



**Physiotherapy  
Council**  
of NSW

# **Physiotherapy Council** of NSW

**Annual Financial Statements**  
year ended 30 June 2024



## **INDEPENDENT AUDITOR'S REPORT**

### **Physiotherapy Council of New South Wales**

To Members of the New South Wales Parliament

#### **Opinion**

I have audited the accompanying financial statements of Physiotherapy Council of New South Wales (the Council), which comprise the Statement by the Members of the Council, the Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes to the financial statements, including a Statement of Material Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2024* (GSF Regulation) and the Treasurer's Directions
- present fairly the Council's financial position, financial performance and cash flows.

My opinion should be read in conjunction with the rest of this report.

#### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **The Council's Responsibilities for the Financial Statements**

The members of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The members of the Council's responsibility also includes such internal control

as the members determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Council are responsible for assessing the Council's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

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

My objectives are to:

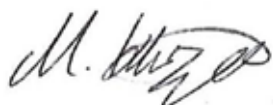
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

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

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Michael Kharzoo  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

14 October 2024  
SYDNEY

## Physiotherapy Council of New South Wales

### Statement by the Accountable Authority

for the year ended 30 June 2024

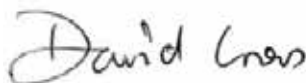
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We state, pursuant to section 7.6(4) of the Government Sector Finance Act 2018 ('GSF Act'):

1. The financial statements of the Physiotherapy Council of New South Wales for the year ended 30 June 2024 have been prepared in accordance with:
  - a. Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
  - b. applicable requirements of the GSF Act, the *Government Sector Finance Regulation 2018* ; and
  - c. Treasurer's Directions issued under the GSF Act.
2. The financial statements present fairly the Physiotherapy Council of New South Wales' financial position as at 30 June 2024 and the financial performance and cash flows for the year then ended; and
3. We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.



Mr Toni Andary  
**President**  
11 October 2024



Mr David Cross  
**Council Member**  
11 October 2024

## Physiotherapy Council of New South Wales

### Statement of Comprehensive Income for the year ended 30 June 2024

	Notes	2024 \$	2023 \$
<b>Continuing operations</b>			
<b>Expenses excluding losses</b>			
Personnel services	2	361,960	313,793
Operating expenses	3	342,646	233,138
Depreciation and amortisation	4	2,410	2,962
Education and research	5	6,899	2,252
<b>Total expenses excluding losses</b>		<b>713,915</b>	<b>552,145</b>
<b>Revenue</b>			
Acceptance by the Crown <sup>1</sup> of employee benefits	10	11,559	10,998
Registration fees	7	532,432	519,857
Investment revenue	8	101,959	69,418
Grants and other contributions	9	3,687	1,501
Other income	11	-	14,054
<b>Total revenue</b>		<b>649,637</b>	<b>615,828</b>
<b>Net result</b>		<b>(64,278)</b>	<b>63,683</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(64,278)</b>	<b>63,683</b>

<sup>1</sup> Crown represents 'The Crown in right of the State of New South Wales'.

The accompanying notes form part of these financial statements.

## Physiotherapy Council of New South Wales

### Statement of Financial Position as at 30 June 2024

	Notes	2024 \$	2023 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	2,327,940	2,332,114
Receivables	13	4,127	3,837
<b>Total current assets</b>		<b>2,332,067</b>	<b>2,335,951</b>
<b>Non-current assets</b>			
Property, plant & equipment	14		
- Plant and equipment		495	991
- Leasehold Improvement		4,653	6,567
Total property, plant & equipment		5,148	7,558
<b>Total non-current assets</b>		<b>5,148</b>	<b>7,558</b>
<b>Total assets</b>		<b>2,337,215</b>	<b>2,343,509</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	16	85,627	41,667
Contract liabilities	17	222,357	208,333
<b>Total current liabilities</b>		<b>307,984</b>	<b>250,000</b>
<b>Non-current liabilities</b>			
Provisions	18	5,048	5,048
<b>Total non-current liabilities</b>		<b>5,048</b>	<b>5,048</b>
<b>Total liabilities</b>		<b>313,032</b>	<b>255,048</b>
<b>Net assets</b>		<b>2,024,183</b>	<b>2,088,461</b>
<b>EQUITY</b>			
Accumulated funds		2,024,183	2,088,461
<b>Total Equity</b>		<b>2,024,183</b>	<b>2,088,461</b>

The accompanying notes form part of these financial statements.

## Physiotherapy Council of New South Wales

### Statement of Changes in Equity for the year ended 30 June 2024

	Notes	Accumulated Funds \$
Balance at 1 July 2023		2,088,461
Net result for the year		(64,278)
Balance at 30 June 2024		2,024,183

	Notes	Accumulated Funds \$
Balance at 1 July 2022		2,024,778
Net result for the year		63,683
Balance at 30 June 2023		2,088,461

The accompanying notes form part of these financial statements.

## Physiotherapy Council of New South Wales

### Statement of Cash Flows for the year ended 30 June 2024

	Notes	2024 \$	2023 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Personnel services		(311,670)	(298,523)
NCAT/Council/Sitting Fees		(158,036)	(119,257)
Suppliers for goods and services		(202,070)	(133,851)
Education and research		(6,899)	-
<b>Total payments</b>		<b>(678,675)</b>	<b>(551,631)</b>
<b>Receipts</b>			
Registration fees		546,201	504,619
Interest received		101,959	69,418
Grants and other contributions		3,687	1,501
Other		22,654	14,054
<b>Total receipts</b>		<b>674,501</b>	<b>589,592</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	21	<b>(4,174)</b>	<b>37,961</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Opening cash and cash equivalents	12	2,332,114	2,294,153
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	12	<b>2,327,940</b>	<b>2,332,114</b>

The accompanying notes form part of these financial statements.



## Physiotherapy Council of New South Wales

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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#### 1. Statement of Material Accounting Policies

##### (a) Reporting entity

The Physiotherapy Council of New South Wales (the Council) as a not-for-profit reporting entity with no cash generating units, performs the duties and functions contained in the *Health Practitioner Regulation National Law (NSW) No 86a of 2009*.

These financial statements for the year ended 30 June 2024 have been authorised for issue by the Council on 11 October 2024.

##### (b) Basis of preparation

The Council's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- \* applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- \* the requirements of the *Health Services Act 1997* and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations);
- \* the requirements of the *Government Sector Finance Act 2018* ('GSF Act'); and
- \* Treasurer's Directions issued under the GSF Act.

The financial statements of the Council have been prepared on a going concern basis.

Property, plant and equipment and certain financial assets are measured using the fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

The Council has determined that it is not probable a liability arises to pay superannuation on annual leave loading. This position has been formed based on current inquiries, other information currently available to management, and after considering the facts from a decision in the Federal Court of Australia: *Finance Sector Union of Australia v Commonwealth Bank of Australia [2022] FedCFamC2G 409*. That decision confirmed that, in relation to the industrial agreement considered in that case, annual leave loading did not form part of ordinary time earnings and therefore, did not require superannuation contributions to be made under superannuation guarantee legislation because the obligation to pay annual leave loading was not referable to ordinary hours of work or to ordinary rates of pay. Rather, it was paid by reference to the period of annual leave, and for the purpose of compensating employees for their loss of opportunity to work additional hours at higher rates during this period.

This position will be re-assessed in future periods as new information comes to light on this matter.

Judgements, key assumptions and estimations management have made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest dollar (unless otherwise stated) and are expressed in Australian currency, which is the Council's presentation and functional currency.

##### (c) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.

## **Physiotherapy Council of New South Wales**

### **Notes to and forming part of the Financial Statements for the year ended 30 June 2024**

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#### **1. Statement of Material Accounting Policies (continued)**

##### **(d) Significant accounting judgements, estimates and assumptions**

The agreed cost sharing arrangements for the distribution of pooled costs between Health Professional Councils were introduced effective 1 July 2012. Since 2012 some revisions have been made to the cost allocation methodology. The cost assumptions in the current year remain consistent with the prior year.

These indirect costs are shown as part of the Council's statement of comprehensive income and includes the following expense line items:

1. Personnel services
2. Other operating expenses
  - \* Contractors
  - \* Information management systems
  - \* Rental
3. Depreciation and amortisation

##### **(e) Comparative Information**

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

Certain comparative information has been reclassified to ensure consistency with current year presentation and classification. These include:

- \* Note 3 Operating expenses: Details of operating expenses were previously split into two tables but have now been combined into one table for a more streamlined presentation in the current year. A number of new expense lines have been added to provide additional information; these expenses previously formed part of different expense lines. There has been no change in the total operating expense amount.

##### **(f) Changes in accounting policy, including new or revised Australian Accounting Standards**

###### **Effective for the first time in 2023-24**

The Council applied AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates for the first time in 2023. The amendment requires reporting entities to disclose only 'material' accounting policies, rather than 'significant' accounting policies. This amendment has led to removal of several previously disclosed accounting policies that were not considered material.

Apart from the above noted change, the accounting policies applied in 2023-24 are consistent with those of the previous financial year.

## Physiotherapy Council of New South Wales

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

#### 2. Personnel services

	2024	2023
	\$	\$
Salaries and wages*	290,016	253,214
Superannuation - defined contribution plans	30,998	26,217
Long service leave	13,626	12,948
Workers' compensation insurance	4,381	1,430
Payroll and fringe benefits tax	22,939	19,984
	<b>361,960</b>	<b>313,793</b>

\* Salaries and wages includes annual leave and parental leave.

#### Recognition and Measurement

The Council under section 41C(2) of the *Health Practitioner Regulation National Law (NSW)* cannot employ staff. Personnel services are acquired from the Ministry of Health.

Liabilities for salaries and wages (including non-monetary benefits), recreation leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

In accordance with NSWTC 21-03 'Accounting for Long Service Leave and Annual Leave', the Council's annual leave has been assessed as a short-term liability as these short-term benefits are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employee renders the related services.

The Council's liability for Long Service Leave (LSL) and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by The Crown in right of New South Wales (Crown). In accordance with NSWTC15-07, the Council accounts for superannuation and LSL assumed by the Crown, as part of the personnel services expense and revenue as resources received free of charge.

The Council accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown of Personnel Services'.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax and workers' compensation insurance premiums, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

All employees in defined contribution superannuation schemes receive the Superannuation Guarantee Levy contribution. Contributions are made by the Ministry of Health to an employee superannuation fund and are charged as an expense when incurred.

## Physiotherapy Council of New South Wales

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

#### 3. Operating expenses

	2024	2023
	\$	\$
Auditor's remuneration - audit of financial statements	6,780	6,455
Consultants	3,186	575
Contractors	57,504	26,365
Domestic supplies and services	1,069	740
Food supplies	2,155	1,818
Information management expenses	23,550	16,631
Insurance	189	122
Legal services	16,037	8,294
Maintenance (see Note 3 (a))	12,766	7,377
Health assessments	25,425	11,650
Professional services (excluding consultants)	7,668	1,849
Rental	22,446	16,466
Travel related costs	7,005	6,788
Council fees	36,120	37,939
NSW Civil & Administrative Tribunal variable costs	45,861	4,666
NSW Civil & Administrative Tribunal fixed costs	23,700	13,339
Sitting fees	42,028	63,314
Other	9,157	8,750
	<b>342,646</b>	<b>233,138</b>

Other operating expenses of \$9,157 (2023: \$8,750) includes audiovisual, electricity, functions and domestic conferences.

	2024	2023
	\$	\$
<b>(a) Reconciliation of total maintenance expense</b>		
Corrective maintenance	8,908	5,642
Planned maintenance	1,050	667
New / replacement equipment under \$5,000	2,808	1,068
	<b>12,766</b>	<b>7,377</b>

#### Recognition and Measurement

##### Operating expense

Operating expenses includes non-employee costs incurred in delivering the services provided by the Council. These expenses are recognised in the reporting period in which they are incurred.

##### Maintenance expense

Day-to-day servicing costs or maintenance are charged as expenses as incurred except where they relate to the replacement or enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

##### Insurance

The Council's insurance activities are conducted through the NSW Treasury Managed Fund (TMF) Scheme of self-insurance for government entities. The expense / (premium) is determined by the Fund Manager based on past claims experience. The TMF is managed by Insurance for NSW.

## Physiotherapy Council of New South Wales

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

#### 4. Depreciation and amortisation

	2024	2023
	\$	\$
Depreciation - leasehold improvements	1,914	1,914
Depreciation - plant and equipment	496	1,048
	<b>2,410</b>	<b>2,962</b>

Refer to Note 14 Property, plant and equipment for recognition and measurement policies on depreciation.

#### 5. Education and research

	2024	2023
	\$	\$
Education and research	6,899	2,252
	<b>6,899</b>	<b>2,252</b>

#### Recognition and Measurement

The Council is responsible for the administration of the Education and Research account. The Minister for Health, in consultation with the Council, may determine that a set amount of funds out of the fees received to be transferred to the Education and Research account.

In accordance with section 41S of the *Health Practitioner Regulation National Law (NSW)* the Council may expend money in the Education and Research Account for or towards the following purposes:

- (a) any purpose relating to education and research about the health, performance and conduct of registered health practitioners or students registered in the health profession for which the Council is established;
- (b) meeting administrative expenditure incurred with respect to the Education and Research Account and the purposes for which it is used.

## **Physiotherapy Council of New South Wales**

### **Notes to and forming part of the Financial Statements**

for the year ended 30 June 2024

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#### **6. Expenditure managed on behalf of the Council through the Health Administration Corporation**

The Council's accounts are managed by the Health Administration Corporation (HAC), a controlled entity of the Ministry of Health. Executive and administrative support functions are provided by the Health Professional Councils Authority (HPCA), which is an executive agency of the Ministry of Health.

The Council under section 41C(2) of the *Health Practitioner Regulation National Law (NSW) No 86a of 2009* cannot employ staff. The HAC is the corporation which employs staff under the *Health Administration Act 1982*.

The Ministry of Health pays for the staff and associated oncosts. These costs are reimbursed by the Council to the Ministry of Health.

Physiotherapy Council of New South Wales

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2024

7. Registration fees

	2024	2023
	\$	\$
Registration fees	532,432	519,857
	532,432	519,857

Recognition and Measurement

The National Registration and Accreditation Scheme for all health professionals commenced on 1 July 2010. NSW opted out of the complaint handling component of the National Scheme and the Health Professional Councils were established in NSW effective from 1 July 2010, with a further 4 Councils established on 1 July 2012 and another 1 Council established on 8 January 2018 to manage the complaints function in a co-regulatory arrangement with the NSW Health Care Complaints Commission.

Under s 26A of the Law, the complaints element of the registration fees payable by NSW health practitioners was decided by the Council established for that profession subject to approval by the Minister for Health.

The Council, under the Law, receives fees on a monthly basis from the Australian Health Practitioner Regulation Agency being the agreed NSW complaints element for the 2023 and 2024 registration fee.

Revenue from registration fees is recognised when the Council satisfies the performance obligation by transferring the promised services. Revenue is typically recognised as the annual registration period elapses. The registration period starts from 1 December and ends on 30 November each year.

The annual NSW Complaints Fee is set by the Council each year, based on the level of regulatory activities, and approved by the Minister for Health.

Refer to Note 17 for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, and when the Council expects to recognise the unsatisfied portion as revenue.

## Physiotherapy Council of New South Wales

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

#### 8. Investment revenue

	2024	2023
	\$	\$
Interest	101,959	69,418
	<b>101,959</b>	<b>69,418</b>

#### Recognition and Measurement

##### *Interest income*

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

#### 9. Grants and other contributions

	2024	2023
	\$	\$
<b>Grants without specific performance obligations</b>		
Other grants	3,687	1,501
	<b>3,687</b>	<b>1,501</b>

#### Recognition and Measurement

##### *Grants and other contributions*

Income from grants without sufficiently specific performance obligations is recognised when the Council obtains control over the granted assets (e.g. cash).



## Physiotherapy Council of New South Wales

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

#### 10. Acceptance by The Crown in right of the State of New South Wales (Crown) of employee benefits

The following liabilities and / or expenses have been assumed by the Crown:

	2024	2023
	\$	\$
Long service leave provision	11,559	10,998
	<b>11,559</b>	<b>10,998</b>

#### 11. Other income

	2024	2023
	\$	\$
People First Project fees recovered	-	13,967
Other	-	87
	<b>-</b>	<b>14,054</b>

#### Recognition and Measurement

##### Other income

##### *People First Project fees recovered*

In FY2022-23, the HPCA and the Department of Customer Service came to an agreement to terminate the development of the new complaints management system for HPCA, the People First Project. The Council subsequently received a refund of \$13,967 for the costs incurred between FY2020-21 and FY2022-23 and recognised the payment as other income.

## Physiotherapy Council of New South Wales

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

#### 12. Cash and cash equivalents

	2024	2023
	\$	\$
Cash at bank	176,268	175,607
Cash at bank - held by the HPCA*	2,151,672	2,156,507
	<b>2,327,940</b>	<b>2,332,114</b>

\* Represents cash held by the HPCA, an executive agency of the Ministry of Health, on behalf of the Council for its operating activities. It is an operational bank account that earns interest on daily bank balances. Refer to Note 8 Investment revenue for the recognition and measurement policies on interest income.

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

Cash and cash equivalents (per Statement of Financial Position)	2,327,940	2,332,114
Closing cash and cash equivalents (per Statement of Cash Flows)	2,327,940	2,332,114

Refer to Note 22 for details regarding credit risk and market risk arising from financial instruments.

The Council operates the bank accounts shown below:

Education and Research Account**	176,268	175,607
	<b>176,268</b>	<b>175,607</b>

\*\*Managed by the HPCA, an executive agency of the Ministry of Health.

## Physiotherapy Council of New South Wales

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

#### 13. Receivables

	2024	2023
	\$	\$
<b>Current</b>		
Trade receivables	694	440
Goods and Services Tax	1,515	1,489
Prepayments	1,918	1,908
	<b>4,127</b>	<b>3,837</b>

#### Recognition and Measurement

The Council recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. To determine when the agency becomes a party to the contractual provisions of the instrument, the Council considers:

- Whether the Council has a legal right to receive cash (financial asset) or a legal obligation to pay cash (financial liability); or
- Whether at least one of the parties has performed under the agreement.

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

#### Subsequent measurement

The Council holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

#### Impairment

The Council recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Council expects to receive, discounted at the original effective interest rate.

For trade receivables, the Council applies a simplified approach in calculating ECLs. The Council recognises a loss allowance based on lifetime ECLs at each reporting date. The Council has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward looking factors specific to the receivable.

There has been no impairment loss recognised for the period ending 30 June 2024.

## Physiotherapy Council of New South Wales

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

#### 14. Property, plant and equipment

The Council has an interest in plant and equipment held by the HPCA on behalf of the Health Professional Councils. Plant and equipment is not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

	Plant and Equipment	Leasehold Improvement	Total
	\$	\$	\$
<b>At 1 July 2022 - fair value</b>			
Gross carrying amount	5,787	13,068	18,855
Less: accumulated depreciation and impairment	3,748	4,587	8,335
<b>Net carrying amount</b>	<b>2,039</b>	<b>8,481</b>	<b>10,520</b>
<b>Year ended 30 June 2023</b>			
Net carrying amount at beginning of year	2,039	8,481	10,520
Depreciation expense	(1,048)	(1,914)	(2,962)
<b>Net carrying amount at end of year</b>	<b>991</b>	<b>6,567</b>	<b>7,558</b>
<b>At 1 July 2023 - fair value</b>			
Gross carrying amount	5,787	13,068	18,855
Less: accumulated depreciation and impairment	4,796	6,501	11,297
<b>Net carrying amount</b>	<b>991</b>	<b>6,567</b>	<b>7,558</b>
<b>Year ended 30 June 2024</b>			
Net carrying amount at beginning of year	991	6,567	7,558
Depreciation expense	(496)	(1,914)	(2,410)
<b>Net carrying amount at end of year</b>	<b>495</b>	<b>4,653</b>	<b>5,148</b>
<b>At 30 June 2024 - fair value</b>			
Gross carrying amount	5,787	13,068	18,855
Less: accumulated depreciation and impairment	5,292	8,415	13,707
<b>Net carrying amount</b>	<b>495</b>	<b>4,653</b>	<b>5,148</b>

#### Recognition and Measurement

##### Acquisition of property, plant and equipment

Property, plant and equipment acquired are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

Physiotherapy Council of New South Wales

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

14. Property, plant and equipment (continued)

Capitalisation thresholds

Property, plant and equipment assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised. The HPCA acquires all assets on behalf of the Council. These capitalised shared use assets are then allocated to the Council using an agreed allocation method.

Restoration costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation of property, plant and equipment

Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Council.

All material identifiable components of assets are depreciated separately over their useful life.

Details of depreciation rates applied for major asset categories are as follows:

	2024	2023
Plant and equipment	11.01% - 25%	12.37% - 25%
Leasehold improvements	9.6% - 20%	9.6% - 20%

Plant and equipment comprises, among others, computer and office equipment, motor vehicles, and furniture and fittings.

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

Revaluation of property, plant and equipment

There has been no revaluation of any of the Council’s plant and equipment as they are non-specialised assets. Non-specialised assets with short useful lives are measured at depreciated historical cost as a surrogate for fair value.

Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material.

Derecognition of property, plant and equipment

Property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset and are included in the Statement of Comprehensive Income.

## Physiotherapy Council of New South Wales

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

#### 15. Intangible assets

The Council has an interest in intangible assets used by all health professional Councils. The assets are not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

	Software \$	Total \$
<b>At 1 July 2022</b>		
Cost (gross carrying amount)	7,271	7,271
Less: accumulated amortisation and impairment	7,271	7,271
<b>Net carrying amount as at 30 June 2023</b>	-	-
<b>At 1 July 2023</b>		
Cost (gross carrying amount)	7,271	7,271
Less: accumulated amortisation and impairment	7,271	7,271
<b>Net carrying amount as at 30 June 2024</b>	-	-

#### Recognition and Measurement

The Council recognises intangible assets only if it is probable that future economic benefits will flow to the Council and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Council's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

The Council's intangible assets are amortised using the straight-line method over a period of four years.

Computer software developed or acquired by the Council are recognised as intangible assets. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

## Physiotherapy Council of New South Wales

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

#### 16. Payables

	2024	2023
	\$	\$
<b>Current</b>		
Personnel Services - Ministry of Health	44,716	6,886
Payroll and fringe benefits tax	4,814	3,608
Creditors	36,097	31,173
	<b>85,627</b>	<b>41,667</b>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 22.

#### Recognition and Measurement

Payables represent liabilities for goods and services provided to the Council and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

## Physiotherapy Council of New South Wales

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

#### 17. Contract liabilities

	2024	2023
	\$	\$
<b>Current</b>		
Contract liabilities - registration fees	222,357	208,333
	<b>222,357</b>	<b>208,333</b>

#### Recognition and Measurement

Contract liabilities relate to consideration received in advance from registrants. The balance of the contract liabilities at 30 June 2024 was impacted by the timing of payments received for registration fees. The satisfaction of the specific performance obligations within the contract had not been met at 30 June 2024 as the registration period starts from 1 December 2023 and ends on 30 November 2024.

Registration fees recognised as contract liabilities at 30 June 2024 will be recognised as revenue between 1 July 2024 and 30 November 2024 as the remaining registration period elapses.

Refer to Note 7 Registration fees for the recognition and measurement of NSW Complaints Fee.



Physiotherapy Council of New South Wales

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2024

18. Provisions

	2024 \$	2023 \$
<b>Non-current</b>		
Make good provision	5,048	5,048
<b>Total non-current provisions</b>	<b>5,048</b>	<b>5,048</b>

Recognition and Measurement

Provisions are recognised when: the Council has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the Council expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

## **Physiotherapy Council of New South Wales**

### **Notes to and forming part of the Financial Statements** for the year ended 30 June 2024

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#### **19. Commitments**

There were no capital commitments which would have a material effect on the disclosures in these financial statements.

#### **20. Contingent liabilities and contingent assets**

The Council is not aware of any contingent liabilities or assets which would have a material effect on the disclosures in these financial statements.

## **Physiotherapy Council of New South Wales**

### **Notes to and forming part of the Financial Statements**

for the year ended 30 June 2024

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#### **21. Reconciliation of cash flows from operating activities to net result**

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income as follows:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Net cash used on operating activities	(4,174)	37,961
Depreciation and amortisation expense	(2,410)	(2,962)
Increase / (decrease) in prepayments and other assets	290	283
Decrease / (increase) in payables	(43,962)	13,015
Decrease / (increase) in contract liabilities	(14,024)	15,386
<b>Net result</b>	<b>(64,280)</b>	<b>63,683</b>

## Physiotherapy Council of New South Wales

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

#### 22. Financial instruments

The Council's principal financial instruments are outlined below. These financial instruments arise directly from the Council's operations or are required to finance its operations. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Council's main risks arising from financial instruments are outlined below, together with the Council's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Council has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Council, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

##### (a) Financial instrument categories

Class	Category	Carrying Amount 2024 \$	Carrying Amount 2023 \$
<b>Financial assets</b>			
Cash and cash equivalents (Note 12)	Amortised cost	2,327,940	2,332,114
Receivables (Note 13) <sup>1</sup>	Amortised cost	694	440
<b>Total financial assets</b>		<b>2,328,634</b>	<b>2,332,554</b>
<b>Financial liabilities</b>			
Payables (Note 16) <sup>2</sup>	Financial liabilities measured at amortised cost	80,813	38,059
<b>Total financial liabilities</b>		<b>80,813</b>	<b>38,059</b>

##### Notes

<sup>1</sup> Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7 Financial Instruments: Disclosures).

<sup>2</sup> Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7 Financial Instruments: Disclosures).

The Council determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

##### (b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the entity transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement and either:

- The Council has transferred substantially all the risks and rewards of the asset; or
- The Council has neither transferred nor retained substantially all the risks and rewards for the asset, but has transferred control.

When the Council has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the Council has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Council's continuing involvement in the asset. In that case, the Council also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Council has retained.

## **Physiotherapy Council of New South Wales**

### **Notes to and forming part of the Financial Statements**

for the year ended 30 June 2024

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#### **22. Financial instruments (continued)**

##### **(b) Derecognition of financial assets and financial liabilities (continued)**

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Council could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

##### **(c) Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

##### **(d) Financial risk**

###### **i. Credit risk**

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Council. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses).

Credit risk arises from financial assets of the Council, including cash, receivables and authority deposits. No collateral is held by the Council. The Council has not granted any financial guarantees.

###### **Cash and cash equivalents**

Cash comprises cash on hand deposited within the NSW Treasury banking system. Interest is earned on daily bank balances at rates of approximately from 4.10% to 4.35% in 2023-24 compared to 0.85% to 4.10% in the previous year.

###### **Accounting policy for impairment of trade receivables and other financial assets**

###### **Receivables - trade receivables, other receivables and contract assets**

Collectability of trade receivables, other receivables and contract assets is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

The Council applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, other receivables and contract assets.

To measure the expected credit losses, trade receivables, other receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Council has identified relevant factors, and accordingly has adjusted the historical loss rates based on expected changes in these factors.

Trade receivables, other receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

## Physiotherapy Council of New South Wales

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

#### 22. Financial instruments (continued)

##### (d) Financial risk (continued)

The loss allowance for trade receivables, other receivables and contract assets as at 30 June 2024 and 30 June 2023 was determined as follows:

##### i. Credit risk (continued)

	Current	<30 days	30-60 days	61-90 days	>91 days	Total
30 June 2024	\$	\$	\$	\$	\$	\$
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Estimated total gross carrying amount <sup>1</sup>	694	-	-	-	-	694
Expected credit loss	-	-	-	-	-	-
30 June 2023	\$	\$	\$	\$	\$	\$
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Estimated total gross carrying amount <sup>1</sup>	440	-	-	-	-	440
Expected credit loss	-	-	-	-	-	-

##### Notes

<sup>1</sup> The analysis excludes statutory receivables and prepayments as these are not within the scope of AASB 7 Financial Instruments: Disclosures. Therefore the 'total' will not reconcile to the receivables total in Note 13.

The Council is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2024 and 30 June 2023.

##### ii. Liquidity risk

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The Council continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other advances.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. For all suppliers, that have a correctly rendered invoice, a matched purchase order and where goods have been received, an immediate payment is made irrespective of current contract payment terms.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

For other suppliers, where settlement cannot be affected in accordance with the above, e.g. due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated to the satisfaction of both parties.

## Physiotherapy Council of New South Wales

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

#### 22. Financial instruments (continued)

##### (d) Financial risk (continued)

##### ii. Liquidity risk (continued)

The table below summarises the maturity profile of the Council's financial liabilities together with the interest rate

*Maturity Analysis and interest rate exposure of financial liabilities*

		Interest Rate Exposure			Maturity Dates		
	Nominal	Fixed	Variable	Non -			
	Amount <sup>1</sup>	Interest	Interest	Interest	< 1 Yr	1-5 Yr	> 5Yr
	\$	\$	\$	\$	\$	\$	\$
<b>2024</b>							
Payables:							
- Creditors <sup>2</sup>	80,813	-	-	80,813	80,813	-	-
	<b>80,813</b>	-	-	<b>80,813</b>	<b>80,813</b>	-	-
<b>2023</b>							
Payables:							
- Creditors <sup>2</sup>	38,059	-	-	38,059	38,059	-	-
	<b>38,059</b>	-	-	<b>38,059</b>	<b>38,059</b>	-	-

#### Notes:

<sup>1</sup> The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Council can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

<sup>2</sup> Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7 Financial Instruments: Disclosures).

Physiotherapy Council of New South Wales

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

22. Financial instruments (continued)

(d) Financial risk (continued)

iii. Market risk

The Council does not have exposure to market risk on financial instruments.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The funds held within the Treasury Banking System are sitting in an interest bearing bank account earning the Reserve Bank of Australia (RBA) Cash Rate.

The Council does not account for any fixed rate financial instruments at fair value through profit or loss or as at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official Reserve Bank of Australia interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates:

	2024		2023	
	\$		\$	
	-1%	1%	-1%	1%
Net result	(23,279)	23,279	(23,321)	23,321
Equity	(23,279)	23,279	(23,321)	23,321



## **Physiotherapy Council of New South Wales**

### **Notes to and forming part of the Financial Statements**

for the year ended 30 June 2024

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#### **23. Related party disclosures**

During the financial year, the Physiotherapy Council of New South Wales obtained key management personnel services from the Ministry of Health and incurred \$58,083 (2023: \$73,608) for these services.

#### **24. Events after the reporting period**

No other matters have arisen subsequent to balance date that would require these financial statements to be amended.

**END OF AUDITED FINANCIAL STATEMENTS**