ST JOHN AMBULANCE WESTERN AUSTRALIA LIMITED

DIRECTORS’ REPORT

The Board of the Commandery of St John Ambulance Western Australia Limited (“the Company”) submit herewith the Directors’ Report for the financial year ended 30 June 2015, in accordance with the Corporations Act 2001.

ST JOHN AMBULANCE WESTERN AUSTRALIA LIMITED

INFORMATION ABOUT THE DIRECTORS

The names and particulars of the Directors of the Company during or since the end of the financial year ended 30 June 2015 are:

MR GERARD KING
Chairman

Gerard King joined the St John Council in 1972 and has held the position of Chairman of the WA Ambulance Service Board and Chairman of the State Executive Committee. In 2006 he became the Chairman of the State Council and is a Knight of The Order of St John. In 1995, Mr King retired from the law firm Phillips Fox after 30 years of employment and currently undertakes consultancy work in the field of law.

MR SHAYNE LESLIE
Deputy Chairman

Graduating from the University of Western Australia Law School in 1982, Shayne Leslie has focused on commercial litigation/dispute resolution with law firms Phillips Fox, Wilson & Atkinson, Talbot Olivier and Metaxas & Hager. A Commander of The Order of St John, Mr Leslie joined the Ambulance Service Board in July 2002 and was a member of the Board until it was replaced by the State Council in 2006.

MR ANDREW CHUK
Non-executive Director

Andrew Chuk holds bachelor degrees in economics and engineering, first graduating from The University of Melbourne in 1983. His public sector experience has involved infrastructure planning, health finance, and contracting to the private and non-government sectors. Mr Chuk has more than 20 years’ experience in the resources sector, principally as an investment specialist, and has expertise in government regulatory and legislative processes.
Information about the Directors (continued)

Sally Carbon is the Managing Director of Green Eleven, a strategic marketing and communications company in Western Australia. She has managed a large WA-based communications agency in Perth and was previously the Director of Marketing and Communications at the urban renewal project at Docklands Authority in Melbourne. Ms Carbon has a Bachelor of Arts with majors in Physical Education and Mathematics, is a qualified strategic marketer, qualified company director and a Fellow of the Australian Institute of Company Directors. She sits on two Commonwealth Government boards, chairs a Commonwealth Government Audit Committee, sits on WA’s Friendship Games board and has served on the Aquinas College board, the WA Sports Council and the strategic board of the WA Education Department. Ms Carbon represented Australia in hockey and is an Olympic and World Cup gold medalist.

Sally Gifford became a member of the Board in 2014, and has a strong history in volunteer and community engagement, as well as fundraising and governance in the charitable and not-for-profit environment. Mrs Gifford came to Australia in 1990 and joined the Chittering/Gingin Sub Centre in 2001 as a volunteer dispatcher. In 2006 Mrs Gifford became Chairman of the Chittering/ Gingin Sub Centre and in 2013 she was awarded the prestigious Ambulance Service Medal and the Shire of Gingin’s Active Citizens Award. Mrs Gifford is currently vice chair in Chittering/Gingin and her responsibility is to look after recruits. She is also on the planning committee to build a new sub centre in Bindoon and is the St John representative on the local emergency planning committee.

Dr Richard Lugg joined the WA Ambulance Service Board in 1995. Retired from the Department of Health, he is a public health physician specialising in the links between water and human health. Dr Lugg was also a member of the Medic Alert Council of WA. A Commander of The Order of St John, he served as Chairman of the Ambulance Service Board from 2002 until it was replaced by the State Council in 2006.

Mr Ian Kaye-Eddie has been contributing to ambulance services throughout Australia for more than 37 years. He was Chief Executive Officer of St John Ambulance Western Australia from 1978 to 2000. Mr Kaye-Eddie has degrees in commerce, finance and the arts and has studied at universities in South Africa, the USA and Australia. He is a non-executive director of the Eye Surgery Foundation in Perth and retired from his position as Examing Chaplain for the Anglican Diocese of Perth.

Professor Ian Rogers is Professor of Emergency Medicine at St John of God Hospital Murdoch and the University of Notre Dame. Professor Rogers’ role at St John of God is to oversee the enhancement of clinical training capacity in previously underutilised private hospital sites. He graduated from The University of Melbourne in 1984 and completed his emergency medicine specialist training in 1991. Professor Rogers has more than 60 refereed journal papers, 50 major conference presentations and 20 textbooks and textbook chapters with special research interests in sports medicine and wilderness medicine. His past roles have included overseeing emergency medicine and training at hospitals such as Sir Charles Gardiner Hospital and Auckland Hospital, and training roles within the Australian College for Emergency Medicine.

Merle Isbister joined the WA Ambulance Service Board in 2001 and has been a St John member since 1977. As the Carnamah Shire President, Mrs Isbister represents country volunteers on the Board. Mrs Isbister was awarded the inaugural Trainer of the Year Award in 1994 and was Volunteer of the Year in 2006. A Dame of Grace of The Order of St John, Mrs Isbister is a Volunteer Ambulance Officer and First Aid Trainer at the North Midlands Sub Centre.
Company Secretary
Mr Tony Ahern held the position of Company Secretary at 30 June 2015. Mr Ahern was appointed Company Secretary when it transferred its incorporation to the Company on 30 September 2013. Mr Ahern joined St John in 1973 as a cadet and in 1980 he became a career ambulance officer. After completing a business degree in 1989, Mr Ahern moved into accounting and computing services and took a lead role in modernising St John’s administrative and financial systems. He went on to complete a Masters of Information Systems, researching the investment in information technology made by Australian ambulance services. In 2000 he was made Deputy Chief Executive Officer and in 2006 he was appointed Chief Executive Officer. Tony has attended the London Business School to further develop his leadership skills and in 2004 he was awarded the prestigious Ambulance Service Medal. Mr Ahern served as Chairman of the Council of Ambulance Authorities from 2010 to 2013, and until 2014 was a member of the Australian Medic Alert Foundation and a member of the Primary Care WA board.

Directors Meetings
The following table sets out the number of Directors meetings (including meetings of Committees of Directors) held during the year ended 30 June 2015 and the number of meetings attended by each Director (while they were a Director or Committee member). During the year ended 30 June 2015, 11 Board meetings, two Audit Committee meetings and one Remuneration Committee meeting were held.

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<tr>
<th>Directors</th>
<th>Board of Directors</th>
<th>Audit Committee</th>
<th>Remuneration Committee</th>
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<td>Mr Gerard King</td>
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<td>Mr Shayne Leslie</td>
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<td>Mr Andrew Chuk</td>
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<td>Ms Sally Carbon</td>
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<td>Mrs Sally Gifford (Appointed 27 Oct, 2014)</td>
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<td>Dr Richard Lugg (Resigned 27 Oct, 2014)</td>
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<td>Mr Ian Kaye-Eddie</td>
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<td>Professor Ian Rogers</td>
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<td>Mrs Merle Tabberer (Resigned 27 Oct, 2014)</td>
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Principal Activities
The Company’s principal activities in the course of the financial year were the provision of first aid and ambulance services within the State of Western Australia.

Objectives
Our purpose for being in Western Australia is for the unique contribution that we make in serving humanity and developing resilient communities in this State.
We will achieve our purpose when we:-
1. Make first aid a part of everyone’s life; and
2. Deliver high quality cost-effective ambulance services to Western Australia.
We are able to fulfil our purpose not only as a leading provider of first aid training and the principal provider of ambulance services, but also through our contribution over and above that which alternative providers would deliver to our communities. St John is proud to deliver this net benefit to the community while at the same time realising our vision of service to humanity in Western Australia.

Performance Measures
The Company measures its performance in many ways, including by measuring and focusing on:

- Emergency Ambulance: Ambulance response times for P1, P2 and P3 incidents, availability of ambulance services across regional Western Australia and total number of country volunteers.
- First Aid Training: Our percentage of market share, total students trained, percentage of population trained in first aid, and community first aid sentiment index.
- Community First Responder Program: The number, distribution and utilisation of our Community First Responder program.
- Event Health Services: Total duty hours, total market share and volunteer numbers.
- Clinical Outcomes: Chest pain of presumed cardiac origin, asthma, hypoglycaemia, stroke, pain, refusals waiting times and cardiac arrest outcomes.
- Patient Transfer Services: Growth in clients, growth in revenue and surplus and percentage of market share.
- Benchmarking: Lowest cost per capita, cost to government per capita, cost per patient and cost to government per patient as reported in ROGS, at or below the Australian average cost per user; complaints received per cases.
- Financial Management: Return an operating surplus supported through:
  1. Management of labour costs below other Australian services on a per incident and per population basis.
  2. Utilisation of staff resources to match demand.
  3. Increase in net assets of at least 11% per annum.
  4. Revenue growth in our commercial activities.
- People: Growth in volunteer numbers and retention rates, staff engagement to our Company and direction, keeping the university based education model focused and effective, utilisation of our evidence based decision making approach within clinical, ambulance operations and our business activities, listening and responding to feedback from recipients of our services.
- Reputation: Staff and volunteer understanding of the St John heritage and public perception of the brand.

Financial Results
The net surplus for the year ended 30 June 2015 was $21.5 million ($18.6 million in 2014).
Highlights of the current financial result include:
- The purchase of premises at Cowcher Place, Belmont. This property will house warehouse and fleet operations currently located within leased premises and will also provide for a future ambulance central hub.
- Increase in ambulance transport revenue and a return to growth in first aid training revenue of 11% and 5% respectively from the previous year.
- Continued support from Lotterywest, the Department of Regional Development as well as other corporate partners including Woodside and Channel 7 Telethon.

The surplus facilitates the ongoing capital investment requirements of the Company to meet the growing demand for the ambulance service across the state. During the past year, St John has invested $30.1 million in its capital works program, including:
- Property: $14.7 million
- Fleet: $10 million
- Plant and Equipment: $2.7 million
Review of Operations

2014/15 has been another year of significant growth. Ambulance activity grew by nearly seven per cent across the state. Even with the increased demand for ambulance services, our ambulance response time performance was better than the contracted target for all case categories. This result is testament to the dedication of all our operational staff. We have again seen very strong results with our patient satisfaction survey, showing that the vast majority of people using our ambulance services are satisfied with all facets of the service.

During 2014/15 our total number of first aid students grew by 11 per cent to more than 245,000 people. This included more than 120,000 students trained at no cost by our First Aid Focus program, which is just one of the ways St John gives back to the West Australian community.

The St John model of service delivery in the West Australian community is one that has a strong emphasis on volunteering. During the year our Volunteer Member Services team further developed their training capacity for our volunteers, and added several new roles supporting our Patient Transfer Service.

To continue to grow and meet the demands for our services, St John must deliver a sound financial performance. This was the case with the Company achieving the surplus required to ensure the full funding of our $30.1 million capital works program, which was completed during the year. Our cash and investments are sound, giving us great confidence in our ability to continue to make the investments necessary to meet the demands of this rapidly growing state.

The contract for the provision of health services with the State of Western Australia was signed on 29 June 2015. The contract is for the period 1 July 2015 to 30 June 2018. This follows the expiration of the previous contract, which was for the period 1 July 2010 to 30 June 2015.

Changes in the State of Affairs

There was no significant change in the state of affairs of the Company during the financial year.

Subsequent Events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Indemnification of Officers and Auditors

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company (on page 71), the Company Secretary and all Executive Officers of the Company and of any related body corporate against a liability incurred as such a Director, Secretary or Executive Officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an Officer or Auditor.

Future developments

The company will continue to pursue its principal activities of providing first aid and ambulance services within the State of Western Australia for furtherance of the objectives mentioned above.

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Environmental Regulation

The Company’s operations are not subject to any significant environment regulation under a law of the Commonwealth or of a state or territory.

Auditor’s Independence Declaration

The auditor’s independence declaration has been given to the directors in accordance with section 307C of the Corporations Act 2001 is on page 78.

This directors’ report is signed in accordance with a resolution of directors made pursuant to section 298(2) of the Corporations Act 2001.

Signed on behalf of the Board:

GERARD KING
CHAIRMAN
Date: 22 September 2015