

Australian Psychology  
Accreditation Council



# ANNUAL REPORT

JANUARY - DECEMBER 2016

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# Overview of 2016 Operations

## Introduction

Towards the end of 2015 APAC moved to new premises, and this move signaled the end of our long-standing relationship with the Australian Psychological Society, whereby premises and other services were provided under a service agreement. This arrangement included the use of the APS database, now replaced by APAC's own specially commissioned database.

The first full year of operations in the new premises with a new database, new telephone system and new accounts system brought some challenges, but APAC's staff, most of them new, contributed greatly to the success of the change through their commitment to their work and their support for each other.

An overhaul of administrative processes and records management, begun in 2015, was continued throughout 2016, and is expected to be completed in 2017. In addition, a review and updating of governance policies and procedures was commenced. This work, ongoing in 2017, will include a review of the APAC Constitution.

## Accreditation Functions of APAC

In 2014 the Psychology Board of Australia re-appointed APAC to exercise the accreditation function for the four year period from 1 July 2014 to 30 June 2018. APAC reports on a half-yearly basis to the Australian Health Practitioner Regulation Agency (AHPRA) and the Psychology Board of Australia (PsyBA) on the fulfilment of its ongoing obligations under this agreement. APAC and the other Accreditation Councils were advised late in 2016 that the accreditation assignment would be extended until June 2019, pending the outcomes of the Accreditation Systems Review (ASR).

## Review of Accreditation Standards

The major review of Accreditation Standards for the Psychology Profession, which fell into abeyance for a period while APAC restructured, recommenced in earnest in early 2015. A first draft was finalised by the end of the year, preparatory to a round of internal stakeholder consultations in 2016.

A final draft for public consultation was published in June 2016. Approximately 120 submissions were received. A number of revisions were made as a result of stakeholder feedback, and a final version was submitted to the Psychology Board of Australia in September 2016. In October 2016 the Psychology Board requested an extensive amount of further information, going to APAC's response to stakeholder feedback and the exact nature of the differences between current and proposed standards. This information was prepared over the next few months, for submission to the Psychology Board early in 2017.

## Accreditation Services

During 2016, APAC staff handled over 2500 enquiries in the form of emails and telephone queries. Most of the enquiries came from students and other members of the public, while approximately 600 emanated from a range of stakeholders, primarily education providers, but also the Australian Health Practitioner Regulation Agency, Tertiary Education Quality and Standards Agency (TEQSA), other government agencies, and Heads of Departments and Schools of Psychology.

APAC also responded to approximately 300 requests for historical course verifications from the public, Higher Education Providers and AHPRA staff during 2016.

APAC officers and staff also provided advice to the PsyBA and AHPRA, and participated in numerous other consultations, conferences and meetings around Australia.

APAC also appointed and managed some 22 APAC assessment teams (8 cycle, 1 Audit, 9 follow-up and 4 new program assessments) comprising assessments of 83 undergraduate and 47 postgraduate programs.

## Development of APAC's Accreditation Database

In July 2014, APAC received a second tranche of funding from AHPRA for the development of an independent accreditation database. The project continued in 2015, with the new database established and functioning on a stand-alone basis at the end of December 2015. There was a period of trial and modification during 2016, and many efficiencies have been achieved, in particular in the production of reports.

Further development of the Database awaits the approval of APAC's proposed new standards.

## Stakeholder Engagement

In September, APAC attended the APS Annual Conference in Melbourne, as an exhibitor, to promote in particular APAC's response to the NRAS Review and the development of the new accreditation standards.

APAC also attended the APS Course Information Day in September, held at Deakin University, and presented to students and education providers on APAC's role.

APAC Directors twice attended meetings of HODSPA during the year, to brief on the progress of the new standards.

Two webinars were held during the consultation period for the proposed new standards.

## Submissions and Policy Work

In 2015 APAC responded to the release of the Report of the Review into the National Registration and Accreditation Scheme ('Snowball Report').

APAC, in common with the other accreditation councils, had significant concerns with the report, in particular with the financial analysis on which a number of recommendations were based. During 2016 the Accreditation Councils' Forum undertook an extensive financial analysis to rebut some of the claims made in the Snowball Report.

In due course, the Council of Australian Governments announced another review, to focus only on the accreditation function within the NRAS system, the Accreditation Systems Review (ASR). Work began before the end of the year. APAC participated in a number of meetings with the Review team, and provided them with a briefing on the particular issues encountered by Psychology within the scheme.

During the year APAC had input into a number of matters under review by the PsyBA, and APAC nominees continued to participate in meetings on the future of Psychology Education, following on from the Summit held in Canberra in December 2015.

The APAC Chair, CEO and Manager Accreditation Services participated in meetings of the Forum of Accreditation Councils, and the Chair and CEO attended AHPRA's joint meeting of Registration Boards and Accreditation Councils.

## Tax Status of the Company

During 2015 an application was made for exemption from payment of Payroll Tax, and this exemption was granted in February 2016.

## Funding Contract

APAC's funding and service contract with AHPRA on behalf of the PsyBA for the July 2016 – June 2017 period was renewed in June 2016.

## APAC Office Bearers

As a result of Office Bearer elections held in May 2016, Professor Simon Crowe took over as Chair from Professor John Dunn, and Professor Nancy Pachana replaced Professor Crowe as a Deputy Chair. Professor Caroline Hunt was re-elected a Deputy Chair.

## APAC CEO

Ms Jane Stephens is CEO and Company Secretary.

## APAC Members

**Australian Psychological Society Ltd**

**Heads of Departments and Schools of Psychology Association Inc.**

**Ms Kaye Frankcom (Nominee of the Psychology Board of Australia)**

## APAC Board of Directors

	No of meetings held while in office	No of meetings attended	Qualifications
Associate Professor Lesley Bretherton	9	8	PhD
Associate Professor Roger Cook	7	7	BScHons, MEd, PhD
Professor Simon Crowe (Chair)	9	8	PhD Hon FAPS FNAN FAICD
Ms Ann Doolette	9	6	MEd
Professor John Dunn	9	8	PhD
Adjunct Professor Geoffrey George	9	8	MSocSc FCPA
Professor Caroline Hunt	9	9	PhD DipAICD
Professor Mary Katsikitis	9	7	PhD FAPS
Professor Lyn Littlefield OAM	9	7	PhD FAPS FAICD FAIM
Professor Shirley Morrissey	9	8	PhD FAPS
Professor Nancy Pachana	9	8	PhD FAPS FASSA
Ms Clare Thompson	9	7	LLB LLM

**Company Secretary**

	No of meetings held while in office	No of meetings attended	Qualifications
Ms Jane Stephens	9	9	BA LLB(Hons) LLM

**PROFESSOR TREVOR WARING AM HON FAPS 1943-2016**

APAC Directors and staff were saddened to hear of the death, in August 2016, of Professor Trevor Waring.

Professor Waring was a member of the Board of APAC from 2008, and was Chair for many years. He played a significant role in steering the organisation into a new phase of development, until he stepped down as Chair in 2014.

His other roles included President of the NSW Psychologists Registration Board, Chancellor of the University of Newcastle and many appointments in public health roles in NSW.

Professor Waring retired as a Director after the last Board meeting in 2015, and the Directors farewelled him at a dinner that evening.

**APAC Staff 2016**

Ms Jane Stephens/CEO

Ms Helena Gillies/Accreditation Services Manager

Ms Georgina Bodman/Senior Accreditation Officer (Acting Accreditation Services Manager from August)

Ms Frances Nova/Office Manager

Ms Mirella Alessio/Senior Project Officer

Ms Kavitha Faruqui (from April)/Administrative Assistant/Project Officer

Ms Cynthia Estibeiro-Rathod (from May)/Administrative Assistant

Mr Victor Liu (from December)/Senior Accreditation Officer

# **Australian Psychology Accreditation Council Limited**

**ABN 26 117 279 857**

**Annual Report - 31 December 2016**

**Australian Psychology Accreditation Council Limited**  
**Directors' report**  
**31 December 2016**

The directors present their report, together with the financial statements, on the company for the year ended 31 December 2016.

**Directors**

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

<b>Director</b>	<b>Date of Appointment</b>
Professor Simon Crowe (Chair)	9 June 2014
Associate Professor Roger Cook (part-year)	15 April 2016
Associate Professor Lesley Bretherton	18 June 2014
Ms Ann Doolette	12 June 2014
Professor John Dunn	11 June 2014
Adjunct Professor Geoffrey George	29 November 2014
Professor Caroline Hunt	11 June 2014
Professor Mary Katsikitis	13 June 2014
Professor Lyn Littlefield OAM	12 June 2014
Associate Professor Shirley Morrissey	16 June 2014
Professor Nancy Pachana	18 June 2014
Ms Clare Thompson	19 June 2014

**Objectives**

The long-term objectives of the company are to fulfil APAC's mission of protecting the public by conducting accreditation that ensures graduates of accredited programs receive a high quality education and are well equipped to employ their psychological knowledge and skills in the community. This includes, where relevant, being sufficiently qualified and competent to meet the registration requirements of the Psychology Board of Australia.

**Principal activities**

The principal activities and objectives of APAC during the period were: to develop accreditation standards for the approval of the Psychology Board of Australia; assess programs of study and the education providers offering those programs against the approved standards; where appropriate grant accreditation to those providers and programs which meet the approved standards under Sections 42-51 of the Health Practitioner Regulation National Law Act 2009; monitor accredited education providers and their accredited programs to ensure continued compliance with the approved standards under Section 50 of the National Law, and provide advice to the Psychology Board of Australia, government, education providers and other stakeholders regarding the education and training of psychologists in Australia.

**Meetings of directors**

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 31 December 2016, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Professor Simon Crowe (Chair)	8	9
Associate Professor Lesley Bretherton	8	9
Associate Professor Roger Cook	7	7
Ms Ann Doolette	6	9
Professor John Dunn	8	9
Adjunct Professor Geoffrey George	8	9
Professor Caroline Hunt	9	9
Professor Mary Katsikitis	7	9
Professor Lyn Littlefield OAM	7	9
Associate Professor Shirley Morrissey	8	9
Professor Nancy Pachana	8	9
Ms Clare Thompson	7	9

**Australian Psychology Accreditation Council Limited**  
**Directors' report**  
**31 December 2016**

Held: represents the number of meetings held during the time the director held office.

**Contributions on winding up**

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$20 each (2015:\$20).

The total amount that members of the company are liable to contribute if the company is wound up is \$60, based on 3 current ordinary members.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under division 60 of the Australian Charities and Not-for-profits Commission Act 2012 is set out immediately after this directors' report.

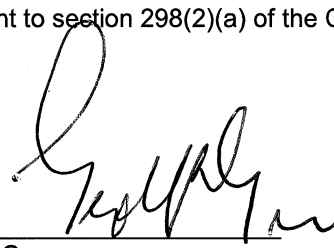
This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Simon Crowe

10 April 2017



Geoffrey George



AUDITOR'S INDEPENDENCE DECLARATION UNDER DIVISION 60 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF AUSTRALIAN PSYCHOLOGY ACCREDITATION COUNCIL

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2016 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



Matthew Hung, CA  
rdl.accountants

10<sup>th</sup> April 2017  
Blackburn, Victoria

**Australian Psychology Accreditation Council Limited**

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**Australian Psychology Accreditation Council Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2016**

	<b>Note</b>	<b>2016</b> <b>\$</b>	<b>2015</b> <b>\$</b>
<b>Revenue</b>	<b>4</b>	<b>1,218,436</b>	<b>1,071,368</b>
Total revenue		<u>1,218,436</u>	<u>1,071,368</u>
<b>Expenses</b>			
Professional fees		(67,473)	(67,633)
Assessor and project costs		(108,589)	-
Provision for leave		(8,667)	(12,818)
Depreciation expense		(45,704)	(18,965)
Wages and salaries		(611,785)	(465,528)
Superannuation costs		(58,283)	(36,632)
Accommodation/travel expenses		(188,728)	(180,185)
Board & committee fee		(95,346)	(103,141)
General office expenses		(118,339)	(90,948)
Administrative expenses		(7,278)	(10,362)
Rent		(56,855)	(35,954)
Other expenses		(781)	(9,511)
Finance costs		(3,742)	(3,135)
Total expenses		<u>(1,371,570)</u>	<u>(1,034,812)</u>
<b>Surplus/(deficit) before income tax expense</b>		<b>(153,134)</b>	<b>36,556</b>
Income tax expense		<u>-</u>	<u>-</u>
<b>Surplus/(deficit) after income tax expense for the year attributable to the members of Australian Psychology Accreditation Council Limited</b>	<b>14</b>	<b>(153,134)</b>	<b>36,556</b>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year attributable to the members of Australian Psychology Accreditation Council Limited</b>		<u><u>(153,134)</u></u>	<u><u>36,556</u></u>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Australian Psychology Accreditation Council Limited**  
**Statement of financial position**  
**As at 31 December 2016**

	<b>Note</b>	<b>2016</b> <b>\$</b>	<b>2015</b> <b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	460,506	820,941
Trade and other receivables	6	4,213	29,382
Held-to-maturity investments	7	300,000	-
Other	8	7,965	13,380
Total current assets		<u>772,684</u>	<u>863,703</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	<u>222,319</u>	<u>234,892</u>
Total non-current assets		<u>222,319</u>	<u>234,892</u>
<b>Total assets</b>		<u>995,003</u>	<u>1,098,595</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	119,976	147,707
Employee benefits	11	18,428	17,072
Other	12	<u>163,352</u>	<u>78,938</u>
Total current liabilities		<u>301,756</u>	<u>243,717</u>
<b>Non-current liabilities</b>			
Employee benefits	13	<u>3,416</u>	<u>11,913</u>
Total non-current liabilities		<u>3,416</u>	<u>11,913</u>
<b>Total liabilities</b>		<u>305,172</u>	<u>255,630</u>
<b>Net assets</b>		<u>689,831</u>	<u>842,965</u>
<b>Equity</b>			
Retained surpluses	14	<u>689,831</u>	<u>842,965</u>
<b>Total equity</b>		<u>689,831</u>	<u>842,965</u>

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

**Australian Psychology Accreditation Council Limited**  
**Statement of changes in equity**  
**For the year ended 31 December 2016**

	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 January 2015	806,409	806,409
Surplus after income tax expense for the year	36,556	36,556
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>36,556</u>	<u>36,556</u>
Balance at 31 December 2015	<u>842,965</u>	<u>842,965</u>
	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 January 2016	842,965	842,965
Deficit after income tax expense for the year	(153,134)	(153,134)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>(153,134)</u>	<u>(153,134)</u>
Balance at 31 December 2016	<u>689,831</u>	<u>689,831</u>

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

**Australian Psychology Accreditation Council Limited**  
**Statement of cash flows**  
**For the year ended 31 December 2016**

	<b>Note</b>	<b>2016</b> \$	<b>2015</b> \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		1,319,730	1,117,899
Payments to suppliers and employees (inclusive of GST)		<u>(1,351,581)</u>	<u>(1,058,489)</u>
		(31,851)	59,410
Interest received		8,289	16,225
Interest and other finance costs paid		(3,742)	(3,135)
Income taxes refunded		<u>-</u>	<u>66,434</u>
Net cash from/(used in) operating activities		<u>(27,304)</u>	<u>138,934</u>
<b>Cash flows from investing activities</b>			
Payments for investments		(300,000)	-
Payments for property, plant and equipment	9	<u>(33,131)</u>	<u>(132,486)</u>
Net cash used in investing activities		<u>(333,131)</u>	<u>(132,486)</u>
<b>Cash flows from financing activities</b>			
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		(360,435)	6,448
Cash and cash equivalents at the beginning of the financial year		<u>820,941</u>	<u>814,493</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>460,506</u></u>	<u><u>820,941</u></u>

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

**Australian Psychology Accreditation Council Limited**  
**Notes to the financial statements**  
**31 December 2016**

**Note 1. General information**

The financial statements cover Australian Psychology Accreditation Council Limited as an individual entity. The financial statements are presented in Australian dollars, which is Australian Psychology Accreditation Council Limited's functional and presentation currency.

Australian Psychology Accreditation Council Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 10 April 2017. The directors have the power to amend and reissue the financial statements.

**Note 2. Significant accounting policies**

The principal accounting policies adopted 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.

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

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

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

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

**Revenue recognition**

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

*Interest*

Interest revenue is recognised when received.

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

**Income tax**

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

**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 classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 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 12 months after the reporting period. All other assets are classified as non-current.

## Note 2. Significant accounting policies (continued)

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 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, 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.

### Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

### Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

### *Held-to-maturity investments*

Held-to-maturity investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Held-to-maturity investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

### Property, plant and equipment

Plant and equipment is 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 a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	10 - 33%
Software propriety	33%

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.



## **Note 2. Significant accounting policies (continued)**

### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### **Employee benefits**

#### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

#### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

### **Fair value measurement**

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

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

### **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this 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 tax authority is included in other receivables or other payables in the statement of financial position.

## **Note 3. Critical accounting judgements, estimates and assumptions**

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

**Australian Psychology Accreditation Council Limited**  
**Notes to the financial statements**  
**31 December 2016**

**Note 3. Critical accounting judgements, estimates and assumptions (continued)**

*Fair value measurement hierarchy*

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

*Estimation of useful lives of assets*

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

*Employee benefits provision*

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are 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 4. Revenue**

	2016 \$	2015 \$
Interest	8,289	16,225
Accreditation fees	407,047	323,965
Funding from AHPRA	803,068	683,971
Other income	32	47,207
	<u>1,218,436</u>	<u>1,071,368</u>
Revenue	<u>1,218,436</u>	<u>1,071,368</u>

**Note 5. Current assets - cash and cash equivalents**

	2016 \$	2015 \$
Main account	157,636	15,588
On line saver account	64,544	769,416
Guarantee facility limit account	36,795	35,937
Term deposit	201,531	-
	<u>460,506</u>	<u>820,941</u>

**Australian Psychology Accreditation Council Limited**  
**Notes to the financial statements**  
**31 December 2016**

**Note 6. Current assets - trade and other receivables**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	4,213	5,705
Other receivables	-	23,677
	<u>4,213</u>	<u>29,382</u>

**Note 7. Current assets - held-to-maturity investments**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
NAB term deposit	<u>300,000</u>	<u>-</u>

**Note 8. Current assets - other**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Prepayments	<u>7,965</u>	<u>13,380</u>

**Note 9. Non-current assets - property, plant and equipment**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Plant and equipment - at cost	129,566	107,140
Less: Accumulated depreciation	<u>(69,855)</u>	<u>(41,667)</u>
	59,711	65,473
Software proprietary - at cost	180,124	169,419
Less: Accumulated depreciation	<u>(17,516)</u>	<u>-</u>
	162,608	169,419
	<u>222,319</u>	<u>234,892</u>

**Note 10. Current liabilities - trade and other payables**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Trade payables & accruals	67,346	126,543
PAYG withholding payable	17,772	20,794
Superannuation payable	9,249	11,939
Fringe benefit tax payable	9,875	-
BAS payable	<u>15,734</u>	<u>(11,569)</u>
	<u>119,976</u>	<u>147,707</u>

**Australian Psychology Accreditation Council Limited**  
**Notes to the financial statements**  
**31 December 2016**

**Note 11. Current liabilities - employee benefits**

	2016 \$	2015 \$
Annual leave	<u>18,428</u>	<u>17,072</u>

**Note 12. Current liabilities - other**

	2016 \$	2015 \$
Revenue received in advance	<u>163,352</u>	<u>78,938</u>

**Note 13. Non-current liabilities - employee benefits**

	2016 \$	2015 \$
Long service leave	<u>3,416</u>	<u>11,913</u>

**Note 14. Equity - retained surpluses**

	2016 \$	2015 \$
Retained surpluses at the beginning of the financial year	842,965	806,409
Surplus/(deficit) after income tax expense for the year	<u>(153,134)</u>	<u>36,556</u>
Retained surpluses at the end of the financial year	<u>689,831</u>	<u>842,965</u>

**Note 15. Related party transactions**

*Transactions with related parties*

There were no transactions with related parties during the current and previous financial year.

*Receivable from and payable to related parties*

There were no trade payables to related parties at the current and previous reporting date. There was \$608 receivables from Jane Stephens who is an employee at current reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

**Note 16. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2016 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**Australian Psychology Accreditation Council Limited**  
**Directors' declaration**  
**31 December 2016**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Regulations 2013 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

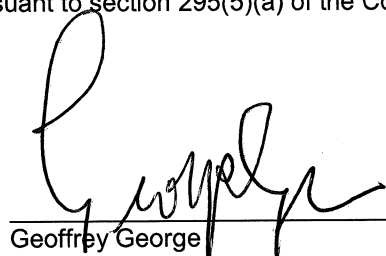
Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Simon Crowe

10 April 2017



Geoffrey George

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN PSYCHOLOGY ACCREDITATION COUNCIL

### Report on the Financial Report

#### *Opinion*

We have audited the accompanying financial report of Australian Psychology Accreditation Council (the company), which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and comprehensive income, statement of changes in equity and 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 financial report of Australian Psychology Accreditation Council 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 31 December 2016 and of its financial performance for the year ended on that date; and
- b. complying with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of 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* (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.

#### *Directors' Responsibility 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 – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) 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 is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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 Australian Auditing Standards, we exercise professional judgment 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Entity'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 Entity 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Matthew Hung, CA  
rdl.accountants

10<sup>th</sup> April 2017  
Blackburn, Victoria