



CATHOLIC HEALTH  
Australia

# ANNUAL REPORT

FOR THE YEAR ENDED

**30 JUNE 2018**

The Catholic Church in Australia  
Working in communion  
Providing the healing care of the hands of Jesus



1978-2018



*1st Australian Catholic Health Care Conference held in  
Melbourne 2nd-4th April, 1978.*





CATHOLIC HEALTH  
Australia



## TABLE OF CONTENTS

---

Chair of the Board's Report	1
Chief Executive Officer's Report	3
CHA's Board and Committees	7
Financial Report	12
Director's Report	13
Auditor's Independence Declaration	19
Statement of Comprehensive Income	20
Statement of Financial Position	21
Statement of Changes in Equity	22
Statement of Cash Flows	23
Notes to the Financial Statements	24
Director's Declaration	32
Independent Auditor's Report	33

80 hospitals and more than 25,000 aged care beds are operated by different bodies of the Catholic Church within Australia. 36,500 home care and support consumers are also supported. 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)

## CHAIR OF THE BOARD'S REPORT

---

*"Love for others cannot be reserved for exceptional moments, but must become the constant of our existence. That's why to the sick, even if in the last stage, we must give all possible assistance. This is why unborn children are always welcomed; that is why, ultimately, life must always be protected and loved from conception to its natural setting. And this is love."*

Pope Francis, during his Regina Coeli address Sunday, 6 May 2018

I am pleased to present this 2018 Annual Report for Catholic Health Australia in my first year as Chair of the Board. It has been a year of outreach and influence as CHA continues to support the unique role and continued presence of Catholic health, aged care and community care services within the broader Australian health system and community.

Catholic providers of health care services in Australia operate 80 hospitals – including 23 public hospitals and 17 hospitals located in rural or regional locations. Having this experience of the provision of both public and private not-for-profit healthcare places CHA, through its members, in a unique position with our relationship to the Federal government. The government has set itself an ambitious agenda, pursuing reviews of many aspects of health care, and CHA has taken advantage of this opportunity to actively engage with the government. As you will see in this Annual Report, CHA members and staff participate in a significant number of both internal and external committees on topics as diverse as the MBS Review, medical workforce planning, hospital cost data collection, clinical trials, and out of pocket costs.

The true celebration of our services however comes from those we serve. Our Catholic hospitals have a long tradition of providing excellent, person-centred care. Caring for the whole person expresses in a contemporary way, our concern for every human being and is founded in a respect for human dignity and life. Never has this been more acutely recognised that in our campaign against euthanasia, with CHA working with members across all Australian States and Territories to share our views. It is never permissible to purposefully end an individual's life through euthanasia or assisted suicide because we believe it compromises the inherent value of the person, and erodes trust in the medical profession who must care for individuals at all points in their journey. CHA advocates that high quality palliative and end of life care is the best solution to allow freedom of choice, comfort, dignity and respect as a person nears the end of life, not just for the individual, but also for the family and community that surrounds them.

Whilst caring for people at end of life is an honour, Catholic services also welcome about 44,500 babies born in our Catholic hospitals each year.

Turning to aged care, there are now over 25,000 residential aged care beds and over 7,000 seniors dwelling units in the Catholic sector. Working to support the government's agenda to encourage aging in place and care-in-the-home initiatives, there are over 36,500 home care and support consumers supported by Catholic providers.

This is a significant and meaningful contribution towards improving health and care outcomes in this country.

Continuing the healing ministry of Jesus in the twenty-first century gives us all an opportunity to encourage a culture of encounter, caring and healing. Through our services, Catholic providers communicate a message of compassion and hope, especially to the most disadvantaged. Our

members are amongst Australia's most trusted health and aged care service providers, working tirelessly to improve the quality of care as well as accessibility and affordability for all people.

Recognising the imperative to form the leaders of these health and aged care ministries, in July 2017, CHA launched the Ministry Leadership Program. The MLP links professional expertise with contemporary business and organisational best practice, providing a unique formation context. The program is modelled on the highly successful leadership formation program developed by the US-based Ministry Leadership Centre. The first cohort of participants has now completed the first year of the MLP, with CHA members reporting significant impact and integration of the benefits of the program.

The AGM last August saw members vote to approve the constitutional reforms that resulted from the active engagement of members with our Governance Review. I thank all members for their participation in this process, as feedback was essential to shape how Catholic Health Australia's governance arrangements could best position CHA to advance Catholic health, aged and community care services into the future.

There are two Board Directors whose time on the CHA Board came to a close during this year, and to whom I wish to convey the deep appreciation of the members, Board and CHA staff. Firstly, with special thanks and acknowledgement to Mr Anthony Howarth AO. Tony joined the Board from the AGM in August 2015, and became Board Chair in February 2016 until his retirement from the Board on 23 May 2018, when his term as Chair of St John of God Health Care also came to a close.

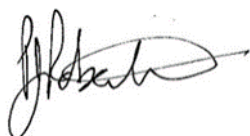
The other retiring Board member I wish to acknowledge is Mr Michael Roche AM. Mick joined the Board from the AGM in August 2012 and served as Deputy Chair of the Board and as Chair of the Finance Audit and Risk Committee. Mick led the Board's work on the Governance Review and remained on the Board to see that work completed at last year's AGM, then retiring from the Board in October 2017.

I'd like to acknowledge the extraordinary efforts that both Tony and Mick made in their work on the Board and particularly with the Governance Review and Constitutional reform process over the last few years. Their work was critical to set CHA up so well for the future.

This year we have welcomed Sr Marie Duffy to the Board as the nominee of Catholic Religious Australia and also the Hon John Watkins AM and the Hon Kerry Sanderson AC who are Board Chairs of the members that nominated them.

No directors will have their appointment ending at this year's AGM, and so I wish to convey my thanks to our on-going directors for their deep commitment to CHA.

Finally, I wish to thank our CEO, Suzanne Greenwood, the staff of Catholic Health Australia and all who make Catholic health and aged care services such an asset to the Church in Australia. May God continue to bless our members in their work in the year ahead and long into the future.



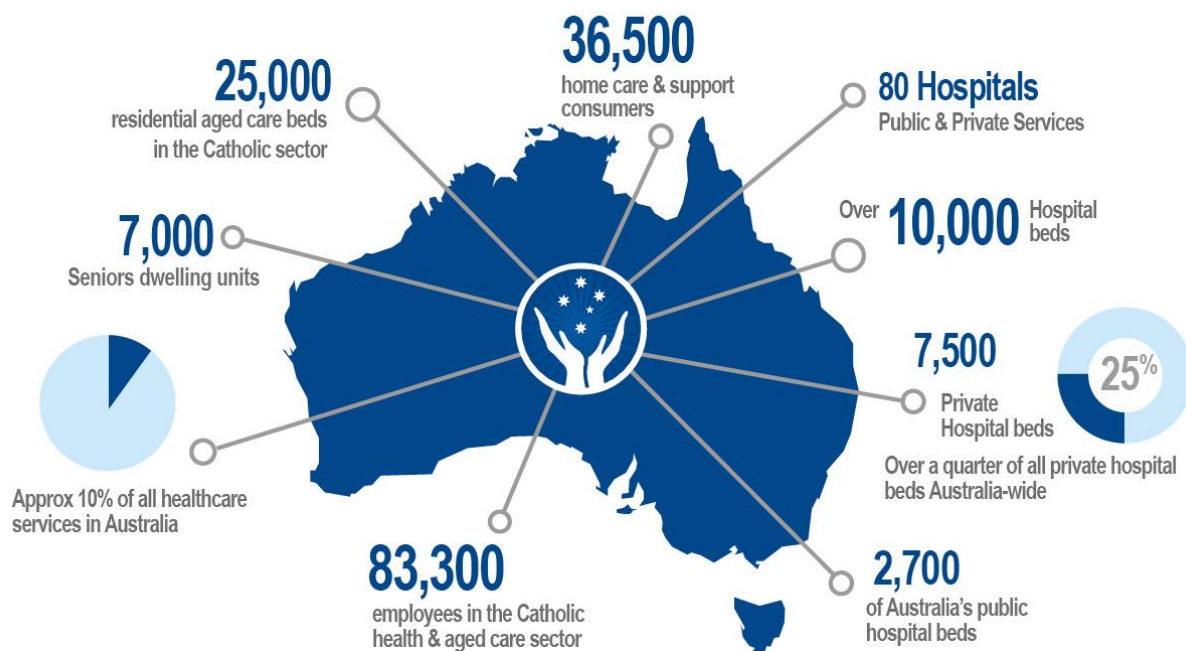
PAUL ROBERTSON AO

## CHA CHIEF EXECUTIVE OFFICER'S REPORT

*"Health is one of the most valuable gifts desired by all, ... The fathers of the Church used to refer to Christ and His work of salvation with the title 'Christus medicus.' He is the Good Shepherd who cares for the wounded sheep and comforts the sick. He is the Good Samaritan who does not pass by the injured person at the roadside, but rather, moved by compassion, cures and attends to him. The Christian medical tradition has always been inspired by the parable of the Good Samaritan."*

Pope Francis, June 2016

The Catholic Health Australia Shared Purpose Statement articulates the shared goals and vision underpinning our Catholic health and aged care services and is founded on the parable of the Good Samaritan. Under this vision, Catholic services continue as trusted providers of care within the broader Australian health system and community. Our services are growing, which means the number of people we care for each year is growing.



CHA members support patients and frail older Australians through their care journeys across the primary care, acute, residential and home care boundaries. It is the people of Catholic health and aged care who breathe life into this rich story and who share a culture of caring and compassion. The

experience of our members in doing so gives CHA a unique insight into how policy and legislative reform in Australia can improve service delivery sustainably into the future.

In the last twelve months, submissions on issues impacting our members together with our proposals for ongoing reform have been lodged on a diverse range of issues, including:

- End of Life Choices in the ACT, Western Australia and Victoria;
- Response to Inquiry into the Science of mitochondrial donation;
- Pricing Framework for Australian Public Hospital Services 2019-2020;
- The Religious Freedom Review of the Department of the Prime Minister and Cabinet;
- Submission to the Senate Education and Employment Legislation Committee;
- Our appearance before the hearings for the Foreign Influence Transparency Scheme Bill 2017;
- Pre-Budget Submissions 2018-19 for Health and for Aged Care;
- Private Health Insurance Reforms;
- Joint CSSA/CHA Submission on the Welfare Reform Bill 2017;
- Aged Care Workforce Strategy Taskforce Survey;
- House of Reps Inquiry into Quality of Care in Aged Care Homes 2017;
- Submission regarding an integrated care at home program to support older Australians;
- The Legislated Review of Aged Care;
- The Carnell-Paterson Review of National Aged Care Quality Regulatory Processes;
- Numerous Aged Care Financing Authority (ACFA) Reviews, including of the Bond Guarantee Scheme, of the Use of Residential Respite Care since the July 2014 Reforms and of how Aged Care Consumers Finance their Aged Care Costs;
- ACFA's Annual Report into the Funding and Financing of the Aged Care Sector;
- The Comparability of Home Care Service Prices;
- Policy intention to create a single home care and home support program;
- Review of alternative care funding models for residential aged care, including the Resource Utilisation and Classification Study;
- Development of a Workforce Strategy for the Aged Care Sector;
- The implementation of Health Care Homes, and
- The creation of a single quality framework across all aged care, and the introduction of unannounced accreditation site audits and cost recovery for unannounced visits.

In addition to submissions, CHA also released numerous media releases and policy updates on issues such as the Federal Budget, aged care funding, private health insurance and workforce issues. All submissions, reports and media releases are available on our website: [www.cha.org.au](http://www.cha.org.au)

CHA has continued to partner with other peak bodies to further strengthen the voice of the Australian health and aged care providers and consumers to government. One example is our ongoing partnering with the National Aged Care Alliance to progress reform towards increasing consumer choice and control of aged care services, including choice of residential care, home care or respite care and choice of service provider, and allowing providers greater flexibility to respond to consumer preferences.



CHA members also committed to the Ministry Leadership Program (MLP) being launched in Australia – with our first cohort commencing in July 2017 and our second cohort having commenced last month. The MLP is grounded in the wisdom of the Catholic tradition and is a fully integrated experience which links professional expertise with contemporary business and organizational best practice and provides a unique formation context for existing and emerging leaders. The importance of this initiative in the life of the Church in Australia cannot be over stated. I wish to acknowledge and thank CHA’s Director Mission Strategy, Susan Sullivan, who has been tireless in her devotion to bring this program to reality for members.

Each year, CHA gives special recognition to individuals and services who embody this through our various CHA Awards. Award winners in 2016/2017 were:

**2017 Maria Cunningham Lifetime Contribution Award**

Sr Jennifer Barrow LCM

**2017 CHA National Conference Annual Awards**

**Emerging Leader**

Zoe Islip  
St John of God Healthcare

**Nurse of the Year**

Sue Grasby  
Cabrini Health

**Leadership in Positive Ageing**

Capturing Quality of Life  
Southern Cross Care (SA & NT)

**Outreach Health Care**

MyNetCare  
Little Company of Mary Health Care Ltd

**Excellence in Pastoral Care**

Pastoral Care Team  
Mercy Hospital for Women/Werribee Mercy Hospital

**2017 Nursing & Midwifery Symposium**

**CHA Shark Tank Awards for Innovation in Nursing**

**Winner, Category One: Patient Quality and Safety**

Mater Health Services in North Queensland - the ‘Bubble Zone’

**Winner, Category Two: Technological Innovation**

Mater North Sydney - the ‘Mater Maternity App’



### **Winner, Category Three: Best Communication Strategies**

Cabrini Health - 'Eve'

### **2018 Research Symposium**

#### **CHA Shark Tank Awards**

3 winners:

- Dr Liisa Laakso, Mater Research/Mater Health Brisbane - Novel research investigating the effect of PBM for managing pain, swelling and functional performance after knee replacement surgery.
- Dr Gail Ross-Adjie, St John of God Murdoch Hospital - Falls after total hip and total knee replacement.
- Dr Elizabeth Hurrion, Mater Health Brisbane - SuPreme Study.

During the year, Catholic Health Australia also hosted many key events for our members, including the:

- National CHA Conference and Annual Awards presentation, August 2017 in Hobart.
- 2017 Annual General Meeting held during the Conference in Hobart.
- Aged Care Forum, "What Aged care Issues Keep you Awake at Night?" and "Increasing Opportunities for Collaboration by Catholic Providers in a More Competitive Aged Care Services Market", August 2017 in Hobart.
- Public seminar with Dr Carol Taylor, February 2018.
- Pastoral Care Forum, November 2017 in Melbourne.
- Nursing & Midwifery Symposium, November 2017 in Melbourne.
- Research Symposium, June 2018 in Brisbane.

CHA also continued to publish our flagship publication the quarterly Health Matters magazine, our Aged Care Updates, and our weekly e-newsletter.

The Decoding the Code on-line program in Catholic ethics for the health and aged care sector which we are conducting in partnership with the Australian Institute of Theological Education also had a further 2 student cohorts undertake the program, this time in Sydney and in Perth. Interest and enrolments in the course are exceeding all expectations and I highly recommend the program to you.

Finally, thank you to all CHA members, the Board, those who volunteer on our various committees and working groups and the CHA staff for contributing to our last year. I look forward to your ongoing commitment as we work in communion providing the healing care of the hands of Jesus.

God bless,



Suzanne Greenwood LLM LLB FIML MAICD MCHSM

## CHA'S BOARD AND COMMITTEES

---

### THE CHA BOARD OF DIRECTORS

**Mr Paul Robertson AO (Chair)**

**Mr Julien O'Connell AM**

**Sr Marie Duffy**

**Mr David Robinson**

**Mr Brian Flannery**

**Mr Richard Rogers**

**Bishop Robert McGuckin  
DD MCL JCL**

**Hon Kerry Sanderson  
AC**

**Mr Donald Neander**

**Hon John Watkins AM**

### THE AGED CARE COMMITTEE

**Mr David Maher (Chair)**  
Managing Director, Catholic  
Healthcare

**Mr John Leahy**  
Regional Chief Executive Officer,  
St Vincent's Health & Aged Care

**Ms Cheryl De Zilwa**  
National Director Community,  
LCM Healthcare

**Mr Brian McLoughlin**  
National Director Retirement  
Communities, LCM Healthcare

**Mr John Fitzgerald**  
Chief Executive, Catholic  
Homes

**Mr Paul McMahon**  
Chief Executive Officer, Southern  
Cross Care NSW & ACT

**Ms Anita Ghose**  
National Director Residential  
Aged Care, Mercy Health

**Ms Linda Mellors**  
Chief Operating Officer, Mercy  
Health

**Mr Tony Godfrey**  
Chief Executive Officer,  
Ozcare

**Mr David Moran**  
Chief Executive Officer, Southern  
Cross Care SA & NT

**Mr David Holden**  
Interim Chief Executive Officer,  
MercyCare WA

**Ms Joanne Penman**  
Executive Director Aged Care  
Services, MercyCare

**Mr Marcus Riley**

Chief Executive Officer,  
BallyCara

**Mr Nick Mersiades**

Director of Aged Care, Catholic  
Health Australia

**Ms Sonya Smart**

Chief Executive Officer, Villa  
Maria Catholic Homes

**Mr Richard Gray AM**

Senior Aged Care Advisor, Catholic  
Health Australia

**Mrs Suzanne Greenwood**

Chief Executive Officer, Catholic  
Health Australia

## THE MISSION AND IDENTITY COMMITTEE

**Mr Mark Green (Chair)**

National Director of Mission, LCM  
Health Care

**Ms Marcelle Mogg**

Group Director Mission Integration,  
St John of God Health Care

**Ms Julia Abrahams**

Director of Mission and Chief  
Counsel, Catholic Healthcare  
Limited

**Fr Cormac Nagle ofm**

Ethicist, Melbourne

**Sr Marie Duffy**

Institute of Sisters of Mercy of  
Australia and Papua New Guinea,  
Catholic Religious Australia

**Ms Eleanor Roderick**

Group Manager Pastoral Services,  
St John of God Health Care

**Ms Cath Garner**

Executive Director Mission &  
Strategy, Cabrini Health

**Ms Julia Trimboli**

Director of Mission Services,  
Cabrini Health

**Mr Tony Howarth**

Chair, St John of God Health  
Care Board, St John of God  
Health Care

**Mrs Suzanne Greenwood**

Chief Executive Officer, Catholic  
Health Australia

**Ms Lisa McDonald**

Group Mission Leader, St  
Vincent's Health Australia

**Mrs Susan Sullivan**

Director Mission Strategy, Catholic  
Health Australia

**Ms Madonna McGahan**  
Executive Director Mission  
Leadership, Mater Health Services

**Mrs Margaret Deerain**  
Mission Manager, Catholic Health  
Australia

## THE HEALTH SENIOR EXECUTIVE FORUM

**Dr Shane Kelly (Chair)**  
Group Chief Executive, Mater  
Health Services

**Dr Linda Mellors**  
Executive Director Health Services,  
Mercy Health

**Mr Martin Bowles**  
Group Chief Executive Officer,  
LCMHC

**Mr Bryan Pyne**  
Executive Director, St John of God  
Health Care

**Mr Stephen Brierley**  
Chief Executive, St Vincent's  
Hospital Lismore

**Ms Cathy Ryan**  
Group Manager, Health Funds, St John  
of God Health Care

**Ms Abbie Clark**  
Group Manager Advocacy, St  
Vincent's Health Australia

**Ms Lynne Sheehan**  
Chief Executive Officer, Mercy Central  
Queensland

**A/Prof Stephen Cornelissen**  
Group Chief Executive Officer,  
Mercy Health

**Ms Michelle Somlyay**  
Director Revenue Strategy, Mater  
Health Services

**Mr John Fogarty**  
Executive Director, St John of God  
Health Care

**Dr Michael Stanford**  
Group Chief Executive, St John of God  
Health Care

**Mr Toby Hall**  
Group Chief Executive, St  
Vincent's Health Australia

**Mr David Swann**  
CEO Sydney Private, St Vincent's Health  
Australia

**Mr Matthew Hanrahan**  
COO, LCM Health Care

**Dr Michael Walsh**  
CEO, Cabrini Health, Melbourne,  
Victoria

**Ms Robynne Kent**  
Chief Executive Officer, Canossa  
Private Hospital

**Ms Sue Williams**  
Chief of Health Operations, Cabrini  
Health

**Mr Gerard Wyvill**  
Chief Executive Officer, Mater  
Townsville

**Ms Annette Panzera**  
Director of Health Policy, Catholic  
Health Australia

**Mrs Suzanne Greenwood**  
Chief Executive Officer, Catholic  
Health Australia

**Ms Stephanie Panchision**  
Senior Health Policy Advisor, Catholic  
Health Australia

## THE DIRECTORS OF NURSING AND MIDWIFERY COMMITTEE

**Ms Leanne Boyd (Chair)**  
Executive Director of Nursing and  
Cabrini Institute, Cabrini Health

**Ms Catherine Hackney**  
Director of Nursing and Midwifery,  
Mercy Queensland

**Ms Michelle Barnard**  
Director of Nursing and  
Midwifery, Mercy Queensland

**Ms Katherine Jackman**  
Director of Learning and  
Development, Mater Brisbane

**Mr Callan Battley**  
Chief Nursing & Midwifery  
Officer, Mater Brisbane

**Ms Jennifer Pitt**  
Director of Nursing, Mater Public  
Hospital Brisbane, Mater Health  
Services

**Ms Karen Clark**  
Executive Director of Nursing &  
Midwifery, St Vincent's Health  
Australia Private

**Ms Kris Salisbury**  
National Director Clinical Services,  
LCMHC (Calvary)

**Ms Sharon Donovan**  
Executive Director of Nursing &  
Midwifery, Mercy Health

**Ms Pam Walsh**  
Director of Nursing and Midwifery,  
Mater Mackay

**Ms Cynthia Dowell**  
Group Director Nursing, St John of  
God Health Care

**Ms Annette Panzera**  
Director of Health Policy, Catholic  
Health Australia

**Ms Karen Gerrard**  
Executive Director Nursing, Mater  
Hospital Townsville, Mater Health  
Services

**Ms Emma Hoban**  
Health Policy Officer, Catholic Health  
Australia

**CHA also has the following *internal* working committees and reference groups:**

CHA Policy Committee (PHI Reforms)  
CHA Learning and Development Working Group (Reports to DONM committee)  
Victoria's 'Voluntary Assisted Dying' Act (2017) CHA Response Taskforce  
CHA Research Network  
CHA Prostheses Working Group  
CHA Pathology Member Group  
CHA HosPharmacy Reference Group  
CHA Public Hospital Advisory Group  
CHA Mental Health Working Group  
CHA Oncology Working Group  
CHA Chief Medical Officers

**CHA also represents members on the following *external* committees:**

Private Health Ministerial Advisory Committee (PHI Reforms)  
PHI Reforms - Ministerial Advisory Committee on Out of Pocket costs  
PHI Reforms - New Models of Care Sub-Committee – Rehab  
Prostheses List Advisory Committee  
Benefits Setting Industry Working Group  
Department of Industry/Department of Health - Clinical Trial Advisory Committee  
Department of Health - Clinical Trials Collaborative Forum  
Department of Health Sector Group for the Trusted Information Sharing Network  
Department of Health - MBS Review Clinical Committees  
Department of Health - Pathology Business Group  
Private Hospital Sector Committee of Australian Commission on Safety and Quality  
Australian Private Hospitals Association/CHA Joint Workforce Committee  
National Medical Training Advisory Committee (NMTAN) Executive Committee  
Independent Hospital Pricing Authority National Hospital Cost Data Collection - Private Sector forum  
Independent Hospital Pricing Authority Stakeholder Advisory Committee - Health Technology Policy Advisory Committee  
Independent Hospital Pricing Authority Joint Teaching, Training & Research Working Group  
Office of the CNMO - Nursing and Midwifery Strategic Reference Group  
Catholic Negotiating Alliance/CHA reps

**CATHOLIC HEALTH AUSTRALIA LIMITED**

**ABN 30 351 500 103**

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**



## CATHOLIC HEALTH AUSTRALIA LIMITED

### DIRECTORS' REPORT

Your directors present this report on the company for the financial period ended 30 June 2018.

#### Directors

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

Mr Paul Robertson AO (Chair)	Current
Sr Antoinette Baldwin, RSJ	Resigned 28 August 2017
Sr Marie Duffy	Commenced 8 November 2017
Mr Brian Flannery	Current
Most Rev Robert McGuckin DD MCL JCL	Current
Mr Anthony Howarth AO	Resigned 23 May 2018
Mr Donald Neander	Current
Mr Julien O'Connell AM	Current
Fr Joseph Parkinson	Resigned 28 August 2017
Mr David Robinson	Current
Mr Michael Roche AM	Resigned 19 October 2017
Mr Richard Rogers	Current
Hon Kerry Sanderson AC	Commenced 23 May 2018
Hon John Watkins AM	Commenced 5 December 2017

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 the company during the period were to promote justice and compassion in health care, influence public policy in relation to health and aged care, and strengthen the presence and influence of Catholic health and aged care within the Australasian health care system.

#### Short-term and long-term objectives

The company's short-term objectives are to advance health, social, and public welfare as the national advocate for the healing Ministry of the Catholic Church in Australia by supporting the service capacity and promoting the Catholic identity of its members, to contribute to the fulfilment of the Mission of the Catholic Church.

The company's long-term objectives are to pursue direct benevolent relief of illness, direct benevolent relief of the needs of the aged, and direct benevolent relief of poverty as a social determinant of health for the benefit of all Australians.

#### Strategies

The company has adopted a strategic plan to operate through the period 1 July 2016 to 30 June 2020. The three strategic priorities of that plan are:

- Advocacy: promote catholic health, aged and community care services' unique role and continued presence within the broader Australian health system and community.
- Relationships: support catholic health, aged and community care services to reflect the life of the Catholic Church.
- Capability: build the capacities of our people in support of catholic health, aged, and community services.

## CATHOLIC HEALTH AUSTRALIA LIMITED

### DIRECTORS' REPORT (CONTINUED)

<b>Antoinette Baldwin</b>	-	La Salle Health Coordinator
Qualifications	-	RN BA, MHA, EdD, MACN
Experience	-	Sister of St Joseph with experience and expertise in clinical nursing, education and administration in midwifery, women's health, paediatrics and aged care. Former Chair, Deputy Chair and Director of various Hospital and Aged Care Boards
Appointment	-	CHA Constitution Rule 22(d) – Catholic Religious Australia
Special responsibilities	-	Deputy Chair, Catholic Health Australia Board until 28 August 2017
<b>Sr Marie Duffy rsm</b>	-	Sisters of Mercy Councillor
Qualifications	-	Master of Health Management; Post Graduate Certificates in Gerontology and Midwifery
Experience	-	Director of Nursing/CEO Mercy Hospital and Marianella Nursing Home Albury; Mission Integration at Mercy Health and Aged care Central Queensland
Appointment	-	CHA Constitution Rule 22 (d) – Catholic Religious Australia
<b>Brian Flannery</b>	-	Managing Director and CEO White Energy
Qualifications	-	Bachelor of Engineering
Experience	-	<ul style="list-style-type: none"> <li>Chairman of Mater Misericordiae Board of Directors.</li> <li>Member of Mater Planning and Strategy; Finance; Remuneration and People and Learning Committees.</li> <li>Director of several diverse companies.</li> </ul>
<b>Anthony Howarth AO</b>		
Qualifications	-	Cit WA, Hon LLD W Aust, SF Fin FAICD
Experience	-	<ul style="list-style-type: none"> <li>Executive career in local and international banking and finance, with senior positions in regional and major banks, building societies and stockbrokers.</li> <li>Chairman St John of God Health Care Inc; Chairman MMA Offshore Ltd; Non- executive Director, Wesfarmers Ltd, BWP Management Pty Ltd and Alinta Energy;</li> <li>Member of industry and community organisations including: Chairman of Western Australian Rugby Union and Member Rio Tinto WA Future Fund.</li> <li>Past Chairman Alinta Limited, Home Building Society Ltd, the Australian Chamber of Commerce and Industry, the International Chamber of Commerce of Australia, the Committee for Perth.</li> <li>Past Deputy Chairman of Bank of Queensland Ltd and Senator of University of Western Australia.</li> <li>Deputy Chair UWA Business School, Adjunct Professor (Fin. Mgt.) UWA Business School</li> </ul>
Appointment	-	CHA Constitution Rule 22(a)(iv)
Special responsibilities	-	Chair, Catholic Health Australia Board from 25 February 2016 to 23 May 2018
<b>Robert McGuckin DD MCL JCL</b>	-	Bishop of Toowoomba
Qualifications	-	MCL; JCL
Experience	-	Bishop of Toowoomba; member of the Bishops Commission for Health and Community Services; Chair of the Bishops Commission for Canon Law

## CATHOLIC HEALTH AUSTRALIA LIMITED

### DIRECTORS' REPORT (CONTINUED)

Appointment	-	CHA Constitution Rule 22(c) – Australian Catholic Bishops Conference
<b>Donald Neander</b>		Building Contractor
Qualifications		Carpenter and Joiner
Experience		Don has taken an active role in the planning of building works associated with all SCC (Qld) complexes. He is a qualified carpenter and joiner and has run his own building business since 1974. Don, has been a long serving Board Member and now undertakes the role of Chairman. He has previously been a member of the State Council of the Knights of Southern Cross and held the positions of State Chairman and Deputy National Chairman of the KSC.
Appointment		CHA Constitution Rule 22(f) from 16 February 2017
<b>Julien O'Connell AM</b>	-	Accountant
Qualifications	-	Diploma of Accounting Fellow of the Australian Institute of Company Directors
Experience	-	Chairman, Mercy Health Director of a number of related entities Enterprise Ireland (Trade Attache) Board Member, Finance Council, Catholic Archdiocese of Melbourne Chairman, CEO Institute (Syndicate 4) - Mentoring to CEO and Chairs of Member Companies
		Member, Council of Board Chairs (State Government of Victoria) Member, Equestrian Order of the Holy Sepulchre of Jerusalem Fellow, Australian Institute of Company Directors Pro Chancellor, Australian Catholic University Chair, PM Glynn Institute
Appointment	-	CHA Constitution Rule 22(a)(i) from 25 August 2016
<b>Joseph Parkinson</b>	-	Director, L J Goody Bioethics Centre, Perth WA
Qualifications	-	STL (Alphonsian Academy, Rome); PhD (UNDA)
Experience	-	Priest of Archdiocese of Perth 33 years; 1988 Catholic Moral Theology Association of Australia & New Zealand 1989-1993 Committee for the Conduct of Ethical Research, Edith Cowan University 1992-1996 Human Rights Committee, University of Western Australia 1992-1994 Governor, University of Notre Dame Australia 1997-2006 Confidentiality of Health Information Committee, Department of Health WA 1999 St John of God Health Care (Western Region) Ethics Committee 2000 Reproductive Technology Council, DoH WA

## CATHOLIC HEALTH AUSTRALIA LIMITED

### DIRECTORS' REPORT (CONTINUED)

	2002-2010	MercyCare Ethics Committee, Mt Lawley WA
	2003-2007	Sessional Lecturer (Moral Theology & Bioethics), Notre Dame Australia
	2006	Clinical Ethics Consultancy, Women and Children's Health Services WA
	2010	Trustee, St John of God Healthcare
	2013	Honorary Fellow, Australian Catholic University
Appointment	-	CHA Constitution Rule 23.3
Special responsibilities	-	Chair, CHA Pathways Taskforce
<b>Paul Robertson AO</b>		
Qualifications	-	B.Comm; FCPA
Experience	-	<ul style="list-style-type: none"> <li>Former Executive Director of Macquarie Bank with extensive experience in banking, finance and risk management.</li> <li>Chair, Social Ventures Australia</li> <li>Chair, St Vincent's Health Australia Group of companies</li> <li>Chair, Trustees of St Vincent's Hospital Sydney</li> <li>Chair, Tonic Health Media</li> <li>Director, Dementia Australia</li> <li>Director, Financial Markets Foundation for Children</li> <li>Director, Telco Together Foundation.</li> </ul>
Appointment	-	CHA Constitution Rule 22(a)(iii) from 2 November 2015
Special responsibilities	-	Chair, Catholic Health Australia Board from 23 May 2018 to present.
<b>David Robinson</b>		
Qualifications	-	Bachelor of Arts (Economics) and Bachelor of Laws degrees
Experience	-	Following a career as a lawyer and company secretary of AMP, David was a non-executive director in the for-profit sector (companies in the CBA and AMP Groups) and in the not-for-profit sector (Monte Sant' Angelo Mercy College Limited). He is currently Chair of the Catholic Healthcare Limited Board. David is a member of the Australian Institute of Company Directors.
<b>Michael Roche AM</b>		
	-	Consultant
Qualifications	-	BA (Accounting); FCPA; MACS
Experience	-	Deputy chair, Little Company of Mary Healthcare Ltd; Member LCMHC Ltd Audit Committee; Board Member Maritime Australia Limited; Chair Aerospace, Maritime and Defence foundation of Australia Ltd Group Audit Committee; Member Audit Committee (Civil Aviation Safety Authority) Member Audit Committee (Department of the Environment); Former Under Secretary Defence Materiel; Former Deputy Chief Executive Australian Customs Service; Former Deputy Secretary Commonwealth Department of Health

## CATHOLIC HEALTH AUSTRALIA LIMITED

### DIRECTORS' REPORT (CONTINUED)

Appointment	-	CHA Constitution Rule 22(a)(ii)
Committee Membership	-	Chair, Board Finance, Audit and Risk Committee until 19 October 2017
<b>Richard Rogers</b>	-	Consultant
Qualifications	-	
Experience	-	Chairman, Cabrini Health Limited. Chairman of Cabrini Major Projects Committee, Chairman Nominations Committee, Member of Cabrini Audit & Risk Management Committee, Cabrini Foundation and Patient Experience & Clinical Governance Committee. Richard is a property developer and former Deputy Chair of Gandel Philanthropy. He is an advisor to company boards and mentor to a number of young people. Richard is also heavily involved in community activities and is a former President of a number of Jewish community organisations.
<b>Hon Kerry Sanderson AC</b>		
Qualifications	-	Bachelor of Science; Bachelor of Economics; Hon DLitt (UWA); Doctor of the University (Murdoch University); FAICD; FIPAA.
Experience	-	Current Chair and former Board member of St John of God Health Care Inc; Chancellor elect of Edith Cowan University; former Governor of Western Australia; Chair of the WA Parks Foundation; former Chair of Gold Corporation; former independent chair of the State Emergency Management Committee; former Non-Executive Director of Downer EDI and Atlas Iron; former Board Member of Senses Australia, the Paraplegic Benefit Fund and former patron of a number of organisations; former Agent General for WA, CEO of Fremantle Ports, Deputy Director General of Transport for WA and Director of the Economic and Financial Policy Division of the Western Australian State Treasury.
Appointment	-	CHA Constitution Rule 22 (a) (iv)
<b>Hon John Watkins AM</b>		
Qualifications	-	LLB; Master of Arts; Diploma of Education; Hon DLitt Macq
Experience	-	A member of the Advisory Committee for the Centre of Emotional Health at Macquarie University; served as UNE Chancellor between 2013 and 2014; Non-executive director and Chair of the McKell Institute and Mary MacKillop today, and a member of the Board of Catholic Professional Standards. Chancellor of the University of New England; former CEO of Alzheimer's Australia NSW; Member of Parliament (NSW) 1995-2008 where he served, for 10 years, as a minister holding portfolios of Fair Trading; Sport and recreation; Police and Corrective Services; Transport; Finance; State Development; Education and Deputy Premier
Appointment	-	CHA Constitution Rule 22 (a) (ii)

## CATHOLIC HEALTH AUSTRALIA LIMITED

### DIRECTORS' REPORT (CONTINUED)

#### Meetings of Directors

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

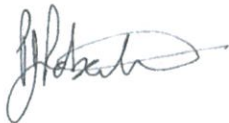
	Number eligible to attend	Number attended
Mr Paul Robertson AO (Chair)	6	5
Sr Antoinette Baldwin RSJ	2	2
Sr Marie Duffy	3	2
Mr Brian Flannery	6	4
Most Rev Robert McGuckin	6	6
DD MCL JCL		
Mr Anthony Howarth AO	5	5
Mr Don Neander	6	5
Mr Julien O'Connell AM	6	4
Rev Dr Joe Parkinson	2	2
Mr David Robinson	6	6
Mr Michael Roche AM	3	3
Mr Richard Rogers	6	5
Hon Kerry Sanderson AC	1	1
Hon John Watkins AM	3	2

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 \$10 each towards meeting any outstanding obligations of the company. At 30 June 2018, the total amount that members of the company are liable to contribute if the company is wound up is \$10. At 30 June 2018, the number of members was 55.

#### Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 9 of the financial report.

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



Mr Paul Robertson AO  
Chair, Catholic Health Australia



The Hon John Watkins AM  
Director, Catholic Health Australia

**RSM Australia Partners**

Equinox Building 4, Level 2, 70 Kent Street Deakin ACT 2600  
GPO Box 200 Canberra ACT 2601

T +61(0) 2 6217 0300  
F +61(0) 2 6217 0401

[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Catholic Health Australia Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, 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.

A handwritten signature in black ink that reads 'RSM Australia Partners'.**RSM Australia Partners**A handwritten signature in black ink, appearing to be 'Rodney Miller'.

**RODNEY MILLER**  
Partner

Canberra, Australian Capital Territory  
Dated: 8<sup>th</sup> August 2018

**THE POWER OF BEING UNDERSTOOD**  
**AUDIT | TAX | CONSULTING**

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards legislation.



**CATHOLIC HEALTH AUSTRALIA LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018**

		<b>2018</b>	<b>2017</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Revenue	2	2,867,598	2,826,749
Other income	2	65,823	70,344
		<u>2,933,421</u>	<u>2,897,093</u>
Employee benefits expense		(1,542,221)	(1,568,099)
Bad Debt expense and fee adjustments	5A	(9,670)	(36,668)
Depreciation expense	8B	(11,351)	(21,141)
Consultancy expenses		(127,570)	(122,682)
Conference expenses		(280,895)	(312,949)
Design/Artwork/Production		(15,838)	(20,509)
Rental expenses		(72,504)	(71,112)
Office supplies/printing/postage		(58,166)	(59,172)
Phone and Internet Expense		(17,010)	(34,427)
Sponsorship/donation expense		(13,000)	(21,000)
Travel expenses		(155,183)	(201,045)
Venue and Venue Hire Expense		(8,878)	(18,535)
Accounting expenses	3	(20,383)	(18,723)
Insurance expenses		(51,562)	(41,006)
Workshops and conferences attended		(29,408)	(36,640)
Ministry Leadership Program	14	(361,242)	(19,905)
Other expenses		(119,303)	(142,582)
<b>Surplus/(deficit) before income tax</b>		<u><b>39,237</b></u>	<u><b>150,898</b></u>
Tax expense		-	-
<b>Net surplus/(deficit)</b>		<u><b>39,237</b></u>	<u><b>150,898</b></u>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income</b>		<u><b>39,237</b></u>	<u><b>150,898</b></u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

**CATHOLIC HEALTH AUSTRALIA LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash on hand	4	485,824	253,026
Accounts receivable and other debtors	5	158,647	237,245
Other current assets	6	217,527	172,992
Investments	7	2,487,493	2,432,242
<b>Total current assets</b>		<b><u>3,349,491</u></b>	<b><u>3,095,505</u></b>
<b>Non-current assets</b>			
Property, plant and equipment	8A	12,507	18,311
Intangible assets	13	280,255	352,158
<b>Total non-current assets</b>		<b><u>292,762</u></b>	<b><u>370,469</u></b>
<b>TOTAL ASSETS</b>		<b><u>3,642,253</u></b>	<b><u>3,465,974</u></b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and other liabilities	9	828,282	720,985
Employee provisions	10	292,715	262,970
<b>Total current liabilities</b>		<b><u>1,120,997</u></b>	<b><u>983,955</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>1,120,997</u></b>	<b><u>983,955</u></b>
<b>NET ASSETS</b>		<b><u>2,521,256</u></b>	<b><u>2,482,019</u></b>
<b>EQUITY</b>			
Retained Earnings		2,482,019	2,331,121
Surplus/(Deficit) for the year		39,237	150,898
<b>TOTAL EQUITY</b>		<b><u>2,521,256</u></b>	<b><u>2,482,019</u></b>

The above statement of financial position should be read in conjunction with the accompanying notes

**CATHOLIC HEALTH AUSTRALIA LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018**

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 30 June 2016</b>	2,331,121	2,331,121
Surplus/(Deficit) for the year attributable to members of the entity	150,898	150,898
<b>Balance at 30 June 2017</b>	<b>2,482,019</b>	<b>2,482,019</b>
Surplus/(Deficit) for the year attributable to members of the entity	39,237	39,237
<b>Balance at 30 June 2018</b>	<b>2,521,256</b>	<b>2,521,256</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes

**CATHOLIC HEALTH AUSTRALIA LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from memberships, workshops and sales		3,242,425	3,449,427
Payments to suppliers and employees		(2,944,271)	(3,221,414)
Interest received		57,215	66,234
Net cash generated from operating activities		<u>355,369</u>	<u>294,247</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for Property, Plant and Equipment		(5,547)	(6,438)
Payment for Intellectual Property and software		(61,773)	(352,158)
(Purchase)/Sale of Investment		(55,251)	19,395
Net cash generated from investing activities		<u>(122,571)</u>	<u>(339,201)</u>
Net increase in cash held		232,798	(44,954)
Cash on hand at beginning of the financial year		253,026	297,980
Cash on hand at end of the financial year	4	<u><u>485,824</u></u>	<u><u>253,026</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

## CATHOLIC HEALTH AUSTRALIA LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

The financial statements cover Catholic Health Australia Limited as an individual entity, incorporated and domiciled in Australia. Catholic Health Australia Limited is a company limited by guarantee.

The financial statements were authorised for issue on 5th August 2018 by the directors of the company.

#### **New or amended Accounting Standards and Interpretations adopted**

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

#### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **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 - Reduced Disclosure Requirements and Interpretations of the Australian Accounting Standards Board ('IASB'). 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.

##### **Accounting Policies**

###### **a. Revenue**

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

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

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

Revenue from the provision of membership subscriptions is recognised on a straight-line basis over the membership period.

Donations and bequests are recognised as revenue when received.

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

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

Conference revenue is recognised in the period the conference is held.

Revenue from the Ministry Leadership Program is recognised upon the delivery of classroom sessions to participants.

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

## CATHOLIC HEALTH AUSTRALIA LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### b. Property, Plant and Equipment

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

##### Depreciation

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

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%
Furniture and fittings	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 or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

#### c. Intangible Assets

Intangible assets relates to purchase of core material (intellectual property & Website) for Ministry Leadership programme. Intangible assets are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Intangible costs are amortised on a straight line basis over a useful life of three years.

##### Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

#### d. 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 entity, are classified as finance leases.

Finance leases are capitalised, recognising 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 entity 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 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.

## CATHOLIC HEALTH AUSTRALIA LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### e. 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, salaries and sick leave. 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 government 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.

#### f. Cash and cash equivalent

Cash on hand includes 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.

#### g. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold 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.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

##### Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

#### h. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the 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.



# CATHOLIC HEALTH AUSTRALIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### h. Goods and Services Tax (GST) (continued)

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.

### i. Income Tax

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

### j. Provisions

Provisions are recognised when the entity 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.

### k. Accounts Payable and Other Payables

Accounts payable 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.

### l. Critical Accounting Estimates and Judgements

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

#### Key Judgements

##### i) *Employee benefits*

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

	2018 \$	2017 \$
<b>NOTE 2. REVENUE AND OTHER INCOME</b>		
Revenue:		
Membership subscription	2,055,839	2,106,412
Workshop and conference	412,545	616,650
Ministry Leadership Programme	281,694	19,327
Sale of goods	21,304	37,087
Sponsorships	55,500	47,273
Grant income	40,716	-
	<u>2,867,598</u>	<u>2,826,749</u>
Other revenue:		
Interest received	57,215	66,234
Other income	8,608	4,110
	<u>65,823</u>	<u>70,344</u>
Total revenue	<u><u>2,933,421</u></u>	<u><u>2,897,093</u></u>

**CATHOLIC HEALTH AUSTRALIA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 3. ACCOUNTING AND AUDITING FEES</b>		
Accounting fees	3,383	2,223
Audit services	17,000	16,500
Total accounting expenses	<u><b>20,383</b></u>	<u><b>18,723</b></u>

<b>NOTE 4. CASH ON HAND</b>		
Cash at bank – unrestricted	485,524	252,726
Cash float	300	300
Total cash on hand	<u><b>485,824</b></u>	<u><b>253,026</b></u>

<b>NOTE 5. ACCOUNTS RECEIVABLE AND OTHER DEBTORS</b>		
Accounts receivable	185,071	263,636
Provision for doubtful debts	5A (26,424)	(26,391)
Total current accounts receivable and other debtors	<u><b>158,647</b></u>	<u><b>237,245</b></u>

<b>NOTE 5A. PROVISION FOR DOUBTFUL DEBTS</b>		
Movement in the provision for doubtful debts is as follows:		
Opening balance at 1 July 2017	26,391	22,580
Charge for year	9,670	36,668
Written off	(9,637)	(32,857)
Provision for doubtful debts as at 30 June 2018	<u><b>26,424</b></u>	<u><b>26,391</b></u>

Provision relates primarily to members no longer receiving services from Catholic Health Australia.

<b>NOTE 6. OTHER CURRENT ASSETS</b>		
Accrued income	5,750	5,650
Conference clearing account – payments in advance for conference to be held after year end	58,190	31,084
Prepayments	148,490	134,258
Nursing and midwifery Symposium	5,097	2,000
	<u><b>217,527</b></u>	<u><b>172,992</b></u>

<b>NOTE 7. INVESTMENTS</b>		
Investment – term deposits*	<u><b>2,487,493</b></u>	<u><b>2,432,242</b></u>

\*All the term deposits above held with bank with terms less than 12 months.

**CATHOLIC HEALTH AUSTRALIA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 8A. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Motor Vehicle</b>		
At cost	34,438	34,438
Accumulated depreciation	(34,438)	(34,438)
	<u>-</u>	<u>-</u>
<b>Office furniture:</b>		
At cost	308,727	303,181
Less accumulated depreciation	(296,220)	(284,870)
	<u>12,507</u>	<u>18,311</u>
<b>Fixtures and fittings:</b>		
At cost	30,860	30,860
Accumulated depreciation	(30,860)	(30,860)
	<u>-</u>	<u>-</u>
Total property, plant and equipment	<u><b>12,507</b></u>	<u><b>18,311</b></u>

**NOTE 8B. 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:

	<b>Motor vehicle</b>	<b>Office furniture</b>	<b>Fixture &amp; Fittings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
As at 1 July 2017	-	18,311	-	18,311
Additions at cost	-	5,547	-	5,547
Depreciation expense	-	(11,351)	-	(11,351)
<b>As at 30 June 2018</b>	<u>-</u>	<u><b>12,507</b></u>	<u>-</u>	<u><b>12,507</b></u>

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 9. ACCOUNTS PAYABLE AND OTHER LIABILITIES</b>		
Accrued expenses	49,690	26,560
Annual conference clearing account	57,660	96,902
Funds held for programs	36,219	36,219
Other payables	12,987	13,445
Trade payables	65,947	83,893
Unearned income*	605,779	463,966
	<u><b>828,282</b></u>	<u><b>720,985</b></u>

\*Balance relates primarily to course fees and other revenue received in advance for the Ministry Leadership Program.

**NOTE 10A. EMPLOYEE PROVISIONS**

Opening balance at 1 July 2017	262,970	312,363
Additional provisions raised during period	108,131	28,724
Amounts used	(78,386)	(78,117)
Balance at 30 June 2018	<u><b>292,715</b></u>	<u><b>262,970</b></u>

**CATHOLIC HEALTH AUSTRALIA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>NOTE 10B. ANALYSIS OF EMPLOYEE PROVISIONS</b>		
Current:		
Annual leave entitlements	173,045	154,293
Long service leave entitlements	119,670	108,677
Total current employee provisions	<u>292,715</u>	<u>262,970</u>

**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.

**NOTE 11. CAPITAL AND LEASING COMMITMENTS**

Not later than 12 months	84,617	84,317
Later than 12 months but not later than five years	799,459	883,775
	<u>884,076</u>	<u>968,092</u>

**NOTE 12. KEY MANAGEMENT PERSONNEL**

**Key management personnel**

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

Key management personnel compensation:

Short-term benefits (salary and leave provisions)	244,615	250,144
Post-employment benefits (superannuation)	20,048	19,616
Other long term benefits - Long service leave	4,000	4,000
	<u>268,663</u>	<u>273,760</u>

**NOTE 13. INTANGIBLE ASSETS**

Intellectual property and Software (Ministry Leadership Program) - at cost	413,931	352,158
Less: Accumulated amortisation	(133,676)	-
	<u>280,255</u>	<u>352,158</u>

## **CATHOLIC HEALTH AUSTRALIA LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

#### **NOTE 14. THE MINISTRY LEADERSHIP PROGRAMME**

The Ministry Leadership Project (MLP) is an initiative of Catholic Health Australia being a formation program for executive leaders of Catholic ministries. The MLP is modelled on the leadership formation program developed by the US-based Ministry Leadership Centre (MLC). CHA has purchased from the MLC the formation pedagogy, program content, website and supporting documents (intellectual property), consultation services and formator services, support and training. The agreement provides for support from 2017 – 2019, with a perpetual, royalty-free licence to use the intellectual property. The MLP, for accounting purposes, is an intangible asset of Catholic Health Australia which will be amortised over the 3 year life of the agreement. Course revenues and course costs are recognised as the course modules are delivered.

#### **NOTE 15. ENTITY DETAILS**

The registered office of the company and the principal place of business is:  
Catholic Health Australia Limited  
Level 2, 51 Cooyong Street  
Braddon ACT 2612

#### **NOTE 16. 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 \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2018, the number of members was 55.

**CATHOLIC HEALTH AUSTRALIA LIMITED**

**DIRECTORS' DECLARATION**

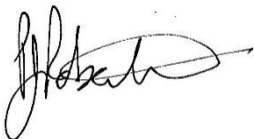
In accordance with a resolution of the directors of Catholic Health Australia Limited, the directors declare that:

1. The financial statements are in accordance with the *Australian Charities and Not-for-profit Commission Act 2012* and:
  - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position of the company as at 30 June 2018 and of its performance for the period 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 a resolution of the Board of Directors.

---

Paul Robertson (Chair)



Dated this \_\_\_\_8th\_\_\_\_ day of \_\_\_\_August\_\_\_\_ 2018

# **RSM Australia Partners**

Equinox Building 4, Level 2, 70 Kent Street Deakin ACT 2600  
GPO Box 200 Canberra ACT 2601

T +61(0) 2 6217 0300

F +61(0) 2 6217 0401

[www.rsm.com.au](http://www.rsm.com.au)

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CATHOLIC HEALTH AUSTRALIA LIMITED**

### **Opinion**

We have audited the financial report of Catholic Health Australia Limited ("the entity"), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

In our opinion, the financial report of Catholic Health Australia Limited 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 entity's financial position as at 30 June 2018 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards – Reduced Disclosure Requirements. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Catholic Health Australia Limited in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### **Other Information**

Those charged with governance are responsible for the other information. The other information comprises the information included in Catholic Health Australia Limited's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

## **THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING**

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards legislation **CHA Annual Report 2017/2018, page 33 - -**



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Report**

The management of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the management 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.

In preparing the financial report, management is responsible for assessing Catholic Health Australia Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Catholic Health Australia Limited or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



**RSM Australia Partners**



**RODNEY MILLER**  
Partner

Canberra, Australian Capital Territory  
Dated: 8<sup>th</sup> August 2018



CATHOLIC HEALTH  
Australia