ANNUAL REPORT 2019 – 2020

THE AUSTRALIAN COUNCIL
ON HEALTHCARE STANDARDS

INSPIRING EXCELLENCE IN HEALTHCARE

Common acronyms included in this Report:
ACHS – The Australian Council on Healthcare Standards
ACHSI – ACHS International
ACSQHC – The Australian Commission on Safety and Quality in Health Care
ACIR – Australasian Clinical Indicator Report
EQuIP – Evaluation and Quality Improvement Program
EQuIPNational – The EQuIPNational program
EQuIP7 – the 7th edition of the ACHS Evaluation and Quality Improvement Program
NSQHSS – National Safety and Quality Health Service Standards
SAC – State Advisory Committee

The Australian Council on Healthcare Standards Annual Report 2019 - 2020

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“Inspiring Excellence in Healthcare”

ACHS's FUTURE VISION IS:

Our Mission

ACHS provides a partnership approach to continuous improvement tailored to the needs of individual services and health systems using its expertise in standards, accreditation, education and training.

Our Vision

Our vision statement is focused on our core business. We aspire to excellence in all aspects of healthcare and want to inspire others to strive for excellence.

Our Values

Values are the key foundation to our organisation. They describe what is important to us and frame how we work.

Working Together
We work with our stakeholders to achieve goals

Accountability
We take responsibility for our performance

Commitment
We are committed to fostering an innovative and outcomes driven culture

Adaptability
Our flexibility enables us to adapt and embrace change

Responsiveness
We are quick to respond to the needs of our members and the ever-changing health landscape

Excellence
We strive for excellence in everything we do.

Strategic Goals

Our Strategic Goals for the future continue to be:

1 Provide industry-leading customer service
To listen and be responsive to our customers' needs; tailoring our approaches to organisational maturity and progress against their improvement journeys.

2 Inspire individual and organisational performance
Inspire our organisation and our people to always be the best by ensuring our workplace celebrates and fosters creativity and innovation and, by providing strong leadership which creates a values-based organisational environment.

3 Expand and grow our business
Build our business reach by strategically seeking out new opportunities that foster national and international recognition.

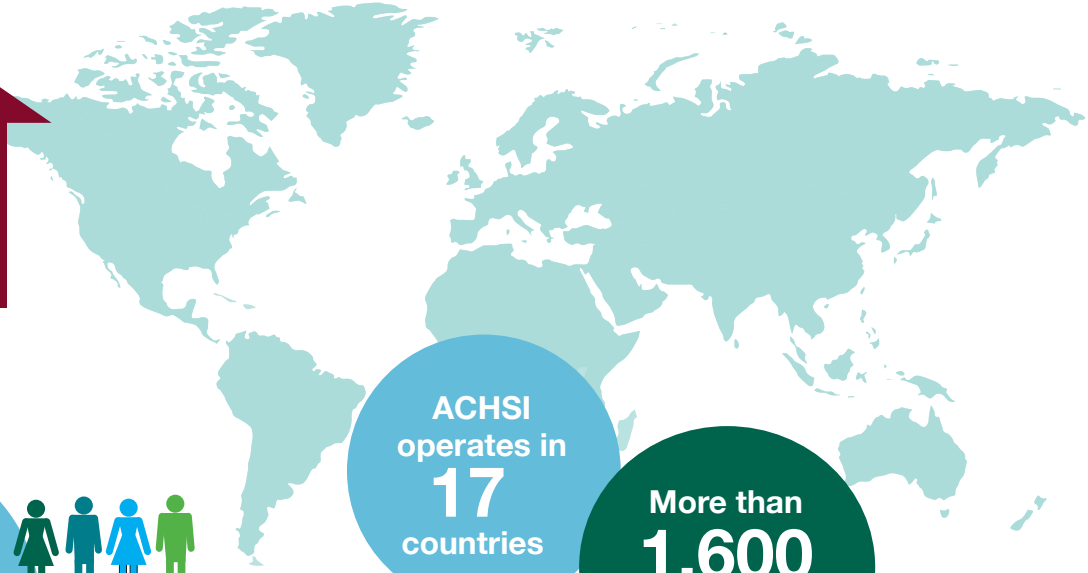
4 Build strategic alliances and partnerships
Create strong partnerships and alliances that support collaboration and engagement and uphold, develop and build on our vision.

5 Ensure sustainability
Deliver an efficient and financially sustainable business model underpinned by high standards of accountability and quality assurance.

6 Share our knowledge
Empower our members and stakeholders to deliver quality healthcare by supporting learning and development, using data to create knowledge and, actively seek new opportunities to share information that drives improvement.

ABOUT ACHS

Established in 1974

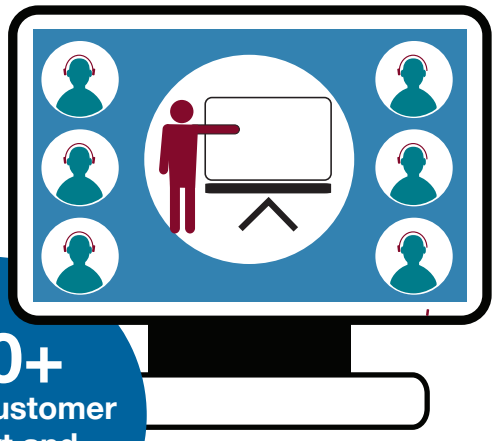


ACHSI operates in 17 countries

More than 1,600 members in Australia

The Council represents 21 member organisations

More than 230 Australian assessors and 70 international assessors



180+ Onsite customer support and virtual meetings

2,971 participants in Improvement Academy courses and webinars

More than 600 healthcare organisations reported 28,770 individual clinical indicators

4 Quality Improvement Awards

+ 13 'Highly Commended' commendations

OUR IDENTITY
A corporate overview

Our History

The Australian Council on Healthcare Standards (ACHS) is now into its fifth decade having celebrated its 46th anniversary in 2020.

Since its establishment in 1974, the ACHS has been the pre-eminent, independent, not-for-profit organisation focussing on improving the quality of healthcare through standards and accreditation.

Over the past 15 years it has built its global influence as both a developer of healthcare standards and accreditation agency and has expanded its expertise through education, training and consultancy services.

The ACHS Board and CEO

The Council

The Council exists to support and direct Australia's largest healthcare accreditation agency.

- In 2018 - 19 there were 21 Council member organisations with 23 Council member representatives, drawn from peak bodies in the health industry, as well as representatives from governments, consumers and life members. ACHS is governed by a Board of nine Directors.
- We support both the national accreditation system as well as developing our own accreditation programs, suitable for use in a range of countries
- ACHS has an enviable reputation as an independent, healthcare accreditation provider currently exporting its successful program of accreditation to 17 countries.

ACHS Assessors

ACHS is privileged to have the services of our assessors who enable us to deliver a strong accreditation program nationally and overseas.

- We currently have more than 230 Australian assessors, and more than 70 international assessors
- ACHS invests in education and development of our assessors to build on their professional knowledge
- The majority of our assessors continue to work in full-time roles as health professionals.

Funding

As a not-for-profit, ACHS is a company limited by guarantee, and as such is recognised by the Australian Securities and Investments Commission (ASIC).

Most of our funding is derived from membership fees.

Our education services attract a broad cross-section of the health community and this supplements our income streams.

Partnerships

ACHS continues its role as a leader in the Australian accreditation system.

- We work in a range of different partnerships that are either mutually supportive or jointly collaborative in nature.
- We aim to work across the healthcare industry and bring value to the different areas we support.

PRESIDENT'S MESSAGE

The disruption brought to the world by the COVID-19 pandemic will be remembered for many years.

As will the way in which our communities have sought to adapt and make the most of an unusual time.

While isolation and social distancing have been enforced, travel has been restricted, and virtual meetings now replace face-to-face gatherings, the resilience and adaptability of ACHS stands us in good stead.

It has been pleasing to see the determination behind the Executive team and staff of ACHS to ensure continued development of the business as it adapts and meets challenges in this new environment. Despite all these challenges and the effective postponement of accreditation assessments, the Board of ACHS is pleased with the company's position and is confident as to its future.

In 2019-2020, two Board appointments were made at the ACHS Annual General Meeting on Thursday 28 November, 2019 – Professor Geoffrey Dobb (Member-elected) and Mr Michael Roff (Board appointed).

It was with great sadness this year that we noted the passing of long-standing Councillor Dr Eva Raik AM, who was a strong champion of the ACHS and its mission.

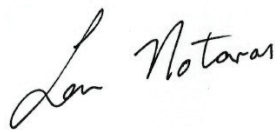
A new world has emerged this year, socially as well as in business, and that new world for now involves each of us learning to live with and respond to a COVID-19 environment.

I am pleased with the direction ACHS has been taking to adapt to this new world and to ensure we maintain the relevance and status of ACHS as a leader in healthcare and the healthcare community. We owe this to our members, to the consumers of healthcare and we owe it to the providers of healthcare alike. Australia as a whole has been a gold standard for the world.

While there has been considerable disruption to our domestic and international business, it is not insurmountable, and time has been put to good use to adapt to the changing world.

While we make these changes, our overall strategic aim remains very much the same and the Board and myself thank all staff for their work and efforts during these unusual circumstances. It is worth remembering, that crucial during these times are communications, consistency, compliance, collaboration and perhaps most important of all, compassion.

Finally, on behalf of the Board and myself, I express my sincere thanks to our new CEO Dr Karen Luxford, the Executive Directors and the whole ACHS Team for their unswerving professionalism, commitment and dedication throughout the last 12 months. It has been a unique challenge, and I am proud to say that each and every one has risen to the several challenges in an impressive manner.



Professor Len Notaras AM
President

CHIEF EXECUTIVE OFFICER'S MESSAGE

While there have been many challenges throughout 2019 - 2020 at a business, community and societal level, for ACHS our focus has continued to be safety and quality – now as important as ever.

With the pausing of accreditation assessments by the Australian Commission on Safety and Quality in Health Care (ACSQHC) since late March 2020, onsite assessments with members have been on hold. Throughout this time our devoted Team has continued to engage our members through a COVID Resource centre, educational webinars, international forums as well as personalised time with our Customer Services Managers. While our focus is very much on the re-starting of accreditation assessments in the near future, there has been scope to also ensure our valued assessors remain engaged with regular meetings, as well as educational opportunities to maximise this time.

The next generation of our own Evaluation and Quality Improvement Program – EQuIP7 has progressed well and pilot testing will soon be underway. We are excited to bring this new updated program, in a modular format, to the market next year.

Our Improvement Academy refocused from large face-to-face events to offering online webinars (including a free series), which have been a resounding success. We could not have predicted how popular these webinars, all delivered to a very high standard, would be.

Internationally, we have strengthened our Middle East presence with a new office in Dubai Healthcare Centre opened in early February, along with the appointment of a Regional Director who understands the region well.

Throughout this time of upheaval and constant change, we have had the strategic guidance of the Board of Directors who I would like to thank for their support and strong commitment to ACHS.

Since commencing working from home on 25 March, we have sought to keep our staff actively engaged and productive during this period, while also considering their overall well-being. The opportunity to stop, reflect and examine what future innovative opportunities could be realised has also kept us focused on the future as we drive our business forward. We have adapted well during this pandemic, with regular weekly CEO updates from myself, action team meetings and we continued to communicate regularly with our members, keeping them well informed.

I am excited about the course we are charting and the many new initiatives that we have been working on to release in the near future. I wish to also express my sincere thanks to all staff and our Assessors for their commitment and contributions throughout this year.

Dr Karen Luxford
ACHS and ACHSI Chief Executive Officer

OUR PERFORMANCE

Governance

A call for nominations was sent out to Council for one Member-elected position to the Board. One nomination was received, and in accordance with the ACHS Constitution.

No ballot was required, and Professor Geoffrey Dobb was appointed to the position unopposed at the Annual General Meeting, on 28 November, 2019.

The Board decided to also appoint a Board-Appointed Member. The Nominations Committee met and made a recommendation to the Board, and the Board approved the appointment of Mr Michael Roff in the Board-Appointed position.

ACHS engaged with our members at the Australasian College of Health Service Management (ACHSM) Asia-Pacific Health Leadership Congress on the Gold Coast (9 -11 October 2019).

Highlights

Key highlights in the past year were:

- Several significant improvements have been made to ART2 in response to our members' feedback and following the introduction of the National Safety and Quality Health Service (NSQHS) Standards second edition.

- The Annual Dinner was held following the November Council meeting and AGM to celebrate the announcement of the QI Award winners, the announcement of the ACHS Medalist and the formal launch of the 20th edition of the *Australasian Clinical Indicator Report.* Publicity from this launch received national media coverage as a page 3 story in *"The Australian"* newspaper.

- ACHS accredited the National Critical Care and Trauma Centre (NCCTRC) in Darwin as Australia's first fully equipped portable field hospital, to ACHS's Evaluation and Quality Improvement Program (EQuIP6). The accreditation demonstrates that the NCCTRC has the capability to effectively meet internationally-recognised health standards that underpin patient safety and quality issues.

- ACHS became a partner of the global Patient Safety Movement, one of the biggest global movements to protect patient safety with a mission to eliminate preventable deaths globally. As a committed organisation, ACHS will share Actionable Patient Safety Solutions (APSS) with our members to improve patient safety.

- ACHS welcomed Susan Frampton (Planetree International President) to speak to invited guests and staff on person-centred care in 2020 and beyond. Susan covered the current trends and the impacts of technology on care and a videoed interview with the CEO was disseminated to our members.

- ACHS International formally opened a new business office in the Dubai Healthcare City during the Arab Health conference on 29 January. The new office opening was launched by the Consul-General of Australia at his residence in Dubai. A new Regional Director of ACHSInternational Middle East commencing in April and is based in our office in Dubai Healthcare City.

- The first edition of the Cancer Care Clinical Indicators was developed following the inaugural Cancer Care Working Party meeting held late 2019 and endorsed this year by the Clinical Oncology Society of Australia (COSA).
  The working party had representatives from key stakeholders such as Cancer Council Australia, Royal Australian and New Zealand College of Radiologists, Cancer Institute NSW, Cancer Nurses Society of Australia, ICON Cancer Care, Peter MacCallum Cancer Centre, Society of Hospital Pharmacists of Australian and representatives from Primary Cancer Care, Private Hospitals and the community.

With the onset of the COVID-19 pandemic in late February – March, ACHS launched an online Resource Centre to provide helpful guidance for our members to support their staff.

- Due to the pandemic, ACHS advised accreditation members that all in-person activities and onsite accreditation assessments are postponed. ACHS paused NSQHS Standards assessments in alignment with the directive from the Australian Commission on Safety and Quality in Health Care (the Commission), and paused EQuIP Standards assessments in alignment with the directive from the ACHS Board.

- This decision was made to ensure the safety of health service organisation staff, patients and assessors, and to allow frontline healthcare professionals to focus their full efforts on addressing the possible impacts of COVID-19. During this period, current accreditation has been maintained for all health service organisations.

- ACHS and ACHS International Assessors continued to maintain their skills during the pandemic with our online education forums. A new web-based training module and opportunities were developed, along with ongoing updates from ACSQHC.

- ACHS partnered with the Digital Health Co-operative Research Centre (DHCRC), a national collaborative research group in February to investigate how better to achieve data support of healthcare accreditation processes.

- In response to feedback from our customers, ACHS developed EQuIP7 in a modular program that consists of a set of core standards used by every EQuIP member, plus a module containing elements specific to the healthcare service. The new format will provide a more tailored program, with content applicable for individual healthcare services.

- The St John of God Health Care group renewed their contract with ACHS for accreditation to the NSQHS Standards. The membership covers all their hospitals, day procedure centres, and healthcare at home services located in Western Australia, Victoria, and New South Wales.

- Southern NSW Local Health District (SNSWLHD) continued its longstanding relationship with ACHS by renewing its contract for accreditation to the NSQHS Standards. It is one of the largest Local Health Districts in NSW with 18 public hospitals and health services.

ACHS MEDAL

The following citation was given on 28 November 2019

Citation for the 2019 ACHS Medal winner awarded to A/Prof Leslie Reti AM

"The ACHS Medal is now in its 35th year and provides a valuable spotlight for encouraging personal performance and recognition in the health quality and safety arena.

It continues to recognise an individual's outstanding contribution to the promotion of quality and safety in Australian health services.

The award is ACHS's highest award and tonight I can announce that the 29th recipient of the ACHS Medal is A/Prof Leslie Reti AM. Congratulations Leslie on this award and I will now read an excerpt of the Citation which accompanies the Medal."

"For outstanding achievement in the promotion of quality in health care"

Associate Professor Les Reti's commitment to Australian women's health and public health as a personal physician, innovator and advocate, is without peer.

Since graduating with an MBBS in 1972, Dr Reti has become respected not only for his clinical obstetrics and gynaecology expertise, but also for his dedicated leadership in improving the quality and safety of healthcare on local, state and national levels.

As well as a Senior Gynaecologist at the Royal Women's Hospital in Melbourne (the Women's), he is the Director of Clinical Governance; a Lecturer at University of Melbourne, and Adjunct Associate Professor of Public Health at La Trobe University.

He has been a highly valued Board Member of Peter MacCallum Cancer Centre since December 2013, is Chair of their Quality Committee, is on their Research Committee and is a past member of their Finance Committee.

Dr Reti spent five years as an academic Obstetrician and Gynaecologist at the University of Melbourne and Leicester University in the UK before his appointment to the Women's in Melbourne in 1982.

He became Head of Unit in 1989 and from 1994-95 was Chairman of the Gynaecology staff.

Dr Reti ensured the future commitment to quality and safety at the Women's by lobbying successfully for the inclusion of quality improvement in the training of O&G trainees, leading to the development of a 12-month position for a trainee as a Fellow in Quality and Safety. This led to a more thorough, cohesive and transparent assessment and reporting system at the Women's.

In his professional roles over a 40-year career he has been instrumental in promoting and leading quality improvement across the hospital.

With his knowledge and compassion he has developed and championed some of Victoria's most successful and well-regarded programs with women's health and wellbeing at their core.

For 29 years Dr Reti has been dedicated to preventing violence against women.

He has guided policy and developed progressive programs and new systems which have made a direct and positive difference to the health and well-being of thousands of people.

He has had many significant roles - too numerous to list here - on quality and safety committees including some high-profile appointments.

Leslie Reti has shown genuine and insightful understanding of the systemic issues which affect women, especially our most vulnerable women.

Many in the community would not know him, but most of us have benefited from his work as an innovator always striving for excellence.

Congratulations Dr Reti AM.

Professor Leslie Reti AM received the ACHS Medal 2019 from Professor Len Notaras AM at the ACHS Annual Dinner 2019.

QUALITY IMPROVEMENT AWARDS

Two Sydney hospitals and an ACT hospital were the winners in the annual ACHS Quality Improvement (QI) Awards 2019.

Calvary Public Hospital Bruce in partnership with Capital Health Network, Royal Prince Alfred Hospital in partnership with Chris O'Brien Lifehouse Medical Physics Team, and the Royal North Shore Hospital, each took out an award, demonstrating their leadership status as innovators in different aspects of healthcare.

ACHS CEO Dr Karen Luxford presented the awards in three categories – Clinical Excellence and Patient Safety, Non-Clinical Service Delivery, and Healthcare Measurement. A fourth, new category – 'Global Quality Improvement Winner' was won by the National Critical Care and Trauma Response Centre, Northern Territory.

The QI Awards 2019 were presented at the Stamford Plaza Airport, Mascot, Sydney.

Team members from Calvary Public Hospital Bruce, ACT with their QI Award for the 'Clinical Excellence and Patent Safety' category.

Team members from Royal Prince Alfred Hospital in partnership with Chris O'Brien Lifehouse presented with their QI Award for the 'Non-Clinical Service Delivery' category.

Calvary Public Hospital Bruce in partnership with Capital Health Network won the Clinical Excellence and Patient Safety Award for their 'Trialling a Geriatric Rapid Acute Care Service in the ACT'.

The **Non-Clinical Service Delivery Award** was won by Royal Prince Alfred Hospital in partnership with Chris O'Brien Lifehouse Medical Physics Team for their 'Collaboration and Development of an Innovative Total Body Irradiation (TBI) Bed for the Best Patient Care'.

Royal North Shore Hospital won the **Healthcare Measurement Award** for their 'Reducing Inappropriate Arterial Blood Gas Testing in a Quaternary Intensive Care Unit'.

The National Critical Care and Trauma Response Centre based in Darwin won the new **Global Quality Improvement Award**. This award recognises projects that are using Australian healthcare standards to strengthen quality improvement frameworks internationally.

The breadth of entries this year demonstrated the strong value attached to developing patient safety and quality projects in healthcare.

The judges were very impressed with the quality of entries and the amount of innovation employed.

Each of the winners has created a substantial improvement in health by implementing a quality improvement activity within the last two years which demonstrates measurable results that benefits patients or staff.

ACHS hosts these awards to recognise the effort going into delivering innovate and effective solutions in complex environments that will make a noticeable difference for patients.

Team members from Calvary Public Hospital Bruce, ACT presented with their QI Award for 'Clinical Excellence and Patient Safety' category by ACHS President Professor Len Notaras AM.

Team members from Royal North Shore Hospital, NSW with their QI Award for the 'Healthcare Measurement' category.

Team members from the National Critical Care and Trauma Response Centre, NT presented with their QI Award in the new 'Global Quality Improvement' category.

INTERNATIONAL

Here is a snapshot of our international work and how we will continue to be the trusted healthcare quality improvement partner to organisations across the world.

Everything we do is focused on supporting organisations to continually improve the safety, quality, value and outcomes of care provided to their patients and community.

To continue expanding our global reach and improving support to our members, we have:

Invested in regional presence

- Dubai – ACHS International Middle East in Dubai Healthcare City
- Hong Kong – ACHS International Asia Pacific

Participated in key conferences

- Arab Health (Dubai) – Silver Sponsors
- Health Management Asia (Vietnam)

Platinum Sponsors

- International Health Federation World Congress (Oman)

Developed a global network of representatives

- Vietnam
- Japan
- Sri Lanka
- United Arab Emirates

Increased our global Assessor cohort with training programs conducted in:

- Dubai
- Hong Kong
- Shanghai
- Colombo

Key Achievements

- Established ACHS International Middle East FZ LLC
- Welcomed our Regional Director Middle East

We are committed to innovation and thinking differently about how we partner with our members and have introduced:

- The Safe Healthcare Advisory Program (SHEAP) in partnership with the Joint Commission of Taiwan,
- The Healthcare Quality Improvement (HQI) Foundations course, delivered in conjunction with the University of Wollongong in Dubai,
- Additional member support services such as coaching, expert guidance, and global organisation connections,
- A new dedicated website (www.achsi.org) and updated Member Portal,
- A Global Lifelong Learning campaign to connect our network with international expertise, perspectives, and insights,
- A public COVID-19 Resource Centre to assist healthcare providers navigate the global pandemic.

Key Facts

21 Number of onsite assessments conducted in FY20

45 number of offsite assessments conducted in FY20

84 number of full members active in FY20

17 number of countries in which we operate

5 consultancies and readiness diagnostic assessments conducted

70 international based assessors

Signing of a Memorandum of Understanding between the Joint Commission of Taiwan and ACHS International.

ACHS International continued to participate in international healthcare conferences and invest in its regional presence, globally.

Dr Karen Luxford speaking at the Health Management Asia conference, in Hanoi, Vietnam in September 2019.

Dr Karen Luxford and Dr Lena Low (Centre) were welcomed by the KARS Group from Indonesia.

CUSTOMER SERVICES AND DEVELOPMENT

Customer Services Managers

The Customer Services Managers (CSMs) are responsible for contract management of all national accreditation contracts and the provision of ongoing customer support in the implementation of accreditation programs.

This ongoing customer support is delivered via videoconference, telephone, email and onsite visits by CSMs who are experienced health professionals. Access to ongoing customer support is available to member organisations throughout the entire accreditation process and this level of customer support is highly regarded and valued by our member organisations.

Key Achievements

- National St John of God Health Care group contract signed
- Successful Tasmania Statewide Mental Health Services Request for Quote
- Successful Western NSW Local Health District Expression of Interest
- 180+ customer support onsite and virtual meetings.

Standards and Product Development

Standards and Product Development (SPD) are responsible for the generation and maintenance of ACHS quality improvement programs including EQuIP, EQuIP Day Procedure Centres, EQuIP Haemodialysis Centres, EQuIP Oral Health Services, EQuIP Aged Care Services, EQuIP Primary Health Care Services, and EQuIP Healthcare Support Services.

SPD prepares submissions to the Australian Commission on Quality and Safety in Healthcare (ACSQHC) for accreditation approval and responses to annual ACSQHC feedback reports. This unit also develops resources and specialist publications to support ACHS programs. SPD works in consultation with key internal and external stakeholders to ensure program development reflects current health priorities and contemporary best practice.

SPD contributes to various special projects undertaken by ACHS, as well as industry consultations, the development of relevant healthcare Standards with Standards Australia and representation on external Committees on behalf of ACHS.

The ACHS annual Quality Improvement (QI) Awards acknowledge and encourage outstanding quality improvement activities, programs, or strategies that have been implemented in healthcare organisations. This unit co-ordinates the Awards program.

Key Achievements

- An expert led, structural change to the EQuIP program with finalisation and Board endorsement of EQuIP7 Core standards for all EQuIP members.
- Development, finalisation, and Board endorsement of EQuIP6 Primary Healthcare Standards for the International market.
- Development, finalisation, and Board endorsement of ACHS – KARS SNARS - EQuIP module for dual accreditation with Indonesia.
- Introduction of the Global Quality Improvement Award in the ACHS Quality Improvement Awards Program.

Performance and Outcomes Service

The ACHS Performance and Outcomes Service Unit coordinates the development, collection, analysis and reporting of clinical indicators. The ACHS Clinical Indicator Program is Australia's longest running clinical indicator program and has more than 320 clinical indicators across 20 specialty medical disciplines. The program operates by facilitating benchmarking with participating healthcare organisations at an organisational, peer, and national level.

Key Achievements

- Assisted more than 660 healthcare organisations reporting 28,770 individual clinical indicators across both Australia and overseas.
- Four clinical indicator sets were reviewed and updated (Anaesthesia & Perioperative Care, Intensive Care, Gynaecology, and Pathology).
- A new indicator set for Cancer Care was developed with a range of leading Australian cancer treatment organisations and published for use.
- Promoted the Clinical Indicator Program through 34 one-hour training sessions to both domestic and international members.

Standards Committee

The Standards Committee is a permanent standing sub-committee of the ACHS Board with a pivotal role in guiding and refining development of new ACHS standards and programs, and reviewing proposed changes to existing ACHS Standards. The Committee reports its recommendations directly to the ACHS Board.

The Standards Committee has broad representation from across the health care sector, including members with experience as ACHS assessors. Committee membership is drawn from both the public and private sectors and includes clinicians, consumers, senior health administrators, allied health professionals, and quality managers. Standards Committee membership includes representation from New Zealand.

International representation from Asia and the Middle East is also provided on Standards Committee working groups.

Dr Philip Hoyle was Chair of the Committee during the period 2019-2020. Committee membership also includes the President of the ACHS and the ACHS Chief Executive Officer. The Standards Committee is administered by the ACHS Standards and Product Development Unit, led by the Executive Director - Customer Services and Development. A major focus for the Standards Committee during 2019-2020 was the development of the EQuIP7.

Name	Organisation	Representation
Ms Margo Carberry	Community Health Manager, Hunter New England Health, NSW	Rural / Public Sector / Allied Health / Community Health / ACHS assessor
Ms Cathy Cummings	Managing Director, DAA Group Ltd (Designated Audit Agency), NZ	DAA / New Zealand
Ms Helen Dowling	Senior Project Officer, eHealth & Medication Safety, Australian Commission on Safety and Quality in Health Care	Regional / Public Sector/ Allied Health / ACHS Assessor
Assoc Prof Brett Emmerson AM	Executive Director, Division of Mental Health Services, Royal Brisbane & Women's Hospital & Health Service, QLD	Mental Health / Public Sector / ACHS Councillor / ACHS Board member / ACHS Assessor
Dr Philip Hoyle (Chair)	Director of Medical Services, Royal North Shore Hospital, NSW	Clinician / Public Sector / ACHS Assessor
Ms Cathy Jones	National Manager Quality & Compliance, Healthscope, Vic	Private Sector
Ms Joanne Levin	Chief Executive, Belmont Private Hospital, QLD	Private Sector
Adjunct Associate Professor Karen J Linegar	Executive Director of Nursing and Midwifery, North West Area Health Service, Tas	Nursing / Public Sector
Dr Karen Luxford	Chief Executive Officer ACHS	*ex-officio*
Prof Len Notaras AM (ACHS President)	Executive Director of the National Critical Care and Trauma Response Centre	*ex-officio*
Ms Samantha Sanders	Nurse Director, Women's Perioperative and Ambulatory Care, Mackay Hospital and Health Service, QLD	Public Sector

CORPORATE AND ASSESSOR DIVISIONS

The Corporate and Assessor Divisions (CAD) support the entire organisation and its external stakeholders.

Key responsibilities of the CAD include;

- Management of all aspects of the assessor cohort,
- Management of the IT infrastructure and software of ACHS,
- Management of ACHS finances,
- Administration of the ACHS State Advisory Committees (SACs),
- Internal and external data reporting and analysis,
- As well as the administration of the accreditation processes.

Assessor Division

The ACHS Assessor Division aims to provide and support a professional, contemporary and responsive cohort of trained Assessors to meet the varied needs of member organisations, and also to independently, effectively and comprehensively assess across a range of quality and safety Standards both domestically and internationally.

The Assessor Division aims to support this process and our valued assessor cohort with; competency-based induction and orientation programs, ongoing education, training and support, feedback from members and peers and regular communication, and collaborative opportunities to apply their collective learnings and knowledge. Our goal is to promote quality and safety in healthcare through vigorous accreditation assessment with an emphasis on ongoing improvement to support evaluation and positive outcomes.

Key Achievements

- In April 2020 ACHS was awarded a full four-year accreditation of its Assessor training programs (including induction / orientation, and ongoing training and development) against the ISQua IEEA Guidelines and Standards for Assessor Training Programs, with an overall score of 99%.
- The Assessor Division conducted two Assessor Competency Training programs for new assessors in both Australia and the Middle East and a refresher program for assessors in Hong Kong.
- Annual Training Forums were held for our Lead Assessors and separately in each state for the broader assessor cohort.
- Regular virtual meetings were established with domestic and international assessors and have proven a valuable communication and learning resource.
- The ACHS assessor cohort comprises 241 Assessor in Australia (57 of whom are Lead Assessors) and 72 internationally based Assessors in Hong Kong and the Middle East.

Assessor Division

1. **95%** members satisfied or very satisfied that the experience and expertise of Assessors match their organisation.
2. **97%** of assessors and lead assessors attended required education.
3. **95%** of assessment reports completed within expected time frames.

Information Technology

1. **99.7%** uptime of external IT systems including ACHS Website, EAT, ART2, and PIRT.
2. **99.9%** of data backups completed successfully.

• Hardware and software upgraded to current technology and to support current accreditation products

Retiring Assessor Acknowledgements – 2019-20

Assessor	Joined	Total Assessments	Total Assessor Days	Years as Assessor
Dr Margaret Cowling	2014	11	44	5
Dr Bernadette Eather	2012	7	30	7
Ms Patricia Canning	1995	69	123	24
Dr David Lord	2007	48	184	12
Dr John Powers	2007	24	92	12
Mrs Carolyn Saunders	2012	16	54	7
Ms Leisa Rathbone	2010	11	40	9
Mr Peter Conaghan	2009	23	71	10
Dr Susan Sdrinis	2008	18	72	11
Mr Neville Phillips	2005	37	118	14
Ms Kim Primmer	2008	11	33	11
Mrs Kym Volp	1999	91	194	20
Ms Barbara Slaughter	2010	24	98	10
Ms Joan Sheppard	2010	18	34	10
Dr John Reilly	2002	24	93	18
Dr Ares Leung	2009	9	42	11

Finance and Human Resources Administration

• Unqualified audit report received.
• 7.4 years average length of service for employees.
• All paper-based systems and processes replaced with electronic systems and processes.

Business Services

• 100% of data requests were accurate, provided within the requested timeframe and received no negative feedback.
• 1-day average from date of request to date of provision of data reports.
• 99% of criteria achieved the highest rating level with ACHS assessor training program re-accredited by IEEA to April 2024.

Accreditation Administration Services

• 94% of reports processed within expected timeframes.
• 98% of new memberships processed within three days.
• 97% of accreditation outcomes processed within two working days.

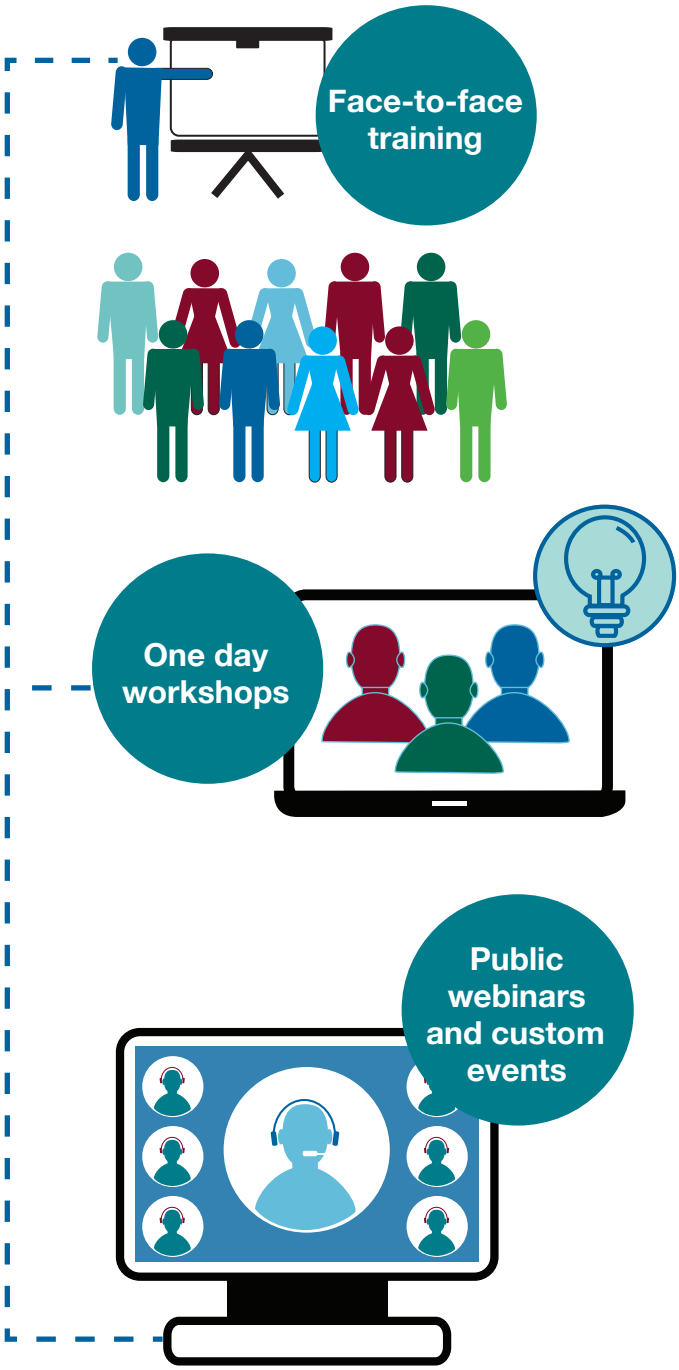
THE IMPROVEMENT ACADEMY

The Improvement Academy provides highly-regarded contemporary training programs that meet the needs of a dynamic and complex healthcare system.

Now in its fifth year the Academy continues its strong focus on building capability in quality improvement, clinical services redesign and patient safety. Its target audience is frontline clinicians, senior managers, executives and board members.

Due to the pandemic, in March 2020 the Academy moved the majority of its training into virtual webinars using Zoom. It continues to support clinical teams with high quality and relevant training.

3 styles of training offered:



Lead Level

The QIL program is offered as customised training for organisations who are looking to accelerate their quality improvement and clinical service redesign efforts. Organisations who have undertaken it include Central Adelaide Local Health Network and Women's and Children's Health Network SA.

Three Quality Improvement Lead (QIL)

Training Programs commenced in Sydney, Brisbane and Melbourne.

- Open to any health care professional across Australia who wanted to attend.

The 'Root Cause Analysis' (RCA) one-day program

- 11 public and seven custom workshops delivered,
- a total of 447 participants attended these workshops (with all jurisdictions represented).

NSQHS Standards (second edition)

- 18 'NSQHS Standards (second edition): Planning for Success' workshops held
- 13 of which were custom
- five were public
- to a total of 405 participants.

Name of Workshop	Type	No. of participants
Quality Improvement Lead Training Program	Public and Custom (5)	161
Root Cause Analysis (RCA)	Public and Custom	440
NSQHS Standards – second edition	Public and Custom	405
Clinical Incident Management	Custom	110
Open Disclosure	Public and Custom	80
Clinical Incident Management	Custom	48
Change Management and Concepts of 'New Power'	Public	569
Rapid Clinical Process Diagnostics and Improvement	Public	481
Quality Improvement Science Demystified	Public	670

ACHS COUNCIL MEMBERS

Our Council represents consumers, governments, and peak health industry bodies from throughout Australia.

The ACHS Council's powers and duties include:

1. Election of Member-elected Directors to the Board at the Annual General meeting,
2. Consideration and recommendations to the Board regarding the acceptance of other organisations as members of the Council,
3. Contribution and support of the ACHS and assistance in determining the strategic direction of the organisation,
4. Participation in the determination of accreditation status, where appropriate,
5. Consideration and monitoring of Board performance.

Dr Eva Raik

It was with sadness the Council noted the passing in mid December 2019 of Councillor, former ACHS President and long-time supporter Dr Eva Raik AM.

The Council acknowledges her strong contributions over a number of decades to the development and growth of ACHS.

ACHS COUNCILLORS as at 20 June 2020 was 23 Councillors, including two life members.

Professor Geoff Dobb

BSc (Hons), MBBS, FRCP, FRCA, FANZCA, FCICM, FAMA

- Australian Medical Association (AMA)

Professor Brett Emmerson AM

MBBS, MHA, FRANZCP, FRACMA

- The Royal Australasian College of Medical Administrators (RACMA)

Dr Roger Jonathan Garsia

MBBS, PhD, FRACP, FRCPA

- The Royal College of Pathologists of Australasia (RCPA)

Ms Claire Hewat

AdvAPD, BSc, Dip.Nutrition & Dietetics, Dip Management

- Allied Health Professionals Australia

Dr Michael Hodgson AM

FAMA, MBBS, FANZCA, FRCA

- Life Member of ACHS Council

Dr David Hutton

MBBS, GradDipEcon

- NSW Ministry of Health

Assoc Professor Gregory Jenkins

MBBS, FRANZCOG

- Royal Australian and New Zealand College for Obstetricians and Gynaecologists

Mr Mark Kearin

RN, ADCNS(Geront Nurs), BHSc(Mgt), MHSc(Mgt)

- Australian Nursing Federation (ANF)

Clinical Associate Professor Peter Kendall

MBBS, DA, FRACP, FCCP

- The Royal Australasian College of Physicians (RACP)

Mr Tony Lawson

BA, BSoc.Admin, FIPAA, FAIM, CPMgr

- Consumers' Health Forum of Australia Ltd (CHF)

Adj Associate Professor Karen Linegar

RN, RM, MHA, BAppSc (Nursing), BBus, Dip.Comm Law, FRCNA, JP

- The Australian College of Nursing (ACN)

Dr David Lord

MBBS, DPM, FRANZCP

- Royal Australian and New Zealand College of Psychiatrists (RANZCPS)
  (Retired as a Councillor November 2019)

Ms Angela Magarry

BHA, MPS, CGFNS, FCHSM

- Australasian College of Health Service Management (ACHSM)

Dr Sally McCarthy

MBBS, MBA, FACEM

- Australasian College for Emergency Medicine (ACEM)

Mr Russell McGowan

- Health Care Consumers' Inc

Dr Jon Mulligan

MBBS, MHA, FRACP, FRACMA, GAICD

Life Member of ACHS Council

Prof Leonard Notaras AM

AFCHSE, LLB, BA (Hons), DipComm, BMed, MHA, MA

- President
- Northern Territory Department of Health and Community Services

Ms Samantha Sanders

- Day Hospitals Australia

Dr Paul Scown

MBBS, BHA, FRACMA, AFACHSM, MAICD

- Australian Healthcare & Hospitals Association (AHHA)

Dr Jo Sutherland

- Australian and New Zealand College of Anaesthetists

Dr Phillip Truskett AM

MBBS, FACS, FRACS, FASCBI (Hons)

- The Royal Australasian College of Surgeons (RACS)

Mr Stephen Walker

AssDip.Eng, B.Bus, GradDipAcc, AFCHSE, MAICD

- Australian Private Hospitals Association (APHA)

Dr Noela Whitby AM

MBBS, GradDipHumNut, DPD, FRACGP, FAICD

- The Royal Australian College of General Practitioners (RACGP)

DIRECTORS' REPORT

The Board of Directors (the Board) of The Australian Council on Healthcare Standards Limited ("ACHS") in office at the date of this report present the results of The Australian Council on Healthcare Standards Limited and its controlled entities (collectively referred to as "the Group") for the financial year ended 30 June 2020 and the Independent Auditor's Report thereon.

Directors and meeting attendance

At the date of this report, the names of the members of the Board, the meetings of the Board and meetings of the Board Finance Audit and Risk Committee (BFARC), and the number of meetings attended by each of the Board members during the financial year are listed and summarised in the table below:

			Board Meetings		BFARC Meetings	
Name	**Date Appointed**	**Date of Cessation**	**A**	**B**	**A**	**B**
Mr Michael Roff	2 Feb 2004		8	8		
Mr Stephen Walker (BFARC Chair)	23 Nov 2006		7	8	2	2
Prof Geoffrey Dobb	25 Nov 2010		8	8	2	2
Dr Noela Whitby AM	24 Nov 2011		8	8		
Mr Anthony Lawson	24 Sep 2012		8	8	2	2
Prof Leonard Notaras AM	22 Nov 2012		8	8	2	2
A/Prof Brett Emmerson AM	25 Nov 2015		7	8		
Dr Paul Scown	23 Nov 2017		8	8		
Ms Anne Trimmer AO	1 July 2018		8	8		

A: Number of meetings attended **B:** Number of meetings held during the time the director held office during the year

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. Details of directors' qualifications, experience and special responsibilities can be found on pages 26 to 27 of this report.

Company secretary

Dr Karen Luxford has held the Company Secretary role since July 2019, she is also the Chief Executive Officer of the ACHS.

Mission and strategy

The Group's mission is to strengthen safe, quality healthcare by continuously advancing standards and education nationally and internationally. The Group's strategy for accomplishing its mission include:

- Expand our business reach
- Grow our membership
- Build strategic alliances
- Inspire organisational performance
- Ensure sustainability
- Share our knowledge

Principal activities

The principal activities of the Group during the financial year remained unchanged and were dedicated to improving the quality of healthcare in Australia through continuous review of performance, assessment and accreditation.

Review of operations

The Group's net surplus of $2,436,188 was mainly attributable to accreditation membership income, costs and operating expenditure savings. The Group has no loans or borrowings to any financial institution as at 30 June 2020.

Risk Management

The ACHS is committed to the effective management of risks. At the ACHS the ownership of the day to day management of risks remains the responsibility of the Chief Executive Officer with the support of ACHS staff. The Board Finance Audit and Risk Committee (BFARC) has the primary oversight of risk management practices across the ACHS. Its responsibilities include assisting the Board through periodic review of the operation of the ACHS Risk Framework and through review of reports from the Chief Executive Officer. The BFARC meets at least twice a year, to endorse all risk monitoring, compliance, financial reporting, budgeting and forecasts for the Group. During the year existing controls are in place to ensure all identified risks are managed within an acceptable level consistent with our risk appetite.

Members' guarantee

ACHS is incorporated as a company limited by guarantee. In accordance with the company's constitution each member ofthe company is liable to contribute $50 if the company is wound up during the time he/she is a member or within one year thereafter.

As at 30 June 2020 the total amount those members of the company were liable to contribute if the company is wound up is $1,150.

BOARD OF DIRECTORS

ACHS Board Members: representing consumers, governments and the Australian healthcare industry

Professor Len Notaras AM (President)

FACHSM, AFCHSE, LLB, BA (Hons), DipComm, BMed, MHA, MA

- ACHS President from 2017
- ACHS Vice-President from 2015
- ACHS Board member from 2002
- ACHSI Board member from 2009
- ACHS Councillor (Northern Territory Health representative) from 2002
- Founder National Critical Care and Trauma Response Centre 2004, Executive Director NCCTRC from 2009 - present
- Chief Executive Officer (CEO), NT Department of Health

Mr Stephen Walker (BFARC Chair)

Ass Dip Eng, BA Bus (Health Management), Grad Dip Acc, FCHSM, MAICD

- Chair ACHS Business Finance, Audit and Risk Committee from 2012
- ACHSI Board member from 2011
- ACHS Board member from 2006
- ACHS Councillor (APHA representative) from 2006
- Chief Executive Officer, St Andrew's Hospital, Adelaide from 2001 - present
- APHA Council Member
- Board Member Adelaide University Health and Biotech Advisory Board

Professor Geoffrey Dobb

BSc (Hons), MBBS, FRCP, FRCA, FANZCA, FCICM, FAMA

- ACHS Business Finance, Audit and Risk Committee, and Governance Committee
- ACHS Board Member from 2011
- ACHS Councillor (Australian Medical Association representative) from 2011
- Head of Department, Intensive Care, Royal Perth Hospital from 2005 - present
- Clinical Professor, Faculty of Health and Medical Sciences, University of Western Australia
- Board Deputy Chair, Child and Adolescent Health Service, WA from 2016
- Chair of the CAHS Safety and Quality Committee from 2016

Professor Brett Emmerson AM

MBBS (QLD), MHA (NSW), FRANZCP, FRACMA, FCHSM

- ACHS Board Member from 2015
- ACHS Councillor, (Royal Australasian College of Medical Administrators representative) from 2009
- Member, ACHS Standards Committee from 1994
- ACHS Assessor from 1994
- Executive Director, Metro North Mental Health Brisbane from 1997 - present
- Professor, School of Clinical Medicine, University of Queensland
- Chair, Qld Mental Health Clinical Collaborative from 2005

Mr Anthony (Tony) Lawson

BA, BSoc.Admin, FIPAA, FAIM, CPMgr

- ACHS Board Member from 2012
- Member ACHS Board Finance, Audit and Risk Committee, Governance Committee
- ACHS Councillor (Consumers Health Forum of Australia representative) from 2012
- Former ACHS Assessor
- Chair, Consumers Health Forum of Australia Ltd from 2014 - present
- Awarded Professional Life Membership, IPAA (SA Division) 2018
- Executive Director, Laurel Palliative Care Foundation, The Hospital Research Foundation Group

Mr Michael Roff

Grad Cert Mgt.

- Independent Director appointed to the ACHS Board from November 2019
- ACHS Board member from 2004 to 2019
- ACHSI Board member from 2017
- ACHS Councillor (Australian Private Hospital Association representative) from 2004 - 2019
- Chief Executive Officer, Australian Private Hospital Association from 2000 – present
- Member, Australian Commission for Safety & Quality in Health Care Private Hospital Sector Committee, 2013 - present
- Member, Private Health Ministerial Advisory Committee 2016 – 2019

Dr Paul Scown

MBBS (UQ), BHA (UNSW), FRACMA, AFCHSM, MAICD

- ACHS Board member from 2017
- ACHS Councillor from 2006 (Australian Healthcare and Hospitals Association representative)
- Consultant to the Health Education and Research Sectors
- Sid Sax Medal recipient 2018
- Adelaide Primary Health Network (APHN) Board Service & Clinical Governance Committee Member from 2017
- Nexus Primary Health Chair from 2014
- Board of Advice, Deeble Institute for Health Policy Research Member from 2015

Ms Anne Trimmer AO

BA, LLB (ANU) FAAL, FAICD

- Independent Director appointed to the ACHS Board from July 2018
- Secretary General Australian Medical Association 2013 – 2018
- CEO Medical Technology Association of Australia 2006 - 2013
- Barrister and Solicitor

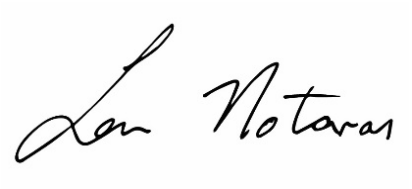
Dr Noela Whitby AM

MBBS (Qld), Grad Dip HumNut, DPD, FRACGP, FAICD

- ACHS Vice-President, 2005 – 2007
- ACHS Board member, 2000 – 2009; 2012 – present
- ACHS Councillor, 2000-2009; 2012 – present
- ACHSI Board member, 2006-2009; 2018 – present
- Past ACHS Assessor
- General Practice Principal, Carindale Medical Clinic, Brisbane from 1979
- Member, Medical Services Advisory Committee, Australian Government, 2014 - 2017

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 29.



Professor Len Notaras AM
President
Board of Directors

PITCHER PARTNERS

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

Auditor's Independence Declaration

To the Responsible Entities' of The Australian Council on Healthcare Standards

ABN 90 008 549 773

I declare that to the best of my knowledge and belief, during the year ended 30 June 2020 there have been no contraventions of:

i. the auditor's 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.

This declaration is in respect of The Australian Council on Healthcare Standards and the entities it controlled during the year.

Melina Alexander

M A ALEXANDER
Partner

PITCHER PARTNERS
Sydney

22 October 2020

Consolidated Statement of Profit and Loss and Other Comprehensive Income For the year ended 30 June 2020

	Note	2020 $	2019 $
Revenue from contracts with customers	2	**12,371,598**	14,086,935
Other revenue	2	**525,488**	127,990
Interest revenue using the effective interest method	2	**240,134**	394,669
Total revenue	2	**13,137,220**	14,609,594
Communications and marketing expenses		**(422,701)**	(338,342)
Accreditation program support and development costs		**(7,474,954)**	(7,299,510)
Administration expenses		**(724,245)**	(628,132)
Assessment costs		**(1,865,175)**	(3,976,596)
Other expenses		**(213,957)**	(228,765)
Surplus for the year		**2,436,188**	2,138,250
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in the fair value of investments at fair value through other comprehensive income		**(28,889)**	-
Total comprehensive income		**2,407,299**	2,138,250

Consolidated Statement Financial Position As at 30 June 2020

Current assets			
Cash and cash equivalents	4	**18,575,449**	2,343,109
Trade and other receivables	5	**1,382,154**	2,072,975
Financial assets	6	-	14,372,997
Other assets	7	**50,220**	74,632
Total current assets		**20,007,823**	18,863,713
Non-current assets			
Plant and equipment	8	**87,903**	24,226
Land and building	9	**1,747,702**	1,856,861
Financial assets	6	**2,969,323**	-
Total non-current assets		**4,804,928**	1,881,087
Total assets		**24,812,751**	20,744,799
Current liabilities			
Trade and other payables	10	**380,997**	622,566
Provisions	11	**47,206**	94,132
Contract liabilities	12	**9,431,863**	7,705,804
Employee benefits	13	**1,318,358**	1,052,719
Total current liabilities		**11,178,424**	9,475,221
Non-current liabilities			
Employee benefits	13	**77,809**	120,359
Total non-current liabilities		**77,809**	120,359
Total liabilities		**11,256,233**	9,595,580
Net assets		**13,556,518**	11,149,219
Equity			
Retained Surplus		**13,585,407**	11,149,219
Reserves		**(28,889)**	-
Total equity		**13,556,518**	11,149,219

Consolidated Statement of Changes in Equity For the year ended 30 June 2020

Retained surplus	**$**
Balance as at 30 June 2018	**9,010,969**
Surplus attributable to members for year ended 30 June 2019	2,128,250
Balance as at 30 June 2019	**11,149,219**
Surplus attributable to members for year ended 30 June 2020	2,436,188
Balance as at 30 June 2020	**13,585,407**
Financial assets at fair value through other comprehensive income	
Balance as at 30 June 2018	**-**
Total other comprehensive Income for the year ended 30 June 2019	-
Balance as at 30 June 2019	**-**
Total other comprehensive Income for the year ended 30 June 2020	(28,889)
Balance as at 30 June 2020	**(28,889)**

Consolidated Statement of Cash Flows For the year ended 30 June 2020

	Note	**2020 $**	2019 $
Cash flows from operating activities			
Receipts from customers		**14,990,679**	15,029,367
Payments to suppliers and employees		**(10,286,099)**	(13,814,791)
Interest received		**240,134**	394,669
Net cash provided by operating activities	15	**4,944,714**	1,609,245
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(87,619)**	(14,145)
Disposal of property, plant and equipment		**460**	**-**
Movement in investments and short-term deposits		**11,374,785**	(1,861,694)
Net cash provided by / (used in) investing activities		**11,287,626**	(1,875,839)
Net increase / (decrease) in cash held		**16,232,340**	(266,594)
Cash at the beginning of the financial year		**2,343,109**	2,609,703
Cash at the end of the financial year	4	**18,575,449**	2,343,109

General information and statement of compliance
The financial report includes the consolidated financial statements and notes of The Australian Council on Healthcare Standards Limited ("the Company") and its controlled entities (collectively referred to as the "Group").

The consolidated financial statements for the year ended 30 June 2020 were approved and authorised for issue by the board of directors on 22 October 2020. The Board has the power to amend and re-issue the financial report.

Note 1: Statement of significant accounting policies
The financial report covers the consolidated entity consisting of the Company and its controlled entities. The Company is a company limited by guarantee, incorporated and domiciled in Australia. The Company is a not-for-profit entity for the purpose of preparing financial statements.

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.

The following Accounting Standards and Interpretations are most relevant to the Company:

AASB 15 Revenue from Contracts with Customers
The Company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue.

Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 16 Leases
The Company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

AASB 1058 Income of Not-for-Profit Entities
The Company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its

objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Impact of adoption
AASB 15, AASB 16 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019.

a) Basis of preparation
The financial report is a general purpose financial report that has been prepared in accordance with:

- Applicable Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board ("AASB"), and the
- *Australian Charities and Not-for-profits Commission Act 2012.*

The accounting policies have been applied to all periods presented in these financial statements and have been applied consistently.

The financial report has been prepared in Australian dollars on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

b) Basis of consolidation
All inter-company balances and transactions between entities in the Group, including unrealised surpluses or deficits, have been eliminated on consolidation. Accounting policies of subsidiaries are changed where necessary to ensure consistency with policies applied by the parent entity.

c) Property, plant and equipment
Property, plant and equipment are brought to account at cost, less, where applicable, any accumulated depreciation and impairment losses plus costs incidental to acquisition.

The carrying amount of property, plant and equipment is reviewed annually by the Board to ensure that it is not in excess of the recoverable amount of these assets.

The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal.

The expected net cash flows have not been discounted to present values in determining recoverable amount.

Depreciation
The depreciable amount of all fixed assets, excluding freehold property, are depreciated on a straight line basis over their estimated useful lives to the Group commencing from the time the asset is held ready for use.

The useful lives used for each class of depreciable assets are:

Class of fixed assets	Depreciation rate
Computer and IT Equipment	3 years
Office Equipment	5 years
Furniture and Fittings	10 years
Freehold Building	40 years
Building Improvements	10 - 30 years

The asset's residual values and useful lives are reviewed and adjusted if appropriate at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

d) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair values less costs to sell, and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit and loss.

e) Income tax

The Company has received confirmation from the Australian Taxation Office that its income is exempt from income tax pursuant to Section 50-5 of the Income Tax Assessment Act 1997 and accordingly the Company does not have any liability for income tax.

The Controlled Entity is a taxable entity. The charge for current tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that are applicable during the financial year.

f) Employee benefits

Liabilities for wages and salaries, annual leave and related on-costs are recognised and measured as the amount unpaid in respect of employees' services up to that date.

The Long Service Leave provision is based on the remuneration rates at year end for all employees plus related on costs. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

g) Provisions

Provisions are recognised when the Group has a legal or constructive present 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.

h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

i) Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

j) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except for the following:

- Where amount of GST incurred is not recoverable from the Australian Taxation Office. If so, it is recognised as part of the cost of acquisition of the asset or as part of an item of expense;
- Receivables and payables are stated including the amount of GST.

k) Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group identifies the contract with a customer; identifies the performance obligations in the contract; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

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

l) Trade and other creditors

Liabilities are recognised for goods or services received prior to the end of the reporting period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

m) Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

n) JobKeeper and Cash Flow Boost

JobKeeper and Cash Flow Boost revenue is recognised when the rights to receive the revenue have been established.

o) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all a financial asset, it's carrying value is written off.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

p) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Critical accounting judgements, estimates and assumptions (continued)

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered to customers, supply chain, staffing and geographic regions in which the Group operates. COVID-19 restrictions have impacted travel, face to face meetings, sales and delayed a number of accreditation on-site assessments domestically and internationally, therefore the revenue recognition of those performance obligations has been deferred to the future. Due to the dynamic nature of the pandemic there are uncertainties with respect to events or conditions which may impact the Group's future financial performance, the impact of this will be reported in future reporting periods.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note1 (f), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured a to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

	Consolidated	
	2020 $	2019 $
Note 2: Revenue		
Membership fees	**11,183,386**	12,181,961
Improvement Academy and consultancy	**622,150**	1,333,525
Projects	-	-
Publications	**370**	1,539
Other	**565,692**	569,910
Revenue from contracts with customers	**12,371,598**	14,086,935
Other Revenue		
JobKeeper	**459,407**	-
Cash Flow Boost	**50,000**	-
Grants received	**-**	108,300
Other	**16,081**	19,690
Total other revenue	**525,488**	127,990
Interest received using the effective interest method	**240,134**	394,669
Total operating revenue	**13,137,220**	14,609,594

AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been provided for disaggregation of revenue, there is no impact to the recognition of revenue.

Note 3. Expenses		
Surplus before income tax includes the following specific expenses:		
Cost of sales		
Assessment costs	**1,865,175**	3,976,596
Employee benefit expenses		
Employee benefit expenses	**5,880,501**	5,621,991
Superannuation	**524,244**	501,353
Total employee benefit expenses	**6,404,745**	6,123,344
Depreciation and amortisation expense		
Depreciation expense	**132,641**	148,607
Note 4: Cash		
Cash on hand	**21,542**	15,890
Cash at bank	**18,553,907**	2,327,219
Total cash	**18,575,449**	2,343,109
Note 5: Current assets - Trade and other receivables		
Trade debtors	**1,548,475**	2,381,936
Other receivables- JobKeeper	**153,000**	-
Total trade and other receivables	**1,701,475**	2,381,936
Less: Allowance for expected credit loss	**(319,321)**	(308,961)
Total current assets – trade and other receivables	**1,382,154**	2,072,975

Note 5: Current assets - Trade and other receivables (continued)

Impairment of receivables

The consolidated entity has not recognised a loss in respect of impairment of receivables for the year ended 30 June 2020.

	Consolidated	
	2020 $	2019 $
Opening balance	**308,961**	310,958
Credit notes	**-**	(2,680)
Additional provisions	**10,360**	683
Unused amounts reversed	**-**	-
Closing balance	**319,321**	308,961

Note 6: Financial assets

Current assets

Financial assets held to maturity investments (term deposits)	**-**	14,372,997

Non-current assets

Financial assets at fair value through other comprehensive income	**2,969,323**	-

Note 7: Other assets

Current

Prepayments	**50,220**	74,632

Note 8: Plant and equipment

Furniture and fittings – at cost	**24,788**	22,549
Less: Accumulated depreciation	**(22,808)**	(21,707)
Net book value	**1,980**	842
Office equipment– at cost	**45,954**	45,954
Less: Accumulated depreciation	**(45,954)**	(45,954)
Net book value	**-**	-
Information technology – at cost	**307,560**	223,724
Less: Accumulated depreciation	**(221,637)**	(200,340)
Net book value	**85,923**	23,384
Net book value, plant and equipment	**87,903**	24,226

Note 9: Land and building

Land – at cost	**380,000**	380,000
Building – at cost	**1,425,454**	1,425,454
Less: Accumulated depreciation	**(766,178)**	(730,542)
Net book value	**659,276**	694,912
Building improvements – at cost	**1,958,409**	1,958,409
Less: Accumulated depreciation	**(1,249,983)**	(1,176,460)
Net book value	**708,426**	781,949
Net book value, land and building	**1,747,702**	1,856,861

Movement in carrying amounts for Plant and Equipment and Land and Building:

	Freehold Land $	Buildings $	Furniture and Fittings $	Office Equipment $	Information Technology $	Total $
Balance at 30 June 2018	**380,000**	**1,587,832**	**2,712**	**-**	**45,005**	**2,015,549**
Additions	-	-	-	-	-	-
Depreciation expense	-	(110,971)	(1.870)	-	(35,766)	(148,607)
Balance at 30 June 2019	**380,000**	**1,476,861**	**842**	**-**	**23,384**	**1,881,087**
Additions	-	-	2,239	-	85,380	87,619
Depreciation expense	-	(109,159)	(1,101)	-	(22,381)	(132,641)
Disposals	-	-	-	-	(460)	(460)
Balance at 30 June 2020	**380,000**	**1,367,702**	**1,980**	-	**85,923**	**1,835,605**

	Consolidated	
	2020 $	2019 $
Note 10: Trade and other payables		
Accounts payable	**267,114**	581,384
Accrued expenses	**113,883**	41,182
Total trade payables	**380,997**	622,566
Note 11: Provisions		
Contract costs to complete	**47,206**	94,132
Total provisions	**47,206**	94,132
Note 12: Contract liabilities		
Future income	**25,256,319**	26,412,042
Recognised future income	**(17,324,924)**	(20,603,653)
Work in progress	**(4,017,677)**	(5,644,077)
Recognised work in progress	**5,518,145**	7,541,492
Total contract liabilities	**9,431,863**	7,705,804
Note 13: Employee benefits		
Current		
Annual leave	**669,944**	509,099
Long service leave	**642,068**	541,360
Superannuation	**6,346**	2,260
Total current employee benefits	**1,318,358**	1,052,719
Non-current		
Long service leave	**77,809**	120,359

Note 14: Key management personnel disclosures

Compensation

The aggregate compensation made to key management personnel of the consolidated entity is set out below:

	Consolidated	
	2020 $	2019 $
Aggregate compensation	**1,329,317**	1,305,665

Note 15: Reconciliation of cash flow from operations with operating Surplus after income tax

Surplus for the year	**2,436,188**	2,138,250
Non-cash flows in operating surplus		
Depreciation	**132,641**	148,607
Changes in assets and liabilities		
(Increase)/Decrease in assets		
Trade and term debtors	**690,820**	(516,561)
Prepayments	**24,413**	30,896
Increase/(Decrease) in liabilities		
Other liabilities	**(46,927)**	(28,705)
Movement in WIP/Unearned income	**1,726,059**	(66,286)
Trade creditors and accruals	**(241,569)**	(276,939)
Employee benefits	**223,089**	179,983
Total cash flows from operating activities	**4,944,714**	1,609,245

Note 16: Remuneration of Board members and other Councillors

The Board of Directors and Councillors of The Australian Council on Healthcare Standards Limited during the financial year are listed in the Annual Report of the Board.

Apart from amounts received by way of reimbursement for expenses incurred in the attendance at various Executive and Committee Member's meetings, no amounts were received by a Committee Member or Councillor in connection with the management of the affairs of the Company.

Note 17: Related party transactions

Other than payment of membership fees by entities associated with Directors or Councillors, there have been no transactions between the Group and related parties of the Group which require separate disclosure.

Note 18: Financial instruments and financial assets

Financial risk management

The Group's financial instruments consist mainly of deposits with banks, and accounts receivable and payable. The Group does not have any derivatives at 30 June 2020.

		Consolidated	
		2020 $	2019 $
Financial assets			
Cash and cash equivalents	4	**18,575,449**	2,343,109
Receivables	5	**1,382,154**	2,072,975
Financial assets at fair value through other comprehensive income	6	**2,969,323**	-
Financial assets held to maturity investments (term deposits)	6	**-**	14,372,997
Total financial assets		**22,926,926**	18,789,081
Financial liabilities at amortised cost:			
Trade and other payables	10	**380,997**	622,566
Contract liabilities	12	**9,431,863**	7,705,804
Total financial liabilities		**9,812,860**	8,328,370

Note 19: Company details

The registered office and principal place of business is located at:
No. 5 Macarthur Street
ULTIMO, NSW 2007
AUSTRALIA

Note 20: Controlled entities

The consolidated financial statements incorporate the assets and liabilities of the controlled entities as set out below:

	Country of Incorporation	**Equity Holdings**	**Equity Holdings**
		2020	2019
		%	%
ACHS International Pty Limited	Australia	**100**	100
ACHS (Asia Pacific) Private Limited	Hong Kong	**100**	100

The individual financial statements of the parent entity show the following aggregate amounts.

Statement of financial position	**2020 $**	2019 $
Current assets	**19,651,810**	18,788,613
Non-current assets	**4,804,928**	1,881,087
Total assets	**24,456,738**	20,669,699
Current liabilities	**9,937,172**	8,430,008
Non-current liabilities	**77,809**	120,359
Total liabilities	**10,014,981**	8,550,367
Net assets	**14,441,757**	12,119,333
Equity	**14,441,757**	12,119,333
Surplus for the year	**2,965,571**	1,986,267
Total comprehensive income for the year	**2,965,571**	1,986,267

The Group has not entered into any guarantees, in the current or previous financial years, in relation to the debts of its subsidiaries.

THE AUSTRALIAN COUNCIL ON HEALTHCARE STANDARDS

A.C.N. 008 549 773

Responsible entities declaration

The responsible entities declare that in the responsible entities' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes for the year ending 30 June 2020 satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013.*

Responsible person

Professor Len Notaras AM
President
22 October 2020
Sydney

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INDEPENDENT AUDITOR'S REPORT
THE AUSTRALIAN COUNCIL ON HEALTHCARE STANDARDS
ABN 90 008 549 773

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Australian Council on Healthcare Standards, "the Registered Entity" and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the financial report of The Australian Council on Healthcare Standards 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 Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) 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. 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 Group in accordance with the auditor independence requirements of the *Australian Charities and Not for-profits Commission Act 2012* "ACNC Act" and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "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

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020, but does not include the financial report and our 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.

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 Responsible Entities for the Financial Report

The responsible entities of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the Group'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 the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

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 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

M A ALEXANDER
Partner

PITCHER PARTNERS
Sydney

22 October 2020

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