2017
Annual Report

AUSTRALIAN
PHYSIOTHERAPY
ASSOCIATION

AUSTRALIAN PHYSIOTHERAPY ASSOCIATION

Vision

That the whole community recognises the full benefit of physiotherapy

Belief

That all Australians should have access to high quality physiotherapy to optimise health and wellbeing

Purpose

To leverage our global leadership position for the benefit of physiotherapy and consumers.

Contents

National President's Report

Phil Calvert, APAM
APA National President

The past year has seen significant progress and innovation for the APA. Our rapid growth as an organisation and profession is a sign of our expanding ability to demonstrate relevance and influence, and this is clear from the united voice of our 25,000 engaged members.

Some of our key highlights from 2017:

- developed our next strategic plan for the APA and the profession anchored on the mantra of 'Choose Physio'
- we established a new and improved professional indemnity insurance program for our members
- launched our first truly national marketing campaign to educate consumers about the depth and value of physiotherapy—Choose Physio
- launched our new consumer-focused website at www.choose.physio
- progressed the work of our world-leading career pathway initiative
- invested heavily in future-proofing the APA from an IT infrastructure perspective
- increased our reach and influence at both state and federal level from an advocacy perspective by doubling our members' presence on high-level and ministerial committees
- launched our next Reconciliation Action Plan—Innovate RAP, with a clear focus on the work and role of the profession in Aboriginal and Torres Strait Islander health outcomes
- ran a leading world-class scientific conference, named 'Momentum', in Sydney, attended by registrants from across the world.

The efforts of our Board of Directors, National Advisory Council, member leaders who hold office bearer roles and all of our membership who contribute countless hours of their time cannot be underestimated. Our strength as an organisation and as a profession is maintained by the work of our members at every level, and I thank all of you sincerely for standing up for our profession and its future.

The dedication of the staff and leadership team of the APA, led by Cris Massis (CEO), in supporting the advancement of our profession through this phase of our growth has been critical. Cris and his team are to be commended for their commitment to our profession and success. A sincere thank you.

Through 2017, I have been fortunate to work with senior members of our profession who represent a range of stakeholders. I would like to acknowledge the collaborative relationships that the APA has with the Council of Physiotherapy Deans Australia and New Zealand, the Physiotherapy Board of Australia and the Australian Physiotherapy Council.

Changes to the Board

At the end of 2017 we bid farewell to outgoing directors, Marcus Dripps and Katie Vine. Their support and commitment to the APA Board over many years is widely acknowledged and their work has helped strengthen and guide the APA. I wish them well as they continue their outstanding careers within the profession.

At the beginning of 2017, we welcomed Mark Round and Rik Dawson as member directors and Louise McElvogue, an independent director, to our Board. Their contributions have already been significant.

New directions in advocacy

In 2017 we continued to advocate for the roles and responsibilities of physiotherapists in the healthcare sector and our community. We actively engaged with federal ministers throughout the year, including Minister for Health Greg Hunt, Minister for Aged Care and Indigenous Affairs Ken Wyatt, Senator Nick Xenophon, Senator Stirling Griff from South Australia, Shadow Minister for Health and Medicare Catherine King, and Senator Richard Di Natale, the Greens leader. We look forward to building stronger relationships with our politicians.

Digital health

Physiotherapists remain relatively digitally disconnected from one another, from important consumer platforms (such as My Health Record), and from consumers themselves. In mid-2017 we embarked on our digital discovery project to investigate appropriate technology, software and wearable devices to support our profession's move into digital health. This has opened new opportunities for the APA and the profession to take the lead in this space and forge new pathways for digital health across Australia.

National Disability Insurance Scheme

During the year we made numerous submissions on market readiness (which will continue in 2018) and applications for funding from the National Disability Insurance Agency (NDIA) to support and promote the role of physiotherapy services to people with disability. Additionally, our members acted as representatives on the Allied Health Professions Australia disability group and continued to advocate for the role of physiotherapists as providers of care for people with disability; and attended the Early Childhood Early Intervention (ECEI) workshops and contributed to a report to the NDIA on ECEI issues.

Aged care

Physiotherapists play an important role in preventing functional decline in older Australians. In the long term, we aim to change the prescriptive nature of funding instruments in residential aged care, moving from a focus on pain management to improved strength, mobility and overall wellbeing. To assist us, APA representatives attended the 2017 Aged Care Taskforce Workforce consultation in Melbourne and will continue to advocate strongly for better quality aged care services.

Medicare Benefits Schedule review

Our involvement in the review process commenced in 2015 and centres around the value derived from physiotherapy services, ensuring safe and clinically appropriate treatment and enhancing consumer benefit from physiotherapy. Our advocacy initiatives include physiotherapy referrals for musculoskeletal imaging, direct specialist referrals, telehealth options for MBS-funded items, rebates for student supervised clinical placements and expanding access to chronic disease management items.

Choose Physio

During 2017, a key focal point for the APA was the launch of our national consumer advertising campaign, which presented the value of physiotherapy to consumers across a diverse range of health conditions and highlighted our strong relationship and referral mechanism with GPs. This was the beginning of what we anticipate will be a long-term initiative to ensure consumers Choose Physio above other options. Concurrent with this work was the launch of our new consumer-facing choose.physio website and the 'Find A Physio' function allowing consumers to connect with APA members nationally.

This early phase of the campaign proved to be highly successful: there was a 16 per cent increase in awareness of the breadth of physiotherapy service, a 12 per cent increase in the belief physiotherapy is a recommended and trustworthy profession, and a 10 per cent increase in the view that physiotherapy is highly valued by GPs.

Reconciliation in action

Our Innovate Reconciliation Action Plan (RAP) was launched at the APA Conference in October. This second iteration of our Reconciliation strategy builds on the awareness-raising and behaviour management initiatives we first implemented in our initial RAP in 2012. It will guide the strategic planning, activities and projected outcomes for our work over the coming years.

The key deliverables include supporting the profession to become culturally safe, ensuring equality and equity in the treatment of Aboriginal and Torres Strait Islander peoples and providing opportunities for students of this heritage to study physiotherapy. We are proud of our leadership in this area and are key supporters of Close the Gap initiatives.

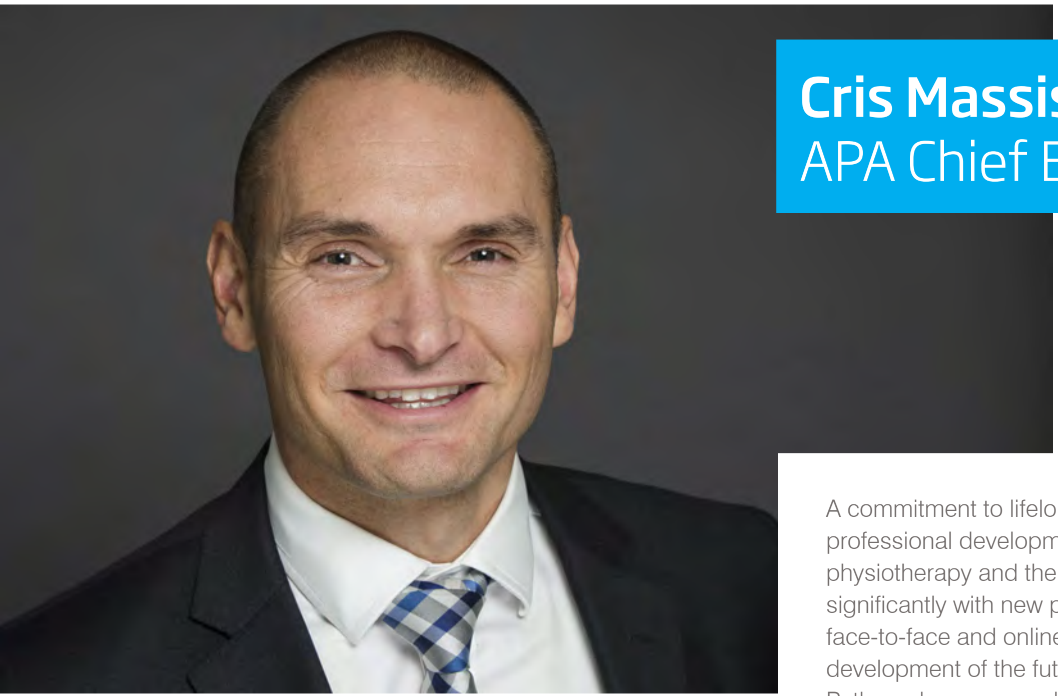
Career Pathway

This unique project draws together the APA, universities and education providers to establish competence and education frameworks of quality-assured coursework, mentoring and research with clearly defined optional assessment points. We have made significant progress with the launch of the new Physiotherapy Competence Framework, approval of new 'committee regulations' and the formation of the governance structure with the Australian College of Physiotherapists and it's new standing committees. The Education Framework continues to be developed through extensive state-based consultation.

I look forward to working closely with you in 2018, as we continue to build and strengthen our wonderful profession.

Phil Calvert

Chief Executive Officer's Report



Cris Massis
APA Chief Executive Officer

It was pleasing to see the progress of the APA and the profession against the 2015–17 strategic plan, which came to a close in December. Our organisation's desire to focus on quality physiotherapy, being the voice of the profession, educating the community and building our capability for the future has given members a clear roadmap of activity.

At the beginning of this strategic journey, we had some ambitious targets for membership, scope of practice (prescribing rights) and consumer awareness. It has been heartening to see our members step up to the challenge and make significant inroads on our success measures.

Members are our lifeblood
The challenge for all membership-based associations in today's digital world is maintaining relevance. How do we stay relevant to our diverse membership base? It is a question that we ask our members, and ourselves, daily.

As we continue to review and invest in the APA member value proposition, our membership continues to thrive. We finished 2017 with 24,520 active APA members—an increase of more than 46 per cent in three short years. Our members also saw great value in being part of a special interest group, with group membership exceeding 12,800.

Our evidence-informed approach
Over 112 years, a strong evidence base has put our profession in an enviable position, with physiotherapy highly regarded in many health circles, government and other related areas.

A commitment to lifelong learning and ongoing professional development (PD) is a hallmark of physiotherapy and the APA. Our PD offering grew significantly with new products and over 40,000 face-to-face and online participants. The parallel development of the future physiotherapy Career Pathway has spawned new and exciting PD programs that will continue to grow.

The flagship of our PD offer is our biennial APA Conference, which was held in Sydney and attracted over 1,700 delegates from 20 countries. Held in high regard globally, this event is considered one of the pre-eminent clinical gatherings in the world. I would like to acknowledge and recognise the hard work of the Conference Advisory Committee, led by Chris Barnett, and the Scientific Program Committee, led by Andrew Claus, and the dozens of physiotherapists that make the APA Conference a reality.

Our investment in research
The Physiotherapy Research Foundation (PRF) continued to support up-and-coming researchers with three Seeding Grants worth a total of $29,818 awarded from 35 applications. More established researchers were also supported with three Project Grants worth a total of $50,800 awarded from 28 applications. Additionally, travel bursaries, worth $1,000 each, allowed four PRF recipients to attend the 2017 APA Conference to present their research findings.

In 2018, a strategic review has been commissioned to determine the future role of the PRF and our ability to grow the capital base to have greater impact in the physiotherapy research community. This is a timely and exciting development.

The APA continues to support open access research with significant investments in PEDro, the Physiotherapy Evidence Database, and our high-achieving *Journal of Physiotherapy*. Our journal again maintained its position as the highest ranking core physiotherapy journal globally based on its impact factor, which aligns with its vision to be the pre-eminent international publication of the science and practice of physiotherapy. This, coupled with usage growing to more than 830,000 full-text downloads of research papers in 2017, points to the journal's mission of publishing significant research with important implications for physiotherapy being fulfilled.

While these investments can be seen as expensive, the profession's current standing in the community is because of the commitment and discipline in support of, and advocacy for, physiotherapy research, which remains part of the fabric of the APA.

Raising awareness of physio
One of the pillars of our 2015–17 strategic plan centred on positioning the physiotherapy brand to consumers and the community. Key to this was focusing on consumer-centred health and wellbeing messages using multiple channels to promote the profession. To this end, in 2017 we secured a total of 244 mainstream media pieces, with an audience reach of more than 30.4 million.

A hallmark of this activity, to raise awareness of physiotherapy, was the re-establishing of a national campaign to inform and educate consumers about physiotherapy's alignment with the medical profession and the diversity of services offered. The call to action is simply to Choose Physio. This principle is the foundation of our new strategic plan for 2018 and beyond.

We will continue to produce marketing and promotional material to assist our members with their efforts in educating consumers to Choose Physio. This is an exciting time within the APA and we look forward to sustained efforts in this arena.

Acknowledgements
I congratulate Phil Calvert, our national president, and Jenny Aiken and Darren Rivett, our vice presidents, on their first years in APA leadership positions. Rest assured, the APA and the profession are being led by quality people.

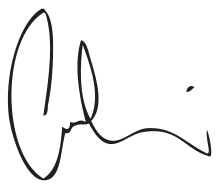
I say farewell to Katie Vine, APA director, and Marcus Dripps, immediate past president, who witnessed my very first Board meeting back in 2011. I thank them for their guidance and wisdom, and acknowledge the personal and professional support they extended to me.

In 2017, the APA Board welcomed three new directors: Mark Round, Rik Dawson, and Louise McElvogue as an independent director. In 2018 we welcome Amanda Mulcahy to the Board and I wish her every success.

The APA boasts more than 700 engaged members who participate in various committees, councils and working groups. The collective pro-bono contribution of this cohort would tally into the millions of dollars and I would like to pay my respects to these members and publicly say thank you.

Finally, well done to the 80 staff around the country that make the organisation operate on a day-to-day basis—our success in 2017 is due to your tireless work for APA members.

I look forward to a bigger and better year for the APA in 2018. Choose Physio.



Cris Massis

2017 Governance

The Australian Physiotherapy Association is a not-for-profit company limited by guarantee. Subject to the Corporations Act, the APA operates under a Constitution, which was last amended in April 2013. The APA Constitution is available at physiotherapy.asn.au.

The APA Board of Directors has responsibility for the control and direction of the affairs of the Association. All members of the Board are elected by the National Advisory Council. Board members serve a three-year term, and may serve no more than six consecutive years on the Board except in circumstances where Board members are elected to the position of president or vice president.

The Board is supported in its governance function by the National Advisory Council, Branch Councils, National Group committees, the Australian College of Physiotherapists, the Journal of Physiotherapy Editorial Board, and the National Professional Standards Panel.

National Advisory Council

National Advisory Council chair

Richard Newsham-West, APAM

National Group representatives

Aboriginal and Torres Strait Islander Health
Marilyn Morgan, APA Honoured Member

Acupuncture and Dry Needling
Rebecca Fagan, APAM

Animal
Meagan Lamming, APAM

Aquatic
Miriam Fletcher, APAM

Business
Scott Willis, APAM

Cancer, Palliative Care and Lymphoedema
Tanya Trevena, APAM

Cardiorespiratory
Penny Schofield, APAM

Disability
Alison Chung, APAM

Educators
Sara Carroll, APAM

Emergency Department
Katherine Maka, APAM

Gerontology
Vanessa Jessup, APAM

Leadership and Management
Nicole Bellet, APAM

Mental Health
Joanne Connaughton, APAM

Musculoskeletal
Roxanne Azoory, APAM, FACP

Neurology
Melissa Birnbaum, APAM

Occupational Health
David Hall, APAM

Orthopaedic
Angie Fearon, APAM

Paediatric
Julianne Pegler, APAM

Pain
Dianne Wilson, APAM

Rural
Tom McMillan, APAM, FACP

Sports
Holly Brasher, APAM

Student
Emma Lowe

Branch presidents

Australian Capital Territory
Diana Perriman, APAM

New South Wales
Thy Cao, APAM

Northern Territory
Karen Schneider, APAM (NT representative)

Queensland
Katrina Williams, APAM, FACP

South Australia
Martin van der Linden, APAM

Tasmania
Catherine Back, APAM

Victoria
Leanne de Vos, APAM

Western Australia
Rahul Madan, APAM

Entity chairs

Australian College of Physiotherapists
Michael Ryan, APAM, FACP (President)

Journal of Physiotherapy
Ilana Ackerman, APAM

National Professional Standards Panel
Toni Andary, APAM

Board subcommittees

Audit and Risk Committee

Elaine Farrelly (Chair)
Jenny Aiken, APAM
Rik Dawson, APAM
Louise McElvogue
Ruth Faulkner (independent Chartered Accountant)

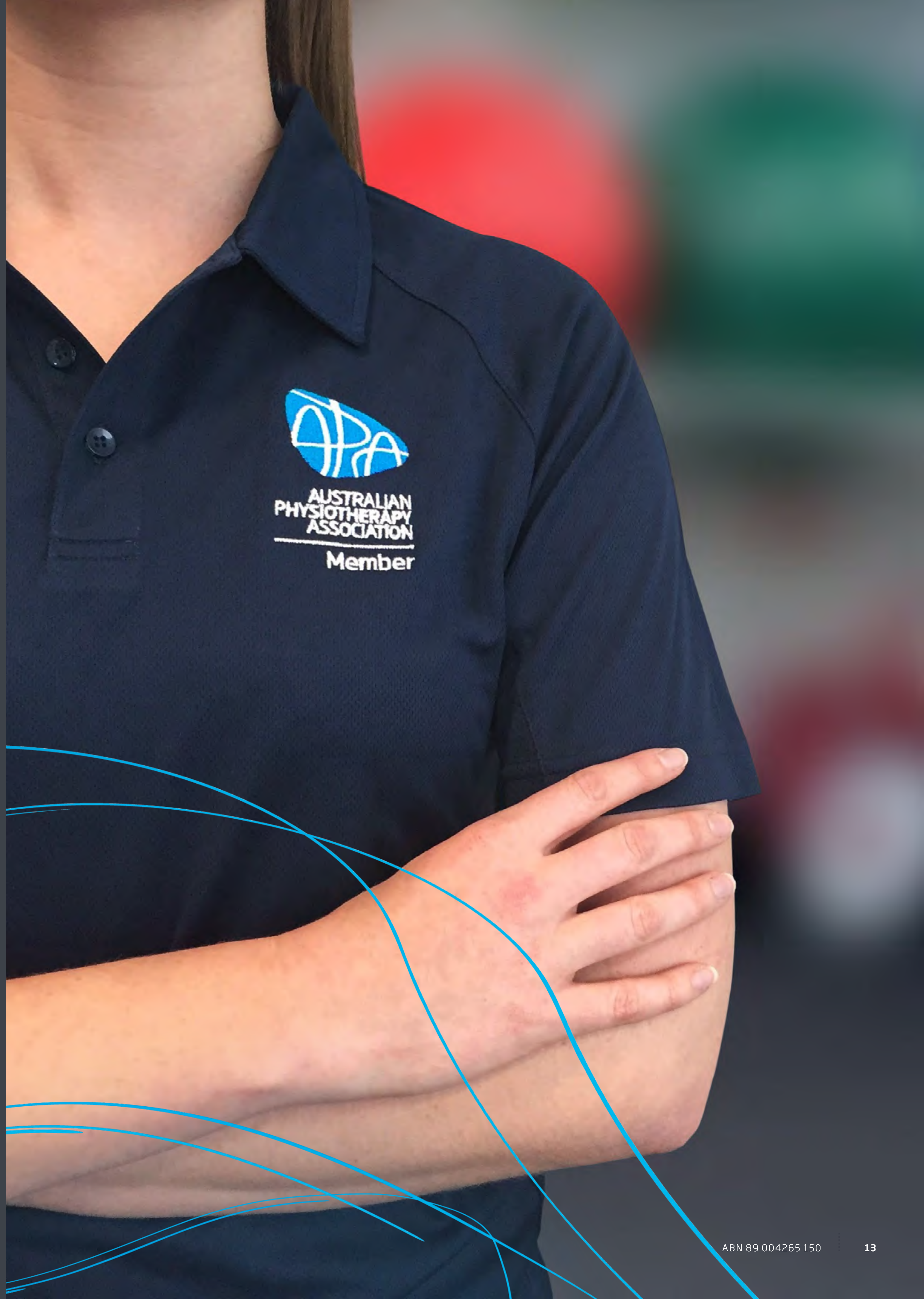
Nominations and Remuneration Committee

Darren Rivett, APAM (Chair)
Katie Vine, APAM
Mark Round, APAM
Sue Gould (independent committee member)

Physiotherapy Research Foundation

Marcus Dripps, APAM (Chair)
Darren Rivett, APAM
Natalie Collins, APAM (Chair, Grants Review Committee)

2017 Directors' report



Directors' report

The directors present their report on the Australian Physiotherapy Association (APA) and controlled entities for the year ended 31 December 2017. The names of directors in office and their relevant qualifications, experience and special responsibilities at the date of this report are as follows.

PHIL CALVERT, APAM
NATIONAL PRESIDENT

MPhty, BAppSci(Physio), GradCert(Mgt), GAICD

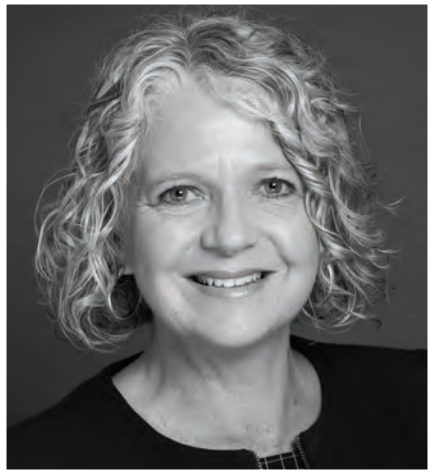
Phil Calvert graduated from the University of South Australia with a Bachelor of Applied Science (Physiotherapy) degree in 1997. He has completed a Master of Physiotherapy degree and a Graduate Certificate in Health Service Management from Flinders University. Phil is also a Graduate of the Australian Institute of Company Directors.

Phil holds the position of regional manager of physiotherapy for the Women's and Children's Hospital, Adelaide. He is a director of a private paediatric practice in Adelaide and holds an adjunct lecturer appointment with the University of South Australia.

In 2014, Phil was elected as a national vice president of the APA and in 2017 commenced his first term as APA national president.

Special responsibilities:

- Chair, Board of Directors



JENNY AIKEN, APAM
NATIONAL VICE PRESIDENT

BAppSc(Phty), GAICD

Jenny Aiken graduated as a physiotherapist from Sydney University in 1987. She is an APA Sports Physiotherapist who has spent the majority of her career in private practice and healthcare business management.

After selling her private practices to Health Networks Australia, a national provider of physiotherapy services, Jenny spent more than 12 years working for them as both a state and general manager. During this time she was responsible for the performance of more than a dozen physiotherapy and other allied health businesses across three states.

Jenny is now interested in the governance of healthcare and is a graduate of the Australian Institute of Company Directors. She is a director with the Australian Physiotherapy Association and an Honorary Fellow of Macquarie University.

Previous roles have included chair of both the Inner West Medicare Local and Central Sydney Allied Health Network, and member of the Physiotherapy Council of New South Wales and the advisory board for Macquarie University's Doctor of Physiotherapy.

Special responsibilities:

- Deputy Chair, Board of Directors
- Audit and Risk Committee

DARREN RIVETT, APAM
NATIONAL VICE PRESIDENT

PhD, MAppSc(ManipPhty), BAppSc(Phty), GradDipManipTher, MAICD

Darren Rivett is an APA Musculoskeletal Physiotherapist and is professor of physiotherapy at The University of Newcastle. Darren led the development, implementation and quality review processes of the new Discipline of Physiotherapy and the inaugural physiotherapy program at The University of Newcastle from 2001 to 2007, and was head of School of Health Sciences from 2008 to 2016. He lectured and was a clinical educator at undergraduate and postgraduate levels at the University of Sydney (1986–1992) and the University of Otago in New Zealand (1994–2001). Darren was also the principal of two private practices in Sydney from 1984 to 1993.

Subsequent to his term as national chairperson for the APA Musculoskeletal group (2007–2011), Darren was the group's international delegate in 2012. With involvement in numerous professional committees and boards in Australia and internationally over 25 years, Darren brings invaluable experience from his membership of the APA Governance Review Task Group (2010–2011), and the Standards Committee of the International Federation of Orthopaedic Manipulative Physical Therapists (2006–2011), a World Confederation for Physical Therapy subgroup.

Special responsibilities:

- Deputy Chair, Board of Directors
- Chair, Nominations and Remuneration Committee
- Physiotherapy Research Foundation Committee

Directors' report

MARCUS DRIPPS, APAM
IMMEDIATE PAST PRESIDENT

BAppSc(Phty), GAICD

Marcus Dripps is a physiotherapist based in Geelong, Victoria. He is the CEO of Corio Bay Health Group, a multidisciplinary sports medicine and high-performance business, with operations in several states in Australia.

He continues to be an active clinician, and has a clinical interest in occupational health and adolescent sporting injuries. He has business interests in health information technology and clinical education.

Marcus has been a member of the Board of Directors of the Australian Physiotherapy Association since 2007, and was national president from 2013 to 2016. He has previously served on a number of public health and hospital boards as well as advising state and federal ministers regarding allied health, chronic disease management and health funding.

Special responsibilities:
- Chair, Physiotherapy Research Foundation Committee

RIK DAWSON, APAM

BAppSc (Phty), BCA, GAICD

Rik Dawson graduated from Sydney University in 1993. He is an APA Gerontological Physiotherapist who began his career as a paediatric physiotherapist working for NSW Health. In 2001 he opened his private practice specialising in aged care, employing over 80 physiotherapists across New South Wales, Australian Capital Territory and Queensland in residential aged care, community settings, day therapy and in private practice. Rik was an active member of the state Gerontology group committee for nine years and was national Gerontology group chair and National Advisory Council representative in 2014–16.

Rik is the APA representative on the National Aged Care Alliance, a body of peak national organisations in aged care that includes consumer groups, providers, unions, and health professionals working together to determine a more positive future for aged care in Australia. He is currently a member of the aged care funding sub-committee and is currently working with the alliance and the Department of Health on introducing consumer-directed care into residential aged care.

Special responsibilities:
- Audit and Risk Committee

ELAINE FARRELLY

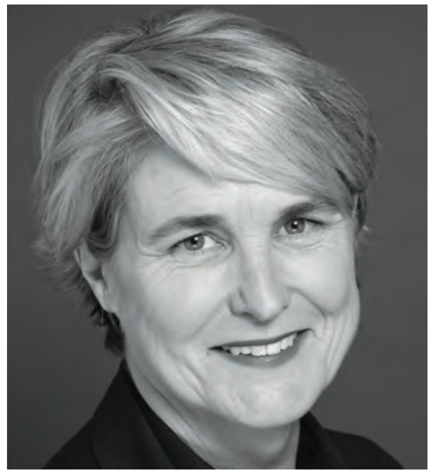
MA, BComm, CA

Elaine Farrelly has more than 25 years' business experience with national and global organisations at both executive and board levels. Elaine's past roles have spanned a broad range of industries including healthcare, telecommunications, property development, media and non-profit sectors.

Elaine is skilled in the development and commercial assessment of new business opportunities and has extensive experience in start-up and high-growth organisations. She has worked with KPMG, Optus, ICI (now Orica) and Fairfax, and currently holds the role of chief operating officer for the Movember Foundation, which raises and invests more than $80 million annually.

Elaine's past board roles include chairman of the Global Movember Foundation, director of ARMB Mt Buller/Mt Stirling and non-executive director of Archicentre Limited. She has also chaired a number of finance, audit and risk committees. Elaine is a chartered accountant, a Fellow of the Australian Institute of Company Directors and holds a Bachelor of Commerce and a Master of Arts.

Special responsibilities:
- Chair, Audit and Risk Committee



LOUISE MCELVOGUE

MA, BA, GAICD

Louise McElvogue has more than 25 years' global experience working as an executive, board member and consultant specialising in strategy, digital transformation and communications. She has worked on digital transformation projects in sectors including healthcare, media and financial services in the US, Europe and Australia, and has delivered strategy and digital projects for companies including McDonald's, Fairfax Media and the BBC. Louise previously worked as a journalist and editor.

Louise's governance roles include non-executive director for cybersecurity exchange WhiteHawk; trustee, Sydney Living Museums, New South Wales Government; and New South Wales councillor, Australian Institute of Company Directors. Louise was a member of the federal government's Convergence Review Committee.

Louise holds a Bachelor of Arts Communications from the University of Technology Sydney, a Master of Arts from Goldsmiths, University of London and is a graduate of the Australian Institute of Company Directors.

Special responsibilities:
- Audit and Risk Committee

Directors' report

MARK ROUND, APAM

BAppSc(Physio), GradCertSportsPhysio, GradCertMgt, GAICD

Mark Round is the managing director of Symmetry Physiotherapy, a multidisciplinary physiotherapy and allied health group in Melbourne that currently operates out of seven sites. Mark joined the Victorian Branch Council in 2013 and was the president in 2015–16. This role also included serving as the National Advisory Council representative for the Victorian Branch for 2016.

Through these positions, Mark has become involved on many committees including the Primary Care Safety and Quality Framework Committee for the Australian Commission on Safety and Quality in Health Care, as well as the Physiotherapy RTW (Return to Work) Advisory Group, a working party with the Health Services Disability Group for Worksafe and the Transport Accident Commission.

Mark has also been heavily involved in other allied health advocacy and governance work as the inaugural chair of the South West Allied Health Network in Melbourne, and as the allied health representative on the Clinical Leadership Committee of the South Western Melbourne Medicare Local.

Special responsibilities:

- Nominations and Remuneration Committee

KATIE VINE, APAM

MSportsPhty, BAppSc(Phty), GradCertSportsPhty, GDipESPhty

Katie Vine works in the emergency and orthopaedic departments at Canberra Hospital as an extended scope of practice physiotherapist. She has recently completed a Graduate Diploma in Extended Scope Physiotherapy and holds a Graduate Certificate and Master of Sports Physiotherapy from La Trobe University. In addition to her clinical role, Katie continues to advocate for extended scope of physiotherapy roles across Australia. She has been involved in local and national research investigating and implementing extended scope physiotherapy roles, and was a lead-site project officer for the Health Workforce Australia Expanded Scope of Practice Project.

Katie's APA involvement stretches back to 2002 when she became active as a Charles Sturt University Student group member. She transitioned onto the ACT Branch Council where her representative roles continued up to 2007, at which time she was appointed ACT vice president and professional development coordinator. Throughout 2010–12, as well as being elected as branch president, Katie was also ACT chair of the Emergency Department group.

Katie was awarded the APA Award for Professional Excellence each year between 2008 and 2012. She has displayed a commitment to, and passion for, physiotherapy and the APA throughout her career.

Special responsibilities:

- Nominations and Remuneration Committee

Directors' report

Directors' meeting attendance

		Meetings attended	Meetings total
Jenny AIKEN	Director	7	7
Phil Grayson CALVERT	Director	7	7
Rik Percival DAWSON	Director	7	7
Marcus James DRIPPS	Director	7	7
Elaine FARRELLY	Independent Director	6	7
Louise McELVOGUE	Independent Director	7	7
Darren Anthony RIVETT	Director	7	7
Mark ROUND	Director	7	7
Katie VINE	Director	7	7

All directors except those who are non-member directors hold tertiary qualifications in physiotherapy and are members of the Australian Physiotherapy Association.

Ruth Faulkner BSc(Hons),GAICD, ACA is an independent member of the Audit and Risk Committee.

Sue Gould, BSc, PhD, FAICD, GAIST(Adv) is an independant member of the Nomination and Renumeration Committee.

Company secretary

Craig Maltman, BBus, CPA was appointed the company secretary of the Australian Physiotherapy Association on 1 January 2013.

Objectives of the Australian Physiotherapy Association

The Australian Physiotherapy Association is a not-for-profit company limited by guarantee. The APA is bound by the terms of its Constitution, part two of which outlines the objectives of the Association.

The objectives are broad and permit the Association to engage in a wide range of activities focused on members, member services, advocacy, education and quality.

Review of operations and future developments

The Association provided leadership and unified representation of the physiotherapy profession while ensuring its development through the provision of services which enhance the reputation, effectiveness and success of its members.

The Association continued to contribute to the health of the community through education and health promotion and by assisting physiotherapists to provide preventative and therapeutic management.

These activities played an integral part in achieving the APA's strategic objectives. They provided clarity and guidance for all staff and clearly demonstrated the organisation's commitment to providing opportunities for professional success by positioning the APA as a leader in health policy debate. The underlying benefit of these activities is reinforcing the APA's commitment to increasing the value of APA membership.

Result

The consolidated surplus for the year after income tax was $470,988 (2016 surplus: $754,909). The surplus includes activities of branches and national groups of the Association, and the controlled entity, Physiotherapy Australia Pty Ltd.

There were two notable changes in the financial results for 2017 when compared to 2016. The APA Conference was held in Sydney in 2017 and resulted in additional revenue of $2.1 million. The event was highly successful and was attended by over 2,000 delegates. During 2017 the APA launched its national consumer marketing campaign. The campaign involved television, radio, social media and outdoor advertising and resulted in a doubling of marketing expenditure for the year when compared to 2016.

Members' guarantee

Australian Physiotherapy Association is a company limited by guarantee. The 24,520 members (2016: 23,153) of the Association have each undertaken to contribute the sum of 50 cents in the event of the Association being wound up.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 22.

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

Phil Calvert
National President

Darren Rivett
Director

9 April 2018

Auditor's independence declaration

Under section 307C of the Corporations Act 2001
to the directors of Australian Physiotherapy Association
and controlled entities

MOORE STEPHENS

Moore Stephens Audit (Vic)

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Melbourne Victoria 3000

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E victoria@moorestephens.com.au

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I declare that, to the best of my knowledge and belief, during the year ended 31 December 2017, there have been:

i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit

Moore Stephens

Moore Stephens Audit [Vic] Pty Ltd
ABN 16 847 721 257

George S Dakis
Partner
Audit & Assurance Services

Melbourne, Australia

9 April 2018

2017 Financials

Statement of profit or loss and other comprehensive income

Statement of financial position

Statement of changes in equity

Statement of cash flows

Statement of profit or loss and other comprehensive income

for the year ended 31 December 2017

	Notes	Consolidated 2017 $	Consolidated 2016 $
Revenue		16,099,891	14,039,012
Interest received		136,838	138,351
Other income		98,781	61,877
Total revenue	**3**	**16,335,510**	**14,239,240**
Cost of sales		29,161	39,909
Conference & professional development		3,462,354	2,339,504
Employee cost		7,045,140	6,605,722
Professional services		291,027	260,172
Public relations		125,501	111,559
Marketing expense		1,000,557	522,203
Information technology expense		550,516	627,400
Travel & meeting expense		801,886	584,223
Publication expense		607,147	596,357
Subscriptions		154,896	189,791
Membership renewal expense		82,111	101,154
PRF grant expense		80,918	70,541
Rent		552,011	555,301
Light & power		53,041	66,368
Insurance		35,036	32,094
Repairs & maintenance		32,112	37,832
Depreciation & amortisation expense		266,552	260,296
Finance costs		186,133	188,804
Administration expense		122,675	128,425
Impairment of investment		–	17,422
Other expenses		385,748	256,954
Total expenses		**15,864,522**	**13,592,031**
Surplus before income tax expense		**470,988**	**647,209**
Income tax (expense)/benefit	5	–	–
Surplus attributable to the members		**470,988**	**647,209**
Revaluation of land & buildings		–	107,700
Total comprehensive income for the year attributable to the members		**470,988**	**754,909**

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Financials

Statement of financial position

for the year ended 31 December 2017

	Notes	Consolidated 2017 $	Consolidated 2016 $
Current assets			
Cash & cash equivalents	6	7,976,306	6,047,908
Financial assets	7	796,044	2,193,312
Trade & other receivables	8	306,430	369,220
Inventories	9	45,488	32,270
Prepayments	10	348,507	3,164,803
Total current assets		**9,472,775**	**11,807,513**
Non-current assets			
Property, plant & equipment	11	4,711,589	4,772,889
Intangible assets	12	348,820	36,282
Investment property	13	725,000	700,000
Total non-current assets		**5,785,409**	**5,509,171**
Total assets		**15,258,184**	**17,316,684**
Current liabilities			
Trade and other payables	14	1,268,528	3,605,456
GST payable	15	334,474	426,710
Short-term provisions	16	908,335	779,547
Revenue received in advance	17	4,870,494	5,055,902
Total current liabilities		**7,381,831**	**9,867,615**
Non-current liabilities			
Long-term provisions	16	256,008	273,035
Other non-current liabilities	18	–	26,677
Total non-current liabilities		**256,008**	**299,712**
Total liabilities		**7,637,839**	**10,167,327**
Net assets		**7,620,345**	**7,149,357**
Equity			
Reserves		95,300	95,300
Accumulated surplus		7,525,045	7,054,057
Total equity		**7,620,345**	**7,149,357**

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

Statement of changes in equity

for the year ended 31 December 2017

	Notes	Revaluation reserve	Accumulated surplus	Total
Consolidated balance at 1 January 2016		–	**6,299,148**	**6,299,148**
Comprehensive income				
Land & building revaluation		95,300	–	95,300
Surplus attributable to members		–	754,909	754,909
Balance at 31 December 2016		**95,300**	**7,054,057**	**7,149,357**
Comprehensive income				
Land & building revaluation		–	–	–
Surplus attributable to members		–	470,988	470,988
Total comprehensive income		**–**	**470,988**	**470,988**
Consolidated balance at 31 December 2017		**95,300**	**7,525,045**	**7,620,345**

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

Statement of cash flows

for the year ended 31 December 2017

	Notes	Consolidated 2017 $	Consolidated 2016 $
Cash flows from operating activities			
Receipts from members/customers		20,822,962	15,201,771
Payments to suppliers/employees		(19,909,837)	(14,480,378)
Interest received		113,462	121,804
Interest & other costs of finance paid		–	–
Net cash provided by operating activities		**1,026,587**	**843,197**
Cash flows from investing activities			
Receipts from/(payments for) maturity investments		1,419,601	(40,427)
Proceeds from sale of investment property		–	–
Payments for plant & equipment		(183,237)	(533,591)
Payments for intangible assets		(334,553)	(17,633)
Net cash provided by (used in) investing activities		**901,811**	**(591,651)**
Cash flows from financing activities			
Repayments of borrowings		–	–
Net cash used in financing activities		–	–
Net increase (decrease) in cash held		**1,928,398**	**251,546**
Cash at the beginning of the financial year		6,047,908	5,796,362
Cash at the end of the financial year		**7,976,306**	**6,047,908**

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

Financials

Notes to and forming part of the financial statements

for the year ended 31 December 2017

Note 1—Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied, unless otherwise stated.

A. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (RDR) of the Australian Accounting Standard Board (AASB) and the *Corporations Act 2001*.

The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 9 April 2018 by the directors of the Company.

B. New accounting standards and interpretations

The AASB has issued new and amended accounting standards that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these standards. The following summarises those future requirements, and their impact on the Company where the standard is relevant.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'.

AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held for trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity.

New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12 month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The group will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the group.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied.

Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers.

For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.

The group will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the group.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases.

Subject to exceptions, a 'right of use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short term leases of 12 months or less and leases of low value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right of use' asset is recognised or lease payments are expensed to profit or loss as incurred.

A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs.

Straight line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs).

For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The group will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the group.

C. Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). A statement of compliance with International Financial Reporting Standards cannot be made due to Australian Physiotherapy Association applying the not-for-profit sector specific requirements contained in the AIFRS and RDR.

D. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Australian Physiotherapy Association and that it can be reliably measured.

Member fees and subscriptions

The subscription year runs from 1 January to 31 December. Subscriptions are payable annually in advance. Only those membership fees and subscription payments that are attributable to the current financial year are recognised as revenue. Fees and subscription payments that relate to future periods are shown in the *Statement of financial position* as subscriptions and fees in advance under the heading of *Revenue received in advance.*

Insurance premiums

In 2017, insurance premiums received from members were not recognised as income as they were received by the Company in its capacity as an agent for the insurer.

The APA entered into a new insurance arrangement with BMS Risk Solutions Pty Ltd for 2018. The new arrangement provided a fixed premium amount payable in 2018 as opposed to a variable premium based on member subscriptions.

Interest

Recognised as interest accrued, taking into account the yield on the financial asset.

Income from investments

Revenue is recognised in the period in which it is earned.

Other income

Revenue from the sale of goods is recognised upon the delivery of the goods to the customers. Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

E. Income tax

In assessing its income tax liability, Australian Physiotherapy Association applies the principles of mutuality to its revenues and expenses.

Revenue in the form of member receipts represents mutual income and is not subject to income tax. Expenses associated with such mutual activities are not tax deductible for income tax purposes. All other receipts and payments of Australian Physiotherapy Association are assessable.

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period.

Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation

Australian Physiotherapy Association and its wholly owned Australian subsidiaries have formed an income tax Consolidated Group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Taxation Office that it had formed an Income tax consolidated group to apply from 1 January 2003.

F. Impairment of assets

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

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined on the depreciated replacement cost of an asset.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

G. Receivables

The terms of trade are 30 days from invoice date. Receivables are recognised and carried at original invoice amount less any allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

H. Payables

Trade creditors represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

I. Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided, and are recognised for the amount expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised.

Long-term employee benefits

The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

J. Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

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Property

Freehold land and buildings including that classified as investment property are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic but at least triennial valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity unless those increases offset previous revaluation decrements taken to the profit or loss.

Investment property

Changes in the value of investment property are recorded in profit or loss.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity commencing from when the asset is held ready for use.

The depreciation rates for each class of depreciable assets are:

Class of fixed assets	Depreciation method	Depreciation rate
Buildings	Straight line	2%
Leasehold improvements	Straight line	16%
Plant & equipment	Straight line	10–20%
Office furniture & equipment	Straight line	10–25%
Artworks	Straight line	2.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

K. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

L. Derivative financial instruments

Australian Physiotherapy Association does not enter into any derivative contracts.

M. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis except for the GST component of investing and financial activities, which are disclosed as operating cash flows.

N. Provisions

Provisions are recognised when the entity has a legal or constructive obligation as a result of past events, for which it is probable that an outflow of econmic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

O. Comparative figures

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

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

P. Inventories

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

Q. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the Group commits itself to either the purchase or sale of the asset (ie, trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

a. the amount at which the financial asset or financial liability is measured at initial recognition;
b. less principal repayments;
c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
d. less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

R. Intangible assets

Software

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years. It is assessed annually for impairment.

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The amortisation rates for each class of intangible assets are:

Class of intangible assets	Amortisation method	Amortisation rate
Membership database	Straight line	25%
Membership website	Straight line	33.3%
Computer software	Straight line	25%

S. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

T. Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key judgements—doubtful debts provision

The directors assess the recoverability of all accounts receivable at the end of the reporting period. All amounts that are identified at the end of the reporting period as unlikely to be recovered are included in the provision for impairment of receivables.

Key judgements—long service leave

The calculation of the provision for long service leave requires judgements to be made in relation to the probability of providing and or paying employees long service leave entitlements in future periods. These judgements are made based on historical information available and past experiences within the Company.

Key estimates—fair value assessments of land and buildings and investment property

The estimation of the fair values of investment properties are done at each reporting date using observable data on recent transactions and rental yields for similar properties. Real estate investments do not have quoted prices and when appropriate the directors use professional appraisals performed by independent, professionally qualified property valuers to base their estimates.

Key judgements—non-recognition of tax losses

As at 31 December 2015 the directors reviewed the quantum of tax losses accruing to its non-member based activities, which are subject to income tax and concluded that, owing to a review of the specific deductibility criteria set out in relation to non-member expenses, that it was unlikely that the Group will generate future assessable income that would utilise those losses. As a consequence, all deferred tax assets previously recorded in respect of these losses, including any temporary deductible difference positions, were written down to nil.

For the year ended 31 December 2017 this treatment continued. Refer to Notes 5 and 14.

U. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in 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.

A liability is current when: it is expected to be settled in 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.

V. 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 interest. 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.

W. Principles of consolidation

These are the financial statements of Australian Physiotherapy Association (the 'Company', the 'Association' or 'APA') and its controlled entities as described in Note 20 (collectively, the 'Group' or the 'consolidated group').

A controlled entity is any entity over which the Company is exposed, or has rights, to variable returns from its involvement with that entity and has the ability to affect those returns through its power over that entity. All controlled entities have a reporting date of 31 December and accounting policies that are harmonised with that of the Company.

All transactions and balances within the Group are eliminated on consolidation, including any unrealised gains or losses arising on transactions between Group entities. During the year there were no changes in the composition of entities that consolidated into the Group.

Financials

Note 2–Parent information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

Statement of financial position

	2017 $	2016 $
Assets		
Current assets	8,267,082	10,717,207
Total assets	**14,052,491**	**16,226,378**
Liabilities		
Current liabilities	7,241,772	9,769,384
Total liabilities	**7,497,780**	**10,069,096**
Equity		
Accumulated surplus	6,459,411	6,061,982
Total equity	**6,554,711**	**6,157,282**

Statement of comprehensive income

Total surplus attributable to the members	**397,429**	**763,398**
Total comprehensive income	**397,429**	**763,398**

Guarantees
Australian Physiotherapy Association has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries or controlled entities.

Contingent liabilities
A bank guarantee is held in relation to the leased premises located in New South Wales and Queensland. The value of the bank guarantee is $193,625 and will be released upon termination of the lease agreement.

Contractual commitments
As at 31 December 2017 the APA had arranged via its broker, BMS Risk Solutions Pty Ltd, for the purchase of a master professional idemnity insurance policy for its members for the 2018 financial year.

The APA is committed to a payment of $2,631,821 to BMS Risk Solutions Pty Ltd in February 2018 for the insurance premium, statutory charges and associated brokerage fees.

As at 31 December 2017 Australian Physiotherapy Association had not entered into any contractual commitments for the acquisition of property, plant and equipment.

Note 3–Revenue

	2017 $	2016 $
Revenue from operating activities		
Members' subscriptions	8,966,400	8,336,743
Advertising income	821,190	940,533
Sales of merchandise	54,836	54,718
Commissions, sponsorships & endorsements	514,146	487,573
Professional development & conferences	5,179,367	3,854,760
Donations received	122,888	71,136
Interest from financial institutions	136,838	138,351
Rent	51,448	51,877
Investment property revaluation	25,000	10,000
Investment revaluation	22,333	–
Sundry	441,064	293,549
Total revenue	**16,335,510**	**14,239,240**

Note 4–Surplus before income tax expenses

Surplus before income tax expense has been determined after:	Consolidated 2017 $	Consolidated 2016 $
(a) Expenses:		
Cost of sales of merchandise	29,161	39,909
Professional development & conferences	3,462,354	2,339,504
Employee benefits	6,818,781	6,366,810
Auditor's remuneration		
— audit of financial report	29,196	29,196
Depreciation on non-current assets		
— buildings, plant & equipment	244,537	196,594
Amortisation on intangible assets		
— software	22,015	63,702
Bad and doubtful debts		
— trade debtors	–	–
Borrowing costs		
— financial institutions	–	–
Rental expense on operating leases		
— minimum lease payments	428,986	436,061
(b) Revenue and net gains:		
Net gain on disposal of non current assets		
— investment property	–	–

Note 5–Taxation

(a) The components of income tax expense/(benefit) comprise:		
Income tax expense/(benefit)	(86,926)	(148,808)
Write back of deferred tax asset	86,926	148,808
	–	–
(b) The prima facie tax on profit/(loss) before income tax is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit before income tax		
at 30% (2016: 30%)	141,297	226,473
Add tax effect of permanent differences:		
— member expenses	3,921,570	3,425,711
— exempt loss from other members of consolidated group	9,699	11,547
	3,931,269	**3,437,258**
Less tax effect of permanent differences:		
— member income	(4,166,992)	(3,816,036)
— exempt profit/(loss) from other members of consolidated group	–	–
	(4,166,992)	**(3,816,036)**
Add tax effect of over provision in prior years	–	393
Add tax effect of property revaluation	7,500	3,104
Subtotal	**(86,926)**	**(148,808)**
Write back of deferred tax asset	86,926	148,808
Income tax attributable to entity	**–**	**–**

Unused tax losses are not recognised in the financial reports as it was unlikely that the Group will generate future assessable income that would utilise those losses.

Financials

Note 6–Cash and cash equivalents

	Consolidated 2017 $	Consolidated 2016 $
Cash on hand	3,868	3,868
Cash at bank	7,972,438	6,044,040
	7,976,306	**6,047,908**

Note 7–Financial assets

Held to maturity investments—at amortised cost	–	1,435,100
Held in managed fund—at fair value	796,044	758,212
	796,044	**2,193,312**
Held to maturity investments comprise:		
Fixed interest term deposits	–	1,435,100

Note 8–Trade and other receivables

Trade debtors	215,270	304,431
Less provision for impairment of receivables	5,000	5,000
	210,270	**299,431**
Other debtors	96,160	69,789
	306,430	**369,220**
Reconciliation of the provision for impairment of receivables		
Opening balance	5,000	5,000
Charge for the year	–	–
Written off	–	–
Closing balance	**5,000**	**5,000**

Note 9–Inventories

Stock of merchandise at cost	45,488	32,270

Note 10–Prepayments

Current		
Prepayments	348,507	471,477
Prepaid members' insurance premium	–	2,693,326
	348,507	**3,164,803**

The APA entered into a new insurance arrangement with BMS Risk Solutions Pty Ltd for 2018. The new arrangement provided a fixed premium amount payable in 2018 (refer to Note 23) as opposed to a variable premium based on member subscriptions.

Note 11–Property, plant and equipment

	Consolidated 2017 $	Consolidated 2016 $
Land & buildings at independent valuation in 2016	4,000,000	4,000,000
Less accumulated depreciation	(47,400)	–
	3,952,600	4,000,000
Total land & buildings	**3,952,600**	**4,000,000**
Plant & equipment at cost	403,002	255,505
Less accumulated depreciation	(118,738)	(60,937)
	284,264	194,568
Office furniture & equipment at cost	1,627,647	1,591,906
Less accumulated depreciation	(1,161,390)	(1,022,357)
	466,257	569,549
Artwork at cost	13,167	13,167
Less accumulated depreciation	(4,699)	(4,395)
	8,468	8,772
Total equipment	**758,989**	**772,889**
Total property, plant & equipment	**4,711,589**	**4,772,889**

(a) Valuation of land and buildings
The value of land and buildings is based on valuation assessed by Charter Keck Cramer as per their report dated 4 December 2016.

(b) Movements in carrying amounts
Movements in the carrying amounts of property, plant and equipment between the beginning and the end of the current financial year.

Land & buildings		
Balance at the beginning of the year	4,000,000	3,797,000
Additions	–	–
Disposals	–	–
Revaluation	–	203,000
Depreciation expense	(47,400)	–
Carrying amount at the end of the year	**3,952,600**	**4,000,000**
Equipment		
Balance at the beginning of the year	772,889	435,892
Additions	183,237	533,591
Disposals		–
Revaluation		–
Depreciation expense	(197,137)	(196,594)
Carrying amount at the end of the year	**758,989**	**772,889**
Total		
Balance at the beginning of the year	4,772,889	4,232,892
Additions	183,237	533,591
Disposals	–	–
Revaluation	–	203,000
Depreciation expense	(244,537)	(196,594)
Carrying amount at the end of the year	**4,711,589**	**4,772,889**

Financials

Note 12–Intangible assets

	Consolidated 2017 $	Consolidated 2016 $
Computer software at cost	75,649	75,649
Less accumulated amortisation	(58,587)	(39,367)
	17,062	36,282
CRM at cost	303,203	–
Less accumulated amortisation	–	–
	303,203	–
Financial system at cost	31,350	–
Less accumulated amortisation	(2,795)	–
	28,555	–
Total intangible assets	**348,820**	**36,282**
Movements in carrying amounts		
Opening balance	36,282	82,351
Additions	334,553	17,633
Disposals	–	–
Reclassification	–	–
Amortisation charge	(22,015)	(63,702)
Closing balance	**348,820**	**36,282**

Note 13–Investment property

Properties at independent valuation in 2017	**725,000**	**700,000**

The value of investment property is based on valuation assessed by Charter Keck Cramer as at 14 December 2017.

Note 14–Trade and other payables

Trade creditors	1,100,562	773,961
Members' insurance premium payable	–	2,648,922
Other creditors & accruals	167,966	182,573
	1,268,528	**3,605,456**

All trade and other payables are non-interest bearing unsecured and payable at their maturity which is within 60 day terms.

The APA entered into a new insurance arrangement with BMS Risk Solutions Pty Ltd for 2018. The new arrangement provided a fixed premium amount payable in 2018 (refer to Note 23) as opposed to a variable premium based on member subscriptions.

Note 15–GST payable

	334,474	**426,710**

Note 16–Provisions

	Consolidated 2017 $	Consolidated 2016 $
Current		
Annual leave	384,751	373,249
Long service leave	523,584	406,298
	908,335	**779,547**
Non-current		
Long service leave	161,992	186,112
Make-good	94,016	86,923
	256,008	**273,035**
Total number of employees at year end was	69	70
Reconciliation of the movement in provisions		
Opening balance	1,052,582	955,744
Provision accrued	520,900	544,765
Amounts used	(409,139)	(447,927)
Closing balance	**1,164,343**	**1,052,582**

Note 17–Revenue received in advance

Current		
Members' subscriptions in advance	4,519,835	4,527,243
Course fees in advance	316,232	468,658
Commissions & endorsements in advance	34,427	60,001
	4,870,494	**5,055,902**

Members, subscriptions in advance has been recognised to the extent of the monies received before 31 December 2017. It does not reflect income due to be received from remaining instalments, where a member has elected to pay by instalments, across 2018.

Note 18–Other liabilities

Non-current		
Trust funds—New South Wales	–	26,677
Total	**–**	**26,677**

Note 19–Related party transactions

During the year, no related party transaction was recorded.

Honorariums paid to the directors are disclosed in Note 21 as key management personnel compensation.

Financials

Note 20–Controlled entities

Name	Principal activity	Place of incorporation	% Owned	% Owned
Parent entity				
Australian Physiotherapy Association		Australia	–	–
Controlled entities:				
Physiotherapy Australia Pty Ltd	Dormant	Australia	100	100

The shares in the above companies are held by members of the Board of Directors on behalf of Australian Physiotherapy Association.

Note 21—Key management personnel compensation

	Consolidated 2017 $	Consolidated 2016 $
Total	**$462,834**	**$459,970**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
Key management personnel compensation includes remuneration of the CEO and reimbursements and honoraria paid to directors.

Note 22–Contingent assets and liabilities

A bank guarantee is held in relation to the leased premises located in New South Wales and Queensland. The value of the bank guarantee is $193,625 and will be released upon termination of the lease agreement.

The company had no other contingent assets and liabilities as at 31 December 2017 and 31 December 2016.

Note 23–Contractual commitments

As at 31 December 2017 the APA had arranged via its broker, BMS Risk Solutions Pty Ltd, for the purchase of a master professional idemnity insurance policy for its members for the 2018 financial year.

The APA is committed to a payment of $2,631,821 to BMS Risk Solutions Pty Ltd in February 2018 for the insurance premium, statutory charges and associated brokerage fees.

Note 24–Financial risk management

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements, are as per notes 6—Cash and cash equivalents, 7—Financial assets, 8—Trade and other receivables and 14—Trade and other payables.

Note 25–Capital and leasing commitments

Operational leases

Non-cancellable operating leases contracted for but not capitalised in the accounts. Payable:	Consolidated 2017 $	Consolidated 2016 $
— not longer than 1 year	457,900	481,863
— longer than 1 year but not longer than 5 years	952,117	1,067,967
— longer than 5 years	–	–
	1,410,017	**1,549,830**

Property address	Terms	Expiry date
Office 2, Ground Floor, 174 Hampden Road, Nedlands, WA	5 years	20 July 2018
Freeway Office Park, Building 6C, 2728 Logan Road, Eight Miles Plain, QLD	6.4 years	30 November 2019
Unit 8, 15 Fullarton Road, Kent Town, SA	5 years	30 June 2022
Unit 203 & 204, 32 Delhi Road, North Ryde, NSW	5 years	14 June 2021

Note 26–Events after the reporting period

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

Note 27–Company details

The registered office of the Company is:

Australian Physiotherapy Association
Level 1, 1175 Toorak Road
Camberwell, Vic 3124
ABN 89 004 265 150

Directors' declaration

The directors of the Australian Physiotherapy Association declare that:

1. The financial statements and notes, as set out on pages 25 to 43, are in accordance with the Corporations Act 2001 and:
   (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
   (b) give a true and fair view of the financial position as at 31 December 2017 and of the performance for the year ended on that date of the Association and the Consolidated Group;

2. In the directors' opinion there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a resolution of the Board of Directors.

Phil Calvert
National President

Darren Rivett
Director

9 April 2018

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Independent auditor's report

To the members of the Australian Physiotherapy Association and controlled entities

Opinion

We have audited the accompanying financial report of Australian Physiotherapy Association and controlled entities (the Group), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, the 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 notes and the directors' declaration.

In our opinion:

a. the financial report of the Group is in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the Company's financial position as at 31 December 2017 and of their performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001;

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 Corporations Act 2001 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Company's financial report for the year ended 31 December 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 Australia Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

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

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors;

- conclude on the appropriateness of director'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 Company'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 Company's to cease to continue as a going concern; and

- 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 the directors 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.

Moore Stephens

Moore Stephens Audit (Vic)
ABN 16 847 721 257

George S Dakis
Partner
Audit & Assurance Services

Melbourne, Australia

9 April 2018

The Physiotherapy Research Foundation

Financial statements for the year ended 31 December 2017

	Notes	2017 $	2016 $
Income statement			
Income			
Donations	1	152,888	101,136
Interest		4,585	4,836
Managed fund distributions		23,376	16,547
Sundry		3,295	2,019
Total income		**184,144**	**124,538**
Expenditure			
Grants		86,368	72,191
Public relations		–	–
Administration		46,550	43,414
Total expenditure		**132,918**	**115,605**
Operating surplus/(deficit)		**51,226**	**8,933**
Investment revaluation		(22,333)	17,422
Total operating surplus/(deficit)		**73,559**	**(8,489)**

Balance sheet

	Notes	2017 $	2016 $
Current assets			
Cash at bank		227,151	141,981
Financial assets	2	977.374	941,225
GST receivable		725	2,577
Other assets		1,168	7,100
Total assets		**1,206,418**	**1,092,883**
Current liabilities			
Payables		140,784	100,808
Total liabilities		**140,784**	**100,808**
Net assets		**1,065,634**	**992,075**
Equity			
Accumulated surplus		1,065,634	992,075
Total equity		**1,065,634**	**992,075**

Notes to accounts

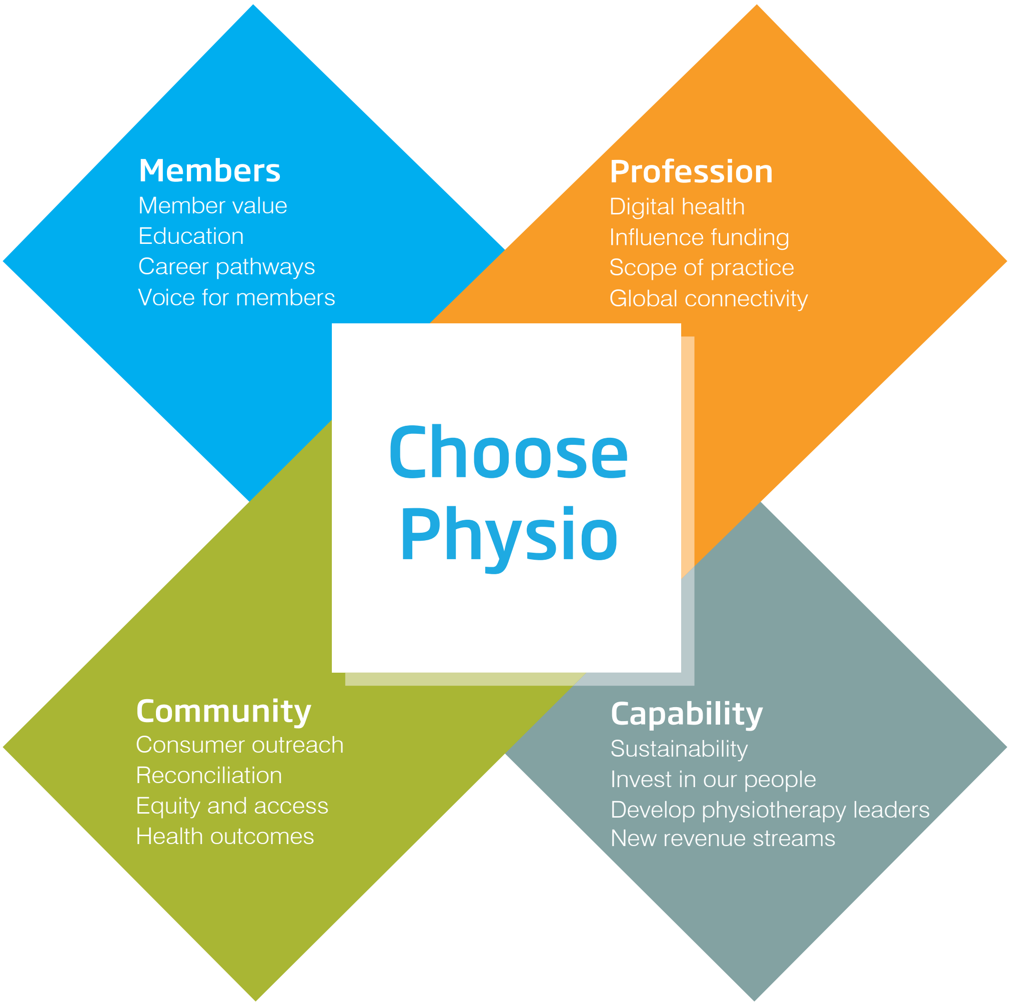
		2017	2016
1	**Donations**		
	APA members	69,360	62,141
	Australian Physiotherapy Association	30,000	30,000
	Other	53,528	8,995
		152,888	**101,136**
2	**Other assets at 31 December 2017 include:**		
	Term deposit—National Australia Bank	181,330	183,013
	Term deposit—Trust Company of Australia	–	–
	Managed fund—Mason Stevens Pty Ltd	796,044	758,212
		977,374	**941,225**

The financial statements of the Physiotherapy Research Foundation were consolidated into the financial statements of Australian Physiotherapy Association and controlled entities.

Notes

Notes

The APA strategic plan for 2018 and beyond



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