HealthQuest

AUDIT OPINION

The audits of the financial reports of HealthQuest for the year ended 30 June 2006 and its controlled entity for the period ended 30 June 2006 resulted in unqualified Independent Audit Reports.

KEY ISSUES

HealthQuest's strategic plan is to build its infrastructure for growth, identifying areas of expansion into various markets and provide new services based on client research. There has been an increase of approximately 6,000 services over the prior year. HealthQuest has accommodated the increase in services through better scheduling of appointments, reallocating work and more effectively managing clinic room time.

The board has identified that HealthQuest should improve its IT capabilities and has planned to invest in this area to improve the efficiency of service provision.

CONTROL ISSUES

We identified opportunities for improvement in internal controls and procedures. These were minor, and we reported them to management.

FINANCIAL INFORMATION

Year ended 30 June	2006 $'000	2005 $'000
EXPENSES		
Goods and services	*2,308*	1,751
Employee related	*1,991*	1,721
Maintenance	*38*	27
Depreciation and amortisation	*116*	102
TOTAL EXPENSES	*4,453*	3,601
TOTAL REVENUE	*3,844*	2,925
NET COST OF SERVICES	*(609)*	(676)
Department of Health contributions	*614*	523
Acceptance by the Crown Entity of employees super benefits	*44*	--
RESULT	*49*	(153)
NET ASSETS (at 30 June)	*1,435*	1,343

The increase in revenue and expenses is mainly due to an increased client base and general increase in activity.

The Department of Health's contribution was higher than in prior years. The increase was because the Department revised its escalation methodology which is now the same as Health Services.

HEALTHQUEST ACTIVITIES

HealthQuest was established on 1 July 2003 as a statutory health corporation under Schedule 2 of *the Health Services Act 1997* and is a controlled entity of the Department of Health.

HealthQuest provides workforce health management services for public and private sector employees throughout New South Wales. Its focus is to assist employers and employees to achieve the best possible relationships between health and work.

For further information on the Institute, refer to www.healthquest.gov.au.

CONTROLLED ENTITY

HealthQuest Service Division

HealthQuest Service Division became a controlled entity of HealthQuest from 17 March 2006. It provides personal services to HealthQuest. It assumed responsibility for the employees and employee-related expenses and liabilities which are then funded by HealthQuest as they are requested to be paid. The Division will always record a nil result.