



**Podiatry
Council**
of NSW

**Podiatry
Council**
of NSW

Annual Financial Statements
year ended 30 June 2023



INDEPENDENT AUDITOR'S REPORT

Podiatry Council of New South Wales

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Podiatry 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 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant 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 2018* (GSF Regulation) and the Treasurer's Directions
- presents 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 determines is necessary to enable the preparation and fair presentation of the financial statements that 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. The description forms part of my auditor's report.

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

- that 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.



Lisa Berwick
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

16 October 2023
SYDNEY

Podiatry Council of New South Wales

Statement by the Members of the Council

for the year ended 30 June 2023

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

1. The financial statements of the Podiatry Council of New South Wales for the year ended 30 June 2023 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. NSW Treasurer's Directions issued under the GSF Act.
2. The financial statements present fairly the Podiatry Council of New South Wales financial position as at 30 June 2023 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 Luke Taylor
President
13 October 2023



Ms Jessica Knox
Deputy President
13 October 2023

Podiatry Council of New South Wales
Statement of Comprehensive Income for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Continuing operations			
Expenses excluding losses			
Personnel services	2	148,980	173,129
Other operating expenses	3	123,498	118,892
Depreciation and amortisation	4	928	5,314
Education and research	5	8,702	-
Finance costs	6	-	341
Total expenses excluding losses		282,108	297,676
Revenue			
Acceptance by the Crown ¹ of personnel services	11	(1,059)	12,756
Registration fees	8	284,986	279,172
Investment revenue	9	32,864	1,835
Grants and other contributions	10	898	-
Other income	12	6,598	-
Total revenue		324,287	293,763
Operating result		42,179	(3,913)
Gains/(losses) on disposal	13	-	12,864
Net result		42,179	8,951
TOTAL COMPREHENSIVE INCOME		42,179	8,951

¹ Crown represents 'The Crown in right of the State of New South Wales'

The accompanying notes form part of these financial statements.

Podiatry Council of New South Wales
Statement of Financial Position as at 30 June 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	14	1,095,905	1,078,508
Receivables	15	1,962	1,797
Total current assets		1,097,867	1,080,305
Non-current assets			
Property, plant & equipment			
- Plant and equipment		293	607
- Leasehold improvements		2,101	2,715
Total property, plant & equipment	16	2,394	3,322
Right-of-use assets	17	-	-
Intangible assets	18	-	-
Total non-current assets		2,394	3,322
Total assets		1,100,261	1,083,627
LIABILITIES			
Current liabilities			
Payables	19	17,148	46,182
Contract liabilities	20	120,337	116,848
Total current liabilities		137,485	163,030
Non-current liabilities			
Provisions	21	1,446	1,446
Total non-current liabilities		1,446	1,446
Total liabilities		138,931	164,476
Net assets		961,330	919,151
EQUITY			
Accumulated funds		961,330	919,151
Total Equity		961,330	919,151

The accompanying notes form part of these financial statements.

Podiatry Council of New South Wales

Statement of Changes in Equity for the year ended 30 June 2023

	Notes	Accumulated Funds \$
Balance at 1 July 2022		919,151
Net result for the year		42,179
Balance at 30 June 2023		961,330

	Notes	Accumulated Funds \$
Balance at 1 July 2021		910,200
Net result for the year		8,951
Balance 30 June 2022		919,151

The accompanying notes form part of these financial statements.

Podiatry Council of New South Wales
Statement of Cash Flows for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Personnel services		(152,782)	(154,384)
NCAT/Council/Sitting Fees		(49,430)	(49,404)
Other		(109,097)	(38,453)
Finance costs		-	(341)
Total payments		(311,309)	(242,582)
Receipts			
Registration fees		288,346	282,036
Interest received		32,864	1,835
Grants and other contributions		898	-
Other		6,598	-
Total receipts		328,706	283,871
NET CASH FLOWS FROM OPERATING ACTIVITIES	24	17,397	41,289
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities		-	(4,463)
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	(4,463)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		17,397	36,826
Opening cash and cash equivalents	14	1,078,508	1,041,682
CLOSING CASH AND CASH EQUIVALENTS	14	1,095,905	1,078,508

The accompanying notes form part of these financial statements.

Podiatry Council of New South Wales

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

1. Statement of Significant Accounting Policies

a) Reporting entity

The Podiatry 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 2023 have been authorised for issue by the Council on 13 October 2023.

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);
- * NSW Treasurer's Directions issued under the *Government Sector Finance Act 2018*; and
- * The requirements of the *Government Sector Finance Act 2018*.

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 reporting 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 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.

d) Accounting for the Goods & Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that the:

- * amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- * receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

1. Statement of Significant Accounting Policies (continued)

e) 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
 - * Rental
 - * Contractors
 - * Information management systems
3. Depreciation and amortisation
4. Finance costs

f) 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.

g) Changes in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2022-23

The accounting policies applied in 2022-23 are consistent with those of the previous financial year.

Several amendments and interpretations apply for the first time in 2022-23. The Council has assessed the new and amended standards and interpretations that are effective for the first time and have determined they do not apply to the Council.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise.

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

2. Personnel services

	2023	2022
	\$	\$
Salaries and wages (including annual leave)	125,972	134,130
Superannuation - defined contribution plans	12,799	13,048
Long service leave	(1,283)	14,986
Workers' compensation insurance	856	388
Payroll taxes	10,636	10,577
	148,980	173,129

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 Annual Leave provision is assumed by the Ministry of Health and therefore is not shown in Provisions as a leave liability for the Council.

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.

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

3. Other operating expenses

	2023	2022
	\$	\$
Consultancies	344	207
Contractors	15,215	18,406
Domestic supplies and services	444	358
Food supplies	477	163
Fuel, light and power	197	151
Health assessments	16,750	23,734
Information management expenses	9,909	12,582
Insurance	73	91
Maintenance (see Note 3 (b))	4,426	4,462
Motor vehicle expenses	68	20
Postal and telephone costs	310	429
Printing and stationery	117	286
Rental	9,879	51
Staff and Council related costs	1,285	699
Travel related costs	5,146	445
Sitting Fees	36,262	34,885
NSW Civil & Administrative Tribunal Fixed Costs	1,328	1,806
Council Fees	11,840	12,713
Other (see Note 3 (a))	9,428	7,404
	123,498	118,892

	2023	2022
	\$	\$
(a) Other		
Legal services	-	453
Membership/professional fees	99	51
Security services	16	19
Auditor's Remuneration	6,455	6,304
General administration expenses	2,858	577
	9,428	7,404

(b) Reconciliation of total maintenance		
Maintenance contracts	400	345
New/replacement equipment under \$5,000	639	1,095
Repairs maintenance/non contract	3,387	3,022
	4,426	4,462

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

3. Other operating expenses (continued)

Recognition and Measurement

Operating expenses

Operating expenses generally represent the day-to-day running costs incurred in the normal operations of the Council. These costs are expensed as 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.

Podiatry Council of New South Wales

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

4. Depreciation and amortisation

	2023	2022
	\$	\$
Depreciation - leasehold improvements	614	325
Depreciation - plant and equipment	314	317
Depreciation - right-of-use buildings	-	4,672
	928	5,314

Refer to Note 16 Property, plant and equipment, Note 17 Leases, and Note 18 Intangible assets for recognition and measurement policies on depreciation and amortisation.

5. Education and research

	2023	2022
	\$	\$
Education and research	8,702	-
	8,702	-

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 to Health Practitioner Regulation National Law (NSW) section 41S Education and Research Account, 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.

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

6. Finance costs

	2023	2022
	\$	\$
Interest expense from lease liabilities	-	341
	-	341

Recognition and Measurement

Finance costs consist of interest and other costs incurred in connection with the lease liabilities. Finance costs are recognised as expenses in the period in which they are incurred.

7. Expenditure managed on behalf of the Council through the Ministry of Health

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

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 MoH pays for the staff and associated oncosts. These costs are reimbursed by the Council to the MoH.

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

8. Registration fees

	2023	2022
	\$	\$
Registration fees	284,986	279,172
	284,986	279,172

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 (HCCC).

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 (AHPRA) being the agreed NSW complaints element for the 2022 and 2023 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 20 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.

Podiatry Council of New South Wales

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

9. Investment revenue

	2023	2022
	\$	\$
Interest	32,864	1,835
	32,864	1,835

Recognition and Measurement

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For financial assets that become credit impaired the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

10. Grants and other contributions

	2023	2022
	\$	\$
Grants without specific performance obligations		
Other grants	898	-
	898	-

Recognition and Measurement

Grants and other contributions

Revenue from grants with sufficiently specific performance obligations is recognised when the Council satisfies a performance obligation by transferring the promised goods or services.

Revenue from these grants is recognised based on the grant amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

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

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

11. Acceptance by the Crown of personnel services

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

	2023	2022
	\$	\$
Long service leave provision	(1,059)	12,756
	(1,059)	12,756

Refer to Note 2 Personnel services for recognition and measurement policies on acceptance by the Crown of personnel services.

12. Other income

	2023	2022
	\$	\$
People First Project fees recovered	6,548	-
Other	50	-
	6,598	-

Recognition and Measurement

Other Income

People First Project fees recovered

In FY2022-23, the Health Professional Councils Authority (HPCA) and the Department of Customer Service (DCS) 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 \$6,548 for the costs incurred between FY2020-21 and FY2022-23 and recognised the payment as Other Income.

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

13. Gains/(losses) on disposal

	2023	2022
	\$	\$
Right-of-use assets	-	60,769
Less: accumulated depreciation	-	19,907
Written down value	-	40,862
Less: lease liabilities extinguished	-	53,726
Gain/(Loss) on disposal of right-of-use assets*	-	12,864
Total gains/(losses) on disposal*	-	12,864

*In FY2021-22 \$12,486 of the net gains/(losses) on disposal were a result of the termination of the 5 year office lease on 30 November 2021. \$378 of the net gains/(losses) on disposal were a result of the derecognition of the right-of-use asset of \$22,449 and the lease liability of \$22,828 with Property NSW as at 30 June 2022. Please refer to Note 17 for further details on the termination.

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

14. Cash and cash equivalents

	2023	2022
	\$	\$
Cash at bank	60,674	67,384
Cash at bank - held by the HPCA*	1,035,231	1,011,124
	1,095,905	1,078,508

*This is cash held by the HPCA, an executive agency of the MoH, on behalf of the Council for its operating activities. It is an operational bank account that earns interest on daily bank balances at rates of approximately 0.85% - 4.10% in FY2022-23 and 0.10% - 0.85% in FY2021-22. Refer to Note 9 Investment revenue for the recognition and measurement policies on interest income.

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank, cash on hand, short-term deposits with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

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)	1,095,905	1,078,508
Closing cash and cash equivalents (per Statement of Cash Flows)	1,095,905	1,078,508

The Council operates the bank accounts shown below:

Education and Research Account**	60,674	67,384
	60,674	67,384

**Managed by the HPCA, an executive agency of the MoH.

Refer to Note 25 for details regarding credit risk and market risk arising from financial instruments.

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

15. Receivables

	2023	2022
	\$	\$
Current		
Trade receivables	-	119
Goods and Services Tax	835	344
Prepayments	1,127	1,334
	1,962	1,797

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 25.

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);
- Whether at least one of the parties has performed under the agreement.

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

Trade 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.

The Council did not deem it necessary to recognise an allowance for impairment at 30 June 2023.

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

16. Property, plant and equipment

(a) Total 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 Improvements \$	Total \$
At 1 July 2021 - fair value			
Gross carrying amount	1,861	3,044	4,905
Less: accumulated depreciation and impairment	937	1,281	2,218
Net carrying amount	924	1,763	2,687
Year ended 30 June 2022			
Net carrying amount at beginning of year	924	1,763	2,687
Depreciation expense	(317)	(325)	(642)
Reclassification to right-of-use assets*	-	1,277	1,277
Net carrying amount at end of year	607	2,715	3,322
At 1 July 2022 - fair value			
Gross carrying amount	1,861	4,490	6,351
Less: accumulated depreciation and impairment	1,254	1,775	3,029
Net carrying amount	607	2,715	3,322
Year ended 30 June 2023			
Net carrying amount at beginning of year	607	2,715	3,322
Depreciation expense	(314)	(614)	(928)
Net carrying amount at end of year	293	2,101	2,394
At 30 June 2023 - fair value			
Gross carrying amount	1,861	4,490	6,351
Less: accumulated depreciation and impairment	1,568	2,389	3,957
Net carrying amount	293	2,101	2,394

*In FY2021-22, upon derecognition of the lease as of 30 June 2022, the make good of \$1,277 was reclassified to leasehold improvements.

(b) Property, plant and equipment held and used by the Council

The Council has no property, plant and equipment where it is the lessor under operating leases. All property, plant and equipment balances are for items held and used by the Council.

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

16. Property, plant and equipment (continued)

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.

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 Health Professional Councils Authority (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

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:

	2023	2022
Plant and equipment	12.37% - 25%	25%
Leasehold improvements	9.6% - 20%	16.2% - 41.4%

The depreciation rates disclosed in FY2021-22 were based on initial depreciation rates. In FY2022-23, current depreciation rates were disclosed to ensure consistency with the FY2022-23 calculations shown in Note 4.

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

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

16. Property, plant and equipment (continued)

Right-of-use assets acquired by lessees

From 1 July 2019, AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. The Council has elected to present right-of-use assets separately in the Statement of Financial Position.

Further information on leases is contained in Note 17.

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. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement

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 consolidated Statement of Comprehensive Income.

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

17. Leases

(a) Entity as a lessee

The Council leases a property at Pitt Street Sydney and the contract is made for a fixed period of 5 years, with an extension option. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants but leased assets may not be used as security for borrowing purposes. The Council does not provide residual value guarantees in relation to leases.

Extension and termination options are included in the property lease. These terms are used to maximise operational flexibility in terms of managing contracts. The extension and termination options held are exercisable only by the Council and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Potential future cash outflows of \$Nil have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

The Council has elected to recognise payments for short-term leases and low value leases as expenses on a straight line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less and low value assets are assets with a fair value of \$10,000 or less when new.

During the financial year ended 30 June 2022, the Council derecognised all leases with Property NSW (PNSW). A new 'substitution right' clause was added to the lease arrangements with PNSW, providing PNSW with a substantive substitution right to relocate the Council during the term of the agreement. As a result of this new clause, those agreements were no longer accounted for as a lease within the scope of AASB 16.

The corresponding right-of-use assets and lease liabilities have been derecognised on 30 June 2022, the effective date of the new clause. The net impact of the derecognition is recognised in 'Gains/(Losses) on disposal' (refer to Note 13). From 1 July 2022, the rental charges have been recognised as expenses when incurred over the agreement duration.

The Council continues to carry the responsibility to make good, and to control the fit-out during the remaining occupancy period as the Council receives the economic benefits via using the fit-out or expected compensation from PNSW upon relocation. Therefore, the Council's accounting treatment for make-good provision and fit-out costs in relation to the relevant property remains unchanged.

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

17. Leases (continued)

(a) Entity as a lessee (continued)

Right-of-use assets under leases

The following table presents right-of-use assets. There are no right-of-use assets that meet the definition of investment property.

	Buildings \$	Total \$
Balance at 1 July 2021	19,951	19,951
Additions ¹	26,860	26,860
Disposals ¹	(40,862)	(40,862)
Depreciation expense	(4,672)	(4,672)
Reclassification from leasehold improvements ²	(1,277)	(1,277)
Balance at 30 June 2022	-	-

¹ On 30 November 2021 the Council disposed of the old lease of \$18,413 and entered into a new 5 year lease of \$26,860. On 30 June 2022, the Council derecognised the right-of-use asset as per the new arrangement with Property NSW (PNSW), with a substantive substitution right for PNSW, resulting in an additional disposal of \$22,449.

² In FY2021-22, upon derecognition of the lease as of 30 June 2022, the make good of \$1,277 was reclassified to leasehold improvements.

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

17. Leases (continued)

(a) Entity as a lessee (continued)

Lease liabilities

The following table presents liabilities under leases.

	2023	2022
	\$	\$
Balance at 1 July	-	25,649
Additions*	-	25,414
Interest expenses	-	341
Payments	-	(4,804)
Terminations*	-	(46,600)
Balance at 30 June	-	-

* On 30 November 2021, the Council disposed of the old lease of \$23,772 and entered into a new 5 year lease of \$25,414. On 30 June 2022, the Council derecognised the lease liability as per the new arrangement with Property NSW (PNSW), with a substantive substitution right for PNSW, resulting in an additional disposal of \$22,828.

The following amounts were recognised in the Statement of Comprehensive Income during the period in respect of leases where the Council is the lessee:

	2023	2022
	\$	\$
Depreciation expense of right-of-use assets	-	4,672
Interest expense on lease liabilities	-	341
(Gains)/losses on disposal *	-	(12,864)
Total amount recognised in the statement of comprehensive income	-	(7,851)

*In FY2021-22 (gains)/losses on disposal includes \$12,486 of net gains on disposal of the old 5 year lease on 30 November 2021. An additional gain of \$378 was recorded as a result of the derecognition of the lease as at 30 June 2022 per the new arrangement with Property NSW (PNSW) with a substantive substitution right for PNSW.

The Council had total cash outflows for leases of \$Nil for the year ended 30 June 2023 (2022: \$4,804).

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

17. Leases (continued)

(a) Entity as a lessee (continued)

Recognition and Measurement

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

i. Right-of-use assets

The Council recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer (ii) below), adjusted by any lease payments made at or before the commencement date, lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Useful lives
Buildings	5 years

If ownership of the leased asset transfers to the Council at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The Council assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Council estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

17. Leases (continued)

(a) Entity as a lessee (continued)

ii. Lease liabilities

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase option reasonably certain to be exercised by the Council; and
- payments of penalties for terminating the lease, if the lease term reflects the Council exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for real estate leases, the incremental borrowing rate is used. The Council does not borrow funds in the market.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short-term leases and leases of low-value assets

The Council applies the short-term lease recognition exemption to its short-term leases of buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value being below \$10,000 asset value at commencement of lease. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

18. 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.

	Total \$
At 1 July 2021	
Cost (gross carrying amount)	954
Less: accumulated amortisation and impairment	954
Net carrying amount at 30 June 2022	-
At 1 July 2022	
Cost (gross carrying amount)	954
Less: accumulated amortisation and impairment	954
Net carrying amount at 30 June 2023	-

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.

Podiatry Council of New South Wales

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

19. Payables

	2023	2022
	\$	\$
Current		
Personnel Services - Ministry of Health	2,258	5,445
Taxation and payroll deductions	2,294	1,849
Creditors*	12,596	38,888
	17,148	46,182

*In FY2022-23, 'Accrued Expenditure' has been reclassified to 'Creditors'. In FY2021-22, 'Accrued Expenditure' has been restated lower by \$25,100 to \$Nil and 'Creditors' has been restated higher by \$25,100 to \$38,888 to reflect this change.

Aggregate Personnel Services and Related On-Costs

Personnel Services - Ministry of Health	4,552	7,294
	4,552	7,294

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 25.

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.

Podiatry Council of New South Wales

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

20. Contract liabilities

	2023	2022
	\$	\$
Current		
Contract liabilities - registration fees	120,337	116,848
	120,337	116,848

Recognition and Measurement

Contract liabilities relate to consideration received in advance from registrants. The balance of the contract liabilities at 30 June 2023 was impacted by the timing of payments received for registration fees. The satisfaction of the specific performance obligations within the contract have not been met at 30 June 2023 as the registration period starts from 1 December 2022 and ends on 30 November 2023.

Registration fees recognised as contract liabilities at 30 June 2023 will be recognised as revenue between 1 July 2023 and 30 November 2023 as the remaining registration period elapses.

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

21. Provisions

	2023 \$	2022 \$
Non-current		
Other Provisions		
Make good provision	1,446	1,446
Total non-current provisions	1,446	1,446

Movements in provisions

Movements in other provisions during the financial year are set out below:

	2023 \$	2022 \$
Make good provisions		
Carrying amount at beginning of period	1,446	7,126
- Additional provisions recognised	-	1,446
- Unused amounts reversed	-	(7,126)
Carrying amount at end of period	1,446	1,446

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.

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

22. Commitments

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

23. Contingent liabilities and contingent assets

There were no contingent liabilities or assets which would have a material effect on the disclosures in these financial statements.

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

24. 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:

	2023	2022
	\$	\$
Net cash used on operating activities	17,397	41,289
Depreciation and amortisation expense	(928)	(5,314)
Increase/(decrease) in prepayments and other assets	165	806
Decrease/(increase) in payables	29,034	(37,994)
Decrease/(increase) in contract liabilities	(3,489)	(2,700)
Net gain/(loss) on disposal of right-of-use assets	-	12,864
Net result	42,179	8,951

Podiatry Council of New South Wales

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. 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.

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 2023 \$	Carrying Amount 2022 \$
Financial assets			
Cash and cash equivalents (Note 14)	Amortised cost	1,095,905	1,078,508
Receivables (Note 15) ¹	Amortised cost	-	119
Total financial assets		1,095,905	1,078,627
Financial liabilities			
Payables (Note 19) ²	Financial liabilities measured at amortised cost	14,854	44,333
Total financial liabilities		14,854	44,333

Notes

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

² 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

- 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 entity has retained.

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.

Podiatry Council of New South Wales

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Financial instruments (continued)

(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 bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances at rates of approximately from 0.85% to 4.10% in 2022-23 compared to 0.10% to 0.85% 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.

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.

The loss allowance for trade receivables, other receivables and contract assets as at 30 June 2023 is \$Nil and 30 June 2022 was determined as follows:

30 June 2022	Current \$	<30 days \$	30-60 days \$	61-90 days \$	>91 days \$	Total \$
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Estimated total gross carrying amount	15	104	-	-	-	119
Expected credit loss	-	-	-	-	-	-

The Council is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2023 and 30 June 2022.

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

25. Financial instruments (continued)

(d) Financial risk (continued)

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. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the Ministry of Health in accordance with NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 5 days from the date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than 30 days from the date of receipt of a correctly rendered invoice or a statement is received.

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.

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

25. 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 exposure.

Maturity Analysis and interest rate exposure of financial liabilities

	Interest Rate Exposure			Maturity Dates			
	Nominal Amount ¹ \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non - Interest Bearing \$	< 1 Yr \$	1-5 Yr \$	> 5Yr \$
2023							
Payables:							
- Creditors ²	14,854	-	-	14,854	14,854	-	-
	14,854	-	-	14,854	14,854	-	-
2022							
Payables:							
- Creditors ²	44,333	-	-	44,333	44,333	-	-
	44,333	-	-	44,333	44,333	-	-

Notes:

¹ 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.

² Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments: Disclosures).

Podiatry Council of New South Wales
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

25. Financial instruments (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. Exposure to interest rate risk arises primarily through the Council's interest bearing liabilities. 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 RBA Cash Rate changed from 0.10% at 1 July 2021 to 4.10% at 30 June 2023.

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:

	2023		2022	
	\$		\$	
	-1%	1%	-1%	1%
Net result	(10,959)	10,959	(10,785)	10,785
Equity	(10,959)	10,959	(10,785)	10,785

Podiatry Council of New South Wales

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

26. Related party transactions

During the financial year, the Podiatry Council of New South Wales obtained key management personnel services from the Ministry of Health and incurred \$28,351 (2022: \$25,807) for these services.

27. 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