



# CATHOLIC HEALTH

Australia

Annual Report for the  
**2011/12 FINANCIAL YEAR**

The Catholic Church in Australia

Working in communion

Providing the healing care of the hands of Jesus





## Annual Report for the 2011/12 Financial Year

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75 hospitals and 550 aged care facilities are operated by different bodies of the Catholic Church within Australia. These health and aged care services are operated in fulfilment of the mission of the Church to provide care and healing to all those who seek it. Catholic Health Australia is the peak member organisation of these health and aged care services. Further detail on Catholic Health Australia can be obtained at [www.cha.org.au](http://www.cha.org.au)



# Shared Purpose Statement

## Catholic Health Australia

*A Samaritan came near the man who was beaten,  
and when he saw him, he was moved with compassion <sup>1</sup>*

**Recognising the many diverse expressions of the healing ministry, Catholic health, aged and community care services share a common vision and purpose grounded in the mission of the Gospel so that our shared future is strengthened.**

As a ministry of the Catholic Church, our work is inspired by the person and mission of Jesus, who embraced the world with compassion to bring justice and healing.

We respond to God's call to bring alive the Gospel vision, for the good of all in the communities we serve.

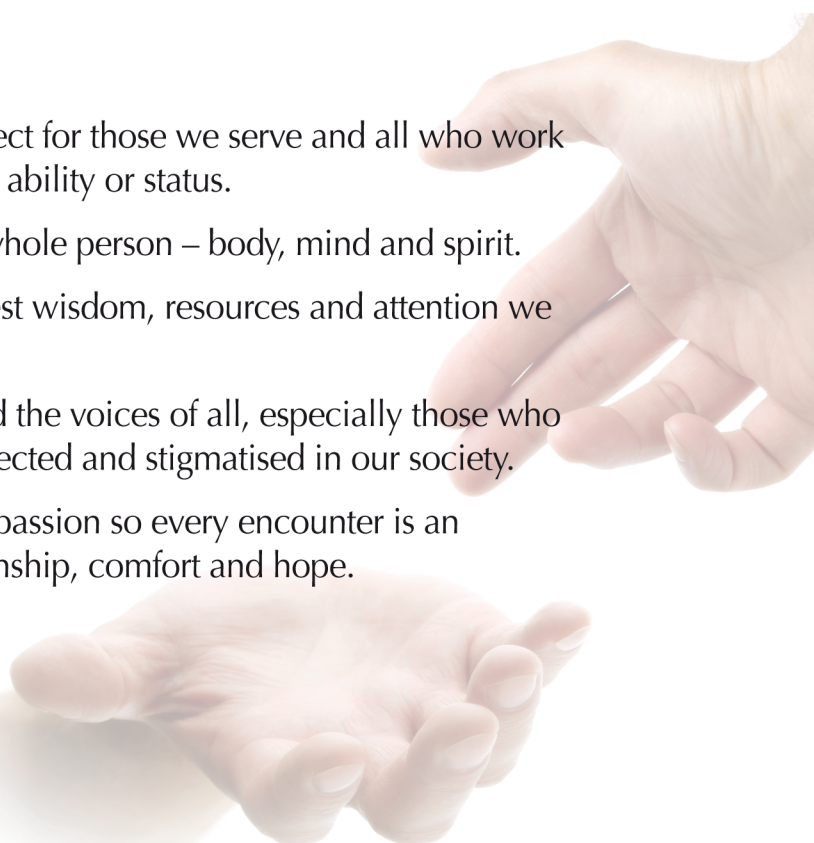
We believe in the sacredness of life and we share the "joys and hopes, the griefs and anxieties"<sup>2</sup> of those who come to us in their vulnerability and need.

### *Like the Good Samaritan...*

- We commit to show love and respect for those we serve and all who work with us, regardless of faith, culture, ability or status.
- We commit to be attentive to the whole person – body, mind and spirit.
- We commit to serve all with the best wisdom, resources and attention we can offer.
- We commit to hear and have heard the voices of all, especially those who are weakest, most vulnerable, neglected and stigmatised in our society.
- We commit to reach out with compassion so every encounter is an opportunity for healing, companionship, comfort and hope.

<sup>1</sup> Luke 10:33

<sup>2</sup> Gaudium et Spes, 1965, Para 1



## Key Contributions on behalf of CHA Members

The Association Rules of Catholic Health Australia state its vision is to:

- Take a leadership role in supporting and strengthening its membership to develop individually and collaboratively to ensure the healing ministry flourishes as an integral part of the mission of the Catholic Church; and
- Promote a just system of health and aged care delivery that has at its heart an imperative for those who are poor and marginalised as the unified public voice for the members on matters of common interest.

In the 2011/12 year, CHA has fulfilled this vision by:

- Being the leading voice for providers in the aged care community's response to the Productivity Commission's report *Caring for Older Australians* and in negotiations with the Federal Government in its formulation of its response to that report, culminating in reforms announced in April 2012.
- Continuing to lead discussion on the social determinants of health in Australia, with the launch of the book *Determining the Future: A Fair Go & Health for All* and a second NATSEM report into health inequality in Australia, this time examining the cost of inaction from governments on the social determinants.
- Representing the CHA family on a number of groups advising the Government and the Department of Health and Ageing, including in the areas of workforce, pathology, hospital pricing and performance, and aged care reform.
- Speaking in conjunction with other national Catholic organisations on proposed changes to charities and not-for-profit legislation, working to ensure there are no negative impacts on the way charities and not-for-profits operate or in the way they are governed.
- Leading the Catholic Church's response to the Senate Inquiry into past adoption practices.
- Developing a number of resources for the benefit of CHA members and other Catholic organisations, including the *Guide for Understanding the Governance of Catholic Health and Aged Care Services* and the *Mission in Focus* webcast series. Two further documents will be released at the 2012 CHA national conference: the Shared Purpose Statement and the *Mission Discernment Resource*.
- Co-sponsoring – with Catholic Social Services Australia – a study tour to Rome and the Catholic University of Leuven for senior leaders.
- Hosting a number of CHA Senior Executive Forums in the areas of health and aged care, as well as hosting forums for ethics and pastoral care.
- Establishing a new website to keep members and the wider community up to date with CHA's activities, including news and advocacy efforts. CHA also expanded its social media presence, including the establishment of Twitter and Facebook accounts.



## Chairman and Chief Executive Officer's Report

In these pages 12 months ago, we shared our hopes that the Government, at that time preparing to receive guidance from the Productivity Commission, would come good on their promise to reform aged care during the current term. Looking back, Catholic Health Australia can reflect on its major role in helping to shape a major overhaul of Australia's aged care system in the *Living Longer. Living Better* package. We recognise that not all of our hopes and dreams were realised, so we will continue to work diligently to bring about the changes that we know will make a difference to the lives of older Australians needing care.

Another group of Australians that CHA continues to advocate for are the poor and the marginalised. Indeed, Catholic services – from hospitals and aged care to social services and education – have always been established to help lift up those who are in most need of assistance. Continuing what is an ongoing commitment that has already spanned several years, we published the book *Determining the Future: A Fair Go & Health for All* last August, bringing together academics, medical practitioners, public policy experts and others to highlight the urgent need of Australian governments to consider the social determinants of health. This June, we released our second report on social determinants in conjunction with the National Centre for Social and Economic Modelling (NATSEM) at the University of Canberra, this time focussing on the financial impact of failing to address health inequality in Australia. Our efforts to see a Senate Inquiry to consider the topic have been fruitful, and we await further progress in that endeavour.

And fulfilling one of our core roles, CHA has been advocating on behalf of our members in interactions with Government ministers and departments. On the health side, CHA is represented on a number of committees assisting the Department of Health and Ageing in managing the Pathology Funding Agreement, including pathology funding, demand for pathology services and future workforce pressures. CHA has also had a presence on a range of advisory committees including in the areas of health technology, safety and quality, hospital pricing, performance and accountability and private health insurance.

In the area of workforce, CHA has been involved in a series of consultation processes with Health Workforce Australia, including planning for what is expected to be a massive shortfall of nurses by 2025. CHA is a member of the new Strategic Workforce Advisory Group and the Aged Care Financing Authority, looking specifically at the sharp increase in demand that the aged care sector will soon face in terms of financing and workforce.

A key aspect of the operation of Catholic health, aged and community care is their not-for-profit status. CHA has been working closely with other Catholic organisations, including the Australian Catholic Bishops Conference and Catholic Social Services Australia, to ensure not-for-profit and charitable organisations are not negatively affected by the establishment of the Australian Charities and Not-for-Profits Commission and accompanying legislation. CHA has also raised concerns about how the governance of charities and not-for-profits could be changed – for the worse – by the new legislation.

This is part of the Government's broader efforts to reform the not-for-profit sector, which may yet include the consideration of tax concessions that not-for-profits currently enjoy. CHA will work with other Catholic organisations to ensure that the work that is carried out in a spirit of charity and service isn't compromised because of attempts to change a taxation system that has for so long been so important to the viability of those charitable works.

Catholic Health Australia also played the leading role in the Catholic Church's response to past adoption practices that were scrutinised during a Senate Inquiry. In July 2011, CHA issued an apology on behalf of Catholic hospitals that were involved in practices that are no longer considered acceptable. CHA also gave evidence at the Inquiry's hearings and made a number of recommendations to the Inquiry that were included in the final report the committee.



## Chairman and Chief Executive Officer's Report cont.

Equally as important as our external work of advocacy and representation of the Catholic health, aged and community care family is our work to support the sector in a number of ways, including through the development of a range of resources. In the past 12 months, CHA has published the *Guide for Understanding the Governance of Catholic Health and Aged Care Services* to assist leaders of Catholic services, particularly as many of them transition from decades of leadership by religious and priests to an empowerment of lay leadership. In a similar way, the *Mission in Focus* webcast series shares the thoughts of senior leaders as they reflect on the key themes relating to the challenge of providing authentically Catholic health and aged care services in an increasingly diverse society.

Two other documents that are the products of countless hours of thought, consultation and effort – the Catholic Health Australia Shared Purpose Statement and the *Mission Discernment Resource* – were completed in recent weeks and will be launched during our conference following this annual general meeting. Trying to capture the essence of the “why” of Catholic health, aged and community care services was not easy, but the Shared Purpose Statement can serve as another tool, along with a service’s mission and vision statements, to help us all recognise the uniqueness of what we do. The *Mission Discernment Resource* offers a distinctly Catholic understanding of the difficult task of reaching decisions, large and small, and seeks to offer a pathway for services to follow when making those decisions.

CHA will look to carry on the momentum that it enjoyed during the past year as we launch into a new strategic plan that was ratified by the Stewardship Board in June. The strategic plan outlines our priorities in three key areas:

- The Community: Promoting Catholic health, aged and community care services’ unique role and continued presence within the broader Australian health system and community.
- The Church: Supporting Catholic health, aged and community care services to reflect the life of the Catholic Church.
- The People: Building the capacities of our people in support of Catholic health, aged and community care services.

It is appropriate in this report to acknowledge that the association lost one of the true giants of the Catholic health and aged care family with the passing of Sr Maria Cunningham in April. Her passing underlined how important it was for us to have instituted the Sr Maria Cunningham Lifetime Achievement Award, recognising her decades of outstanding work in the area of Catholic health and aged care. The award will be an ongoing reminder of Sr Maria’s leadership and vision and how she worked to improve the lives of so many people.

And in now conveying the thanks of the Stewardship Board and you, our members, to the amazing team at our national office, we can be confident that Sr Maria’s tradition of outstanding work and commitment is still very much alive and well. The results we achieve from our small, talented group are rightly the envy of many larger organisations and so, too, we believe is the spirit in which they achieve those results. They really are a great group to work with.

We know we also speak on the members’ behalf when we express gratitude for the role that the volunteer members of the CHA Stewardship Board play in the governance of the national office and the wider organisation. They bring their talents and offer their vast wisdom for the advancement of the work of Catholic health, aged and community services and all within that same spirit of collegiality and comradeship that makes them a genuine pleasure to share the journey with.



## Chairman and Chief Executive Officer's Report cont.

At this year's AGM, we particularly want to acknowledge the service of three members who are completing their time on the Stewardship Board. Michael Stanford, Pat Bugden and Madonna McGahan have generously shared their expertise and knowledge at the CHA Stewardship Board table, combining for almost 20 years of service. We thank them publicly and recognise that their contribution to the broader Catholic family will continue.

We will also usher in a new leader for the Stewardship Board this year, with the expected elevation of Rowena McNally to the role of chair. Rowena brings much to the role with a background in the law, business, government and health care that makes her very well qualified to guide the Stewardship Board through its next chapter.

As this synopsis shows, albeit only scratching the surface, it has been a very busy and productive year for CHA and its national office of 10 in Canberra. 2012-13 is shaping to be another year of diligence in the service of the members of the association who so proudly carry on the healing ministry of Jesus among Australians from before they are born until they breathe their last. It is a privilege to play a role in that mission.



**Tony Wheeler**  
Chairman



**Martin Laverty**  
Chief Executive Officer





# CHA Policy Committees as at 30 June 2012

## Aged Care Committee

**Ms Valerie Lyons**

Chief Executive Officer, Villa Maria Society

**Mr Peter Jardine**

Chief Executive Officer, Mercy Aged Care Services, Banyo QLD

**Dr Anthea Kingsley**

General Manager Aged Care, Mercy Community Services, WA

**Mr Paul McMahon**

Chief Executive Officer, Southern Cross Care (NSW & ACT)

**Ms Janis Redford**

General Manager, Catholic Community Services

**Mr Marcus Riley**

Chief Executive Officer, Queensland Hibernian Friendly Society (Ltd)

**Mr Barry Wiggins**

CEO, Our Lady of Consolation Aged Care Services, NSW

## Directors of Nursing Committee

**Associate Professor Kate Birrell (Chair)**

Group Director, Nursing, St John of God Health Care

**Ms Barbara Paris**

Director of Nursing, The Mater Hospital, North Sydney

**Ms Cheryl Clayton**

Director of Nursing, Mater Private Hospital

**Ms Amanda Kingham**

Director of Residential Care – Ashwood, Cabrini

**Ms Sue Cantwell**

Director of Nursing, Mercy Hospital Mount Lawley

**Adj Assoc Professor Chris Hanna**

Director of Nursing, St John of God, Subiaco

**Sr Kathleen Cotterill**

Director, Inpatient Services, Hawkesbury District Health Services

**Ms Karen Wade**

Director of Nursing, Mater Hospital, Mackay (Mercy Care)



## CHA Policy Committees as at 30 June 2012

**Ms Maeve Tumulty**

Director of Nursing and Patient Care, St Vincent's Public Hospital, Sydney

**Ms Cynthia Dowell**

Director of Nursing, St Vincent's Public Hospital, Melbourne

**Ms Susan O'Neill**

Director of Nursing, Cabrini

**Ms Diane Jones**

National Director Clinical Services, Little Company of Mary Health Care

**Ms Janine Loader**

Chief Nursing Officer, St Vincent's and Mercy Private, Melbourne

**Ms Mish Hill**

Director of Nursing Mater Public Hospital, Brisbane

**Ms Wendy Dunn**

Director of Nursing, Mercy Hospital Werribee

**Mr Jose Aguilera**

Director of Nursing, St Vincent's Private, Sydney

### Health Committee

**Dr Tracey Batten (Chair)**

CEO, St Vincent's Health Australia (National)

**Ms Tracey Burton**

Executive Director, Eastern Hospitals, St John of God Health Care

**Dr John O'Donnell**

CEO, Mater Misericordiae Health Services, Brisbane, Qld

**Mrs Lynne Sheehan**

COO, Mercy Health and Aged Care, Central Queensland

**Dr Michael Walsh**

CEO, Cabrini Health, Melbourne, Victoria

**Mr Stephen Cornelissen**

CEO, Mercy Health



# CHA Policy Committees as at 30 June 2012

## Mission and Identity Committee

**Ms Julia Abrahams**

Director of Mission and Chief Counsel, Catholic Healthcare Limited

**Ms Catherine Garner**

Executive Director Mission Integration, Cabrini Health

**Ms Madonna McGahan**

Executive Director Mission Leadership, Mater Health Services, Brisbane

**Fr Cormac Nagle ofm**

Ethicist, Mercy Healthcare Melbourne

**Ms Jennifer Stratton**

Group Director Mission, St John of God Health Care

**Leo Tucker**

National Director of Mission, Little Company of Mary Health Care

**Sr Leone Wittmack rsc**

National Director of Mission, St Vincent's Health Australia





CATHOLIC HEALTH  
Australia Inc.

Financial Report for the Year Ended  
**30 JUNE 2012**



CATHOLIC HEALTH  
Australia Inc.

## COMMITTEE'S REPORT

Your committee members submit the financial report of the Catholic Health Australia Incorporated for the financial year ended 30 June 2012.

### Committee Members

The names of committee members throughout the year and at the date of this report are:

Mr Tony Wheeler (Chair)	Sr Therese Carroll, RSJ retired (31/08/2011)
Mr Patrick Bugden	Dr Michael Stanford
Sr Antoinette Baldwin, RSJ	A/Prof. Kate Birrell
Br Joseph Smith, OH	Ms Madonna McGahan
Ms Lynne Sheehan retired (1/12/2011)	Ms Rowena McNally
Sr Berniece Loch, RSM retired (31/08/2011)	Most Rev Joseph Oudeman OFM Cap DD
Sr Helen Monkivitch, RSM retired (31/08/2011)	Dr Michael Walsh
Mr Herbie O'Flynn	Mr Brendan Bowler
Dr Tracey Batten appointed (8/11/2011)	Ms Valerie Lyons appointed (8/11/2011)
Professor John McAuliffe appointed (8/11/2011)	

### Principal Activities

The principal activities of the association during the financial year were to promote justice and compassion in health care, influence public policy and strengthen the presence and influence of Catholic health and aged care within the Australasian health care system.

### Significant Changes

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

### Operating Result

The profit after providing for income tax amounted to \$78,531.

Signed in accordance with a resolution of the Members of the Committee.

Committee Member - **Mr Herbie O'Flynn**

Treasurer - **Mr Patrick Bugden**

Dated this ..... day of ..... August 2012



CATHOLIC HEALTH  
Australia Inc.

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Revenue	2	2,576,379	2,376,444
Employee benefits expense		(1,482,893)	(1,281,190)
Depreciation and amortisation expense		(15,907)	(16,260)
Conference expense	3	(284,589)	(293,453)
Rent expense	3	(66,786)	(66,888)
Consultancy Fees	3	(102,311)	(166,815)
Travel expense	3	(115,768)	(124,895)
Other expenses		(429,594)	(423,234)
<b>Net current year surplus before income tax</b>		<b>78,531</b>	<b>3,710</b>
<b>Net current year surplus</b>		<b>78,531</b>	<b>3,710</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to members of the entity</b>		<b>78,531</b>	<b>3,710</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	Note	2012 \$	2011 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	198,339	290,635
Accounts receivable and other debtors	6	165,121	101,433
Investments	8	2,279,839	2,170,199
Other current assets	7	76,102	80,910
<b>TOTAL CURRENT ASSETS</b>		<b>2,719,401</b>	<b>2,643,177</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	9	54,515	13,334
<b>TOTAL NON-CURRENT ASSETS</b>		<b>54,515</b>	<b>13,334</b>
<b>TOTAL ASSETS</b>		<b>2,773,916</b>	<b>2,656,511</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other payables	10	473,700	477,367
Current tax liabilities	10	-	-
Employee benefits	16	202,912	190,198
<b>TOTAL CURRENT LIABILITIES</b>		<b>676,612</b>	<b>667,565</b>
<b>NON CURRENT LIABILITIES</b>			
Deferred tax liabilities	10	-	-
Employee benefits - Long Service Leave Provision	16	29,827	-
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>29,827</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>706,439</b>	<b>667,565</b>
<b>NET ASSETS</b>		<b>2,067,477</b>	<b>1,988,946</b>
<b>EQUITY</b>			
Retained surplus		2,067,477	1,988,946
<b>TOTAL EQUITY</b>		<b>2,067,477</b>	<b>1,988,946</b>

The accompanying notes form part of these financial statements.



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	<b>Retained Earnings \$</b>	<b>Aged Care Reserve (see note 11) \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2010</b>	<b>1,848,236</b>	<b>137,000</b>	<b>1,985,236</b>
<b>Comprehensive income</b>			
Surplus attributable to members	3,710	-	3,710
Transfer(to)/from reserves	137,000	(137,000)	-
<b>Balance at 30 June 2011</b>	<b>1,988,946</b>	<b>-</b>	<b>1,988,946</b>
<b>Comprehensive income</b>			
Surplus attributable to members	78,531	-	78,531
<b>Balance at 30 June 2012</b>	<b>2,067,477</b>	<b>-</b>	<b>2,067,477</b>

The accompanying notes form part of these financial statements.





## STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members		2,496,694	3,549,465
Payments to suppliers and employees		(2,671,168)	(3,638,660)
Interest received		139,266	143,673
Net cash provided by operating activities	14	(35,208)	54,478
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(57,088)	(772)
Purchase of Investments		-	(38,367)
Net cash used in investing activities		(57,088)	(39,139)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash provided by/(used in) financing activities		-	-
Net increase/(decrease) in cash held		(92,296)	15,339
Cash and cash equivalents at beginning of financial year		290,635	275,296
Cash and cash equivalents at end of financial year	5	198,339	290,635

The accompanying notes form part of these financial statements.



The financial statements cover Catholic Health Australia Incorporated as an individual entity. Catholic Health Australia Incorporated is an association incorporated in ACT under the associations Incorporations Act 1991.

### NOTE 1: Summary of Significant Accounting Policies

#### Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Associations Incorporations Act (ACT) 1991*. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. 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.

#### Accounting Policies

##### (a) Income Tax

Catholic Health Australia Incorporated is exempted from income tax due the exemption granted under section 6.2 of section 50-30 of the Income Tax Assessment Act 1997

##### (b) 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 is measured on the cost basis and is 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 its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

#### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Motor Vehicles	10% - 33%
Office equipment	10% - 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 and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

## (c) Leases

Leases of property, plant and equipment where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the association are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the association will obtain ownership of the asset or ownership over the term of the lease.

Lease payments for operating leases, where substantially all 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.

## (d) Financial Instruments

### Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transaction 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 fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged



or a liability settled, between knowledgeable, willing parties. 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) over 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 income or expense in profit or loss.

The association does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

*(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, where they are 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 fair value (i.e. gains or losses) being recognised 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 association’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.

*(iv) Available-for-sale financial assets*

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 classified as non-current assets when they are 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 association assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") has occurred, 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 to constitute 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 is experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter 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 taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the writing 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 accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the association 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.

### **Derecognition**

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party, whereby the entity 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 either discharged, cancelled or expire. The difference between the

carrying value 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.

### **(e) Impairment of Assets**

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both 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 that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

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

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

### **(f) Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

### **(g) 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 borrowings in current liabilities in the statement of financial position.

### **(h) Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

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 rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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



### **(i) 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 and 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.

### **(j) Comparative Figures**

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

When the association has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

### **(k) Provisions**

Provisions are recognised when the association 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.

### **(l) Critical Accounting Estimates and Judgements**

The Association evaluates 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 organisation. No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.



**(m) New Accounting Standards for Application in Future Periods**

**New standards and interpretations issued but not yet effective as on 30 June 2012**

At the date of this financial report the following standards and interpretations, which may impact the entity in the period of initial application, have been issued but are not yet effective:

Reference	Title	Summary	Application	Expected
AASB 9	Financial Instruments	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1-Jan-13	Minimal Impact
2009-11	Amendments to Australian Accounting Standards arising from AASB 9	Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12 as a result of the issuance of AASB 9.	1-Jan-13	Minimal Impact
2010-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 and 1038 and Interpretations 2, 5, 10, 12, 19 and 127 for amendments to AASB 9 in December 2010	1-Jan-13	Minimal Impact
AASB 13	Fair Value Measurement	Provides a clear definition of fair value, a framework for measuring fair value and requires enhanced disclosures about fair value measurement.	1-Jan-13	Minimal Impact
2011-8	Amendments to Australian Accounting Standards arising from AASB 13	Amends AASB 1, 2, 3, 4, 5, 7, 9, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 and 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 and 132 as a result of issuance of AASB 13 <i>Fair Value Measurement</i> .	1-Jan-13	Minimal Impact
2012-1	Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements	This Standard makes amendments to AASB 3, 7, 13, 140 and 141 to establish reduced disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8 <i>Amendments to Australian Accounting Standards arising from AASB 13</i> .	1-Jul-13	Minimal Impact





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Reference	Title	Summary	Application	Expected
AASB 119	Employee Benefits	Prescribes the accounting and disclosure for employee benefits. This Standard prescribes the recognition criteria when in exchange for employee benefits.	1-Jan-13	Minimal Impact
2011-10	Amendments to Australian Accounting Standards arising from AASB 119	Amends AASB 1, 8, 101, 124, 134, 1049, 2011-8 and Interpretation 14 as a result of the issuance of AASB 119 <i>Employee Benefits</i> .	1-Jan-13	Minimal Impact
2011-11	Amendments to AASB 119 arising from Reduced Disclosure Requirements	This Standard makes amendments to AASB 119 <i>Employee Benefits</i> , to incorporate reduced disclosure requirements into the Standard for entities applying Tier 2 requirements in preparing general purpose financial statements.	1-Jul-13	Minimal Impact
AASB 1053	Application of Tiers of Australian Accounting Standards	This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements.	1-Jul-13	Minimal Impact
2010-2	Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements and amends AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 and 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 and 1052.	1-Jul-13	Minimal Impact
2011-4	Amendments to Australian Accounting Standards to Remove Individual Key	This Standard makes amendments to Australian Accounting Standard AASB 124 <i>Related Party Disclosures</i> .	1-Jul-13	Disclosure only



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
<b>NOTE 2: REVENUE AND OTHER INCOME</b>		
<b>Revenue</b>		
— contributions (members)	1,770,403	1,698,065
— Workshop and conference	486,863	505,873
— Sale of goods	26,558	28,700
— Reimbursement of employee cost	118,289	-
— Interest received	139,266	143,673
— Sponsorship	35,000	-
— Other Income	-	133
	2,576,379	2,376,444
<b>Total revenue</b>	<b>2,576,379</b>	<b>2,376,444</b>
<b>NOTE 3: SURPLUS FOR THE YEAR</b>		
<b>a. Expenses</b>		
— Travel expense	115,768	124,895
— Rent expense	66,786	66,888
— Consultation expense	102,311	166,815
<b>b. Significant Revenue and Expenses</b>		
The following significant revenue and expense items are relevant in explaining financial performance:		
<b>Cost of Seminars to promote activities of the association</b>	<b>284,589</b>	<b>293,453</b>
<b>NOTE 4: AUDITORS' REMUNERATION</b>		
Remuneration of the auditor of the association for:		
— Auditing or reviewing the financial report	11,500	11,000
— Accounting services	2,500	2,500
	<b>14,000</b>	<b>13,500</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>			
<b>Cash at bank - unrestricted</b>		198,339	290,635
	<b>15</b>	<b>198,339</b>	<b>290,635</b>
<b>NOTE 6: ACCOUNTS RECEIVABLE AND OTHER DEBTORS</b>			
<b>CURRENT</b>			
Trade receivable		162,687	100,328
Less: Provision for Doubtful Debts		-	(15,387)
GST receivable		2,434	16,492
<b>Total current accounts receivable and other debtors</b>	<b>15</b>	<b>165,121</b>	<b>101,433</b>
<b>NOTE 7: OTHER CURRENT ASSETS</b>			
<b>CURRENT</b>			
Accrued Income		25,001	14,199
Other receivables and prepayments		51,101	66,711
		<b>76,102</b>	<b>80,910</b>
<b>NON-CURRENT</b>			
<b>NOTE 8: INVESTMENT</b>			
— Term deposits		2,279,839	2,170,199
		<b>2,279,839</b>	<b>2,170,199</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
<b>NOTE 9: PROPERTY, PLANT AND EQUIPMENT</b>			
Motor Vehicle		34,438	34,438
At cost		(27,463)	(25,138)
Accumulated depreciation		6,975	9,300
Plant & Equipment		233,334	190,910
At cost		(200,686)	(190,910)
Accumulated depreciation		32,648	-
Furniture & Fittings		30,860	16,196
At cost		(15,968)	(12,162)
Accumulated depreciation		14,892	4,034
<b>Total property, plant and equipment</b>		<b>54,515</b>	<b>13,334</b>

### Movements in carrying amounts

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

	Motor Vehicle	Plant & Equipment	Furniture & Fittings	Total \$
Balance at 1 July 2010	12,639	9,021	7,162	28,822
Additions	-	772	-	772
Disposals	-	-	-	-
Depreciation expense	(3,339)	(9,793)	(3,128)	(16,260)
Balance at 30 June 2011	9,300	-	4,034	13,334
Additions	-	42,424	14,664	57,088
Disposals	-	-	-	-
Depreciation expense	(2,325)	(9,776)	(3,806)	(15,907)
Carrying amount at 30 June 2012	6,975	32,648	14,892	54,515

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
<b>NOTE 10: ACCOUNTS PAYABLE AND OTHER PAYABLES</b>			
<b>CURRENT</b>			
Trade and other payables		159,674	143,849
Funds held for programs		34,699	133,504
Income in advance		279,327	200,014
		<b>473,700</b>	<b>477,367</b>

### NOTE 11: RESERVES

A special reserve of \$187,000 termed "Aged Care Reserve" was created in 2009 by setting aside this amount from that year's surplus. The reserve was to be applied to projects aimed at improving funding models for aged care. In 2011, expenditure of \$47,455 was made in respect of this project and charged as an expense under consultancy. Accordingly the same amount was also transferred from the "Aged Care Reserve" to Retained Surplus to acknowledge this amount. As of 24 February 2011, the board moved to transfer the remaining balance of \$89,545 at 30 June 2011, to retained earnings as no more expenditure is to be incurred to cover the purpose of this reserve account.

	Note	2012 \$	2011 \$
<b>NOTE 12: CAPITAL AND LEASING COMMITMENTS</b>			
<b>(a) Operating Lease Commitments</b>			
Non-cancellable operating leases contracted for but not recognised in the financial statements			
Payable - minimum lease payments			
- not later than 12 months		77,466	6,636
- between 12 months and 5 years		71,333	5,530
		<b>148,799</b>	<b>12,166</b>

The property lease is a non-cancellable lease with a three-year term, with rent payable monthly in advance.

The photocopier lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance.



# NOTE 13: RELATED PARTY TRANSACTIONS

The Committee Members of the Association throughout the year were as follows:

Mr Tony Wheeler (Chair)	Professor John McAuliffe
Mr Patrick Bugden	Ms Rowena McNally
Dr Michael Stanford	Dr Tracey Batten
Sr Antoinette Baldwin, RSJ	Most Rev Joseph Oudeman, OFM Cap DD
A/Prof. Kate Birrell	Dr Michael Walsh
Br Joseph Smith, OH	Mr Herbie O'Flynn
Ms Madonna McGahan	Ms Valerie Lyons
Mr Brendan Bowler	Ms Lynne Sheehan
Sr Berniece Loch, RSM	Sr Helen Monkivitch, RSM
Sr Therese Carroll, RSJ	

With the exception of Bishop Joseph Oudeman, each of the above represented religious congregations or organisations who were members of Catholic Health Australia Incorporated or were employees of organisations who were sponsored by the religious congregations or organisations who were members of Catholic Health Australia Incorporated.

During the year, membership fees and other fees were paid by the congregations or organisations, or the health and aged care facilities sponsored by the religious congregations or organisations, at the normal rate that applied to all members of Catholic Health Australia Incorporated for the 2011/12 year.

	2012 \$	2011 \$
<b>NOTE 14: CASH FLOW INFORMATION</b>		
<b>Reconciliation of cash flow from operations with profit after income tax</b>		
Profit after income tax	78,531	3,710
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
- Depreciation expense	15,907	16,260
- Interest	(120,441)	(131,883)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
- (Increase)/decrease in accounts receivable and other debtors	(63,688)	738,543
- (Increase)/decrease in prepayments	15,609	94,482
- Increase/(decrease) in accounts payable and other payables	(3,667)	(665,918)
- Increase/(decrease) in employee benefits	42,541	(766)
	(32,208)	54,478

## NOTE 15: FINANCIAL RISK MANAGEMENT

The association's financial instruments consist mainly of deposits with banks, local money market instruments, investments in listed shares, receivables and payable and leases liabilities.

The totals 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:

	Note	2012 \$	2011 \$
<b>Financial Assets</b>			
Cash and cash equivalents	5	198,339	290,635
Accounts receivable and other debtors	6,7	238,789	165,851
Investments	8	2,279,839	2,170,199
<b>Total financial assets</b>		<b>2,716,967</b>	<b>2,626,685</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost:			
- Accounts payable and other payables	10	473,700	477,367
<b>Total financial liabilities</b>		<b>473,700</b>	<b>477,367</b>

### Financial Risk Management Policies

The association's Treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The Treasurer monitors the association's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk and market risk.

The Treasurer's overall risk management strategy seeks to ensure that the association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

### Specific Financial Risk Exposures and Management

The main risks the association is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and other price risk. There have been no substantive changes in the types of risks the association is exposed to, how these risks arise, or the Committee'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 association.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits, and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

#### *Credit Risk Exposures*

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

There is no collateral held by the association securing trade and other receivables.

The association has no significant concentrations 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 6.

### **b. Liquidity risk**

Liquidity risk arises from the possibility that the association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

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.

### **c. Market Risk**

#### *i. Interest rate risk*

The association is not exposed to any significant interest rate risk since cash balances are maintained at variable rates.

#### *Sensitivity Analysis*

The following table illustrates sensitivities to the association's exposures to changes in interest rates. The table indicates the impact on how profit 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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

<b>Year ended 30 June 2012</b>	<b>Profit \$</b>	<b>Equity \$</b>
+/- 1% in interest rates	27,170	27,170
<b>Year ended 30 June 2011</b>	<b>Profit \$</b>	<b>Equity \$</b>
+/- 1% in interest rates	26,267	26,267

No sensitivity analysis has been performed on foreign exchange risk, as the association has no significant exposure to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

### Net Fair Values

#### Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. 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 value 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. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

		2012		2011	
	Footnote	Net Carrying Value	Net Fair Value \$	Net Carrying Value	Net Fair Value \$
<b>Financial assets</b>					
Cash and cash equivalents	(i)	198,339	198,339	290,635	290,635
Accounts receivable & other debtors	(i)	238,789	238,789	165,851	165,851
Investments - term deposits	(i)	2,279,839	2,279,839	2,170,199	2,170,199
<b>Total financial assets</b>		<b>2,716,967</b>	<b>2,716,967</b>	<b>2,626,685</b>	<b>2,626,685</b>
<b>Financial liabilities</b>					
Accounts payable and other payables	(i)	473,700	473,700	477,367	477,367
<b>Total financial liabilities</b>		<b>473,700</b>	<b>473,700</b>	<b>477,367</b>	<b>477,367</b>

The fair values disclosed in the above table have been determined based on the following methodologies:

- i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Accounts payable and other payables exclude amounts relating to the provision for annual leave, which is outside the scope of AASB 139.

### NOTE 16: EMPLOYEE BENEFITS

Current	2012 \$	2011 \$
Annual Leave	133,030	125,037
Long Service Leave	69,882	65,161
	202,912	190,198
<b>Non Current</b>		
Long Service Leave	29,827	-
<b>Total Employee Benefits</b>	<b>232,739</b>	<b>190,198</b>



### NOTE 17: BANK GUARANTEE

A Bank Guarantee of \$18,367 is held by the National Australia Bank. As at 30 June 2012 this guarantee has not been called upon by the bank.

### NOTE 18: FUNDING AGREEMENT

Catholic Health Australia Incorporated entered into contractual funding agreements with the Department of Health and Ageing to provide funding to eligible participants for the Specialist Training program and Bringing Nurses Back into the Workforce program. Under the terms of the agreement, Catholic Health Australia Incorporated acts as an agent for the Department of Health and Ageing. Catholic Health Australia Incorporated does not receive any economic benefit from the funding agreement. Therefore, the revenue and expenditure directly related to the funding agreement are not disclosed in the Statement of Comprehensive Income.

### NOTE 19: ASSOCIATION DETAILS

The registered office of the association is:

Catholic Health Australia Incorporated  
Level 1 Rowland House  
10 Thesiger Court  
DEAKIN ACT 2600

The principal place of business is:

Catholic Health Australia Incorporated  
Level 1 Rowland House  
10 Thesiger Court  
DEAKIN ACT 2600



## STATEMENT BY MEMBERS OF THE COMMITTEE

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**In the opinion of the committee the financial report as set out on pages 10 to 31:**

1. Presents a true and fair view of the financial position of Catholic Health Australia Incorporated as at 30 June 2012 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Catholic Health Australia Incorporated will be able to pay its debts as and when they fall due.

The statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

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Stewardship Board Member



**Mr Herbie O'Flynn**

Treasurer



**Mr Patrick Bugden**

Dated this ..... day of ..... AUGUST 2012

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# CATHOLIC HEALTH

Australia

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