SAFETY INSTITUTE OF AUSTRALIA LIMITED
(ACN 151 339 329)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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DIRECTORS' REPORT

Your directors present their report on the Group for the financial year ended 30 June 2018.

Directors
The names of the directors in office at any time during, or since the end of, the year are:

Director	Appointment Date	Cessation Date
Mr Lindsay Kranz	27 October 2014	29 August 2017
Mr Andrew Maunder	27 October 2014	29 August 2017
Mr David Segrott	27 October 2014	29 August 2017
Ms Victoria Taylor	11 February 2015	30 June 2018
Ms Marissa Dreher	15 September 2015	24 September 2018
Ms Kelly Lovely	15 September 2015	24 September 2018
Mr Cameron Montgomery	24 October 2012	24 September 2018
Mr Peter Henneken	11 February 2015	Current
Dr Kelly Johnstone	15 September 2015	Current
Mr Patrick Murphy	24 October 2012	Current
Mr Nathan Winter	26 October 2011	Current
Ms Loren Murray	5 September 2016	Current
Ms Naomi Kemp	29 August 2017	Current
Mrs Hannah Waters	29 August 2017	Current
Mr Bryce McLaren	29 August 2017	Current

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary
The name of the Company's secretary in office at any time during, or since the end of, the year was:

Company Secretary	Appointment Date	Cessation Date
Mr David Segrott	1 January 2015	Current

Principal Activity
The principal activity of the Group during the financial year was to perform its function as the national association for the health and safety profession, with a focus on:

1. **Building the capability of the profession through:**
    - The provision of a range of member services including regular E-News, Magazine, Journal, Research Database, and online products;
    - Facilitation of conferences, seminars and webinars;
    - Hosting networks;
    - Providing a mentorship program;
    - Maintaining and developing the OHS Body of Knowledge;
    - Accrediting higher education courses in OHS;
    - Certification of the profession;
    - Promoting the Global OHS Capability Framework;
    - Developing a training framework for the profession;
    - Promoting discussion and debate on emerging OHS management concepts and systems; and
    - Promoting evidence based practice.

2. **Being a voice for the profession through:**
    - Creation and promotion of a national policy agenda; and
    - Active involvement in the development of health and safety practices, standards and legislation.

Key Performance Measures
We measure our performance through the use of quantitative and qualitative benchmarks set by the Board under the 5-year strategic plan and a rolling annual business plan. Performance measures have been set in the business plan, for a series of activities under each of four externally focused areas: Capability, Policy/Research, Engagement, Member Services, and an internally focused domain: Successful Business, which deals with the effectiveness of the administration.

Our work in these areas is monitored through regular reports to the Board by the Chief Executive Officer.

Details of the directors

Director's name:	**Mr Patrick Murphy CFSIA ChOHSP**
Position held:	Chair
Special responsibilities:	Member Finance, Risk, Audit and Compliance Committee
Qualification:	PhD Commenced Master of Health Science Master of Business Graduate Diploma in OHS Bachelor of Politics, Arts and Sustainability. Graduate Australian Institute of Company Directors
Experience:	Patrick has over 19 years OHSE experience working across the retail, construction, mining and most recently oil and gas industries. Patrick has also served in the public sector at senior advisory levels. He also serves on the industry advisory panel for UQ and CQU and is a Chartered Fellow of the Institute. Patrick was also a Director of the Child Accident Prevention Foundation of Australia and Director of Kidsafe Qld. He is a member of the Australian Institute of Company Directors. Patrick also serves as a Director and SIA representative on the International Network of Safety and Health Practitioner Organisations Board. Patrick also serves on the Workplace Health and Safety Queensland Board, the Queensland Manufacturing Industry Sector Standing Committee and is the Independent Chair of the Primary Industries Health and Safety Partnership.
Board experience:	Chair Safety Institute of Australia 2013 – current Independent Chair Primary Industries Health & Safety Research Partnership Director Workplace Health and Safety Queensland Member of the Queensland Industry Sector Standing Committee Director Kidsafe QLD 2014 Deputy Chair of the Child Accident Prevention Foundation Australia 15/16 Director Safety Institute of Australia since October 2012 Director Child Accident Injury Prevention Foundation (Australia) Director International Network of Safety and Health Practitioner Organisations.

Details of the directors (Continued)

Director's Name:	**Mr Nathan Winter CPM ChOHSP**
Position held:	Deputy Chair
Special responsibilities:	Chairman Finance, Risk, Audit and Compliance Committee
Qualification:	Bachelor of Environmental Toxicology Masters of Business Administration (Accounting) Graduate Diploma of Occupational Health & Safety Graduate of the Australian Institute of Company Directors, GAICD
Experience:	Nathan is a safety professional with 15 years' experience in Health & Safety, Environment, Risk and Quality roles across the Manufacturing, Mining, Oil and Gas, Services and Utilities industries. Since 2012 he has lead a team of Risk, Audit and Quality professionals in his role as Corporate HSE Manager – Risk, Audit and Quality for the Ausdrill Group and from 2008 to 2012 he was the South Pacific Occupational Health Safety & Environment Manager for Cummins. Nathan is a Graduate of the Australian Institute of Company Directors.
Board experience:	Deputy Chair Safety Institute of Australia 2014 - current Director Safety Institute of Australia 2011 – current

Director's name:	**Mr Cameron Montgomery FSIA ChOHSP**
Position held:	Director
Special responsibilities:	Member, Finance, Risk, Audit and Compliance Committee; and Advisor to the CEO on Industrial Relations/Human Resources issues
Qualification:	Master of Business Administration Graduate Diploma in Occupational Hazard Management (VIOSH Australia) AICD Company Directors Course
Experience:	Cameron has an extensive background with over 17 years of experience in OHS and Injury Management along with HR, Risk Management, Insurance and Corporate Governance. Through his work in the Commonwealth and Local Government sectors in regional Victoria he has developed extensive experience in public administration, construction, arts, health care and tourism industries. As a safety professional, he serves on the Industry Advisory Board for VIOSH at Federation University, Stakeholder Reference Group, WorkSafe Victoria as an industry expert. In addition, Cameron also serves as a member of the Public Access Agency Reference group for the Office of the Victorian Information Commissioner. Cameron is a Certified Generalist OHS Professional and Fellow of the Safety Institute of Australia. Cameron has been a Member of the SIA Victorian Committee 2005 – 2009, 2010 – present, and was Chair of that Committee 2010 – 2011.
Board experience:	Director Safety Institute of Australia 2008 – 2009, 2012 – current

Details of the directors (continued)

Director's name:	**Dr Kelly Johnstone FSIA ChOHSP**
Position held:	Director
Special responsibilities:	Chair, College of Fellows
Qualification:	Bachelor of Applied Science (OHS) Bachelor of Health Science (Honours) Master of Science (Occupational Hygiene Practice) Doctor of Philosophy
Experience:	Kelly is currently employed as a Senior Lecturer with The University of Queensland teaching into the Bachelor and Masters of OHS Science programs. She has developed a broad range of skills and technical knowledge in the area of OHS over the past 20 years through her study, work as an academic and her current and past employment as a Senior OHS Consultant. Kelly has experience in sectors including construction, mining and resources, energy, transport, health and education. Kelly's main research interests are in the area of occupational hygiene and OHS management. She has been a member of the SIA since 1999 and has served on State SIA Committees of Management and Conference organising committees throughout her time with the SIA. Kelly is currently the Chair of the SIA College of Fellows.
Board experience:	Director Safety Institute of Australia 2015 – current

Director's name:	**Ms Kelly Lovely**
Position held:	Director
Special responsibilities:	Not applicable
Qualification:	Graduate Australian Institute of Company Directors (GAICD) Master of Business Administration Graduate Certificate in the Social Psychology of Risk Master of Safety Science Bachelor Degree of Occupational Therapy
Experience:	Kelly is a chartered Health & Safety Professional, Change Facilitator and Non-Executive Director. She has a proven track record in delivering health, safety, risk, governance and organisational culture outcomes (often in challenging and high pressure environments). She is often invited to speak at conferences, writes blogs and social media articles and is a hopeful PhD student. Kelly is a consultant, and brings to her board role expertise in health, safety, risk, compliance, process improvement, leadership and governance and has recently graduated from the AICD Company Directors Course (2016).
Board experience:	Director Safety Institute of Australia 2015 – current Has reported to Boards on WHS, environment, sustainability and due diligence requirements as well as to Audit and Risk Committees on high level risk assessment items

Details of the directors (continued)

Director's name:	**Ms Marissa Dreher**
Position held:	Director
Special responsibilities:	Member Finance, Risk, Audit and Compliance Committee
Qualification:	Bachelor of Laws (Honours) Bachelor of Music
Experience:	Marissa has over 14 years' experience as an occupational, health and safety lawyer. She is the Director of Dreher Legal, an independent law firm, which practises exclusively in OH&S law. She has acted for local, national and international companies, at both state and federal levels and across a wide range of industry sectors, including manufacturing, stevedoring, construction, oil and gas, mining, utilities, state and local government, rail, aviation, transport and logistics. She has provided legal advice and representation to clients on all aspects of OH&S law, from corporate governance and proactive compliance strategies, to OH&S litigation such as regulatory prosecutions, administrative reviews and coronial inquests. Marissa also regularly conducts executive OH&S training, speaks at various safety conferences and writes articles for safety publications on current OH&S legal issues.
Board experience:	Director Safety Institute of Australia 2015 – current

Director's name:	**Mr Peter Henneken AM**
Position held:	Independent Director
Special responsibilities:	Advisor to the CEO on VET sector issues
Qualification:	Bachelor of Business Bachelor of Arts Fellow of the Australian Institute of Company Directors
Experience:	Peter has over 40 years' experience as a public servant, with experience at Queensland and Federal levels including as the chair and director of various statutory authorities and government corporations and as the CEO of various Government Departments. These roles have included Chair of the Safety Rehabilitation and Compensation Commission and Director-General of the Queensland Department of Employment and Industrial Relations, which was responsible for WHSQ, Electrical Safety Office as well as workers compensation policy. He has high level expertise in employment relations and the training sector. He became a Member of the Order of Australia in 2010.
Board experience:	Independent Director Safety Institute of Australia 2015 – current Director and Trustee of QSuper 2007 - 2013 Chair, Queensland Fitness, Sport & recreation Skills Alliance 2010 – 2017 Member of Queensland Government Jobs Council

Details of the directors (continued)

Director's name:	**Ms Victoria Taylor**
Position held:	Independent Director
Special responsibilities:	Advisor to the CEO, Communication
Qualification:	Graduate Certificate in Water Policy and Governance, Charles Sturt University Certificate in Governance Practice, Governance Institute of Australia Graduate, Company Directors Course, Australian Institute of Company Directors
Experience:	Victoria is an experienced strategic leader with an in-depth knowledge of policy and political frameworks, communications, public relations and stakeholder engagement. Victoria spent 15 years in not-for-profit management and policy roles before starting her business, Flourish Communication, providing strategic policy and communications support to industry and government clients in the primary industries sector. She was recognised as one of the top 100 Women in Agribusiness in 2014.
Board experience:	Independent Director, Safety Institute of Australia 2015 – 30 June 2018 Chair, Rice Marketing Board for the State of NSW 2013 – current Independent Director, Australian Dairy Farmers Ltd 2017 - current

Director's name:	**Ms Loren Murray**
Position held:	Director
Special responsibilities:	Not applicable
Qualification:	Not applicable
Experience:	Loren Murray is currently the Group HSEQ Manager for Citywide. Prior to this Loren held the position of SERQA Program Manager, Level Crossing Removals for Metro Trains Melbourne. Loren has worked in senior safety roles for more than a decade. In her previous roles she was the Director of CreativeWorks Group, the Head of Safety & Environment for Pacific Brands and the National Safety Manager for the Retail Division at Linfox Logistics. Prior to that she held senior roles in the construction and manufacturing sectors. Loren is an advisor on HSE matters to the Board of Australia Zoos.
Board experience:	Director Safety Institute of Australia 2016 – current Advisor on HSE Matter to the Board of Australia Zoos 2015 - current

Details of the directors (continued)

Director's name:	**Mrs Naomi Kemp COHSP**
Position held:	Director
Special responsibilities:	Member Finance, Risk, Audit and Compliance Committee
Qualification:	Bachelor of Occupational Health and Safety Science.
Experience:	Naomi has over 15 years OHSE experience working across the retail, engineering, mining, transport and heavy manufacturing industries. Naomi has also served in the public sector at senior advisory levels. She also serves on the industry advisory panel for The University of Queensland OHS Science program and the SIA Body of Knowledge. Naomi is a member of the Australian Institute of Company Directors.
Board experience:	Director Safety Institute of Australia 2017 – current Director Mount Isa Sunset Stadium Board 2003 – 2004

Director's name:	**Mrs Hannah Kate Waters**
Position held:	Director
Special responsibilities:	Not applicable
Qualification:	Bachelor Health Science Human Biology Bachelor Health Science Traditional Chinese Medicine Master of Business (In progress) Graduate Diploma in OHS Graduate Diploma Exercise Science Member Institute Management and Leadership
Experience:	Hannah has a proven track record of delivering organisational growth and commercial success within complex environments. She has extensive risk, leadership, strategy, and HSEQ management experience that spans across the engineering, mining, construction and utilities sectors Hannah's current HSEQ Director position with JACOBS Engineering sees her providing strategic guidance to senior personnel, developing leading edge occupational health and safety and wellbeing programs, delivering continuous improvement and enhanced performance outcomes.
Board experience:	Director Safety Institute of Australia Aug 2017 – current Director – Triathlon Western Australia Director – Headache and Migraine WA Committee member – Rottnest Channel Swim (Risk Management Portfolio)

Details of the directors (continued)

Director's name:	**Mr Bryce McLaren FSIA ChOHSP**
Position held:	Director
Special responsibilities:	Member Certification Governance Committee
Qualification:	Master of Business Administration Bachelor of Health Science – Environmental Health Bachelor of Applied Science – Occupational Health & Safety
Experience:	Bryce is an experienced HSE leader who holds Chartered OHS Professional certification, business qualifications and extensive experience supporting both heavy industry and engineering operational and project delivery leadership teams to deliver successful business outcomes. He has worked within multinational companies, ASX top 20 and government business enterprises across a wide range of industry sectors including oil and gas, rail, high risk construction, health and service industries. He currently serves on the Workplace Health and Safety Queensland Safety Leadership at Work Expert Reference Group.
Board experience:	Director Safety Institute of Australia Aug 2017 – current Director Safety Institute of Australia Oct 2013 – Sep 15

Director's name:	**Mr Lindsay Kranz COHSPrac**
Position held:	Director
Special responsibilities:	Not applicable
Qualification:	Master of Business Administration Bachelor of Social Work Advanced Diploma of Occupational Health and Safety Graduate Diploma in Planning
Experience:	Lindsay was a caseworker, community development officer and policy officer with the Queensland Department of Health and the Commonwealth Department of Social Security in various regional centres from 1978 to 1992. He transferred into area management in Canberra and subsequently to the Department of Defence in 1996. Lindsay has held a number of Senior Executive Service roles in Defence spanning ADF Family Support, Network and Systems Development, Corporate Support and, since 2009, Work Health and Safety. Lindsay left the Department of Defence in January 2016 and now works as an independent management consultant.
Board experience:	Director Safety Institute of Australia Aug 2014 – 29 August 2017

Details of the directors (continued)

Director's name:	**Mr Andrew Maunder FSIA ChOHSP**
Position held:	Director
Special responsibilities:	Board representative on the SIA Certification Governance Committee
Qualification:	Master Degree Occupational Health and Safety Advanced Diploma Applied Electrical Engineering
Experience:	Andrew started his career as an apprentice electrician in the early 1980s and quickly worked his way up the ladder running large commercial and industrial projects in his early twenties. It was during this time that Andrew developed a passion for safety and now has some 20 years' experience in the safety profession. In that time he has progressed from safety officer qualification through to a Chartered OHS Professional, holding OHS Master's Degree qualifications. Andrew is currently the Managing Director of Safetylec Management Solutions.
Board experience:	Managing Director, Safetylec Management Solutions 2004 – current Director, Safety Institute of Australia 2014 – 29 August 2017 Member Qld/NT Committee of Management SIA 2010 – 2015 Chair, Scouts Queensland, Far North Queensland Resource Committee 2014 – current

Details of the directors (continued)

Director's name:	**Mr David Segrott CPMSIA COHSProf**
Position held:	Company Secretary
Special responsibilities:	Company Secretary
Qualification:	Master of Business Administration (MBA) University of Canberra - 1998 Bachelor of Arts (Majors in Administration and Law, Sub-Major in Organisational Psychology) University of Canberra – 1996. Industrial Safety Certificate 1979
Experience:	David has been involved in Injury Prevention and Management for nearly 45 years. David brings a unique perspective to the industry in understanding all aspects from prevention, through insurance and rehabilitation to claims management. He has broad based experience covering WHS/Prevention, Rehabilitation Management, Risk Management and Workers Compensation Underwriting and Claims Management. He comes from an operational management background and specialises in the development and implementation of WHSMS and risk management. David has also held representational roles on behalf of both the insurance industry and the business community, on the ACT OHS Council, the Work Safety Council, including chairpersonship of the Regulatory and Legislative Advisory Committees and Deputy Chairpersonship of the Workers Compensation Monitoring Committee.
Board experience:	Company Secretary, Safety Institute of Australia October, 2017 to date Director/Company Secretary, Safety Institute of Australia 2015 - 2017 Company Secretary, Safety Institute of Australia October, 2011 to October 2013 Director, Canberra Business Council, September 2010 to September 2013 Director, Australian Health and Safety Services Pty Ltd April 2000 – 2017 Director, Segrott Safety Management Pty Ltd, August 2017 to date Past President, Safety Institute of Australia Inc. (SIA Inc.) (ACT Division), 2005 to 2010 National Board of Management Representative, (SIA Inc.) (ACT Division), 2005 to 2011 National Public Officer, SIA Inc. 2005 to 2011 State Advisory Committee, NSW Business Chamber, October 2011 to October 2014

Meetings of the Directors
The table below provides details of the number of meetings of board directors held and the attendance by each of director:

Director	Number of meetings eligible to attend	Number of meetings attended to 30 June 2018
Ms Marissa Dreher	6	5
Mr Peter Henneken	6	6
Dr Kelly Johnstone	6	5
Ms Naomi Kemp	5	5
Mr Lindsay Kranz	1	1
Ms Kelly Lovely	6	5
Mr Andrew Maunder	1	0
Mr Bryce McLaren	5	5
Mr Cameron Montgomery	6	6
Mr Patrick Murphy	6	5
Ms Loren Murray	6	5
Mr David Segrott	6	6
Ms Victoria Taylor	6	4
Mr Nathan Winter	6	5
Ms Hannah Waters	5	4

Indemnification of Officer or Auditor
The Company has paid an annual premium to insure the Directors and Officers against liabilities incurred in their respective capacities. Under the policy, details of the premium are confidential.

Proceedings on Behalf of the Company
No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the financial year.

Contributions on winding up
The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up the constitution states that each member is required to contribute a maximum of $10 towards meeting any outstanding obligations of the Company. At 30 June 2018 the total amount that members of the Company are liable to contribute if the Company is wound up is $41,680.

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 14 after this directors' report.

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

Patrick Murphy
Director

Nathan Winter
Director

Dated this 28th day of August 2018.

Crowe Horwath Vic
ABN 27 621 602 883

Member Crowe Horwath International

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Auditor's Independence Declaration to the Board of Safety Institute of Australia Limited

I declare that, in relation to our audit of the financial report of Safety Institute of Australia Limited for the financial year ended 30 June 2018, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in respect of the audit.

CROWE HORWATH VIC

GORDON ROBERTSON
Partner
Date: 28 August 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
Continuing operations			
Revenue	2	1,713,020	1,697,896
Other income	2	29,155	18,676
Accreditation expenses		(44,235)	(44,305)
Accounting and audit expenses		(24,112)	(9,035)
Administration expenses		(99,625)	(82,581)
Advertising and marketing expenses		(121,652)	(146,917)
Body of knowledge program expenses		(27,752)	(15,549)
Certification expenses		(29,132)	(23,937)
Conference expenses		(192,528)	(153,862)
Consultant and legal expenses		-	(8,153)
Depreciation and amortisation expense	3	(40,337)	(6,687)
Employee benefits expense		(750,736)	(677,624)
Event expenses		(196,680)	(206,205)
Occupancy expenses		(68,932)	(68,854)
Postage, printing and stationery expenses		(23,506)	(26,581)
Telecommunications expenses		(31,257)	(40,819)
Travel and accommodation expenses		(41,136)	(56,027)
Other expenses		(44,486)	(25,295)
Finance costs	3	-	(5)
Surplus before tax expense		**6,069**	**124,136**
Income tax expense	1(a)	-	-
Surplus for the year	3	**6,069**	**124,136**
Other comprehensive income, net of income tax			
Other comprehensive income for the year, net of income tax		-	-
Total other comprehensive income for the year		**-**	**-**
Total comprehensive income for the year		**6,069**	**124,136**
Surplus attributable to:			
Members of the Company		6,069	124,136
Surplus for the year		**6,069**	**124,136**
Total comprehensive income attributable to:			
Members of the Company		6,069	124,136
Total comprehensive income for the year		**6,069**	**124,136**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 $	2017 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	511,250	423,000
Trade and other receivables	5	56,151	4,926
Financial assets	6	877,319	782,641
Other assets	7	66,710	44,913
TOTAL CURRENT ASSETS		**1,511,430**	**1,255,480**
NON-CURRENT ASSETS			
Plant and equipment	8	12,436	17,048
Intangible assets	9	48,000	80,000
TOTAL NON-CURRENT ASSETS		**60,436**	**97,048**
TOTAL ASSETS		**1,571,866**	**1,352,528**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	151,157	154,281
Other liabilities	11	507,885	318,708
Provisions	12	44,239	24,443
TOTAL CURRENT LIABILITIES		**703,281**	**497,432**
NON-CURRENT LIABILITIES			
Provisions	12	7,420	-
TOTAL NON-CURRENT LIABILITIES		**7,420**	**-**
TOTAL LIABILITIES		**710,701**	**497,432**
NET ASSETS		**861,165**	**855,096**
EQUITY			
Retained surplus		861,165	855,096
TOTAL EQUITY		**861,165**	**855,096**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 JUNE 2018

	Retained Surplus $	Total $
Balance at 1 July 2016	730,960	730,960
Surplus for the year	124,136	124,136
Other comprehensive income for the year	-	-
Total comprehensive income for the year	124,136	124,136
Balance at 30 June 2017	**855,096**	**855,096**
Balance at 1 July 2017	855,096	855,096
Surplus for the year	6,069	6,069
Other comprehensive income for the year	-	-
Total comprehensive income for the year	6,069	6,069
Balance at 30 June 2018	**861,165**	**861,165**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
CASH FLOW FROM OPERATING ACTIVITIES			
Membership and partnership fees received		1,175,267	961,663
Conference and event income received		522,047	514,626
Receipts from other services provided		153,658	-
Payments to suppliers and employees		(1,689,600)	(1,513,178)
Interest received		29,155	18,676
Interest paid		-	(5)
Net cash provided by/(used in) operating activities	19(b)	**190,527**	**(18,218)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Net proceeds invested in financial assets		(94,678)	(118,361)
Purchases of plant and equipment		(7,599)	(2,989)
Purchases of intangible assets		-	(80,000)
Net cash used in investing activities		**(102,277)**	**(201,350)**
Net increase/(decrease) in cash and cash equivalents		88,250	(219,568)
Cash and cash equivalents at beginning of year		423,000	642,568
Cash and cash equivalents at end of year	19(a)	**511,250**	**423,000**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover the consolidated entity (hereafter referred to as the Group) comprising Safety Institute of Australia Limited and the entity it controlled at the end of, and during, the financial year ended 30 June 2018. Safety Institute of Australia Limited is a not-for-profit company limited by guarantee incorporated and domiciled in Australia.

Statement of Compliance
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Australian Charities and Not-for-profits Commission Act 2012*.

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 this financial statement are presented below. They have been consistently applied unless otherwise stated.

Basis of Preparation
The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

Accounting Policies
The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained under changes in accounting policies.

(a) Income Tax
The Group is considered to be exempt from income tax under Subdivision 50-B of the Income Tax Assessment Act 1997 as a charitable institution.

(b) Principles of Consolidation
A controlled entity is any entity that Safety Institute of Australia Limited has the power to control the financial and operating policies of any entity so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 20. All controlled entities have a June financial year end.

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Group.

(c) Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 90 days or less, and bank overdrafts if applicable. If applicable, bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(d) Plant and Equipment
Plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Plant and Equipment (continued)

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the estimated replacement cost of the asset.

Depreciation

The depreciable amount of all plant and equipment are depreciated over their useful lives to the Group commencing from the time the asset is held available for use.

The depreciation method and rates used for each class of depreciable asset are:

Class of Plant and Equipment	Depreciation rates	Depreciation method
Furniture and fittings	10% - 75%	Diminishing value
Computer equipment	50%	Diminishing value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit and loss.

(e) Intangible Assets

Software and website costs

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 2.5 years.

(f) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its 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 replacement cost, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed, unless the asset is carried at a revalued amount, the impairment loss is then treated as a revaluation decrease.

(g) Financial Instruments

Initial Recognition and Measurement

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

Financial instruments are initially measured at fair value plus transaction 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.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at 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: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) 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 (iv) less any reduction for impairment.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial Instruments (continued)

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.

i. 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 stated at amortised cost.

ii. 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 Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

iii. Financial liabilities, including trade and other payables
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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

Impairment
At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment loss has arisen. Impairment losses are recognised immediately in profit and loss.

Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expire 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 expire. 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.

(h) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

(i) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(k) Leases

Leases of plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Group, are classified as finance leases.

Lease payments under operating leases, where substantially all the risk and benefits remain with the lessor, are charged as expenses on a straight line basis over the period of the lease.

(l) 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:
(i) it is expected to be realised or intended to be sold or consumed in normal operating cycle; or
(ii) it is held primarily for the purpose of trading; or
(iii) it is expected to be realised within twelve months after the reporting period; or
(iv) the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
(i) it is expected to be settled in normal operating cycle;
(ii) it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or
(iii) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(m) Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, which management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Critical Accounting Estimates and Judgments (Continued)

Estimation of useful lives of assets

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

Employee benefits provision

As discussed in note 1(h), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(n) New, revised or amending Accounting Standards and Interpretations adopted

The following new Australian Accounting Standards have been issued that are not mandatory for the 30 June 2018 reporting period. Management has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

Revenue from contracts with customers (AASB 15) (applies for financial periods beginning on or after 1 January 2018)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the Group of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements.

Leases (AASB 16) (applies for financial periods beginning on or after 1 January 2019)

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Statement of Financial Position by capitalising the present value of the minimum lease payments and showing a ‘right-of-use’ asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the ‘right-of-use’ asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

The Group has a lease for its premises at Gladstone Park (refer to Note 23). The impact of this new Australian Accounting Standards is not expected to have a significant impact on future financial years.

Financial Instruments (AASB 9) (applies 2018-19)

The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognised impairment only when incurred.

(o) Comparative Figures

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

	Note	2018 $	2017 $
NOTE 2: REVENUE			
Revenue from operating activities			
Membership revenue		874,007	903,178
Corporate partnership and membership fees		175,000	175,511
Conference revenue		293,473	259,886
Event revenue		217,396	254,740
Publication and advertising revenue		24,864	37,876
		1,584,740	1,631,191
Other operating revenue			
Accreditation board revenue		23,500	17,000
Certification revenue		27,086	15,439
Project revenue		77,273	31,300
Sundry revenue		421	2,966
		128,280	66,705
Total operating revenue		1,713,020	1,697,896
Other income			
Interest income		29,155	18,676
Total other income		29,155	18,676
Total revenue and other revenue		1,742,175	1,716,572

NOTE 3: SURPLUS FOR THE YEAR

Surplus for the year is arrived at after taking into consideration the following expenses:

	Note	2018 $	2017 $
Depreciation and amortisation expense:			
- Furniture and fittings		4,085	4,048
- Computer equipment		4,252	2,639
- Software and website development		32,000	-
		40,337	6,687
Operating lease expenses:			
- Office rental		49,688	49,531
Loss on disposal of plant and equipment		3,874	-
Finance costs			
- Interest paid		-	5

NOTE 4: CASH AND CASH EQUIVALENTS

	Note	2018 $	2017 $
Cash on hand		68	291
Cash at bank		511,182	422,709
	22	511,250	423,000

	Note	2018 $	20176 $
NOTE 5: TRADE AND OTHER RECEIVABLES			
Current			
Trade receivables		47,388	4,926
Other receivables		8,763	-
	22	56,151	4,926

Current trade and term receivables are unsecured and generally on 14 day terms. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. At 30 June 2018 the Group assessed all receivables to be recoverable.

	Note	2018 $	20176 $
NOTE 6: FINANCIAL ASSETS			
Current			
Term deposits	22	877,319	782,641
NOTE 7: OTHER ASSETS			
Current			
Prepayments		58,910	37,113
Rental bond		7,800	7,800
		66,710	44,913
NOTE 8: PLANT AND EQUIPMENT			
Furniture and fittings:			
At cost		24,740	37,070
Accumulated depreciation		(15,150)	(25,013)
		9,590	12,057
Computer Equipment:			
At cost		6,258	9,522
Accumulated depreciation		(3,412)	(4,531)
		2,846	4,991
Total plant and equipment		12,436	17,048

NOTE 8: PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

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

	Furniture and fittings $	Computer equipment $	Total $
Balance at 30 June 2017	12,057	4,991	17,048
Additions	4,330	3,269	7,599
Disposals	(2,712)	(1,162)	(3,874)
Depreciation	(4,085)	(4,252)	(8,337)
Balance at 30 June 2018	9,590	2,846	12,436

	Note	2018 $	2017 $
NOTE 9: INTANGIBLE ASSETS			
Software and website development			
At cost		80,000	80,000
Accumulated amortisation		(32,000)	-
		48,000	80,000

Movements in Carrying Amounts

Movement in the carrying amounts for each class of intangible asset between the beginning and the end of the current financial year:

	Software and website development $	Total $
Balance at 30 June 2017	80,000	80,000
Amortisation	(32,000)	(32,000)
Balance at 30 June 2018	48,000	48,000

NOTE 10: TRADE AND OTHER PAYABLES

	Note	2018 $	2017 $
Current			
Unsecured			
Trade payables		92,548	88,389
Accrued expenses and other payables		17,997	57,008
	22	110,545	145,397
Statutory liabilities:			
Net GST payable		40,612	8,884
		151,157	154,281

	Note	2018 $	2017 $
NOTE 11: OTHER LIABILITIES			
Current			
Membership revenue received in advance		407,496	281,236
Other revenue received in advance		100,389	37,472
		507,885	318,708
NOTE 12: PROVISIONS			
Current			
Annual leave		44,239	24,443
Non-Current			
Long service leave		7,420	-
Total provisions		51,659	24,443

Provision for Employee Entitlements
A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1(h).

NOTE 13: MEMBERS' GUARANTEE

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up the constitution states that each member is required to contribute a maximum of $10 towards meeting any outstanding obligations of the Company. At 30 June 2018 the total amount that members of the Company are liable to contribute if the Company is wound up is $41,680.

NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority or responsibility for planning and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel (KMP). The totals of remuneration paid to KMP of the Group during the financial year are as follows:

	2018	2017
KMP compensation	249,786	230,344

NOTE 15: RELATED PARTY TRANSACTIONS

Related parties include close family members of KMP and entities that are controlled or jointly controlled by those KMP individually or collectively with their close family members.

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

There were no transactions with related parties which arose during the year (2017: None)

NOTE 16: EVENTS AFTER REPORTING DATE

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

NOTE 17: CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2018 (2017: $nil).

NOTE 18: CAPITAL COMMITMENTS

There were no capital commitments as at 30 June 2018 (2017: $nil). Refer to Note 23 for leasing commitments.

NOTE 19: NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	Note	2018 $	2017 $
Cash on hand		68	291
Cash at bank		511,182	422,709
	4	511,250	423,000

(b) Reconciliation of net cash provided by/(used in) operating activities with surplus for the year

	Note	2018 $	2017 $
Surplus for the year		6,069	124,136
Non-cash flows included in the surplus for the year			
Depreciation and amortisation expense		40,337	6,687
Loss on disposal of plant and equipment		3,874	-
Changes in assets and liabilities:			
(Increase)/Decrease in trade and other receivables		(51,225)	16,167
(Increase)/Decrease in other assets		(21,797)	49,197
(Decrease)/Increase in trade and other payables		(3,124)	24,625
Increase/(Decrease) in other liabilities		189,177	(237,796)
Increase/(Decrease) in provisions		27,216	(1,234)
		190,527	(18,218)

NOTE 20: SUBSIDIARIES

Details of the Company's subsidiary at the end of the reporting period are as follows:

	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company 2018 %	2017 %
SIA Services Pty Ltd *(Did not trade in 2017 & 2018)*	Health and Safety	Australia	100	100

NOTE 21: PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to Note 1 for a summary of the significant accounting policies relating to the Group.

	Note	2018 $	2017 $
(a) Financial Position			
Assets			
Current assets		1,511,430	1,255,480
Non-current assets		60,436	97,048
Total assets		1,571,866	1,352,528
Liabilities			
Current liabilities		703,281	497,432
Non-current liabilities		7,420	-
Total liabilities		710,701	497,432
Net assets		861,165	855,096
Equity			
Retained surplus		861,165	855,096
Total equity		861,165	855,096
(b) Financial Performance			
Surplus for the year		6,069	124,136
Other comprehensive income		-	-
Total comprehensive income		6,069	124,136

NOTE 22: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2018 $	2017 $
Financial Assets			
Cash and cash equivalents	4	511,250	423,000
Receivables	5	56,151	4,926
Financial assets	6	877,319	782,641
Total Financial Assets		1,444,720	1,210,567
Financial Liabilities			
Financial liabilities at amortised cost:			
- Trade and other payables (excluding statutory liabilities)	10	110,545	145,397
Total Financial Liabilities		110,545	145,397

NOTE 23: LEASING COMMITMENTS

Operating Lease Commitments

	Note	2018 $	2017 $
Payable - minimum lease payments			
- not later than one year		-	31,627
- later than one year and not later than five years		-	-
Present value of minimum lease payments		-	31,627

Operating leases comprise:

(a) Office lease for the premises at Gladstone Park is a non-cancellable operating lease contracted for but not capitalised in the financial statements with a 24-month lease term which expired in February 2018. The Company is currently leasing the premises on a month to month basis.

NOTE 24: COMPANY DETAILS

The registered office and principal place of business of the Company is:

Unit 2, 217-219 Mickleham Road
GLADSTONE PARK VICTORIA 3043

DIRECTORS' DECLARATION

In accordance with a resolution by the directors of Safety Institute of Australia Ltd, the directors of the Company declare that:

1. The financial statements and notes, as set out on pages 15 to 30, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:

   a. Comply with Australian Accounting Standards – Reduced Disclosure Requirements; and

   b. Give a true and fair view of the financial position of the Group as at 30 June 2018 and of its performance for the financial year ended on that date.

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

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*:

Patrick Murphy	Nathan Winter
Director	Director

Dated this 28 th day of August 2018.

Crowe Horwath Vic
ABN 27 621 602 883

Member Crowe Horwath International

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Independent Auditor's Report to the Members of Safety Institute of Australia Limited

Opinion

We have audited the financial report of Safety Institute of Australia Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Safety Institute of Australia Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance and cash flows for the year then ended; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 Group's annual report for the year ended 30 June 2018, 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 Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and 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 Group 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 Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with 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 registered Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.

- Conclude on the appropriateness of the those charged with governance'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 Group'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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CROWE HORWATH VIC

GORDON ROBERTSON
Partner
Dated at Pakenham this 29th day of August 2018.