in interest rates would have an opposite effect on profit and equity.

Notes to the Financial Statements

For the Year Ended 30 June 2011

17. Company Details

The registered office of the company is:
ISIS Primary Care Ltd
1 Andrea Street
ST ALBANS VIC 3021

Director's Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 6 to 20, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director:



Phillippa Dee

Director:



Jenny Matic

Dated 29 August 2011

ISIS Primary Care Ltd

ACN 136 685 151

Independent Audit Report to the members of ISIS Primary Care Ltd



Report on the Financial Statements

We have audited the accompanying financial statements of ISIS Primary Care Ltd (the company), which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cashflows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Director's Responsibility for the Financial Statements

The directors of the company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion the financial statements of ISIS Primary Care Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

DANBY BLAND PROVAN & CO
Chartered Accountants

R A LANE
Partner

29 August 2011

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