



HCQ | **HEALTH
CONSUMERS**
QUEENSLAND

ANNUAL REPORT
2019
20

ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

The Board and staff of Health Consumers Queensland acknowledges the Australian Aboriginal and Torres Strait Islander peoples of this nation.

We acknowledge the traditional custodians of the lands on which our organisation is located and where we conduct our business. We pay our respects to ancestors and Elders past, present and future for they hold the memories, traditions, culture and hopes of Aboriginal and Torres Strait Islander Australia.

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MESSAGE FROM OUR CEO

Early 2020 saw Queensland's entire health sector in upheaval as it worked hard to respond to the health crisis brought about by COVID-19.

In the calm before the storm, the Health Consumers Queensland Board was busy supporting the organisation to grow its engagement across the state and increase its effectiveness at all levels of the sector. As the global pandemic spread so too did our influence and support of Queensland's consumers and carers, as we carried out our role to ensure a consumer-centred public health system response to COVID-19.

Complex issues and concerns highlighted by our network of dedicated consumer representatives were raised directly with those stakeholders who needed to hear first-hand the fear and confusion being experienced by many of the most vulnerable members of our community. This included providing feedback and advice to Queensland's Health Minister and Chief Health Officer who were ready and willing to listen.

It was fulfilling to watch as consumer engagement matured and deepened across the state, reinforcing the importance of powerful partnerships between consumers and our health system for the benefit of us all.

My heartfelt thanks goes to our team of dedicated staff. Their resilience, flexibility and passion ensured our organisation and network of consumers and engagement champions in the healthcare system were able to provide key insights and impacts at the most important time in our healthcare system's history.

Melissa Fox, CEO

MESSAGE FROM OUR CHAIR



Queensland's healthcare landscape was forever changed with the onset of COVID-19. We have experienced more challenges and opportunities in the past 12 months than ever before, resulting in new and improved ways to now receive and experience healthcare in Queensland.

Our team and network of consumers and carers were proud to work alongside the health sector to ease the burden felt across the state. Never before have I seen the health system work this hard or this collaboratively to care for its consumers. I congratulate the entire sector for embracing our consumers and carers and truly listening to and learning from them. I am thankful for the positive partnerships we have with many clinicians including the Clinical Senate and Clinical Networks. I sincerely thank our consumer representatives who contributed and provided impactful feedback and perspectives of their lived experiences, your insights were invaluable and deeply appreciated.

My thanks also to the Health Consumers Queensland Board and the dedicated team led by Melissa. I am proud of the close working relationship the Board has with our organisation and the fact that we were all able to adapt and work so well together during the height of the pandemic. My sincerest thanks to outgoing Board members Steve Russell and Julie Mayer for their dedicated service, commitment and collaboration during their tenure. It is clear that we have a Board filled with highly skilled and valued members who are truly invested in the success of Health Consumers Queensland and I look forward to welcoming new members with just as much passion and expertise.

Dr Erin Evans, Board Chair



CONSUMER RECRUITMENT

Requests for support to bring consumers into partnership roles has grown continually since its inception, with 2019-20 being our biggest year yet.

As with all our areas of work, we rapidly adapted the consumer recruitment program early in 2020 in response to COVID-19. Consumers responded quickly to the call for a COVID-19 Community of Interest, forming a group of consumers at the ready to take part in rapid consultations on COVID-19. With the formation of this group, we were able to side-step the usual recruitment process and quickly bring the consumer voice into the urgent and ever-changing healthcare decisions the pandemic demanded.

CONNECTING THE SYSTEM

The health system in Queensland is complex and multi-faceted, with decisions being made across the state and at many different levels. To support a more connected and networked system, Health Consumers Queensland facilitates key engagement mechanisms that enable horizontal partnering across the sector.

HEALTH CONSUMERS COLLABORATIVE OF QUEENSLAND

The Collaborative is made up of experienced health consumers and carers from across Queensland, along with health leaders including representatives from the Department of Health, Hospital and Health Services, Primary Health Networks and clinicians. Its broad membership is unique in the health sector and draws in leaders who can view the system as a whole, without its silos, to work towards building a more integrated health care system for all. Despite COVID-19, the Collaborative met quarterly with the June 2020 meeting held online for the first time.

The Collaborative farewellled founding consumer representatives at the end of 2019, who remain involved in the Collaborative by way of Alumni providing support and expertise when needed. The Alumni was involved in the recruitment process of the new consumer members. The consumer members are a diverse group of people sharing their personal experiences and those from their communities. They represent First Nations and Culturally and Linguistically Diverse peoples, as well as highlighting topics such as child health, disability, chronic conditions and mental health to name just a few.

STATEWIDE HHS CAG LEADERS GROUP

This group meets quarterly and brings together consumer chairs/leaders from the Hospital and Health Services (HHS) own Consumer Advisory Groups (CAG).

Its dual role is to connect consumers from across the state with each other to grow and build on successful strategies, as well as to provide peer mentoring and support. Additionally, this group has been actively involved in bespoke consultations for the Department of Health this year, providing an effective and efficient way to hear from experienced consumers with diverse perspectives from across the state. This year they have been consulted on governance, rural health initiatives and COVID-19.

HHS ENGAGEMENT ADVISORS NETWORKING SESSIONS

Hospital and Health Services partner with consumers across the state on their decision-making. The key resource for many HHSs are their Engagement Staff. Health Consumers Queensland assists with their networking sessions and shared communications. This helps the staff, who sometimes work alone, to hear of other strategies and innovations, seek advice and support, and collaborate on initiatives that could be shared across HHSs.

During COVID-19, weekly meetings were held between March and June 2020 to support engagement leads around consumer partnerships in a pandemic environment.

AMPLIFYING THE CONSUMER VOICE IN QUEENSLAND'S COVID-19 RESPONSE



*Consumers attending a
Kitchen Table Discussion
pre COVID-19*

The arrival of COVID-19 in Australia, and around the world, created an unprecedented health crisis and innumerable challenges and opportunities for health consumers and carers.

The way we receive healthcare has changed rapidly and resulted in Queensland's health system working harder and more collaboratively to care for its consumers than ever before.

We saw Queensland Health involve consumers and carers in new and innovative ways, which resulted in the implementation of new models of care such as telehealth and hospital in the home, while also achieving greater efficiency and effectiveness of established care models.

Health Consumers Queensland also changed the way in which we work, connecting and consulting directly with more consumers than ever before in newly adopted ways, amplifying consumers' voices with greater impact, urgency and meaning.

We chose to cancel the Annual Forum for the safety of attendees, but this gave us the opportunity to direct all our focus to ensure that consumers and carers were at the centre of the COVID-19 health response and that their voices were heard and valued.

Over the ensuing months, Health Consumers Queensland sought and accepted numerous opportunities for consumers and staff to be present at almost every level of the health system's response to the pandemic.

Our rapid and frequent online engagement mechanisms meant that Queensland Health was able to hear from Queenslanders throughout the state with significant health needs and use that intelligence to form a more wide-ranging and powerful response than otherwise possible.

We hosted regular meetings with other non-government organisations and consumer peak bodies, sharing information and strengthened our ties across the sector.

We redeveloped our training programs and went online, launching a world-first Project ECHO for consumers and carers to build their engagement skills during an incredibly busy time.

We facilitated 20 bespoke consultations for Queensland Health projects and initiatives, involving more than 120 consumers and carers, to support consumer involvement in key decision-making engagements.

We held an online forum for First Nations peoples and those who live in rural and remote communities to hear their concerns about COVID-19.

Health Consumers Queensland sought consumer feedback following the peak of the health response to COVID-19, regarding our own performance and that of Queensland Health.

Queensland Health's openness to consumer involvement and transparent communication was credited by consumers for contributing to its overall success in responding to COVID-19 when compared with other states and federally.

Consumers indicated they were also very happy with Health Consumers Queensland's response to COVID-19, acknowledging our role in ensuring marginalised voices were heard and that there was high consumer involvement by Queensland Health.

Ultimately Queensland consumers clearly saw the influence they had on Queensland Health and the overall health response and were mindful of how unique that was in Australia and internationally.

COVID-19 COMMUNITY OF INTEREST AND CONSUMER CONVERSATIONS

Recognising the need for agility and rapid responses to the emerging health crisis, Health Consumers Queensland put out the call for consumers and carers to join our COVID-19 Community of Interest.

By the end of June 2020, there were 157 members of the group who provided immeasurable value to the process of amplifying the voice of consumers and carers in response to COVID-19. The group also became a significant avenue for some of Queensland's most vulnerable cohorts to have their perspectives heard, including people with a disability and those living in rural and regional areas.

The commitment and time given by our Community of Interest members enabled us to continually raise concerns, identify gaps and offer solutions in relation to Queensland Health's response to COVID-19 within very tight timeframes.

In addition to establishing the Community of Interest group, Health Consumers Queensland also hosted weekly one-hour Consumer Conversations from March 2020.

Up until the end of June 2020, 26 Consumer Conversations were held involving nearly 500 consumers and carers. The conversations covered a wide range of hot topics related to COVID-19, encouraging consumers and carers to share their own experiences and provide a more detailed picture of how Queenslanders were coping.

Based on these wide-ranging conversations, Health Consumers Queensland circulated issues papers within the health sector, enabling Queensland Health to develop a more inclusive and consumer-centric response to COVID-19 than otherwise possible.



Health Consumers Queensland's army of consumer representatives were deeply involved in several projects and initiatives which picked up awards at the 2019 Queensland Health Awards for Excellence in December.

The Queensland Health Awards for Excellence recognise initiatives and teams who have demonstrated a commitment to excellence when supporting or delivering health services to Queenslanders.

Consumers had an increased focus in the 2019 awards, with the inclusion of a new Consumer Engagement Category in both the Department of Health Awards and Queensland Health Awards.

Congratulations to all the finalists and winners of the annual awards, especially those whose projects meaningfully involved consumers across the design, delivery, monitoring and evaluation stages of their projects.

Health Consumers Queensland is proud to have supported consumers or actively been involved with several of the projects which either won or were highly commended including the two Consumer Engagement Category winners: Queensland Pelvic Mesh Service (Queensland Health) (front cover photo) and the Offender Health Governance Improvement Project (Department of Health). Also recognised on the night were the Rural Maternity Taskforce, the Patient Travel Subsidy Scheme Reform Project, the Advancing Kidney Care 2026 and the Be Heard: Safe Communication @ Redland Hospital.

It is always inspiring to see the broad impact consumers partnering with health system providers can have as they help to create better health outcomes for all Queenslanders.

**QUEENSLAND
HEALTH
AWARDS FOR
EXCELLENCE**



CONSUMER
CONVERSATIONS INVOLVED
500 CONSUMERS



KITCHEN TABLES WITH
813 CONSUMERS

CONSUMER PARTNERSHIPS



REQUESTS
TO INVOLVE
CONSUMERS

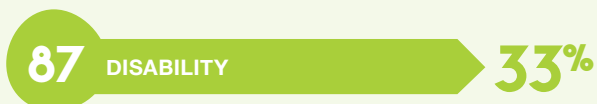


CONSUMERS
GOT
INVOLVED

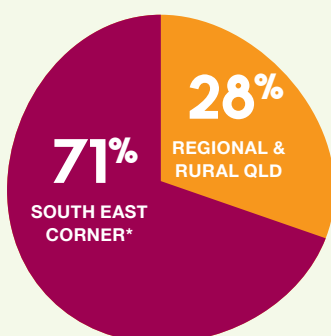


CONSUMERS
EXPRESSED
INTEREST

DIVERSITY OF THOSE CONSUMERS WHO GOT INVOLVED



WHERE DID THOSE CONSUMERS LIVE?



*(South east corner = Metro North, Metro South, Sunshine Coast, Gold Coast, West Moreton)

AUSTRALIA'S 1ST DIGITAL HEALTH CONSUMER CHARTER

300

CONSUMERS INVOLVED
IN CO-DESIGNING IT

METHODS USED



KITCHEN TABLE
DISCUSSIONS



FOCUS
GROUPS



ON-LINE
SURVEY

TRAINING



43

FACE TO FACE
TRAINING SESSIONS

823

STAFF & CONSUMERS
ATTENDED

EXPERIENCED CONSUMER REPRESENTATIVES ADD THEIR INFLUENCE



*Consumers attending a
Queensland Clinical Senate
meeting in August 2019*

Experienced consumer and carer committee members from across the health sector were kept busy during the past 12 months, with regular support and guidance from Health Consumers Queensland.

Members of Health Consumers Queensland's own Consumer Advisory Group, Health Consumers Collaborative of Queensland, Statewide Hospital and Health Service (HHS) Consumer Advisory Group leaders, as well as Clinical Network and Primary Health Network consumer representatives, all stepped up to the challenge and contributed personal and shared experiences and perspectives to improve health responses for all Queenslanders.

Health Consumers Queensland hosted regular conversations with consumer and carer representatives, ensuring a highly consumer-driven and collaborative approach to COVID-19 throughout the height of the pandemic.

Conversation topics included statewide COVID-19 updates and activities, what delaying healthcare would mean for Queenslanders and how to rebalance the health system.

In addition to joining regular Consumer Conversations, members were invited to review and respond to a wide range of communication materials, health directives and strategies, reaffirming the value of the consumer perspective.

Supporting Queensland Health to deepen its understanding of what matters to patients, consumer leader representatives shared their views on whether healthcare in public hospitals and health service settings felt safe to them since the onset of COVID-19. Consumer feedback clearly showed that some people felt frightened, vulnerable and forgotten; patients were experiencing different levels of feeling safe in facilities; the quality and clarity of public messaging was at times ad hoc; and decision-making and risk management was largely being determined by patients.

A positive example of rapid consumer engagement with some of Health Consumers Queensland's experienced representatives was in the development of an Ethical Decision Making Framework (EDMF). Led by the Queensland Clinical Senate, the consumer consultation which occurred with each iteration of the EDMF was considered a key component. The process allowed open and frank discussions, and a commitment to an honest and transparent approach, resulting in the support of consumers and their families in these times of change in the health system.





SPECIAL PROJECTS

*A Kitchen Table Discussion
pre-COVID-19*

KITCHEN TABLE DISCUSSIONS

During 2019-2020, Health Consumers Queensland facilitated 94 discussions with 813 consumers and carers from all corners of the state through its increasingly popular Kitchen Table Discussions.

Countless face-to-face discussions, each led by a consumer host with a strong community network, were held in Queensland towns and cities before the discussions were moved online at the commencement of COVID-19.

During the past 12 months Health Consumers Queensland's Engagement Consultant – Specific Projects, Anne Curtis, continued to refine and develop our Kitchen Table Discussion methodology to engage with a significant number of consumers who may not normally participate in more formal consultations. The number of consumers hosting sessions has continued to rise, helping to reach new community members whose voices, perspectives and opinions may not often be heard.

Some of the topics included:

- Palliative care services and resources in Queensland
- National consultation on the future state of primary healthcare
- Improving quality and safety reporting in Queensland
- Health services for Aboriginal and Torres Strait Islander people.

The growing popularity and proven benefits of the Kitchen Table Discussion methodology has resulted in Health Consumers Queensland developing a guide for health organisations and consumer hosts. Training in the use of the guide and the way Health Consumers Queensland uses the methodology will be available from early 2021.

YOUTH MENTAL HEALTH - *Different Perspectives, One Vision*

Young people in Queensland with severe and complex mental health issues now have a range of new services available to them, following four years of detailed co-design work between Queensland Health and consumers and carers, supported by Health Consumers Queensland.

With the opening of Jacaranda Place: the Queensland Adolescent Extended Treatment Centre and several related youth mental health services in the first part of 2020, a significant milestone was reached in the delivery of services for vulnerable young people.

Since 2016, Health Consumers Queensland has supported the project to design, develop and deliver services for this group of young people and their families, through a large number of consumer and carer engagement opportunities.

Though COVID-19 thwarted a grand opening, Jacaranda Place opened its doors in April 2020 under the stewardship of Children's Health Queensland. Its applauded design (Jacaranda Place won a Queensland Master Builders award) and operational model is in no small part due to the inherent involvement of young people, carers and consumer representatives over the course of the last four years.

From the beginning of the Implementation of the Recommendations from the Barrett Adolescent Centre Commission of Inquiry project in 2017, to the first young people being welcomed into Jacaranda Place in 2020, the inclusion and involvement of young people and their families has been at the core of the approach.

We look forward to continuing to be part of the ongoing progression of Jacaranda Place as it sets the standard, in Queensland and beyond, for services to young people with severe and complex mental health issues.

DIGITAL HEALTH CONSUMER CHARTER

Nearly 300 health consumers and carers helped develop a Digital Health Consumer Charter for Queensland. The project was undertaken in partnership with Clinical Excellence Queensland with Health Consumers Queensland leading the consultation and development process.

Our Digital Health Consumer Charter is the first charter of its kind in Australia and will sit alongside the Queensland Digital Clinical Charter.

Consumer consultation included nine focus groups, 19 Kitchen Table Discussions and an online survey, enabling consumers and carers from across Queensland to co-design the Consumer Charter.

Based on the consultation outcomes, Health Consumers Queensland developed a set of principles outlining what a consumer-centric healthcare system should look like and what consumers say is important when it comes to receiving healthcare in a digital age.

The Consumer Charter has been endorsed by Queensland Health, and will be launched in November 2020.

OFFENDER HEALTH

A total of 187 Queensland Health and Queensland Corrective Services staff across seven facilities have now participated in Prisoner Healthcare Rights and Consumer Engagement Training.

The training encourages better consumer engagement and co-design of healthcare with prisoners.

Developed and delivered by Health Consumers Queensland, the final training session in the first round of training was held at the Brisbane Women's Correctional Centre in October 2019.

This work was acknowledged when the Office for Prisoner Health and Wellbeing won the Consumer Engagement Award for its Offender Health Governance Improvement Project at the 2019 Department of Health Awards for Excellence. The project will recommence in the first half of 2021, focusing on training for the remaining correctional facilities in Queensland.

SPOTLIGHT ON CONSUMERS



DR JOAN CARLINI

Health Consumers Queensland has partnered with Griffith University on a new national consumer-led research study looking at people's attitudes and resulting behaviours to the government's response to COVID-19.

Leading the study is Dr Joan Carlini, a long-standing member of Health Consumers Queensland's statewide consumer network, former consumer Chair of Gold Coast Health's Consumer Advisory Group and a Lecturer in Marketing and Discipline Leader for the Griffith Business School.

"This is a unique study because it has been guided by Health Consumers Queensland's Consumer Conversations," Dr Carlini said. "In fact, the story behind this research is as powerful as the research itself."

"I have been attending Health Consumers Queensland's COVID-19 Consumer Conversations since the start and I was struck by the diversity of the views and experiences that were shared in this forum.

"The circumstances of this pandemic are unprecedented, and this project offers researchers a rare opportunity to survey a vast cross-section of people across Australia and seek to understand a person's individual circumstances and their sense of personal threat of COVID-19 and link it to their actual behaviours."



PHIL CARSWELL

One of Health Consumers Queensland's most experienced consumers, Phil Carswell OAM, has been recognised for going above and beyond during the planning, preparation and response to COVID-19.

Phil, who is the consumer representative on the Princess Alexandra Hospital's Incident Management Team for the COVID-19 response, won the Metro South Health COVID-19 Staff Recognition Award for Excellence in Engagement.

"It has been a hectic time with a flood of daily emails and a daily video conference with all the clinical, nursing, allied health, IT and finance leads working out how we can use the "COVID moment" to make changes that have been too hard before," Phil said.

He paid tribute to the whole team saying, "It's a real buzz to win the Award – everyone has worked really productively during a very stressful time."



JESSICA BEAN

Jessica Bean knows firsthand what it is like to feel powerless in the health system. At 21 she was told she would need a double lung transplant to survive the damage caused to her lungs by cystic fibrosis.

The health consumer and now avid patient advocate turned the hardest moment of her life into an opportunity to not only take greater control of her health, but to better understand the healthcare system. Today Jessica still breathes through her own lungs and is more passionate than ever to empower other health consumers throughout their own healthcare journey.

“Health Consumers Queensland reduces the burden on individual health consumers by amplifying their voice and connecting them with other consumers and decision makers,” she said. “The strength of Health Consumers Queensland is that they are experts in how to engage with hard to reach groups and understand consumer communities. They do it efficiently and are agile. During the COVID crisis they [were] able to get meaningful feedback from consumers, and quickly feed it back to decision makers in the health system.”



NICOLLE GERMANO

Health consumer representative Nicolle Germano says that without Health Consumers Queensland, she and other pelvic mesh injured women would not have the support and services they have today.

After having four children, Nicolle was keen to return to work as a nurse and midwife. Prior to returning to work, she had pelvic mesh surgery which left her suffering from chronic pain, mobility issues that made it hard to walk and mental fatigue. Returning to the work she loved was no longer possible.

Health Consumers Queensland saw the need to support women who had been severely impacted by transvaginal mesh implants and assist them in gaining much needed state and national attention.

“Health Consumers Queensland gave us the confidence we needed to tell our own stories,” Nicolle said. “They took our small voice and amplified it, uncovering thousands of women to help link our health issues back to the mesh implants. It’s the bridge that brought health consumers and clinicians together.”

The partnership eventually led to the co-design between consumers and clinicians of the Queensland Pelvic Mesh Service. The first of its kind in Australia, the multidisciplinary model was designed based on feedback from women living with mesh complications and as previously told to Queensland Health back in 2016.

The clinic celebrated its first birthday in April 2020 and has now delivered care to more than 250 women. The model continues to evolve and expand with consumer input, with the aim to care for the many women on the waitlist for the service.



Launching the Project Echo pilot in early March 2020

TRAINING

Health Consumers Queensland delivered 36 face-to-face training sessions for 636 Queensland Health and Health Services' staff and consumer representatives in 2019-20, before taking the sessions online due to COVID-19.

The consumer and health service training sessions support consumers and staff to build meaningful partnerships in order to deliver positive health outcomes for all Queenslanders.

When COVID-19 travel restrictions were introduced, Health Consumers Queensland staff quickly adapted to the new circumstances by offering a world-first Project ECHO series for consumers and carers.

The online video learning platform, previously only used within clinical settings, is now helping Queensland consumers and carers to build their knowledge, skills and confidence in healthcare engagement.

Consumers and carers from the Health Consumers Queensland Collaborative and our own Consumer Advisory Group participated in the first Project ECHO series, led by staff as they worked from home during Queensland's lockdown period and new remote working environment.

The first two sessions were re-purposed to discuss COVID-19, with the final sessions returning to the originally planned content on building consumer partnerships.

One of the unintended benefits of launching Project ECHO during COVID-19 was the way it gave consumer representatives the chance to support and mentor each other, as well as socialise and share concerns during such turbulent times.



Training for culturally and linguistically diverse consumers pre-COVID

SUBMISSIONS

- Health Legislation Amendment Bill 2019
(Health equity strategy for First Nations people)
- Health Transparency Bill 2019
- Queensland Government Health Response to COVID-19

Joint Submissions by Health Consumers Councils across Australia:

- Second exposure draft of the proposed Commonwealth Religious Discrimination Bill 2019
- Religious Discrimination (Consequential Amendments) Bill 2019 and Human Rights
- Legislation Amendment (Freedom of Religion) Bill 2019

GOVERNANCE

The Health Consumers Queensland Board continues to mature and deepen its involvement with the organisation, supporting its focus and continued success.

Following on from the establishment of a new Finance and Risk Committee during the latter half of 2018-19, the Board established two new committees during 2019-20 – Governance and Policy, and Remuneration. All committees aim to implement best practice governance principles and practices, for compliance and sustainability purposes.

Board Chair Dr Erin Evans said the committees had assisted Board members to take a more hands-on approach during what was an incredibly busy and challenging time for Health Consumers Queensland and the entire health sector.

“It has been a pleasure to watch the organisation and Board respond to COVID-19, representing health consumers and carers at higher levels than ever before within the sector,” Dr Evans said.

“As the organisation and Board mature, so too has the kinds of decisions and levels of governance and representation we are involved with.

“Now is the time to sharpen our resolve and continue the good work being done to ensure consumers remain at the heart of Queensland’s health sector.”



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**Queensland
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Health Consumers Queensland Ltd
ABN 66 165 711 919

2019-20 ANNUAL FINANCIAL REPORTING PACKAGE

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Directors' Report

30 June 2020

The Directors present their report on Health Consumers Queensland Ltd (HCQ) for the financial year ended 30 June 2020.

General Information

Short term objective: Mission

Health Consumers Queensland enables and empowers consumers to influence, lead and drive better health outcomes

Long term objective: Vision

Consumers and community partnering with the health system for consumer-centred health care for all Queenslanders.

HCQ's strategy for achieving objectives	How the activities assisted in achieving HCQ's objectives
1. Enabling health consumers and healthcare staff statewide	We built consumer, staff and system capacity to design a health system together through collaborative, integrated and consumer-centred approaches by providing support, strategic advice, training and advocacy.
2. Acting as an agent of change for consumer-centred health care	In partnership with consumers and healthcare staff, we acted as a strong voice on system wide issues to influence key decision makers, policies and models of care to deliver a high quality consumer-centred health care system for all Queenslanders.
3. Enhancing effective partnerships	We developed and grew effective organisational partnerships locally, nationally and internationally to achieve consumer-centred health care for all Queenslanders.

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HCQ's strategy for achieving objectives	How the activities assisted in achieving HCQ's objectives
4. Building and using evidence	We supported consumers and staff to be involved in co-creating the evidence base for health system development and transformation. We acted on the evidence of the human lived experience of the health system to build capacity of consumers and to leverage system change.
5. Being transparent and enduring	We demonstrated transparency and responsiveness on behalf of consumers, community and our funders. We maintained strong leadership and governance to assure organisational sustainability and longevity. We supported the passion, energy and courage of our staff and members of our Network.
6. Addressing the social determinants of health	We acknowledged that systemic reform of the health system requires recognising the social determinants of health and co-designing models.

Principal activities

The principal activity of Health Consumers Queensland Ltd during the financial year was building consumer and staff capacity in consumer engagement that influences and leads improvements and delivers better health outcomes for all Queenslanders. This was achieved through the development of our Queensland-wide health consumer network, tailored training and skills development programs, networking opportunities and maximising opportunities for consumer representation at all levels of the health system.

Reporting

Activity based reporting (bimonthly) to Queensland Health and bimonthly against our Strategic Direction 2018-2023 to the Board.

HEALTH CONSUMERS QUEENSLAND
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30 JUNE 2020

Impact of COVID-19

While there has been no significant change in the nature of HCQ's principal activities during the year, from March 2020 HCQ staff shifted to working from home, increased the volume of our activities to support health consumer engagement in solving issues arising from the pandemic and pivoted to deliver these activities online. All this supported the consumer voice to deliver the best possible response in Queensland to COVID-19.

For these purposes, HCQ received additional funding from Queensland Health of \$496,536 in August 2020, via Queensland Health's COVID-19 Grant Fund: Immediate Support Measures. HCQ has been undertaking this work since March 2020 and will complete this work by June 2021 across a range of activities including:

- additional COVID-19 engagement support;
- co-design of an Ethical Decision-Making Framework & health consumer/clinician resources;
- consumer consultation on planning and delivery of care throughout different stages of a pandemic;
- amplifying the voice of young health consumers; and
- evaluating the outcomes of involving health consumers in COVID-19 decision-making.

HCQ has also been allocated funding of \$63,337 on 20 August 2020 from Queensland Health's Aboriginal and Torres Strait Islander Health Division to work in partnership with the department and community-controlled sector to create and implement supportive mechanisms to involve Aboriginal and Torres Strait Islander consumers in Queensland Health decision making at all levels.

HEALTH CONSUMERS QUEENSLAND
DIRECTORS REPORT
30 JUNE 2020

Directors

The names of the directors in office at any time during the year are:

Names	Special Responsibilities	Period for which person was a Director during period of report
Erin Dyan Evans	Board Chair	12 months
Stephen John Russell <i>(on leave from 22 April 2020)</i> <i>(resigned – 8 July 2020)</i>		12 months
Rachelle Elizabeth Foreman	Chair, Governance & Policy Committee	12 months
Julie- Ann Norma Mayer <i>(on leave from 12 February 2020)</i> <i>(resigned – 2 September 2020)</i>		12 months
David John Mowat		12 months
Alison Charmaine Cuthbert	Chair, Finance & Risk Committee	12 months
Gabrielle Louise Quilliam <i>(resigned – 20 November 2019)</i>		5 months
Ann Maree Liddy <i>(appointed – 20 November 2019)</i>		7 months
Christopher Peter Miers <i>(appointed – 20 November 2019)</i>	Company Secretary	7 months

Number of Board meetings

Name	Number eligible to attend	Number attended
Erin Evans (Chair)	5	5
Stephen Russell	5	4
Rachelle Foreman	5	5
Julie-Anne Mayer	5	3
David Mowat	5	5
Alison Cuthbert	5	5
Gabrielle Quilliam	2	2
Ann Maree Liddy	3	3
Christopher Miers	3	2

Number of Finance and Risk Committee meetings

Name	Number eligible to attend	Number attended
Alison Cuthbert (Chair)	9	9
Stephen Russell	6	6
David Mowat	9	9
Ann Maree Liddy	2	2

Number of Governance and Policy Committee meetings

Name	Number eligible to attend	Number attended
Rachelle Foreman (Chair)	5	5
Erin Evans	5	5
David Mowat	5	5
Chris Miers	5	4

Number of Remuneration Committee meetings

Name	Number eligible to attend	Number attended
Erin Evans (Chair)	4	4
Alison Cuthbert	4	4
Rachelle Foreman	4	3

Current Directors' qualifications and experience

Erin Evans

Erin has a PhD in medical biotechnology (*PhD, MBA, B App Sc (Biotech) (Hons I)*) and worked for 15 years in clinical and quality development internationally. She has 20 years of leadership experience and 18 years international non-executive governance experience in corporate, NFP and public sector roles. She is founder and COO of her own organisation employing 20 staff.

Stephen Russell

Long term health consumer and health advocate with four decades governance and management experience in the public and not for profit sectors. Extensive past experience as a member and chair of health and environment advisory bodies across the three levels of government and an elected Local Government councillor. Currently a board member with Far North Queensland Hospital Foundation.

Rachelle Foreman

Bachelor of Applied Science (Exercise Management), Masters of Scientific Studies, Masters of Philosophy; member Australian Institute of Company Directors and Women on Boards. Over two decades of experience working in population health in the not-for-profit and public sectors, and experienced Board Director in health, sport and recreation and industry peak organisations.

Julie Mayer

Bachelor Social Science (major HR & Couns); Masters Adult Education, Masters Business Administration. Executive Management for 15+ yrs, specialist in Community and Stakeholder Engagement in Health Sector. More than 30 yrs working in regional, rural and remote QLD & NSW. Member Governance Institute of Australia, Member of Australian Institute of Company Directors, Fellow Australian Institute of Management, Life Fellow Australian Interim Executives Assoc. 20 yrs experience on NFP and NGO Board of Directors, Grad Dip. Corporate Governance and Risk Management.

David Mowat

Qualified Internal Auditor and Lead Auditor, Previous member of the Chartered Institute of Personnel and Development (UK), Treasurer of Aged Care charity (over \$1m turnover), Project Manager with Royal Flying Doctor Service, Member of Superannuation Policy Committee, 40 years in health policy and governance – Government and Charity sectors.

Alison Cuthbert

Bachelor of Commerce, Certified Practising Accountant, Affiliate member Australian Institute of Company Directors, Justice of the Peace (Qualified). Over three decades of accounting and financial corporate governance experience in the public sector.

HEALTH CONSUMERS QUEENSLAND
DIRECTORS REPORT
30 JUNE 2020

Current Directors' qualifications and experience (continued)

Ann Maree Liddy

Bachelor of Social Work (Hons 1st Class); Graduate Australian Institute of Company Directors; Associate Fellow Australian College of Health Service Management. Over 35 years' experience working across the health and community services sectors in Queensland, including 20 years' experience as a CEO in the not-for-profit sector. Also Board Director of Larter, a company which provides consulting and education services to the health and community services sectors in Victoria and Queensland.

Christopher Miers

Christopher has over 20 years' experience in a range of senior legal and business executive management roles at a number of organisations. Christopher is a qualified Lawyer, Company Secretary and Nationally Accredited Mediator. He holds a Master of Laws Degree, a Graduate Diploma of Applied Corporate Governance, a Bachelor of Laws and a Bachelor of Business. He has also completed the Directors Course through the Australian Institute of Company Directors. Christopher is a member of a number of professional bodies including the Australian Institute of Company Directors, Governance Institute of Australia, Chartered Governance Institute and Queensland Law Society.

Members' guarantee

Health Consumers Queensland Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$10 for members that are corporations and \$10 for all other members, subject to the provisions of the company's constitution.

At 30 June 2020 the total potential contribution from members for this purpose was \$80 (2019: \$70)

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2020 has been received and follows this report.

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



.....
Erin Dyan Evans
Director

Dated this 30th day of October 2020

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 60-40 OF THE
AUSTRALIAN CHARITIES AND NOT FOR PROFITS COMMISSION ACT 2012
TO THE DIRECTORS OF HEALTH CONSUMERS QUEENSLAND LTD

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

- (a) the auditor independence requirements of the *section 60-40 of the Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

PKF BRISBANE AUDIT



SHAUN LINDEMANN
PARTNER

BRISBANE
30 OCTOBER 2020

HEALTH CONSUMERS QUEENSLAND LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenue	3	1,309,588	1,375,845
Other Income	3	100,316	119,105
Employee expenses		(826,170)	(759,983)
Depreciation and amortisation expense		(102,402)	(13,904)
Operational expenses		(174,546)	(316,367)
Consultancy fees, forum and other meeting expenses		(189,934)	(243,061)
Occupancy expenses	4	(8,224)	(88,147)
Annual surplus		108,628	73,488
Other comprehensive income		-	-
Total comprehensive income for the year		108,628	73,488

The accompanying notes form part of these financial statements

HEALTH CONSUMERS QUEENSLAND LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		626,953	325,611
Trade and other receivables	5	90,367	183,330
Prepayments		90,312	6,732
TOTAL CURRENT ASSETS		<u>807,632</u>	<u>515,673</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	255,225	36,011
Intangible assets	7	1,327	4,164
TOTAL NON-CURRENT ASSETS		<u>256,552</u>	<u>40,175</u>
TOTAL ASSETS		<u>1,064,184</u>	<u>555,848</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	109,816	105,628
Employee benefits – annual leave		69,669	52,332
Income received in advance		165,947	63,970
Lease liability		75,264	-
TOTAL CURRENT LIABILITIES		<u>420,696</u>	<u>221,930</u>
NON-CURRENT LIABILITIES			
Employee benefits - long service leave		29,915	3,969
Lease liability		174,997	-
TOTAL NON-CURRENT LIABILITIES		<u>204,912</u>	<u>3,969</u>
TOTAL LIABILITIES		<u>625,608</u>	<u>225,899</u>
NET ASSETS		<u>438,576</u>	<u>329,949</u>
EQUITY			
Retained earnings		438,576	329,949
TOTAL EQUITY		<u>438,576</u>	<u>329,949</u>

The accompanying notes form part of these financial statements

HEALTH CONSUMERS QUEENSLAND LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Retained Earnings \$	Total equity \$
Balance at 1 July 2019	329,949	329,949
Total comprehensive income for the year	108,628	108,628
	<hr/>	<hr/>
Balance at 30 June 2020	438,576	438,576

	Retained Earnings \$	Total equity \$
Balance at 1 July 2018	256,461	256,461
Total comprehensive income for the year	73,488	73,488
	<hr/>	<hr/>
Balance at 30 June 2019	329,949	329,949

The accompanying notes form part of these financial statements

HEALTH CONSUMERS QUEENSLAND LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from QH core grant funding	1,033,619	1,008,410
Receipts from QH fee-for-service and sponsorship funding	443,110	282,765
Receipts from other fee-for-service revenue	100,039	48,211
Receipts from other income	108,660	165,834
Payments to suppliers and employees	(1,317,262)	(1,549,020)
Interest received	1,694	3,775
Net cash provided by/ (used in) operating activities	369,860	(40,025)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(678)	(6,703)
Net cash provided by/ (used in) investing activities	(678)	(6,703)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liability	(67,840)	-
Net cash provided by/ (used in) financing activities	(67,840)	-
Net increase/(decrease) in cash and cash equivalents held	301,342	(46,728)
Cash and cash equivalents at beginning of year	325,611	372,339
Cash and cash equivalents at end of year	626,953	325,611

The accompanying notes form part of these financial statements

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

This financial report covers Health Consumers Queensland Ltd (HCQ) as an individual entity. The financial statements are presented in Australian dollars, which is HCQ's functional and presentation currency.

Health Consumers Queensland Ltd is a not-for-profit unlisted public entity limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Board Chair and Chair of the Finance and Risk Committee at the date of signing the Responsible Persons' Declaration.

Comparatives are consistent with prior years unless otherwise stated.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and requirements of the *Australian Charities and Not for profits Commission Act 2012*.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs. The amounts presented in the financial statements have been rounded to the nearest dollar.

Australian Accounting Standards set out accounting principles that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. The principal accounting policies adopted by HCQ in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Adoption of New and Revised Accounting standards

The adoption of AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not for Profit Entities* has not had a material impact on HCQ for the 2020 financial year.

The adoption of AASB 16 *Leases* in the 2020 financial year has had a material impact on HCQ. See note 1 - Leases for further details.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue

AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not for Profit Entities* replace AASB 118 *Revenue*, parts of AASB 1004 *Contributions* and several revenue-related interpretations. The new Standards have been applied as at 1 July 2019 with no material impact on HCQ for the 2020 financial year.

In order for a transaction to be accounted for under AASB 15, it must represent an agreement between two or more parties that creates enforceable rights and obligations and also contains performance obligation(s); being a promise to transfer to the customer a good or service. AASB 1058 applies to transactions of not-for-profit entities where the consideration to acquire an asset is significantly less than fair value principally to enable the entity to further its objectives.

The accounting policies of HCQ have been reviewed in 2020 to reflect the requirements of these new standards.

Revenue comprises revenue from grant income and other income. A summary of revenue is shown in Note 3.

Revenue is recognised when an agreement between HCQ and one or more parties creates enforceable rights and obligations and also contains performance obligation(s); being a promise to transfer to the customer a good or service. Details of the activity-specific recognition criteria are described below.

Government grants

Government grants are recognised as revenue when the performance obligation inherent within each grant agreement is satisfied. Recognition of the grant as revenue is deferred until those performance obligations are satisfied.

Revenue from grants that are not subject to performance obligations is recognised when HCQ obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied. Where HCQ receives a contribution of a physical asset from another entity for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

Fee for Service revenue

Fees for service are recognised when the performance criteria for the service have been met and an invoice is able to be raised.

Interest

Interest revenue is recognised as it accrues using the effective interest rate method, which for financial assets is the rate inherent in the investment.

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

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

As HCQ is a charitable institution in terms of section 50(5) of the *Income Tax Assessment Act 1997*, it is exempt from paying income tax.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In the latter case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 in other receivables or other payables in the Statement of Financial Position.

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

Employee Benefits

Defined contribution superannuation expense

Obligations for contributions to defined contribution superannuation plans are recognised as an employee expense in profit or loss in the periods in which services are provided by employees.

Employee Benefit Liabilities

Provision is made for HCQ's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

Liabilities for employee benefits represent the total amount accrued for annual leave entitlements and for long service leave entitlements that have vested due to employees having completed the required period of service. These amounts must be classified as current liabilities to the extent that HCQ does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Current and non-current classification

Assets and liabilities are presented in the Statement of Financial Position based on current and non-current classification.

An asset is current when:

- it is expected to be realised or intended to be sold or consumed in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realised within twelve months after the reporting period; or
- the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Any bank overdrafts are classified as current liabilities on the Statement of Financial Position.

Property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on either a straight-line basis or reducing balance method to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Furniture and fittings	10-15 years
Office equipment	3-7 years
Computer equipment	3-5 years
Right of Use Asset	4 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to HCQ. Gains and losses between the carrying amount and the disposal proceeds are reflected in profit or loss.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

At the end of each reporting period HCQ determines whether there is any evidence of an impairment indicator for non-financial assets. Where an indicator exists the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated. The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are assessed in subsequent periods for all assets which have suffered an impairment loss.

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when HCQ becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs. Subsequent measurement of financial assets and financial liabilities is described below.

Classification and subsequent measurement of financial assets

After initial recognition, financial assets are measured at amortised cost if the assets meet both of the following conditions (and are not designated as measured at fair value through profit or loss):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All HCQ's financial assets - cash and cash equivalents, long-term deposits, and trade and other receivables – meet both of these criteria. Therefore, for subsequent measurement, all of HCQ's financial assets are measured at amortised cost using the effective interest method, less any provision for impairment (refer below for an explanation of impairment accounting). Discounting is omitted where the effect of discounting is immaterial.

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

HCQ's financial assets are subject to the impairment requirements of AASB 9 *Financial Instruments*, which uses forward looking information to recognise expected credit losses - the 'expected credit losses (ECL) model'. Therefore, HCQ considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial assets that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1');
- financial assets that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'); and
- financial assets that have objective evidence of impairment at the reporting date ('Stage 3").

'12-month expected credit losses' are recognised for Stage 1 assets, while 'lifetime expected credit losses' are recognised for Stage 2 assets. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Subsequent measurement of financial liabilities

HCQ's financial liabilities are primarily trade and other payables.

After initial recognition, HCQ's financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges reported in profit or loss within finance costs or finance income.

Derecognition of financial instruments

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby HCQ no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire.

The difference between the carrying value of the financial instrument extinguished or transferred to another party and the fair value of consideration paid/received, including the transfer of non-cash assets or liabilities, is recognised in the profit or loss.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangibles

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date.

Subsequent expenditure on the maintenance of computer software is expensed as incurred. When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

Leases

The adoption of AASB 16 *Leases* has resulted in HCQ recognising a right-of-use asset and related lease liability in connection with all former operating leases, except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new standard has been applied using the modified retrospective approach in which the calculation of the lease liability as at 1 July 2019 equals the right of use asset – totalling \$318,101. Prior periods have not been restated, as permitted under the specific transitional provisions of AASB 16. The accounting adjustments for 'retrospective' application of AASB 16 are recognised in the 1 July 2019 opening balances.

The following is a reconciliation of the financial statement line items from the former standard AASB 117 *Leases* to the new standard AASB 16 at 1 July 2019:

	Carrying Amount at 30 June 2019	Reclassification	AASB 16 carrying amount at 1 July 2019
Right of Use Asset	-	318,101	318,101
Lease Liability	-	318,101	318,101

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 5.43%. The right of use asset has been disclosed within property, plant and equipment, as this lease impacted by AASB 16 related to a lease of an office. The following disclosure reconciles the 30 June 2019 lease commitment to the opening AASB 16 lease liability on 1 July 2019:

Reconciliation of adopting of AASB16	\$
Total operating lease commitments disclosed at 30 June 2019	340,828
Operating lease liabilities before discounting	340,828
Discounting using incremental borrowing rate	(22,727)
Total lease liabilities recognised under AASB 16 at 1 July 2019	318,101

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 16 related amounts recognised in the statement of profit or loss

	2020 \$
Depreciation charge related to right-of-use assets	79,525
Interest expense on lease liabilities	15,246
	94,771

Accounting Policy for Leases – 2020 Financial Year

For any new contracts entered into on or after 1 July 2019, HCQ considers whether a contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’.

To apply this definition HCQ assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to HCQ;
- HCQ has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- HCQ has the right to direct the use of the identified asset throughout the period of use. HCQ assess whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

Aside from transitional accounting practices on the introduction of AASB 16, at lease commencement date, HCQ recognises a right-of-use asset and a lease liability. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by HCQ, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

HCQ depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. HCQ also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, HCQ measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease (if that rate is readily available) or HCQ’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Policy for Leases – 2020 Financial Year (Continued)

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

On the Statement of Financial Position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included as separate line items in current and non-current liabilities.

HCQ has elected to account for any short-term leases and leases of low-value assets using practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Accounting Policy for Leases – 2019 Financial Year

The only lease maintained by HCQ was its office accommodation lease. Lease payments for this lease, as substantially all the risks and benefits remain with the lessor (and so was classified as an operating lease), were recognised as occupancy expenses on a straight-line basis over the lease term.

NOTE 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

Key Judgements

Estimation of useful lives of assets

HCQ determines the estimated useful lives and related depreciation and amortisation charges for its plant and equipment and intangible assets. The useful lives could change significantly as a result of technological innovations or other events. The annual depreciation and amortisation expenses will increase where estimates of the remaining useful lives reduce. Obsolete assets that have been abandoned will be written off or impaired.

NOTE 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Key Estimates

Employee benefit liabilities

The liability for employee benefits expected to be settled more than 12 months from the reporting date is recognised and measured at the present value of the estimated future cash flows 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.

NOTE 3. REVENUE

	2020	2019
	\$	\$
Main Revenue		
- Queensland Health Funding	1,243,986	1,291,175
- Other Fee for Service income	63,909	81,962
- Investment income	1,693	3,774
Other Income		
- Other income	100,316	118,039
TOTAL REVENUE	1,409,904	1,494,950

NOTE 4. OCCUPANCY EXPENSES

Occupancy expenses include the following amounts:

	2020	2019
	\$	\$
Rental expense on leases	8,224	82,358

The impact of AASB 16 *Leases* has resulted in a change in the composition of expenses relating to leases, compared to under the former accounting standard AASB 117 *Leases*. In addition to the expenses in this note, depreciation and interest expense in relation to HCQ's office accommodation lease for the 2020 financial year totalled \$94,771 - see Note 1 Leases for further details.

NOTE 5. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	2020	2019
	\$	\$
Trade receivables	50,541	115,177
Provision for Doubtful Debts	(5,694)	-
Deposits	200	200
Accrued Income	40,217	63,832
Other receivables	5,103	4,121
Total current trade and other receivables	90,367	183,330

NOTE 6. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	2020	2019
	\$	\$
Furniture, fixtures and fittings - at cost	17,775	17,412
Less: Accumulated depreciation	(13,748)	(6,292)
	<u>4,027</u>	<u>11,120</u>
Office equipment - at cost	22,884	22,569
Less: Accumulated depreciation	(21,428)	(16,747)
	<u>1,456</u>	<u>5,822</u>
Computer equipment - at cost	45,545	45,545
Less: Accumulated depreciation	(34,379)	(26,476)
	<u>11,166</u>	<u>19,069</u>
Right of Use Asset	318,101	-
Less: Accumulated depreciation	(79,525)	-
	<u>238,576</u>	<u>-</u>
Total Property, Plant and Equipment	255,225	36,011

Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the financial year are set out below:

	Furniture, Fixtures and Fittings	Office Equipment	Computers	Right of Use Asset	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2019	11,120	5,822	19,069	-	36,011
Additions	363	315	-	-	678
First time adoption of AASB 16 <i>Leases</i>	-	-	-	318,101	318,101
Depreciation expense	(7,456)	(4,681)	(7,903)	(79,525)	(99,565)
Balance at 30 June 2020	4,027	1,456	11,166	238,576	255,225

NOTE 7. NON-CURRENT ASSETS - INTANGIBLE ASSETS

	2020 \$	2019 \$
Website and database development – at cost	13,545	13,545
Accumulated amortisation	(12,218)	(9,381)
Carrying amount	1,327	4,164

Movements in carrying amounts of website and database development assets:

Balance at beginning of year	4,164	6,993
Amortisation	(2,837)	(2,829)
Balance at end of year	1,327	4,164

NOTE 8. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

Trade payables	39,063	19,518
GST Payables	19,071	26,043
Employee related costs	28,009	23,089
Sundry payables and accrued expenses	23,673	36,979
	109,816	105,629

NOTE 9. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to key management personnel of HCQ is set out below. The Directors act in an honorary capacity and receive no sitting fees.

	2020 \$	2019 \$
Aggregate compensation	159,040	141,803

NOTE 10. CONTINGENT LIABILITIES

HCQ had no contingent liabilities as at 30 June 2020 (30 June 2019: Nil).

NOTE 11. COMMITMENTS

HCQ had the following commitments for expenditure in respect of non-cancellable operating leases contracted for but not recognised in the financial statements.

	2020 \$	2019 \$
Minimum lease payments		
Not later than 12 months	-	84,507
Between 12 months and 5 years	-	256,321
	-	340,828

The 2019 commitment related to the office lease which is now accounted for under AASB 16 *Leases*, and recognised on the Statement of Financial Position effective 1 July 2019. There were no other commitments for the 2019 or 2020 financial years. Please see note 1 – Leases for a reconciliation from the 2019 lease commitments to first time adoption of AASB 16 *Leases*.

NOTE 12. FINANCIAL RISK MANAGEMENT

HCQ's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	2020 \$	2019 \$
Financial assets		
Financial assets at amortised cost		
- Cash and cash equivalents	626,953	325,611
- Trade and other receivables	55,845	183,330
Financial liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	98,546	105,628

NOTE 13. RELATED PARTY TRANSACTIONS

Key management personnel

Compensation for HCQ's key management personnel is set out in Note 9.

Transactions with related parties

The Chair received \$12,250 in respect of consultancy work completed during the 2020 financial year (2019: Nil). There were no additional transactions with related parties during the current and previous financial year.

NOTE 13. RELATED PARTY TRANSACTIONS (CONTINUED)

Loans to/from related parties

There were no loans outstanding to or from related parties at the end of 2019-20 or 2018-19.

NOTE 14. EVENTS AFTER THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of HCQ, the results of those operations or the state of affairs of HCQ in future financial years.

NOTE 15. ENTITY DETAILS

The registered office of HCQ is:
Level 3, 340 Adelaide Street
BRISBANE, QLD 4000

HEALTH CONSUMERS QUEENSLAND LTD
RESPONSIBLE PERSONS' DECLARATION
30 JUNE 2020

In accordance with a resolution of the Directors of Health Consumers Queensland Limited (HCQ), the directors of HCQ declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 11 to 29, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements applicable to the entity; and
 - b. give a true and fair view of the financial position of HCQ as at 30 June 2020 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that HCQ will be able to pay its debts as and when they become due and payable.

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

On behalf of the responsible persons



Dr Erin Evans
Board Chair
Brisbane, 2nd November 2020



Alison Cuthbert
Chair, Finance & Risk Committee
Brisbane, 2nd November 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Health Consumers Queensland Ltd

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Health Consumers Queensland Ltd (the company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- a) Giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

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

Independence

We are independent of the Association in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* 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.

Directors' Responsibilities for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards –to the extent described in Note 1 and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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, individual or in 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/Home.aspx>. This description forms part of our auditor's report.

PKF BRISBANE AUDIT



SHAUN LINDEMANN
PARTNER

BRISBANE
2 November 2020