



# ANNUAL REPORT 2019-20

**NADC**

National  
Australia Day  
Council

Australian  
of the Year  
**Awards**

Reflect. Respect. Celebrate.



**Australia Day**

Reflect. Respect. Celebrate.

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# CHAIR'S MESSAGE

The past year has presented Australians with unprecedented challenges. A month-long summer bushfire crisis that gave way to the global coronavirus pandemic that has affected all of us in some way.

It is against this backdrop of adversity and inspiring stories of individual and collective sacrifice and contribution that the National Australia Day Council (NADC) is implementing its new long-term strategy, *The Story of Australia – we're all part of the story*

The launch of *The Story of Australia* in January 2020 was the realisation of the NADC's long-term strategy to ensure that Australia Day is more inclusive of the stories of all Australians. *The Story of Australia* encourages all Australians to Reflect, Respect and Celebrate – because we're all part of the story.

Its central message is that Australia Day is a day to reflect on the past, present and future.

It's a day to listen to each other and respect each other's stories and contributions.

And it's a day to celebrate together and celebrate our individual and collective achievements.

*The Story of Australia* places a much greater emphasis on the histories and stories of Aboriginal and Torres Strait Islander people, from the television commercials that ran throughout January to the events the NADC helps local governments deliver on Australia Day.

At dawn on Australia Day 2020, Port Phillip City Council in Melbourne and the Boonwurrung Land and Sea Council, with the support of the NADC, held a We-Akon Dilinja (Mourning-Reflection) ceremony.

The public ceremony included song, traditional instruments, readings of historical documents relating to individual achievements of Boonwurrung ancestors, and contributions from members of the local Boonwurrung, Torres Strait Islander and multi-faith communities.

The NADC intends to expand on this pilot in 2021 with a range of ceremonies – developed and conducted by traditional owner groups with NADC support – around the nation.

The NADC's focus for 2020–21 is to build on the success of *The Story of Australia* by reaching even more Australians. We will do this by supporting our network of state and territory affiliates and local councils to encourage every Australian to Reflect, Respect and Celebrate, by telling the stories of every day Australians whose contribution makes our nation a better place, and by celebrating the outstanding achievements of our highest achievers through the Australian of the Year Awards.

The work of the NADC would not be possible without the work of its Board of Directors, and the staff, led by Karlie Brand, Chief Executive Officer. I am grateful for the support of our partners and stakeholders, in particular the Minister Assisting the Prime Minister and Cabinet, the Hon. Ben Morton MP.

I look forward to continuing our important work to make sure Australia Day 2021 – and every Australia Day – is a day for all Australians to Reflect, Respect and Celebrate, because we're all part of the story.



**Danni Roche**

Chair  
National Australia Day Council

# CHIEF EXECUTIVE OFFICER'S MESSAGE

*The Story of Australia* is the most significant program the NADC has embarked upon in many years. Evidence-based and informed by more than two years of consultation and research, *The Story of Australia* has not only changed the way the NADC talks about our national day, but the way our organisation defines itself and its work.

It is fitting that *The Story of Australia* launched in 2020 with its central message of Reflect, Respect and Celebrate. 2020 also marked the 60th anniversary of the Australian of the Year Awards.

In January, the state and territory Australians of the Year were joined in Canberra by some of the finest Australians – alumni from the Australian of the Year Awards from across the past six decades. Re-engaging with the Awards alumni served as a fitting reminder of the calibre of those who feature in Australia's most prestigious awards program.

As with all the NADC's programs, this year's Australian of the Year Awards would not have been possible without its partners. In 2019-20 the NADC expanded its partnerships – with Australia Post as the Australian of the Year category sponsor – and Australian Community Media – as sole media partner.

The NADC also welcomed Chevron as its Social Inclusion Partner and the Department of Social Services as our Alumni partner.

More than ever, the work of the NADC would not be possible without the state and territory affiliates that comprise the Australia Day network. The NADC is committed to investing in these relationships and supporting stakeholders to deliver events and activities that encourage all Australians to Reflect, Respect and Celebrate.

In 2019-20 the NADC undertook a major review and reform of its operational governance. The result is stronger, more streamlined policies and procedures governing all aspects of the business, including procurement and tenders. This work ensures we are best placed to work with our stakeholders in government, the private sector and the community to deliver events that encourage all Australians to Reflect, Respect and Celebrate.



**Karlie Brand**

CEO  
National Australia Day Council



Section 1

# OVERVIEW

- Australia Day
- Australian of the Year Awards
- The Story of Australia
- Australia Day – Key Highlights
- About the NADC
- Our History
- Key Priorities





# OVERVIEW

## Australia Day

- Australia Day is a day for all Australians. It is a day on which we reflect on our past, respect each other's contributions to the present, and celebrate what it means to be Australian.
- Australia Day means different things to different people. It is important that all Australians participate in a way that is right for them and that we all respect our differing views.
- Recent years have seen a shift in attitudes towards Australia Day – and how it is marked and a need for greater acknowledgment and recognition and involvement of Aboriginal and Torres Strait Islander communities.
- In 2020, the NADC introduced a new campaign entitled the *Story of Australia* to encourage thought and broaden the conversation around Australia Day.
- *The Story of Australia* has been well received and the NADC will continue to evolve it in coming years (please see *The Story of Australia* and Key Highlights sections).

## Australian of the Year Awards

- The annual Australian of the Year Awards comprises of four categories: Australian of the Year, Senior Australian of the Year, Young Australian of the Year and Local Hero.
- An expert panel in each state or territory selects one recipient in each of the four award categories from thousands of nationwide nominations.
- The 32 recipients are announced at state or territory awards ceremonies.
- The NADC Board selects the four national recipients, who are announced on Australia Day eve in a ceremony broadcast live on ABC TV and iView.
- Our 2020 Australians of the Year are:
  - **Australian of the Year**  
Doctor James Muecke AM (SA)  
Eye surgeon, blindness prevention pioneer and anti-diabetes advocate
  - **Senior Australian of the Year**  
Professor John Newnham AM (WA)  
Leader of modern obstetrics
  - **Young Australian of the Year**  
Ash Barty (QLD)  
Professional tennis player
  - **Local Hero**  
Bernie Shakeshaft (NSW)  
Founder of BackTrack Youth Works Program

# THE STORY OF AUSTRALIA

In 2019–20, the National Australia Day Council commissioned a new creative campaign for Australia Day, retiring the campaign that had been in use for several years.

*The Story of Australia* introduced a new theme for Australia Day: Reflect, Respect and Celebrate – we're all part of the story. It encouraged Australians to reflect on our past, present and future, to respect that everyone has their own story and contribution to make and to celebrate our shared achievements as a nation.

The campaign launched on 2 January 2020. It comprised:

- A 60-second television commercial (TVC)
- Two 30-second TVCs featuring Australians reading the lines of an original poem, *The Story of Australia*
- A series of individual stories, revealing the stories, histories and contributions of Australians who featured in the campaign
- An outdoor campaign
- A national and regional media campaign.

*The Story of Australia* aims to promote and support an Australia Day that is more inclusive of the stories and histories of Aboriginal and Torres Strait Islander people.

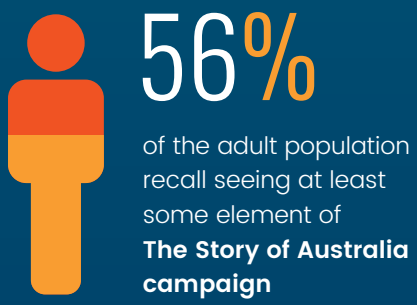
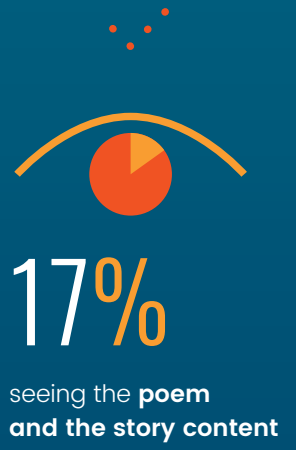
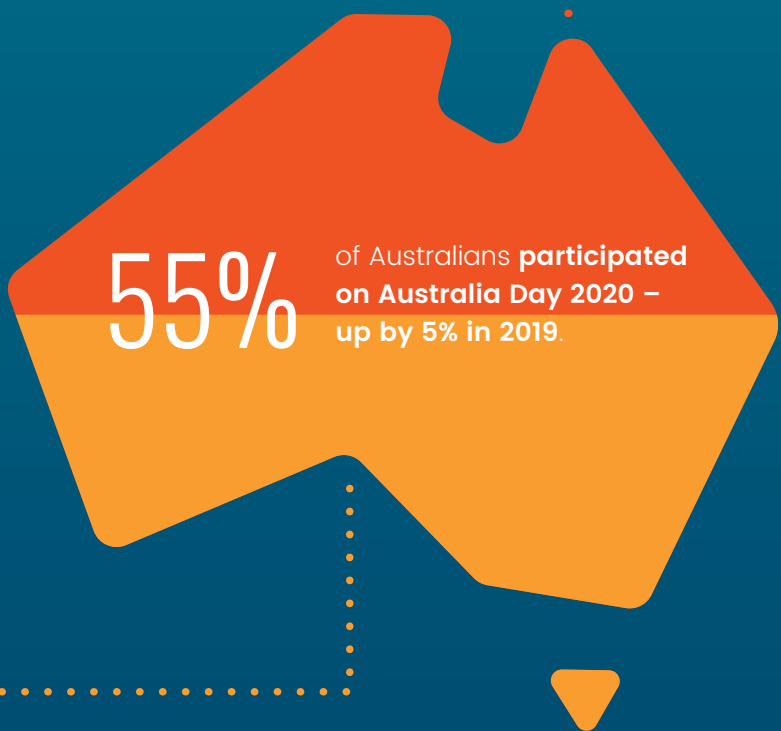
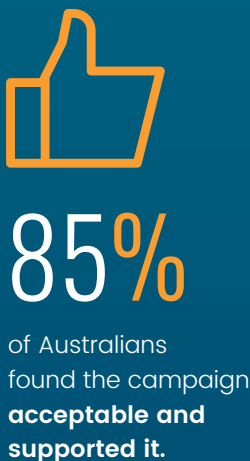
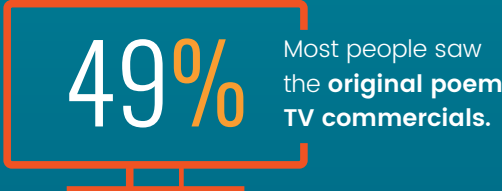
To achieve this at a local level, in 2020 the NADC supported Melbourne's Port Phillip City Council to deliver an additional Australia Day event, a pilot Aboriginal and Torres Strait Islanders acknowledgement ceremony. Port Phillip City Council in Melbourne and the Boonwurrung Land and Sea Council, with the support of the NADC, held a We-Akon Dilinja (Mourning-Reflection) ceremony.

The public ceremony included song, traditional instruments, readings of historical documents relating to individual achievements of Boonwurrung ancestors, and contributions from members of the local Boonwurrung, Torres Strait Islander and multi-faith communities.

The NADC intends to expand on this pilot in 2021 with a range of ceremonies – developed and conducted by traditional owner groups with NADC support – around the nation.

This is the first of a multi-year *The Story of Australia* campaign. The NADC is refreshing the campaign for 2021 and developing a national activation program to promote the theme of Reflect, Respect and Celebrate, we are all part of the Story on Australia Day.

# KEY HIGHLIGHTS





# ABOUT THE NADC

The NADC is a not-for-profit, Commonwealth owned company based in Canberra. The NADC works to ensure that celebrations of Australia Day encourage:

## Participation

To unite all Australians through celebration and reflection.

## Meaning

To promote the meaning of Australia Day and being Australian.

## Recognition

To acknowledge active citizenship and achievement.

The NADC actively promotes our national day to inspire national pride and unity through these core programs:

- The celebration of Australia Day, which encourages all Australians to Reflect, Respect and Celebrate
- The Australian of the Year Awards
- Australian citizenship and civic values programs

## Our History

The National Australia Day Committee was established in 1979 with a vision to make future Australia Day celebrations 'truly national and Australia-wide'. In 1984 the Committee became the National Australia Day Council, and two major dates since then – Australia's Bicentenary in 1988 and the Centenary of Federation in 2001 and Australia's Aboriginal and Torres Strait Islander history for the past 65,000 years – shaped today's focus on encouraging all Australians to participate in and reflect on the meaning of Australia Day.

The NADC sits within the Prime Minister's portfolio of responsibilities and has a close working relationship with the Department of the Prime Minister and Cabinet. The NADC reports to the Parliament of Australia.

## Key Priorities

The NADC Corporate Plan 2020-2024 outlined key priorities with the purpose of inspiring 'national pride and unity through participation and engagement in its central message: Reflect, Respect, Celebrate – we're all part of the story.' The priorities included:

- Telling the stories of great Australians
- Evolving the celebration of Australia Day

The outcome of the priorities in the Corporate Plan have been detailed above.



Section 2

## MANAGEMENT & ACCOUNTABILITY

- Governance Structure
- NADC Board
- Finance Audit and Risk Management Committee
- Company Constitution
- Board Charter
- Conflicts of Interest
- Risk Management
- Governance Policies

# MANAGEMENT AND ACCOUNTABILITY

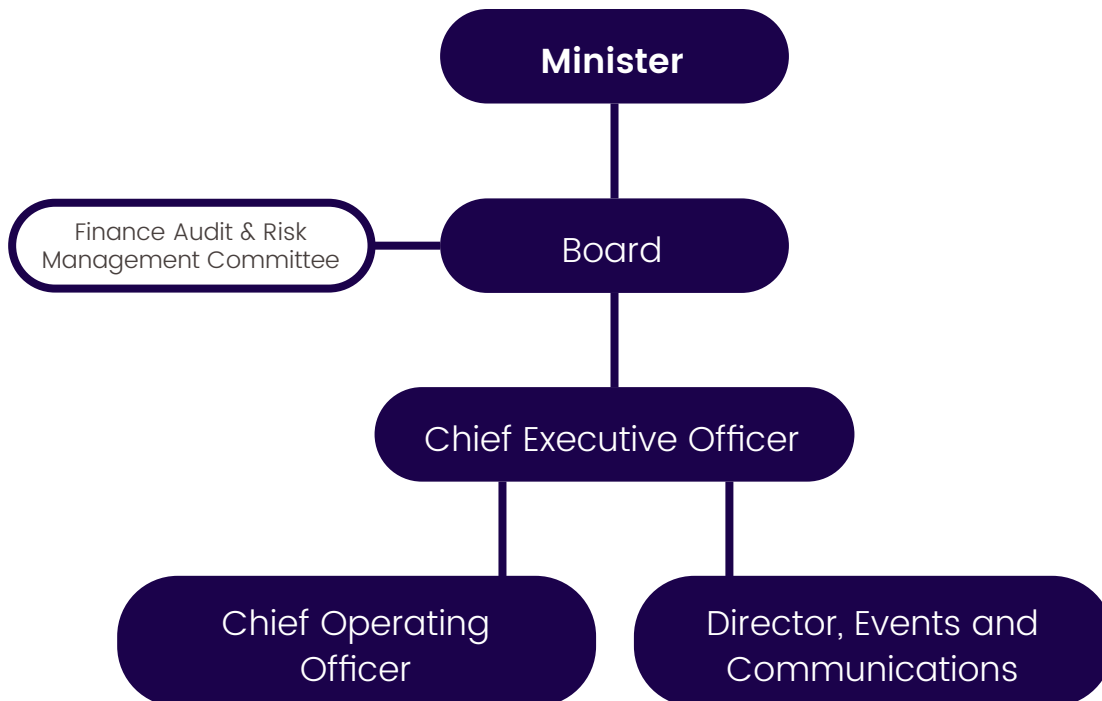
## Governance Structure

The NADC’s corporate governance framework is designed to ensure the NADC achieves its organisational objectives in a transparent, accountable and efficient way.

The NADC is a not-for-profit Commonwealth owned company, within the Prime Minister’s portfolio responsibilities. The NADC is the coordinating body for Australia Day celebrations across the nation and for the Australian of the Year Awards.

The NADC has a good working relationship with the Department of the Prime Minister and Cabinet and reports to the Parliament of Australia under the provisions of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The NADC heads a Network of eight state and territory Australia Day affiliate organisations and more than 700 local Australia Day committees. The NADC works closely with the National Network to set out the purpose, values and priorities of the Network so that each organisation can implement even stronger programs. The NADC meets regularly with representatives from the Network and the NADC Chair meets annually with the chairs of the various state and territory councils.





## NADC Board

The operations of the company are overseen by a Board of Directors appointed by the Assistant Minister to the Prime Minister. The Board of Directors are responsible for the overall corporate governance and successful operation of the NADC and is accountable to the Assistant Minister to the Prime Minister and Cabinet. The Assistant Minister to the Prime Minister and Cabinet for the period 1 July 2019 to 30 June 2020 was the Hon Ben Morton MP.

In addition to the requirements of the *Corporations Act 2001* and the PGPA Act, the NADC Board is governed by the organisation's Constitution and the NADC Board Charter.

On 30 June 2020, the NADC Board comprised of nine non-executive directors, including a non-executive Chairperson.

Details of the Directors and the Company Secretary are included in the Director's Report of this Annual Report.

## Finance Audit and Risk Management Committee

The Finance Audit and Risk Management Committee assists the Board to effectively exercise its functions.

The Board established the NADC Finance Audit and Risk Management Committee in compliance with section 92 of the PGPA Act and section 17 of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule 2014). The committee's key activities during 2019-20 included overseeing the NADC's budget, financial reporting, internal control, audit and risk management functions.

The Finance Audit and Risk Management Committee's Charter can be found here: [australiaday.org.au/nadc/about-the-nadc/](http://australiaday.org.au/nadc/about-the-nadc/)

## NADC Staffing as at 30 June 2020

**Total employees:** 12

**Full time:** 12

**Gender:** 9 Females (75%); 3 Males (25)

**Location:** All staff work out of the NADC office in Canberra

## Company Constitution

There were no changes to the NADC Constitution in 2019-20.

## Board Charter

The NADC Board Charter describes the roles and responsibilities of directors and management. It brings all relevant legislative and other requirements into a single document.

## Conflicts of Interest

Directors are required to advise the Board of any interest that could potentially conflict with the NADC's interests.

## Risk Management

In the pursuit of its purpose and functions, the NADC operates in a commercial environment and many of its events expose the organisation to higher risks than other government organisations.

NADC staff actively manage risk in their day-to-day work to ensure that the NADC meets its objectives and that our events are safe for all who are involved or attend.

A comprehensive risk assessment is undertaken on all NADC events.

Review of our strategic and operational risks is undertaken annually.

## Governance Policies

As well as meeting legislative requirements the NADC has a governance framework which guides the development and review of key policies and procedures. Core policies include: Conflicts, Fraud, Media, Privacy, Risk and Work Health and Safety.



Section 3

## FINANCIAL PERFORMANCE

- Directors' Report
- Board Committee Meetings
- Auditor's Independence Declaration
- Independent Auditors Report
- Directors' Declaration
- Financial Report
- Regulatory Reporting Requirements Index



# FINANCIAL PERFORMANCE

## Directors Report

The Board presents its report together with the financial statements for the NADC for the financial year ended 30 June 2020 and the auditor's report thereon.

Directors as at the date of this report include:

Ms Danielle Roche OAM  
 Ms Robbie Sefton  
 Ms Stephanie Foster PSM  
 Dr Robert Isaacs AM  
 Dr Stepan Kerkyasharian AO  
 Ms Jane McNamara  
 Major General (Ret'd) Maurie McNarn AO  
 Mr Richard Rolfe AM  
 Mr Norman Schueler OAM

## Responsible Minister

The Hon Ben Morton MP, Assistant Minister to the Prime Minister and Cabinet, was the responsible Minister as at 30 June 2020.

## Company Secretary

Ms Karen Wilson held the position of Company Secretary as at 30 June 2020.

## Principle Activity

The principle activities of the company during 2019-20 have been:

- To promote national pride, active citizenship and the observance and celebration of Australia Day
- To administer the Australian of the Year Awards, which also include awards for the Young Australian of the Year, the Senior Australian of the Year and Australia's Local Hero
- To distribute grants to state and territory Australia Day councils, and to make recommendations to and advise government on all matters relating to year-round national pride activities.

## Operating Trading Result

The net amount of operating profit for the company for the period ended 30 June 2020 was \$134,346 and retained earnings at the end of the financial year was \$932,403. The company is exempt from tax.

## Dividend

No dividends have been paid or declared during the year and no dividends are proposed. The company is prohibited by its Constitution from making any distribution to its members.

# DIRECTORS REPORT

## Review of Operations

During the period ended 30 June 2020, the NADC and Network continued to deliver both national and state programs. The Australian Government, through the Department of the Prime Minister and Cabinet, provided a total of \$14,665,913 funding for the company. Sponsors provided a total of \$2,109,860 for national programs, and part of this funding was allocated to state and territory Australia Day affiliates for local projects.

## Significant Activities and Changes Affecting the Operations or Structure of the Company

The NADC undertook a significant program 'The Story of Australia' with the support of the Department of the Prime Minister and Cabinet.

## After Balance Date Events

Since the end of the financial year, the directors are not aware of any matter or circumstance not otherwise dealt with in the report or accounts that have significantly or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

## Future Likely Developments

The NADC will continue to develop and maintain national community-based programs in the promotion of national pride and active citizenship, and in making awards for significant achievement.

## Directors

### Directors During the Financial Year ended 30 June 2020



#### **Ms Danielle Roche OAM**

Appointed 25 July 2017

Chair of the Board

Member of the Finance Audit and Risk Management Committee

Danni has over twenty years' experience working in the finance sector with previous roles including finance and commercial positions with Telstra, Director at UBS Wealth Management, Partner at Evans and Partners, Senior Investment Advisor at Ord Minnett and a Director and owner of a privately-owned fraud and risk management business.

As a member of the Australian women's hockey team that won a gold medal at the 1996 Atlanta Olympics and is recipient of an Order of Australia (OAM), Danni has dedicated much of her career and her life to Australian sport. Danni has been a member of numerous Boards related to Australian Sport, including serving as a Commissioner of the Australian Sports Commission, Director of Hockey Australia and Vice President of Oceania Hockey.

Currently Danni is the Chair of the National Australia Day Council, Member of the Sports Diplomacy Advisory Council for the Commonwealth Department of Foreign Affairs and Trade, Director of the St Kilda Football Club, Trustee at the State Sport Centres Trust of Victoria and an External Member of the Strategic Advisory Group for the Commonwealth Department of Home Affairs. Danni's extensive experience is complemented with a Master of Business Administration.



#### **Ms Robbie Sefton**

Appointed 9 June 2010

Deputy Chair of the Board

Robbie is the Managing Director of Sefton and Associates and is currently Deputy Chair of the National Australia Day Council Board, she has been a member of the Board since 2010. As a communication specialist, rural leader and advocate, Robbie is committed to the future prosperity of rural, regional and remote Australia. Robbie has a dual investment in country Australia as a primary producer of wool, meat and grains and as the managing director of a national strategic communications company Sefton and Associates. Having worked with media, government, private companies and industry over the past 20 years, Robbie possesses a wide range of strategic communication skills including issues management, media relations, corporate image and brand identity, leadership, special interest/advisory group expertise with a specialty in facilitating groups through contentious and challenging issues. Robbie is a member of numerous national boards and advisory groups for governments, businesses and not-for-profits in the areas of leadership, business and rural/regional affairs and was a recipient of the RIRDC NSW Rural Woman of the Year Award (2002) and was a recent member of the Reserve Bank of Australia's Small Business Advisory Group.

She has represented Australia in international forums (such as the International Rural Women's Conference) and in high level leadership forums in Australia (such as the Rural Women's Summit in Canberra hosted by then Minister Tanya Plibersek). Robbie has tertiary level qualifications from the Australian Institute of Company Directors, University of Western Australia and Australia Rural Leadership Foundation.



### **Ms Stephanie Foster PSM**

Appointed 19 December 2017

Member of the Finance, Audit and Risk Management Committee

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Stephanie has been a member of the National Australia Day Council (NADC) Board since December 2017, when she commenced in the role of Deputy Secretary Governance at the Department of the Prime Minister and Cabinet. This followed four years as Deputy Australian Public Service Commissioner where she supported the Australian Public Service Commissioner in leading and shaping a unified, high performing Australian Public Service. Stephanie is a career public servant, having spent her first 23 years in Defence, both in Intelligence and International Policy. In 2008 she was promoted to Deputy Secretary and worked in the Departments of Infrastructure and Regional Australia before taking up the Deputy APS Commissioner role. With this background, Stephanie brings to the Board a deep understanding of government, strong strategic leadership skills, and the ability to drive cultural reform and build capability in organisations. In 2008, Stephanie was awarded a Public Service Medal (PSM) for policy support to the Australian Defence Force deployments overseas.

Stephanie has also been awarded the French decoration of Officier de l'Ordre National du Mérite for her work to develop Defence relations between France and Australia. Stephanie has a tertiary qualification in Humanities from Monash University.



### **Dr Robert Isaacs AM**

Appointed 9 October 2019

Member of the Sponsorship Committee

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Robert has been a member of the National Australia Day Council (NADC) Board since 9 October 2019. He is an Aboriginal Elder from the Whadjuk-Bibilum Wardandi Noongar language group and has devoted his career to improving the wellbeing of Aboriginal Australians.

He founded his first health initiative, the Aboriginal Medical Service Dental Clinic, in 1975 and went on to establish more health and rehabilitation clinics, mediate disputes over land rights and community issues, and improve communication between Aboriginal people and the justice system. His housing initiatives have enabled more than 8,000 Indigenous people to secure their own homes. He also helped establish Clontarf Aboriginal College, Australia's first Indigenous school.

Robert received a Centenary Medal recognising his work in 2001, and Medal of the Order of Australia (OAM) in 2002. In 2016 he was named Western Australian of the Year and Western Australian Aboriginal of the Year, and was made a member of the Order of Australia (AM). He was also named the 2016 Male Elder for the National Islander Day Observance Committee. In 2016, Robert was appointed to the Board of Noongar Mia Mia, a provider of socially and culturally appropriate affordable housing for Aboriginal people.

He currently leads the WA Government's Keystart Lending Scheme and Chairs the Australia Day Council in WA and the Aboriginal Lands Trust. He is Executive Member to the State Aboriginal Advisory Council – Aboriginal Affairs Planning Authority Act, and is a Foundation Member, President and Chair of the Derbarl Yerrigan Health Service.





### **Dr Stepan Kerkyasharian AO**

Appointed 16 October 2019

Member of the Finance Audit and Risk Management Committee

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Dr Stepan Kerkyasharian has been a member of the National Australia Day Council (NADC) Board since 16 October 2019. For more than 50 years, Stepan has played a pivotal role in fostering multiculturalism in Australia. As Chair and CEO of the Community Relations Commission of NSW (and its predecessor, the Ethnic Affairs Commission of NSW) from 1989 to 2014, he championed debate and policy-change to improve the wellbeing of under-represented communities, on issues like religious practices, immigration law, refugee settlement, migrant qualifications and community relationships. In his concurrent roles as President and CEO of the Anti-Discrimination Board from 2003 to 2016 he advocated for minority groups, and became a major influence in shaping community harmony. From 1980 to 1989 he was the foundation head of SBS Radio and was a pioneer in giving migrant voices a national platform.

Stepan was made a member of the Order of Australia (AM) in 1992, received the Gold Cross in the Order of Merit of Poland in 1990, the Olympic Order in 2000 and the Doctor of Letters Honoris Causa from the University of Sydney. In 2011, Stepan was elevated from the AM to an Officer of the Order of Australia in 2011 for distinguished service to the Australian Community through a range of multicultural and anti-discrimination organisations, development and implementation of public policy and to the promotion of an inclusive society. In 2013, Stepan was also awarded the Doctor of Letters Honoris Causa from the University of Western Sydney and the NSW Government created 'The Premier's Stepan Kerkyasharian Award for Community Harmony' to recognise outstanding efforts of individuals working to make Australia a fairer and more tolerant place to live. Stepan is currently chair of the Cemeteries and Crematoria Board of NSW and the NSW Government Community Languages Schools Board, and has been a NSW Australia Day Ambassador for over 20 years.



### **Ms Jane McNamara**

Appointed 21 July 2017

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Jane has been a member of the National Australia Day Council (NADC) Board since July 2017. As the elected representative and Mayor of the Flinders Shire in North West Queensland since April 2016, Jane brings a wealth of experience from working as part of local government including being responsible for a range of portfolios and a representative on a number of standing committees. Specifically, Jane has strong knowledge of the rural sector which she has gained working in the farming industry throughout her career. A born and bred North West Queenslander, Jane is a third generation Hughenden resident and her role as Mayor continues her family's 50-year commitment to the region. A keen volunteer, she has contributed to sporting, health, educational and political causes and organisations.



### **Major General (Ret'd) Maurie McNarn AO**

Appointed 21 August 2018

Chair of the Finance, Audit and Risk Management Committee

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Maurie has been a member of the National Australia Day Council (NADC) Board since August 2018. Maurie is an experienced Company Director and Senior Executive, having previously held appointments as a Major General in the Australian Army and Chief Operating Officer at the University of Queensland (UQ). Maurie serves as Deputy Chair or Director on several company boards and as Chair of Finance, Audit and Risk Committees. He has previously served as Chair or Director of UQ's extensive commercial companies. As a Fellow of the Australian Institute of Company Directors, Maurie brings high level expertise in the application of corporate governance principles and has extensive experience in strategic level corporate planning, leadership appointments, communications, information technology, human resources, media and financial management. In recognition of his distinguished service, Maurie was made a Member in the Order of Australia in 1996, an Officer in the Order of Australia in 2003 and an Officer of the US Legion of Merit in 2008. Maurie's wide professional experience is complemented by his academic qualifications which include a Master of Business Administration, Master of Defence (Strategic) Studies, Graduate Diploma in Telecommunications Systems Management, Graduate Diploma in Management and Bachelor of Arts (Honours). He has been an Adjunct Professor at UQ and Visiting Fellow at the Lowy Institute.



### **Ms Naseema Sparks AM**

Appointment ended 25 June 2020

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Naseema has been a member of the National Australia Day Council (NADC) Board since July 2018. Naseema is a non-executive director of a number of companies, including ASX listed, private and tech scale-ups. Naseema has over 20 years' experience in the advertising industry and marketing services sector. As an experienced growth director her specialities are business strategy, customer / consumer insight, marketing and brand management, data analytics and media. Naseema brings significant commercial acumen and governance. In recognition of her significant service to business and commerce, and to women through advancing female participation and retention in the workforce, Naseema was made a member of the Order of Australia in 2016. Naseema balances her corporate board roles with involvement in the Arts and is passionate about visual arts and human creative expression and she serves on the boards of the Biennale of Sydney and Sydney Living Museums.

Naseema's early career was as a scientist, and as such she holds tertiary qualifications in pharmacy and pharmacology. Later she focused on marketing and business management and holds a Master of Business Administration from the University of Melbourne. Naseema is a Fellow of the Australian Institute of Company Directors, and a Past President of Chief Executive Women.



### **Mr Norman Schueler OAM**

Appointed 5 November 2014  
Member of the Sponsorship Committee

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Norman has been a member of the National Australia Day Council (NADC) Board since November 2014. As the Director of Normetals, Norman is actively involved in his scrap metal and steel import business. In addition to this, Norman is currently the Chair of the South Australian Multicultural and Ethnic Affairs Commission and Chairman of the Jewish Community Council of South Australia. With his substantial business experience and knowledge of the Jewish community, Normans career has included being the Director of numerous companies as well as the roles of President of the South Australian Jewish Youth Council and the B'nai B'rith Youth Organisation, President of the Jewish Community Council South Australia, Vice President of the Executive Council of Australian Jewry and Former Director of the Adelaide Symphony Orchestra. A career highlight for Norman was in 2015 when he was recognised for service to the multicultural community of South Australia and was awarded the medal of the order of Australia.



### **Mr Richard Rolfe AM**

Appointed 4 May 2016  
Chair of the Sponsorship Committee

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Richard has been a member of the National Australia Day Council (NADC) Board since May 2016. As the Director of the Audi Centre in Canberra, Richard has built a successful career in the motor industry over the past 34 years during which he has developed a reputation for his acute business acumen. Both within the motor industry and the broader Canberra community, Richard is recognised for his expertise in developing business strategy, leadership, event management, marketing and communications and business planning. In addition to his business pursuits, Richard also has a strong involvement in the Canberra community.

In 2009, Richard was awarded the Order of Australia Medal (OAM) for service to the community of Canberra through philanthropic support for sporting, service and charitable organisations.

In 2017, Richard was elevated from the OAM to a Member of the Order of Australia (AM) for significant service to the community of the Australian Capital Territory through philanthropic support of medical, cultural and social welfare organisations. Currently, Richard is Patron of the Heart Foundation (ACT), Vice-Patron of the Cross of Valour Association, a major supporter of Lifeline, the Heart Foundation, Home in Queanbeyan and the founding member of the AUDI Foundation. Richard holds a Bachelor of Economics from ANU.



### **Ms Loretta Di Mento Bcom, CA, MAICD**

Appointed 12 February 2019  
Member of the Finance, Audit and Risk Management Committee

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Loretta has been an independent member of the Finance, Audit and Risk Management Committee since February 2019. She currently holds non-executive director roles in health and education organisations in NSW government and in the not-for-profit sector. Loretta is a former partner of Ernst and Young Sydney with over 25 years' experience in professional services.

# BOARD AND COMMITTEE MEETINGS

The Board met on 14 and Finance Audit and Risk Management Committee on 8 occasions respectively, during the reporting period 2019–20.

## Board Meetings

## Finance Audit and Risk Management Committee Meetings

	Number Eligible to Attend	Number Attended	Number Eligible to	Number Attended
Danielle Roche	14	12	8	3
Robbie Sefton*	14	11	N/A	N/A
Stephanie Foster	14	10	3	1
Robert Isaacs	10	9	N/A	N/A
Stepan Kerkyasharian	10	7	4	4
Jane McNamara	14	12	N/A	N/A
Maurie McNarn	14	14	8	8
Naseema Sparks	13	11	N/A	N/A
Norman Schueler	14	12	N/A	N/A
Richard Rolfe	14	14	N/A	N/A
Loretta Di Mento Finance Audit and Risk Management Committee Member	NA	NA	8	8

## Indemnities and Insurance Premiums

The NADC directors' and officers' liability insurance cover is provided through Comcover, the Australian Government's self-managed fund. The NADC renewed its insurance cover in 2019–20 to a level appropriate for its operations.

## Directors' Benefit

During the period ended 30 June 2020 and to the date of this report, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of the emoluments received or due and

receivable by directors shown in the account, or the fixed salary of a full-time equivalent employee of the company or of a related corporation) by reason of a contract made by the company or a related corporation with the director or with a firm of which they are a member, or with a company in which they have a substantial financial interest.

## Executive Remuneration Reporting

During the reporting period ended 30 June 2020, the NADC had two executives who meet the definition of key management personnel. Their names and the length of terms as key management personnel are summarised below:

Name	Position	Base Salary	Superannuation contributions	Long service leave	Other long terms benefits	KMP	Total Remuneration
Karlie Brand	CEO	\$242,900	\$22,378	\$2,755	Nil	Full Year	\$268,033
Karen Wilson	COO	\$174,949	\$16,173	\$2,011	Nil	Full Year	\$193,133
<b>Total</b>		<b>\$417,849</b>	<b>\$38,551</b>	<b>\$4,766</b>			<b>\$461,166</b>

## **Auditor's independence declaration**

The auditor's independence declaration for the reporting period ended 30 June 2020 has been received and can be found on page 28 of the financial report.

## **Approval of Annual Report**

The PGPA Rule 2014, section 28B, requires that the annual report of a Commonwealth company be approved by the directors of the company.

This report was approved by the NADC Board on 1 September 2020.

## **Ministerial directions and government policy orders**

No ministerial directions were received during the reporting period.

No government policy orders were received during the reporting period.

## **Judicial decisions and reviews by outside bodies**

No judicial decisions or decisions of administrative tribunals were made during the period.

## **Obtaining information from subsidiaries**

The NADC does not have any subsidiaries

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

## Auditor's Independence Declaration



### INDEPENDENT AUDITOR'S REPORT

To the members of the National Australia Day Council

#### Qualified Opinion

In my opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of my report, the financial report of the National Australia Day Council (the Company) for the year ended 30 June 2020 is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Corporations Regulations 2001.

The financial report of the Company, which I have audited, comprises the following as at 30 June 2020 and for the year then ended:

- Statement of Profit or Loss and Other Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cash Flows;
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information; and
- Directors' Declaration.

#### Basis for qualified opinion

The Company has recognised \$2.66 million of revenue received for the year ended 30 June 2020 as deferred revenue under AASB 15 *Revenue from Contracts with Customers* (AASB 15). AASB 15 establishes criteria that must be met for revenue to be included within the scope of this standard.

As the terms and conditions of the underlying contracts do not meet the criteria to be included within the scope of AASB 15, Australian Accounting Standards require that the Company must recognise revenue for these contracts when it receives cash under AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058). Had the Company recognised the revenue at the time it received the cash, an additional amount of \$2.66 million would have been recognised as revenue for the year ended 30 June 2020, resulting in an increase in total comprehensive income of \$2.66 million. A corresponding decrease would also be recognised in deferred revenue and total current liabilities for the year ended 30 June 2020, resulting in an increase in net assets of the same amount.

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the relevant ethical requirements for financial report audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code.

GPO Box 707 CANBERRA ACT 2601  
38 Sydney Avenue FORREST ACT 2603  
Phone (02) 6203 7300 Fax (02) 6203 7777

## Auditor's Independence Declaration

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### Directors' responsibility 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 Regime and the *Corporations Act 2001* and for such internal control 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 Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial report

My objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office 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 the financial report.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

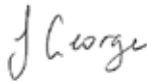
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company 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.

## Auditor's Independence Declaration

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I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Jodi George  
Executive Director  
Delegate of the Auditor-General

Canberra  
27 October 2020



## Directors Declaration

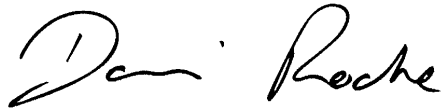
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### Directors' Declaration

In the opinion of the directors of the National Australia Day Council Limited:

- a. The financial statements and notes, set out in the 2019-2020 Annual Report are in accordance with the Corporations Act 2001, including:
  - i. Giving a true and fair view of the financial position of the Company as at 30 June 2020 and performance, as represented by the results and cash flows, for the year ended on that date; and
  - ii. Complying with the Australian Accounting Standards, including Australian Accounting Interpretations and the Corporations Regulations 2011; and
- b. There were reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Danielle Roche, OAM

Chairperson

National Australia Day Council Limited Board

27 October 2020

## Financial Report

### STATUTORY FINANCIAL STATEMENTS

#### Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020

	Note	2020 \$	2019 \$
Continuing Operations			
<b>Revenues</b>			
Revenue from government grants	4	14,665,913	4,228,000
Revenue from other sources	4	<u>2,176,919</u>	<u>2,435,954</u>
<b>Total Revenues</b>		16,842,832	6,663,954
<b>Expenses</b>			
Employee benefits expense	5	1,376,472	1,241,007
Occupancy expenses	5	-	79,824
Funding to States and Territory Australia Day Councils (ADC)	5	1,741,032	1,515,910
Events and awards programs	5	12,241,687	2,774,792
Depreciation and amortisation	5	116,130	66,415
Other expenses from ordinary activities	5	<u>1,233,165</u>	<u>978,100</u>
<b>Total Expenses</b>		16,708,486	6,656,048
Surplus from ordinary activities		<u>134,346</u>	<u>7,907</u>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<u>134,346</u>	<u>7,907</u>

## Financial Report

	Note	2020 \$	2019 \$
<b>Statement of Financial Position as at 30 June 2020</b>			
<b>Assets</b>			
<b>Current Assets</b>			
Cash & bank balances	6	4,005,852	1,017,288
Inventories	7	37,794	6,117
Trade & other receivables	8	134,628	112,428
Other assets	9	53,135	10,031
<b>Total Current Assets</b>		<u>4,231,409</u>	<u>1,145,864</u>
<b>Non-Current Assets</b>			
Property, Plant & equipment	10	394,148	23,651
<b>Total Non-Current Assets</b>		<u>394,148</u>	<u>23,651</u>
<b>Total Assets</b>		<u>4,625,557</u>	<u>1,169,515</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade & other payables	11	102,391	83,000
Interest bearing liabilities - lease	12	88,110	-
Provisions	13	95,747	63,876
Deferred revenue	14	3,110,837	204,500
<b>Total Current Liabilities</b>		<u>3,397,085</u>	<u>351,376</u>
<b>Non-Current Liabilities</b>			
Interest bearing liabilities - lease	12	269,615	-
Provisions	13	26,454	20,070
<b>Total Non-Current Liabilities</b>		<u>296,069</u>	<u>20,070</u>
<b>Total Liabilities</b>		<u>3,693,154</u>	<u>371,446</u>
<b>Net Assets</b>		<u>932,403</u>	<u>798,069</u>
<b>Equity</b>			
Retained earnings		932,403	798,069
<b>Total Equity</b>		<u>932,403</u>	<u>798,069</u>

The Statement of Financial Position should be read in conjunction with the attached notes.

## Financial Report

	2020 \$	2019 \$
<b>Statement of Changes in Equity for the year ended 30 June 2020</b>		
	<b>Retained Earnings</b>	<b>Total Equity</b>
Balance at 1 July 2019	<u>798,069</u>	<u>798,069</u>
Adjustment for changes in accounting policies	(12)	(12)
Adjusted Opening Balance	<u>798,057</u>	<u>798,057</u>
<b>Comprehensive income for the year</b>		
Surplus	<u>134,346</u>	<u>134,346</u>
<b>Total comprehensive income for the year</b>	<u>134,346</u>	<u>134,346</u>
<b>Balance at 30 June 2020</b>	<u>932,403</u>	<u>932,403</u>
	<b>Retained Earnings</b>	<b>Total Equity</b>
Balance at 1 July 2018	<u>790,162</u>	<u>790,162</u>
<b>Comprehensive income for the year</b>		
Surplus	<u>7,907</u>	<u>7,907</u>
<b>Total comprehensive income for the year</b>	<u>7,907</u>	<u>7,907</u>
<b>Balance at 30 June 2019</b>	<u>798,069</u>	<u>798,069</u>

The Statement of Changes in Equity should be read in conjunction with the attached notes.

## Financial Report

	Note	2020 \$	2019 \$
<b>Statement of Cashflows for the year ended 30 June 2020</b>			
Receipts from government grants		17,332,000	4,228,000
Receipts from sponsors and customers		2,138,901	1,560,426
Net GST received ATO		1,222,883	237,487
Payments to suppliers and employees		(17,595,407)	(7,286,530)
Net Cash Flows Provided/(Used) by Operating Activities	19	<u>3,098,377</u>	<u>(1,260,617)</u>
<b>Cash Flows from Investing Activities</b>			
Payments for property, plant & equipment		(45,657)	(21,775)
Interest received		25,832	37,372
Net Cash Flows Provided /(Used) by Investing Activities		<u>(19,825)</u>	<u>15,597</u>
<b>Cash Flows from Financing Activities</b>			
Principal payments of lease liabilities		(89,988)	-
		<u>(89,988)</u>	<u>-</u>
Net Increase /(Decrease) in cash held		2,988,564	(1,245,020)
Cash at the beginning of the Financial Year		1,017,288	2,262,308
Cash at the end of the Financial Year	6	<u>4,005,852</u>	<u>1,017,288</u>

The Statement of Cash Flows should be read in conjunction with the attached notes.

## Financial Report

### Notes to the Financial Statements for the year ended 30 June 2020

#### 1. Basis of Preparation

##### a) Statement of Compliance

These financial statements are general purpose financial statements and have been prepared in accordance with:

- i. The Corporations Act 2001;
- ii. Australian Accounting Standards and Interpretations-Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

These financial statements have been prepared on the historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

##### *Adoption of new Australian Accounting Standard requirements*

No accounting standard has been adopted earlier than the application date as stated in the standard.

##### b) Basis of Preparation

The financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations - Reduced Disclosure Requirements issued by the Australian Accounting Standards Board that apply for the reporting period. These financial statements have been prepared on the historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

##### c) Use of Estimates and Judgements

In the application of the NADC's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### *Significant Accounting Judgements – Revenue recognition*

Directors and management have made judgements as to whether certain contracts fall under the scope of AASB 15 *Revenue from Contracts with Customers*. In applying that judgement, management has performed a detailed review of each of the arrangements in place, including contracts and associated written correspondence.

## Financial Report

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In making the assessment, management has spent significant time determining whether:

- i. an enforceable contract is in place – including that a customer has been identified and a beneficiary (as an NFP entity, this may be the community); and
- ii. performance obligations are included in the contract and are sufficiently specific – consideration has been given to the detail of explicit and implicit conditions around the nature, cost and timing of the goods and services.

Management has also obtained independent expert accounting advice in relation to NADC's largest contract, and the conclusion of the expert supported management's assessment that the funds received pursuant to that agreement would be included within the scope of AASB 15, as it meets the criteria above.

Where management has assessed the above criteria were not met, the transaction was accounted for under AASB1058 *Income of Not-for-Profit Entities*.

### 2. Summary of Significant Accounting Policies

#### a) Property, Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost is deemed to approximate the fair value of the assets and includes expenditure that is directly attributable to the acquisition of the item.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

#### *Asset Recognition Threshold*

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

#### *Lease Right of Use (ROU) Assets*

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16 the NADC has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition.

## Financial Report

### b) Depreciation and Amortisation

Depreciation and amortisation is calculated using the straight-line method so as to write off the cost of each non-current asset over its expected useful life. Additions are depreciated from the date of acquisition.

The depreciation and amortisation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant and equipment	10-100%
Buildings (Right Of Use)	20%

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

### c) Revenue

The NADC adopted AASB 15 and AASB 1058 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated, that is, it is presented as previously reported under the various applicable AASBs and related interpretations.

On transition to AASB 15, NADC did not identify any adjustments to retained earnings at 1 July 2019. Under the new income recognition model, the NADC shall first determine whether a contract with a customer exists and whether the agreement includes sufficiently specific performance obligations that are enforceable. If an enforceable agreement exists and the promises to deliver goods and/or are 'sufficiently specific' (to a transaction or part of a transaction), the NADC applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the NADC shall consider whether AASB 1058 applies.

In relation to AASB 15, the NADC elected to apply the new standard to all new and uncompleted contracts from the date of initial application. This includes a component of Grant funding received from the Department of Prime Minister and Cabinet relating to a specific project. The NADC is required to aggregate the effect of all of the contract modifications that occur before the date of initial application. For arrangements that meet the requirements of AASB 15, revenue is measured at the fair value of the consideration received or receivable and is recognised upon delivery of the performance obligations.

In terms of AASB 1058, the NADC is required to recognise volunteer services at fair value if those services would have been purchased if not provided voluntarily, and the fair value of those services can be measured reliably. No volunteer services have been recognised. For arrangements that meet the requirements of AASB 1058, revenue is measured at the fair value of the consideration received or receivable and is recognised generally on receipt of the funds. Interest revenue is recognised on an accrual basis using the effective interest method.

### d) Inventory

Inventories are valued at the lower of cost and net realisable value.



## Financial Report

### e) Employee Entitlements

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. Liabilities for 'short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts. Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly. Salaries and wages and annual leave entitlements are expected to be settled within one year, where balances are under five weeks. Long service leave entitlements are not to be settled within one year, unless seven years' service has been achieved. Contributions are made by the NADC to employee superannuation funds are charged as expenses when incurred.

### f) Taxation

The NADC is endorsed by the Australian Taxation Office to access the following tax concessions:

- i. Income tax exemption from 1 July 2000 under Subdivision 50-B of the *Income Tax Assessment Act 1997*;
- ii. GST concessions from 1 July 2005 under Division 176 of *A New Tax System (Goods and Services Tax) Act 1999*;
- iii. FBT rebate from 1 July 2005 under section 123E of the *Fringe Benefits Tax Assessment Act 1986*.

### g) Cash

Cash includes cash on hand and on deposit with financial institutions and are stated at their nominal value.

### h) Financial Assets

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

#### Impairment of Financial Assets

At each reporting date, the NADC reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

### i) Goods and Services Tax (GST)

Revenues, expenses, liabilities and assets are recognised net of the amount of goods and services tax (GST), except:

- i. Where the amount of GST incurred is not recoverable from the taxation authority it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

## Financial Report

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

### j) Deferred Revenue

The balance of deferred revenue comprises revenue received in advance for contracted services that will be delivered in the following financial year. Revenue is recognised as the performance obligations are fulfilled.

### k) Lease Liabilities

The NADC adopted AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated, that is, it is presented as previously reported under AASB 117 and related interpretations.

The NADC elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under AASB 117 were not reassessed. The definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 July 2019.

As a lessee, the NADC previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under AASB 16, the NADC recognises right-of-use assets and lease liabilities for most leases. However, the NADC has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new, or for short-term leases with a lease term of 12 months or less.

On adoption of AASB 16, the NADC recognised right-of-use assets and lease liabilities in relation to leases of office space which had previously been classified as operating leases.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the NADC's incremental borrowing rate as at 1 July 2019. The NADC's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted average rate applied was 1.06%.

The right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

On transition to AASB 16, the NADC recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

	DR	CR
Right of use assets - Buildings	\$7,304	
Retained Earnings	12	
Lease Liabilities		7,316

## Financial Report

The following table reconciles the minimum lease commitments disclosed in the entity's 30 June 2019 annual financial statements to the amount of lease liabilities recognised on 1 July 2019:

	<b>1 July 2019</b>
	<b>\$</b>
Minimum operating lease commitment at 30 June 2019	305,776
Less: low value leases not recognised under AASB 16	(2,100)
Less: commitment of new lease commencing 1 August 2019	(296,348)
Less: effect of discounting using the incremental borrowing rate	(12)
Lease liabilities recognised at 1 July 2019	<u>7,316</u>

### 3. Members' Guarantee

The NADC is limited by guarantee. If the company is wound up, the constitution states the member is required to contribute a maximum of \$100 towards meeting any outstanding obligations of the company. As at 30 June 2020 the Commonwealth is the sole member of the NADC.

In relation to the Retained Earnings, it should be noted that Clause 1.4 Restriction on application of profits of the company's constitution provides that: "subject to Rule 1.5, all profits (if any) and other income and property of the NADC must be applied in promoting the Objects and no part of them may be paid, directly or indirectly, by way of dividend, bonus, fee or otherwise, to Members or Directors.

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>4. Operating revenue from ordinary activities</b>		
Government grants	14,665,913	4,228,000
Other revenue:		
Sponsorship, in cash	1,601,705	1,859,900
Sponsorship, in kind	508,155	475,365
Merchandising and licensing	43,518	59,223
Interest received	23,373	39,830
Other	168	1,636
	<u>16,842,832</u>	<u>6,663,954</u>
<b>5. Operating expenses from ordinary activities</b>		
Employee Benefits expense	1,376,472	1,241,007
Occupancy expenses	-	79,824
Funding to State and Territory ADC's*	1,741,032	1,515,910

## Financial Report

	2020 \$	2019 \$
Events and Awards programs	12,241,687	2,774,792
Depreciation and amortisation	116,130	66,415
Travel and accommodation	462,671	398,818
Computer services and website	195,470	60,160
Merchandise and licensing	27,487	16,216
Insurance	26,592	28,105
Other expenses from ordinary activities	520,945	474,801
	<u>16,708,486</u>	<u>6,656,048</u>

\*Funding to State and Territory ADC's includes grant payments and funds provided directly to State and Territory Australia Day Councils.

### 6. Cash & bank balances

Cash on hand	500	500
Cash at bank	4,005,352	1,016,788
	<u>4,005,852</u>	<u>1,017,288</u>

### 7. Inventories

Stock held for resale	<u>37,794</u>	<u>6,117</u>
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### 8. Trade & other receivables

Trade debtors	5,845	17,882
Other receivables	128,783	94,546
Total trade & other receivables	<u>134,628</u>	<u>112,428</u>

Trade debtors are considered recoverable.

Credit terms for goods and services were within 7 days (2019: 7 days).

### 9. Other assets

Prepayments	53,135	10,031
	<u>53,135</u>	<u>10,031</u>

### 10. Property, Plant & equipment

Plant and equipment at cost	277,570	267,292
Less accumulated depreciation	<u>(239,160)</u>	<u>(243,641)</u>

## Financial Report

	2020 \$	2019 \$
Total Plant and Equipment	<u>38,410</u>	<u>23,651</u>
(a) Movements in Carrying Amounts		
Movement in the carrying amounts of plant and equipment between the beginning and the end of the current financial year.		
Balance at the beginning of year	23,651	70,120
Additions	45,657	21,774
Profit/(Loss) on Disposal	(1,932)	(1,828)
Depreciation expense	<u>(28,966)</u>	<u>(66,415)</u>
Carrying amount at the end of the year	<u>38,410</u>	<u>23,651</u>
Buildings (Right Of Use)	435,597	-
Less accumulated amortisation	<u>(79,859)</u>	<u>-</u>
Total Buildings (Right Of Use)	<u>355,738</u>	<u>-</u>
(a) Movements in Carrying Amounts		
Movement in the carrying amounts of plant and equipment between the beginning and the end of the current financial year.		
Balance at the beginning of year	-	-
Recognition of right of use asset on initial application of AASB 16	7,304	-
Additions	435,597	-
Profit/(Loss) on Disposal	-	-
Depreciation expense	<u>(87,163)</u>	<u>-</u>
Carrying amount at the end of the year	<u>355,738</u>	<u>-</u>
Total Property, Plant and equipment	<u>394,148</u>	<u>23,651</u>
11. Trade & other payables		
Current		
Trade payables	19,094	9,204
Other payables	<u>83,297</u>	<u>73,796</u>
Total trade & other payables	<u>102,391</u>	<u>83,000</u>
12. Interest bearing liabilities – Lease		
Current		
Finance Lease	<u>88,110</u>	<u>-</u>
Total Current	<u>88,110</u>	<u>-</u>
Non-Current		

## Financial Report

	2020 \$	2019 \$
Finance Lease	269,615	-
Total Non-Current	<u>269,615</u>	<u>-</u>
Total Lease	<u>357,725</u>	<u>-</u>
Minimum lease payments expected to be settled		
Within 1 year	88,110	-
Between 1 to 5 years	269,615	-
More than 5 years	<u>-</u>	<u>-</u>
Total Leases	<u>357,725</u>	<u>-</u>
<b>13. Provisions</b>		
Current		
Employee entitlements - Annual Leave	95,747	63,876
Employee entitlements - Long Service Leave	<u>-</u>	<u>-</u>
Total Current	<u>95,747</u>	<u>63,876</u>
Non-Current		
Employee entitlements - Annual Leave	503	4,107
Employee entitlements – Long service Leave	<u>25,951</u>	<u>15,963</u>
	<u>26,454</u>	<u>20,070</u>
<b>14. Revenue received in advance</b>		
Current		
Revenue received in advance	<u>3,110,837</u>	<u>204,500</u>
Total current revenue received in advance	<u>3,110,837</u>	<u>204,500</u>

### 15. Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The entity has determined the key management personnel to be the Directors, Chief Executive Officer and Chief Operating Officer.

Key management personnel remuneration is reported below:

#### Directors' Remuneration

Remuneration received by directors of the company	<u>34,194</u>	<u>20,979</u>
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Directors' remuneration is set by reference to the Remuneration Tribunal.

## Financial Report

	2020	2019
	\$	\$
Executives		
The names of persons who were executives of the company at any time during the financial year are as follows:		
Karlie Brand - Chief Executive Officer		
Karen Wilson - Chief Operating Officer		
Executive Remuneration		
Long-term employee benefits	4,766	4,511
Short-term employee benefits	417,850	404,255
Post-employment benefits	38,550	36,265
Termination benefits	-	-
Total Executive Remuneration received	<u>461,166</u>	<u>445,031</u>

### 16. Related Parties

No related party transactions, outside of the compensation of Directors and Executives disclosed in Note 15, occurred in the year.

### 17. Remuneration of Auditor

Amounts received or due and receivable by the auditor for auditing the accounts	<u>18,000</u>	<u>17,500</u>
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No other services were provided by the auditor.

### 18. Segment Reporting

The company operates in the community services sector where it is the coordinating body for the Australian of the Year Awards and Australia Day celebrations across the nation. It operates in one geographic area, being Australia.

### 19. Reconciliation of Net Cash Provided by Operating Activities to Operating Profit/(Loss)

Operating Profit/(Loss)	134,346	7,907
Depreciation and loss on sale of assets	118,061	68,243
Interest Income	(23,373)	(39,830)
Interest Expense	4,799	-

## Financial Report

	2020 \$	2019 \$
(Increase)/decrease in other debtors and prepayments	(67,762)	280,926
(Increase)/decrease in inventory	(31,677)	841
Increase/(decrease) in provision employee entitlements	38,255	36,836
Increase/(decrease) in trade creditors and accruals	19,391	(615,141)
Increase/(decrease) in revenue received in advance	2,906,337	(1,000,400)
Net cash provided/(used) by operating activities	<u>3,098,377</u>	<u>(1,260,617)</u>

### 20. Economic Dependency

The operations of the company are dependent on an annual monetary grant from the Australian Government.

### 21. Staffing Level

As at 30 June 2020 the NADC employed eleven full time employees and two part time/casual employees.

### 22. Financial Instruments

#### 22a) Categories of Financial Instruments

##### Financial Assets at amortised cost

Cash & bank balances	6	4,005,852	1,017,288
Trade & other receivables	8	5,845	20,341
Total financial assets at amortised cost		<u>4,011,697</u>	<u>1,037,629</u>

##### Financial Liabilities measured at amortised cost

Trade & other payables	11	102,391	83,000
Interest bearing liabilities	12	357,725	-
Total financial liabilities measured at amortised cost		<u>460,116</u>	<u>83,000</u>

#### 22b) Net gains or losses on financial assets

Interest revenue	4	23,373	39,830
Net gain/(loss) on financial assets at amortised cost		<u>23,373</u>	<u>39,830</u>

### Net Fair Values

The net fair value of financial assets and liabilities at the balance date are those as disclosed in the statement of financial position and related notes. This is because either the carrying amounts approximate net fair value or because of their short term to maturity.

### Financial Risk Management

#### *Credit Risk*



## Financial Report

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NADC is exposed to minimal credit risk. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of receivables (2020: \$134,628, 2019: \$112,428).

### *Liquidity Risk*

NADC's financial liabilities are payables and revenue in advance. The exposure to liquidity risk is based on the notion that the NADC will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to the term deposits held to meet these obligations.

### *Market Risk*

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. NADC has exposure to interest rate risk arising from fluctuations in interest rates applicable to cash and term deposits.

NADC manages interest rate risk by ensuring that investments mature commensurate with cash flow requirements to minimise repricing risk arising from changes in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant NADC's profit for the year ended 30 June 2020 would increase/decrease by \$20,029 (2019: increase/decrease by \$5,086).

### 23. Contingent Liabilities/Assets

There are no contingent liabilities or assets at 30 June 2020 (2019: nil).

There are no remote or unquantifiable contingent liabilities or assets at 30 June 2020 (2019: nil).

### 24. Events Occurring After Balance Date

The NADC continues to assess the effect of the coronavirus on its operations. Since 30 June 2020, there have been no further impacts on the recognition and measurement of assets and liabilities identified due to the various coronavirus outbreaks. However, due to the uncertainty of current events the company cannot reasonably estimate the impact these events will have on its financial position, results of operations or cash flows in the future.

Other than the above, since the end of the financial year, the Directors are not aware of any matter or circumstance not otherwise dealt with in the accounts that have significantly or may significantly affect the operations or cashflows in the future of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

# REGULATORY REPORTING REQUIREMENTS INDEX

## PGPA Rule 2014 – List of Requirements

The PGPA Rule 2014 sets out a number of reporting compliance requirements for Commonwealth company annual reports. Following is a list of requirements and where they can be found in the report.

PGPA Rule Reference	Page	Description	Requirement
<b>28E</b>		<b>Contents of annual report</b>	
<b>28E(a)</b>	11	The purposes of the company as included in the company's corporate plan for the reporting period	<b>Mandatory</b>
<b>28E(aa)</b>	9	The results of a measurement and assessment of the company's performance during the reporting period, including the results of a measurement and assessment of the company's performance against any performance measures and any targets included in the company's corporate plan for the reporting period	<b>Mandatory</b>
<b>28E(b)</b>	19	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	<b>Mandatory</b>
<b>28E(c)</b>		Any directions given to the entity by a Minister under the company's constitution, an Act or an instrument during the reporting period	<b>Not applicable</b>
<b>28E(d)</b>		Any government policy order that applied in relation to the company during the reporting period under section 93 of the Act	<b>Not applicable</b>
<b>28E(e)</b>		Particulars of noncompliance with: <ul style="list-style-type: none"> <li>(a) a direction given to the entity by the Minister under the company's constitution, an Act or instrument during the reporting period; or</li> <li>(b) a government policy order that applied in relation to the company during the reporting period under section 93 of the Act</li> </ul>	<b>Not applicable</b>
<b>28E(f)</b>	21-25	Information on each director of the company during the reporting period	<b>Mandatory</b>
<b>28E(g)</b>	14	An outline of the organisational structure of the company (including any subsidiaries of the company)	<b>Mandatory</b>
<b>28E(ga)</b>	15	Statistics on the entity's employees on an ongoing and nonongoing basis, including the following: <ul style="list-style-type: none"> <li>(a) statistics on fulltime employees;</li> <li>(b) statistics on parttime employees;</li> <li>(c) statistics on gender;</li> <li>(d) statistics on staff location</li> </ul>	<b>Mandatory</b>

PGPA Rule Reference	Page	Description	Requirement
<b>28E(h)</b>	15	An outline of the location (whether or not in Australia) of major activities or facilities of the company	<b>Mandatory</b>
<b>28E(i)</b>	15	Information in relation to the main corporate governance practices used by the company during the reporting period	<b>Mandatory</b>
<b>28E(j), 28E(k)</b>		For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): <ul style="list-style-type: none"> <li>(a) the decisionmaking process undertaken by the directors of the company for making a decision to approve the company paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and</li> <li>(b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions</li> </ul>	<b>Not applicable</b>
<b>28E(l)</b>	20	Any significant activities or changes that affected the operations or structure of the company during the reporting period	<b>Mandatory</b>
<b>28E(m)</b>		Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the company	<b>Not applicable</b>
<b>28E(n)</b>		Particulars of any reports on the company given by: <ul style="list-style-type: none"> <li>(a) the AuditorGeneral, or</li> <li>(b) a Parliamentary Committee, or</li> <li>(c) the Commonwealth Ombudsman; or</li> <li>(d) the Office of the Australian Information Commissioner; or</li> <li>(e) the Australian Securities and Investments Commission</li> </ul>	<b>Not applicable</b>
<b>28E(o)</b>		An explanation of information not obtained from a subsidiary of the company and the effect of not having the information on the annual report	<b>Not applicable</b>
<b>28E(oa)</b>	26	Information about executive remuneration	<b>Mandatory</b>
<b>28E(ob)</b>	15	The following information about the audit committee for the company: <ul style="list-style-type: none"> <li>(a) a direct electronic address of the charter determining the functions of the audit committee;</li> <li>(b) the name of each member of the audit committee;</li> <li>(c) the qualifications, knowledge, skills or experience of each member of the audit committee;</li> <li>(d) information about each member's attendance at meetings of the audit committee;</li> <li>(e) the remuneration of each member of the audit committee</li> </ul>	<b>Mandatory</b>

# PARTNERS

The NADC would like to thank the following partners:

NATIONAL DIVERSITY  
AND INCLUSION PARTNER



AUSTRALIAN OF THE YEAR  
CATEGORY PARTNER



YOUNG AUSTRALIAN OF THE YEAR  
CATEGORY PARTNER



SENIOR OF THE YEAR  
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EXHIBITION PARTNER



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