Health Issues Centre
Consumer voices for better healthcare

ANNUAL REPORT 2017/18

Contents

Health Issues Centre
Consumer voices for better healthcare

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Inc. Reg No: A14282J

ABN: 96 599 565 577

Front Cover Photo Referencing: Illuminated Angels Promoting HIC's Acclaimed Performance Event 'Unspoken '

CHAIR'S REPORT

It gives me great pleasure to present to you the Health Issues Centre (HIC) Annual Report for 2018. Sometimes it is only in retrospect that one can actually gauge how far we have progressed and how much we have achieved. In our case we have undertaken significant change internally and externally as we implemented changes over the last twelve months.

We undertook an organisational restructure to align our organisational model with our strategic vision and direction, to ensure that we can deliver these around consumer, carer and community participation. Undertaking such significant changes can be challenging for any organisation but especially for a small not for profit one as we were trying to both deliver business as usual whilst restructuring and pursuing new business opportunities.

During many of our board meetings, where we discussed risks, we often reminded ourselves that taking a risk is part of the creative process which keeps organisations healthy and relevant. This brings to mind the quote by Nelson Mandela where he stated: *"I learned that courage was not the absence of fear, but the triumph over it. The brave man (and woman) is not he/she who does not feel afraid, but he/she who conquers that fear".* This quote reminds us of the importance of overcoming fear and harnessing the energy generated whilst applying it creatively.

Our focus is on identifying and highlighting the voice of consumers, carers and community in a way which can positively impact on the health system for better patient and consumer health outcomes. We endeavour to be the conduit by focussing on particular issues identified by the community as being of importance to them. We have found that having the conversation with many gives us deeper insights on what really matters to various groups when it comes to health and health service delivery. We have found that in some ways, we have gone back to our founding principles of advocacy, reframed them into a current methodology and applied them in a way to increase our impact and influence on the health system. The digital age has certainly redefined the famous quote by the 19th century British politician and author Edward George Bulwer Lytton *"The pen is mightier than the sword*". Indeed, social media has demonstrated that.

It has also meant that we are working with new partners and creating new alliances which give us increased opportunities to challenge ourselves and to expand and broaden our approach around health matters whilst considering the social determinants of health.

There are many I would like to acknowledge and thank for working with us and supporting us. In particular, I would like to thank Safer Care Victoria (SCV) for their support of our work by funding us to deliver agreed projects for some of our core work. We are constantly working closely with them to ensure the best outcomes for consumers and carers.

I would like to thank my co-directors for their strong support and commitment to our vision and

strategic direction. At our meetings we had discussions, review and analysis around how much change to continue pursuing, as we grappled with an ever changing political and social environment with its numerous policy changes, reviews and restructures, and how these were potentially impacting on the community. At no point did we waiver from our vision as we grappled with the challenges that presented themselves to us.

We farewelled three directors this year. Liza Newby was on our board for nearly nine years. She will be sorely missed and will be remembered as a committed, informed, engaged and active director. Another director who has also sadly left us after over four years is Graham MacDonald. Graham's contributions were always balanced, weighing up all perspectives. His guidance on legal matters was always welcomed. Unfortunately, Graham's personal commitments changed, forcing him to resign. Sandy Chakravarty also resigned earlier this year. Sandy was our Treasurer, committed to our work and vision however, her work circumstances changed requiring more time from her and resulting in her resignation from our board. We wish all three former directors all the best with their endeavours.

On behalf of the board I would like to thank our CEO, Danny Vadasz, who has worked tirelessly to achieve HIC's transformational change in the last twelve months and beyond. He has demonstrated true leadership during a period of major change. It has been a demanding and at times harrowing journey, requiring balanced risk assessments, managing competing demands, running the day to day operation of the organisation and most importantly supporting staff. I would also like to thank our staff, both existing and new, who have continued delivering our services during our period of major change. Without their efforts we would not have been able to deliver our programs to consumers, carers and community.

Finally, and most importantly, I would like to thank our consumers, carers and community who are always willing and able to give of their time and engage with us on a range of requests for their involvement on a raft of matters as a priority. We need your input if we are to put those views forward to Government and service providers. We take your views and amplify them so they can be heard by all concerned. We feel that the views of consumers, carers and community is what should drive the discussion around how to address issues in health. We want to see quality and safety alerts not just identified by clinicians but also by patients, consumers and carers. Such a patient alert system is yet to be realised and with your support we may be able to make it a reality thus ensuring that patient, consumer and carer participation is effectively embedded in the health system for better health outcomes for all.

Sophy Athan

CHAIR

HIC- MODELLING CONSUMER HEALTH INNOVATION

CEO'S REPORT

In my first CEO's annual report in 2015 I promised to refocus HIC on its foundation mission – to advocate on behalf of and to ensure that **ALL** consumers had the opportunity to participate in decisions that affected their health outcomes.

HIC has a rich legacy in training and supporting engaged consumers to participate in their own person centred care and to actively advocate for system reform. We continue to promote consumer representatives through a program of recruitment, placement, skills training and mentoring.

At the same time, we acknowledge that the very social determinants that deny many consumers equity and access to the health system also act as barriers to participation. In 2017 HIC set a strategic objective to develop a new model for consumer participation that would address the inhibitors to universal access. Our starting point was to idealise a gold standard for universal participation and we adopted the following ambition:

"A true participatory model should embrace diversity, the vulnerable and the 'hard to reach' so that they too may influence outcomes." - HIC, 2017

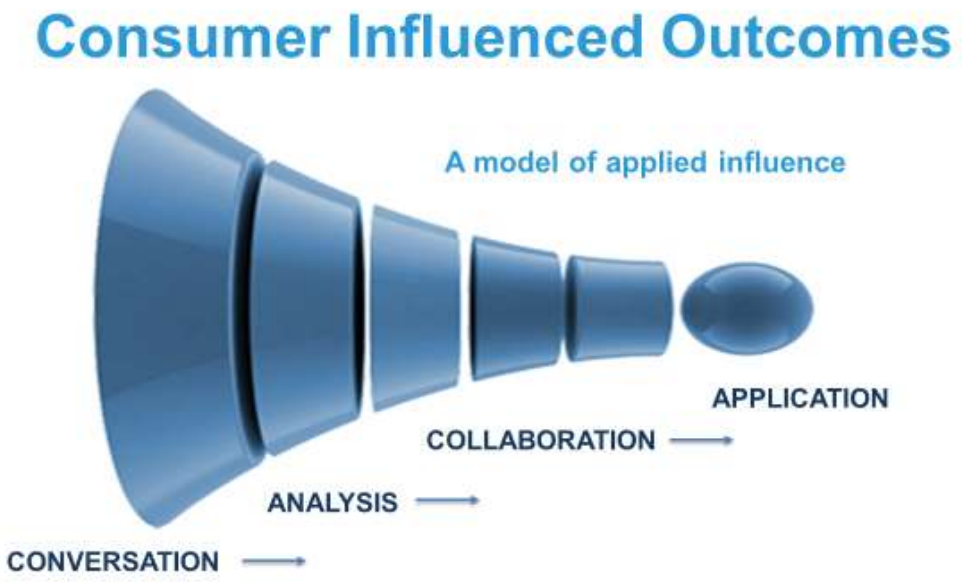
Fundamental to this new model was a belief that, while health literacy should be promoted, it should not be a barrier to meaningful participation. Our new model would focus primarily on creating novel pathways to participation rather than raising consumer competencies as an entry requirement.

In order to deliver on this ambitious goal, we began to experiment with new tools and processes for consultation and decision making. In particular, HIC began to engage consumers in conversation through social media. Suddenly, instead of canvassing a handful of people through formal processes such as focus groups, we began to have conversations with thousands of consumers.

We broadened our repertoire of conversational tools by introducing street video interviews to capture vox-pops and we developed the art of intercepting consumers in social settings to bring the conversation to them, rather than them to the conversation.

We call this process of capturing collective lived experience "Social Listening" and it has informed our work in policy development, co-design and identifying system failures.

Using a process of sentiment analysis, we analyse common conversational themes from which we generate consumer constructed surveys. We take the data to collective forums to generate insights and/or create solution design briefs.



The four-stage model which now guides HIC's consumer advocacy is called a model of Consumer Influenced Outcomes and it is being used in a variety of ways to ensure that consumers not only provide answers but get to define the problem.

In 2017 HIC established four work streams to capture and apply consumer sentiment:

1. Searchlight program – Our investigative program to identify patterns of adverse medical outcomes and measure their prevalence. Most famously was the social research conducted by HIC that identified thousands of women who had been medically injured through the implant of pelvic mesh devices. HIC was also instrumental in uncovering a pattern of serious adverse outcomes among women who had been recommended the Essure IUD device.

2. Insight program – The HIC Insight program provides a social contextualisation of health. For instance, we were asked by Gippsland PHN to help them understand why older people were under-represented in clinical appointments. We began a social conversation that led us to answers we couldn't predict.

3. Stress testing – HIC applies the model to identifying policy gaps, strategic flaws and system failures. For instance, the Health Complaints Commission asked HIC to benchmark their new complaints procedure against consumer experience of the complaints process. Respondents informed us that they held so little confidence in the process that the majority who had experienced adverse outcomes had chosen not to proceed with formal complaint (55% of respondents).

4. Human centred design – HIC uses human centred design in its co-design processes to ensure that we design solutions that address consumer defined rather than institutional problems. We worked with Maryborough District Health Service to engage with the whole community in designing a locally suited women's health and wellbeing centre.

Danny Vadasz

CEO

The following highlights report provides a few examples of how HIC has used its model of Consumer Influenced Outcomes to ensure that the collective lived experience of consumers shapes outcomes that address their needs.

We are excited at the success we have had in bringing the voices of thousands of consumers into public health debates and ensuring that those who have been historically left out of the conversation are now participants in planning their health futures.

HIGHLIGHTS OF THE YEAR

The last 12 months have been an exciting time for HIC with numerous collaborations based on HIC's Social Listening platform for consumer engagement, its model of Consumer Influenced Outcomes and its ongoing curriculum development and delivery of innovative consumer training. The following snapshot captures the breadth and impact of HIC's leadership in consumer engagement:

UNSPOKEN

Tackling the taboos of end-of-life (cover story).

In 2016 HIC devised and produced the performance-art event Unspoken: What will become of me? to generate community awareness and discussion about end-of-life issues. The event held over Senior's Week at the Victorian State Library generated so much interest that this year, HIC, in conjunction with COTA and the Municipal Association of Victoria combined to tour Unspoken throughout regional Victoria.

12 regional centres hosted Unspoken and thanks to audience participation and local media promotion, end-of-life conversations became an important part of many family conversations. HIC has long argued that the appropriate time and place to encourage people to engage in Advance Care Planning and other end-of-life decisions is in a social setting, well before they are dealing with an imminent health crisis. With more and more elderly Australians choosing to live out their lives at home rather than in institutions, the importance of health in a social context becomes increasingly relevant.

CAPACITY BUILDING

This financial year HIC expanded our nationally accredited program through licensing of training to other states. We continued our work in collaboration with Health Consumer Queensland (HCQ) and also entered into a licensing agreement with the Flourish agency to deliver HIC's nationally accredited courses in Tasmania.

Our skills training program saw a total of 14 skills training sessions delivered either at HIC or on-site at health services across Victoria. Our extensive customised training program delivered 17 customised sessions to 518 staff and consumers of health and community services.

As a component of our Service Agreement with DHHS, HIC delivered training to the Safer Care Victoria (SCV) Patient and Family Council, consumers and clinicians from the Victorian Clinical Networks and regional and rural health services.

HIC conducted a training self-assessment process with the SCV Patient and Family Council and conducted individual interviews with members to ascertain their needs and references for training. In response to this process, a training program was developed consisting of five training sessions.

Under the Service Agreement we also delivered 9 training sessions at 10 regional and rural health services across Victoria.

SEARCHLIGHT PROGRAM

HIC has used social media to investigate the prevalence of undocumented health trauma and in particular, the under-reporting of medical device failure. Most famously, this led to HIC identifying over 2,000 women who had suffered debilitating injury from pelvic mesh implants.

More recently HIC was approached by informants suggesting that the Essure IUD contraceptive also warranted post-market investigation. HIC received impact statements from over 100 women and the device is now the subject of a class action.

Essure IUD Implant

HIC continues to receive individual reports of faulty medical devices and will conduct a broad investigative campaign over the next year in an attempt to identify the prevalence and severity of adverse device outcomes.

This work not only directly impacts the lives of thousands of consumers but identifies weaknesses in the regulatory systems and protocols intended to protect public health.

HIC will continue to campaign for a range of regulatory reforms including:

- Revision to the minimum registration requirements for medical devices;
- Greater consumer input into the reporting and assessment of Adverse Clinical Events;
- Strengthening of accreditation standards for specialised medical procedures;
- Mandating Informed Consent as a prerequisite to all invasive procedures;
- Registration of medical devices and mandatory requirements for device manufacturers to release product inventory distribution details.

INSIGHT PROGRAM

HIC's Insight program digs below clinical data to better understand the drivers of health problems. Too often medical solutions are our first response where social interventions are more likely to intercept the determinants that generate those health problems before they require clinical solutions.

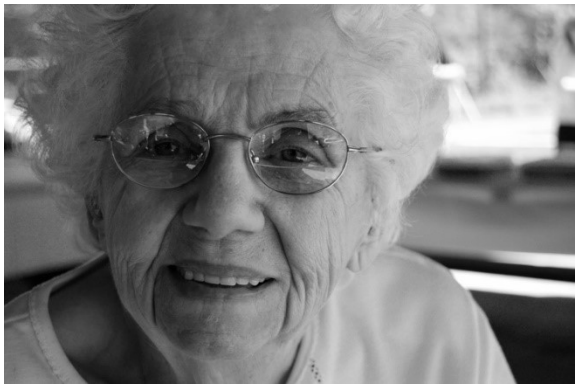
BREAST SCREENING VICTORIA

HIC was commissioned to investigate the reasons for lower breast screening rates for women with disabilities. Our research indicated a multilayer

problem with technical, system and behavioural drivers. Screening devices were often not adaptable to cope with the constraints of disability, appointment systems not flexible enough to allow for the higher likelihood of cancellation due to concurrent health problems. Research also suggested that for many women with disability a legacy of mistrust based on poor historical clinical experiences created a disinclination to proceed with elective health checks.

AGEING IN GIPPSLAND

Gippsland PHN commissioned HIC to investigate the causes of a lower than expected rate of clinical appointments for older residents. Using a combination of social media, social intercepts and trusted informants, HIC developed an understanding of how social withdrawal and isolation predisposed older residents to avoid contacts that reinforced and reminded them of their own cognitive and physical decline and consequent loss of identity. HIC has developed pilot initiatives aimed at reversing this process of withdrawal.



STRESS TESTING

HIC is often approached to provide a consumer perspective on policy initiatives, service design or system improvements. Rather than respond as experts on behalf of consumers, HIC has adopted an approach that draws on the collective sentiments of consumer experience.

HEALTH COMMISSIONER'S OFFICE

For instance, HIC was approached by the Health Commissioner's office to inform the development of a standardised complaints handling process through the experience of consumers who had cause for complaint. HIC's social research discovered that 55% of consumers who believed that they had experienced unsatisfactory medical treatment chose not to complain either because they had no confidence in the process, did not want to relive the original traumatic incident or had made a conscious decision to focus their energy on recovery and moving forward.

Of the 45% of consumers who had initiated a complaints process, only a handful were satisfied with their outcome. Our advice was that a revised complaints process would need to first focus on building public trust in the institutions that were the cause for complaint.

MARYBOROUGH DISTRICT HEALTH SERVICE

One case in point is our work with Maryborough District Health Service to generate a whole-of-community involvement in the challenge of designing a Women's Health and Wellbeing Centre. Using a combination of social media, social intercepts and trusted informants, HIC engaged with over 450 local women to find out what mattered most to the women of Maryborough.

The aggregated feedback was taken to a community deliberative forum where consumers helped to develop a specification brief that translated the sentiments of the conversation into deliverable objectives.

In the next phase, a true co-design process, that is one based on the community brief, will create the blueprint for the health service the community wants and this will be placed on public display to ensure that the design interpretation is a true reflection of community expectations.

The final "build" of the service will be the ultimate test of HIC's model of Consumer Influenced Outcomes where final decisions made by consumer elected representatives will be judged against the expressed aspirations of their community.

These brief examples indicate the broad relevance and application of HIC's process of social listening, sentiment analysis and human centred design to achieve consumer determined outcomes.

Our work across health services, PHNs, government and its agencies and community organisations has set new standards of participation and accountability and highlighted weaknesses and gaps in current systems approaches.

HIC's work has been recognised nationally and internationally through practice and information exchanges with leading health innovation institutions such as The King's Fund (UK).

HIC's pipeline of projects and collaboration for the coming year suggests an even more exciting future for consumer driven outcomes and for a truly participatory approach to developing a better health system.

HUMAN CENTRED DESIGN

HIC refers to Human Centred rather than Co-Design processes to emphasise the difference between designing institutionally defined problems and solutions to human problem.

BOARD OF GOVERNANCE

SOPHY ATHAN

CHAIR

With a strong interest in mental health, disability, the aged and women's health, Sophy has been an advocate in the health sector for over 13 years. She has presented at conferences and workshops on consumer and carer perspectives. She is also a member of several health service committees and chairs a number of consumer and carer committees.

Sophy is the Director of her own company, Euroforce Music. Prior to this she was a senior public servant in both state and local governments.

MARIE GILL

DEPUTY CHAIR

Marie has worked as a nurse for over 30 years, mainly in chronic disease care. She has extensive knowledge and experience of the health care system and works as a consultant with government, community health, hospitals, primary health care providers and non-government organisations.

Marie has a Masters of Education and works with health organisations to improve the way they deliver care for people with chronic health issues. Her focus is to promote the concepts of client-centred care, self-management, consumer consultation and peer learning.

MARIA NAPOLITANO

TREASURER

Maria Napolitano is a Certified Practicing Accountant with broad financial services industry experience. She has a strong interest in governance and risk management, and how this can add value to an organisation's operations. Maria joined Health Issues Centre in 2018 and has past experience as a treasurer and director for a not for profit organisation.

EMMA BLAKE

BOARD MEMBER

Emma Blake joined the Health Issues Centre in 2018 as an enthusiastic consumer representative, with the objective of making a difference for consumers of health care. Emma's passion is driven by her own consumer experience from patient-centred health care.

Emma is a Chartered Accountant with more than 20 years' experience in Accounting, Risk Management & Financial Markets (Banking & Treasury). Emma's experience has evolved through roles in the Financial Markets Industry, Not-For-Profit Organisations and more recently the Health Industry. Emma has a strength for supporting organisations to focus on continuous improvement and development/implementation of strategic initiatives to ensure the achievement of short & long term objectives

LAUREN CORDWELL

BOARD MEMBER

Lauren Cordwell joined the Health Issues Centre Board in October 2015 and is also a member of the Finance and Audit Committee.

Lauren has extensive health policy, strategy, community engagement and business development experience in the health and community sectors. Through working with diverse stakeholders to address community needs, Lauren is committed to finding solutions to some of the big challenges facing healthcare in Australia.

PETER RUZYLA

BOARD MEMBER

Peter has a background in Educational Psychology and Health Services Management, with wide experience in the education and health sectors as a service provider, manager and policy advisor. Peter is currently the CEO of EACH Social and Community Health which provides a wide range of primary health care, mental health, counselling, disability, employment services, and aged care services across Victoria, NSW, ACT, Qld and Tasmania. Peter is also CEO of EACH Housing Limited, a subsidiary company of EACH and a registered Housing Provider.

Peter has been in CEO/Director roles for over 25 years. Peter's governance experience includes having been Chair and Director of several not for profit organisations and peak bodies such as Care Connect, VHA, VICSERV, QIP and is also currently a director of VICSERV (peak body for mental health services) and Health Issues Centre. Peter also served on the Board of the East Melbourne Medicare Local. Peter has contributed over many years to a range of Advisory Committees and partnership development through the Victorian Primary Care Partnerships.

MARITA WALL

BOARD MEMBER

Marita Wall is a lawyer and company director with expertise in consumer protection, compliance, risk and corporate governance. Her experience includes the following:
Marita is an Ombudsman with the Financial Ombudsman Service for 5 years, Acting Chairperson, Acting Deputy Chairperson and inaugural Member of the Superannuation Complaints Tribunal.

Barrister at the Victorian Bar for over 5 years, appearing in numerous high-profile cases, including successfully representing a transgender person in a mental health claim in the High Court.

A large percentage of disputes she dealt with as Ombudsman, at the Tribunal and as a Barrister were health-related (death and disability claims).

Marita is also a Non-Executive Director on 3 Boards and a graduate of the Australian Institute of Company Director

ROSE WILLIAMS

BOARD MEMBER

Rose is a passionate consumer representative, having seen both the best and worst of consumer relations in the healthcare field. She is an active member of the Melbourne-based young women's breast cancer support group Boob Club. She is a keen advocate of continuous improvement in both policy design and implementation of patient-centred health care.

OUR TEAM

Danny Vadasz, CEO

Belinda MacLeod-Smith, Consumer Engagement Officer (to June 2018)

Ben Ansell, Research and Communications Officer (March to June 2018)

Esther Lim, Project Officer Consumer Participation Projects (to September 2017)

Francesca Trimboli, Communications and Stakeholder Engagement Manager

Jessica Friedman, Administrative and Project Support Officer (from April 2018)

Kate Mohay, Finance and Operations Manager

Katrina Cominos, Videographer (to June 2018)

Luke Minton, Communications Assistant (to March 2018)

Mary Macheras-Magias, Coordinator Consumer Representation and Training (to October 2017)

Nicky Barry, Senior Project and Consumer Support Coordinator (to December 2017)

Dr Tere Dawson, Manager Training and Development

Zoe Austin-Crowe, Senior Project Advisor and Project Manager

Souzi Markos, Office Administrator (to December 2017)

SPECIAL THANKS

Annette Campbell

Born in a Taxi

Brodie Preston – North Western Melbourne PHN

Catusia Biuso – Heart Foundation

Christine Walker – Chronic Illness Alliance

Damien Rogers, Videographer (to March 2017) – Student placement

David Clunn – Epilepsy Foundation

Elise Perillo – Diabetes Victoria

Gerry O'Brien – Victoria Aids Council

Ghislain Ngouansavanh

Jenny Carmuciano

Kelly Rossmann – Diabetes Victoria

Patrice Higgins

Phillipa Duell-Piening – Victoria Refugee Health Network

Rhys Chamberlain – Maurice Blackburn Lawyers

Simar Amad – Arabic Welfare Inc

Susanne Baxandall – Diabetes Victoria

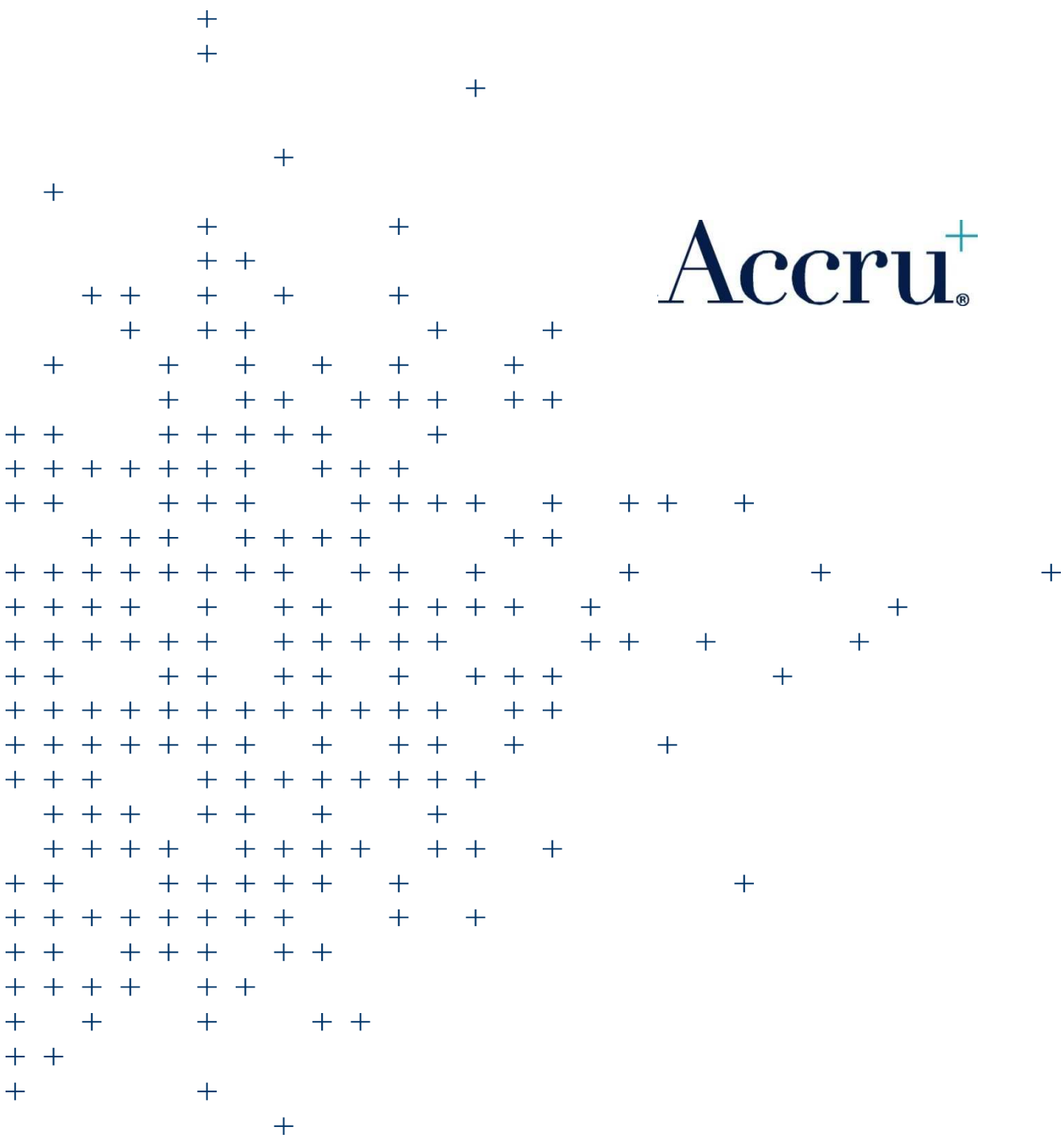
Terrence Samonte

Victorian Refugee Health Network - our partners in the Refugee Health Literacy Project

HEALTH ISSUES CENTRE INC.

ABN 96 599 565 577

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018



Health Issues Centre Inc.
ABN 96 599 565 577

Contents
For the Year Ended 30 June 2018

Health Issues Centre Inc.
ABN 96 599 565 577

Statement of Comprehensive Income
For the Year Ended 30 June 2018

	Note	2018 $	2017 $
Revenue	2	**1,027,093**	995,310
Employee benefits expense		**(814,415)**	(789,609)
Depreciation and amortisation expense		**(17,599)**	(28,334)
Administration expenses		**(153,131)**	(119,449)
Consultants' expenses		**(109,215)**	(78,488)
Professional fees		**(20,923)**	(40,467)
Consumables		**(29,727)**	(35,772)
Other expenses		**(89,662)**	(54,361)
Deficit for the year		**(207,579)**	(151,170)
Other comprehensive income		**-**	-
Total comprehensive income/ (loss) for the year		**(207,579)**	(151,170)

The accompanying notes form part of these financial statements.

Health Issues Centre Inc.
ABN 96 599 565 577

Statement of Financial Position
As At 30 June 2018

	Note	2018 $	2017 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	**642,271**	738,721
Trade and other receivables	4	**43,977**	28,582
Other assets	5	**50,976**	54,954
TOTAL CURRENT ASSETS		**737,224**	822,257
NON-CURRENT ASSETS			
Property, plant and equipment	6	**19,324**	36,756
TOTAL NON-CURRENT ASSETS		**19,324**	36,756
TOTAL ASSETS		**756,548**	859,013
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	**116,360**	92,392
Short-term provisions	8	**-**	66,127
Employee benefits	9	**68,522**	83,508
Other liabilities	10	**205,531**	43,303
TOTAL CURRENT LIABILITIES		**390,413**	285,330
NON-CURRENT LIABILITIES			
Employee benefits	9	**8,138**	8,107
TOTAL NON-CURRENT LIABILITIES		**8,138**	8,107
TOTAL LIABILITIES		**398,551**	293,437
NET ASSETS		**357,997**	565,576
EQUITY			
Contributed equity		**420,875**	420,875
Accumulated surplus		**(62,878)**	144,701
TOTAL EQUITY		**357,997**	565,576

The accompanying notes form part of these financial statements.

Health Issues Centre Inc.
ABN 96 599 565 577

Statement of Changes in Equity
For the Year Ended 30 June 2018

2018

	Contributed Equity	Accumulated Surplus	Total
	$	$	$
Balance at 1 July 2017	**420,875**	**144,701**	**565,576**
Deficit for the year	**-**	**(207,579)**	**(207,579)**
Balance at 30 June 2018	**420,875**	**(62,878)**	**357,997**

2017

	Contributed Equity	Accumulated Surplus	Total
	$	$	$
Balance at 1 July 2016	420,875	295,871	716,746
Surplus for the year	-	(151,170)	(151,170)
Balance at 30 June 2017	420,875	144,701	565,576

The accompanying notes form part of these financial statements.

Health Issues Centre Inc.
ABN 96 599 565 577

Statement of Cash Flows
For the Year Ended 30 June 2018

	Note	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from grants		**543,948**	525,971
Payments to suppliers and employees		**(1,380,881)**	(1,183,071)
Receipts from membership subscriptions		**3,753**	4,189
Consultancy and other receipts		**725,602**	455,564
Interest received		**11,295**	17,805
Net cash provided by (used in) operating activities	12	**(96,283)**	(179,542)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of plant and equipment		**(167)**	(25,130)
Net cash used by investing activities		**(167)**	(25,130)
Net increase (decrease) in cash and cash equivalents held		**(96,450)**	(204,672)
Cash and cash equivalents at beginning of year		**738,721**	943,393
Cash and cash equivalents at end of financial year	3	**642,271**	738,721

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(a) Basis of preparation

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Reform Act 2012 of Victoria. The Board of Governance has determined that the not-for-profit Association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(b) Income tax

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

(c) Revenue and other income

The Association recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Health Issues Centre Inc.'s activities as discussed below.

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

Where grant revenue is considered non-reciprocal, it is recognised in the statement of comprehensive income on a pro-rata basis following the satisfaction of funding requirements. Expenditures related to the funding are taken up when incurred in accordance with the grants' requirements and in accordance with the agreement. Where programs and service agreement are not completed at balance date, the unused proportion of the grant funds received is carried forward as grants received in advance to cover expenditures to be incurred after balance date.

Interest revenue is recognised using the effective interest rate method.

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

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

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and term deposits held with banks.

Notes to the Financial Statements
For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(e) Property, plant and equipment

Plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all property, plant and equipment is depreciated over the useful lives of the assets to the Association commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Useful Life (years)
Furniture, Fixtures and Fittings	5
Office Equipment	5
Computer Equipment	3
Computer Software	3
Leasehold improvements	5

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

(f) Impairment of non-financial assets

At the end of each reporting period, the Association reviews the carrying values of its tangible and intangible 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 value 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 the statement of comprehensive income. To 30 June 2017, no impairment losses have been recorded.

(g) Employee benefits

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

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

(h) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Notes to the Financial Statements
For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(h) Goods and services tax (GST)

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Comparative figures

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

(j) Economic dependence

Health Issues Centre Inc. is dependent on grant funding which comes from the State Government and local sources, for more than half of its revenue used to operate the business. Changes to Government policy at that level can have a direct impact on service delivery. At the date of this report the Board of Governance has no reason to believe the funding will not be continued to support Health Issues Centre Inc.

(k) Adoption of new and revised accounting standards

During the current year, the Association adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these Standards has not had a significant impact on the recognition, measurement and disclosure of transactions.

(l) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided against early adoption of these Standards, but does not expect the adoption of these standards to have any significant impact on the reported position or performance of the Association.

2 Revenue

	2018	2017
	$	$
- Consulting fees and Project Grants	**325,024**	341,100
- Interest revenue	**11,295**	17,805
- Rental revenue for property investment	**19,333**	5,667
- Operating grants	**502,891**	497,283
- Member subscriptions	**3,753**	4,189
- Training income	**161,396**	125,953
- Other revenue	**3,401**	3,313
Total revenue	**1,027,093**	995,310

3 Cash and Cash Equivalents

Cash on hand	**167**	56
Cash at bank	**492,104**	189,878
Short-term bank deposits	**150,000**	548,787
Total cash and cash equivalents	**642,271**	738,721

Notes to the Financial Statements
For the Year Ended 30 June 2018

4 Trade and Other Receivables

	2018 $	2017 $
CURRENT		
Trade receivables	**43,977**	28,582
Total current trade and other receivables	**43,977**	28,582

5 Other Assets

CURRENT		
Prepayments	**43,693**	44,769
Accrued income	**7,283**	10,185
Total other current assets	**50,976**	54,954

6 Plant and Equipment

Furniture, fixture and fittings		
At cost	**7,648**	7,648
Accumulated depreciation	**(2,331)**	(802)
Total furniture, fixture and fittings	**5,317**	6,846
Office equipment		
At cost	**13,219**	13,219
Accumulated depreciation	**(3,470)**	(826)
Total office equipment	**9,749**	12,393
Computer equipment		
At cost	**13,713**	15,238
Accumulated depreciation	**(13,162)**	(13,722)
Total computer equipment	**551**	1,516
Computer software		
At cost	**67,680**	67,680
Accumulated depreciation	**(67,680)**	(56,369)
Total computer software	**-**	11,311
Improvements		
At cost	**4,915**	4,915
Accumulated depreciation	**(1,208)**	(225)
Total improvements	**3,707**	4,690
Total plant and equipment	**19,324**	36,756

Notes to the Financial Statements
For the Year Ended 30 June 2018

6 Plant and Equipment

(a) Movements in carrying amounts of plant and equipment

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

	Furniture, Fixtures and Fittings	Office Equipment	Computer Equipment	Computer Software	Leasehold Improvement	Total
	$	$	$	$	$	$
Year ended 30 June 2018						
Balance at the beginning of year	**6,846**	**12,393**	**1,516**	**11,311**	**4,690**	**36,756**
Additions	**-**	**-**	**166**	**-**	**4,915**	**5,081**
Disposals	**-**	**-**	**(166)**	**-**	**-**	**(166)**
Depreciation expense	**(1,530)**	**(2,644)**	**(965)**	**(11,311)**	**(983)**	**(17,433)**
Balance at the end of the year	**5,316**	**9,749**	**551**	**-**	**8,622**	**24,238**

	Furniture, Fixtures and Fittings	Office Equipment	Computer Equipment	Computer Software	Leasehold Improvement	Total
	$	$	$	$	$	$
Year ended 30 June 2017						
Balance at the beginning of year	369	-	5,751	33,840	-	39,960
Additions	6,996	13,219	-	-	4,915	25,130
Depreciation expense	(519)	(826)	(4,235)	(22,529)	(225)	(28,334)
Balance at the end of the year	6,846	12,393	1,516	11,311	4,690	36,756

7 Trade and Other Payables

	2018	2017
	$	$
CURRENT		
Trade payables	**13,102**	25,694
Sundry payables and accrued expenses	**103,258**	66,698
Total current trade and other payables	**116,360**	92,392

8 Provisions

CURRENT		
Restructuring	**-**	66,127

9 Employee Benefits

CURRENT		
Annual leave	**51,266**	58,288
Long service leave	**17,256**	25,220
	68,522	83,508
NON-CURRENT		
Long service leave	**8,138**	8,107

Notes to the Financial Statements
For the Year Ended 30 June 2018

10 Other Liabilities

	2018	2017
	$	$
CURRENT		
Grant and consultancy income in advance	**205,531**	43,303

11 Commitments

Operating Leases:

Commitments for minimum lease payments in relation to non-cancellable office rental are payable as follows:

Within one year	**121,195**	116,533
Between one year and five years	**346,816**	514,649
Total future minimum lease payments	**468,011**	631,182

12 Cash Flow Information

Reconciliation of net result to net cash provided by operating activities:

Surplus/ (deficit) for the year	**(207,579)**	(151,170)
Non-cash flows in surplus/ (deficit):		
Depreciation and amortisation expense	**17,599**	28,334
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**(15,395)**	(8,041)
- (increase)/decrease in other assets	**2,902**	(9,055)
- (increase)/decrease in prepayments	**1,076**	(40,993)
- increase/(decrease) in income in advance	**162,228**	(64,297)
- increase/(decrease) in trade and other payables	**23,968**	29,416
- increase/(decrease) in provisions	**(66,127)**	26,127
- increase/(decrease) in employee benefits	**(14,955)**	10,137
Cash flow from operations	**(96,283)**	(179,542)

13 Events after the end of the Reporting Period

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

14 Association Details

The registered office of the Association is:
Health Issues Centre Inc.
Level 1
255 Bourke Street
MELBOURNE VIC 3000

Health Issues Centre Inc.
ABN 96 599 565 577

Statement by the Members of the Board of Governance

The Board of Governance has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board of Governance the financial report as set out on pages 1 to 10:

1. Presents a true and fair view of the financial position of Health Issues Centre Inc. as at 30 June 2018 and its performance for the year ended on that date.

2. At the date of this statement, there are reasonable grounds to believe that Health Issues Centre Inc. will be able to pay its debts as and when they fall due.

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

Chair of the Board ..... Treasurer .....

Sophy Athan Maria Napolitano

Dated 27 September 2018

Accru Melbourne

Independent Audit Report to the members of Health Issues Centre Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Health Issues Centre Inc. (the Association), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the members of the board of governance.

In our opinion, the accompanying financial report of the Association for the year ended 30 June 2018 is prepared, in all material respects, in accordance with *the Associations Incorporation Reform Act 2012*.

i) giving a true and fair view of the financial position of the Association as at 30 June 2017 and its performance for the year then ended on that date in accordance with the accounting policies described in Note 1 to the financial report; and

ii) complying with Australian Accounting Standards to the extent described in Note 1.

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 Association in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the *Associations Incorporation Reform Act 2012*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Association and should not be distributed to or used by parties other than the Association. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with *the Associations Incorporation Reform Act 2012,* and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the 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 control.

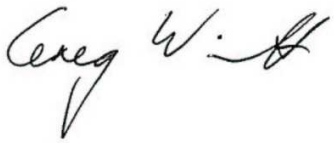
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's 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 Association'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 Association 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.

We communicate with management 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.



ACCRU MELBOURNE (AUDIT) PTY LTD
Chartered Accountants

G D WINNETT
Director

27 September 2018

Keep in touch with Health Issues Centre

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Consumer voices for better healthcare