

# 2015–2016 Annual Report



Consumers Health  
Forum OF Australia

The Consumers Health Forum of Australia prides itself on a reputation as an independent organisation that is in the business of generating consumer-led ideas for a better health system.

While the challenges facing the health sector are enormous, CHF continues its mission to work collaboratively with health consumers, our members and stakeholders to improve the viability and sustainability of the health system for all health consumers.

The Board of CHF is pleased to present the Annual Report for 2015–2016 which outlines our key achievements and areas of focus over the past year.

*Click through the headings to read more*

## Who are we?

Vision • Mission • Objectives

## What is the Chair saying?

## What is the CEO saying?

## What have we done in 2015–2016?

## What have we said in 2015–2016?

## How is CHF governed?

## What are our plans for next year?

## Our work with members and representatives

## Financial reports

# WHO WE ARE

The Consumers Health Forum of Australia is the national peak body representing the interests of Australian healthcare consumers with a network reaching millions of Australian consumers.

CHF has the capacity, credibility and authenticity to ensure that governments and decision makers hear and understand the consumer perspective. Our members are diverse: they cover organisations and individuals with key conditions and issues across the health system and also include professional and research bodies with an interest in healthcare consumer affairs.

# MISSION VISION

A world class health system with consumers at the centre of all decision making

To generate consumer-led ideas for a high quality and affordable health system centred on the needs and preferences of consumers

# OUR OBJECTIVES

## OBJECTIVE ONE

Develop and promote consumer-centred health system policy and practice to governments, stakeholders, providers and clinicians

## OBJECTIVE TWO

Engage with the members of CHF to ensure collective consumer voices are involved in the co-design of health system change and innovation

## OBJECTIVE THREE

Generate new and harness existing evidence to shape and co-create consumer-centred health policy and practice

## OBJECTIVE FOUR

Partner strategically to achieve a consumer-centred health system

## OBJECTIVE FIVE

Sustain and grow a member-driven, values based, reputable and well governed organisation



# WHAT IS THE CHAIR SAYING?

The past year has once again proved a time of significant change for Australia's health consumers and for CHF itself. Our relationship with the Minister, her office and the Department of Health continues to be a very positive one, built on mutual respect. There is a genuine recognition that CHF has a valuable contribution to make in the development of good health reform, and strong policy and programs.

## Health reviews

There are a large number of major and wide-ranging reviews including the whole of the Medicare Benefits Schedule, Primary Health Care (resulting in the Health Care Homes programme), various TGA and PBAC guidelines and processes, eHealth, pharmacy remuneration and regulation and private health insurance. Our CEO, Leanne Wells, was a member of the Government's Primary Health Care Advisory Group which reported in December 2015. Our Deputy Chair, Jo Watson, is a member of the Independent Review of Pharmacy Remuneration and Regulation and I am our representative on the Ministerial Private Health Committee.

CHF continues to play an active role across all of these reviews, and provides representation through membership on the reviews, and/or through consultation and close liaison with Departmental staff on working groups and committees. While CHF has welcomed many of these reviews, we also note that these undertakings have central implications for the universal and equitable health system. We are very cognisant that the policy and program implementation of these activities will also be crucial, when we have the recommendations and final determinations to consider and respond according to the potential impacts on consumer's lives and their capacity to manage their health issues.

## Critical but solutions-focused

CHF stands ready to be a critical voice and invest heavily in the best possible outcomes of these reviews, but with one key proviso, that we have the capacity, in program scope and human resource terms, to make a worthwhile contribution. A key principle for CHF across all reviews is that we will continue to be ever vigilant to ensure there is no erosion of people's benefits and access to health care.

There continues to be a broad debate on the sustainability of the health system. CHF continues to argue through our campaigns, research with membership, and submissions to the various parliamentary and departmental mechanisms that there are numerous measures which could be taken to make considerable savings but also improve the health outcomes for consumers.

## Solid Governance

The CHF Board maintains its key priority of member and stakeholder engagement, generating opportunities through the development of a forward looking Strategic Plan, enhancements to our website and publications, and also through membership workshops or forums we have held on major issues. The undertaking of a number of roundtables in partnership with other organisations on key issues has been a real success. We know our membership values these contacts and opportunities and we value the rich information and advice we receive, and which we then use in mounting arguments and positions with key stakeholders and government.

We secured funding to June 2019 under the Health Peak and Advisory Bodies Programme. While this funding is a cut to previous years' government funding, it nonetheless provides us with a core underwriting and recognition from government that we did not have this time last year. We also attracted additional funding for health reform support and to conduct key consultations such as those in support of the Pharmacy Review

CHF continues to operate very professionally and effectively, albeit as a smaller entity; the contributions and outputs of the organisation deliver at very high levels. We have taken on a strategic approach to business development with a focused strategy to attracting non-government funding to CHF – this is a slow process but the signs are promising.

## Constructive, wide-ranging commentary

Our media presence and public commentary on health consumer affairs issues continued to grow in flagship mainstream media such as the ABC and Financial Review, as well as social media. Our membership has been maintained, and we have plans in 2017 to run a membership campaign and host a major consumer leadership event early in the New Year.

I wish to pay tribute to our CEO Leanne Wells and staff for their hard work and commitment to CHF. Leanne, in particular has worked tirelessly to improve our financial situation and our professional relationships with the Government, Department and key stakeholders and our membership base.

I would also like to take this opportunity to give thanks to Board member, Moya Sandow who has completed her term prior to this AGM, allowing for a vacancy to be filled. Moya has served on the CHF Board since 2008 and has been a strong and passionate voice for rural and regional consumers. Moya's involvement as a consumer advocate spans more than 16 years through her membership and employment in a range of state and national not for profit organisations. Moya has also served on all CHF subcommittees at various times over the period of her time on the board and was chair of the membership committee this year. I would like to thank Moya for her contribution to CHF and we all wish her all the best for her ongoing roles.

I would also like to thank all my other Board Director colleagues, and the CHF Secretariat staff for their undying devotion to CHF and their consistent fight to improve outcomes for all Australian health consumers.

While the challenges facing the health sector are enormous, CHF continues its mission to work collaboratively with health consumers, our members, our stakeholders, the Federal Government and health providers to improve the viability and sustainability of the health system for all health consumers. The opportunities and foundations have been set in this period, and we look forward to the next period to push for even more improved outcomes across the Australian health system.



Tony Lawson, Chair



# WHAT IS THE CEO SAYING?

I am pleased to present Consumers Health Forum of Australia's Annual Report for 2015–16. The year has been an eventful one for CHF and the wider healthcare consumer sector. We saw CHF consolidate and affirm our position as Australia's leading peak body for healthcare consumers and those with an interest in healthcare consumer affairs through the awarding of our National Peak and Advisory Bodies Programme funding.

## A changing, challenging not-for-profit world

In its NFP governance and performance study, *Australia's NFP Sector: Raising the Bar*, the Australian Institute of Company Directors discusses how critical strategy and forward positioning is to success, and the importance of performance measurement, that is, having evidence that your activities are contributing value.

More fundamentally, in an environment where NFPs are facing unprecedented contestability and many are becoming increasingly squeezed for funding, the report also highlights that collaborations are key for effective advocacy and that its time to rethink NFP and Government relationships.

CHF understands these trends and has demonstrated that we can adapt and stay agile and effective in this environment while staying true to our core business of advocacy, promoting the value of consumer insights to policy and program development, and building the capacity of the consumer sector.

## Working with ambiguity and challenge

Health policy and working to shape a better health system that serves consumers better and strives for both better health outcomes and experiences of care is not without challenge. Too often the system is geared around the needs and influences of providers and not those that matter most: patients and the community.

It is pleasing to see patients at the centre of care enshrined as a principle in many recent policies and government commitments that we should expect to see the health dollar spent as close to the patient as possible. We have some way to go to fully achieve that aspiration. Practice needs to catch up with rhetoric and governments and the consumer sector itself have a shared responsibility to make this happen. It is incumbent on CHF to work with our members and partners to ensure that policy makers are genuine in their commitment to people centred approaches.

## Acting with impact and influence

CHF made a submission to the 2016 Federal Budget, published an Election Platform pressing the point about the healthcare consumer issues we saw as important in the election debate and issued an Election Policy Report Card where we appraised the health and related policies of the major parties. All our major publications and submissions are widely disseminated, and made available on our website.

After the Federal election and the return of the Coalition Government we saw the continuation or commencement of a number of important health care reforms. Some of these remain in review stage, others have moved to implementation. CHF has been an active contributor to these developments. We made submissions to the primary care, pharmacy, Medicare Benefits Schedule, eHealth and medicines and medical devices regulation reviews. We have nominated consumer representatives to the many advisory structures supporting these reviews and expert advisers from our membership and networks have been appointed to the Primary Health Care Advisory Group, the Private Health Insurance Taskforce and the Review of Pharmacy Remuneration and Regulation.

## Networks and partnerships

We partnered with The George Institute for Global Health to host a Special Policy Roundtable in March to develop recommendations for a Consumer Directed Health System for the 21st century. The Roundtable was preceded by a breakfast involving over 150 guests and a Expert Panel facilitated by journalist and patient advocate, Julie McCrossin, who also discussed this topic. The report from this event, *Putting the Consumer First: Creating a consumer-centred health system for a 21st century Australia* was widely disseminated and generated considerable flow-on exposure to the recommendations, including in opinion editorials in the mainstream media.

This Roundtable demonstrates our commitment to respond to member feedback that they not only expect us to stay relevant and serve healthcare consumer interests by participating actively in major government policy development processes, but also through our own 'thought leadership' and agenda-setting.

We joined forces with the Public Health Association of Australia, the Foundation for Alcohol Education and Research and Alzheimers' Australia to launch Prevention 1st, a campaign promoting the need for a national preventive health strategy.

Where there are shared interests, we also joined forces with key partners such as the Australian Healthcare and Hospitals Association to make joint statements and undertake joint advocacy.

We concluded work to revised a joint statement with the National Health and Medical Research Council on the role of consumers in research and look forward to its publication in early 2017 and to working with the wider research community on implementation strategies.

## Public commentary

CHF continued a program of media releases that generated balanced and informed commentary about current healthcare consumer affairs issues in mainstream broadcast and print media, we introduced a program of blogs and guest blogs on our new website and continued to build our social media commentary and footprint.

## Members matter

*HealthUpdate*, our monthly e-bulletin, continues to be our primary channel for keeping members up-to-date on developments in the wider national health landscape. *Consumers Shaping Health* continues to be our key e-publication CHF stakeholders.

We continued a Board Communique to keep members and consumer representatives abreast of strategic matters on the Board agenda, and a Report Card which we will update regularly and disseminate to members, stakeholders and parliamentarians.

We hosted webinars, workshops and telephone-based focus groups in order to open up further opportunities for member input to our policy and advocacy work.

## Core priorities

Above all else, developing and promoting consumer-centred health system policy and practice that is designed to put people in control of their health and care continues to be a core objective for CHF. Our advocacy will continue to focus on the '5Ps':

- Primary health care reform
- Private health insurance reform
- Pharmacy and medicines policy
- Preventive health
- Patient quality, safety and participation.



Leanne Wells, CEO

# WHAT HAVE WE DONE IN 2015-16?

## POLICY

CHF has been active in ensuring that the consumer perspective was included in a wide range of policy deliberations as we work towards a more consumer centred health care system. CHF draws on our network of members, both organisational and individual, consumer representatives and the broader consumer community to shape our policy positions and ensure there is a consumer focus to everything we do.

Our policy work includes developing policy positions, writing submissions in response to proposals from government and other key stakeholders, participating in inquiries and active participation on a wide range of committees and working groups.

CHF policy positions are always informed by the available evidence. We use published national and international evidence and consumer evidence we collect through a range of qualitative and quantitative methods including consultations, focus groups and surveys.

This year CHF has made ten key submissions as well making statements and representations across areas that are important to consumers and the subject of health reform activity by government. We continue to raise concerns about access to affordable and appropriate care and access to safe and affordable medicines as well as addressing specific areas of health including primary health care and private health insurance.

## Affordable Care

CHF has been concerned for some years about the growing level of out of pocket expenses people are incurring when accessing the health system. We know that many people either don't go or delay going to the doctor, GP or specialist, because of the cost and that many delay filling prescriptions for the same reason. We need to make sure that access is affordable for everyone and that there are mechanisms in place to ensure that access is based on need not income:

*"Clearly the cost of care affects access and so affects health outcomes. The Medicare and PBS Safety nets play a critical role in ensuring out of cost expenses are limited and keeping services are affordable. They need to be retained and targeted so they assist those in most need, especially people with complex and chronic conditions."*

## Primary Health Care

It is clear that the current model of fee for service care is not working well for people with complex and chronic conditions and we do not have an integrated policy nor a system of primary health care that has at its heart the desire for personalised active care that has the consumer's needs at its centre. In its submission to the Primary Health Care Advisory Group CHF identified that:



*CHF-The George Institute Special Policy Roundtable panellists and participants: Jan Donovan (CHF Board Director), Emeritus Professor Stephen Leeder (University of Sydney), Associate Professor Fiona Turnbull (The George Institute), Julie McCrossin (journalist and patient advocate), Professor Vlado Perkovic (Executive Director, The George Institute Australia and George Clinical), Sophie Scott (ABC journalist), David Bowen (CEO, National Disability Insurance Agency), Dr Frank Jones (President, Royal Australian College of General Practitioners), Leanne Wells (CEO, CHF), Catherine Livingstone (Chair, Business Council of Australia), Professor Ian Hickie (Co-Director, Brain and Mind Research Institute) and Tony Lawson (CHF Chair)*



TGI-CHF Breakfast Forum panellists: Sophie Scott MC and ABC medical reporter, David Bowen, Ian Hickie, Frank Jones, Stephen Leeder, Catherine Livingstone, Fiona Turnbull and Leanne Wells



*"We need an integrated policy framework, evidence based programmes and services that fit together and structures and infrastructure that will enable the different parts of primary health care to function as a system. A contemporary primary health care policy, particularly one concerned with better prevention and management of complex or chronic health conditions, must take into account the need for action around two other key factors that are determinants not only of people's quality of life and health outcomes, but also cost to the system. These are social determinants that aid recovery and/or better self-management (e.g. access to employment, access to support services in the community) and better support for transitional care (e.g. as people are discharged from hospital)."*

## Private Health Insurance

Australia has a mixed public-private health system and private health insurance plays an important role in that mixed system by assisting with the costs of care, giving people choice and taking the pressure off the public hospitals. Increasingly consumers are questioning the value of their private health insurance and so the review of private health insurance is welcome. In our submission to the review CHF recommended that any reforms of private health insurance should ensure that

*"The private health insurance market has a basic standard of certainty, comparability, and affordability that can be easily accessed by consumers who choose to have insurance while not disadvantaging consumers who do not. Our purpose is to protect the fundamental values of universal access that underpins the whole Australian health system while at the same time allowing for a competitive marketplace in which private health insurance can operate with appropriate consumer protections for market failure."*

## Pharmaceuticals and therapeutic goods

CHF strongly believes that Australians need access to affordable medicines that are safe and fit for purpose. The discussion about access to codeine products and moving them to prescription only illustrates the need to balance safety with access and for the need for consumers to be engaged in the decisions about that access as it impacts on their quality of life:

*"CHF has been contacted by a large number of consumers raising their concerns about reduced access to codeine based products to manage their conditions. Their concerns included the increased costs of getting a prescription only product; difficulty in accessing a GP, particularly out of hours and where there are waiting times to see a GP; and resentment at being labelled substance misusers when they believe that they are responsible users with a track record of successfully self-managing their pain."*

Consumers value the uncapped access to appropriate and safe medicines that the Pharmaceutical Benefits Scheme brings. They appreciate that there needs to be a robust process in place to ensure new medications are safe and value for money and understand that the Pharmaceutical Benefits Advisory Committee is the gatekeeper charged with that role. There is a push for consumers to be more involved in the health technology assessment process to ensure the consumer experience of using medicines is taken into account as CHF in its submission to the review of the PBAC guidelines identified:

*"What consumers are looking for is reassurance that PBAC uses a process which is fair and takes account of issues that are important to them, as the users of medicines."*



L to R: Deputy chair Jo Watson, Health Minister Sussan Ley and CEO Leanne Wells

## SUBMISSIONS AND INQUIRIES

### Parliamentary Inquiries

CHF continued to advocate for consumer concerns through participation in a number of parliamentary inquiries. As well as putting in submissions CHF is routinely invited to present evidence at public hearings and our submissions are often cited in parliamentary reports.

- House of Representatives Inquiry into Best Practice Chronic Disease Prevention and Management in Primary Healthcare
- Senate Inquiry into Health insurance Amendment (Safety Net) Bill 2015

### Submissions

In addition to submissions to Parliamentary inquiries CHF put the following submissions into Government and other consultation processes. These are all available on the CHF website.

- Submission to the Federal Treasurer for Federal Budget 2016-17
- Submission to the Review of Private Health Insurance
- Submission to the Medicare Benefits Schedule Review
- Submission in Response to Interim Decision on Proposed Amendments to Poisons Standards (medicines)
- Submission to the Review of the Pharmaceutical Benefits Advisory Committee (PBAC) Guidelines
- Submission to the Primary Health Advisory Group on Better Outcomes for People with Chronic and Complex Conditions through Primary Health Care
- Submission to the Review of the Implementation of the National Reform Agenda on Organ and Tissue Donation and Transplantation
- Submission to RACGP on Draft 5th edition of Standards for General Practice

## MAJOR PROJECTS AND SURVEYS

### Federal Election Platform

This was a federal election year and CHF published its election platform *Changing Course: Putting Consumers at the Centre of Health Care* which was developed in consultation with members and consumers. It drew upon our previous policy work and set out a vision for reform to the health system to move to a 21st century national health system which meets current needs and is able to adapt to the rapid pace of change in health treatments and technologies and the changing population needs.

From discussions with consumers we identified seven broad areas of concern where we thought there needed to be some new initiatives. These are:

- Primary and integrated care
- Private health insurance
- Out of pocket costs
- Health system efficiencies
- Mental health
- Oral and dental health
- Preventive health

For each we spelt out what we wanted and the key actions we wanted to deliver on those identified needs.

The platform was circulated to all political parties and we encouraged them to tell us what initiatives they were promising in each of these areas. The responses were collated and just prior to the election we published our election scorecard assessing the responses against what we had identified. We will continue to use both our platform and the responses to it to inform our advocacy work.



Shadow Health Minister, Catherine King with CEO Leanne Wells



Professor Vlado Perkovic, Executive Director, The George Institute for Global Health making opening remarks at the TGI – CHF Breakfast Forum

## Medicare Benefits Schedule Review

The Medicare Benefits Schedule Review was announced in May 2015 as part of the Australian Government's Healthier Medicare package. CHF was commissioned by the Review Taskforce to assist with ensuring consumers had input into the review process as ultimately consumers would be the beneficiaries of a more sustainable Medicare Benefits Schedule (MBS).

The first activity was a workshop for consumers to discuss the review and to identify aspects of the MBS which needed clarification and reform. This brought together a group of consumers from across Australia to share personal experiences of working with the MBS, identifying interventions which they thought were unnecessary and looking at ways the processes as well as the individual MBS items could be amended to make the system work more effectively for consumers.

Overall participants thought the MBS worked well as an integral part of our universal health system in laying out what services will be paid for, how much is paid and with a clear process for ensuring payment occurs. They identified a number of areas where they thought there was room for improvement including:

- Better coverage for other health services, including dentistry and other allied health
- A move away from the current MBS structure and its links to the fee for service regime for people with complex and chronic conditions
- Concerns around out of pocket expenses as rebates under MBS have not kept up with fees charged
- Clarification for consumers around referral processes
- Improved health literacy to help people identify unnecessary interventions and make informed health decisions.

The second activity was to look at ways to improve consumer participation in health technology assessments to help the Review Taskforce develop a best practice process. CHF commissioned a rapid literature to look at national and international examples of consumer participation in health technology assessment. The report on that review *Medicare Benefits Schedule: involving the public in the review process* is available on the CHF website.

This was followed by a workshop which brought together consumers, researchers, clinicians and policy makers to look at the characteristics of a potential model. This built on the findings from the rapid review. The main themes to emerge from the workshop were:

- Involving the public must be well resourced (with a clear budget) to support learning and development for the public and staff, inclusive involvement (paying people for their time) with all actions to involve the public continuously evaluated for efficacy and potential impact.
- Clear, plain English and transparent information must be accessible. This includes information about the process itself (how decisions are made), the budget and ways of being involved.
- There must be an independent part of the process. Independence and transparency uphold public trust in the process and mitigate against any real or perceived conflict of interests.



Mr Tony Lawson, Chair, CHF making opening remarks at the TGI-CHF Breakfast Forum

## Roundtable on Innovation and Consumer-centred Care

CHF is keen to take a thought leadership role to stimulate debate around health reform and more specifically the place of consumers in that reform process. To do that we are looking to partner with key stakeholders from a wide range of sectors to identify ideas and the strategies for progressing them.

In March 2016 CHF joined with The George Institute for Global Health to host a Special Policy Roundtable to discuss the importance of innovation in creating a consumer-centred healthcare system. The 35 participants were stakeholders from across the health sector including academic researchers, consumer advocates, health service providers and broader industry groups.

The aim of the roundtable was to generate new ideas and participants were asked to look at four overarching questions:

- How do we empower consumers and communities to be informed and actively involved in their healthcare and the healthcare system?
- How do we enable and support consumer-centred professional practice?
- How do we enable services and providers to change?
- How do we create the right policy, infrastructure and incentive platforms to drive change and support consumer-centred care?

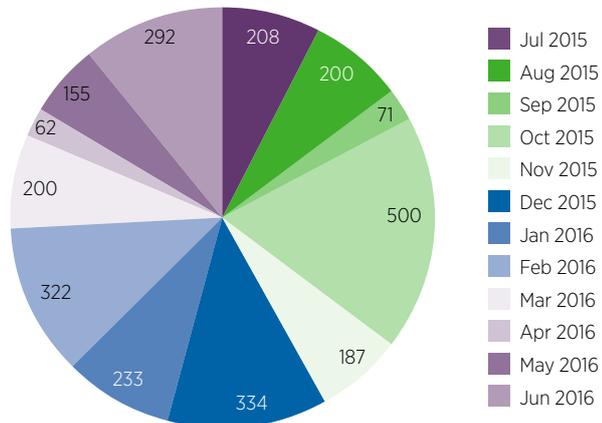
The report on the roundtable *Putting the consumer first; creating a consumer-centred health system for a 21st century Australia* was released in April 2016. The report identified the urgent need for a national vision which sets out what a consumer-centred health system would look like and how it would deliver better health outcomes, better experiences of care and efficiencies which would make the health system sustainable.

The report identifies the need to engage and empower consumers not only to be more involved in their own health care and to self-manage their health but also to engage in the design of the broader health system. It also identifies the need for clinicians to understand consumer-centred care and have the skills to work with consumers to achieve this. Most importantly the consumer experience needs to be measured so that progress can be assessed, and potential barriers identified and addressed.

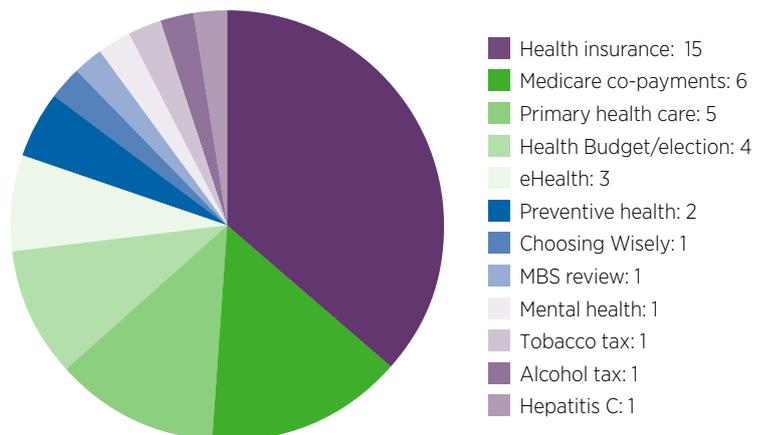
# WHAT HAVE WE SAID IN 2015-2016?

CHF experienced another active year in media heightened by the run-up to the Federal election with attention particularly centred on CHF's stance on out of pocket cost issues. The single largest driver of media interest in CHF's views over the year was health insurance, generating dozens of calls for comment and 15 media releases. The release of CHF's MyCover policy on PHI reform in January provided an ongoing message to underpin our call for change. This received wide coverage when CHF collaborated with the One Big Switch organisation which cited CHF's policy in its social media drive for a better health insurance deal. During the election the focus continued on the prospect of co-payments arising from the Government's Medicare freeze. In the days before the election CHF published a scorecard gauging the main parties' health policies. Primary health care reform was another front on which CHF sought media focus. This included an expert roundtable on consumer focused reforms, held jointly with The George Institute, which culminated in an oped article published in the *Sydney Morning Herald*. CHF drew 2764 media mentions during the year.

This graph shows the number of media mentions CHF achieved per month, illustrating peaks in our communications and media activity



2015-2016 media releases by topic



On social media, CHF's Twitter activity included: **309,800** impressions, **1,180** retweets, **565** likes and **633** link clicks.

The old website, [chf.org.au](http://chf.org.au) registered **68,501** pageviews and **20,206** unique users



# HOW IS CHF GOVERNED?

CHF's Constitution allows a maximum of nine Directors, with six of the Directors being elected on a rotational basis from the membership. The Board may also at their discretion appoint up to three skills based Directors. At the 2015 AGM, one new Director was elected by our Voting Members.

## Our Directors as at 30 June 2016 were:

Mr Anthony (Tony) Lawson – Chair

Ms Jo Watson – Deputy Chair

Ms Rowan Cockerell

Ms Jan Donovan

Ms Melissa Fox

Ms Bel Harper

Mr Paul Murdoch

Ms Moya Sandow

## Directors' terms and Board meeting attendance

Name	Position	Term of Office	Board meetings 2015–2016	
			Number eligible to attend	Board Meetings Attended
Tony Lawson	Director, Chair	To 2019 AGM	3	3
Jo Watson	Director, Deputy Chair	To 2018 AGM	3	3
Rowan Cockerell	Director	To 2017 AGM	3	2
Jan Donovan	Director	To 2017 AGM	3	3
Melissa Fox	Director	To 2017 AGM	3	3
Bel Harper	Director	To 2017 AGM	3	3
Paul Murdoch	Director	To 2018 AGM	2	2
Robert Pask	Director	To 2015 AGM	1	-
Moya Sandow	Director	To 2016 AGM	3	3

The Board of CHF is very ably supported by a small but dedicated staff team led by our CEO Ms Leanne Wells.

# OUTLOOK: WHAT ARE OUR PLANS FOR NEXT YEAR?

CHF looks forward to continuing our advocacy for a better health system for all in the coming year, to working with members and partners to promote the consumer voice in all major national policy, research and program developments and to building the capacity of the healthcare consumer sector.

In 2016–2017 our key activities will include:

A mid-point review and refresh of our *Strategic Plan 2015–2018*

Launch of our Thought Leadership Events Program and Publications Series

Continuing to play a strategic and constructive role to bring consumer insight and perspectives to government as it makes its responses to the current series of health reform reviews and delivers the 2017 Federal Budget

Development of additional initiatives to gauge, analyse and communicate consumer sentiment around the key health issues that matter to the community

A Consumer Leadership Colloquium in collaboration with the National Rural Health Alliance and the National Mental Health Consumers and Carers Forum auspiced by Mental Health Australia

A series of webinars and a targeted number of skills development events of relevance to members and stakeholders such as Primary Health Networks

Production of a dossier of consumer stories using the Real People, Real Data tool as a support to our policy and advocacy agenda

Diversifying our membership and leadership networks to deepen our commentary and analysis, maximize our impact and influence with government and other key decision makers

Sustaining and enhancing our online and social media strategy in order to extend our commentary of key healthcare consumer affairs issues.

# OUR WORK WITH MEMBERS AND REPRESENTATIVES 2015–2016

## CHF Representatives

CHF continued to place well-supported and effective consumer representatives on strategic national health decision-making committees during 2015–16.

The emergence of consumer-centred care has highlighted the essential role consumer representatives play in decision making on committees. As a result, consumer representation is sought and valued on committees for the Australian Government Department of Health, the Australian Commission on Safety and Quality in Health Care, industry, professional and research projects dealing with national health issues.

CHF nominees brought a consumer perspective to the work of these committees, contributing to better decision-making in planning and program implementation that affects healthcare for Australian consumers. To achieve this CHF ensures that best practice is at centre of all nominations and supports consumer representatives working at every level of decision-making.

It is paramount that health policy and healthcare delivery focus on consumer experience and consumer health outcomes. Consumer representatives ensure that the consumer perspective is considered in health decision-making.

Consumer representatives need to be supported in their role by the committees they contribute to and their consumer networks. Consumer networks in turn need to be resourced to train, develop, support, network and mentor consumer representatives to ensure that they can contribute an informed, consulted and accountable perspective to their committee work.

CHF thanks consumer representatives for their contributions and commitment throughout 2015–2016.

## CHF Membership

CHF's members are highly valued partners in the effort to make the consumer perspective a priority for decision makers. CHF welcomes membership from organisations and individuals with an interest in health consumer issues. CHF membership is made up of voting members, associate organisational members, associate corporate members, associate individual members and honorary life members. Our membership currently stands at 171.

Our voting members are organisations that represent consumer and community opinions (and do not primarily represent professional, provider or commercial interests). They have membership open to consumers who can be elected to the board or governing body of the organisation and have aims and objectives that significantly represent the opinion of consumers.

Our associate members are made up of individuals, not for-profit organisations that support the aims and objectives of CHF and a wide variety of organisations with

an interest in health, including illness groups, disability groups and specific population groups such as youth, older people and women.

Members are kept up to date with what is happening on national health policy that affects consumers through our newsletters, alerts, communiques media releases and website. They have access to CHF analysis and submissions to inform their own work.

We are committed to being member responsive. Our members have a say in national health policy and program development and implementation through CHF advocacy, consumer representative opportunities and CHF consultations.

For more details, or to join CHF, phone us on 02 6273 5444 or visit <https://chf.org.au/our-members/become-a-member>

CHF thanks our members for their involvement and support in 2015–2016.

# FINANCIAL REPORTS

FOR THE YEAR ENDING 30 JUNE 2016

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Financial Statements

For the Year Ended 30 June 2016

### Financial Statements

Directors' Report	19
Auditors Independence Declaration under Section 60-40 of the Australian Charities and Non-for-profits Commission Act 2012	26
Statement of Profit or Loss and Other Comprehensive Income	27
Statement of Financial Position	28
Statement of Changes in Equity	29
Statement of Cash Flows	30
Notes to the Financial Statements	31
Directors' Declaration	52
Independent Auditor's Report	53

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Directors' Report

### For the Year Ended 30 June 2016

The directors present their report on the company for the financial year ended 30 June 2016.

#### General information

##### Directors

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

<b>Names</b>	<b>Position</b>	<b>Appointed/Resigned</b>
Tony Lawson	Director, Chair	
Jo Watson	Director, Deputy Chair	
Moya Sandow	Director	
Robert Pask	Director	Resigned: 7 December 2015
Jan Donovan	Director	
Bel Harper	Director	
Rowan Cockerell	Director	
Melissa Fox	Director	
Paul Murdoch	Director	Appointed: 7 December 2015

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 Consumers Health Forum of Australia Ltd during the financial year were to provide information, representation and advocacy on national health issues for its membership of health consumer organisations. No significant changes in the nature of the company's activities occurred during the financial year.

##### Objectives

The company's objectives are to:

1. Develop and promote consumer-centred health system policy and practice to governments, stakeholders, providers and clinicians
2. Engage with the members of CHF to ensure collective consumer voices are involved in the co-design of health system change and innovation
3. Generate new and harness existing evidence to shape and co-create consumer-centred health policy and practice
4. Partner strategically to achieve a consumer-centred health system
5. Sustain and grow a member-driven, values based, reputable and well governed organisation

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Directors' Report

For the Year Ended 30 June 2016

### General information (continued)

#### Strategies for achieving the objectives

To achieve these objectives, the company will:

##### Objective 1:

- Engage and communicate with consumers to understand their issues and experiences and reflect this in our work
- Communicate the importance of a consumer-centred health system to key stakeholders and initiate public debate and campaigns on health issues
- Build skills and spread improvement in consumer-centred governance and practice by governments, stakeholders, providers and clinicians

##### Objective 2:

- Consult and communicate with members to understand their issues, experiences and desired outcomes
- Build consumer skills and support participation in health policy and decision making
- Promote opportunities for members to share experiences and expertise and provide input to CHF strategy, policy development, and advocacy and research activities
- Promote the benefits and manage a process to ensure diverse consumer representation in influential healthcare advisory committees, reviews and taskforces

##### Objective 3:

- Undertake and promote the use of consumer-centred research and evaluation findings in evidence-based policy and health system development
- Pursue collaborations with leading health research institutions and organisations in consumer-centred healthcare

##### Objective 4:

- Engage with a broad range of healthcare and other consumer organisations to inform public debate on health issues
- Develop partnerships and alliances with key stakeholders to advance priority consumer-centred health issues

##### Objective 5:

- Adopt corporate governance practices that uphold responsibility, accountability, transparency and compliance and a governance culture that promotes continuous improvement
- Implement a member relations program to maintain engagement and relevancy to members
- Develop and implement an organisational growth plan to support financial viability and independence
- Ensure efficient and effective management of CHF resources and operations

#### Members guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$ 1 each towards meeting any outstanding obligations of the company. At 30 June 2016 the total amount that members of the company are liable to contribute if the company is wound up is \$ 157 (2015: \$ 166).

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Directors' Report

For the Year Ended 30 June 2016

### General information (continued)

#### Information on directors

Tony Lawson

Experience

Tony has been a member of the CHF board for four years and in that period has served as Chair, Governance Committee. Until his appointment as Chair of the CHF Board, Tony was Treasurer and Chair, Finance and Audit Committee. Tony has also represented CHF on various boards and committees including Health Workforce Australia, Australian Council on Healthcare Standards, the National Health Performance Authority and the Australian Commission on Safety and Quality in Health Care. Tony is also a former Chair of Health Consumers Alliance in South Australia (HCA) and facilitated the organisation's evolution into the peak consumer health organisation for South Australia. Tony supported various joint submissions led by CHF and collaborated with CHF through his roles at the Health Consumers Alliance. Tony has extensive experience in consumer participation and engagement projects, including as Commissioner for Consumer Affairs South Australia and HCA. Tony was a member of the Central Adelaide Local Health Network Governing Council and the SA Health Ethics Health Advisory Council. Through his consulting practice spanning over 18 years, Tony has undertaken many health related projects, a number of which focus on consumer engagement and satisfaction. Tony has also developed a good understanding of Indigenous health issues as a consequence of working on Indigenous health related projects for UniSA, Baker IDI and SAHMRI.

Jo Watson

Experience

Jo was appointed to the Board of CHF in 2012, and was nominated as Deputy Chair in November 2014. The Board of CHF re-appointed her to these positions in December 2015. She joined the CHF Finance and Audit Committee in 2012, and was Chair of the Finance and Audit Committee until July 2015. She is currently the Chair of the Governance Committee.

Jo was the Executive Director for the National Association of People living with HIV Australia (NAPWHA), from 1998 to 2014. Over the past several decades she has been a community advocate actively engaged in the areas of health policy, especially access to medicines, and optimal public health interventions.

She was the consumer nominee of the Pharmaceutical Benefits Pricing Authority (PBPA) from 2002 to 2012, and has been the consumer nominee to the Pharmaceutical Benefits Advisory Committee (PBAC) since December 2012. She is also the CHF nominated Director on the Board of the Australian GP Accreditation Ltd group, (AGPAL).

Jo was appointed as the consumer representative to the Independent Panel for the Commonwealth Review of Pharmacy Remuneration and Regulation, in November 2015.

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Directors' Report

For the Year Ended 30 June 2016

### General information (continued)

#### Information on directors (continued)

Moya Sandow

Experience

Moya has extensive experience in health advocacy, with a focus on rural and remote health issues and the use of technology and telecommunications to progress such issues. For the past fifteen years, Moya has held executive positions with both State and National non-profit organisations, including Health Consumers of Rural and Remote Australia, where she has worked alongside statutory authorities and government bodies to negotiate better health outcomes for consumers. Moya has served on the CHF Board since 2008.

Robert Pask

Experience

Robert has been an active advocate for people with disabilities for more than 10 years. He is currently Community Engagement and Advocacy Manager at Safe Futures Foundation and is a member of a range of committees including the Chronic Illness Alliance Committee of Management and the Cairo Project for inclusive housing. In the past 12 months Robert was the recipient of the National Disability award "Excellence in Advocacy & Rights" as well as Huntington's Victoria Advocacy award.

Jan Donovan

Experience

Jan is an advocate for consumers nationally and internationally and has been for more than two decades. Her board experience includes large health organisations (ACT Health Authority) medium sized national organisations (NPS) and small not for profit organisations including the Consumers Health Forum. This board experience includes current chair of the CHF's Finance, Audit and Risk Committee. She was appointed to the board of CHF in 2014. She has extensive experience in public policy development and analysis in health and medicines policy from the perspective of consumers. Her recent appointments include to the Ehealth Implementation Taskforce Steering Committee, the Evaluation committee of Health Care Homes and the Australian Commission on Safety and Quality in Healthcare's Primary Care Safety and Quality Framework Committee. She is a passionate advocate for improving the social determinants and the health status of our most disadvantaged including indigenous Australians. She also has recent experience in living and working as a secondary school teacher in a developing country, Timor Leste. She has presented at a number of recent forums on topics including consumer centred care, shared decision making and health inequities.

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Directors' Report

For the Year Ended 30 June 2016

### General information (continued)

#### Information on directors (continued)

Bel Harper

Experience

Bel Harper brings more than 15 years' experience in program development, managing not-for-profit organisations and community advocacy together with a long-standing commitment to social justice. She was appointed a Director of the Consumers Health Forum in 2014 and has also been a member of the Finance, Audit and Risk Committee since that time. Bel has devoted herself for many years to being a voice for people with chronic illness. Among her achievements in these endeavours was co-founding Aardvark, a music-focused not-for-profit organisation for adolescents with chronic illness, and working with a variety of organisations including the Chronic Illness Alliance and the Epilepsy Foundation. She counts among her significant contributions the development of various online training and peer support projects, and the management of the Peer Support Network and the Chronic Disease Self-Management Special Interest Group. Bel currently undertakes consulting work and is a PhD candidate in anthropology at the Australian National University. Her academic work includes community development, social justice and environmental issues. She has undertaken fieldwork in Indonesia and has worked with a number of international NGOs. Bel continues her commitment to consumer advocacy as the consumer representative on the Implementation Advisory Group for Health Care Homes.

Rowan Cockerell

Experience

Rowan Cockerell has worked across healthcare and community services, aged care and service development projects for 38 years. Over this time she has held executive positions across the private, not-for-profit and public sector. As Chief Executive Officer of the Continence Foundation of Australia, Rowan is an advocate for the interests of Australians affected by, or at risk of, bladder and bowel control problems and pelvic floor dysfunction. Rowan has a Masters in Business and is a member of the Australian Institute of Company Directors.

Melissa Fox

Experience

Melissa Fox is a Brisbane health consumer and mother of 2 daughters, aged 6 and 10. Having worked in documentary and reality television, Melissa now works to improve the safety, quality and consumer-centredness of health services through her position as Coordinator of Queensland's peak health consumer organisation Health Consumers Queensland (HCQ), and as a consumer representative on the Queensland Clinical Senate.

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Directors' Report

For the Year Ended 30 June 2016

### General information (continued)

#### Information on directors (continued)

Paul Murdoch

Experience

Paul Murdoch was elected to the Board in December 2015. He has been the Vice President of the Australian Pain Management Association Inc. since its establishment in 2009 and has held a statutory appointment as a community representative on Queensland's Health Practitioners Tribunal and various AHPRA health professional conduct review panels for more than 12 years. Paul has teaching/training qualifications and experience, has published and presented academically and had 15 years experience as a union official. He is employed in the Australian Public Service, responsible for managing the secretariat of an independent statutory authority. Paul has had extensive leadership and management experience in a range of roles and is a member of the Australian Institute of Company Directors. His areas of interest include chronic disease, self-management, health technology assessment and preventative health initiatives.

#### Meetings of directors

During the financial year, 3 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Tony Lawson	3	3
Jo Watson	3	3
Moya Sandow	3	3
Robert Pask	1	-
Jan Donovan	3	3
Bel Harper	3	3
Rowan Cockerell	3	2
Melissa Fox	3	3
Paul Murdoch	2	2

**Consumers Health Forum of Australia Ltd**

ABN 82 146 988 927

**Directors' Report**

**For the Year Ended 30 June 2016**

**Auditor's independence declaration**

The auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 8 of the financial report.

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



Director: .....

Tony Lawson



Director: .....

Jan Donovan

Dated: 11 October 2016



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Hardwickes  
ABN 16 674938 141

Hardwickes Chartered Pty Ltd  
ABN 21 1104401 143

Liability limited by a scheme  
approved under Professional  
Standards Legislation

**Auditors Independence Declaration under Section 60-40 of the  
Australian Charities and Not-for-profits Commission Act 2012**

**To the Directors of Consumers Health Forum of Australia Ltd**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Hardwickes  
Chartered Accountants

Robert Johnson FCA  
Partner

Dated: 11 October 2016

Canberra



## Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Revenue	10	678,805	1,017,001
Administrative expenses		(461,883)	(774,283)
Employee benefits expenses		(827,968)	(1,146,991)
Depreciation expense		(8,919)	(15,419)
<b>Profit (loss) before income tax</b>		<b>(619,965)</b>	<b>(919,692)</b>
Income tax expense		-	-
<b>Profit (loss) for the year</b>		<b>(619,965)</b>	<b>(919,692)</b>
<b>Total comprehensive income for the year</b>		<b>(619,965)</b>	<b>(919,692)</b>

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Statement of Financial Position As At 30 June 2016

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	636,918	426,836
Trade and other receivables	3	40,807	-
Other financial assets	4	426,045	1,026,045
Current tax receivable	8	-	3,194
Other assets	5	13,277	29,892
<b>TOTAL CURRENT ASSETS</b>		<b>1,117,047</b>	<b>1,485,967</b>
<b>NON-CURRENT ASSETS</b>			
Other assets	5	8,800	-
Property, plant and equipment	6	10,370	19,289
<b>TOTAL NON-CURRENT ASSETS</b>		<b>19,170</b>	<b>19,289</b>
<b>TOTAL ASSETS</b>		<b>1,136,217</b>	<b>1,505,256</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	318,903	90,773
Current tax liabilities	8	32,264	-
Provisions	9	28,782	38,097
<b>TOTAL CURRENT LIABILITIES</b>		<b>379,949</b>	<b>128,870</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	9	-	153
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>153</b>
<b>TOTAL LIABILITIES</b>		<b>379,949</b>	<b>129,023</b>
<b>NET ASSETS</b>		<b>756,268</b>	<b>1,376,233</b>
<b>EQUITY</b>			
Retained earnings		756,268	1,376,233
<b>TOTAL EQUITY</b>		<b>756,268</b>	<b>1,376,233</b>

## Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

### Statement of Changes in Equity For the Year Ended 30 June 2016

2016

	Retained Earnings	Total
Note	\$	\$
<b>Balance at 1 July 2015</b>	1,376,233	1,376,233
Loss attributable to members of the entity	(619,965)	(619,965)
<b>Balance at 30 June 2016</b>	<u>756,268</u>	<u>756,268</u>

2015

	Retained Earnings	Total
Note	\$	\$
<b>Balance at 1 July 2014</b>	2,295,925	2,295,925
Loss attributable to members of the entity	(919,692)	(919,692)
<b>Balance at 30 June 2015</b>	<u>1,376,233</u>	<u>1,376,233</u>

## Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

### Statement of Cash Flows For the Year Ended 30 June 2016

	2016	2015
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	960,661	1,000,760
Payments to suppliers and employees	(1,375,500)	(2,146,865)
Interest received	24,921	58,155
Net cash provided by/(used in) operating activities	13(b) <u>(389,918)</u>	<u>(1,087,950)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from held-to-maturity investments	600,000	500,000
Purchase of property, plant and equipment	-	(1,060)
Net cash provided by/(used in) investing activities	<u>600,000</u>	<u>498,940</u>
Net increase/(decrease) in cash held	210,082	(589,010)
Cash and cash equivalents at beginning of financial year	<u>426,836</u>	<u>1,015,846</u>
Cash and cash equivalents at end of financial year	13(a) <u><u>636,918</u></u>	<u><u>426,836</u></u>

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Notes to the Financial Statements For the Year Ended 30 June 2016

The financial statements cover Consumers Health Forum of Australia Ltd as an individual entity, incorporated and domiciled in Australia. Consumers Health Forum of Australia Ltd is a not-for-profit company limited by guarantee.

The financial statements were authorised for issue on 11 October 2016 by the directors of the company.

### 1 Summary of Significant Accounting Policies

#### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### (b) Cash and cash equivalents

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

#### (c) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

#### (d) 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.

##### Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 1 Summary of Significant Accounting Policies (continued)

#### (d) Property, plant and equipment (continued)

##### Plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

##### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is available for use.

The depreciation rates used for each class of depreciable asset are:

Fixed asset class	Depreciation rates
Office equipment	20-33%
Member/Contact database	20%
Leasehold improvements	33%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

#### (e) Impairment of assets

At the end of each reporting period the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

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.

#### (f) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 1 Summary of Significant Accounting Policies (continued)

#### (g) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### (h) Employee provisions

##### Short-term employee provisions

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

##### Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

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

#### (i) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised by 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 recognised as expenses on a straight-line basis over the lease term. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

#### (j) Unexpended grants

The company receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the company to treat grant monies as unexpended grants in the statement of financial position where the company is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed.

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 1 Summary of Significant Accounting Policies (continued)

#### (k) Financial instruments

##### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

##### Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

##### (i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

##### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

##### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 1 Summary of Significant Accounting Policies (continued)

#### (k) Financial instruments (continued)

##### *(iv) Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

##### *(v) Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

#### **Impairment**

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a 'loss event'), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter into bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 1 Summary of Significant Accounting Policies (continued)

#### (k) Financial instruments (continued)

##### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

#### (l) Fair value of assets and liabilities

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

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

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

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

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

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

#### (m) Revenue and other income

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

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 1 Summary of Significant Accounting Policies (continued)

#### (m) Revenue and other income (continued)

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method. Membership income is recognised on a receipts basis as it is voluntary in nature.

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

#### (n) Income tax

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

#### (o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

#### (p) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional statement of financial position as at the beginning of the preceding comparative period, in addition to the minimum comparative financial statements, must be disclosed.

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 1 Summary of Significant Accounting Policies (continued)

#### (q) Critical accounting estimates and judgements

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

##### *Key estimates - impairment*

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

#### (r) Economic dependence

Consumers Health Forum of Australia Ltd is dependent on Australian Government funding from the Department of Health for the majority of the revenue used to operate the business.

At the date of this report the directors have no reason to believe the Australian Government will not continue to support Consumers Health Forum of Australia Ltd via its funding agreements with the Department of Health.

#### (s) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the company:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6 / AASB 2013-9 / AASB 2014-1 / AASB 2014-7 / AASB 2014-8	30 June 2019	Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using AASB 9 are to be measured at fair value.	The available-for-sale investments held will be classified as fair value through OCI and will no longer be subject to impairment testing. Other impacts on the reported financial position and performance have not yet been determined.

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 1 Summary of Significant Accounting Policies (continued)

#### (s) New Accounting Standards and Interpretations (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 Revenue from contracts with customers and amending standards AASB 2014-5 / AASB 2015-8 / AASB 2016-3	30 June 2019	AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element. AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple element arrangements.	The changes in revenue recognition requirements in AASB 15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures. The impact of AASB 15 has not yet been quantified.
AASB 16 Leases	30 June 2020	AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short term leases and low value assets which may remain off balance sheet. The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments. A corresponding right to use asset will be recognised which will be amortised over the term of the lease. Rent expense will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.	Whilst the impact of AASB 16 has not yet been quantified, the entity currently has operating leases which we anticipate will be brought onto the statement of financial position. Interest and amortisation expense will increase and rental expense will decrease.

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 2 Cash and cash equivalents

	2016	2015
Note	\$	\$
CURRENT		
Cash on hand	150	150
Cash at bank	636,768	426,686
	<u>636,918</u>	<u>426,836</u>
13, 16	<u>636,918</u>	<u>426,836</u>

### 3 Trade and other receivables

	2016	2015
Note	\$	\$
CURRENT		
Trade receivables	40,807	-
	<u>40,807</u>	<u>-</u>
<b>Total current trade and other receivables</b>	<u>40,807</u>	<u>-</u>

#### (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. No provision for impairment was required at year end.

#### (b) Credit risk - Trade and other receivables

The company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 3. The main source of credit risk to the company is considered to relate to the class of assets described as 'trade and other receivables'.

The following table details the company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31-60	61-90	> 90	
			\$	\$	\$	\$	
<b>2016</b>							
Trade and other receivables	40,807	-	-	-	-	380	40,427

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 4 Other financial assets

	2016	2015
Note	\$	\$
CURRENT		
Held-to-maturity financial assets	426,045	1,026,045
Total current assets	<u>426,045</u>	<u>1,026,045</u>
 (a) Held-to-maturity investments comprise:		
Fixed interest securities - current	426,045	1,026,045
	<u>426,045</u>	<u>1,026,045</u>

### 5 Other assets

	2016	2015
Note	\$	\$
CURRENT		
Prepayments	12,915	25,591
Accrued income	362	4,301
	<u>13,277</u>	<u>29,892</u>
 NON-CURRENT		
Prepayments	8,800	-
	<u>8,800</u>	<u>-</u>

### 6 Property, plant and equipment

	2016	2015
Note	\$	\$
Office equipment		
At cost	28,798	28,798
Accumulated depreciation	(21,119)	(14,680)
Total office equipment	<u>7,679</u>	<u>14,118</u>
Member/Contact database		
At cost	12,400	12,400
Accumulated depreciation	(9,709)	(7,229)
Total member/contact database	<u>2,691</u>	<u>5,171</u>
Leasehold improvements		
At cost	-	17,082
Accumulated depreciation	-	(17,082)
Total leasehold improvements	<u>-</u>	<u>-</u>
<b>Total property, plant and equipment</b>	<u><b>10,370</b></u>	<u><b>19,289</b></u>

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 6 Property, plant and equipment (continued)

#### (a) Movements in carrying amounts

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

	Office equipment \$	Member/Contact database \$	Leasehold improvements \$	Total \$
<b>Year ended 30 June 2016</b>				
Balance at the beginning of year	14,118	5,171	-	19,289
Depreciation expense	(6,439)	(2,480)	-	(8,919)
<b>Balance at the end of the year</b>	<b>7,679</b>	<b>2,691</b>	<b>-</b>	<b>10,370</b>
<b>Year ended 30 June 2015</b>				
Balance at the beginning of year	20,776	7,651	5,221	33,648
Additions	1,060	-	-	1,060
Depreciation expense	(7,718)	(2,480)	(5,221)	(15,419)
<b>Balance at the end of the year</b>	<b>14,118</b>	<b>5,171</b>	<b>-</b>	<b>19,289</b>

### 7 Trade and other payables

	Note	2016 \$	2015 \$
CURRENT			
Unsecured liabilities			
Trade payables		31,646	45,552
Accrued expenses		31,212	45,221
Deferred income		256,045	-
		<b>318,903</b>	<b>90,773</b>

#### (a) Financial liabilities at amortised cost classified as trade and other payables

	Note	2016 \$	2015 \$
Trade and other payables:			
- total current		318,903	90,773
Less:			
Deferred income		(256,045)	-
Financial liabilities as trade and other payables	16	<b>62,858</b>	<b>90,773</b>

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 8 Tax assets and liabilities

	Note	2016 \$	2015 \$
CURRENT			
GST receivable		-	3,194
<b>Current tax receivable</b>		<b>-</b>	<b>3,194</b>
CURRENT			
GST payable		32,264	-
<b>Current tax liabilities</b>		<b>32,264</b>	<b>-</b>

### 9 Provisions

	Note	2016 \$	2015 \$
CURRENT			
Annual leave entitlements		28,782	38,097
		<b>28,782</b>	<b>38,097</b>
NON-CURRENT			
Long service leave entitlements		-	153
		<b>-</b>	<b>153</b>

#### Analysis of total provisions

	Note	2016 \$	2015 \$
Current		28,782	38,097
Non-current		-	153
		<b>28,782</b>	<b>38,250</b>

	Annual leave entitlements \$	Long service leave entitlements \$	Total \$
<b>Current</b>			
Opening balance at 1 July 2015	38,097	-	38,097
Additional provisions	50,068	-	50,068
Provisions used	(59,383)	-	(59,383)
<b>Balance at 30 June 2016</b>	<b>28,782</b>	<b>-</b>	<b>28,782</b>
<b>Non-current</b>			
Opening balance at 1 July 2015	-	153	153
Provisions reversed	-	(153)	(153)
<b>Balance at 30 June 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 9 Provisions (continued)

#### Employee provisions

Employee provisions represent amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

### 10 Revenue and other income

	2016	2015
Note	\$	\$
Revenue		
- grant revenue	594,573	778,065
- member subscriptions	45,133	52,010
- other income	18,117	124,470
- interest received	20,982	62,456
<b>Total Revenue</b>	<b>678,805</b>	<b>1,017,001</b>

### 11 Profit (loss) for the year

Profit (loss) includes the following specific expenses:

	2016	2015
Note	\$	\$
Rental expense on operating leases:		
- Minimum lease payments	107,327	115,657

### 12 Remuneration of auditors

	2016	2015
Note	\$	\$
Remuneration of the auditor of the company for:		
- auditing or reviewing the financial report	6,800	7,200
- other services	600	500

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 13 Cash flow information

#### (a) Reconciliation of cash

	Note	2016 \$	2015 \$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents	2	<u>636,918</u>	426,836
		<u><u>636,918</u></u>	<u><u>426,836</u></u>

#### (b) Reconciliation of cash flow from operations with Profit (loss) after income tax

	Note	2016 \$	2015 \$
Profit (loss) for the year		(619,965)	(919,692)
Non-cash flows in profit (loss):			
- depreciation		8,919	15,419
Changes in assets and liabilities:			
- (increase)/decrease in trade and other receivables		(37,613)	238,120
- (increase)/decrease in prepayments		3,876	(1,648)
- (increase)/decrease in accrued income		3,939	(4,301)
- increase/(decrease) in deferred income		256,045	(279,403)
- increase/(decrease) in trade and other payables		4,349	(123,397)
- increase/(decrease) in provisions		(9,468)	(13,048)
Cash flow from operations		<u><u>(389,918)</u></u>	<u><u>(1,087,950)</u></u>

#### (c) Credit standby arrangements with banks

	Note	2016 \$	2015 \$
Credit facility		14,000	14,000
Amount utilised		-	(805)
		<u><u>14,000</u></u>	<u><u>13,195</u></u>

The company has credit card facilities setup with their bank with general terms and conditions. Interest rates are variable and subject to adjustment.

#### (d) Non-cash financing and investing activities

There were no non-cash financing or investing activities during the year.

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 14 Capital and leasing commitments

#### Operating lease commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements:

	2016	2015
Note	\$	\$
Payable - minimum lease payments		
- not later than 12 months	26,400	101,936
- between 12 months and 5 years	66,689	3,690
	<u>93,089</u>	<u>105,626</u>

The property lease is a non-cancellable lease with a 3 year term expiring on 29 May 2019, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by 3.5% per annum.

The other operating lease is a non-cancellable lease with a 2 year term and fixed monthly payments.

### 15 Key management personnel compensation

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

The totals of remuneration paid to the key management personnel of the company during the year are as follows:

	2016	2015
Note	\$	\$
Short-term benefits	312,347	307,735
	<u>312,347</u>	<u>307,735</u>

### 16 Financial risk management

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

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 16 Financial risk management (continued)

	Note	2016 \$	2015 \$
<b>Financial Assets</b>			
Cash and cash equivalents	2	636,918	426,836
Loans and receivables	3	40,807	-
Held-to-maturity investments	4	426,045	1,026,045
<b>Total financial assets</b>		<b>1,103,770</b>	<b>1,452,881</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables	7(a)	62,858	90,773
<b>Total financial liabilities</b>		<b>62,858</b>	<b>90,773</b>

#### Financial risk management policies

The directors' risk management strategy seeks to assist the company in meeting its financial targets whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the directors on a regular basis. These include credit risk policies and future cash flow requirements.

#### Specific financial risk exposures and management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the director's objectives, policies and processes for managing or measuring the risks from the previous period.

#### (a) Credit risk

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

Credit risk is managed through the maintenance of procedures ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

#### *Credit Risk Exposures*

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 16 Financial risk management (continued)

#### (a) Credit risk (continued)

The company has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and other receivables are provided in Note 3.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 3.

Credit risk related to balances with banks and other financial institutions is managed by the directors. The following table provides information regarding credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Note	2016 \$	2015 \$
<b>Cash and cash equivalents</b>			
- AA Rated	2	<b>636,768</b>	426,686
		<b>636,768</b>	<b>426,686</b>
<b>Held to maturity securities</b>			
- AA Rated	4	<b>426,045</b>	1,026,045
		<b>426,045</b>	<b>1,026,045</b>

#### (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. The company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities;
- monitoring undrawn credit facilities;
- maintaining a reputable credit risk profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table 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. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 16 Financial risk management (continued)

#### (b) Liquidity risk (continued)

##### Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Trade and other payables (excluding deferred income)	62,858	90,773	-	-	-	-	62,858	90,773
Total contractual outflows	62,858	90,773	-	-	-	-	62,858	90,773
<b>Financial assets - cash flows realisable</b>								
Cash and cash equivalents	636,918	426,836	-	-	-	-	636,918	426,836
Trade, term and loans receivables	40,807	-	-	-	-	-	40,807	-
Held-to-maturity investments	426,045	1,026,045	-	-	-	-	426,045	1,026,045
Total anticipated inflows	1,103,770	1,452,881	-	-	-	-	1,103,770	1,452,881

#### (c) Market risk

##### Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the company to interest rate risk are limited to fixed interest securities and cash and cash equivalents.

##### Sensitivity analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates. The table indicates the impact on how profit or loss and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit	Equity
	\$	\$
<b>Year ended 30 June 2016</b>		
+/- 2% in interest rates	21,000	21,000
<b>Year ended 30 June 2015</b>		
+/- 2% in interest rates	29,000	29,000

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 16 Financial risk management (continued)

#### (c) Market risk (continued)

##### Fair values

##### *Fair value estimation*

The fair values of financial assets and financial liabilities approximate their carrying values as presented in the statement of financial position and notes to the financial statements. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments which are carried at amortised cost are to be held until maturity and therefore the fair value figures calculated bear little relevance to the company.

The fair values of financial assets and financial liabilities as disclosed in the statement of financial position and in the notes to the financial statements have been determined based on the following methodologies: Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude deferred income which is not considered to be a financial instrument.

### 17 Capital management

The directors control the capital of the company to ensure that adequate cash flows are generated to fund its operations and that returns from investments are maximised within tolerable risk parameters. The directors' ensure that the overall risk management strategy is in line with this objective.

The company's capital consists of financial liabilities, supported by financial assets.

The directors effectively manage the company's capital by assessing the company's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by the directors to control the capital of the company since the previous year.

The gearing ratios for the years ended 30 June 2016 and 30 June 2015 are as follows:

	Note	2016 \$	2015 \$
Total borrowings		-	-
Less Cash and cash equivalents	2	(636,918)	(426,836)
Net debt		(636,918)	(426,836)
Equity		756,268	1,376,233
Total capital		119,350	949,397
Gearing ratio		- %	- %

# **Consumers Health Forum of Australia Ltd**

ABN 82 146 988 927

## **Notes to the Financial Statements For the Year Ended 30 June 2016**

### **18 Company details**

The registered office of the company is:  
Consumers Health Forum of Australia Ltd  
7B/17 Napier Close  
Deakin ACT 2600

# Consumers Health Forum of Australia Ltd

ABN 82 146 988 927

## Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 33, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - (a) comply with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
  - (b) give a true and fair view of the financial position of the company as at 30 June 2016 and of its performance for the year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Director: .....

Tony Lawson



Director: .....

Jan Donovan

Dated: 11 October 2016



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## Independent Auditor's Report

### To the members of Consumers Health Forum of Australia Ltd

#### Report on the Financial Report

We have audited the accompanying financial report of Consumers Health Forum of Australia Ltd, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### Directors' Responsibility for the Financial Report

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

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 report.

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 *Australian Charities and Not-for-profits Commission Act 2012* and any applicable code of professional conduct in relation to the audit.





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## Independent Auditor's Report

### To the members of Consumers Health Forum of Australia Ltd

#### Opinion

In our opinion the financial report of Consumers Health Forum of Australia Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Hardwicks  
Chartered Accountants

Robert Johnson FCA  
Partner

Canberra

Dated: 11 October 2016



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