

**FIRSTSTEP**  
Substance use, mental health and legal services

# Annual Report 2024–2025

**FIRSTSTEP**  
You are welcome here



# Leadership report

**FY25 has been a transformative year for First Step. The Board thanks the Leadership Team and staff for their commitment and resilience during a year marked by significant operational change, change of premises, deepened government engagement, and continued delivery of integrated care for our clients. We also thank our clients and their families for making the transition with us, grateful for their resilience and encouragement.**

There is a wonderful synergy in the uniform opinion of our staff that our clients deserve the new premises, and then clients telling us that the staff deserve the new premises! It is testament to the powerful relationships formed within an organisation that really sees people and witnesses their journeys.

We also thank three long-serving Board members who moved on to new challenges this year: Richard Kasperczyk and Barbara Kelly, and long-time Board Chair Mark Watt who steered the organisation through great change and growth. New members Dr Paul Katz, Rochna Banerjee and Melanie Eagle bring great passion and directly relevant expertise.

The successful relocation to Mitford Street in December 2024 was a milestone achievement. Staff and clients have settled well into the new premises, with the official opening in early 2025 consolidating strong community and sector support. The \$670K Capital Campaign not only funded the move and fit out but also broadened First Step's donor base. Alongside the move, new systems have been embedded in intake, data collection, and clinical governance.

## Service Delivery and Clinical Governance

First Step continued to provide comprehensive services to over 1,600 clients. Our 24-month Impact Evaluation, run in partnership with Monash and Turning Point, has confirmed positive outcomes and guided the development of baseline outcome measures for all intakes. A strengthened clinical governance framework is now in place, including a new Clinical Director (Dr Nico Clark, formerly inaugural Medical Director of the North Richmond Medically Supervised Injecting Room) with other internal clinical leadership appointments.

## Workforce

Our workforce continued to develop and expand, with the addition of a new psychiatrist on secondment from Alfred Health and expanded care coordination capacity for our mental health services. There were also challenges, especially the pending retirement of Dr John Sherman (December 2025), who has been one of the few medical professionals (along with others at First Step) providing opioid substitute therapy in the area for many years.

## First Step Legal

First Step Legal continued to deliver integrated and empowering legal help across health, housing, and human service settings, consolidating its services within First Step, while embedding its lawyers at Windana, Alfred Health St Kilda Road Clinic, Better Health Network, and Launch Housing. The service mix remained broad across criminal, family violence, family, and civil law, and included discrete legal advice, ongoing legal representation, information, and referrals, and importantly, secondary consultations with its partner practitioners. The Safety Well-being and Accountability Program matured into two streams—legal education within Men's Behaviour Change Programs (MBCP) and

specialist legal assistance for respondents engaged in MBCPs. A court-based pilot was initiated at the Melbourne Magistrates' Court across this period, as part of FSL's overall objective to reach men who use violence. This intervention is designed to occur at a time that is conducive to building insight and accountability for such behaviours, and therefore reduce the incidence of violence

Significantly, FY25 was the year FSL, in partnership with the University of Melbourne, finalised the evaluation of its service. The evaluation established that bringing integrated legal help to particularly marginalised, vulnerable people wherever they present for help, increases their subjective assessment of their personal wellbeing by 21% over a 12-month period (which is 12 points closer to the general population's average personal wellbeing score of 75) and reduces experiences of unemployment, financial disadvantage, family violence, homelessness, and acute mental health admissions.

## Government and Partnerships

FY25 was a breakthrough year in government relations. First Step secured State Government funding for integrated care initiatives and contributed to the Victorian 10-year AOD plan, ensuring integrated care is recognised as a priority. Engagement at federal and local levels has also strengthened, with key relationships forged across Parliament and the City of Port Phillip. Major partnerships advanced, including Brian M Davies Foundation's multi-year support for our Road Home model of integrated care with youth housing partners, and strong ties with the South Eastern Primary Health Network, Ian Potter, and John T Reid Foundations.

A number of new programs will commence in FY26. A partnership with Gippsland Lakes Complete Health received funding from the Victorian Department of Health (Drug and Alcohol Division) for an entirely novel nurse-led model of support for opiate replacement therapies in country Victoria. A PHN-funded

care coordination pilot and State Government integrated care pilot will also commence next. And our Road Home partnership model (mental health and medical support in emergency housing) will enter a new phase through collaboration with the Salvation Army.

## Fundraising and Engagement

Philanthropy delivered outstanding results, raising over \$1.5M in FY25. The Capital Campaign was a highlight, attracting major gifts and laying the foundation for the "First Step Futures Fund." New fundraising strategies have been launched around regular giving, donor acquisition, and the upcoming 25th Anniversary celebrations. Community and client engagement was boosted through our Hope Mural and anniversary planning.

## Looking forward

FY25 has been one of the most ambitious and successful years in First Step's history. We are now operating from welcoming, fit-for-purpose facility, backed by renewed philanthropic and government support, a growing reputation as leaders in integrated care, and a strengthened governance and clinical framework. The year ahead will demand focus on sustainability, workforce capacity, and embedding our culture of integration and excellence.



*Catherine Easton*

**Catherine Easton**  
Chair



*Patrick Lawrence*

**Patrick Lawrence**  
CEO

# Strategic Plan

## First Step proudly advanced into Horizon 3 of its 2022–2026 Strategic Plan

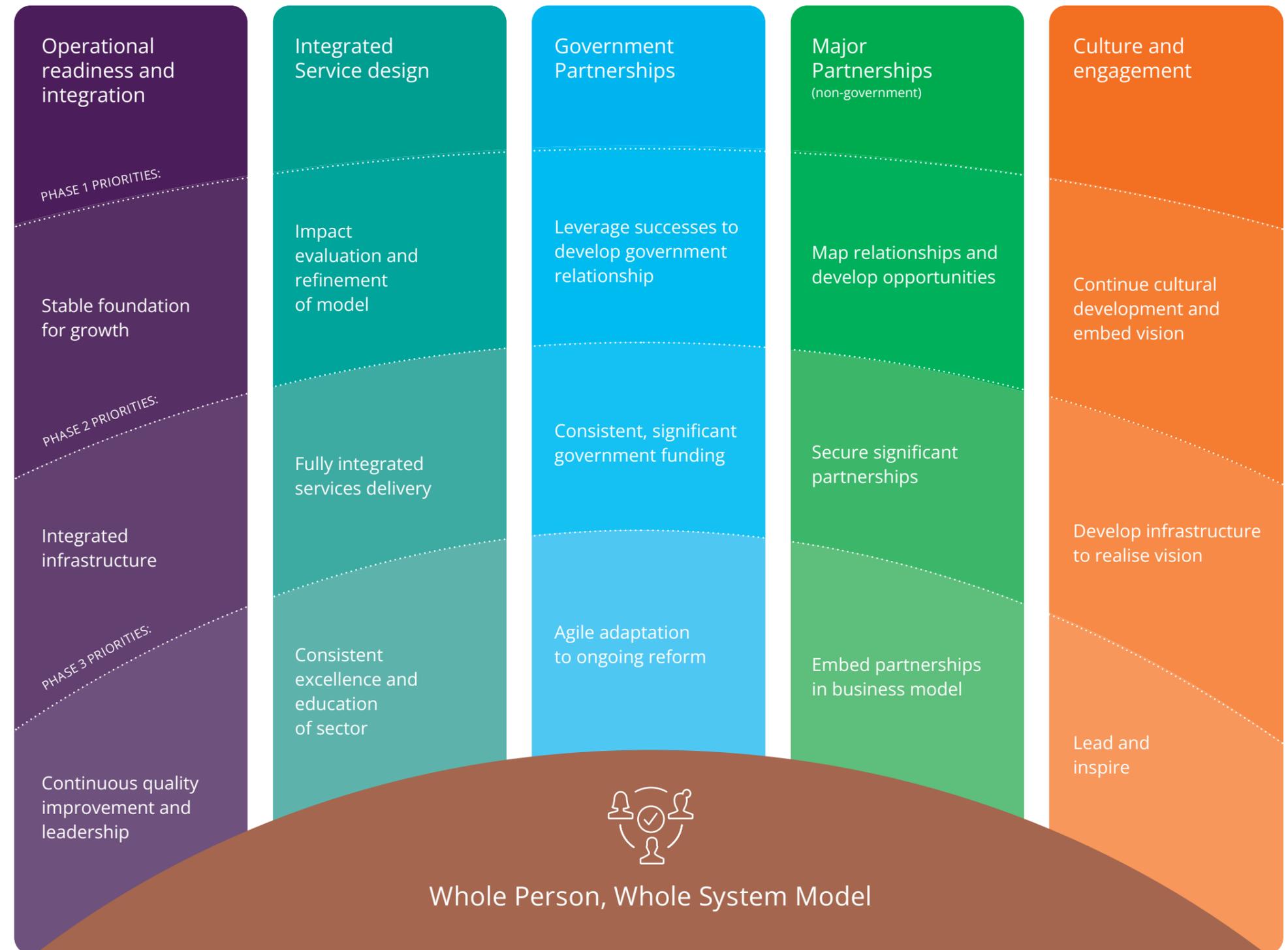
Focused on expanding integrated care capacity, strengthening government and partner relationships, and preparing the organisation for future growth through our new premises.

Key achievements in operational readiness included a Capital Raising Campaign securing \$670,000 in donations and in-kind support for the move to 18 Mitford Street. Relocating to this larger, purpose-built space—while retaining 100% of clients—was a major milestone.

In integrated service design, our 24-month impact evaluation with Monash Health progressed, and the First Step Legal–University of Melbourne study concluded with outstanding results. The appointment of new clinical leadership roles (including Clinical Director) and partnership with Alfred Health further strengthened our model and reputation.

Securing state government funding for integrated care marked a defining step in deepening government partnerships, complemented by expanded philanthropic collaborations.

As we enter the final phase of this plan, we will leverage our new facilities, partnerships, and growing influence to ensure exceptional, accessible integrated care for all First Step clients while exerting influence on the sector to provide integrated care more consistently.





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## Nick's story

The first time I did the ResetLife program at First Step, I wasn't ready. I relapsed early and hid it. But the second time, I was in a better headspace. I'd broken up with someone, I'd hit another low, and this time I knew: no one else can fix this, I have to do the work. ResetLife at First Step taught me that it's not just alcohol or weed, it's the pattern. I started identifying as someone with poly-substance addiction. I'd always thought if I just stopped drinking, I'd be fine. But when I stopped drinking, I'd just start smoking more weed. Or swap that for Valium. I'd never really stopped, I'd just shifted.

I also did some intense work on emotional regulation and am getting assessed for ADHD and understanding my autism. This has changed everything. I finally understand why I am the way I am.

Now, I'm facilitating SMART Recovery meetings, including a neurodivergent-friendly group and one for hospitality workers. I'm planning to study peer work or mental health, but for now am volunteering at First Step.

This is the first time in 20 years that I've had a clear idea of what I want to do. I'm sober — not just from alcohol, but from all of it. And I'm not replacing one thing with another. I'm just learning to sit with myself. I can actually process things now. It's clearer.

Nick, First Step client\*

\*Our client's name has been changed to protect his privacy  
Photographer: Nicholas Walton-Healey

# Financial Report

## THE FIRST STEP PROGRAM LIMITED

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025

The Directors present their report together with the financial report of The First Step Program Limited (“the Company” or “The First Step Program”) for the year ended 30 June 2025 and the auditor’s report thereon.

### DIRECTORS

The following persons were Directors of the Company during the financial year and up to the date of this report:

- Catherine Easton (Chair)
- Marius Smith (Deputy Chair)
- Joe Corera (Treasurer)
- Patrick Lawrence
- Melanie Eagle (appointed December 2024)
- Paul Katz (appointed March 2025)
- Rochna Banarjee (appointed June 2025)
- Richard Kasperczyk (resigned May 2025)
- Mark Watt (resigned April 2025)
- Barbara Kelly (resigned November 2024)

It is with great pleasure that the Board provides this report for the year ended 30 June 2025 which reflects the continued growth of the operations in both its services and reputation within the community and sector.

### SENIOR STAFF

- Patrick Lawrence (Chief Executive Officer)
- Gayle Wood (Chief Operating Officer)
- Tania Wolff (Director, First Step Legal)
- Laura Brennan (Deputy Director, First Step Legal)
- Dr Nico Clark (Clinical Director)
- Dr Peter Wright (Lead GP)
- Joe Fishburn (Clinical Lead)
- Kym Coupe (Manager Mental Health Services)
- Chloe Bradford (Manager Reset Life)
- Nelly Katsnelson (Head of Fundraising and Engagement)

### PRINCIPAL ACTIVITIES

The Company’s principal activity during the financial year was to provide a range of treatment options for persons with mental health issues, addictions primarily relating to drug and alcohol addiction and where appropriate, legal advice, support and representation. The Company offers GP services, Mental Health Nursing, addiction medicine treatment, hepatitis C treatment, general nursing, psychology, care coordination, and a community legal centre.

### OPERATING RESULT

The net surplus for the year amounted to \$75,286 (2024 net surplus: \$95,891).

### DIVIDENDS PAID OR RECOMMENDED

The constitution expressly prohibits the distribution of any surplus to members and accordingly no dividend shall be paid (2024: nil).

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes have occurred in the state of affairs of the Company during the year.

### MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No significant matters have arisen subsequent to the end of the financial year.

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

No information is included on the likely developments in the operations of the Company and the expected results of those operations in future financial years as it is the opinion of the Directors that this information would prejudice the interests of the Company if included in this report.

### ENVIRONMENTAL REGULATION

The Directors are of the opinion that the Company has complied with all relevant environmental legislation so far as it concerns the operations of the Company.

### INSURANCE OF OFFICERS

During or since the end of the year, the Company paid a premium in respect of a contract insuring each of the Directors of the Company, the Company Secretary and Executives of the Company against liabilities that are permitted to be covered by Section 199B of the Corporations Act 2001. It is a condition of the insurance contract that its limits of indemnity, the nature of the liability indemnified and the amount of the premium not be disclosed.

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



Catherine Easton  
Chair



Joe Corera  
Treasurer



## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

	(\$) 2025	(\$) 2024
Revenue	4,919,643	3,890,762
Other income	104,975	80,275
Salaries, wages and employee benefits expense	(3,316,120)	(2,817,925)
Depreciation expense	(135,008)	(35,069)
Interest expense	(124,704)	(21,832)
Loss on sale of property	(302,475)	-
Administration expense	(1,071,025)	(1,000,320)
<b>Surplus before income tax</b>	<b>75,286</b>	<b>95,891</b>
Income tax expense	-	-
<b>Surplus for the year</b>	<b>75,286</b>	<b>95,891</b>
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to profit or loss</i>		
Revaluation of Property, plant and equipment	2,000,000	-
<b>Total comprehensive income for the year</b>	<b>2,075,286</b>	<b>95,891</b>



## STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2025

	(\$) 2025	(\$) 2024
<b>Current assets</b>		
Cash and cash equivalents	4,043,486	2,421,378
Prepayments	31,938	27,247
Trade and other receivables	100,410	73,632
<b>Total current assets</b>	<b>4,175,834</b>	<b>2,522,257</b>
<b>Non-current assets</b>		
Plant and equipment	552,610	2,062,209
Right of use asset	202,712	274,257
Other assets	37,500	56,956
<b>Total non-current assets</b>	<b>792,821</b>	<b>2,393,421</b>
<b>Total assets</b>	<b>4,968,655</b>	<b>4,915,679</b>
<b>Current liabilities</b>		
Trade and other payables	216,898	281,988
Provisions	253,853	173,969
Lease liabilities	49,957	26,296
<b>Total current liabilities</b>	<b>520,708</b>	<b>482,253</b>
<b>Non-Current liabilities</b>		
Provisions	23,628	34,436
Lease liabilities	206,760	256,717
<b>Total current liabilities</b>	<b>230,388</b>	<b>291,153</b>
<b>Total liabilities</b>	<b>751,096</b>	<b>773,406</b>
<b>Net assets</b>	<b>4,217,559</b>	<b>4,142,273</b>
<b>Equity</b>		
Reserves	-	-
Retained earnings	4,217,559	2,142,273
<b>Total equity</b>	<b>4,217,559</b>	<b>4,142,273</b>

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

	(\$) 2025	(\$) 2024
<b>Attributable equity to the members of the Company</b>		
Retained Earnings		
Opening balance at 1 July	2,142,273	2,046,382
Total comprehensive income for the year	2,075,286	95,891
<b>Closing balance at 30 June</b>	<b>4,217,559</b>	<b>2,142,273</b>
<b>Reserves</b>		
Opening balance at 1 July	2,000,000	2,000,000
Total comprehensive income for the year	(2,000,000)	-
<b>Closing balance at 30 June</b>	<b>-</b>	<b>2,000,000</b>
	<b>4,217,559</b>	<b>4,142,273</b>



## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

	(\$) 2025	(\$) 2024
<b>Cash flows from operating activities</b>		
Receipts from customers	1,841,210	1,936,907
Receipts from donations and grants	2,463,715	1,957,853
Payments to suppliers and employees	(3,930,912)	(4,003,256)
Other income	104,435	62,934
<b>Net cash inflow from operating activities</b>	<b>478,447</b>	<b>(45,562)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property	1,697,525	-
Payments for plant and equipment	(553,864)	(42,419)
<b>Net cash outflow from investing activities</b>	<b>1,143,661</b>	<b>(42,419)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,622,108</b>	<b>(87,981)</b>
Cash and cash equivalents at 1 July	2,421,378	2,509,359
<b>Cash and cash equivalents at 30 June</b>	<b>4,043,486</b>	<b>2,421,378</b>

## Our Funders

We would like to thank the following organisations for their generous support in 2024-25

- Adam Power
- Anthony Costa Foundation
- Barr Family Foundation
- Bendigo Bank Elwood
- Bendigo Bank Windsor
- Botanix Plant Supply
- Brian M Davis Charitable Trust
- Bunnings Port Melbourne
- Collier Charitable Trust
- Gandel Foundation
- Gourlay Charitable Trust
- Helen and David Hains Foundation
- Helen Macpherson Smith Trust
- Humanity Foundation
- James Farmer and Rutti Loh
- John T Reid Charitable Trusts
- Kevin Hibberson
- Knight Fine Art
- Lettiser Foundation as Trustees for the Evans Foundation
- Marian and E.H. Flack Trust
- Paul Wheelton
- Peter and Lyndy White Foundation
- Pratt Foundation
- RentBuyIt.com.au
- Ross Trust
- Sarah Davies
- South Melbourne Community Chest
- Southside Community Foundation
- Spotlight Foundation
- StreetSmart Australia
- The Harry Secomb Foundation
- The Kimberley Foundation
- The Neuk Foundation
- The Pratt Foundation
- Thyne Reid Foundation
- V & H Boon Foundation
- Victoria Law Foundation
- Victorian Legal Services Board and Commissioner
- Virgin Unite
- Warren's Plumbing



