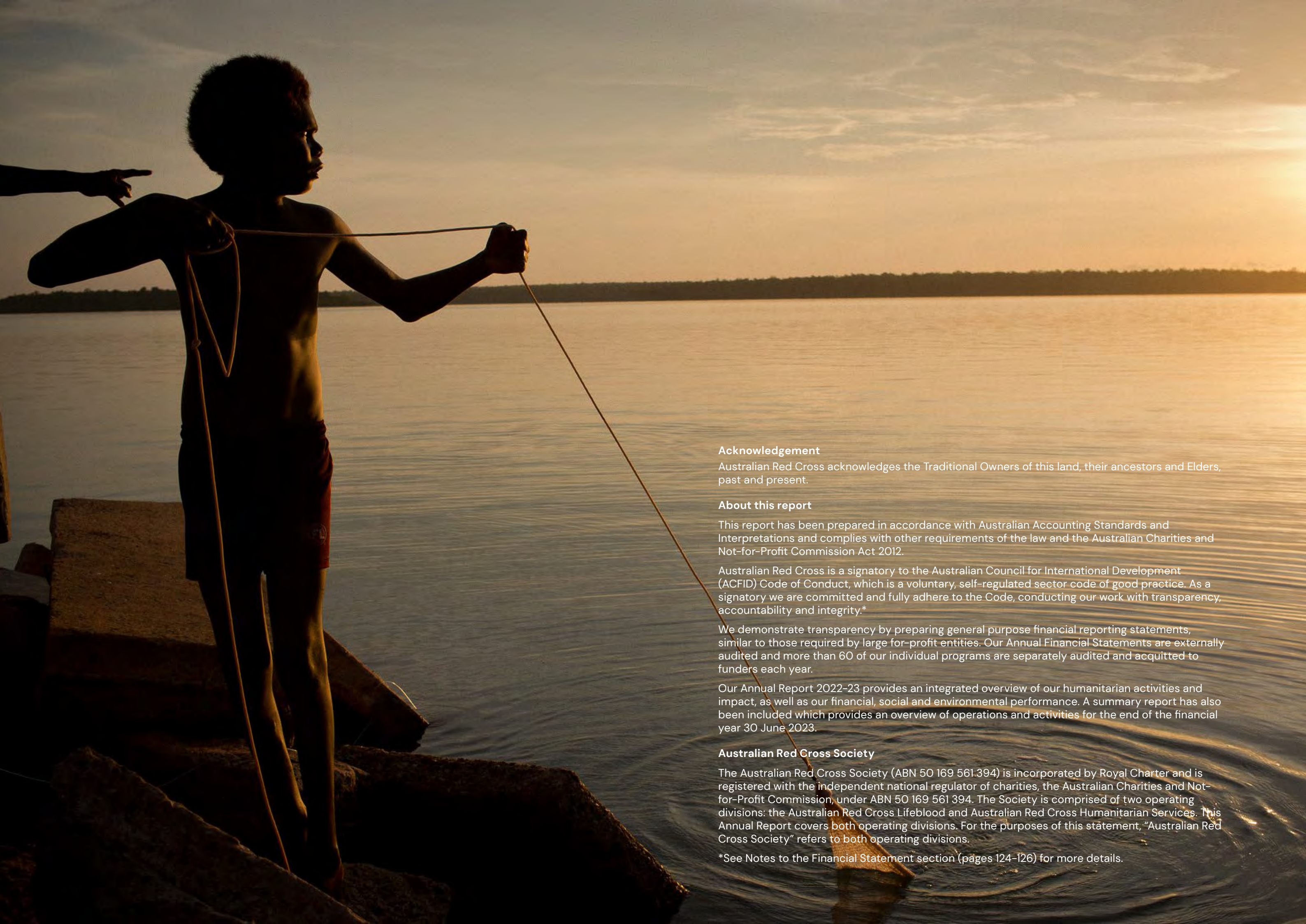




Annual Report

2022-2023



Acknowledgement

Australian Red Cross acknowledges the Traditional Owners of this land, their ancestors and Elders, past and present.

About this report

This report has been prepared in accordance with Australian Accounting Standards and Interpretations and complies with other requirements of the law and the Australian Charities and Not-for-Profit Commission Act 2012.

Australian Red Cross is a signatory to the Australian Council for International Development (ACFID) Code of Conduct, which is a voluntary, self-regulated sector code of good practice. As a signatory we are committed and fully adhere to the Code, conducting our work with transparency, accountability and integrity.*

We demonstrate transparency by preparing general purpose financial reporting statements, similar to those required by large for-profit entities. Our Annual Financial Statements are externally audited and more than 60 of our individual programs are separately audited and acquitted to funders each year.

Our Annual Report 2022-23 provides an integrated overview of our humanitarian activities and impact, as well as our financial, social and environmental performance. A summary report has also been included which provides an overview of operations and activities for the end of the financial year 30 June 2023.

Australian Red Cross Society

The Australian Red Cross Society (ABN 50 169 561 394) is incorporated by Royal Charter and is registered with the independent national regulator of charities, the Australian Charities and Not-for-Profit Commission, under ABN 50 169 561 394. The Society is comprised of two operating divisions: the Australian Red Cross Lifeblood and Australian Red Cross Humanitarian Services. This Annual Report covers both operating divisions. For the purposes of this statement, "Australian Red Cross Society" refers to both operating divisions.

*See Notes to the Financial Statement section (pages 124-126) for more details.



Contents

| | | | |
|---|-----------|-----------------------------------|-----------|
| The year at a glance | 4 | Financial capital | 25 |
| From the President | 5 | Donors and partners | 27 |
| From the CEO | 5 | People | 32 |
| Purpose, vision and values | 6 | Governance and risk | 34 |
| Reach | 7 | Governance | 35 |
| Organisational strategy | 8 | Risk | 43 |
| Impact | 9 | Modern slavery statement | 44 |
| Strategic Focus 1: Emergency Services and Disasters | 10 | Safeguarding | 45 |
| Strategic Focus 2: Migration | 11 | Environmental impact | 45 |
| Strategic Focus 3: Community Activities and Programs | 13 | Financials | 47 |
| Strategic Focus 4: International Programs | 15 | From the CFO | 48 |
| Strategic Focus 5: International Humanitarian Law | 17 | Year in review | 50 |
| Advocacy | 18 | Financial report | 53 |
| First Nations Communities | 19 | Board members' report | 55 |
| Centring First Nations people and cultures | 20 | Annual financial statements | 57 |
| Innovation and thought leadership | 21 | Board members' declaration | 127 |
| Humanitech | 22 | Independent auditor's declaration | 128 |
| Global Migration Lab | 22 | Independent auditor's report | 129 |
| Australian Red Cross Lifeblood | 23 | | |

The year at a glance



18,450

members and volunteers acted for humanity.



1,639

staff who helped and supported people.



423

Australian Red Cross branches and groups led by members inspired social connection in communities.



70

member-run activities took place at 48 locations across Australia.



324,000+

people received support during and after disasters.



33

emergency activations across the country.



4 million+

people accessed information from disaster preparedness campaigns.



53,000+

people trained in first aid.



19,700+

people from 125 countries helped through our migration support programs in Australia.



10,000+

people accessed our new Work Right Hub website.



8,256

people participated in "In Search of Safety" community education sessions.



216,000+

hours of support from volunteers to connect with older and vulnerable people.



153,000+

meals delivered to older people.



7,788

tonnes of humanitarian aid products provided across the globe.



66

Australian international aid workers deployed to 33 countries.



7

First Nations communities in five States and Territories engaged to co-design programs reflecting community aspirations and priorities.



190

countries can access our open online course International Humanitarian Law for Business.



\$95 million

in donations and philanthropic gifts supported our humanitarian work.



6.8 million

donated items sold through Australian Red Cross shops.



2,750 tonnes

of quality clothing that may otherwise been prematurely sent to landfill, sold in Australian Red Cross Shops.



9,150 tonnes

of carbon emissions and 917 megalitres of water saved as a result of quality used clothing diverted from landfill.



1.6 million

individual donations of blood, plasma and platelets by Australian donors.



4,000

litres of breast milk delivered to support some of Australia's most vulnerable babies.

From the President

Australian Red Cross is part of the global Red Cross Red Crescent Movement that is united by our Fundamental Principles, and our commitment to reduce human suffering wherever we find it.

We know humanity shines brightest when everyday people do extraordinary things to support others – that’s what it means to us to mobilise the power of humanity. Australian Red Cross will continue to face the increasing humanitarian impacts of climate change and disasters, global conflicts, major disruptive events and the consequences of all these on migration. We will continue to deliver a world-class blood service in Australian Red Cross Lifeblood.

This year, our humanitarian organisation has undertaken a significant transformational program. We have narrowed the focus of our activities to our core areas of expertise: Emergency Services and Disasters, Migration, International Humanitarian Law, International Programs, and Community Activities and Programs; made some tough decisions about the programs that will lead us into the future and how they will be delivered; and invested in technology and systems that will ensure Australian Red Cross operates efficiently and remains compliant with all regulatory measures.

In addition to this, we’ve conducted a Statutes and Governance Review with the aim of ensuring our governance structures are fit for purpose. This has involved significant collaboration with Australian Red Cross Governance members, to review requirements of the Red Cross Red Crescent Movement, our governance structure, and the suitability of our Rules across the organisation.

Throughout this transformative process, I’ve had the privilege and pleasure of working alongside our Board, Lifeblood Board and Lifeblood Executives, Divisional Advisory Boards and the Australian Red Cross Executive Team to ensure the changes we’re making have a positive impact on Australian Red Cross and the people and communities we work with. I’d like to thank these leaders, and all Australian Red Cross people, for their commitment and tireless efforts.

I also want to acknowledge the tragic passing of Australian Red Cross Chief Executive Officer, Mr Kym Pfitzner.

Kym leaves behind a legacy that will live on at Australian Red Cross for many, many years to come. From his strategic excellence, which has ensured Australian Red Cross’ ability to support those in need well into the future, to his incredibly humble and respectful approach to leadership, Kym was admired by many both inside and outside of Australian Red Cross. Put simply, he was an exceptional CEO.

Most importantly, however, to many, Kym will be remembered as a trusted confidant, inspiring mentor and true friend. We will miss him dearly. Vale Kym Pfitzner

As we start to look ahead, to our 110-year anniversary in 2024, I’m confident that the changes we’re making today will ensure Australian Red Cross is set up to support those we serve both now and well into the future.

This is my final year as President, and I thank my board colleagues, Kym Pfitzner, Penny Harrison and the senior management team, for their invaluable contributions, sound advice and support. I wish Australian Red Cross well for the bright future that we have worked so hard to ensure.



Ross Pinney

President, Australian Red Cross

From the CEO

Australian Red Cross Chief Executive Officer Kym Pfitzner wrote the following words prior to his passing on 22 October 2023. Vale Kym Pfitzner.

Australian Red Cross exists to reduce human suffering. We do this by mobilising the power of humanity through connecting people in need of support to those with the means to support. In essence, we know that humanity shines brightest when we’re connecting people to their humanitarian purpose.

But now we must go further.

The environment within which we operate has never been more aligned to the humanitarian services we provide. But how do we deepen our impact, and help more people, more meaningfully?

This year saw Australian Red Cross moved forward with an extensive transformation program delivered at a rapid pace. As part of this, our program scope was reduced to focus on the areas where we have extensive global and local expertise, including:

- Emergency Services and Disasters
- Migration
- Community Activities and Programs
- International Programs
- International Humanitarian Law.

We’ve also commenced our investment in and rollout of systems and platforms that ensure our organisation keeps up to date with regulatory requirements and is efficient and enabling.

Another very important enabling factor is our partnerships across business, academia, philanthropy, and other like-minded organisations. This year has seen our connections grow, which has allowed us to collectively address some of the most significant humanitarian problems together. It’s also seen us innovate faster, bring on capability to find solutions and achieve a scale of change no one organisation can do alone.

These equally important steps have played a role in ensuring Australian Red Cross is focused on delivering a positive impact for those we support both now and well into the future.

Of course, there’s one more key element to our strategic success, Australian Red Cross people – members, volunteers and staff.

As an organisation focused on people helping people, we’re a Movement committed to diversity and inclusion, including the philosophy of centrality of First Nations people. Over the past two years, we’ve established an Inclusion and Diversity team and in this past year appointed both a Director and Head of First Nations Centrality as a member and observer of the Australian Red Cross Executive Team.

This year, our people have also led some significant advocacy wins in our core focus areas of Migration and Emergency Services.

In May, the Federal Government announced \$24.3 million in funding to pilot an additional referral pathway for victim-survivors of trafficking who are seeking support. This funding will see victim-survivors access the Support for Trafficked People Program through a community service provider without direct engagement with law enforcement. An incredible outcome for our Migration Support Programs team, years in the making.

In Emergency Services, we have deepened our partnerships with IAG and Australia Post to reach communities not only during response, but vitally to work with us to build stronger and more resilient communities. We've done this through programs like the Pillowcase Project, re-launching the Get Prepared App and distributing 1.5 million postcards on the simple steps to get prepared.

It's these elements of our strategic focus, our people and our partners all coming together that continues to ensure Australian Red Cross mobilises the power of humanity to help people in greater numbers, and with better outcomes.

As we commit to making the impossible possible, we'll continue to play our role in connecting the kindness of people and organisations with the unique skills of Australian Red Cross, the power of humanity is truly unleashed.

It's what we're known for and something I continue to look forward to in the year ahead, especially as we celebrate 110 years of Australian Red Cross.



Kym Pfitzner

Chief Executive Officer, Australian Red Cross



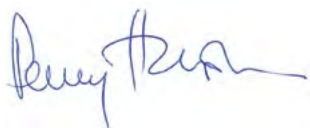
A message from Interim CEO Penny Harrison

Recently, when reflecting on Kym's legacy amongst colleagues, one thing truly stood out – our steadfast commitment towards delivering the strategy he so expertly and collaboratively designed with our Board.

Kym's strategic expertise has ensured there's a clear pathway forward for how our organisation will transform to ensure it becomes strategically aligned and financially sustainable. Delivering change is never easy and to date our transformation has challenged us to reassess how we deliver specific programs and services, re-engineer some of our systems and processes, and re-design the way we work together as an organisation.

These essential changes, however, are already proving fruitful in ensuring we are steadfast in our support for vulnerable communities and ultimately will be well placed to deliver even greater impact. Something we know Kym would be proud of.

Vale Kym Pfitzner.



Penny Harrison

Interim CEO

Purpose, vision and values

Our Fundamental Principles

- Humanity
- Impartiality
- Neutrality
- Independence
- Voluntary Service
- Unity
- Universality



Purpose

Bringing people and communities together in times of need and building on community strengths. We do this by mobilising the power of humanity.



Vision

Trusted as the leading humanitarian organisation, making a genuine difference in the lives of people and communities.



Values

We respect.
We aspire.
We collaborate.
We stand up.
We deliver.

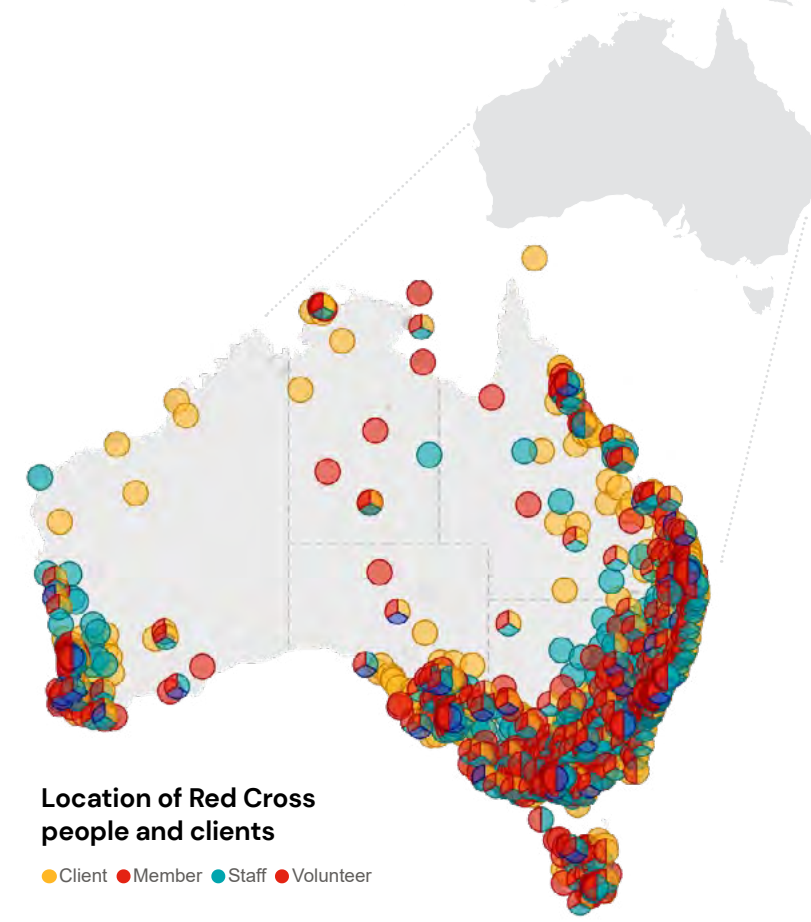
Reach



National Societies supported by Australian Red Cross through the provision of funding, in-kind support and/or human resourcing.

Australian Red Cross operates 310 sites across Australia. We are located in all capital cities and throughout the regions.

Our people (members, volunteers and employees) are on the ground in every state and territory. Our work reaches thousands of communities in major cities, remote areas and everywhere in between.



Location of Red Cross people and clients

● Client ● Member ● Staff ● Volunteer

Organisational strategy

Australian Red Cross is part of a global humanitarian movement whose mission is to reduce human suffering by mobilising the power of humanity. We are one of 191 National Societies in the International Red Cross and Red Crescent Movement (the Movement). Other Movement members are the International Federation of Red Cross and Red Crescent Societies (IFRC) and the International Committee of the Red Cross (ICRC).

Alongside nearly 15 million volunteers and 40,000 staff in 191 countries, we go where need is greatest, helping people and communities to stand tall in the face of adversity and move towards a more resilient future.

As we enter our 110th year, Australian Red Cross has evolved to keep pace with the changing humanitarian landscape. In 2022, we launched a new organisational strategy that defines our principles and areas of strategic focus for the years ahead.

Over the past 12 months, we have focussed on four key areas of activity:

- sharpening our program focus to align to our core areas under the strategy
- re-engineering our systems and processes to support efficiency and effectiveness
- redesigning the way we work together as an organisation
- improving our core capabilities.

Our core objectives

- Increase our impact
- Build and grow our people (employees, members and volunteers), improve their experience and connect them to our purpose
- Establish stronger organisational foundations
- Grow our funding
- Build the brand.



Our areas of strategic focus

- **Strategic Focus 1: Emergency Services and Disasters**
We help build communities that are strong, resilient and able to anticipate, respond and recover well from disasters and climate change-related emergencies.
- **Strategic Focus 2: Migration**
We help build fair, welcoming and inclusive communities where migrants are safe and have their humanitarian needs met.
- **Strategic Focus 3: Community Activities and Programs**
We build connection and resilience through volunteering and responding to the humanitarian needs of local communities.
- **Strategic Focus 4: International Programs**
We help build stronger, more resilient international communities with increased capacity to prepare for, anticipate, respond to and recover from crises, especially those caused by climate change.

- **Strategic Focus 5: International Humanitarian Law**
We help achieve better humanitarian outcomes for people and communities impacted by armed conflicts.
- **Strategic Focus 6: Lifeblood**
We seek to increase the supply of safe and high-quality blood, plasma and other biological products, bolstering the capacity to respond to emergencies, support medical treatments, and improve patient and community outcomes.

We are also committed to embedding the voices and knowledge of First Nations people and culture at the centre of what we do where practical to do so.



Impact

People helping people

Strategic Focus 1: Emergency Services and Disasters



324,836

people were supported during and after disasters.



185,400+

people accessed disaster resilience, response and recovery resources, booklets and information.



4 million+

people reached through preparedness campaigns.



17,400+

people attended training and workshops to build their capacity to prepare for, respond to and recover from disasters.

In a changing climate, disasters are increasing in intensity and frequency. Our emergency services work is focused on supporting communities to anticipate, respond to and recover well from disasters of all kinds.

We do it by putting people first — by tapping into the local knowledge of people and communities who know what they need to overcome adversity. When disaster strikes, we equip communities with the capacity to make decisions and take action. In the aftermath, we connect them with safe, equitable and dignified humanitarian and psychosocial care.

Building resilience one community at a time

Our disaster resilience programs focus on practical, psychological and social actions that can prepare people and households for the impacts of disasters and other crises. In partnership with communities, we:

- look at the risks and barriers that prevent people from becoming disaster-ready
- leverage the motivations that can inspire meaningful action
- empower communities to lead their own resilience-building activities.

Program highlights

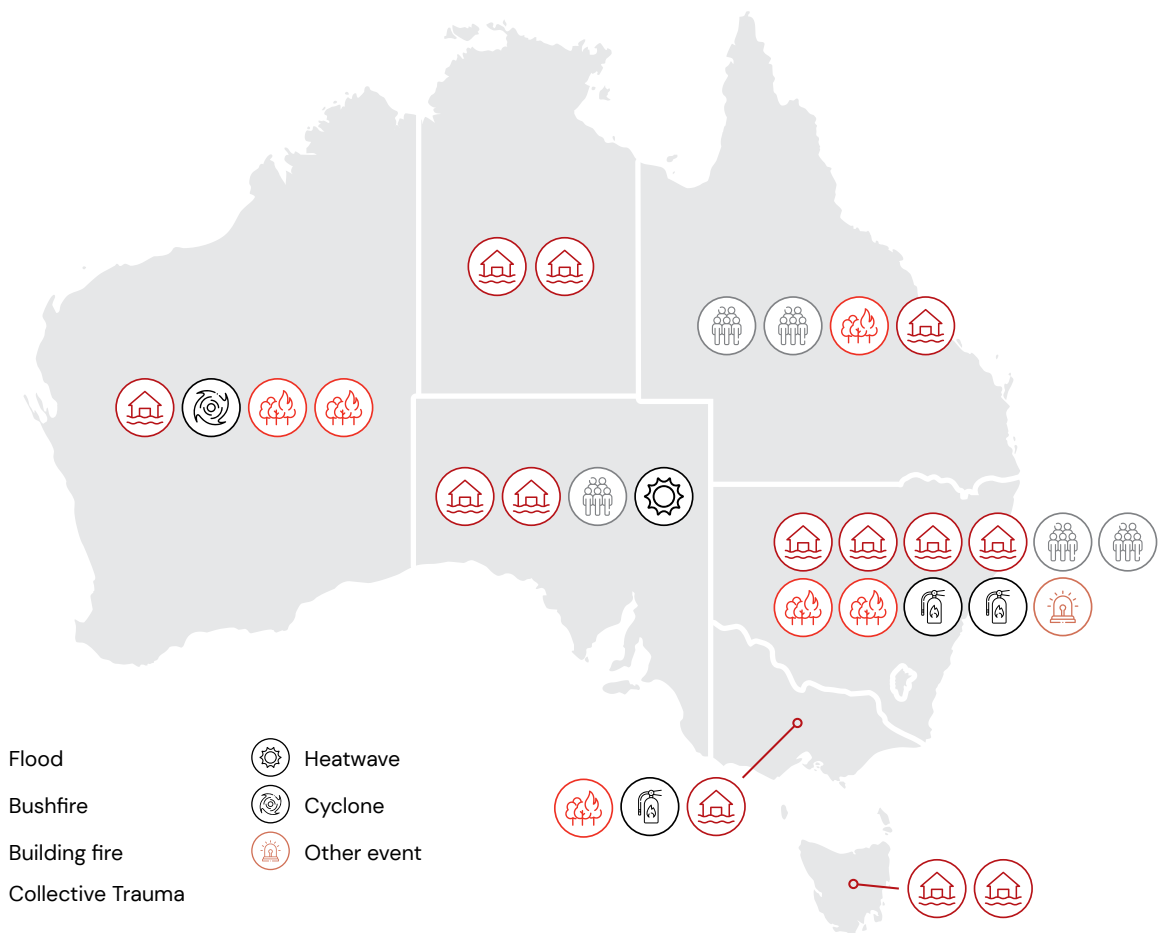
- 35,850 people accessed community events and information.
- 11,680 people in New South Wales attended 148 community activities run by our Community Resilience teams.
- 8,369 students attended 279 [Pillowcase Program](#) workshops in over 150 schools.
- 7,046 people took part in over 427 training, workshop and resilience activities.
- 890 people attended RediPlan disaster preparedness workshops.
- 2,013 people downloaded and 70,237 people updated our revamped Get Prepared emergency app.

Standing with people in need

In the face of emergencies, we stand shoulder to shoulder with those whose lives have been affected. Our trained staff and volunteers work together to deliver humanitarian and psychosocial support, as well as to reconnect family members who have been separated via our [Register.Find.Reunite](#) program.

Program highlights

- 45,801 people received support and information during 33 emergency events.
- 17,291 people received direct psychological first aid, including during Northern Territory, Victoria and New South Wales flooding events.
- 7,000 people registered for our [Register.Find.Reunite](#) reunification service.



- 829 staff and volunteers received wellbeing calls after responding to a disaster.
- 780 people took part in our Emergency Sheltering/Evacuation Centre Management Training.

Walking together towards recovery

The psychosocial effects of disaster can be profound. Our teams support people and communities to identify and mitigate these varied, complex and long-term impacts and to foster social networks and relationships that support sustainable recovery.

This year, we worked closely with communities in New South Wales and Queensland who have experienced major overlapping disasters over the last three years, including bushfires and several floods. Australian Red Cross recovery officers continue to provide psychosocial

support, referrals and training for residents, local councils and recovery teams working in these locations. We also delivered our recovery program in South Australia, Victoria, Western Australia and Tasmania in response to other large-scale events.

Program highlights

- Australian Red Cross has worked with more than 160 Local Government Areas across our emergency services portfolio.
- 123,913 people received recovery information and/or attended community events.
- 22,070 people accessed recovery program activities, including 3,525 who received psychological first aid.
- 11,348 people attended training, workshops and other initiatives to support community recovery.



Taking a community-first approach after disaster

In March 2023, the Victoria, Daly, McArthur and Wickham rivers in the Northern Territory began to rise. Driven by a monsoonal low, the resulting floodwaters devastated remote communities like Kalkarindji, Daguragu and Pigeon Hole.

Community members, many of whom were rescued by helicopter from their rooftops, found safety at the Howard Springs Centre for National Resilience, which was set up as a temporary shelter.

Through it all, Australian Red Cross was there.

The shelter was staffed by Australian Red Cross employees and volunteers. Our team continues to work in partnership with agencies, stakeholders and Elders from affected communities to map out the immediate and longer-term recovery process. This collaborative approach gives a voice to people with deep understanding of their communities' needs.

“All the volunteers have worked extremely hard to support the evacuated communities, doing long hours on-site and in the Incident Management Team, and the support from the National Emergency Services team has also been invaluable.”

NT staff member

Strategic Focus 2: Migration



19,700+

people from 125 countries received direct support, including:

- 5,274 people from 97 countries assisted through our [Safety Net](#) or our Family and [Domestic Violence Financial Assistance program](#), by providing emergency financial assistance to meet the basic needs of people on temporary visas who can't access mainstream safety nets.
- 3,111 refugees from 43 countries were supported to establish a new home in Australia.
- 204 people who experienced human trafficking or forced marriage received intensive support to get them back on their feet.

This financial year, after the re-opening of international borders following COVID-19, we committed to strengthening our local programs for refugees and humanitarian entrants. This included providing support to increased numbers of people impacted by the armed conflict in Ukraine and assisting families to locate missing loved ones following the Türkiye/Syria earthquakes.

Meeting humanitarian needs

In times of crisis, our programs protect migrants from harm and connect them to services and resources that preserve their dignity and humanity as they rebuild their lives. Our reach is vast: our programs span every stage of forced and voluntary migration, from humanitarian resettlement through to immigration detention monitoring and reconnecting families separated by conflict, disaster or migration.



10,314

people accessed our new Work Right Hub website (launched in March 2023).

Program highlights

- 95% of people in our bi-cultural health program increased their ability to manage their health, including how to access health services. ([Bi-cultural Health Program Tasmania](#))
- 87% of refugees in our Humanitarian Support Program achieved social and financial independence in the first 12 months and support to navigate Australian mainstream health, education, and accommodation services. ([Humanitarian Settlement Program](#))
- 71% of people who received family and domestic violence financial support reported feeling heard, understood and better able to deal with issues for which they sought help. ([Temporary visa holder family and domestic violence pilot](#))
- 806 people in immigration detention accessed confidential interviews about their conditions and treatment. ([Immigration Detention Monitoring Program](#))



8,256

people participated in “In Search of Safety” community education sessions.

At Australian Red Cross, our belief in the power of people helping people sits at the heart of our migration services. As an organisation working across the globe, we play a critical role in linking the local to the global. We work alongside migrants in transition, communities, humanitarian sector partners, businesses and government to design and deliver programs that have people at their core. These include humanitarian supports, meaningful participation opportunities, and community programs and networks that help migrants build a sense of belonging.

- 82 people either located or learned of the fate of missing family members and loved ones. ([Restoring Family Links](#))

Connecting people to meaningful work

Safe, dignified and sustainable — these concepts form the foundation of our migration employment support. These programs support migrants in transition to access safe and supportive work and volunteer opportunities and to participate more fully in their local communities.

Program highlights

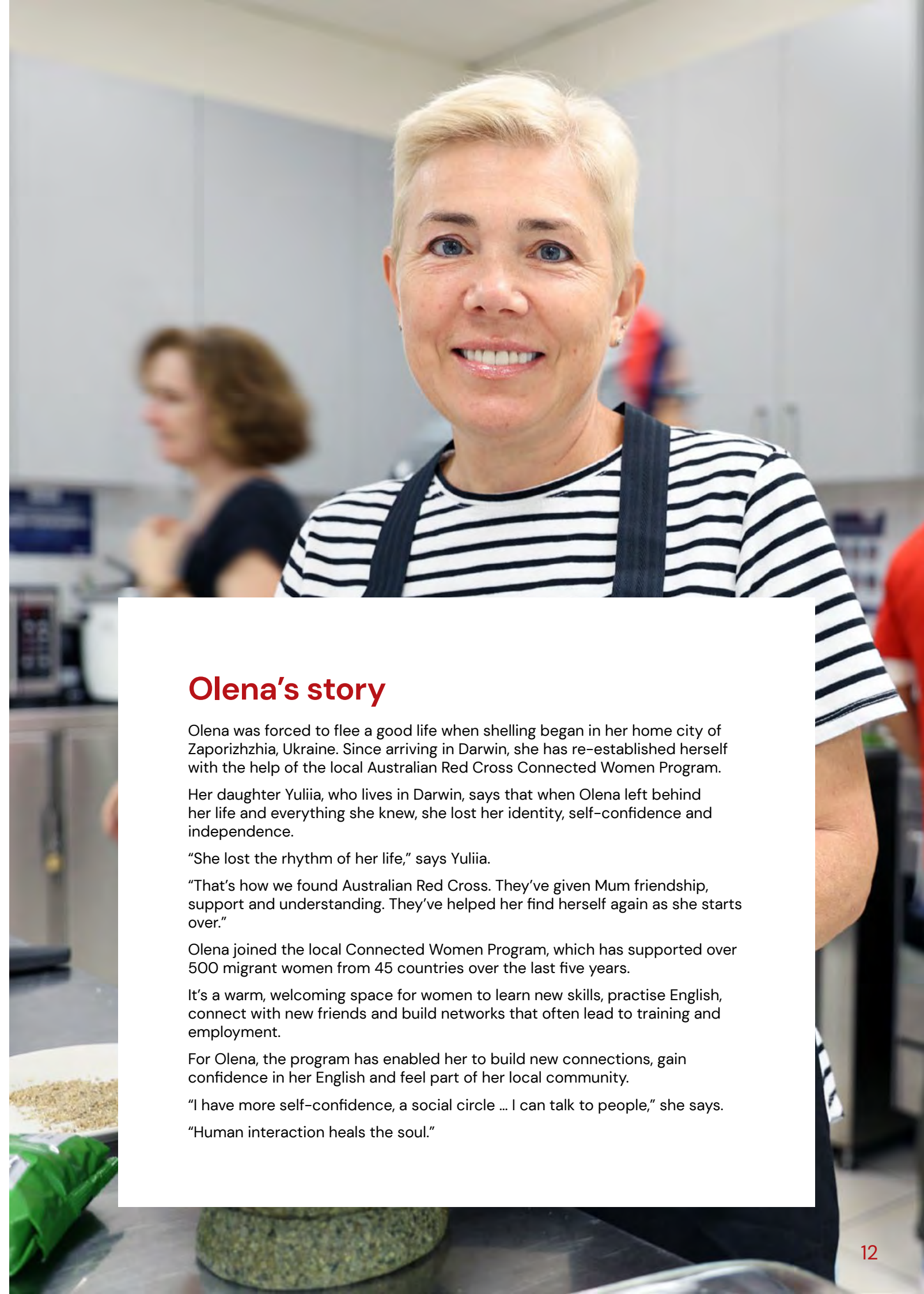
- 70% of women in the Connected Women program reported increased job readiness. ([Connected Women Northern Territory](#))
- 10,314 people accessed the new Work Right Hub website for information on workers' rights for people experiencing or at risk of exploitation. ([Work Right Hub](#))
- 1,112 people received support to find employment, contributing to the economy and supporting their financial independence. ([Connect.Match.Support](#) + [Growing Regions of Welcome](#) + [Humanitarian Settlement](#))

Building welcoming and inclusive communities

Creating a sense of belonging is key to helping migrants rebuild their lives after the trauma of displacement. We support local communities, schools and businesses across Australia to welcome and connect with migrants, people seeking asylum and refugees.

Program highlights

- 90% of Connected Women participants reported increased social connection and a sense of belonging, mutual understanding and support. ([Connected Women Northern Territory](#))
- 8,256 people (students and teachers, along with people from businesses, higher education organisations and community groups) participated in "In Search of Safety" community education sessions. ([In Search of Safety](#))



Olena's story

Olena was forced to flee a good life when shelling began in her home city of Zaporizhzhia, Ukraine. Since arriving in Darwin, she has re-established herself with the help of the local Australian Red Cross Connected Women Program.

Her daughter Yuliia, who lives in Darwin, says that when Olena left behind her life and everything she knew, she lost her identity, self-confidence and independence.

"She lost the rhythm of her life," says Yuliia.

"That's how we found Australian Red Cross. They've given Mum friendship, support and understanding. They've helped her find herself again as she starts over."

Olena joined the local Connected Women Program, which has supported over 500 migrant women from 45 countries over the last five years.

It's a warm, welcoming space for women to learn new skills, practise English, connect with new friends and build networks that often lead to training and employment.

For Olena, the program has enabled her to build new connections, gain confidence in her English and feel part of her local community.

"I have more self-confidence, a social circle ... I can talk to people," she says.

"Human interaction heals the soul."



Strategic Focus 3: Community Activities and Programs



216,104

hours of support from volunteers to connect with older and vulnerable people.



153,630

meals were delivered to older adults.



423

Australian Red Cross branches, clubs and Friends of Red Cross chapters.



2,777

community activity volunteers.



50,000

Trauma Teddies knitted by 600 volunteers.

Our community activities and programs foster meaningful links for people seeking human connection and increase community and personal resilience. Many of these programs are led by volunteers who reach out to those who are lonely, vulnerable or disconnected and help them re-engage with their local communities.

Creating community connections at every stage of life

Loneliness is a significant social issue for older people. Our aged and community care programs focus on creating social connections, wellbeing and independence for people experiencing isolation. Through this work, we increase people's sense of belonging and self-confidence, which often supports them to continue living independently in their homes and communities.

Program highlights

- 216,104 social assistance hours were used to connect older and vulnerable people to support. ([Aged Care Volunteer Visitor Scheme](#))
- 153,630 meals were delivered to older adults in the ACT and Tasmania. ([Meals on Wheels](#))
- 75,806 transport trips across Victoria, Tasmania and South Australia helped people to attend social events and access vital medical services. ([Transport Services](#))
- 3,500 socially isolated older people received a call from Australian Red Cross volunteers during the 50th anniversary year of our Telecross service. ([Telecross](#), [TeleCHAT](#) & [TeleYARN](#))

Taking small local actions for big local impacts

Even the smallest humanitarian actions have the power to drive big change. Our local community programs aim to increase community cohesion and resilience in metropolitan, regional and remote areas.

Using a strengths-based approach, we support communities to identify and respond to their own unique needs and to lead the way to a more socially connected future.

Program highlights

- 100% of mothers with or at risk of post-natal depression experienced improvements in their mental health. ([Family Support Program Western Australia](#))
- 96% of clients experiencing or at risk of homelessness secured stable accommodation. ([Homestay Program, Townsville, Queensland](#))
- 1,900 meals were provided to people experiencing or at risk of homelessness in the ACT. ([Roadhouse Program](#))
- 121 people impacted by the justice system trained to be volunteers within correctional environments. ([Community Based Health and First Aid – South Australia, Tasmania & Queensland](#))

A Movement powered by people

This year, 18,450 Australian Red Cross members and volunteers delivered vital activities and services to support and empower communities in Australia and around the world. We also welcomed 3,505 new volunteers who have made the choice to lead with compassion by supporting those in need.

Collectively, our members and volunteers:

- supported communities before, during and after emergencies
- checked in on vulnerable Australians via thousands of daily Telecross and Telechat phone calls
- volunteered in our 162 Red Cross shops.

Our members span 423 branches, clubs and Friends of Red Cross chapters that inspire social connection in communities across Australia. Over the last 12 months, our members:

- hosted hundreds of fundraising events that raised more than \$1.8 million for our programs and appeals

- mobilised 600 Trauma Teddy knitters to create and distribute 50,000 teddies. These teddies find their way into disaster recovery sites, hospitals and family violence centres, providing comfort for people facing adversity.
- engaged in student placements, work experiences and spontaneous volunteer activities on behalf of Australian Red Cross. More than 3,200 people, including corporate supporters from Amazon, Uber, RMIT, Coles and Deloitte, supported our Uber Donation Drive, volunteered at our Paddington Town Hall pop-up shop, sorted clothes at our distribution centres or ran an educational Disastrous Dinner.
- 70 member-run activities at 48 locations across Australia
 - member run Australian Red Cross Shops
 - mobility equipment hire
 - accommodation centres
 - services to connect and support people
 - homework groups.

Queensland

- 39 services
- 21 locations

Activities summary

- accommodation services
- mobility equipment hire service
- branch shop
- hall hire
- hands on care
- snack & chat
- community library
- hospital meet & greet

South Australia

- 3 services
- 3 locations

Activities summary

- branch shops

New South Wales

- 25 services
- 21 locations

Activities summary

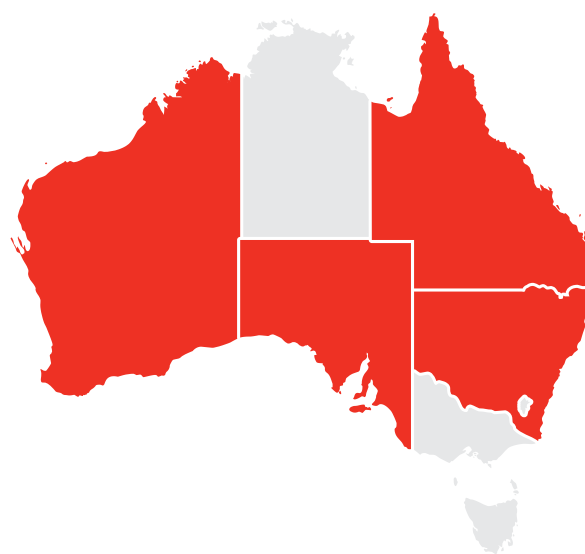
- tea rooms
- branch shop
- sale yard canteen
- hall hire
- hands on care
- homework group
- playscheme
- lolly shop

Western Australia

- 3 services
- 3 locations

Activities summary

- branch shops



A friend in need

Rita's Australian Red Cross visitor is more than a friend — she's like a sister. And on the hard days of life, Lyn helps Rita find the sunny side.

Rita is almost 80 and lives alone. She was born in Indonesia and moved to Australia decades ago, but most of her family is in Malaysia. When she's missing them or she feels worried, it really helps to have someone to talk to.

That conversation and companionship also help when she's not feeling well.

"It's good to talk. Sometimes, if I have pain, I have pain everywhere ... All last night, I couldn't sleep because [of it]. But if someone talks to you, the pain goes away," Rita says.

Every Thursday, Rita and our volunteer Lyn catch up and spend time together. Often, you'll find them working in the sunshine in Rita's small garden.

"Rita's very knowledgeable. She's been teaching me all about lemongrass and ginger and I've been showing her how to prune roses," says Lyn.

"We like getting out and about. Rita will bring the coffee, and we'll have a picnic at the lake.

And we go up to the beach and watch the whales go by.

"We're good friends. We tell each other lots of things, and we have a good laugh." They talk, too, about the difficult parts of life and the challenges of family relationships.

"She has one daughter here in Australia who she doesn't have a lot of contact with. So, we talk about those things and how she can manage her feelings," Lyn says.

After recently retiring after decades as a nurse, Lyn says volunteering with Australian Red Cross is the best thing she has ever done.

"I enjoy meeting and talking with people. I felt I had a lot to give," she says. And for Rita, whose second language is English, life is better with Lyn at her side. "This [is] easy talking ... I thought, this is my sister."

Thanks to our generous supporters, Australian Red Cross helped thousands of older, isolated people last financial year. Along with regular visits for people at home or in aged care centres, we provide daily check-in phone calls, meal deliveries and transport to medical appointments.

Strategic Focus 4: International Programs



9

National Societies received Australian Red Cross support to prepare for, respond to and recover from disasters.



10

international disaster and crisis response operations received support from Australian Red Cross.



66

Australian international aid workers across 15 different areas of expertise were deployed to 33 countries.



7.8 tonnes

of humanitarian relief supplies were sent to response operations in the Pacific region.



\$13.7

million in humanitarian funding was mobilised to support responses to major international disasters and armed conflicts including Ukraine and Türkiye/Syria earthquakes.

Mobilising the power of humanity in the Asia Pacific

Australian Red Cross is part of a global movement, working alongside National Societies around the world to keep the flame of humanity burning brightly. In the Asia Pacific, our long-term partnership with the Department of Foreign Affairs and Trade (DFAT), with contributions from other partners, assists National Societies throughout the region to prepare for, respond to and recover from disasters.

This year, with our support, National Societies in Fiji, Indonesia, Mongolia, Myanmar, Papua New Guinea, Solomon Islands, Timor-Leste, Tonga and Vanuatu were strengthened through a series of capacity building activities which focused on organisational development and disaster preparedness.

As part of these efforts, Australian Red Cross worked with our partners on climate-smart resilience and increasing anticipatory action before a disaster strikes. This involved the development of protocols that outline the early actions that the National Society will take when a specific hazard is forecasted to impact communities.

We also supported five National Societies to address disease outbreaks, including a dengue outbreak in Timor-Leste and measles and polio outbreaks in Aceh, Indonesia.

[A mid-term review of our 2019-2024 International Program](#) highlighted the speed and comprehensive nature of the disaster response activities carried out by our partner National Societies. The levels of trust they

enjoy, their extensive reach, and their skilled volunteer networks were recognised as critical factors to their success. The importance of continued investment in organisational strengthening and retaining and sustaining volunteer led workforces were recognised as needing ongoing attention.

Empowering local Red Cross teams in Vanuatu

When Vanuatu was hit by back-to-back Category 4 cyclones, Vanuatu Red Cross was among the first to mobilise. Drawing on their strong branch network and highly skilled staff and volunteers, and supported by funding from external resources and the immediate release of funds for response through the International Federation of Red Cross and Red Crescent Disaster Response Emergency Fund (DREF), they led the Movement's on-the-ground humanitarian response.

This included:

- distributing emergency supplies to people in need

- supporting 14,000 people with health awareness programs
- responding to disease outbreaks
- coordinating the emergency shelter response in partnership with the National Disaster Management Office.

In response to a request from Vanuatu Red Cross, Australian Red Cross provided surge personnel to help coordinate the emergency response, including finance, logistics and shelter cluster experts. We also contributed a small number of supplies, enabling the distribution of:

- 2,353 solar lanterns
- 400 shelter toolkits
- 400 tarpaulins.

This comprehensive emergency response speaks to the significant achievements of Vanuatu Red Cross in continuing to build their disaster preparedness capabilities. It also speaks to the strength of the Australian Red Cross-DFAT partnership, which supports the leadership of local actors.





Supporting local responses to global challenges

This year, our international humanitarian activities took place in a landscape characterised by ever-increasing need. As in the Asia Pacific, our global work is focused on supporting National Societies who lead local disaster responses. Ten international emergencies, \$13.7 million in humanitarian funds, including public donations, and 7.8 tonnes of humanitarian aid supplies were mobilised by Australian Red Cross.

In addition to contributing funding and relief supplies in response to international emergencies, Australian Red Cross also provided personnel support at the request of the Movement. These included experts in protection, water, engineering, emergency operations coordination and clinical health, among others.

Over the 12 months of this report, we deployed:

- 66 delegates to 33 countries, including:
 - 52 operational delegates
 - 14 training delegates
- Of the 66 delegates:
 - 65% seconded to IFRC
 - 33% seconded to ICRC operations
 - 52% deployed to support National Society partners.

Ukraine Crisis Appeal

As the conflict in Ukraine ground on, Ukraine Red Cross Society lead a comprehensive humanitarian response, providing over 13 million people in Ukraine and neighbouring countries with:

- clean water
- medical equipment and medicines for medical facilities
- essential relief items including food
- hygiene kits and non-food items.

Since the appeal was launched in February 2022, Australian Red Cross's Ukraine Crisis Appeal has now raised \$17.4 million to support these relief efforts, with an additional \$2 million grant from DFAT. On home soil, our migration programs continue to provide social, financial and other assistance for people displaced by the conflict.

Read more about our work in [Responding to the Ukraine crisis](#), our 12-month impact report.

Pakistan floods

In Pakistan, a devastating monsoon season, worsened by climate change, produced rainfall three times higher than the past 30-year average. These rains became record-breaking floods that impacted more than 33 million people, with many losing loved ones, homes and livelihoods.

Through our International Disaster Fund, our incredible donors raised more than \$300,000 for critical relief supplies, including:

- food parcels
- hygiene kits
- mosquito nets
- access to clean water and health care.

Global Hunger Crisis

In the Horn of Africa, grain shortages from the conflict in Ukraine coupled with the worst drought in 40 years have left more than 22 million people facing acute food insecurity. Our Global Hunger Crisis Appeal raised funds to help our Red Cross and Red Crescent partners in Ethiopia, Kenya and Somalia to deliver emergency support to those in need. This included:

- cash and voucher assistance
- hygiene and sanitation promotion
- water trucking
- essential household items.

Bangladesh–Myanmar

As the impacts of the conflict in Myanmar continue to resonate through the region, the Movement is there, providing relief and support to over 210,000 people now living in camps in Cox's Bazar. Funding from our Bangladesh–Myanmar Appeal is helping people access safe drinking water, emergency shelter items and protection resources. A DFAT grant is now enabling Australian Red Cross to provide additional livelihood support to people affected by Cyclone Mocha.

Strategic Focus 5: International Humanitarian Law

Even wars have laws. Through our learning, practice and research, we raise awareness of international humanitarian law among those in Australia who have a footprint in armed conflict, including businesses, government, military personnel and humanitarian organisations.

Increasing respect for the laws of war at home

Australia might be far from international conflict zones, but our private sector increasingly conducts business operations in complex and dangerous environments. These include countries experiencing, or at risk of, armed conflict.

In April 2023, we launched our [Guide on corporate war crimes and other liabilities](#). Produced in conjunction with Sydney-based criminal defence firm Nyman Gibson Miralis Lawyers, this guide empowers businesses to understand their legal risks and obligations under international humanitarian law.

Program highlights

- Increasing awareness of our [Guide on corporate war crimes and other liabilities](#).
- 1,550 downloads of the Responsible Investment Association of Australasia's Investor Toolkit on Human Rights and Armed Conflict, developed in consultation with Australian Red Cross.

Signalling legal protection in a digital world

The red cross. The red crescent. The red crystal. These distinctive symbols give visibility to the legal protection of medical and humanitarian operations during armed conflict. Now, in a world in which cyber operations are an increasing reality of armed conflict, how can we translate those protections into the digital world?

The ICRC is leading a global project to develop a new signal or 'digital emblem' to identify the online assets of protected medical and humanitarian entities. This year, we partnered with ICRC to deliver on two key aspects of this work: a global consultation of cyber experts on the risks and benefits of developing this emblem, and a Movement-wide consultation on the technical concept and its implementation into the international legal framework.

The ICRC produced the [Digitalizing the Red Cross, Red Crescent, and Red Crystal Emblems report](#), which was published in November 2022.

Program highlights

- more than 100 online and in-person attendees at the launch of the Digitalizing the Red Cross, Red Crescent and Red Crystal Emblems report.
- 21 consultations held, in conjunction with ICRC, on the concept and implementation of a 'digital emblem' with different groups across the Movement.



People teaching people: increasing respect for international law

We take our responsibility seriously to contribute to conversations on international humanitarian law. Our annual International Law and Humanitarian Action course, a partnership with the Australian Defence Force Indo-Pacific Centre for Military Law, once again brought together almost 40 diverse governments, humanitarian and military operators to:

- gain mutual understanding of the mandates and priorities of civil-military actors sharing the same space
- explore the legal frameworks that apply in times of armed conflict and other emergencies
- build relationships and cross-sectoral networks.

Program highlights

- 7,354 downloads of episodes of our Law and Impact of War Book Club podcast, developed in conjunction with Readings Bookstore.
- In conjunction with RMIT University, we created our first Massive Open Online Course – [International Humanitarian Law for Business](#) – which is now accessible in more than 190 countries.
- More than 180 future leaders in academia, public policy and law from Macquarie University's Global Leadership Program received our training on international humanitarian law and the role of humanitarian actors in armed conflict and other humanitarian crises. We also delivered guest lectures to six other universities across the country.
- Orangeland Blueland, a key teaching resource for a wide range of people new to international humanitarian law was updated with assistance from the Law Foundation of South Australia.

Advocacy

This year, Australian Red Cross continued to provide evidence-based, neutral, independent and impartial humanitarian advice directly to governments and departments at the federal, state and territory level, as well as to the wider not for profit sector, corporate partners and local communities.

As a National Society in the International Red Cross and Red Crescent Movement and using our status as auxiliary to the public authorities in the humanitarian field, we recognise our vital role in advocating with and for people and communities, in Australia and around the world, impacted by conflict, disaster and other vulnerability.

Our advocacy activities include regular direct and confidential engagement with various levels of government on issues of humanitarian concern and advocacy coordination and collaboration with sector partners. In this and through all our humanitarian diplomacy efforts – private and public, in collaboration with others or on our own – we are guided always by our Fundamental Principles.

Our efforts to influence policy and promote positive humanitarian change this year included:

Participating in advisory groups, roundtables and consultations, such as:

- National Roundtable on Human Trafficking and Slavery
- National International Humanitarian Law Committee
- Communities Services Advisor Group
- Climate Leaders Coalition
- Global Red Cross Red Crescent Migration Leadership Group.

The following selected key public submissions:

- [New International Development Policy](#) (Australian Department of Foreign Affairs and Trade)
- [Inquiry into the Rights of Women and Children Internationally](#) (Human Rights Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade)
- [A Migration System for Australia's future](#) (Department of Home Affairs)
- [Review of the Modern Slavery Act 2018 \(Cth\)](#) (Professor John McMillan AO, supported by the Attorney General's Department)
- Public consultation: [Review of Australia's legal framework for autonomous sanctions](#) (joint submission with IFRC & ICRC to the Australian Department of Foreign Affairs and Trade).

The following selected key reports:

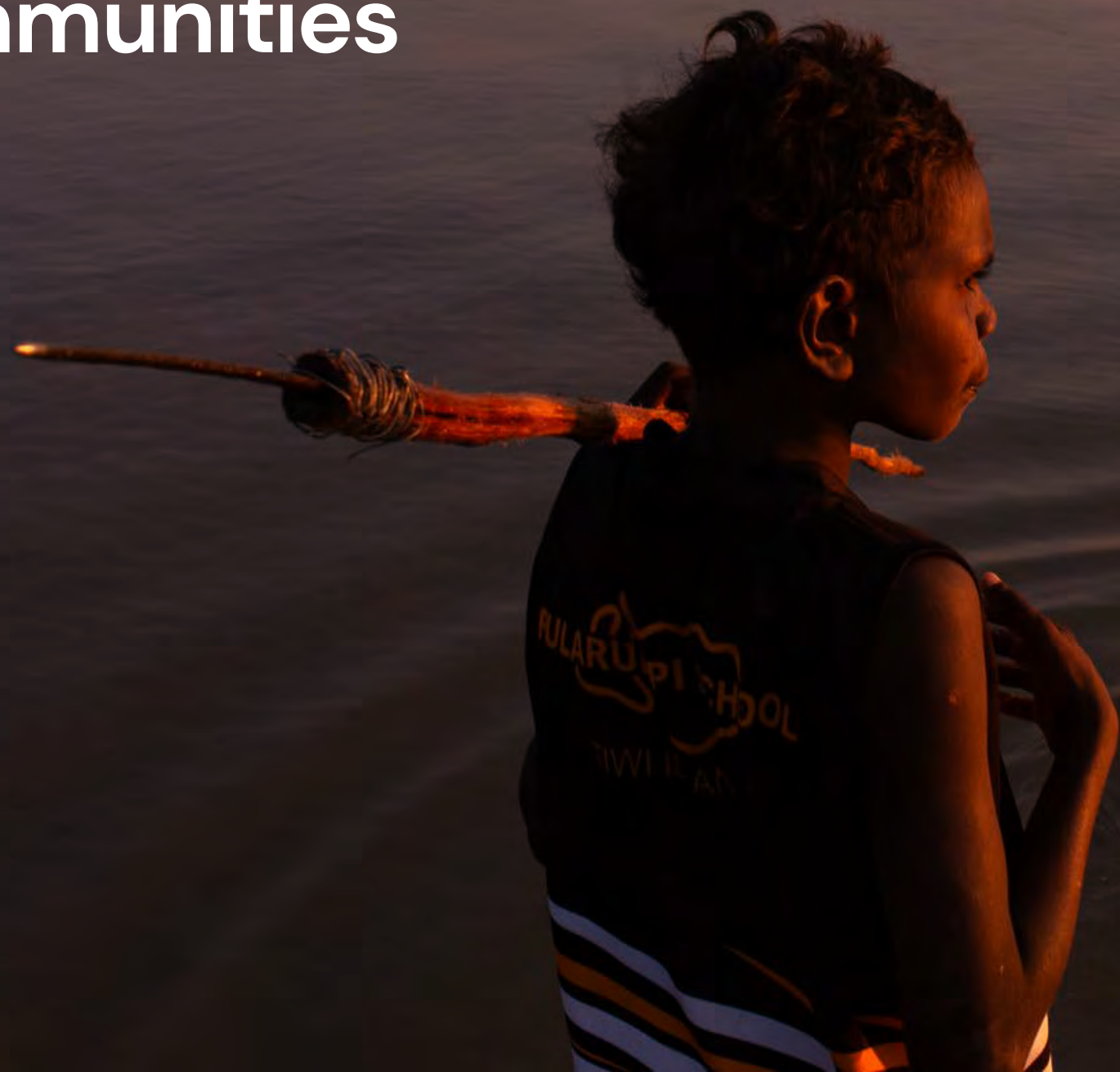
- [Migrants Perspectives: Building Trust in Humanitarian Action \(Global report\)](#)
- [Trust in Humanitarian Action: Migrants' Perspectives \(Australia report\)](#)
- [The road to recovery: Queensland and New South Wales floods 2022](#)
- [Responding to the Ukraine crisis: 12-month Impact Report](#)
- [The long tail of COVID -19: Impacts on the sustainability and resource mobilisation of Red Cross and Red Crescent National Societies in the Asia Pacific region](#)
- [Tech for Good – What does it actually look like?](#)
- [Tech for good: Three evidence-based insights to build better humanitarian tech](#)

The following selected key research articles:

- [The mental health effects of changing from insecure to secure visas for refugees](#) (Australian & New Zealand Journal of Psychiatry)
- [Demonstrating impact through digital data transformation for the 2019–20 bushfire recovery program](#) (Australian Journal of Emergency Management)
- [Child disaster resilience in action: Post-bushfire qualitative perspectives on a school-based preparedness program](#) (International Journal of Disaster Risk Reduction)
- [Australian Red Cross psychosocial approach to disaster preparedness](#) (Australian Journal of Emergency Management).



First nations communities



Centring First Nations people and cultures

We work with and for First Nations people, placing their cultural knowledge, leadership, values and perspectives at the centre of our organisational strategy. This approach is known as First Nations Centrality. It ensures our work and organisational practices address the issues that matter to First Nations staff, volunteers, members and communities of interest, and that our programs, services and work environments are culturally safe and welcoming to all First Nations people.

Our emphasis on First Nations Centrality represents our ongoing commitment to:

- achieving true reconciliation, inclusion and diversity
- working together with First Nations people in the purpose of Australian Red Cross
- positioning our organisation as an authentic ally and advocate
- building deep, reciprocal relationships with First Nations people and communities.

Co-designing change

Over the last 12 months, we've worked closely with our First Nations partners across Australia to co-design a range of strategies and programs.

- Leveraging our established community connections in Bridgewater (Tasmania), Tiwi Islands & Galiwin'ku (Northern Territory), Wallaga Lake (New South Wales), Ceduna & Tiraapendi Wodli (South Australia) and Kwinana (Western Australia), we engaged in a series of consultations to identify and reflect community aspirations, need and priorities for change.
- In partnership with and support from First Nation communities, we co-designed the Pathway to Change, a sustainable plan that reflects community-desired outcomes and maps out the steps to achieve them. This plan is based in part on the successful transition to community-led control that has already taken place in Woorabinda (Queensland) and Daly River (Northern Territory).

- We also worked closely with Bridgewater, Kiwana, Galiwin'ku and Wallaga Lake to develop community-specific pathways to change. Each of these pathways share common goals of connecting community; building generational resilience; and strengthening First Nations culture among young people, children and families.
- Elsewhere, we delivered housing, aged care, social support and other community services to 96 First Nations community clients around the country.
- Our work is supported by 89 volunteers who identify as having Aboriginal and/or Torres Strait Islander heritage.

Building ties in the Tiwi Islands

In the Tiwi Islands, more than 1,000 members of the Wurrumiyanga community were ready to celebrate.

Yoi (traditional dance), healing music performed in language, spear throwing, weaving, and the preparation of bush foods and medicines such as damper, fish, buffalo, mangrove worms, mud mussels and prungah marked the community's first full NAIDOC event in over 10 years.

For Australian Red Cross, the event was an opportunity to support First Nations cultural traditions and a community that's now home to the Australian Red Cross-led Communities for Children and Family Support Services programs. Our logistics, planning and budget assistance helped make the event a success.

Our ongoing work in the Tiwi Islands has created strong relationships with local Elders and community members, as well as with government agencies and local businesses. We will continue to invest in programs and services and in empowering local leadership with the aim of building long-term community resilience.



The inspiring story behind one community's food hub

"I truly believe the only people who can understand the complex issues in communities are the communities themselves," says Joselle Griffin, an Australian Red Cross Community Programs Officer.

"And the only ones who know the solutions to the problems are the people facing them."

Joselle works in Bridgewater, on the outskirts of Hobart. The suburb is home to some 4,500 people and has one of Tasmania's highest urban Aboriginal populations.

It is also one of seven First Nations populations where Australian Red Cross provides support through a place-based program. These programs focus on solving specific community issues through local involvement.

"We find out what they want to focus on, their passion. And then, together, we look at what we could do to fill that gap," says Joselle.

So, when the people of Bridgewater told Joselle they wanted to create a food hub to tackle food insecurity, she set about helping them do that.

"The community didn't necessarily need emergency relief. But they did need a helping hand, more access to good, affordable food," she says.

For months, Joselle and the community researched the idea and then ran a pilot. And when that proved the food hub could succeed, the community took over.

"They took it with both hands, ran with it... we worked with community in such a way they knew they could do it themselves," Joselle says.

While the idea for the hub, which helps between 600 and 700 people a fortnight, came from consultation with the First Nations community, it's now supporting the whole community.

Joselle says the key to lasting and sustainable change lies in activating communities.

"When you find a small group of people passionate about an issue... all of a sudden, you have the ability to achieve great things," she says.

"These things might not have Australian Red Cross on the banner, but that's what place-based programs are about. We don't need to be at the forefront.

"We get community in a space where they can do it themselves, and then we can look for the next space to fill."

**Innovation
and thought
leadership**





Humanitech: putting technology at the heart of humanitarian action

In an increasingly digital world, new technologies have the potential to deliver innovative solutions to meet humanitarian need at scale. We've invested through a lab process in the incubation and acceleration of promising projects with the support of founding partner the Telstra Foundation.

Humanitech brings together thought leaders, technologists and communities to explore the opportunities to connect novel, technology-led approaches to help solve humanitarian challenges. This year, 10 pioneering start-ups were able to test, pilot and scale their innovations through connections Australian Red Cross made with programs and communities by engaging external pro-bono advice and support.

Program highlights

- A 'digital human' created to translate our RediPlan emergency preparedness training into Auslan. *Partners: Kara Technologies, co-created with members of Queensland's deaf community.*
- Adapting an existing and ground-breaking drone-planting solution to rehabilitate flood-damaged land in northern New South Wales. *Partners: AirSeed, private landholders and community members from Northern New South Wales.*
- A digital identification wallet for First Nations Australians and other digitally excluded people piloted. *Partner: First Nations-led tech company Hold Access*
- Enabling the ongoing development with community members to co-create Maya Cares, a trauma-informed chatbot and resource library responding to racism. *Partners: The Creative Co-Operative, co-created with 250 women of colour.*
- The HeatSens heat risk decision support platform is being scaled with Australian councils, following a pilot with Australian Red Cross, to bridge the gap between emergency management and climate change preparedness, especially in areas

where people experience heightened vulnerability. *Partners: ClimaSens, a climate risk analytics start up. [Watch our video about ClimaSens.](#)*

Humanitech Summit

We were delighted to host 250 leaders in technology, community innovation and humanitarian action at our annual Humanitech Summit. Attendees came from across Australia to explore the role of technology in solving pressing challenges, from climate change and disaster response to centring First Nations knowledge and leadership.

Our collaborations

Humanitech partners and collaborates with:

- the RMIT led Australian Research Council Centre of Excellence for Automated Decision-Making and Society as an industry partner
- the UTS Human Technology Institute, including as a member of the Expert Reference Group on Facial Recognition Technology and AI
- the ANU Cybernetics Practitioner Network.

“Technology has the power to solve pressing challenges in society, but integrating people and communities in the design and development process is key to doing this successfully. Humanitech’s Innovation Lab is generating important insights through sharing, collaboration and experimentation on the new approaches needed to develop and scale technology for social impact.”

– Jackie Coates, CEO of Telstra Foundation

Global Migration Lab: driving meaningful change through evidence-based research

At Australian Red Cross, we go the extra mile to support migrants in need. The Red Cross Red Crescent Global Migration Lab is an Australian Red Cross-hosted think tank that conducts research to improve international migration operations and inform global migration policy advocacy.

The lab’s team of research, policy and engagement experts works in partnership with National Societies, the IFRC, the ICRC and migrants to co-design and execute multi-country comparative research projects.

Findings from these projects provide an evidence base for partners, governments and the Movement to achieve better outcomes for migrants experiencing vulnerability.

Program highlights

- 17,000 migrants took part in [Migrants’ perspectives: building trust in humanitarian action](#), a research project involving 15 National Societies, the IFRC and the ICRC.
- The Lab’s research findings and analysis were presented at more than 12 Movement meetings and conferences, reaching more than 60 National Societies and IFRC and ICRC delegations in every region, and at five global policy events organised by United Nations bodies and academic institutions.
- The Lab was identified as a thought leader and coordinator for the development of the first-ever International Red Cross and Red Crescent Movement Strategy on Migration. Also contributing to IFRC global advocacy messaging for the International Migration Review Forum of the Global Compact for Migration.
- Our research informed World Health Organization (WHO) guidance on COVID-19 vaccine access for migrants as well as IFRC dialogues with states, WHO, UNICEF, UNHCR, IOM and others.

Australian Red Cross Lifeblood





Life-giving donations for life-changing outcomes



1.6 million

individual blood, plasma and platelets donations were made by donors living in Australia.



Over 1 million

fresh blood products were delivered to hospitals and healthcare settings for life-saving patient treatments.



842.4 tonnes

of plasma were delivered to CSL Behring for use in 18 different life-changing products.



4,000 litres

of breast milk were delivered to support some of Australia's most vulnerable babies.

Australian Red Cross Lifeblood is proud to provide one of the world's safest supplies of blood, plasma and other biological products to those who need it most. This vital work is made possible by the generosity of our donors, including the 536,966 Australians who voluntarily gave blood or plasma to help others, the 55,000 waiting to donate, and the countless advocates who support us in our ongoing quest to meet demand for our life-changing products.

We also deliver world-class research and health care services beyond blood that are transforming health outcomes across Australia. These include:

- our Transplantation and Immunogenics Laboratories, which support diagnostic testing and scientific analysis of more than 80% of Australia's transplant programs, from stem cells to solid organs. This work provides patients with better health outcomes through matching compatibility and by reducing specialised transfusion reactions.

- our milk operations, which support Australia's tiniest humans. Thanks to the incredible efforts of 370 generous donor mums, we've provided donated breast milk to over 54 partner hospitals and special care nurseries nationwide to help vulnerable premature babies.
- faecal microbiota for transplant (FMT), which we deliver under clinical trials to treat patients suffering from debilitating gut infections or other health conditions.

Saving more lives, more often

We continue to increase the impact of our work by creating new opportunities that inspire people to donate.

- For the first time in five years, we opened new blood donor centres. These were at Brunswick in Melbourne and Marrickville in Sydney. We also relocated donor centres to Springwood in Queensland and York Street in Sydney's CBD. These carefully chosen locations are attracting new donors and creating more life-giving opportunities to donate blood, platelets and plasma.
- This year 116,951, Australians gave blood for the very first time, joining our panel of 536,966 registered donors. We also made it even easier for donors to book appointments through our online and call centre experiences with new scheduling capabilities that allow donors to book with a friend or make multiple appointments in advance.
- Our new 'Lifeblood Gifts' program has proved extremely popular. Regular donors receive Lifeblood-branded gifts, including t-shirts, mugs and socks, to celebrate their achievements as they reach donation goals.

An inclusive community of donors

Over the last 12 months we took important steps towards increasing the inclusion and diversity of our donor community while maintaining our position as one of the safest blood services in the world.

- Our submission to the Therapeutic Goods Administration for the removal of sexual activity rules for plasma donation was successful. This brings us closer to implementing a plasma pathway for our sexuality and gender-diverse (LGBTQ+) community, including gay and bisexual men, provided they meet other donor eligibility rules. If governments and CSL Behring (who turn plasma into treatments) agree, this change will make Australia the first country in the world to implement this pathway, helping provide more plasma treatments for those in need.
- Based on the latest data and research, Australian Red Cross Lifeblood, CSL Behring, the Therapeutic Goods Administration and state and federal health authorities agreed to change the rules that prevented people who had lived in the UK between 1980 and 1996 from giving blood. Since lifting the 'mad cow' restriction on 25 July

2022, Australian Red Cross Lifeblood has welcomed over 40,000 new donors from the United Kingdom who contributed an impressive 8% of all blood donations collected by Australian Red Cross Lifeblood in the past year.

- An Australian Red Cross Lifeblood study in partnership with the Kirby Institute at UNSW led to an important rule change for donors with tattoos. The research found that those inked in Australian licensed tattoo parlours or cosmetic clinics are safe to donate. Eligible tattooed donors can now donate plasma immediately or blood just a week after getting fresh ink after previously having to wait for four months.

Unlocking our Australian Red Cross Lifeblood future

This year we launched our newly articulated purpose statement: life-giving donations for life-changing outcomes. This is a key step in our Lifeblood Unlocked initiative, which will strengthen our purpose, values and culture, aligning our 'why' and 'how' with 'what' we do and positioning us as an inspiring, inclusive workplace and an iconic part of the Australian community.



**Financial
capital**

Creating social change with Australian Red Cross shops

Driven by the dedication of our staff and volunteers, our retail operations thrived during a year when the cost of living became a national talking point.

- Our network of 3,200 retail volunteers spanned both shops and distribution centres, showcasing the power of community engagement.
- A collaboration of 580 student volunteers was pivotal in expertly sorting through thousands of kilograms of products at our national distribution centre.
- An impressive 6.8 million donated items found new homes via successful sales channels.
- We've woven a tapestry of support across the nation, with 162 Red Cross shops in every state and territory fostering vital social connections.
- Our pop-up shops at festivals and markets have thrived, helping us maintain invaluable ties to communities.
- In collaboration with local councils in Sydney and Melbourne, we championed the reuse of valuable textile resources with donation drives for quality clothing that may have otherwise been prematurely sent to landfill.

Empowering communities with first aid

First aid training equips everyday people with lifesaving expertise. All communities benefit from the presence of trained first aiders, particularly those in regional and remote areas where access to medical help is limited.

- More than 53,000 people completed Australian Red Cross-led first aid training this year, gaining the skills to support their local communities. This included 5,000 who completed a mental health awareness course, preparing them to help foster a more informed and compassionate society.
- 270+ people completed Farm First Aid training, which equips rural communities to address common accidents and injuries effectively.

- Our outreach extended to the most vulnerable: 679 people completed our First Aid for Babies and Children online course, while 688 participated in Pet First Aid demonstrations.
- Our commitment to inclusivity remained strong: 180 people participated in the Australian Red Cross-led Streetwise First Aid program, which empowers homeless communities with practical skills.
- Through our partnership with April Pools, we championed pool/water safety and CPR education.

Appealing to the generosity of our donors

The global challenges of the last 12 months touched almost every corner of the globe. In the face of conflict and disaster, our donors stood shoulder to shoulder with those in crisis. Their generosity has reached both local and international communities, sustaining our vital humanitarian work and exemplifying the power of collective giving.

In response to various Australian Red Cross appeals, our remarkable donors raised:

- \$6.9 million to deliver essential aid to those impacted by the Türkiye/Syria earthquakes
- \$2.6 million to support immediate relief and long-term recovery efforts in Ukraine through the ongoing Ukraine Crisis Appeal
- \$5.9 million for our annual Tax Appeal to support our everyday programs and activities across the country. Existing supporters played a pivotal role in achieving a 6% increase on the previous year's total.



Hope emerges as floodwaters recede

Disaster recovery is often a long-term proposition. In Queensland and New South Wales, the impacts of the devastating 2022 floods continue to reverberate across communities.

But thanks to our generous donors, they're not alone. Thousands of people continue to support Australian Red Cross to deliver physical, financial and psychosocial support to people and communities rebuilding their lives and livelihoods. This year, through a diligent process of allocation and distribution, we disbursed a total of \$48.6 million (FY22 \$38.3 million and FY23 \$10.3 million) in flood grant relief.

We remain committed to supporting sustainable recovery, rebuilding and resilience and to making good use of every dollar we receive. The collective spirit of generosity and compassion that drives these donations is a shining light that gives hope to people and communities who were impacted and supports our ongoing recovery work.

We extend our heartfelt gratitude to the individuals, businesses, and partners who have joined us in this ongoing endeavour. The impact of your contributions continues to shape lives and create a legacy of resilience and unity that will endure for years to come.

Donors and partners





People helping people

Humanitarian work is often a story of crisis writ large — of disaster and hardship that have an irrevocable impact on people and communities.

But behind the headlines are untold stories of ordinary people doing extraordinary things: treating people with dignity, forging connections through kindness and responding to need in whatever form it takes.

Thanks to generous humanitarians in Australia, our teams were on the ground when disaster struck this year. They were there when floods hit, when families fleeing conflict came searching for safety, when lonely people needed to see a smiling face.

Here is how our community of humanitarians came together this year:

- More than 100 corporate and philanthropic partners supported the delivery of essential humanitarian programs and services across Australia and abroad
- Corporate and philanthropic partners donated nearly \$7.5 million for international disasters and emergency responses
- 95,578 people generously donated \$32 million through regular donations
- 62,000 people donated to support key Australian Red Cross Appeals.

We are grateful for the wonderful support of our Australian community, corporate and philanthropic partners and many others whose donations sustain our vital work.

Even as people in Australia faced increasing financial stress from the pandemic, floods and economic pressures, together we have shown that in the toughest times, acts of humanity and kindness prevail.

Bequests

A bequest is an act of compassion that lives on from one life to the next. This year, we were privileged to receive \$19 million from supporters who left a gift to Australian Red Cross in their Will. These are no ordinary gifts, each one is a legacy of generosity that will help us to support more people to overcome disaster and hardship in Australia and around the world. As we reflect on the immense kindness and generosity of these supporters, we also extend our deepest condolences to their loved ones. Below are the names of the remarkable people who left gifts of over \$20,000 in their estates and who will continue to inspire and shape our work in years to come.

| | | |
|----------------------------|-----------------------------------|-----------------------------|
| Annetta Adami | Judith Barbara Fox | Robert John Mosbey |
| Richard Walter Alley | Robert J Gallacher | Aileen Mae Moss |
| Patricia Anderson | Patricia Thirza Glennie | Maxine Isobel Myers |
| Henry Arthur Andrews | Helen Godlee | John David Nielsen |
| Marjorie Rose Bentley | Len John Grasso | John Vivian Noble |
| May Buttrey | Gwenneth Gray | Norma Marion Nock |
| Kerry Robert Bauer | William George Greenaway | Ursula Anne O'Connor |
| Wolfgang Becker | Frederik Hendrik Ubbo Groenier | Isobel Alice O'Neill |
| Kenneth Frank Ernest Bird | Robyn Suzanne Hamilton-Coates | Mary Alice Palmer |
| Marjorie Frances Bowen | Violet Harding | Wanda Park |
| Vlasta Bowen | Eric Marr Hardy | Norman Payne |
| Shirley Winifred Broomhill | Margot Gillian Harris | Betty Juanita Pelton |
| Kenneth William Burns | Margaret Audrey Hatton | Frederick Joseph Peluso |
| Natalie Burwell | Edward Neil Hawting | Ursula Else Mariechen Pump |
| Mary Howard Cameron | Corrie Eleanor Heath | David Ridout |
| Angelo Casella | Joyce Alma Heath | Elvira Rombai |
| Robert Leslie Cahn | William Mansell & Dorothy Higgins | Bruce William Robinson |
| Helen Madeline Carman | Patricia Mary Holmes | Raymond William Robinson |
| Dennis Osborne Clarke | Clare Matilda Humphries | Heather Sybil Smith |
| Winifred Elizabeth Cobbold | Constance Olivia Hunt | Graham Robert Somerville |
| Jann Rae Collison | Joan Jamieson | Peter Szabo |
| Jennifer Cook | Norman Peter Johnson | Beryl Anne Tidex |
| Peter John Cushing | Bruce Leon Kelly | Terence Michael Turner |
| John Robert Thomas Brown | Edna May Kerr | Robin Ann Spencer Underhill |
| Mavis Eileen Dow | Mary June Lepage | Jozsef Vegh |
| Janette Mary Dunbar | Harry Mantell | George Frederick Walker |
| Luke Durkin | Kenneth Mackenzie | Reginald Alfred Walker |
| Arthur Francis Dyer | Philip David Tristram Matthews | Graeme Douglas Watson |
| Ida Beatrice Dwyer | Norma Beryl McKenney | Hubert Woods |
| Jack Eadon | Anita Stafford McKenzie | John Frederick Wright |
| Ralia Economos | Barbara McKenzie | Jonathan Wright |
| Carlyle Raymond Ellis | Audrey Lilian McLaren | Norma Wyatt |
| Donald John Edwards | | John Francis Zarb |
| Edith Egan | | Marie-Louise Zeugin |



Red Cross 50

What does people helping people look like? It looks like Red Cross 50, a special group of humanitarians who, in 2022, pledged to give \$5,000 (or more) each year for the next three years.

Their generosity will ensure that we can continue providing both immediate assistance and long-term support for communities in need. In a year when so many Australian communities were impacted by the cost of living crisis and the resulting threats of food and housing insecurity, these ordinary people have had an extraordinary impact on those in need.

The Red Cross 50 began with 50 founding members – and now, their philanthropy is inspiring others. This year, we welcome and thank the new members whose generosity will continue shaping our humanitarian mission.

| | | |
|------------------|--------------------|---------------------|
| Wendy Adam | Peter Holmes | Julian Peet |
| Michelle Bean | William Huffam | Rachel Robins |
| Sarah Bendall | Bryan Kalms | Edward Sandrejko |
| Andrew Bettison | Rohan Kashyap | Shane Sinclair |
| Margaret Brand | Pam Koebel | Lance Staer |
| Rosalie Buchan | Anne Langmaid | John Staker |
| Ronald Bulla | Peter Lanyon | Charles Thomas |
| Mr & Mrs P Clews | Richard Mackinnon | Judith Trevan-Hawke |
| Stephen Creese | Ros Madden | Colleen Vale |
| Alan Dandie | Judith Margerrison | Eric Welsh |
| Patrick D'Arcy | Geoff Martin | Doug Ward |
| Valsamma Eapen | Graham McKnight | David Warneke |
| Chris Egan | Renata Money | Warren Weightman |
| John Findlay | Greg Monk | Andrew Wood |
| Richard Franklin | Helen Nicolay | Apam Plumbing |
| Anthony Harris | Robert Noble | Janville Pty Ltd |
| Lesley Hentschel | Ross Oakley | Joned Pty Ltd |
| Emily Hibbert | Thomas O'Connell | Q S Services |

Corporate partners

Australian Red Cross is built on the power of collective humanity. Our partnerships with the private sector are vital to our mission of standing strong with people and communities facing adversity around the world. We are proud of our close and trusting relationships with our corporate partners whose resources and networks amplify the social outcomes and impacts of our work.

This year, our corporate and workplace giving partners delivered \$10.8 million in financial, pro-bono and in-kind value, with the following partners providing significant support:

| | | |
|---------------------|------------------------------------|-------------------------|
| Accenture | Lendlease | Coles |
| Amazon | Motion Asia Pacific | CBA |
| Australia Post | NAB | HWL Ebsworth |
| Bayer Australia | NRMA | King and Wood Mallesons |
| BHP Foundation | Origin Energy | Apple |
| Charter Hall | Pacific National | South 32 |
| IFM Investors | Telstra | IFM Investors |
| IAG | Telstra Foundation | Ansell Limited |
| ING | Qantas | Manildra Flour Mills |
| Inpex | QBE | Paypal Giving Fund |
| Jaguar Land Rover | Pine O Cleen | TJX |
| JP Morgan | The Coca-Cola Australia Foundation | Walt Disney Company |
| Kimberly-Clark | Uber | KPMG |
| The Lego Foundation | Vicinity Centres | Motion Asia Pacific |



BHP Foundation: generosity that builds community resilience

BHP Foundation has generously supported Australian Red Cross' disaster relief efforts over many years, including during the devastating bushfires of 2019/20 and the COVID-19 pandemic. More recently, we have worked together to develop a sector-leading model that harnesses the power of community-led resilience approaches to manage and reduce the psychosocial impacts of more frequent and severe disasters.

In 2022, when floods devastated parts of Queensland and New South Wales, BHP Foundation stepped up again, supporting crucial relief and recovery programs that are now helping communities rebuild.

These include:

- funding longer-term recovery programs that recognise the cumulative effect of multiple disaster events on communities' psychosocial and economic health
- testing and scaling Australian Red Cross' role as convener in community disaster resilience so we can play a more substantial leadership role across the emergency management sector.

The Foundation has also become a priority partner for Red Cross and Red Crescent's global humanitarian work, contributing \$2.9 million towards emergency relief and longer-term humanitarian support to people and communities affected by the unfolding crisis in Ukraine.

Their remarkable contribution ensures that we can continue delivering on our vision to make a genuine difference in the lives of people and communities.

This year, we celebrated their generosity at a panel event with the ICRC Director General, Robert Mardini, hosted at BHP's offices.

We look forward to our continued collaboration with BHP Foundation long into the future.

Workplace giving

More than 300 passionate organisations and their employees supported Australian Red Cross this year, raising nearly \$1.4 million to support our programs. We would like to give a special thank you to our top five workplace giving partners, ANZ, Lion, Macquarie Group, BHP and IAG, who collectively raised nearly \$400,000.

Philanthropic partners and supporters

Gifts and grants from trusts, foundations and other philanthropic supporters totalled more than \$12.8 million this year. These funds helped communities impacted by disaster, providing seed funding to test new projects and ways of delivering our programs and contributing to the delivery of essential services.

Society of Women Leaders

The Society of Women Leaders (SWL) is a collective of passionate humanitarian women philanthropists who partner with us to drive measurable change in vulnerable communities in Australia and overseas. This year, SWL raised nearly \$800,000 to support our work, bringing their total contribution to nearly \$5.8 million since their inception in 2014. Over the last 12 months, SWL supported important Movement initiatives, including the Global Migration Lab, Young Parents Program, Night Café, international disaster response, and disaster management in Vanuatu.

Bindaring Clothing Sale

As one of Perth's largest annual fashion and fundraising events, the Bindaring Clothing Sale celebrated its 60th anniversary in May.

Raising an incredible \$180,000, this year's event was supported by over 200 members, volunteers and staff, and saw more than 1,800 shoppers through the doors. Lines started forming at 6am, with bargain hunters ready to snap up incredible designer, vintage and everyday items.

Other philanthropic supporters

Over the last 12 months, our philanthropic partners, including BHP Foundation, Intrepid Foundation and Count Charitable Foundation, supported people from across the globe whose lives were impacted by international crises. These include the conflict in Ukraine, the Türkiye/Syria earthquakes and the Pakistan floods.

In Australia, Accenture Foundation funded employment pathways for asylum seekers, refugees and other migrants in transition. William Angliss (Victoria) Charitable Fund helped people and communities in Victoria prepare for, respond to and recover from emergencies.

We extend our thanks to the following trusts, foundations and other philanthropic supporters who provided significant financial contributions during the past year:

| | |
|--|---|
| Accenture Foundation | Intrepid Foundation |
| Andrew CC Farran Foundation | Kenrick, Wai Ning and Robert Macfie, Louise |
| Australian Philanthropic Services Foundation | The Metamorphic Foundation |
| Ball, Mr Leon | Perpetual |
| Black, Dugald | QBE Foundation Australia |
| Black, John | Rob and Panayiota Ward Foundation |
| Bland, Margaret and John | The Stan Perron Charitable Foundation |
| Cameron Foundation | Smail Family Foundation |
| Collier Charitable Fund | Sweeney, Mr Jim |
| Equity Trustees | Wallace, Drs. Alan and Hilary |
| Harris and Kerr, Mark and Lakshmi | Ward, Rob |
| Hart, Barry | Yu, Victor and Winnie |
| Ingman, Mr Tony | |

National patron

We thank His Excellency General the Honourable David Hurley AC DSC (Retd) for being the national patron of Australian Red Cross.

State and territory patrons

- New South Wales - Her Excellency the Honourable Margaret Beazley AC QC
- Northern Territory - Her Honour the Honourable Vicki O'Halloran AO
- Queensland - Her Excellency the Honourable Dr Jeannette Young AC PSM
- South Australia - Her Excellency the Honourable Frances Adamson AC
- Tasmania - Her Excellency the Honourable Barbara Baker AC
- Victoria - Mr Anthony Howard AM QC
- Western Australia - The Honourable Kim Beazley AC

Ambassadors

- Josh Mansour (NRL sportsman)
- Bob Handby (volunteer and international delegate)



People



Our people

- 
1,639
 Australian Red Cross staff as of 30 June 2023
- 
7,701
 members
- 
10,749
 active volunteers
- 
3,505
 new volunteers
- 
2,777
 community activity volunteers

Keeping our staff and volunteers safe

Our core purpose of people helping people isn't just a call to action in the aftermath of disaster. Closer to home, we strive to create a safe and supportive work environment that ensures the wellbeing of our staff and volunteers.

Think safe, work safe, be safe

This year, our Wellbeing Health & Safety (WHS) team worked across Australian Red Cross program areas to strengthen our health and safety agenda by:

- developing an accurate WHS risk profile and register
- completing regular site hazard inspections to identify and rectify potential harms
- ensuring timely incident reporting via the Speak Up hazard reporting system

- raising awareness of staff wellbeing initiatives, including our Halcyon program, online support service and Converge International EAP program.

This proactive approach has led to a reduction in Lost Time Injury Frequency and Work Cover claims.

Speaking Up to reduce workplace harms

Our Speak Up incident system captures staff reports of incidents, near misses and hazards. Using data from this system, the WHS team developed a 'heat map' to identify and address program areas with high numbers of incident reports.

Embedding diversity in the workplace

Our new Inclusion and Diversity Strategy draws on the rich feedback that emerged from last year's Inclusion and Diversity survey of our staff and volunteers. This strategy describes how we will embrace the diverse lived experiences of our employees, volunteers, members and the communities we serve to create an inclusive and welcoming workplace culture.

It's important that all Australian Red Cross staff, volunteers and members feel they belong, are respected and valued and are free to express their identities and cultures.

To this end, we created three inclusion networks for staff and volunteers who identify, or are allies of, the LGBTQIA+, disability, and culturally and linguistically diverse (CALD) communities. First Nations team members have also established an inclusion network to meet the cultural needs of First Nations staff.

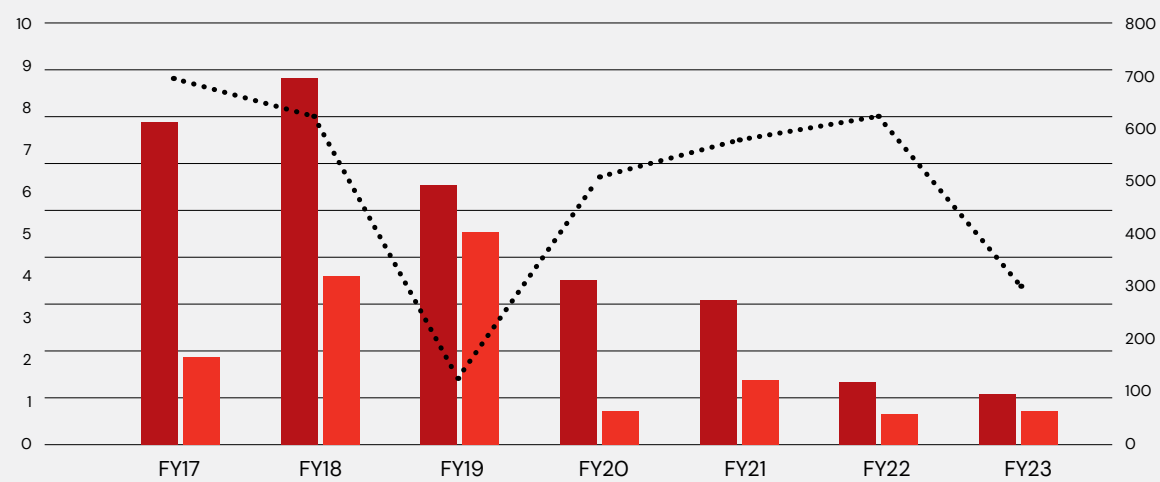
Collectively, these networks will provide safe connection points for staff and volunteers and build our collective knowledge of the barriers and enablers of inclusion.

Outside the workplace, Australian Red Cross also became a member of Diversity Council Australia, Australian Network on Disability, Pride in Diversity and The Inclusion Circle.

Championing transformational leadership

Guiding people through transformation was the theme of this year's leadership development and organisational culture programs. Our new LeaderFIT leadership framework uses 360-degree feedback and development opportunities to measure the impact of our leadership culture. All members of our executive team completed their LeaderFIT assessments, while 77% of managers and 83% of team leaders completed the targeted LeaderFIT program. The assessment results will guide the delivery of targeted training and development activities to strengthen our leadership and change management capabilities. They will be supplemented by TransitionFIT, a fortnightly experiential change program designed to empower volunteers and staff.

Lost time injury frequency mode



■ Lost time injury frequency rate ■ Preventable lost time injury frequency rate ••• Workers compensation lost hours

Definitions

- The LTIFR calculation measures the number of staff lost-time injuries (LTI's) per million hours worked over a 12 month period. A lost-time injury (LTI) is something that results in a fatality, permanent disability or time lost.
- The (PLTIFR) indicator measures the number of LTIs, that after an incident investigation, were determined to be 'preventable based on Red Cross having the correct processes, conditions, equipment, control, training or supervision in place at the time.
- Workers Compensation Lost hours is the number of recorded hours associated with staff being off work due to a Workers Compensation claim

Governance and risk



Governance

Overview

Australian Red Cross is part of a global movement that has been mobilising the power of humanity in Australia since 1914. In 1941, the Australian Red Cross Society was established as a “body corporate” under Royal Charter. This charter, together with the Rules, sets out the governance structures and systems for the management and operation of Australian Red Cross Society, in accordance with the Statutes of the Movement.

Australian Red Cross Society champions humanity through two distinct divisions, delivering humanitarian services to people in need (the Humanitarian Services division) and sharing the gift of life (the Lifeblood division).

Board

Our Board has ultimate responsibility for governing the activities of Australian Red Cross Society. It is responsible for determining the Society’s strategic direction, setting annual budgets, and monitoring implementation of the strategy while maintaining the highest level of ethics.

Our Board is comprised of (up to) 16 people. Board members receive no payment for their service¹ but are reimbursed for reasonable travel and other expenses incurred in connection with their role. The Board monitors and periodically evaluates its own performance and strives to have a skilled and diverse membership in place that reflects the Australian population.

Our Board Members during FY23 are listed on pages 35 to 41.

Board committees

This year, our Board was supported by the following seven committees, each with roles and responsibilities specified in their approved Terms of Reference:

- Audit and Risk Committee
- Finance Committee
- National Youth Advisory Committee
- National Awards Committee
- Nominations and Remuneration Committee
- Remuneration of Employees Compliance Committee
- Statutes and Governance Review Committee.

Committees are comprised of Board members and external members who are appointed for their relevant skills and experience. In addition to these Committees, the Board also receives reports from the Australian Red Cross Lifeblood Advisory Committee, which provides independent medical, scientific and research advice to Australian Red Cross Lifeblood. This advisory group also provides assurance to the Board that Australian Red Cross Lifeblood maintains the highest standards of medical and scientific practice and product safety.

National Council

Our [National Council](#) is a constituent assembly that meets at least once a year to exercise its role, which includes electing office bearers, appointing some Board members, receiving reports and endorsing changes to the Rules.

Management

Australian Red Cross CEO is responsible for the [day-to-day management of Australian Red Cross Society](#). All powers, discretions and delegations are authorised by the Rules and the Board. The CEO is supported by executive and senior leadership teams whose members provide advice on key strategic and operational matters and assist in implementing the Board’s decisions in a timely, coordinated and cooperative manner.

The General Counsel & Society Secretary is accountable to the Board, through the President, on all matters related to the proper functioning of the Board and provides strategic governance advice to the Board, its committees and management.

Australian Red Cross Lifeblood

A separate board, CEO and management team are responsible for the [day-to-day management of Australian Red Cross Lifeblood](#). All powers, discretions and delegations are authorised by the Rules and the Australian Red Cross Society Board.

Board members

Ross Pinney

President
Elected 2 December 2017

Ross Pinney was elected President of Australian Red Cross Society for a third, two-year term at the Annual General meeting on 27 November 2021.

Previously, Ross had served as Deputy President since 2011, as a Red Cross Divisional Advisory Board member from 2005 to 2007 and was elected Chair of the Audit and Risk Committee in 2007. He served as a member of the International Federation of Red Cross and Red Crescent Societies’ Finance Commission from 2007 to 2015. Ross also served as a member of the Australian Red Cross Blood Service Board from 2011 to 2017.

Ross chaired the Nominations and Remuneration Committee until July 2022, is chair of the Remuneration of Employees Compliance Committee, and is a member of the Finance Committee, the Statutes and Governance Review Committee, and he attends the Audit and Risk Committee. He was awarded a Distinguished Service Medal in 2015.

Ross worked for 15 years as a senior executive at National Australia Bank, as Executive General Manager Office of the CEO, CEO Europe, and Executive General Manager Products and Services. Prior to that he worked for 15 years at the Melbourne and Metropolitan Board of Works.

Ross has been a non-executive director on several Boards in financial services.

Ross’ qualifications include an MBA and B Comm. He is a fellow of Chartered Accountants Australia and New Zealand, the Australian Society of CPAs, the Financial Services Institute of Australia, and of the Australian Institute of Company Directors.

1. Remuneration is paid to members of the Australian Red Cross Lifeblood Board and its committees.

Charles Burkitt

Deputy President
Elected 29 November 2019

Charles was elected as Deputy President for a second two-year term at the Annual General Meeting in November 2021.

Charles has served as a board member since October 2014, when he was elected as Chair of the Northern Territory Divisional Advisory Board. He currently chairs the Statutes & Governance Review Committee, is a member of the Audit and Risk Committee, Finance Committee, and the Nominations and Remuneration Committee, while also being a board member of Australian Red Cross Lifeblood.

Charles' journey with Red Cross commenced at a very early age, not long after his family endured the devastation of Cyclone Tracy in Darwin, which resulted in his direct experience of the Red Cross power of humanity with support being provided following this event. Since this time, he has continually volunteered with the Movement.

Charles began his career as an experienced Investment Adviser specialising in financial markets, and then spent several years working in the commercial property sector based in Darwin. He is now a non-Executive Director having obtained extensive Board experience and is an active Board Member of several local organisations.

Charles enjoys an active lifestyle with an interest in most sports and leisure activities.

Sam Hardjono

Audit and Risk Committee Chair
Elected 10 February 2021

Sam was elected as Chair, Audit and Risk Committee in February 2021 (following Acting as Chair of the Audit and Risk Committee from September 2020) and Chair of Tech and Cyber Sub-Committee in July 2022. He joined the New South Wales Divisional Advisory Board in 2010 and was Chair between 2015 and 2020.

He joined the Property Sub-Committee in 2014 and Finance Committee in 2016. For his service, dedication and exceptional leadership to Australian Red Cross, Sam was awarded a Distinguished Service Award in October 2017.

Sam is currently a senior strategic adviser, working with leaders in the corporate, not-for-profit and family offices. For more than a decade he was Chief Executive Officer of a large charity with projects in South-East Asia, South America and Australia. Prior to this, he was Australian Managing Director of a NASDAQ/London Stock Exchange listed property service company, and previously Group Financial Controller for one of Australia's largest and iconic architectural firms.

He is currently a trustee for the Little Company of Mary in New Zealand, director for HNC Public Health Network Ltd and Chair of the board for Edmund Rice Education Australia NSW Ltd.

Sam holds a Bachelor of Business in Accounting and an MBA in International Business.

James Birch AM

Australian Red Cross Lifeblood Board Chair
Appointed 1 February 2016

James was appointed Chair of Australian Red Cross Lifeblood in February 2016. He was previously a member of the South Australian Division Board from 2005 to 2008.

James is currently a non-executive director chair on a number of boards.

Until January 2016 he was the Global Health Care Leader for Ernst & Young, having previously been the leader of its Health and Human Services Practice for Asia Pacific.

James is currently the Chair of Calvary Health and a Director of Beamtree Pty Ltd.

James has a Bachelor of Health Administration from the University of NSW (1983) and is a Fellow of the Australian College of Health Service Management (FCHSM).

Karyn Collins

Western Australia Division
Appointed Board Member
Appointed 14 December 2022

Karyn joined Australian Red Cross as a Member in 2013. Since that time, Karyn has served as East Perth Regional Representative, Moore Regional Representative, Chair of the Regional Representative Committee and as a Member of the Western Australian Divisional Advisory Board. She was appointed as Chair of the Western Australian Divisional Advisory Board in October 2022.

Outside governance roles, Karyn has held senior positions at the Gingin Red Cross Shop, and is active in supporting Emergency Services, particularly as a trained Psychological First Aider.

Karyn has previously held been worked in child care services and hospitality and held elected positions in a number of organisations, including Secretary of Lions Club, Board member and Deputy Chair of CWA.

Helen Clarke

Queensland Division
Appointed Board Member
Appointed 21 November 2022

Helen joined Australian Red Cross nearly 20 years ago and has been an active member and volunteer involved in branch fundraising. In 2022 Helen was elected as the Chair of the Queensland Divisional Advisory Board, after joining the Queensland Divisional Advisory Board in 2016, being elected Deputy Chair in 2018.

Helen is a dedicated volunteer who has served in several programs, including the Brisbane Night Café for 13 years. The cafe provides practical support to young people facing homelessness. Additionally, Helen has been involved in every emergency impacting south Queensland since 2011, including acting as a COVID phone volunteer for many months.

Helen has served as a member of the National Awards Committee, Queensland Awards Committee and Queensland IHL Dissemination Committee.

Helen has also volunteered in different positions, including executive roles, in a range of community organisations, including school P&Cs, Meals on Wheels, Jubilee Community Care, the Mentally Handicapped Association Hong Kong, and church councils. Helen has also served as a Justice of the Peace for 48 years.

In recognition of her significant service to Australian Red Cross, Helen received a Distinguished Service Award in 2022.

Ané Coetzee

Youth Board Member
Appointed 3 December 2022

Ané was appointed as the Youth Board Member of Australian Red Cross in December 2022. Prior to this, Ané was Chair of the New South Wales Youth Advisory Committee.

Ané is the founder and CEO of Young Women in Sustainable Development, which is an organisation that addresses the barriers preventing young women from taking action on some of the world's most pressing issues (SDGs) and amplifies their voices in every aspect of international development from policy to implementation. She has attended multiple high-level international negotiations on international developmental issues including the 2019 United Nations Climate Action Summit. She has also served as the Australia Country Coordinator to the 16th and 17th United Nations Youth Climate Change Conferences in 2021 and 2022.

Additionally, she led the creation of the first ever official Australian Youth Statement and Policy Recommendations to be submitted to the United Nations Framework Convention on Climate Change as part of official negotiations at COP26 in October 2021. She has also worked with the UN Global Compact on the Business Ambition for 1.5 Climate Campaign.

Ané holds a Bachelor of Media (Public Relations and Advertising) from the University of New South Wales and a Master of Commerce (Marketing and International Business) from the University of Sydney. She has also been listed as a Young Woman to Watch by Young Australians in International Affairs in 2021 and received the University of Sydney Women's College Community Impact Award in 2022.

Nazli Hocaoglu

Additional Board Member
Appointed 1 April 2023

Youth Board Member
Appointed 27 November 2020
Retired 3 December 2022

Nazli has been heavily involved in volunteer work in the youth sector and was the recipient of a Certificate of Commendation for Service to the Community in 2012. She continues to be an active member of a number of NSW-based youth organisations.

Nazli previously worked for one of the leading human rights and pro bono programs in Australia, working on landmark human rights cases focused on racially and culturally fuelled discrimination.

She is the Company Secretary and Governance Advisory for Skyjed Pty Ltd.

Nazli provides legal and governance oversight to AI and machine learning companies, Dynamic Crowd Measurement Pty Ltd, Assess Threat Pty Ltd and Showsec Pty Ltd.

She is also engaged as the Head of ESG and Legal Advisory for the diverse services company ACESGroup.

Nazli holds a Master of Laws in Human Rights Law, Graduate Diploma in International Law and Graduate Certificate in International Dispute Resolution from the University of London, Graduate Diploma in Legal Practice from the College of Law, as well as Bachelor of International Studies and Bachelor of Laws from Western Sydney University.

Tarn Kaldor

Northern Territory Division
Appointed Board Member
Appointed 21 December 2022

Tarn joined Australian Red Cross in 2016, and since then has held roles across Community Programs and Emergency Services.

In 2020, Tarn was appointed as the Youth Member of the Northern Territory Divisional Advisory Board, and then as Deputy Chair in 2022.

Tarn's experience in the community sector has spanned the fields of community development, advocacy and counselling. Throughout her career, Tarn has worked alongside women and young people in Central Australia to pursue social justice and community connectedness.

Tarn's qualifications include a Masters of Narrative Therapy and Community Work, Bachelor of Social Work (Hons) and Bachelor of Arts (Philosophy). Tarn is a member of the Australian Institute of Company Directors.

Dr Garry Nolan AM

Victoria Division Appointed Board Member
Appointed 8 October 2020

Garry joined Australian Red Cross in 2007 after a corporate career in various executive roles, including governance, organisational development, shareholder relations, financial management and structured financing. His experience included an active contribution to the Best Practice Governance Recommendations for companies listed on the Australian, London and New York stock exchanges. Garry's experience also included volunteer roles as chair and deputy chair of two major not-for-profit organisations, and extensive volunteer roles in community development.

Garry was elected Chair of Victoria's Divisional Advisory Board in 2020, after six years as Deputy Chair. He also served as a member of the Membership Rejuvenation Committee. He is Chair of the Nominations & Remuneration Committee and also a member of the Statutes & Governance Review Committee.

The formal professional qualifications held by Garry include governance, finance, treasury and accounting. His highest university degree is a Doctor of Business Administration. Garry is an Accredited Mental Health First Aid Provider and a Fellow of the Australian Institute of Company Directors.

Garry believes that any society can be judged by how well they protect the most vulnerable members of that society. Red Cross makes a major contribution to that role in Australia and around the world.

Melanie Ross

Tasmania Division Appointed Board Member
Appointed 15 December 2022

Melanie joined Australian Red Cross in 2017 and has since then focused on initiatives aimed at transforming youth participation at Red Cross. In October 2022, Melanie was appointed as Chair of the Tasmanian Divisional Advisory Board. Previously she held roles as a member of the Tasmanian Divisional Advisory Board, and Tasmanian Youth Advisory Committee (the latter of which she was also chair).

Melanie, who was admitted as a legal practitioner in 2015, is a legislative drafter with the Tasmanian Office of Parliamentary Counsel. Prior to this, Melanie was a specialist family violence prosecutor for Tasmania Police. This opportunity gave her substantial insight into the criminal justice system and the issue of family and domestic violence, both topics about which she remains passionate.

Outside Australian Red Cross, Melanie has been involved in different community organisations at all levels including the model United Nations and youth parliament camps.

Melanie holds a Bachelor of Arts, Bachelor of Laws and first-class Honours degree in Sociology.

Elizabeth Smith

Additional Board Member
Appointed 1 April 2023

Elizabeth (Liz) was appointed as a Board Member of Australian Red Cross on 1 April 2023, following serving as an independent member of the Finance Committee since 2020.

Liz was also appointed Chair of the Finance Committee on 25 September 2023, and is a member of the Audit and Risk Committee.

Liz is an experienced non-executive director and committee chair, including on ASX listed companies. Her executive career includes Corporate Finance Partner roles at William Buck and Grant Thornton, as well as audit experience at Ernst & Young. Liz has strong skills in finance and accounting, strategy, risk, and governance. She has worked across a broad range of sectors, including for large, membership-based organisations.

Liz holds a Bachelor of Commerce from the University of Melbourne and a Masters of Business Administration from La Trobe University. She is a Fellow of Chartered Accountants Australia and New Zealand, a Fellow of the Financial Services Institute of Australasia, a Fellow of the Governance Institute and is a graduate of the Australian Institute of Company Directors.

Eveline Kuang

ACT Division Appointed Board Member
Appointed 4 October 2023

Eveline has been volunteering with the Australian Red Cross since 2015, starting in a Canberra program providing meals to those who are vulnerable or at risk of homelessness.

She joined the Australian Capital Territory Youth Advisory Committee in 2016 and co-chaired the committee from January 2017 to January 2019. She joined the ACT Divisional Advisory Board as youth representative in 2017 and continues to serve as a board member of the ACT Divisional Advisory Board since 2017.

Eveline was previously Youth Member on the Australian Red Cross Board from December 2018 to November 2020 and during this period, was heavily involved in the Australian youth network and the global Red Cross Red Crescent youth network. Eveline was awarded a Youth Meritorious Service Award in 2018.

Eveline is a mergers & acquisitions lawyer at King & Wood Mallesons, specialising in foreign investment. She has had almost 10 years' experience in the Commonwealth Government, as a legislative adviser in national security and a policy adviser in foreign investment and critical infrastructure.

Eveline holds a Master of Laws and a Graduate Diploma in Legal Practice Law from the Australian National University and a Bachelor of Commerce (Accounting)/Laws from the University of Canberra.

Keith Wilson

South Australia Division
Appointed Board Member
Appointed 29 September 2022

Keith was elected to the South Australia Divisional Advisory Board in 2016, appointed as Deputy Chair in 2019 and Chair in October 2021. Keith was appointed as a member of the Society's Board in September 2022.

From 2006, Keith served on the South Australian International Humanitarian Law (IHL) Committee.

Experience in international law, disarmament and non-proliferation fields has led Keith to involvement in delivering training and capacity-building programs on international trade law and policy, development assistance, security and disarmament, regulation, governance, human rights, and other issues in more than 40 countries including in Australia, Africa, Europe, Asia, and the Pacific Islands.

Most recently, Keith was a Senior International Trade Law Counsellor at the Institute for International Trade at the University of Adelaide. Keith has held previous positions in the private sector and legal practice, as well as in the Commonwealth Attorney-General's Department, international organisations and in the Australian tertiary sector. He was the inaugural IIT Visiting Fellow at the World Trade Organisation in Geneva between 2015-2016.

He has been involved in negotiations on a range of international treaties, arrangements, and dispute settlements, and with many international and regional bodies and committees. Keith has also taught in undergraduate and postgraduate university programs in international trade, law, and disarmament.

Aisling Blackmore

Western Australia Division
Appointed Board Member
Appointed October 2019
Resigned 21 July 2022

Aisling was elected Chair of the Western Australian Division in October 2019, and resigned in July 2022 after having been an active member and volunteer of Australian Red Cross since January 2010. Aisling has a B.A. (Hons), M.A. (Research) and is a member of the Australian Institute of Company Directors and an alumna of the Australian Mental Health Leaders Fellowship. She has extensive experience in developing leadership systems and communities which are inclusive of the needs of young people and emerging leaders. She is committed to removing barriers to full participation and citizenship for people of all abilities and backgrounds.

Aisling has held leadership roles in Australian Red Cross on state, national, and international levels, and volunteered in services for people experiencing homelessness, newly arrived migrants and refugees, and peer-to-peer harm minimisation education. In recognition of her contributions, Aisling was awarded the Youth Meritorious Service Medal in 2014 and was shortlisted for Western Australian Young Achiever of the Year in 2016.

In addition to commitments with Australian Red Cross, Aisling runs a specialist consultancy working across mental health and disability. Her work spans across project design and management, impact evaluation, co-design, and growing lived experience leadership. Aisling's commitment to improving the diversity in governance and decision-making structures led to her joining the Future Directors Institute as Head of Strategic Projects in 2021.

Kathleen Cole

Northern Territory Division
Appointed Board Member
Appointed 1 January 2020
Resigned 28 October 2022

Kathleen joined the Northern Territory Division of Australian Red Cross in 2000 after a career in mining finance and management. Following joining, Kathleen worked for Australian Red Cross in the Northern Territory for nearly 10 years as Corporate Services Manager, Indigenous Program Manager, and Interim Northern Territory Director.

Kathleen developed her social justice understanding and application of community development practices with Australian Red Cross, and was deployed to China, Papua New Guinea, and East Timor for short duration secondments to work with local counterparts in finance and governance training and development.

During Kathleen's involvement with Australian Red Cross, she has been activated in many local, interstate and international disasters responses to natural disasters, terrorism and infrastructure failures, and was awarded a Distinguished Service Award by Australian Red Cross for her work with the Cyclone Yass response in 2007.

Kathleen (a FCPA and a GAICD) is currently the Executive Officer of the Miriam Rose Foundation Aboriginal Corporation, and a director of the PKKP Native Title Board, Mala'la Health Service Aboriginal Corporation and Australia Football League of the Northern Territory.

Ian Hamm

Additional Board Member
Appointed 8 April 2017
Retired 7 April 2023

Ian is a Yorta Yorta man who has been actively involved in the Victorian Indigenous community in a personal and professional capacity for many years. Prior to joining the Board between April 2017 and April 2023 as an Additional Board Member, Ian was a member of Victoria's Divisional Advisory Board.

Ian has had a wide level of exposure to policy development and program management at executive level through his work with the Federal Government (Office of Aboriginal and Torres Strait Islander Health) and the Victorian Government (Department of Justice; Department of Planning and Community Development, and the Department of Economic Development, Jobs, Transport and Resources).

Ian holds a number of governance positions including Chairperson: Indigenous Land & Sea Corporation; Chairperson: First Nations Foundation (national); Chairperson: Connecting Home Ltd (Stolen Generations Service); Chairperson: Koorie Heritage Trust (Vic) (Victorian Indigenous arts trust); Director: Aboriginal Housing Victoria Ltd; Director: Yarra Valley Water; and Director: Community First Development.

He also serves on a number of Advisory Boards and is a former President of the Western Region Football League, one of the major Australian Football leagues in Melbourne. Ian is a Fellow of the Institute of Public Administration Australia (Vic).

Dr Melissa Phillips

Additional Board Member
Appointed 23 August 2018
Retired 3 December 2022

Melissa is a consultant and academic with almost 20 years' experience working with migrants and refugees in Australia and overseas. She is a Lecturer in Humanitarian and Development Studies in the School of Social Sciences at Western Sydney University.

Melissa has worked for the United Nations in South Sudan and for international NGOs in Libya, the Horn of Africa and South Sudan in the areas of protection of civilians and humanitarian coordination. Melissa has formerly worked for the Australian Red Cross Tracing and Refugee Services department and managed a refugee resettlement project in Australia. Her Doctorate in Social and Political Sciences on the pre-migration experiences of migrants and refugees was completed at the University of Melbourne (2013).

She also holds a Master of Arts and Bachelor of Arts (Honours). In addition to her role on the Board, Melissa was also a member of the Migration Programs Advisory Committee, co-chair of the Inclusion and Diversity Working Group and Chair of the Board's Youth Working Group.

Wendy Prowse

Australian Capital Territory
Division Appointed Board Member
Appointed 6 October 2016
Retired 5 October 2022

Wendy was Chair of the Australian Capital Territory Divisional Advisory Board between 2016 and 2022, having previously held the Deputy Chair role for three years and been a member of the Divisional Advisory Board since 2012. She joined the Board in October 2016 and was also a member of the Nominations and Remuneration Committee, Finance Committee, and Statutes and Governance Review Committee.

With more than 25 years' experience working in the not-for-profit and corporate sector within the health, banking and community services industry, Wendy has an established track record in strategic and business development, corporate governance, marketing, people & culture, organisational change management, research and policy. Wendy is currently the Chief Executive Officer at ACT Disability, Aged and Carer Advocacy Service (ADACAS).

Wendy holds a Graduate Certificate in Management with Charles Sturt University, is a Member of the Australian Institute of Company Directors and a Fellow of the Institute of Managers and Leaders.

Rose Rhodes PSM

South Australia Division
Appointed Board Member
Appointed 17 October 2017
Retired 29 September 2022

Rose was Chair of the South Australia Divisional Advisory Board and a member of the Society's Board between October 2017 and September 2022. Rose joined Australian Red Cross as a member and volunteer in the Northern Territory in 2007. On moving to South Australia, Rose was appointed to the SA Divisional Advisory Board in 2009 and was elected as Deputy Chairperson in 2011.

Throughout her working career, Rose often responded to disasters and emergencies in health/medical responses and community recovery.

As a volunteer, she continued to work in Emergency Services undertaking deployments interstate and in South Australia performing various roles in the Incident Management Team during activations as well as undertaking Outreach Services, Telecross REDi and Psychological First Aid (PFA). Rose is a PFA and REDi-Plan trainer as well as a Community Speaker for Australian Red Cross.

She was awarded a Distinguished Service Medal in 2017.

Rose previously worked in health and community services with the South Australian and the Northern Territory Governments in positions of Regional Director of Health and Community Services, Executive Director of Community Services and Deputy Secretary, Health and Community Services in the NT.

Rose was awarded a Public Service Medal in 2007 for her outstanding contribution to the public service in the NT.

In 2021, Rose was awarded a National Emergency Medal (NEM) for services with Australian Red Cross in relation to the Black summer bushfires in 2019 and 2020.

Rita Richards

Tasmania Division Appointed Board Member
Appointed 1 March 2020
Retired 4 October 2022

Rita has been a member of Australian Red Cross for more than 70 years; commencing when she joined the Junior Red Cross at the Dunalley School in 1950. Since that time, Rita has held numerous positions including Tea Tree Branch President (until 1991), Hobart No.1 Branch President (1999 to 2007), Hobart No.1 Branch Secretary (2005 to 2006) and Chair of the Tasmanian Divisional Advisory Board (April 2020 to October 2022).

Continuing with her voluntary work, from 1993 to 1998, Rita volunteered at the Canberra Roadhouse, providing meals to young individuals who are vulnerable or at risk of homelessness. Between the years of 1993 to 2009, Rita actively participated in Red Cross Calling, a national fundraising initiative which helps support people and communities facing hardship within Australia and overseas.

In 2014, Rita was instrumental in accumulating and coordinating the collection of the Tasmanian historical memorabilia for the Centenary publication 'The Power of Humanity – 100 years of Australian Red Cross'.

Rita continues to be the State Historian for Australian Red Cross Tasmania and travels to many Branch and public functions to promote the history of Australian Red Cross and to showcase the original items and documents which were used during the Great War and World War II. Through this amazing work, Rita's attentiveness in the Australian Red Cross history is evident to all in Tasmania.

Winifred Smith AM

Queensland Division
Appointed Board Member
Appointed 11 October 2018
Resigned 6 October 2022

Winifred (Win) joined Australian Red Cross in 1997 after retiring from the workforce as Queensland Administration Manager for a multi-national electrical company. Since then, she has been an active member and volunteer. Win was appointed Chair of the Queensland Divisional Advisory Board in October 2018 (before resigning as Chair in October 2022).

During her time with Australian Red Cross, Win has served as Branch President, Regional President and Regional Voluntary Trainer and has served on a wide range of Divisional Committees. She has been active in supporting Emergency Services especially in the areas of Evacuation, Response and Recovery and has served on five of the Queensland Premier's Disaster Relief Fund Distribution Committees. She received the National Emergency Medal for her role in the Queensland 2011 floods and Cyclone Yasi.

She has served on the National Awards Committee as a member for four years, including as Chair. She is a Trustee on the Alexander Steel Young Lions Memorial Fund for the Australian Red Cross Lifeblood.

She has received many awards for her work with Australian Red Cross including Honorary Life Member in 2011 and the Member of the Order of Australia for significant service to Australian Red Cross Queensland Division and the community in 2015.

Maria Rigby

Additional Board Member
Appointed 23 August 2018
Resigned 11 July 2022

As a former refugee aided by Australian Red Cross and migrant, Maria (who goes by the name Cris) is passionate about contributing her experience across innovation, digital agility, and transformation to make a positive social impact and help those in need. Cris is a senior technology executive who has roles at Origin, Coles, Coles Financial Services, as well as positions in military research and software agencies in Australia and overseas.

She was recognised as one of the top 100 influential leaders in payments by Fin Tech Asia in 2016, Top 55 Inspiring International Women in Tech in 2018 and Diligent Top 100 Modern Governance Leaders in 2021.

Cris, who holds a Master in Computer Sciences and is a Graduate of the Australian Institute of Company Directors, contributed to the establishment of a national payments framework and policy through committee membership at the Australian Payments & Clearing Association, eftpos Payments Australia Ltd, the Australian Payments Council and Standards Australia.

John MacLennan

New South Wales Division
Appointed Board Member
Appointed 1 September 2020
Retired 25 September 2023

John joined the NSW Divisional Advisory Board in July 1998, was elected as a member of the National Council, and became Deputy Chair of the NSW Divisional Advisory Board in 2007. He was elected Chair of the NSW Divisional Advisory Board in 2009 and held that position until 2015. From 2015 to 2020 John was again Deputy Chair of the NSW Divisional Advisory Board. In September 2020 he was re-elected Chair of the NSW Divisional Advisory Board and rejoined the National Board.

He also chaired the Migration Programs Advisory Group, and previously was a member of the Statutes and Governance Review Committee and the NSW International Humanitarian Law Committee.

John was awarded Honorary Life Membership of Australian Red Cross in 2015.

Beyond Australian Red Cross, John practiced as a litigation lawyer in Sydney from 1977 until his retirement in 2012.

Jennifer Currie

General Counsel & Society Secretary

An experienced General Counsel and Company Secretary, Jennifer's experience spans both ASX-listed and non-profit contexts, across a broad range of sectors. As the Society Secretary for Australian Red Cross, she is responsible providing strategic governance advice and secretariat services to the Board. In her role as General Counsel, she leads a team that focuses on providing practical and tailored legal and contract advice to the organisation.

Jennifer is a Fellow of the Governance Institute of Australia, and her previous roles include Company Secretary for Equity Trustees Limited, Chief Legal Officer & Company Secretary for Syrah Resources Limited, Capital Health Limited, the Baker Heart & Diabetes Institute and PRB Foods Limited. Her other in-house legal experience includes Medibank, Telstra and the University of Melbourne.

She holds a Master of Laws (Intellectual Property), a Bachelor of Laws (hons) / Bachelor of Commerce, a Graduate Diploma in Applied Corporate Governance and is a Graduate of the Oxford Executive Leadership Programme and the Australian Institute of Directors: Company Directors Course. She also holds an Associate Certificate from the Australian School of Applied Management.

Board and committee meetings

The number of board and committee meetings held and the attendance records of individual board and committee members during their tenures were as follows:

| Board Member Name ¹ | Board | | Audit & Risk Management | | Finance Committee | | Nominations & Remuneration Committee | | Statutes and Governance Review Committee | | Remuneration of Employees Compliance Committee | | National Youth Advisory Committee | | National Awards Committee | |
|-----------------------------------|-----------------|-----------------------|-------------------------|----------|-------------------|----------|--------------------------------------|----------|--|----------|--|----------|-----------------------------------|----------|---------------------------|----------|
| | Attended | Eligible ² | Attended | Eligible | Attended | Eligible | Attended | Eligible | Attended | Eligible | Attended | Eligible | Attended | Eligible | Attended | Eligible |
| Ross Pinney | 12 | 12 | - | - | 9 | 10 | 3 | 5 | 5 | 5 | 7 | 7 | - | - | 1 | 2 |
| Charles Burkitt | 12 | 12 | 5 | 6 | 10 | 10 | 5 | 5 | 5 | 5 | 7 | 7 | - | - | 1 | 2 |
| Sam Hardjono | 12 | 12 | 6 | 6 | 8 | 10 | - | - | - | - | 7 | 7 | - | - | - | - |
| James Birch AM | 11 | 12 | - | - | - | - | 5 | 5 | 5 | 5 | 6 | 7 | - | - | - | - |
| Helen Clarke | 7 | 7 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Ané Coetzee ³ | 6 | 6 | 3 | 3 | - | - | - | - | 3 | 3 | - | - | 3 | 4 | - | - |
| Karyn Collins | 5 | 6 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Nazli Hocaoglu ⁴ | 8 | 9 | - | - | - | - | - | - | 1 | 2 | - | - | 1 | 2 | - | - |
| Tarn Kaldor | 5 | 6 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| John MacLennan | 12 ⁵ | 12 | - | - | - | - | - | - | 5 | 5 | - | - | - | - | - | - |
| Dr Garry Nolan AM | 12 | 12 | - | - | - | - | 5 | 5 | - | - | - | - | - | - | - | - |
| Melanie Ross | 6 | 6 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Elizabeth Smith ⁶ | 3 | 3 | - | - | 10 | 10 | - | - | - | - | - | - | - | - | - | - |
| Keith Wilson | 9 | 10 | 3 | 3 | - | - | - | - | - | - | - | - | - | - | - | - |
| Aisling Blackmore ⁷ | 1 | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Kathleen Cole ⁸ | - | 4 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Ian Hamm ⁹ | 9 | 9 | - | - | - | - | - | - | 2 | 5 | - | - | - | - | - | - |
| Dr Melissa Phillips ¹⁰ | 5 | 6 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Wendy Prowse ¹¹ | 3 | 3 | - | - | 2 | 2 | 1 | 1 | 1 | 1 | - | - | - | - | - | - |
| Rose Rhodes ¹² | 2 | 2 | 1 | 1 | - | - | - | - | - | - | - | - | - | - | - | - |
| Rita Richards ¹³ | 2 | 3 | - | - | - | - | - | - | - | - | - | - | - | - | 2 | 2 |
| Winifred Smith AM ¹⁴ | 3 | 3 | - | - | - | - | - | - | - | - | - | - | - | - | 2 | 2 |
| Maria Rigby ¹⁵ | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Margaret Wallace ¹⁶ | - | - | 6 | 6 | - | - | - | - | - | - | - | - | - | - | - | - |
| David Colliver ¹⁷ | - | - | 2 | 3 | - | - | - | - | - | - | - | - | - | - | - | - |
| Inmaculada Beaumont ¹⁸ | - | - | 2 | 3 | - | - | - | - | - | - | - | - | - | - | - | - |
| Alison Moffat ¹⁹ | - | - | 2 | 2 | - | - | - | - | - | - | - | - | - | - | - | - |
| Sally Dwyer ²⁰ | - | - | - | - | - | - | 3 | 5 | - | - | - | - | - | - | - | - |
| Mia Arnott ²¹ | - | - | - | - | - | - | - | - | - | - | - | - | 4 | 4 | - | - |
| Lillian O'Donnell ²² | - | - | - | - | - | - | - | - | - | - | - | - | 4 | 4 | - | - |
| Shireen Ali ²³ | - | - | - | - | - | - | - | - | - | - | - | - | 4 | 4 | - | - |
| Marielle Intveld ²⁴ | - | - | - | - | - | - | - | - | - | - | - | - | 4 | 3 | - | - |
| Callum Lindsay ²⁵ | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 4 | - | - |
| Michelle Lim ²⁶ | - | - | - | - | - | - | - | - | - | - | - | - | 3 | 4 | - | - |
| Mossy Cluney ²⁷ | - | - | - | - | - | - | - | - | - | - | - | - | 2 | 2 | - | - |
| Naomi Rosas ²⁸ | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | - | - |
| Valerie Smyth ²⁹ | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 2 |
| Benjamin Chesler ³⁰ | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2 | 2 |

1. Board Members are invited to, and regularly attend, Committee meetings. The above table reflects the attendance of a Board Member only where they are a member of the relevant Committee.
2. Number of meetings held during the period that the Board Member held office.
3. Ané Coetzee was appointed as Youth Board member on 3 December 2022, and prior to that was an external member of the Finance Committee.
4. Nazli Hocaoglu retired as the Youth Board Member on 3 December 2022, and was appointed as an Additional Board member on 1 April 2023.
5. An Alternate Board Member attended Board meetings on two occasions on behalf of John MacLennan.

6. Elizabeth Smith was appointed as an Additional Board member on 1 April 2023, and prior to that was an external member of the Finance Committee.
7. Aisling Blackmore resigned as a Board Member on 21 July 2022.
8. Kathleen Cole retired as a Board Member on 28 October 2022.
9. Ian Hamm retired as a Board Member on 7 April 2023, and was appointed as an external member of the Statutes and Governance Review Committee on 8 April 2023.
10. Dr Melissa Phillips retired as a Board Member on 3 December 2022.
11. Wendy Prowse retired as a Board Member on 5 October 2022.
12. Rose Rhodes retired as a Board Member on 29 September 2022.
13. Rita Richards retired as a Board Member on 4 October 2022, but remained as the

Tasmanian representative on the National Awards Committee.
14. Winifred Smith AM resigned as a Board Member on 6 October 2022, and was appointed as the Chair of the National Awards Committee on 4 December 2022.
15. Maria Rigby resigned as a Board Member on 11 July 2022.
16. Margaret Wallace is an external member of the Audit and Risk Committee.
17. David Colliver is an external member of the Audit and Risk Committee.
18. Inmaculada Beaumont is an external member of the Audit and Risk Committee.
19. Alison Moffat is an external member of the Audit and Risk Committee.
20. Sally Dwyer was an external member of the Nominations and Remuneration Committee.
21. Mia Arnott is an external member of the National Youth Advisory Committee.

22. Lillian O'Donnell is an external member of the National Youth Advisory Committee.
23. Shireen Ali is an external member of the National Youth Advisory Committee.
24. Marielle Intveld is an external member of the National Youth Advisory Committee.
25. Callum Lindsay is an external member of the National Youth Advisory Committee.
26. Michelle Lim is an external member of the National Youth Advisory Committee.
27. Mossy Cluney is an external member of the National Youth Advisory Committee.
28. Naomi Rosas is an external member of the National Youth Advisory Committee.
29. Valerie Smyth is an external member of the National Awards Committee.
30. Benjamin Chesler is an external member of the National Awards Committee.

Risk

Australian Red Cross is undergoing an exciting transformation of brand, culture, systems and strategy, while continuing to operate our usual programs and being ready to provide emergency assistance in the event of disasters. Further adding to this complexity, is the ever-increasing disruption on a global scale, which intensifies the need for the humanitarian services offered by Australian Red Cross. Our ability to harness strategic opportunities, and identify and respond to risk, is critical to the successful achievement of our purpose. We recognise that managing risk well requires:

- taking a structured and consistent approach
- identifying and escalating important issues in a timely and effective manner
- developing a sophisticated understanding of risk interdependencies that could impact the delivery of our operations.

We require our people to adopt sound risk management principles that include:

- taking accountability for managing risks and helping colleagues to manage their risks
- communicating and escalating risks openly, honestly and quickly
- considering risks to quality, client and community outcomes; stakeholder confidence and trust; as well as to the ongoing sustainability of Australian Red Cross, when making decisions and taking actions
- openly sharing and learning from mistakes and successes
- understanding and applying our risk management principles, processes and reporting as part of everyday ways of working.

We have a comprehensive risk governance structure and accountability framework to support the effective management of risk. It is guided by a 'three lines of engagement' operating model presented on the right.

Levels of risk



Board – oversight of management of risk, sets the 'tone from the top' – determines the risk appetites and strategic risk level tolerance thresholds.

Audit & Risk Committee – focused on risk, audit assurance and effectiveness of controls across all key categories of risk.

Executive Team – ensures effective operationalisation of the risk management framework.

First line of engagement
Risk control owner

Executive and Senior Leaders

- Identify, implement and maintain operational and project controls
- Use data and analytics to identify risk and allow targeting of assurance activities
- Provide assurance (through assurance activities) that the processes and controls deliver opportunities and mitigate risks
- Identify, record, escalate risks and issues in a timely manner
- Report on control effectiveness and insights to the Executive Team

Second line of engagement
Design, review and challenge

Chief Risk Officer

- Objective oversight of the risk profile and risk, incident, issues, assurance frameworks
- Facilitate and support control owners to understand, embrace and deliver their role
- Effective challenge to assurance activities and decisions that materially affect Australian Red Cross risk and controls
- Unfettered access and aggregate reporting to appropriately escalate risks, issues and/or control weaknesses

Third line of engagement
Independent assurance

Internal Audit

- Independent assessment to test and verify risk management, assurance activities, including the adequacy of controls and compliance with obligations
 - Deliver an internal audit program to validate that controls are functioning as designed
 - Identify improvement opportunities
- Additional independent reviews may be commissioned from time to time by the CRO, CFO, COO, CEO or Board.

External reviews, including ACNC and other regulators

Modern slavery statement

Building momentum towards global change

More people live in situations of slavery today than at any other time in history. Forced migration, climate change, armed conflict or the inability to earn a living wage are persistent global challenges that make people more vulnerable to exploitation.

At Australian Red Cross, through our programs and services, we work to reduce slavery risks by promoting a whole-of-community approach to eliminating modern slavery. This includes addressing some of the underlying factors that can increase people's vulnerability to exploitation, like challenges associated with migration, particularly forced migration, and economic participation.

And we look inward, too: we deliver a systematic program of work to assess, identify and mitigate the risk of modern slavery in our operations and supply chains.

Amplifying the voices of slavery survivors

These commitments, which are outlined in the modern slavery statements prepared by the Australian Red Cross Humanitarian Services division and Australian Red Cross Lifeblood division, have been shaped by survivors of modern slavery. The power of their lived experience has been central to shaping our own anti-slavery efforts and our submission to the review of the Modern Slavery Act 2018 (Cth), which was tabled in Parliament in May 2023.



Supporting a survivor of modern slavery

If there's one thing that defines Joy*, it's her resilience.

A survivor of domestic slavery, Joy was emotionally and financially devastated when she found her way to Australian Red Cross' Support for Trafficked People Program. Supported by the program's empowerment and strengths-based approach, as well as by access to physical, emotional and financial support, Joy started to find herself — and her reason for being — again.

She stood tall throughout the justice process, her strength matched only by her determination to rebuild her life through education. She completed a diploma program, which helped her build confidence, make friends, and move closer to a career and financial independence.

Through it all, Australian Red Cross was there. "Thank you for everything ... I can't imagine myself being in such a horribly difficult situation without the help of the Australian Red Cross ... all the wonderful caseworkers [were] very understanding and extremely helpful. I consider it as a blessing that I was able to access and receive help in times when I needed it most."

*Name changed to protect identity.



Safeguarding

Protecting children and adults engaged with Australian Red Cross

We are committed to protecting the rights, wellbeing and safety of all children and adults with whom we interact, particularly anyone experiencing vulnerability or depending on Australian Red Cross support and services.

Key achievements this year include:

- Roll out of a Client Practice Framework developed by practitioners for practitioners to support quality and consistency when working with clients. It draws on evidence from within the sector, as well as expertise and existing good practice within Australian Red Cross.
- Implementation of a new safeguarding incident reporting register “Speak Up” that now allows children, clients, families and community to directly report concerns via the Australian Red Cross website.

- The Speak Up campaign promotes our whole of organisation commitment to a “no blame, no wrong door” approach to managing risk and preventing harm, including staff, volunteer, leadership and board briefings on how to identify and respond to safeguarding risks and concerns.
- Development of an inaugural Annual Safeguarding Report, which includes our progress implementing the National Principles for Child Safe Organisations.

For more information on how Australian Red Cross ensures it protects the rights of all people accessing our services, please see the [Annual Safeguarding Report](#).

Environmental impact

Governance that drives climate action

Climate change is now recognised as an existential threat to humanity. Addressing the risks of climate change in the context of our humanitarian work sits at the foundation of our strategic approach. In June 2021, we signed the Climate and Environment Charter for Humanitarian Organisations, which confirms our ongoing commitment to supporting climate adaptation initiatives for individuals and communities in Australia and the Asia Pacific region.

In signing this charter, we also agreed to a series of environmental impact reduction targets, including:

- achieving net-zero scope 1 and 2 emissions by 2040
- reducing our consolidated greenhouse gas scope 1 and 2 emissions by 15% by 2025.¹
- measuring and reducing scope 3 greenhouse gas emissions where possible
- periodically reviewing our environmental targets and increasing our ambitions where possible.

We are also a member of the Climate Leaders Coalition.

Our climate strategy

In addition to making external commitments to climate action, we have an internal climate strategy that articulates our responsibility to help communities across Australia prepare for extreme weather events.

To this end, we will:

- ensure our volunteers and employees are prepared and ready to support communities at every stage of the disaster preparedness and recovery process.
- work in partnership with communities to implement community climate adaptation programs in more than 100 Local Government Areas that are vulnerable

to droughts, heatwaves, floods, cyclones, and bushfires. This work will be guided by the activities of the Red Cross and Red Crescent Climate Centre, which supports the Movement and its partners to reduce the impacts of climate change and extreme weather events on vulnerable people.

- strengthen mechanisms for disaster risk reduction and enhance anticipatory action in the Asia Pacific region.

Managing the risks of climate change

As part of a broader risk assessment process, our Board periodically reviews the emerging impacts of climate change on people, communities and the environment.

This year, the Board identified the following opportunities to mitigate climate change risk:

- continued monitoring of the external environment and the impacts to funding
- strong project planning, implementation and governance
- balancing the management of near-term challenges with opportunities for longer-term investment
- classifying climate change risk into categories, including transition, physical and wellbeing risks.

1. This reduction target is based on the 2018/19 baseline. [Read more about our emissions reduction targets.](#)



Reducing our workplace emissions

We strive to reduce the environmental impacts of our day-to-day work. To do it, we invest in renewable energy and fleet efficiency; conduct regular supply chain reviews; and engage with waste avoidance, reduction and recycling initiatives in our workplaces.

To this end, we made a range of changes to our operations and programs this year. These include:

- upgrading to newer vehicles, including electric and hybrid
- using recycled furniture and materials
- using video conferencing as a viable method to reduce unnecessary travel
- increasing the efficiency of our physical workplaces, including through heating, ventilation and air-conditioning efficiency upgrades and installing solar panels and LED lighting.

Over the last 12 months, our Australian Red Cross shops have also diverted 2,750 tonnes of quality clothing that may otherwise have been prematurely sent to landfill, resulting in environmental savings equivalent to 9,150 tonnes of carbon emissions and 917 megalitres of water.¹

1. Calculation based upon the data set from the 2021 study by Charitable Recycling Australia.



Financials

From the CFO

We are pleased to present the audited financial report for the financial year ending on 30 June 2023. The financial report provides a comprehensive overview of the Australian Red Cross Society's (hereinafter referred to as the Society) financial performance, which includes both the Australian Red Cross Humanitarian Services and the Australian Red Cross Lifeblood operating divisions.

Australian Red Cross Lifeblood plays a pivotal role in safeguarding the health of our nation by managing Australia's blood supply. It is responsible for collecting, processing, and distributing life-saving blood and blood products to meet the needs of patients across the country. Australian Red Cross Lifeblood predominantly relies on funding from the government, primarily channelled through the National Blood Authority (NBA).

Australian Red Cross Humanitarian Services is dedicated to supporting and empowering individuals and communities facing vulnerability and adversity. Australian Red Cross Humanitarian Services relies on the generosity of individuals and corporations within the community, alongside grants provided by governments.

These divisions operate independently, and in accordance with existing funding agreements, they do not provide financial support to each other.

Overview

The Society has reported a net surplus of \$6.2 million for the current financial year, of which \$4.1 million is attributed to Australian Red Cross Lifeblood, and \$2.1 million is related to Australian Red Cross Humanitarian Services. This represents a significant improvement on the prior year deficit of \$88.5m.

The current year result has been positively impacted by the sale and leaseback of land and buildings in North Melbourne, which resulted in a gain on sale of \$47.3m. Removing this positive impact results in a normalised operating deficit of \$41.1m, which represents an improvement compared to the prior year of \$47.4m.

Both divisions saw improvements in their results in the current year, with Australian Red Cross Lifeblood's surplus primarily driven by reduced operating costs, reflecting a commitment to improve operational efficiency. Meanwhile, the improvement in the operating result of Australian Red Cross Humanitarian Services, excluding the gain on sale of assets and investments, is driven by the initial impacts from the beginning of the transformation journey.

The current year deficit is the outcome of several contributing factors, including historical claims, our continued support of programs and appeals that were not fully funded, and the outcome of a strategic review of long-term priorities as part of implementing our organisational strategy. This review led us to embark on a significant transformation journey. The result in the current year is negatively impacted by non-recurring transformation costs.

Australian Red Cross Lifeblood

Australian Red Cross Lifeblood finished the year with a surplus of \$4.1 million. The year end operating result for the Main Operating Program (MOP) was a surplus of \$10.6 million, including a reported surplus in the Research and Development program of \$0.1 million. Australian Red Cross Lifeblood has been approved to retain \$2.0 million of the MOP surplus, and therefore a provision for the return of the remaining surplus of \$7.6 million to the NBA has been made as an offset against income in the same period.

The remainder of the surplus relates mainly to differences in timing between how these items are funded by the NBA, which is on an as-incurred (cash) basis compared to the accounting standards requirements for recognising expenditure. Australian Red Cross Lifeblood's cash and investment position remains strong at \$247.4 million, with no borrowings.

Australian Red Cross Lifeblood's primary funding arrangement is with the NBA under an output-based model. In FY23, the total plasma issued was 101.6 tonnes below the annual target of 944 tonnes. This result represents an increase of 23.0 tonnes (2.8%) from the prior year. Total collections reached more than 1.6 million for the first time, exceeding the previous FY21 record by 0.7%. Whole blood demand remained at its highest level since FY14, and the full-year collection and plasma results were continually influenced by ongoing whole blood demand. Collection productivity has steadily risen post-COVID-19, increasing 6.9% from the prior year.

Australian Red Cross Lifeblood has continued to drive process improvements and risk management uplift, especially with the ongoing but improving supply chain challenges post the COVID-19 pandemic and the ongoing Russia-Ukraine armed conflict. The continuous improvement has introduced better practice sourcing processes and capabilities and achieved savings of \$5.8 million for FY23.

Maintaining a stable and secure blood supply requires continual investment. This year, \$40.5 million of funding from the NBA was attributable to upgrading infrastructure, technology, and equipment, further transforming our delivery of life-giving blood, plasma, transplantation, and biological products for world-leading health outcomes.

During the reporting period, major projects included the Finance and Asset ERP system implementation, ICT investment in end-user devices, network and perimeter security and application hosting infrastructure, automated testing systems for all donor screening tests, activities supporting the implementation of plasma strategy and migration of existing applications to the Cloud.

Outside of our output-funding arrangement with the NBA, Australian Red Cross Lifeblood continued to provide a range of related services such as transplant and immunogenetic services, a pasteurised human milk bank and faecal microbiota for transplant (FMT) across various states in Australia.

Australian Red Cross Humanitarian Services

Australian Red Cross Humanitarian Services concluded the financial year with a surplus of \$2.1 million, primarily attributed to the proceeds from the sale of assets and investments, offset by a reduction in COVID-19 related programs funding and fewer significant natural disasters. During the year, we launched an appeal for those affected by Türkiye/Syria earthquakes and raised \$6.9 million, enabling us to help people recover and rebuild their lives. At home, we continued supporting those impacted by Queensland & New South Wales floods, and the bushfires through the use of donations to the Disaster Response and Recovery Fund and fundraising appeals.

Notably, remarkable growth in revenue was achieved derived from the sale of goods and services, totalling \$35.7 million. This surge represents an impressive increase of \$6.8 million compared to the previous year.

A substantial portion of this increase can be attributed to the growth in retail sales revenue, which underscores the unwavering support we receive from our community, particularly those who frequent Australian Red Cross shops.

Furthermore, there was significant growth in our First Aid and Mental Health training programs. This expansion reflects our ongoing commitment to providing essential life-saving skills and mental health support to individuals and communities.

These contributions not only bolster our financial performance but also exemplify the core spirit of Australian Red Cross, where volunteers and members are the heart of our mission. Their invaluable efforts demonstrate the profound impact that individuals can have when united by a shared commitment to making a positive difference in the lives of others.

During the year Australian Red Cross Humanitarian Services initiated a program which is focused on addressing the sustained historical operating losses resulting from programs which are not fully funded, and the investment required so that systems are more efficient and effective. This program of work is continuing through the implementation of a plan to reduce the scope of operations aligned with long term strategic priorities.

To achieve this change, resources have been dedicated to critical organisation transformation initiatives. These strategic investments play a pivotal role in elevating our operational efficiency and long-term sustainability, reaffirming our commitment to effectively fulfil our mission.

In summary, the past financial year has presented a multitude of challenges, marked by heightened activity across all operational facets. Despite the demanding environment, Australian Red Cross Humanitarian Services has taken proactive measures to curtail losses and rebuild assets. As of 30 June 2023, total cash reserves totalled \$138.7 million, with \$53.3 million committed for future program

delivery. These financial resources provide a stable foundation for our ongoing mission and commitment to serving communities in need.

Outlook

Australian Red Cross Lifeblood is expected to continue to achieve stable financial results within the terms of the agreement with NBA, with the outlook remaining positive over the foreseeable future.

Australian Red Cross Humanitarian Services has commenced a series of coordinated transformation projects to restore the organisation to a sustainable surplus. This program of works is aimed at aligning operations to the long-term strategies, ensuring the working capital position remains strong and is underpinned by more robust and effective systems and technologies. Included in this program of works is the reduction of the scope of the humanitarian operations to reduce losses and ensure strategic focus and by investing in core technologies that underpin a more efficient organisational structure and ways of working. This program is well underway, with the outlook showing positive results which are anticipated in FY24 and future years.

As I move into my new role as Chief Operating Officer, I look back over the past financial year and am amazed at what has been achieved to move the organisation forward. We welcome Jean-Baptiste Naudet as CFO and a pivotal new member of our team.



Lloyd Doddridge
Chief Financial Officer



Year in review

Income for the year ended 30 June 2023

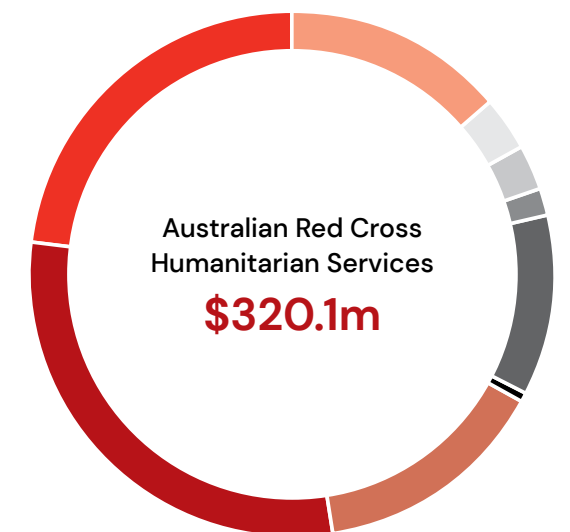
During the financial year, the Australian Red Cross Society generated \$1,059.8 million in total revenue. This includes \$739.7 million attributed to Australian Red Cross Lifeblood, of which \$717.5 million was derived from government funding, \$9.3 million was sourced from investment income, \$14.1 million from other income sources offset by a \$1.2 million loss from assets and investments. Revenue generated by Australian Red Cross Humanitarian Services amounted to \$320.1 million, of which the majority of this was derived from government funding, \$117.5 million, community and individual fundraising, \$95.0 million and sales of goods and services \$35.7 million. Notably, there was a significant gain of \$46.0 million from the sale of assets and investments already accounted for within the revenue from Australian Red Cross Humanitarian Services.

Donation revenue declined in FY23 due to less direct appeals for natural disasters. However, there were still notable contributions and support from generous individuals and communities including \$6.9 million for Türkiye/ Syria Earthquakes Appeal, \$2.6 million for the ongoing Ukraine Appeal and \$1.5 million to support people impacted by the Queensland and New South Wales floods. Donations remain a vital source of funding for our work and contribute to our mission to help those in need. These contributions are a testament to the compassion and dedication of our donors and their commitment to making a positive impact.

A standout achievement in FY23 was the remarkable growth in revenue derived from sale of goods and services \$35.7 million, which was an impressive \$6.8 million above last year. We appreciate the invaluable time and effort contributed by our dedicated volunteers in our retail stores. Their commitment and selfless service have been instrumental in achieving the increase, contributions not only bolstering our financial performance but also exemplifying the core spirit of Australian Red Cross and the role of volunteers.

Government funding, including contracts with both Commonwealth and state governments, continued to provide financial stability. These funds empower us to fulfil our mission and deliver crucial services to the community. For Australian Red Cross Humanitarian Services, we received \$73.4 million in Commonwealth grant funding and \$44.2 million in state government grants.

Our funding



| | | | |
|--|-----------------|--|----------------|
| ■ Australian Red Cross Lifeblood .. | \$739.7m | ■ Community and individual contributions .. | \$95.0m |
| ■ Australian Red Cross Humanitarian Services | \$320.1m | ■ Government funding - Commonwealth | \$73.3m |
| | | ■ Government funding - State | \$44.2m |
| | | ■ Non-government grants | \$11.0m |
| | | ■ Sale of goods and services | \$35.7m |
| | | ■ Rendering of services | \$8.8m |
| | | ■ Interest, dividends and rental revenue | \$4.8m |
| | | ■ Net gain on assets and investments | \$46.0m |
| | | ■ Other income | \$1.3m |

Community support for Australian Red Cross Humanitarian Services work

In FY23, community support for our everyday work, excluding appeals, totalled at \$93.5 million, increasing by an impressive \$6.6 million compared to the previous year. This remarkable increase is a testament to the unwavering commitment and generosity of the Australian public. It reflects a growing understanding of the pivotal role Australian Red Cross plays in addressing critical humanitarian needs.

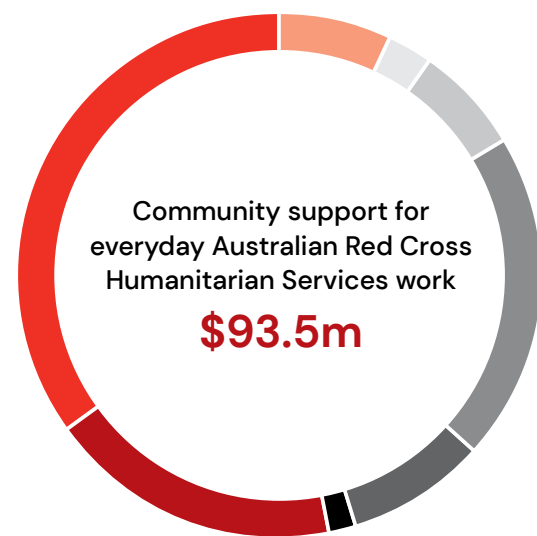
This substantial boost in community support empowers us to expand our reach and impact, enabling us to respond more effectively to emergencies, provide vital services to people experiencing vulnerability, and deliver on our mission to alleviate human suffering. The increased support underscores the profound trust placed in our organisation and highlights our collective dedication to making a positive difference in the lives of those we serve.

Our regular monthly giving program continues to be the core of community support. In FY23, regular givers contributed \$32.6 million to our cause. This consistent and dependable

source of income empowers us to plan and deliver humanitarian services in a stable and confident manner. It reflects a deep commitment from individuals who understand the importance of sustained, ongoing support in making a difference in the lives of those we serve.

Bequests are a critical factor in our financial resourcing. In FY23, these considerable gifts from those who include Red Cross in their wills contributed \$19.0 million to our income. Such contributions play an important role in supporting our long-term mission. Bequests represent the profound impact one can make through thoughtful estate planning, leaving a legacy of compassion that directly supports humanitarian action. We are deeply grateful for the foresight and generosity of those who choose to remember Australian Red Cross in this meaningful way.

In FY23, trusts and foundations generously donated \$6.6 million, an increase of \$1.5 million compared to the previous year, while corporate partners contributed \$7.9 million, reflecting an increase of \$0.1 million from the prior year. In addition to these contributions, we received income from individual one-off donations, other National Societies and various community groups.



| | |
|----------------------------------|----------------|
| ■ Regular giving | \$32.6m |
| ■ Bequests | \$19.0m |
| ■ Individual giving | \$17.0m |
| ■ Corporate partnerships | \$7.9m |
| ■ Trusts and foundations | \$6.6m |
| ■ Other National societies | \$2.7m |
| ■ Community groups | \$1.5m |
| ■ Other | \$6.2m |

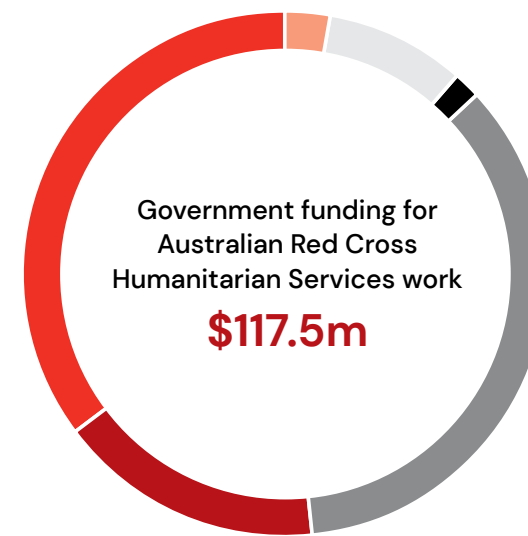
Government funding for Australian Red Cross Humanitarian Services work

There was a notable reduction in the total government funding, \$117.5 million in FY23 compared to \$140.9 million in FY22. This is primarily attributed to the decreased allocation of COVID-19 related stimulus packages aimed at supporting individuals and businesses.

These circumstances led to a re-evaluation of government spending priorities, resulting in a reduction in financial support to various programs that Australian Red Cross delivers. While these changes presented financial challenges, we remain committed to adapting and optimising our resources to continue to deliver essential humanitarian services for those in need.

In FY23, we continued our commitment to our international programs. We received \$19.0 million in international aid & development funding from the Department of Foreign Affairs and Trade. This funding played a pivotal role in supporting our international work, enabling us to respond effectively to significant disasters in the region.

We sincerely appreciate the contributions of government and for their continued partnership, as we work together to address the evolving needs of our communities.



| | |
|---|----------------|
| ■ Migration support | \$41.5m |
| ■ Community programs | \$41.4m |
| ■ International aid & development | \$19.0m |
| ■ Disaster & emergency services | \$10.1m |
| ■ First Nations support programs | \$3.3m |
| ■ Other | \$2.2m |

Expenditure for the year ended 30 June 2023

During the financial year, the Australian Red Cross Society recorded a total expenditure of \$1,053.6 million. This financial overview highlights key areas of expenditure, reflecting our commitment to effective resource management.

Within this total, a substantial portion of \$735.6 million was spent by Australian Red Cross Lifeblood. This funding support enables Australian Red Cross Lifeblood to play a critical role in maintaining a robust healthcare infrastructure.

Expenditure within the Australian Red Cross Humanitarian Services was \$318.0 million, a decrease of \$79.2 million compared to the previous year. This decrease was primarily attributed to reduction in appeal funding for disasters and government funding for COVID-19 stimulus packages to support individuals and businesses.

Australian and International Programs expenditure represented 61.0% (\$194.1 million) of the overall total Australian Red Cross Humanitarian Services expenditure. Of this, \$31.0 million was directed toward emergency relief efforts, aiding those affected by disasters in Australia, including Queensland and New South Wales floods, bushfires, as well as crises overseas, such as the Ukraine armed conflict, Türkiye/Syria earthquakes, Pakistan floods, global hunger crisis and a cyclone in Vanuatu.

Administrative costs for the Australian Red Cross Humanitarian Services division of the Society accounted for \$46.8 million, representing 14.7% of the total Australian Red Cross Humanitarian Services expenditure. These essential costs encompass property maintenance, legal, information technology, finance, human resources, and occupancy expenses, which are integral to the efficient delivery of our services. In addition to our regular expenses, we incurred an additional expenditure of \$17.1 million for organisational transformation projects and \$6.4 million for historical remediation projects.

Programs expenditure

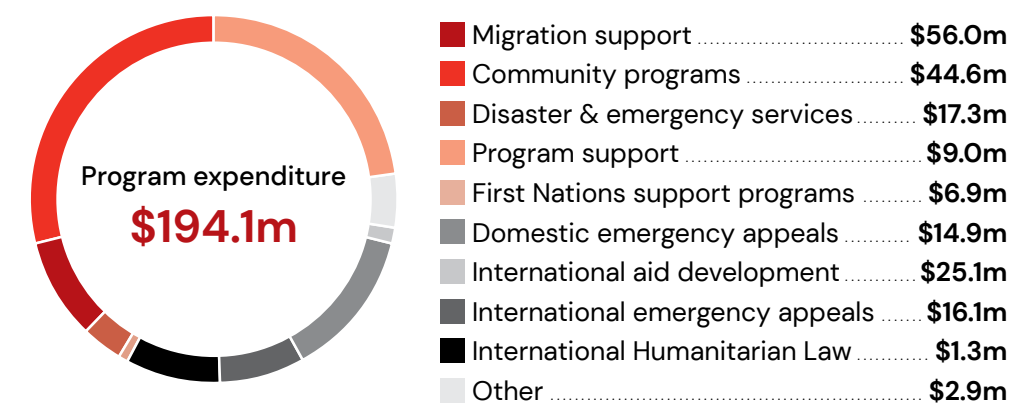
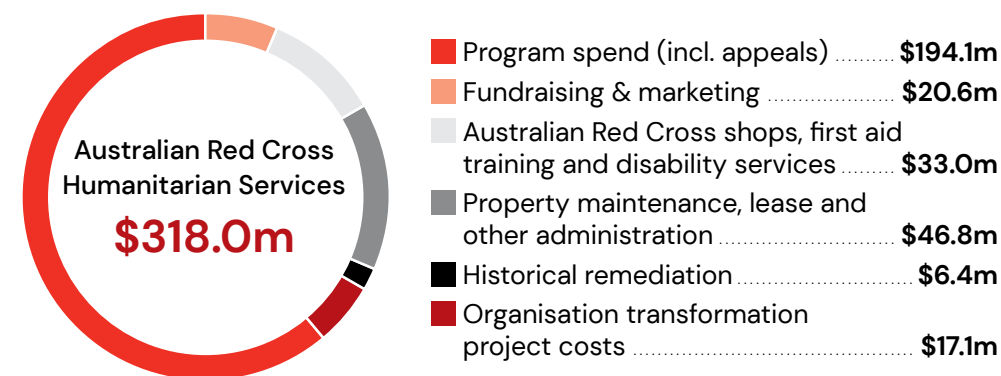
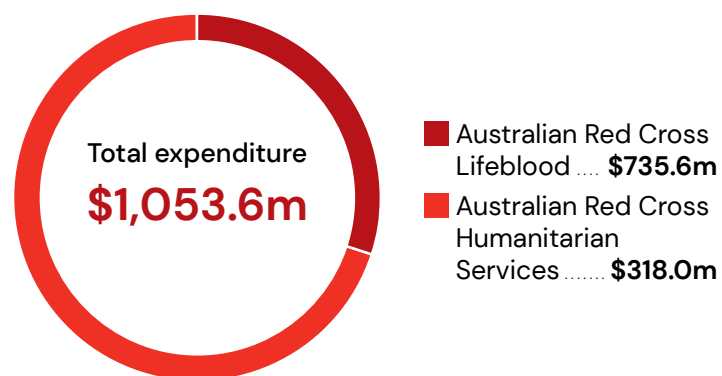
In FY23, our program expenditures amounted to a total of \$194.1 million, a decrease of \$71.6 million compared to the previous year. This decrease was primarily attributed to a reduction in appeal income and the end of support for COVID-19 response initiatives.

Migration support remained our most substantial expenditure category, totalling \$56.0 million. This encompassed a range of initiatives, including emergency relief for migrant settlement, assistance for migrants in transition and support for survivors of human trafficking.

A total of \$44.6 million was directed toward Australian community programs. These initiatives focus on empowering individuals and communities, with the goal of breaking the cycle of disadvantage.

Our commitment to domestic emergency appeals resulted in expenditures of \$14.9 million. This allocation was dedicated to aiding individuals and communities affected by events such as the Queensland and New South Wales floods, as well as supporting long-term recovery efforts in bushfire-affected areas.

Additionally, our international emergency appeals accounted for \$16.1 million in expenditures. This funding was instrumental in providing critical support to regions grappling with humanitarian crises, including the Ukraine conflict, Türkiye/Syria earthquakes, Pakistan floods, global hunger crisis and supporting Vanuatu in the aftermath of twin cyclones Judy and Kevin and a 6.5 magnitude earthquake in early March.



Australian Red Cross Society

ABN: 50 169 561 394

Financial report

For the year ended 30 June 2023

TABLE OF CONTENTS

| | |
|--|-----------|
| Board members' report | 55 - 56 |
| Annual financial statements | |
| Statement of profit or loss and other comprehensive income | 57 |
| Statement of financial position | 58 |
| Statement of changes in equity | 59 |
| Statement of cash flows | 60 |
| Notes to financial statements | 61 - 126 |
| Board members' declaration | 127 |
| Independent auditor's declaration | 128 |
| Independent auditor's report | 129 - 131 |

AUSTRALIAN RED CROSS SOCIETY

ABN: 50 169 561 394

BOARD MEMBERS' REPORT

Principal activities

The Society undertakes a wide range of Humanitarian activities to reduce vulnerability and improve lives in Australia and overseas.

The Society is an organisation incorporated by Royal Charter and is a member of the International Federation of Red Cross and Red Crescent Societies. The Society operates as two key operating divisions: Humanitarian Services, which provides relief in times of crisis and care for people experiencing vulnerability in Australia and around the world; and the Australian Red Cross Lifeblood (Lifeblood), providing quality blood products, tissues and related services for the benefit of the community.

The delivery of Humanitarian Services is funded principally through government grants, public donations (in particular regular monthly giving and bequests from generous Australians) and approved corporate/private donors. A network of 7,701 members support fundraising and advocacy efforts, while 10,749 volunteers assist us to deliver services to those most in need.

Lifeblood operated four main processing and testing facilities plus a network of collection centres in metropolitan and regional areas across Australia. Funding for this activity by the Commonwealth, State and Territory governments under a Deed of Agreement (the Deed) administered by the National Blood Authority (NBA).

The financial statements of the Australian Red Cross Society, inclusive of the Australian Red Cross Lifeblood, have been prepared on the basis of the continuation of operations under the Deed. As Lifeblood carries on its work as a separate operating division of the Society, any cessation of services under the Deed is not anticipated to adversely impact the operations of the remainder of the Society.

Subsequent events

There were no material events subsequent to 30 June 2023 and up until the authorisation of the financial statements for issue, that have not been disclosed elsewhere in the financial statements.

Auditor's independence declaration

The auditor's independence declaration is set out on page 128.

Board

Board information, including information on Board Members, is included in 35 - 42.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

BOARD MEMBERS' REPORT

Rounding of amounts

Amounts in the financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar unless otherwise stated.

This report is made in accordance with a resolution of the directors.

For and on behalf of the Society Board.



Ross Pinney
President of the Society
Melbourne
27 October 2023

AUSTRALIAN RED CROSS SOCIETY

ABN: 50 169 561 394

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

| | Note | 2023 \$ '000 | 2022 \$ '000 |
|---|------|------------------|------------------|
| Revenue and other income | | | |
| Government funding | | | |
| Operating - Commonwealth funded | | 699,688 | 705,870 |
| Operating - State funded | | 77,742 | 93,378 |
| Capital - Commonwealth and State funded | | <u>57,576</u> | <u>53,329</u> |
| Total government funding | | <u>835,006</u> | <u>852,577</u> |
| Donations, bequests and sponsorships | 5 | 94,955 | 146,220 |
| Rendering of services | | 8,834 | 7,625 |
| Sale of goods and services | | 35,711 | 28,960 |
| Non-government grants | | 10,964 | 12,219 |
| Investment revenue | 6 | 14,100 | 7,592 |
| Other income | 6 | 15,380 | 12,505 |
| Gain on assets and investments | 7 | <u>44,841</u> | <u>-</u> |
| Total revenue | | <u>1,059,791</u> | <u>1,067,698</u> |
| Expenditure | | | |
| Employee expenditure | 8 | 534,581 | 558,981 |
| Operating expenditure | 8 | 309,839 | 379,075 |
| Cost of services, sale of goods and consumables | 8 | 116,196 | 115,716 |
| Depreciation and amortisation | 8 | 82,490 | 88,970 |
| Interest costs and transaction fees | 8 | 10,470 | 10,403 |
| Loss on assets and investments | 7 | <u>-</u> | <u>3,085</u> |
| Total expenditure | | <u>1,053,576</u> | <u>1,156,230</u> |
| Net surplus / (deficit) for the year | | <u>6,215</u> | <u>(88,532)</u> |
| Other comprehensive income | | | |
| <i>Items that will not be reclassified subsequently to profit and loss</i> | | | |
| Actuarial gain on retirement defined benefit obligations | | 341 | 1,566 |
| Net gain / (loss) arising on equities classified as FVOCI | | <u>4,371</u> | <u>(7,226)</u> |
| | | <u>4,712</u> | <u>(5,660)</u> |
| <i>Items that may be reclassified subsequently to profit and loss</i> | | | |
| Net gain / (loss) on debt classified as FVOCI | | <u>1,028</u> | <u>(3,565)</u> |
| | | <u>1,028</u> | <u>(3,565)</u> |
| Total other comprehensive gain / (loss) for the year | | <u>5,740</u> | <u>(9,225)</u> |
| Total comprehensive surplus / (deficit) for the year | | <u>11,955</u> | <u>(97,757)</u> |

The accompanying notes form part of these financial statements.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

| | Note | 2023 \$ '000 | 2022 \$ '000 |
|--------------------------------------|-------|------------------|------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 22(a) | 241,697 | 224,473 |
| Trade and other receivables | 9 | 19,242 | 18,277 |
| Inventories | 10 | 34,594 | 31,582 |
| Other financial assets | 11 | 144,836 | 157,083 |
| Prepayments | | <u>22,171</u> | <u>20,119</u> |
| Total current assets | | <u>462,540</u> | <u>451,534</u> |
| Non-current assets | | | |
| Property, plant and equipment | 12 | 284,700 | 292,435 |
| Intangible assets | 13 | 17,531 | 27,186 |
| Right-of-use assets | 24(a) | 246,642 | 253,562 |
| Retirement benefit plan asset | 18(c) | <u>1,498</u> | <u>1,079</u> |
| Total non-current assets | | <u>550,371</u> | <u>574,262</u> |
| Total assets | | <u>1,012,911</u> | <u>1,025,796</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 14 | 81,181 | 77,068 |
| Provisions | 16 | 117,904 | 113,148 |
| Lease liabilities | 24(b) | 34,660 | 29,767 |
| Other liabilities | 17 | <u>103,406</u> | <u>135,034</u> |
| Total current liabilities | | <u>337,151</u> | <u>355,017</u> |
| Non-current liabilities | | | |
| Provisions | 16 | 16,459 | 16,329 |
| Lease liabilities | 24(b) | <u>245,307</u> | <u>252,411</u> |
| Total non-current liabilities | | <u>261,766</u> | <u>268,740</u> |
| Total liabilities | | <u>598,917</u> | <u>623,757</u> |
| Net assets | | <u>413,994</u> | <u>402,039</u> |
| EQUITY | | | |
| Reserves | 19 | 127,174 | 111,980 |
| Specific purpose funds | 20 | 53,289 | 66,887 |
| Accumulated funds | 21 | <u>233,531</u> | <u>223,172</u> |
| Total members funds | | <u>413,994</u> | <u>402,039</u> |

The accompanying notes form part of these financial statements.

AUSTRALIAN RED CROSS SOCIETY

ABN: 50 169 561 394

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

| | Accumulated funds \$ '000 | Specific purpose fund \$ '000 | Investment revaluation reserve \$ '000 | Special reserve \$ '000 | Capital reserve \$ '000 | Total \$ '000 |
|--|---------------------------------|-------------------------------------|---|-------------------------------|-------------------------------|-----------------------|
| Balance as at 1 July 2021 | <u>298,876</u> | <u>62,988</u> | <u>14,523</u> | <u>70,611</u> | <u>52,798</u> | <u>499,796</u> |
| Net deficit for the year | (88,532) | - | - | - | - | (88,532) |
| Other comprehensive surplus/(deficit) for the year | 1,566 | - | (10,791) | - | - | (9,225) |
| Transfers (from)/to specific purpose funds | (3,899) | 3,899 | - | - | - | - |
| Transfers from/(to) other reserves | <u>15,161</u> | <u>-</u> | <u>339</u> | <u>(7,759)</u> | <u>(7,741)</u> | <u>-</u> |
| Balance as at 30 June 2022 | <u><u>223,172</u></u> | <u><u>66,887</u></u> | <u><u>4,071</u></u> | <u><u>62,852</u></u> | <u><u>45,057</u></u> | <u><u>402,039</u></u> |
| Balance as at 1 July 2022 | <u>223,172</u> | <u>66,887</u> | <u>4,071</u> | <u>62,852</u> | <u>45,057</u> | <u>402,039</u> |
| Net surplus for the year | 6,215 | - | - | - | - | 6,215 |
| Other comprehensive surplus/(deficit) for the year | 341 | - | 5,399 | - | - | 5,740 |
| Transfers (from)/to specific purpose funds | 13,598 | (13,598) | - | - | - | - |
| Transfers from/(to) other reserves | <u>(9,795)</u> | <u>-</u> | <u>(6,248)</u> | <u>882</u> | <u>15,161</u> | <u>-</u> |
| Balance as at 30 June 2023 | <u><u>233,531</u></u> | <u><u>53,289</u></u> | <u><u>3,222</u></u> | <u><u>63,734</u></u> | <u><u>60,218</u></u> | <u><u>413,994</u></u> |

The accompanying notes form part of these financial statements.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

| | Note | 2023 \$ '000 | 2022 \$ '000 |
|--|-------|-----------------------|-----------------------|
| Cash flow from operating activities | | | |
| Receipts from donors, government and other sources | | 1,087,810 | 1,133,520 |
| Payments to suppliers and employees | | (1,078,203) | (1,173,129) |
| Interest on borrowings and other costs of finance | | (19) | (910) |
| Interest on lease liabilities | | <u>(9,541)</u> | <u>(9,493)</u> |
| Net cash provided by / (used in) operating activities | 22(b) | <u>47</u> | <u>(50,012)</u> |
| Cash flow from investing activities | | | |
| Payments for property, plant and equipment and intangibles | | (39,190) | (48,315) |
| Proceeds from disposal of property, plant and equipment | | 58,531 | 61 |
| Payments for purchase of investment securities | | (15,436) | (32,527) |
| Proceeds from sale of investment of securities | | 33,499 | 61,209 |
| Dividends received | | 1,552 | 2,845 |
| Interest received | | <u>9,510</u> | <u>3,565</u> |
| Net cash provided by / (used in) investing activities | | <u>48,466</u> | <u>(13,162)</u> |
| Cash flow from financing activities | | | |
| Payment for principal portion of lease liabilities | | <u>(31,182)</u> | <u>(34,650)</u> |
| Net cash (used in) financing activities | | <u>(31,182)</u> | <u>(34,650)</u> |
| Reconciliation of cash and cash equivalents | | | |
| Cash and cash equivalents at the beginning of the financial year | | 224,473 | 322,257 |
| Net increase/(decrease) in cash and cash equivalents | | 17,331 | (97,824) |
| Effects of exchange rate changes on the balance of cash held in foreign currencies | | <u>(107)</u> | <u>40</u> |
| Cash and cash equivalents at the end of the financial year | 22(a) | <u><u>241,697</u></u> | <u><u>224,473</u></u> |

The accompanying notes form part of these financial statements.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial report is a general purpose financial report that has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, and Australian Accounting Standards - Simplified Disclosures, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

The financial report covers Australian Red Cross Society ("Society") as an individual entity. The Society is an organisation, formed and domiciled in Australia. The Society is a Not-For-Profit private sector organisation for the purpose of preparing the financial statements.

The Society's financial statements are prepared by combining the financial statements of the Humanitarian Services and Lifeblood divisions. Consistent accounting policies are employed in the preparation of and presentation of the financial statements across the divisions. The financial statements include the information and results of both divisions as disclosed in Note 4.

Note 4 'Divisional Reporting' presents the Society's results and financial position split by Humanitarian Services and Lifeblood divisions. In preparing the financial statements, all balances and transactions between Humanitarian Services and Lifeblood, as well as unrealised profits arising within the entity, are eliminated in full.

All other notes are shown at an aggregated level except for Note 30 'Key Management Personnel'.

The financial report was approved by the Board Members at the date of the Board Members' Report. The following are the significant accounting policies adopted by the Society in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

ACFID compliance

The Society is a signatory to the Australian Council for International Development (ACFID) Code of Conduct and is committed to full adherence to its requirements.

The Code of Conduct aims to improve international development outcomes and increase stakeholder trust by enhancing the transparency and accountability of signatory organisations. The ACFID financial statements have been prepared at Note 34 in accordance with the requirements set out in the ACFID Code of Conduct and should be read in conjunction with the financial report and accompanying notes. For further information on the code, please refer to www.acfid.asn.au.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation of the financial report

The following significant accounting policies have been adopted in the preparation and presentation of the financial report.

Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Fair value measurement

For financial reporting purposes, 'fair value' is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or liability, the Society uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to valuation techniques used to measure fair value are categorised into three levels according to the extent to which the inputs are observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Climate related risk is not considered in current fair value estimates due to not being considered material, likely or measurable in the current financial year, other than values already factored in by the market.

Significant accounting estimates and judgements

The preparation of the financial report requires the use of certain estimates and judgements in applying the Society's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 3 to the financial statements.

(b) Foreign currency transactions and balances

Functional and presentation currency

The financial statements are presented in Australian dollars (\$AUD) which is the Society's functional and presentation currency.

Transactions and Balances

Transactions undertaken in foreign currencies are recognised in the Society's functional currency, using the spot rate at the date of the transaction.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency transactions and balances (Continued)

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are restated to the spot rate at the reporting date. All exchange gains or losses are recognised in profit or loss for the period in which they arise.

(c) Revenue

The Society recognises revenue under AASB 1058 – Income of Not-for-Profit Entities or AASB 15 — Revenue from Contracts with Customers when appropriate. In cases where there is an ‘enforceable’ contract with a customer with ‘sufficiently specific’ performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Society expects to be entitled in a contract with parties.

In other cases, AASB 1058 applies when a not-for-profit entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives, and the excess of the asset recognised (at fair value) over any ‘related amounts’ is recognised as income immediately.

The Society recognises revenue from the following major sources:

Training services

Revenue is recognised at a point in time when performance obligations are met. The performance obligation is met when training services have been provided to participants and the fees are receivable.

Grants

Government grants are received by the entity in return for past or future delivery of contractual requirements or compliance with certain conditions relating to the operating activities of the entity. Government grants also include income where there are no conditions specifically relating to the operating activities of the entity other than the requirement to operate in certain regions or industry sectors.

Grant income is recognised in accordance with AASB 15 if the contract is enforceable and has sufficiently specific performance obligations. Grant income without sufficiently specific performance obligations is recognised under AASB 1058.

Grant income for enforceable contracts with sufficiently specific performance obligations is recognised over time under AASB 15 based on input method. The Society has made a decision that expense is a good indicator of performance obligations being performed over time.

The expenditure to which the grant relates is expensed as incurred if it does not meet the asset capitalisation criteria or capitalisation criteria for costs incurred to fulfil a contract. The expenditure may not correlate to the timing of grant receipts.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Output-based funding

Lifeblood recognises income for the delivery of products to Approved Health Providers on an accrual basis, representing the right to receive contributions from the National Blood Authority (NBA). Any excess funds to be returned (FY23 \$7.603 million, FY22 \$25.322 million) are recorded as a liability within prepaid government funds (refer Note 17). Lifeblood has sought to retain \$2.000 million (FY22 \$5.000 million) of the Main Operating Program (MOP) surplus and \$0.975 million surplus (FY22 \$0.238 million surplus) from the Research and Development (R&D) grant.

Capital funding

The arrangement with Lifeblood and the NBA provides for capital funding comprising up to 10% of the Main Operating Program funding for the first financial year of the three-year funding term and thereafter indexed at 2.22% for the remaining two years. Capital funding is from Commonwealth, State and Territory governments and is recognised in accordance with AASB 1058 — Income of non-for-profit entities when Lifeblood obtains controls of the funds. Capital funding received in one year may be carried forward and expended in future years.

Sale of goods

Revenue from the sale of goods is measured at the fair value received or receivable and is recognised when control of the goods passes to the customer.

Donations, bequests and sponsorships

The Society receives part of its income from donations, either as cash or in-kind.

The Society establishes controls to ensure that donations are recorded in the financial records when received under AASB 1058.

Donations received for specific purposes are transferred to a separate fund within equity after being first recorded in profit or loss. In the case of pledges, the future economic benefits associated with pledged amounts are not obtained before the receipt of the cash as the Society does not have an enforceable right to require the donors to meet their pledge. Accordingly, it is not recognised as revenue until it is received.

Bequests are recognised at the fair value of the benefit received when receipt of the amount is virtually certain by way of grant of probate. Where required, bequests are recognised in accordance with the express terms of the will under AASB 1058.

Sponsorship agreements entitle the sponsor to something of value in return for their support. Revenue is recognised at a point in time in accordance with AASB 15 when the performance obligation has been met.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Volunteering services

The Society has decided not to recognise volunteer services within the financial statements, given the fair value of these services is not reliably measured in financial terms. Volunteer services provide value by connecting communities, providing personal development, career pathways and work skills, contributing an abundance of knowledge, time and attributes.

(d) Other revenue and other income

Interest

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset. Interest accruing on funds held for a special purpose within the Disaster, Relief and Recovery fund and international projects are transferred to the Specific Purpose Fund within equity after first being recorded in profit or loss (Refer to Note 33).

Dividends

Dividend revenue is recognised when the shareholder's right to receive payment has been established, provided it is probable that the economic benefits will flow to the Society and the amount of income can be measured reliably.

Other income

Lifeblood receives other income, which is generated from the provision of some testing services and products and services on a fee-for-service basis. Other income is recognised on an accruals basis.

COVID-19 Rent Abatements

Landlords offered rent concessions due to the COVID-19 pandemic. These concessions were in the form of rent holidays, rent deferrals, rent reductions or waivers. As per AASB 16, Leases, these concessions were not contract modifications, but were variable lease payments arising from the existing contract.

All revenue is measured net of the amount of goods and services tax (GST).

(e) Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of lease arrangements, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset, in which case the costs are capitalised until the asset is ready for its intended use or sale.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Direct relief distributed grants

Direct relief amounts are payments made in accordance with applications that meet the terms of the grant to those people whose homes have been destroyed, have been hospitalised, lost a loved one or for those who require urgent home repairs. This also includes mid to long term support grants for people facing financial hardship or to rebuild their homes.

(g) Income tax

The Society, being a public benevolent institution, is exempt from income tax under subsection 50-5 of the Income Tax Assessment Act 1997. The entity is also registered as a deductible gift recipient for tax.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts, where drawn, are shown within borrowings in current liabilities in the statement of financial position.

(i) Financial instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Derivative financial instruments

Derivatives are initially recorded at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing and recognition in other comprehensive income depends on the nature of the hedge relationship.

Non-derivative financial instruments

Financial instruments are initially measured when the related contractual rights or obligations exist, with cost including acquisition and related transaction costs on the trade date. Subsequent to initial recognition these instruments are measured as set out below:

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (Continued)

Financial assets

Financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under contract, the terms of which require delivery of the financial asset within the time frame established by the market concerned and are initially measured at fair value.

Subsequent to initial recognition, financial assets are classified into the following categories depending on the nature and the purpose of the financial asset as determined at the time of initial recognition.

- ***Fair value through other comprehensive income (FVOCI) & Fair value through Profit and Loss (FVPL)***

The main objective to hold these investments is to maintain and preserve the capital and the business model is not to trade as such.

On initial recognition, the Society has made an irrevocable election (on an instrument-by-instrument basis) to designate its investments in equity instruments that are not held for trading at FVOCI.

Investments in equity and debt instruments at FVOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve.

On initial recognition, the Society has made an irrevocable election (on an instrument-by-instrument basis) to designate its investments in hybrid instruments at FVPL. Investments in hybrid instruments at FVPL are initially measured at fair value plus transaction costs.

- ***Amortised costs***

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, a shorter period.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model the objective of which is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These investments have fixed maturities, and it is the Society's intention to hold these investments to maturity. This category includes term deposits. Any of these investments held by the Society are stated at amortised cost using the effective interest method less impairment, with revenue recognised on an effective-yield basis.

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 arms-length transactions and reference to similar instruments.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (Continued)

Impairment of financial assets

The Society recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVOCI, lease receivables, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Society always recognises lifetime estimated credit losses ("ECL") for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on Society's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Society recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Society measures the loss allowance for that financial instrument at an amount equal to the 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Society neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Society recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Society retains substantially all the risks and rewards of ownership of a transferred financial asset, the Society continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount, the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Society retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Society retains control), the Society allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the profit or loss.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (Continued)

A cumulative gain or loss that has been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities

Non-derivative financial liabilities, including loans and borrowings, are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Trade and other receivables

Trade and other receivables arise from the Society's transactions with its customers and are normally settled within 30 days.

Consistent with both the Society's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred. The carrying value less impairment of trade receivables are assumed to approximate fair value due to their short-term nature.

Trade and other payables

Trade and other payables amounts represent liabilities for goods and services provided to the Society prior to the end of the financial year which are unpaid. The amounts are unsecured and are generally due for settlement within 30 days of recognition.

The carrying value of trade payables is assumed to approximate their fair value due to their short-term nature.

(j) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value.

Inventories held for distribution at no or nominal consideration are measured at lower of cost and current replacement cost.

For inventory acquired at no or nominal consideration, cost is the current replacement cost at the date of acquisition.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Inventories (Continued)

Retail inventory

Retail inventory is valued at cost. Society has decided to make use of the practical expedient under AASB 102, Inventories, and apply the materiality assessment at the individual item level when recognising donated inventories. The donated goods which the Society receives are predominantly clothing and based on individual item materiality, no amounts are recognised in the financial statements for donated goods.

Blood inventory

AASB 102, Inventories, define inventories held for distribution by a not-for-profit entity as assets:

- i. held for distribution at no or nominal consideration in the ordinary course of operations;
- ii. in the process of production for distribution at no or nominal consideration in the ordinary course of operations; or
- iii. in the form of materials or supplies to be consumed in the production process or in the rendering of services at no or nominal consideration.

Lifeblood provides products and services in accordance with the Deed with the NBA. In the discharge of this agreement, Lifeblood is responsible for a range of activities, including collection, testing, processing, inventory management and distribution of blood and blood products. In this context, Lifeblood recognises certain categories of blood and blood products as current assets, to be measured at the lower of cost and current replacement cost. Cost comprises direct materials, direct labour and overheads of the division incurred in the collection, processing and testing of blood.

Lifeblood collects domestic raw plasma, which is issued to CSL Behring (Australia) Pty Ltd ('CSL') for fractionation into manufactured products. CSL manufactures and imports fractionated plasma products, which are distributed by Lifeblood in Australia. In relation to blood products held for distribution, Lifeblood does not recognise plasma supplied to CSL for fractionation, fractionated product held at CSL and fractionated product at Lifeblood held for distribution. This is due to the retention of control and risk over these specific products by parties other than Lifeblood and the absence of future economic benefit under output-based funding arrangements.

The inventory valuation at the end of the reporting period includes:

- i. All fresh blood products and plasma for fractionation held at Lifeblood or at a Lifeblood storage facility; and
- ii. All products held in 'work in progress' at Lifeblood.

Consumables are used by Lifeblood in providing products and services, and are measured at the lower of cost and current replacement cost. Consumable inventory has been measured at weighted average cost. Fresh product volumes are physically counted and valued as individual units. The value of work in progress is calculated using the average daily quantity supplied during the June period. All blood products are valued at direct costs including operating overheads.

AUSTRALIAN RED CROSS SOCIETY

ABN: 50 169 561 394

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Property, plant and equipment

Each class of property, plant and equipment is measured at historical cost less, where applicable, any accumulated depreciation and any accumulated impairment losses. Grant funded assets are depreciated in accordance with the terms of the funding agreement.

The initial cost of the asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This relates to leasehold improvements and the restoration obligations to restore the property to its original condition. These costs are included in leasehold improvements with a corresponding provision for site restoration.

Depreciation

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Leasehold improvements are depreciated over the shorter of unexpired lease period or useful life of the improvements.

Freehold land and buildings are carried at cost or at independent or committee valuation.

| Class of fixed asset | Depreciation rates | Depreciation basis |
|--|---|---------------------------|
| Land and buildings at cost | 2.5 - 20% | Straight line |
| Freehold buildings and renovations | 2.5 - 20% | Straight line |
| Motor vehicles | 10 - 25% | Straight line |
| Computer equipment | 25 - 33.33% | Straight line |
| Plant, furniture, fittings and equipment | 10 - 20% | Straight line |
| Shop fit-outs | Shorter of lease period or useful life | |
| Leasehold improvements at cost | Shorter of lease period or useful life | |

The gain or loss on disposal of fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of the disposal, and is included in profit or loss in the year of disposal.

The useful life and residual value of property, plant and equipment are reviewed annually. Judgement is applied in determining the useful lives of property, plant and equipment. Any reassessment of useful life and residual value in a particular year will affect depreciation expense (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future years.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Property, plant and equipment (Continued)

Impairment of property, plant and equipment

At each reporting date, the Society reviews the carrying amounts of its tangible 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 (if any). Where the asset does not generate cash inflows that are independent from the other assets, the Society estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. The future economic benefits of the Society's assets are not primarily dependent on their ability to generate net cash inflows. The value in use is determined as the depreciated replacement cost of the asset, rather than by using discounted future cash flows.

Depreciated replacement cost is defined as the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash - generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amounts of the asset cash - generating unit in prior years. A reversal is recognised immediately as profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Non-current assets held for sale

Non-current assets classified as assets held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. The sale of the asset is expected to be completed within one year from the date of classification.

(l) Impairment of non-financial assets

Intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Impairment of non-financial assets (Continued)

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash inflows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash inflows independently of other assets or groups of assets, goodwill is allocated to the cash generating units or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs of disposal and value in use (where 'value in use' is determined as the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation surplus for the same class of asset. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same class of asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

(m) Intangible assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives and is recognised in profit or loss.

The current estimated useful life of intangible assets is 4 years (25%).

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Subsequent expenditure is capitalised only when it increases the future economic benefits for the specific assets.

Other intangible assets are stated at cost less accumulated amortisation and impairment losses. The Society accounts for implementation costs in relation to Software-as-a-Service (SaaS) arrangements as an identified intangible asset within software where they can enhance, modify or create additional capacity to on-

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Intangible assets (Continued)

premises systems that Society controls.

(n) Provisions

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

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Provisions include an amount relating to the site restoration requirements on leased properties.

(o) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Society recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Right of use assets

Right of use assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Society, and an estimate of costs to be incurred by the Society in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, right of use assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Right of use assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

In determining the lease term, the Society includes the non-cancellable period of the lease and the next available extension option, unless known otherwise. Based on prior years' experience, Society is "reasonably certain" that the next available option will be exercised.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Society's incremental borrowing rate.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Leases (Continued)

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

Sale and leaseback transactions

When the Society sell and lease back the same asset, the accounting treatment depends on whether the control of the asset has been transferred to the buyer:

- if yes, the Society measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the rights retained by us as a seller-lessee. Accordingly, the Society recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.
- if not, as a seller-lessee the Society continues to recognise the transferred asset and recognise a financial liability equal to the transfer proceeds.

Covid-19 related rent concessions

As permitted by Australian Accounting Standards, the Society has elected not to assess whether covid-19 related rent concessions are 'lease modifications', and to instead account for any changes in lease payments resulting from such rent concessions as if the changes were not 'lease modifications'.

The practical expedient only applies to rent concessions occurring as a direct consequence of the Covid-19 pandemic and only if all the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments due on or before 30 June 2022; and
- (c) there is no substantive change to other terms and conditions of the lease.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Leases (Continued)

Rental income

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature. Initial direct costs incurred in negotiating and arranging these lease arrangements are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Lease incentives

Under AASB 16, lease incentives are recognised as part of the measurement of the right-of-use assets.

(p) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the Society does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Employee benefits (Continued)

(iii) Superannuation

The Society contributes to various staff retirement funds, both defined benefit and accumulation schemes, to provide members with benefits on death or retirement. The defined benefit funds operated by the Society are Active Super in New South Wales and the Australian Red Cross Queensland Staff Retirement Fund.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The periodic cost of providing defined benefit entitlements is disaggregated and accounted for as follows:

- service cost (including current and past service costs and any gains or losses on settlements or curtailments) is recognised in profit or loss in the period in which it arises as part of employee benefits expense;
- interest on the net defined benefit liability (asset) is calculated by multiplying the average balance of the liability (asset) during the reporting period by the discount rate applied to the defined benefit obligation and is recognised in profit or loss in the period in which it arises as part of finance costs; and
- remeasurements of the net defined benefit liability (asset) (including actuarial gains and losses, the return on plan assets less amounts included in the net interest on the net defined benefit liability (asset), and any changes in the limit on the net defined benefit asset (excluding interest)) are recognised in other comprehensive income (retained earnings) in the periods in which they occur.

The Society's defined benefit obligation and other long-term employee benefits are discounted using the high quality corporate bond rate, published by the Group of 100. The Group of 100 commissioned actuarial firm Milliman, to develop a standardised set of discount rates to be made publicly available for the purpose of discounting employee benefit liabilities under Australian Accounting Standard 119 (AASB 119, Employee Benefits).

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Employee benefits (Continued)

(iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Society recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees, according to a detailed formal plan without the possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after statement of financial position date are discounted to present value and classified as non-current.

(v) Portable long service

In addition to traditional long service, Queensland, Victoria and ACT offer portable long service benefits for eligible workers in the community services sector.

The government's Portable Long Service Benefits Scheme allows eligible workers to build up long service entitlements based on time spent in their industry, rather than with a single employer. This means that eligible workers can keep their portable long service leave entitlement even if they work for different employers over the years.

The Society has identified employees eligible for portable long service benefits in Queensland, Victoria and ACT and pays a levy to the respective Authorities of 1.35%, 1.65% and 1.6% of wages for eligible employees in Queensland, Victoria and in the ACT respectively.

(q) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Software-as-a-Service arrangements

Software-as-a-Service (SaaS) arrangements are service contracts providing the Society with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

(s) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(t) Rounding of amounts

Amounts in the financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar unless otherwise stated.

(u) New and revised accounting standards effective at 30 June 2023

The Society has applied all new and revised Australian Accounting Standards that apply for the first time at 30 June 2023, including the following:

- (a) AASB 2021- 2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates
- (b) AASB 2021- 6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards
- (c) AASB 2022- 7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standard
- (d) AASB 2022- 3 Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15
- (e) AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 2: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Society. The Society has decided not to early adopt any of these new and amended pronouncements. The Society's assessment of the new and amended pronouncements that are relevant to the Society but applicable in future reporting periods is set out below.

| Standard / Intrepretation | Effective for annual reporting periods begging on of after | Expected to be initially applied in the financial year ending |
|--|---|--|
| AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current | 1 January 2024 | 30 June 2024 |
| AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current | | |
| AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants | | |
| AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liabilities in a Sale and Leaseback | 1 January 2024 | 30 June 2024 |
| AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities | 1 January 2024 | 30 June 2024 |

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Society's accounting policies, management makes various judgements that can significantly affect the amounts recognised in the financial statements. In addition, the determination of carrying amounts of some assets and liabilities require estimation of the effects of uncertain future events. Outcomes within the next financial year that are different from the assumptions made could require a material adjustment to the carrying amounts of those assets and liabilities affected by the assumption.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if 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.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

The following outlines the major judgements made by management in applying the Society's accounting policies and/or the major sources of estimation uncertainty, that have the most significant effect on the amounts recognised in the financial statements and/or have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

Revenue

The Society has made a decision that expense is a good indicator of performance obligations being met and as such, revenue for grant contracts with sufficiently specific and enforceable performance obligations is recognised to match expenses. If it is determined that expenses are not materially representative of meeting performance obligations, an alternative measure would be considered.

The Society recognises revenue either at a point in time or over time as and when the customer obtains control of the goods and services. The Society recognises revenue at a point in time when it has a present right to the payment and the customer has obtained the ability to direct the use of goods and services provided. Revenue is recognised over time if the customer simultaneously receives and consumes the benefits provided by the Society. The Society recognises the majority of its revenue streams at a point in time. Certain government and non-government grants are recognised over time, if the performance obligations are sufficiently specific. Revenue for such grants are recognised over time once expenses are incurred to fulfil these performance obligations.

All contracts with customers have been considered enforceable for the purpose of AASB 15 as the funder may have a remedy through common law, various state statutes and various State based fundraising laws.

The Society has determined that there are no significant contract costs to be recognised under AASB 15 and as such, indirect cost recovery is charged as agreed with the funder on the contract. No significant refund assets or refund liabilities have occurred.

Provisions

Long-service leave and annual leave

Management judgement is applied in determining the following key assumptions used in the calculation of long-service leave at reporting date:

- i) future increases in salaries, wages and on costs;
- ii) experience of employee departures and period of service; and
- iii) flow of anticipated leave.

Provision for remuneration compliance

Management judgement is required to estimate the amount of unpaid remuneration compliance payments. Details are provided in Note 16 Provisions.

Provision for legal claims

Judgement is required in the estimate of notified and opened legal claims. Details are provided in Note 16 Provisions.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Allowance for doubtful debts

An estimate for doubtful debts is made using the simplified approach and recognising lifetime expected credit losses for trade receivables.

Provision for site restoration

The provision for the costs of site restoration represents the present value of the best estimate of the future sacrifice of economic benefits that will be required to remove leasehold improvements from leasehold properties. The estimate has been made on the basis of historical restoration costs, a review of leases and future rentals. The unexpired terms of the leases range from one to 40 years.

Property, plant and equipment and intangibles

Useful lives and residual value of property, plant and equipment are reviewed annually. Judgement is applied in determining the useful lives of property, plant and equipment. Any reassessment of useful lives and residual value in a particular year will affect depreciation and amortisation expense (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future years.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 4: DIVISIONAL REPORTING

Operating divisions

The Australian Red Cross Society comprises the following operating divisions as defined in Note 1 to this report:

- Australian Red Cross Humanitarian Services (Humanitarian Services)
- Australian Red Cross Lifeblood (Lifeblood)

The accounting policies of the reportable divisions are the same as the Society's accounting policies described in Note 1. Division surplus represents the surplus earned by each division. There is no allocation of central administration costs.

Interdivision transactions of \$0.006 million (FY22: \$0.006 million) for the current financial year primarily include fees paid by Lifeblood operating division to Humanitarian Services operating division.

Divisional statement of profit or loss and other comprehensive income

| | 2023 | | | 2022 | | |
|---|----------------------------------|----------------------|--------------------|----------------------------------|----------------------|--------------------|
| | Humanitarian Services \$ '000 | Lifeblood \$ '000 | Society \$ '000 | Humanitarian Services \$ '000 | Lifeblood \$ '000 | Society \$ '000 |
| REVENUE | | | | | | |
| Government funding | | | | | | |
| Operating – Commonwealth funded | 73,358 | 626,330 | 699,688 | 79,087 | 626,783 | 705,870 |
| Operating – State funded | 44,177 | 33,565 | 77,742 | 61,814 | 31,564 | 93,378 |
| Capital - Commonwealth and State funded | - | 57,576 | 57,576 | - | 53,329 | 53,329 |
| Total government funding | 117,535 | 717,471 | 835,006 | 140,901 | 711,676 | 852,577 |
| Donations, bequests and sponsorships | 94,955 | - | 94,955 | 146,220 | - | 146,220 |
| Rendering of services | 8,834 | - | 8,834 | 7,625 | - | 7,625 |
| Sale of goods and services | 35,711 | - | 35,711 | 28,960 | - | 28,960 |
| Non-government grants | 10,964 | - | 10,964 | 12,219 | - | 12,219 |
| Investment revenue | 4,834 | 9,266 | 14,100 | 3,587 | 4,005 | 7,592 |
| Gain/(loss) on assets and investments | 45,998 | (1,157) | 44,841 | - | - | - |
| Other income | 1,296 | 14,084 | 15,380 | 351 | 12,154 | 12,505 |
| Total other revenue | 202,592 | 22,193 | 224,785 | 198,962 | 16,159 | 215,121 |
| Total revenue | 320,127 | 739,664 | 1,059,791 | 339,863 | 727,835 | 1,067,698 |

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 4: DIVISIONAL REPORTING (CONTINUED)

Divisional statement of profit or loss and other comprehensive income

| | 2023 | | | 2022 | | |
|---|-------------------------------------|----------------------|--------------------|-------------------------------------|----------------------|--------------------|
| | Humanitarian Services \$ '000 | Lifeblood \$ '000 | Society \$ '000 | Humanitarian Services \$ '000 | Lifeblood \$ '000 | Society \$ '000 |
| EXPENDITURE | | | | | | |
| Employee expenditure | 149,560 | 385,021 | 534,581 | 179,133 | 379,848 | 558,981 |
| Operating expenditure | 146,412 | 163,427 | 309,839 | 190,596 | 188,479 | 379,075 |
| Cost of services, sale of goods and consumables | 3,849 | 112,347 | 116,196 | 4,148 | 111,568 | 115,716 |
| Depreciation and amortisation | 16,326 | 66,164 | 82,490 | 18,790 | 70,180 | 88,970 |
| Interest costs and transaction fees | 1,863 | 8,607 | 10,470 | 1,736 | 8,667 | 10,403 |
| Loss on assets and investments | - | - | - | 2,784 | 301 | 3,085 |
| Total expenditure | 318,010 | 735,566 | 1,053,576 | 397,187 | 759,043 | 1,156,230 |
| Net surplus / (deficit) for the year | 2,117 | 4,098 | 6,215 | (57,324) | (31,208) | (88,532) |
| OTHER COMPREHENSIVE INCOME | | | | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | | | |
| Actuarial gain on retirement benefit obligations | - | 341 | 341 | - | 1,566 | 1,566 |
| Net gain/(loss) arising on equity instruments classified as FVOCI | - | 4,371 | 4,371 | (1,046) | (6,180) | (7,226) |
| Items that may be reclassified subsequently to profit or loss | | | | | | |
| Net gain/(loss) arising on debt instruments classified as FVOCI | 229 | 799 | 1,028 | (141) | (3,424) | (3,565) |
| Total other comprehensive gain / (loss) for the year | 229 | 5,511 | 5,740 | (1,187) | (8,038) | (9,225) |
| Total comprehensive surplus / (deficit) for the year | 2,346 | 9,609 | 11,955 | (58,511) | (39,246) | (97,757) |

The Society's net gain on assets and investments of \$44.841 million includes Lifeblood division's net loss on assets and investments of \$1.157 million.

The Humanitarian Division's net gain of \$45.998 million is an aggregate of \$47.365 million gain and a \$1.367 million loss. Refer to note 7 for more details.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 4: DIVISIONAL REPORTING (CONTINUED)

Divisional statement of financial position

| | 2023 | | | 2022 | | |
|--------------------------------------|-------------------------------------|---------------------|--------------------|-------------------------------------|---------------------|--------------------|
| | Humanitarian Services \$ '000 | Lifefood \$ '000 | Society \$ '000 | Humanitarian Services \$ '000 | Lifefood \$ '000 | Society \$ '000 |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 138,672 | 103,025 | 241,697 | 95,209 | 129,264 | 224,473 |
| Trade and other receivables | 13,125 | 6,117 | 19,242 | 15,832 | 2,445 | 18,277 |
| Inventories | 453 | 34,141 | 34,594 | 549 | 31,033 | 31,582 |
| Other financial assets | 484 | 144,352 | 144,836 | 21,007 | 136,076 | 157,083 |
| Prepayments | 6,580 | 15,591 | 22,171 | 4,872 | 15,247 | 20,119 |
| Total current assets | 159,314 | 303,226 | 462,540 | 137,469 | 314,065 | 451,534 |
| Non-current assets | | | | | | |
| Property, plant and equipment | 32,816 | 251,884 | 284,700 | 39,537 | 252,898 | 292,435 |
| Intangible assets | 1,143 | 16,388 | 17,531 | 4,689 | 22,497 | 27,186 |
| Right-of-use assets | 25,116 | 221,526 | 246,642 | 22,156 | 231,406 | 253,562 |
| Retirement benefit asset | - | 1,498 | 1,498 | - | 1,079 | 1,079 |
| Total non-current assets | 59,075 | 491,296 | 550,371 | 66,382 | 507,880 | 574,262 |
| TOTAL ASSETS | 218,389 | 794,522 | 1,012,911 | 203,851 | 821,945 | 1,025,796 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Trade and other payables | 21,810 | 59,371 | 81,181 | 15,061 | 62,007 | 77,068 |
| Provisions | 28,123 | 89,781 | 117,904 | 26,323 | 86,825 | 113,148 |
| Lease liabilities | 13,363 | 21,297 | 34,660 | 10,350 | 19,417 | 29,767 |
| Other liabilities | 6,051 | 97,355 | 103,406 | 5,659 | 129,375 | 135,034 |
| Total current liabilities | 69,347 | 267,804 | 337,151 | 57,393 | 297,624 | 355,017 |
| Non-current liabilities | | | | | | |
| Provisions | 2,851 | 13,608 | 16,459 | 2,520 | 13,809 | 16,329 |
| Lease liabilities | 14,475 | 230,832 | 245,307 | 14,568 | 237,843 | 252,411 |
| Total non-current liabilities | 17,326 | 244,440 | 261,766 | 17,088 | 251,652 | 268,740 |
| TOTAL LIABILITIES | 86,673 | 512,244 | 598,917 | 74,481 | 549,276 | 623,757 |
| NET ASSETS | 131,716 | 282,278 | 413,994 | 129,370 | 272,669 | 402,039 |
| EQUITY | | | | | | |
| Reserves | - | 127,174 | 127,174 | 6,009 | 105,971 | 111,980 |
| Specific purpose funds | 53,289 | - | 53,289 | 66,887 | - | 66,887 |
| Accumulated funds | 78,427 | 155,104 | 233,531 | 56,474 | 166,698 | 223,172 |
| TOTAL EQUITY | 131,716 | 282,278 | 413,994 | 129,370 | 272,669 | 402,039 |

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 4: DIVISIONAL REPORTING (CONTINUED)

Divisional statement of changes in equity

| | Humanitarian Services | | | Lifeblood | | | | Total |
|---|-----------------------|------------------------|--------------------------------|-------------------|-----------------|-----------------|--------------------------------|----------------|
| | Accumulated funds | Specific purpose funds | Investment revaluation reserve | Accumulated funds | Special reserve | Capital reserve | Investment revaluation reserve | |
| | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| Balance as at 1 July 2021 | 117,697 | 62,988 | 7,196 | 181,179 | 70,611 | 52,798 | 7,327 | 499,796 |
| Net deficit for the year | (57,324) | - | - | (31,208) | - | - | - | (88,532) |
| Transfers (from)/ to specific purpose funds | (3,899) | 3,899 | - | - | - | - | - | - |
| Transfers (from)/to other reserves | - | - | - | 15,161 | (7,759) | (7,741) | 339 | - |
| Actuarial gain on retirement benefit obligations | - | - | - | 1,566 | - | - | - | 1,566 |
| Net gain/(loss) on revaluation of financial instruments | - | - | (1,187) | - | - | - | (9,604) | (10,791) |
| BALANCE AS AT 30 JUNE 2022 | <u>56,474</u> | <u>66,887</u> | <u>6,009</u> | <u>166,698</u> | <u>62,852</u> | <u>45,057</u> | <u>(1,938)</u> | <u>402,039</u> |
| Balance as at 1 July 2022 | 56,474 | 66,887 | 6,009 | 166,698 | 62,852 | 45,057 | (1,938) | 402,039 |
| Net surplus for the year | 2,117 | - | - | 4,098 | - | - | - | 6,215 |
| Transfers (from)/ to specific purpose funds | 13,598 | (13,598) | - | - | - | - | - | - |
| Transfers (from)/to other reserves | 6,238 | - | (6,238) | (16,033) | 882 | 15,161 | (10) | - |
| Actuarial gain on retirement benefit obligations | - | - | - | 341 | - | - | - | 341 |
| Net gain/(loss) on revaluation of financial instruments | - | - | 229 | - | - | - | 5,170 | 5,399 |
| BALANCE AS AT 30 JUNE 2023 | <u>78,427</u> | <u>53,289</u> | <u>-</u> | <u>155,104</u> | <u>63,734</u> | <u>60,218</u> | <u>3,222</u> | <u>413,994</u> |

AUSTRALIAN RED CROSS SOCIETY

ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 4: DIVISIONAL REPORTING (CONTINUED)

Divisional statement of cash flows

| | 2023 | | | 2022 | | |
|--|-------------------------------------|----------------------|--------------------|-------------------------------------|----------------------|--------------------|
| | Humanitarian Services \$ '000 | Lifeblood \$ '000 | Society \$ '000 | Humanitarian Services \$ '000 | Lifeblood \$ '000 | Society \$ '000 |
| Cash flows from operating activities | | | | | | |
| Receipts from donors, government and other sources | 274,735 | 813,075 | 1,087,810 | 337,307 | 796,213 | 1,133,520 |
| Payments to suppliers and employees | (296,362) | (781,841) | 1,078,203) | (395,415) | (777,714) | 1,173,129) |
| Interest on borrowings and other costs of finance | - | (19) | (19) | (893) | (17) | (910) |
| Interest on lease liabilities | (953) | (8,588) | (9,541) | (843) | (8,650) | (9,493) |
| Net cash provided by/(used in) operating activities | <u>(22,580)</u> | <u>22,627</u> | <u>47</u> | <u>(59,844)</u> | <u>9,832</u> | <u>(50,012)</u> |
| Cash flows from investing activities | | | | | | |
| Payments for property, plant and equipment and intangibles | (3,486) | (35,704) | (39,190) | (8,069) | (40,246) | (48,315) |
| Proceeds from disposal of property, plant and equipment | 57,540 | 991 | 58,531 | - | 61 | 61 |
| Payments for purchase of investment securities | - | (15,436) | (15,436) | (3,629) | (28,898) | (32,527) |
| Proceeds from sale of investment securities | 21,187 | 12,312 | 33,499 | 40,096 | 21,113 | 61,209 |
| Dividends received | 70 | 1,482 | 1,552 | 1,248 | 1,597 | 2,845 |
| Interest received | 1,726 | 7,784 | 9,510 | 1,157 | 2,408 | 3,565 |
| Net cash provided by/(used) in investing activities | <u>77,037</u> | <u>(28,571)</u> | <u>48,466</u> | <u>30,803</u> | <u>(43,965)</u> | <u>(13,162)</u> |
| Cash flows from financing activities | | | | | | |
| Payment for principal portion of lease liabilities | (10,994) | (20,188) | (31,182) | (12,780) | (21,870) | (34,650) |
| Net cash used in financing activities | <u>(10,994)</u> | <u>(20,188)</u> | <u>(31,182)</u> | <u>(12,780)</u> | <u>(21,870)</u> | <u>(34,650)</u> |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | <u>43,463</u> | <u>(26,132)</u> | <u>17,331</u> | <u>(41,821)</u> | <u>(56,003)</u> | <u>(97,824)</u> |
| Cash and cash equivalents at the beginning of the financial year | 95,209 | 129,264 | 224,473 | 137,030 | 185,227 | 322,257 |
| Effects of exchange rate changes on the balance of cash held in foreign currencies | - | (107) | (107) | - | 40 | 40 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | <u>138,672</u> | <u>103,025</u> | <u>241,697</u> | <u>95,209</u> | <u>129,264</u> | <u>224,473</u> |

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|---|----------------|----------------|
| | \$ '000 | \$ '000 |
| NOTE 5: DONATIONS, BEQUESTS AND SPONSORSHIPS | | |
| Donations and sponsorships | 61,474 | 60,188 |
| Bequests | 18,997 | 12,362 |
| Raffle tickets | 1,232 | 1,285 |
| Membership fees and donations | 815 | 807 |
| Appeals - Domestic | | |
| Qld/NSW Floods recovery | 1,501 | 27,211 |
| Qld/NSW Telethon | - | 27,185 |
| Disaster Relief and Recovery Fund | 241 | 25 |
| NSW Flood 2021 | 30 | 14 |
| Floods and Drought appeal | 2 | 5 |
| Appeals - International | | |
| Ukraine Conflict Appeal | 2,595 | 14,765 |
| Türkiye/Syria Earthquakes appeal | 6,918 | - |
| Afghanistan crisis appeal | 66 | 1,361 |
| Tonga Flood Appeal | 100 | 840 |
| Myanmar Appeal | 103 | 91 |
| Syria Crisis Appeal | 8 | 63 |
| Pakistan Flood appeal | 305 | - |
| Global Hunger crisis appeal | 512 | - |
| Sudan complex emergency appeal | 56 | - |
| Indonesia COVID-19 response | - | 18 |
| Total donations, bequests and sponsorships | 94,955 | 146,220 |

AUSTRALIAN RED CROSS SOCIETY

ABN: 50 169 561 394

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

| | 2023 | 2022 |
|---|----------------------|----------------------|
| | \$ '000 | \$ '000 |
| NOTE 6: INVESTMENT AND OTHER INCOME | | |
| <i>Investment revenue</i> | | |
| Interest revenue - bank deposits | 8,508 | 2,415 |
| Interest revenue - Investment FVOCI & FVPL | 1,002 | 1,138 |
| Dividends from other entities and imputation credit | 1,552 | 2,861 |
| Other investment and rental income | <u>3,038</u> | <u>1,178</u> |
| Total investment revenue | <u>14,100</u> | <u>7,592</u> |
| <i>Other income</i> | | |
| Other income | 15,380 | 12,177 |
| COVID-19 Rent abatements | <u>-</u> | <u>328</u> |
| Total other income | <u>15,380</u> | <u>12,505</u> |

Lifeblood receives other income, which is generated from the provision of some testing services and products and services on a fee-for-service basis.

NOTE 7: GAINS AND (LOSSES) ON ASSETS AND INVESTMENTS

| | | |
|--|----------------------|-----------------------|
| Net gain/(loss) on disposal of property, plant and equipment | 46,694 | (1,017) |
| Impairment losses of property, plant and equipment | (588) | - |
| Impairment losses of intangible assets | (1,031) | - |
| (Loss)/gain on disposal of investments | (34) | (861) |
| Impairment on Financial assets FVOCI | - | (145) |
| Unrealised (loss)/gain in investments | (26) | (1,070) |
| Foreign exchange loss/(gain) | <u>(174)</u> | <u>8</u> |
| Total gains and (losses) on assets and investments | <u>44,841</u> | <u>(3,085)</u> |

The gain on disposal of property plant & equipment includes the gain on disposal of land and buildings located at 23-47 Villiers Street, North Melbourne of \$47.291 million. The property is now subject to a sale and leased back arrangement. Refer to note 24 for more details.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|---|----------------|----------------|
| | \$ '000 | \$ '000 |
| NOTE 8: EXPENDITURE | | |
| <i>Employee expenditure</i> | | |
| Wages and salaries | 481,780 | 509,967 |
| <i>Post-employment and superannuation benefits</i> | | |
| Defined benefit plans | (78) | 68 |
| Defined contributions plans | 48,327 | 46,261 |
| Termination benefits | <u>4,552</u> | <u>2,685</u> |
| Total employee expenditure | <u>534,581</u> | <u>558,981</u> |
| <i>Operating expenditure</i> | | |
| Lease rental expenditure - minimum lease payments | 12,192 | 5,464 |
| Movement in inventory | (680) | (158) |
| Impairment of trade receivables | 294 | 166 |
| <i>Other expenditure</i> | | |
| Other operational costs | 96,467 | 123,668 |
| Buildings and facilities expense | 31,451 | 32,717 |
| Client support costs | 33,351 | 97,219 |
| Contribution to other partner societies | 28,936 | 28,403 |
| Partner and call centre expense | 28,890 | 15,078 |
| Telecommunication costs | 43,328 | 45,138 |
| Telemarketing and advertising | 24,049 | 21,798 |
| Travel and accommodation | 5,999 | 3,717 |
| Worker compensation costs | <u>5,562</u> | <u>5,865</u> |
| Total operating expenditure | <u>309,839</u> | <u>379,075</u> |
| <i>Cost of services, sale of goods and consumables</i> | | |
| Cost of sales | 2,047 | 2,360 |
| Cost of rendering training services | 1,802 | 1,788 |
| Consumables | <u>112,347</u> | <u>111,568</u> |
| Total cost of services, sale of goods and consumables | <u>116,196</u> | <u>115,716</u> |
| <i>Depreciation of property, plant and equipment and amortisation of intangibles</i> | | |
| Depreciation of property, plant and equipment | 35,125 | 39,048 |
| Amortisation of intangibles | 11,105 | 12,061 |
| Amortisation of lease assets | <u>36,260</u> | <u>37,861</u> |
| Total depreciation of property, plant and equipment and amortisation of intangibles | <u>82,490</u> | <u>88,970</u> |

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|---|----------------------|----------------------|
| | \$ '000 | \$ '000 |
| NOTE 8: EXPENDITURE (CONTINUED) | | |
| <i>Interest costs and transaction fees</i> | | |
| Transaction fees | 930 | 947 |
| Interest on leases | <u>9,540</u> | <u>9,456</u> |
| Total interest costs and transaction fees | <u>10,470</u> | <u>10,403</u> |

The other operational costs includes professional fees, software and equipment costs, freight costs amongst other costs.

Termination benefits includes \$4.552 million for redundancy payments.

NOTE 9: TRADE AND OTHER RECEIVABLES

CURRENT

| | | |
|--|----------------------|----------------------|
| Trade receivables | 10,235 | 4,912 |
| Allowance for doubtful debts | <u>(189)</u> | <u>(188)</u> |
| | 10,046 | 4,724 |
| Other receivables | 9,196 | 12,572 |
| Goods and services tax receivable | <u>-</u> | <u>981</u> |
| Total trade and other receivables | <u>19,242</u> | <u>18,277</u> |

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 day terms. Trade receivables are reviewed regularly for recoverability. Government and hospital debts are considered recoverable. Where debts are assessed to be non-recoverable, these are written off in certain circumstances.

Other receivables

Other receivables relate to bequest income recognised but not yet received where the bequest has probate granted, recoveries of costs for delegates on mission, grants receivable and recoveries of costs incurred in our domestic humanitarian work.

Aging of past due trade receivables

| | | |
|--|---------------------|---------------------|
| 0-30 days | 919 | 785 |
| 30-60 days | 260 | 163 |
| 60-90 days | 82 | 22 |
| 90-120 days | 54 | 47 |
| 120+ days | <u>1,043</u> | <u>218</u> |
| Total of aged past due date trade receivables | <u>2,358</u> | <u>1,235</u> |

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|--|----------------|----------------|
| | \$ '000 | \$ '000 |
| NOTE 9: TRADE AND OTHER RECEIVABLES (CONTINUED) | | |
| Movement of allowance for doubtful debts | | |
| Opening balance at 1 July | 188 | 22 |
| Impairment losses recognised on receivables | 294 | 166 |
| Amounts written off as uncollectible | <u>(293)</u> | <u>-</u> |
| Closing balance at 30 June | <u>189</u> | <u>188</u> |
| Aging of impaired trade receivables | | |
| 0-30 days | 8 | 15 |
| 30-60 days | 2 | 3 |
| 60-90 days | - | - |
| 90-120 days | 24 | 31 |
| 120+ days | <u>155</u> | <u>139</u> |
| Total impaired trade receivables | <u>189</u> | <u>188</u> |
| | 2023 | 2022 |
| | \$ '000 | \$ '000 |
| NOTE 10: INVENTORIES | | |
| CURRENT | | |
| <i>At cost</i> | | |
| Consumables inventory | 27,965 | 25,561 |
| Work in progress | 1,078 | 1,093 |
| Finished goods | <u>5,551</u> | <u>4,928</u> |
| Total inventories | <u>34,594</u> | <u>31,582</u> |
| | 2023 | 2022 |
| | \$ '000 | \$ '000 |
| NOTE 11: OTHER FINANCIAL ASSETS | | |
| CURRENT | | |
| <i>Fair Value through Other Comprehensive Income (FVOCI)</i> | | |
| Shares | 35,023 | 38,880 |
| Listed bonds | 3,366 | 3,366 |
| Unlisted bonds | <u>106,447</u> | <u>105,408</u> |
| Total financial assets at fair value through other comprehensive income | <u>144,836</u> | <u>147,654</u> |

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|--|----------------|----------------|
| | \$ '000 | \$ '000 |
| NOTE 11: OTHER FINANCIAL ASSETS (CONTINUED) | | |
| <i>Fair Value through Profit & Loss (FVPL)</i> | | |
| Unlisted managed funds | - | 6,691 |
| Hybrid bonds - listed | - | 2,738 |
| Total financial assets at fair value through Profit & Loss (FVPL) | - | 9,429 |
| Total current financial assets | 144,836 | 157,083 |

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|----------------|
| | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| Year ended 30 June 2022 | | | | |
| Financial assets FVOCI & FVPL | | | | |
| Bonds | 6,104 | 105,408 | - | 111,512 |
| Shares | 38,880 | - | - | 38,880 |
| Managed funds | - | 6,691 | - | 6,691 |
| Total current other financial assets | 44,984 | 112,099 | - | 157,083 |
| Year ended 30 June 2023 | | | | |
| Financial assets FVOCI & FVPL | | | | |
| Bonds | 3,366 | 106,447 | - | 109,813 |
| Shares | 35,023 | - | - | 35,023 |
| Managed funds | - | - | - | - |
| Total current other financial assets | 38,389 | 106,447 | - | 144,836 |

The Society disposed of \$21.229 million of investments held at fair value at year ended in June 2023 comprising \$8.945 million shares, \$5.561 million bonds and \$6.723 million managed funds.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

| | Land, buildings and renovations \$ '000 | Shop fit-outs \$ '000 | Plant and equipment \$ '000 | Work in progress \$ '000 | Total \$ '000 |
|--|--|--------------------------|-----------------------------------|--------------------------------|------------------|
| Year ended 30 June 2022 | | | | | |
| Gross carrying amount | | | | | |
| Balance at 1 July 2021 | 381,914 | 5,209 | 287,894 | 13,843 | 688,860 |
| Additions | - | - | - | 47,673 | 47,673 |
| Disposals | (2,126) | (85) | (13,183) | - | (15,394) |
| Transfers to/(from) work in progress | 15,444 | 263 | 19,336 | (35,043) | - |
| Transfers to intangibles | - | - | - | (6,204) | (6,204) |
| Balance at 30 June 2022 | <u>395,232</u> | <u>5,387</u> | <u>294,047</u> | <u>20,269</u> | <u>714,935</u> |
| Accumulated depreciation | | | | | |
| Balance at 1 July 2021 | (185,713) | (4,629) | (208,082) | - | (398,424) |
| Depreciation expense | (15,206) | (372) | (23,470) | - | (39,048) |
| Disposals | 2,093 | 83 | 12,796 | - | 14,972 |
| Balance at 30 June 2022 | <u>(198,826)</u> | <u>(4,918)</u> | <u>(218,756)</u> | <u>-</u> | <u>(422,500)</u> |
| Net book value as at 30 June 2022 | <u>196,406</u> | <u>469</u> | <u>75,291</u> | <u>20,269</u> | <u>292,435</u> |
| Year ended 30 June 2023 | | | | | |
| Gross carrying amount | | | | | |
| Balance at 1 July 2022 | 395,232 | 5,387 | 294,047 | 20,269 | 714,935 |
| Additions | - | - | - | 36,290 | 36,290 |
| Disposals | (15,425) | - | (5,786) | - | (21,211) |
| Transfers to/(from) work in progress | 1,186 | 142 | 37,308 | (38,636) | - |
| Impairment loss of property, plant & equipment | (505) | (3) | (80) | - | (588) |
| Transfers from intangibles | - | - | - | 419 | 419 |
| Balance at 30 June 2023 | <u>380,488</u> | <u>5,526</u> | <u>325,489</u> | <u>18,342</u> | <u>729,845</u> |
| Accumulated depreciation | | | | | |
| Balance at 1 July 2022 | (198,826) | (4,918) | (218,756) | - | (422,500) |
| Depreciation | (14,811) | (267) | (20,047) | - | (35,125) |
| Disposals | 7,159 | - | 5,321 | - | 12,480 |
| Balance at 30 June 2023 | <u>(206,478)</u> | <u>(5,185)</u> | <u>(233,482)</u> | <u>-</u> | <u>(445,145)</u> |
| Net book value as at 30 June 2023 | <u>174,010</u> | <u>341</u> | <u>92,007</u> | <u>18,342</u> | <u>284,700</u> |

The land and buildings located at 23-47 Villiers Street North Melbourne was sold on 30th June 2023 and subsequently leased back. The proceeds of the transaction was \$57.541 million with a gain on disposal of \$47.291 million. Refer to note 24 for more details.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 13: INTANGIBLE ASSETS

| | Software | Work in progress | Total |
|--|------------------|-------------------------|------------------|
| | \$ '000 | \$ '000 | \$ '000 |
| Year ended 30 June 2022 | | | |
| Gross carrying amount | | | |
| Balance at 1 July 2021 | 132,078 | 8,304 | 140,382 |
| Additions to work in progress | - | 642 | 642 |
| Disposals / write-off | (500) | (208) | (708) |
| Transfers to/(from) work in progress | 13,507 | (13,507) | - |
| Transfers from property, plant and equipment | - | 6,204 | 6,204 |
| Reclassification adjustment | 44 | - | 44 |
| Balance at 30 June 2022 | <u>145,129</u> | <u>1,435</u> | <u>146,564</u> |
| Accumulated depreciation | | | |
| Balance at 1 July 2021 | (107,327) | - | (107,327) |
| Amortisation expense | (12,061) | - | (12,061) |
| Disposals / write-off | 54 | - | 54 |
| Reclassification adjustment | (44) | - | (44) |
| Balance at 30 June 2022 | <u>(119,378)</u> | <u>-</u> | <u>(119,378)</u> |
| Net book value as at 30 June 2022 | <u>25,751</u> | <u>1,435</u> | <u>27,186</u> |
| Year ended 30 June 2023 | | | |
| Gross carrying amount | | | |
| Balance at 1 July 2022 | 145,129 | 1,435 | 146,564 |
| Additions to work in progress | - | 2,900 | 2,900 |
| Impairment loss of intangibles | (19,909) | - | (19,909) |
| Transfers to/(from) work in progress | 693 | (693) | - |
| Transfers to property plant & equipment | - | (419) | (419) |
| Balance at 30 June 2023 | <u>125,913</u> | <u>3,223</u> | <u>129,136</u> |
| Accumulated depreciation | | | |
| Balance at 1 July 2022 | (119,378) | - | (119,378) |
| Amortisation expense | (11,105) | - | (11,105) |
| Impairment loss of intangibles | 18,878 | - | 18,878 |
| Balance at 30 June 2023 | <u>(111,605)</u> | <u>-</u> | <u>(111,605)</u> |
| Net book value as at 30 June 2023 | <u>14,308</u> | <u>3,223</u> | <u>17,531</u> |

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|--|----------------------|----------------------|
| | \$ '000 | \$ '000 |
| NOTE 14: TRADE AND OTHER PAYABLES | | |
| CURRENT | | |
| <i>Unsecured liabilities</i> | | |
| Trade creditors | 49,511 | 51,279 |
| Amounts payable to: | | |
| Goods and services tax payable | 4,650 | - |
| Accruals and other payables | <u>27,020</u> | <u>25,789</u> |
| Total trade and other payables | <u>81,181</u> | <u>77,068</u> |

Trade payables are non-interest bearing and are normally settled on 30 day terms. Other payables are non-interest bearing and have an average term of 30 days. The continuous monitoring of cash flow ensures payables are paid within the credit time frame.

| | 2023 | 2022 |
|---|---------------------|---------------------|
| | \$ '000 | \$ '000 |
| NOTE 15: BORROWINGS | | |
| As at 30 June 2023, the total borrowings were nil (FY22: nil) | | |
| Unsecured bank overdraft facility | | |
| amount used | - | - |
| amount unused | <u>8,000</u> | <u>8,000</u> |
| Total unsecured bank overdraft facility | <u>8,000</u> | <u>8,000</u> |
| Credit card facility | | |
| amount used | 354 | 240 |
| amount unused | <u>1,146</u> | <u>1,260</u> |
| Total credit card facility | <u>1,500</u> | <u>1,500</u> |
| Bank guarantees | | |
| amount used | 238 | 172 |
| amount unused | <u>262</u> | <u>328</u> |
| Total bank guarantees | <u>500</u> | <u>500</u> |

The amount of the used credit card facility is reflected in accruals and other payables. Refer to note 14 Trade and Other Payables.

Refer to note 25 Contingent Liabilities for more information regarding Bank Guarantees.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|---|-----------------------|-----------------------|
| | \$ '000 | \$ '000 |
| NOTE 16: PROVISIONS | | |
| CURRENT | | |
| Employee benefits | 103,717 | 103,029 |
| Redundancies | 1,426 | 21 |
| Remuneration review | 2,824 | 3,585 |
| Site restoration | 2,593 | 2,129 |
| Legal claims | <u>7,344</u> | <u>4,384</u> |
| Total current provisions | <u>117,904</u> | <u>113,148</u> |
| NON CURRENT | | |
| Employee benefits | 10,619 | 10,178 |
| Site restoration | <u>5,840</u> | <u>6,151</u> |
| Total non current provisions | <u>16,459</u> | <u>16,329</u> |
| Total provisions | <u>134,363</u> | <u>129,477</u> |
| | | |
| (a) Reconciliations | | |
| Reconciliation of the carrying amounts of provisions at the beginning and end of the current financial year | | |
| <i>Employee benefits</i> | | |
| Opening balance | 113,228 | 108,383 |
| Provision recognised/(utilised) during the year | <u>1,108</u> | <u>4,845</u> |
| Closing balance | <u>114,336</u> | <u>113,228</u> |
| <i>Redundancies</i> | | |
| Opening balance | - | - |
| Provision recognised/(utilised) during the year | <u>1,426</u> | <u>-</u> |
| Closing balance | <u>1,426</u> | <u>-</u> |
| <i>Remuneration review</i> | | |
| Opening balance | 3,585 | 27,666 |
| Provision (utilised)/recognised during the year | <u>(761)</u> | <u>(24,081)</u> |
| Closing balance | <u>2,824</u> | <u>3,585</u> |
| <i>Site restoration</i> | | |
| Opening balance | 8,280 | 8,488 |
| Provision recognised/(utilised) during the year | <u>153</u> | <u>(208)</u> |
| Closing balance | <u>8,433</u> | <u>8,280</u> |
| <i>Legal claims</i> | | |
| Opening balance | 4,384 | 3,365 |
| Provision recognised/(utilised) during the year | <u>2,960</u> | <u>1,019</u> |
| Closing balance | <u>7,344</u> | <u>4,384</u> |

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 16: PROVISIONS (CONTINUED)

(a) Reconciliations (Continued)

(i) Employee benefits

The employee benefits provision contains provisions for annual leave, long service leave, rostered days off and other employee entitlements.

(ii) Redundancies

The Society is continuing to implement a series of co-ordinated actions to restore the organisation to a sustainable surplus. Specifically, Humanitarian Services is in the process of implementing a plan to reduce the scope of operations to focus on only those programs that reflect the Society's long term strategic priorities. As a result of the organisational changes needed to support this, a redundancy provision of \$1.426 million has been recognised in FY23.

(iii) Remuneration review

The remuneration review provision is a provision for the Humanitarian Services's employee remuneration underpayments for a select group of employees.

A comprehensive remuneration review was conducted in 2017 to explore how best to develop a national remuneration framework that will be 'fit for the future' of the Society. As part of this review, it was identified that the organisation had made incorrect assumptions about award and enterprise agreement coverage and classification of certain roles which resulted in a number of employees (current and former) being underpaid remuneration over several years.

The calculation of the underpaid amounts has been undertaken, which included amounts for salary and wages, overtime, penalties, and other allowances. Since December 2018, payments to current and former employees have been made to rectify the situation, with \$0.609 million in payments made in FY23 (FY22 \$42.836 million). As at 30 June 2023, a provision of \$2.824 million remains unpaid, which represents amounts still to be paid to former employees yet to be successfully contacted. Subsequent to 30 June 2023, \$2.267 million was paid to the Fair Work Ombudsman representing the monies due but unclaimed by employees.

(iv) Legal claims

The provision for legal claims includes expected future payments relating to Redress claims.

The National Redress Scheme was established in July 2018 to help children who experienced child sexual abuse in Australian Institutions at gain access to counselling services, a direct personal response, and a monetary payment. The Society managed a number of respite care homes for children since 1924 (with most of these closing before 1970) and is a participating institution of this National Redress Scheme. At times, the Society also receives direct claims and has its own process for investigating and responding directly to complaints in a caring, compassionate and prompt way. Where appropriate, a provision has been recognised for claims made through the National Redress Scheme claims and for direct claims made to the Society.

(v) Provision for site restoration

The provision for the costs of site restoration represents the present value of the best estimate of the future sacrifice of economic benefits that will be required to remove leasehold improvements from leasehold properties. The estimate has been made on the basis of historical restoration costs, a review of leases and future rentals. The unexpired terms of the leases range from one to 40 years.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|-----------------------------------|-----------------------|-----------------------|
| | \$ '000 | \$ '000 |
| NOTE 17: OTHER LIABILITIES | | |
| CURRENT | | |
| Government grants refundable | 10,798 | 30,205 |
| Revenue in advance | 90,567 | 97,315 |
| Government reserves refundable | - | 7,514 |
| Financial liability | <u>2,041</u> | <u>-</u> |
| Total other liabilities | <u>103,406</u> | <u>135,034</u> |

Government grants refundable

Lifeblood government grants refundable of \$7.603 million (FY22 \$25.322 million) relates to the expected return of funds to the NBA for surpluses in the reported period for Lifeblood.

Humanitarian services grants refundable of \$3.195 million (FY22 \$4.883 million) relates to government grant funding contracts which ended at 30 June 2023. These contracts resulted in unspent surplus which under the terms of the agreement is required to be repaid to the funder.

Revenue in advance

Revenue in advance includes:

- i. \$85.203 million (FY22 \$90.733 million) output funding net cash prepayment relating to government grant funding received in advance from NBA for product and services to be supplied in July 2023.
- ii. \$0.815 million (FY22 \$0.776 million) deferred income in Humanitarian Services.
- iii. \$4.549 million (FY22 \$5.806 million) deferred income for funds received from customers as at reporting date but Lifeblood has not yet satisfied the performance obligation by transferring a promised good or service.

Financial liability

The financial liability balance relates to the above market sales terms for the sale of the Villiers Street property. Refer to note 24 more details.

NOTE 18: DEFINED BENEFIT SUPERANNUATION PLANS

The Society has recognised a liability in the statement of financial position in respect of its defined benefit superannuation arrangements. Currently, contributions are made to the following defined benefit plans:

1. Active Super (formerly Local Government Superannuation Scheme, LGSS), in NSW; and
2. Australian Red Cross Queensland Staff Retirement Fund in Queensland.

All contributions are expensed when incurred.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 18: DEFINED BENEFIT SUPERANNUATION PLANS (CONTINUED)

Active Super (NSW): Active Super provides defined benefits whereby components of the final benefit are derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal. The defined benefits scheme was closed to new members effective from 15 December 1992. The Active Super scheme was established on 1 July 1997 to specifically cater for the superannuation requirements of local government employees. LGSS Pty Ltd (ABN 68078003497) (AFSL 383558) is the Trustee of the Active Super scheme. Active Super is a resident regulated superannuation scheme within the meaning of the Superannuation Industry (Supervision) Act 1993.

Australian Red Cross Queensland Staff Retirement Fund (Qld): The fund, offering both defined benefit and defined contribution plans, is a final average (3 years) lump sum benefit arrangement providing benefits on death, disability, resignation and retirement. The defined benefit section provides benefits based on the length of service and final average salary. The defined contribution section receives fixed contributions and the employer's legal or constructive obligation is limited to these contributions. The fund commenced on 15 June 2006 as a successor fund transfer from the Australian Red Cross Qld Staff Superannuation Plan. This fund is a sub-fund of the AMP Superannuation Savings Trust, which was established under a Trust Deed dated 1 July 1998. The Trustee is AMP Superannuation Limited.

The plans in Australia typically expose the Society to actuarial risks such as; investment risk, interest rate risk, longevity risk and salary risk:

Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan assets is below this rate, it will create a plan deficit.

Interest Risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The risk relating to benefits to be paid to the dependants of plan members (widow and orphan benefits) is re-insured by an external insurance company. No other post-retirement benefits are provided to these employees.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 18: DEFINED BENEFIT SUPERANNUATION PLANS (CONTINUED)

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at 30 June 2023 by:

- Mr Jeff Humphries Principal, CHR Consulting Pty Ltd for Australian Red Cross Queensland Staff Retirement Fund (Qld); and
- Mr Richard Boyfield Partner, Representative of Mercer Consulting (Australia) Pty Ltd for Active Super (NSW).

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

| | 2023 | 2022 |
|---|--------------|----------------|
| | % | % |
| a) Principal actuarial assumptions | | |
| Discount rate | 5.53 | 5.15 |
| Expected rate of salary increase | 3.45 | 2.82 |
| Anticipated rate of return on plan assets | 6.00 | 5.55 |
| | | |
| | 2023 | 2022 |
| | \$ '000 | \$ '000 |
| b) Amounts recognised in the statement of profit and loss and other comprehensive income | | |
| Service cost | | |
| Current service cost | 303 | 406 |
| Employer contributions | (290) | (316) |
| Member contributions | (26) | (26) |
| Net interest cost | <u>(65)</u> | <u>4</u> |
| Components of defined benefit cost recognised in (deficit)/surplus | <u>(78)</u> | <u>68</u> |
| Remeasurement on the net defined benefit liability | | |
| Return on plan assets (excluding amounts included in net interest expense) | (322) | 1,008 |
| Actuarial (gain)/loss arising from changes in demographic assumptions | - | 1,585 |
| Actuarial loss/(gain) arising from changes in financial assumptions | (446) | (4,912) |
| Actuarial (gain)/loss arising from experience adjustment | <u>427</u> | <u>753</u> |
| Components of defined benefit gain recognised in other comprehensive income | <u>(341)</u> | <u>(1,566)</u> |
| Total defined benefit (gain)/loss | <u>(419)</u> | <u>(1,498)</u> |

The current service cost and the net interest expense for the year are included in staff expenditure in the statement of profit or loss and other comprehensive income. The remeasurement of the net defined benefit liability is included in other comprehensive income.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | | 2023 \$ '000 | 2022 \$ '000 |
|--|-------|-----------------|-----------------|
| NOTE 18: DEFINED BENEFIT SUPERANNUATION PLANS (CONTINUED) | | | |
| c) Amounts recognised in the statement of financial position | | | |
| Present value of funded defined benefit plan obligation (d) | 18(d) | 17,652 | 17,473 |
| Fair value of defined benefit plan assets (e) | 18(e) | <u>(19,150)</u> | <u>(18,552)</u> |
| Net (asset)/liability arising from defined benefit plan obligation | | <u>(1,498)</u> | <u>(1,079)</u> |
| d) Reconciliation of movement in the present value of the defined benefit plan obligation | | | |
| Balance at beginning of the year | | 17,473 | 21,355 |
| Current service cost | | 303 | 406 |
| Interest on obligation | | 862 | 490 |
| Remeasurement (gains)/losses | | | |
| Actuarial (gain)/loss arising from changes in demographic assumptions | | - | 1,585 |
| Actuarial (gain)/loss arising from changes in financial assumptions | | (446) | (4,912) |
| Actuarial loss arising from experience adjustments | | 427 | 753 |
| Benefits paid (including expenses and taxes) | | (334) | (2,109) |
| Other | | <u>(633)</u> | <u>(95)</u> |
| Balance at the end of the year | | <u>17,652</u> | <u>17,473</u> |
| e) Reconciliation of movement in the fair value of plan assets | | | |
| Balance at beginning of year | | 18,552 | 20,939 |
| Interest income | | 927 | 486 |
| Remeasurement | | | |
| Return on plan assets (excluding amounts included in net interest expense) | | 322 | (1,008) |
| Contributions by the employer | | 290 | 316 |
| Contributions by plan participants | | 27 | 26 |
| Benefits paid | | (334) | (2,109) |
| Other | | <u>(634)</u> | <u>(98)</u> |
| Balance at the end of the year | | <u>19,150</u> | <u>18,552</u> |
| The fair value of the plan assets at the end of the reporting period for each category, are as follows: | | | |
| Australian equities | | 4,347 | 4,193 |
| International equities | | 4,558 | 3,933 |
| Australian fixed interest | | 5,343 | 4,879 |
| International fixed interest | | 345 | 334 |
| Property | | 1,838 | 1,948 |
| Cash | | 1,015 | 1,447 |
| Other | | <u>1,704</u> | <u>1,818</u> |
| Total fair value of the plan assets | | <u>19,150</u> | <u>18,552</u> |

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 18: DEFINED BENEFIT SUPERANNUATION PLANS (CONTINUED)

f) Sensitivity analysis for actuarial assumptions

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 50 basis points higher / (lower), the defined benefit obligation would (decrease) / increase by \$0.684 million (FY22 \$0.639 million).
- If the expected salary growth increases / (decreases) by 50 basis points, the defined benefit obligation would increase / (decrease) by \$0.415 million (FY22 \$0.375 million).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years other than the change in the bond rate used to calculate the employee liability obligations.

g) Asset-liability matching study

There were no asset-liability matching strategies adopted by the funds during the period.

h) Effects on future cash flows

Active Super's funding arrangements are assessed at least every three years following the release of the triennial actuarial review. Based on the 30 June 2021 Triennial Actuarial Valuation results, Lifeblood has sufficient assets to cover its liabilities, and will continue with the current contribution program. Lifeblood reviews its funding positions annually with funding arrangements adjusted as appropriate.

Members of the Australian Red Cross Queensland Staff Retirement Fund contribute at the rate of 5% of salary. The residual contribution (including back service payments) is paid by the Society.

The funding requirements are based on the local actuarial measurement framework. In this framework the discount rate is set on the expected return on the Fund's assets. The Society carries the investment volatility risk and may be required to make additional contributions from time to time if assets do not cover members' vested benefits.

The average duration of the benefit obligation for the funds at 30 June 2023 is 7.73 years (FY22 7.89 years). This number can be analysed as follows:

- Active members: 6.60 years (FY22 7.71 years)
- Retired members: 8.29 years (FY22 8.85 years)

The Society expects to make a contribution of \$0.311 million (FY22 \$0.343 million) to the defined benefit plans during the next financial year.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2023
\$ '000 **2022**
\$ '000

NOTE 18: DEFINED BENEFIT SUPERANNUATION PLANS (CONTINUED)

(i) Historic summary

| | | |
|--|-----------------|-----------------|
| Defined benefit plan obligations | 17,652 | 17,473 |
| Less plan assets | <u>(19,150)</u> | <u>(18,552)</u> |
| Total defined benefit (gain) / loss | <u>(1,498)</u> | <u>(1,079)</u> |
| Actual return on assets | (322) | 1,008 |
| Cumulative amount of actuarial losses (recognised in other comprehensive income) | 191 | 611 |
| Expected employer contributions at 30 June (expected contributions and funding arrangements) | 311 | 343 |

NOTE 19: RESERVES

Divisional statement of profit or loss and other comprehensive income

| | Investment revaluation reserve (i) \$ '000 | Special reserve (ii) \$ '000 | Capital reserve (iii) \$ '000 | Total \$ '000 |
|--|---|------------------------------------|-------------------------------------|------------------|
| Year ended 30 June 2022 | | | | |
| Balance as at 1 July 2021 | 14,523 | 70,611 | 52,798 | 137,932 |
| Transfers from/(to) reserves from accumulated funds | - | (7,759) | (7,741) | (15,500) |
| Transfers of realised loss/(gain) to accumulated funds | 339 | - | - | 339 |
| Net unrealised (loss)/gain arising on equities classified as FVOCI | (7,226) | - | - | (7,226) |
| Net (loss)/gain on debt classified as FVOCI | <u>(3,565)</u> | <u>-</u> | <u>-</u> | <u>(3,565)</u> |
| Balance as at 30 June 2022 | <u>4,071</u> | <u>62,852</u> | <u>45,057</u> | <u>111,980</u> |
| Year ended 30 June 2023 | | | | |
| Balance as at 1 July 2022 | 4,071 | 62,852 | 45,057 | 111,980 |
| Transfers from/(to) reserves from accumulated funds | - | 882 | 15,161 | 16,043 |
| Transfers of realised loss/(gain) to accumulated funds | (6,248) | - | - | (6,248) |
| Net unrealised (loss)/gain arising on equities classified as FVOCI | 4,371 | - | - | 4,371 |
| Net (loss)/gain on debt classified as FVOCI | <u>1,028</u> | <u>-</u> | <u>-</u> | <u>1,028</u> |
| Balance as at 30 June 2023 | <u>3,222</u> | <u>63,734</u> | <u>60,218</u> | <u>127,174</u> |

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 19: RESERVES (CONTINUED)

i) The revaluation reserve comprises the cumulative unrealised gains and losses arising from the changes in the fair value of instruments classified as FVOCI that have been recognised in other comprehensive income, net of any realised gains and losses reclassified to profit or loss when these financial assets have been derecognised in the case of debt instruments designated as FVOCI. In the case of equity instruments designated as FVOCI, there is no recycling of changes in fair value from other comprehensive income to profit or loss.

ii) The Society's special reserve records retained surplus over which the Society has restricted use.

iii) The Society's Capital Reserve records capital surplus less capital expenditure relating to various capital funded programs or funds received for the purpose of future capital expenditure.

| | 2023 | 2022 |
|---|----------------------|----------------------|
| | \$ '000 | \$ '000 |
| NOTE 20: SPECIFIC PURPOSE FUNDS | | |
| Balance at the beginning of the financial year | 66,887 | 62,988 |
| Transfers from accumulated funds | <u>(13,598)</u> | <u>3,899</u> |
| Balances at the end of the year | <u>53,289</u> | <u>66,887</u> |

Specific Purpose Funds (SPF) are unspent tied funds carried forward for the purpose of spending on specific activities or programs in the future.

For FY23, the adjusted Specific Purpose Funds opening balance of \$66.887 million was reduced by \$48.889 million to deliver contracts and appeals in FY23. A further SPF balance of \$35.291 million was added in FY23 bringing the total closing balance to \$53.289 million for contracts and appeals that have activities to be performed in the future.

| | 2023 | 2022 |
|---|-----------------------|-----------------------|
| | \$ '000 | \$ '000 |
| NOTE 21: ACCUMULATED FUNDS | | |
| Balance at beginning of financial year | 223,172 | 298,876 |
| Surplus / (deficit) for the financial year | 6,215 | (88,532) |
| Transfers (to)/from other reserves | (9,795) | 15,161 |
| Actuarial surplus on defined benefit superannuation plans | 341 | 1,566 |
| Transfers from / (to) specific purpose funds | <u>13,598</u> | <u>(3,899)</u> |
| Total accumulated funds | <u>233,531</u> | <u>223,172</u> |

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|--|-----------------------|------------------------|
| | \$ '000 | \$ '000 |
| NOTE 22: CASH FLOW INFORMATION | | |
| (a) (a) Reconciliation of cash and cash equivalents | | |
| Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows: | | |
| Cash at bank | 138,912 | 95,489 |
| Term deposits | <u>102,785</u> | <u>128,984</u> |
| Total cash and cash equivalents | <u>241,697</u> | <u>224,473</u> |
| (b) Reconciliation of surplus/ (deficit) for the year to cash flows from operating activities | | |
| Net surplus/(deficit) for the year | 6,215 | (88,532) |
| Adjustments and non-cash items | | |
| Depreciation and amortisation of non-current assets | 82,490 | 88,970 |
| Impairment of property, plant and equipment | 588 | - |
| Impairment of intangible assets | 1,031 | - |
| Impairment of financial assets | - | 145 |
| Net foreign currency (gains)/loss | 174 | (8) |
| Net loss on financial investments | 60 | 1,931 |
| Loss/(gain) on disposal of property, plant and equipment and intangibles | (46,694) | 1,017 |
| Investment interest recognised in profit or loss | (9,510) | (3,553) |
| Dividends recognised in profit or loss | (1,552) | (2,861) |
| Components of defined benefit recognised in surplus | (78) | 68 |
| Other income - COVID-19 rent abatements | - | (328) |
| Changes in operating assets and liabilities | | |
| (Increase)/decrease in trade and other receivables | (965) | (4,209) |
| (Increase)/decrease in inventory | (3,012) | (5,221) |
| (Increase)/decrease in prepayments | (2,052) | (7,060) |
| (Decrease)/increase in trade payables, other liabilities and lease movements | (31,534) | (11,389) |
| Increase / (decrease) in provisions | <u>4,886</u> | <u>(18,982)</u> |
| Net cash provided by / (used in) from operating activities | <u>47</u> | <u>(50,012)</u> |

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|--|---------|---------|
| | \$ '000 | \$ '000 |

NOTE 23: COMMITMENTS

(a) Capital commitments

Capital commitments contracted for at reporting balance date but not provided for in the financial statements are payable as follows:

| | | |
|--------------------------|--------------|---------------|
| No longer than 1 year | <u>9,776</u> | <u>15,316</u> |
| Total commitments | <u>9,776</u> | <u>15,316</u> |

Of the reported total capital expenditure commitments, \$1.781 million relates to the Asset Replacement Program for the Donor Engagement & Experience business unit, \$1.462 million relates to the Asset Replacement Program for the Information & Communications Technology business unit, \$1.188 million is attributable to the Donor Mobile Refurbishments & Replacements, and the balance is committed to various other business initiatives, asset replacement programs and property improvements and relocations.

(b) Short term or low value lease agreements

Commitments for minimum lease payments in relation to short term or low value leases are payable as follows:

| | | |
|--|------------|------------|
| Within one year | <u>285</u> | <u>145</u> |
| Total short term or low value lease commitments | <u>285</u> | <u>145</u> |

The Society leases various premises used as offices, retail stores, blood collection centres, processing and testing centres, and warehouses under short term or low value lease agreements with 2 to 20 years term. At 30 June 2023, lease commitments for minimum lease payments relate to low-value asset lease agreements.

All other lease agreements have recognised right-of-use assets and corresponding lease liabilities (refer to note 24).

(c) Specific Purpose Funds

Specific Purpose Funds (SPF) of \$53.289 million are committed funds received by the Society via grants and donations and are set aside for pre-determined purposes.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 24: LEASES

(a) Right-of-use assets

| | Properties | Vehicles | Total |
|--|-------------------------|-----------------------|-------------------------|
| | \$ '000 | \$ '000 | \$ '000 |
| Year ended 30 June 2022 | | | |
| Cost | | | |
| Balance at 1 July 2021 | 337,010 | 7,010 | 344,020 |
| Additions and remeasurements | 26,125 | 3,928 | 30,053 |
| Disposal | <u>(4,951)</u> | <u>(72)</u> | <u>(5,023)</u> |
| Balance at 30 June 2022 | <u>358,184</u> | <u>10,866</u> | <u>369,050</u> |
| Accumulated depreciation | | | |
| Balance at 1 July 2021 | (78,128) | (3,967) | (82,095) |
| Amortisation expense | (35,747) | (2,114) | (37,861) |
| Disposal | <u>4,362</u> | <u>106</u> | <u>4,468</u> |
| Balance at 30 June 2022 | <u>(109,513)</u> | <u>(5,975)</u> | <u>(115,488)</u> |
| Net book value as at 30 June 2022 | <u>248,671</u> | <u>4,891</u> | <u>253,562</u> |
| Year ended 30 June 2023 | | | |
| Cost | | | |
| Balance at 1 July 2022 | 358,184 | 10,866 | 369,050 |
| Additions and remeasurements | 27,140 | 2,315 | 29,455 |
| Disposal | <u>(4,078)</u> | <u>(885)</u> | <u>(4,963)</u> |
| Balance at 30 June 2023 | <u>381,246</u> | <u>12,296</u> | <u>393,542</u> |
| Accumulated depreciation | | | |
| Balance at 1 July 2022 | (109,513) | (5,975) | (115,488) |
| Amortisation | (34,127) | (2,133) | (36,260) |
| Disposal | <u>3,352</u> | <u>1,496</u> | <u>4,848</u> |
| Balance at 30 June 2023 | <u>(140,288)</u> | <u>(6,612)</u> | <u>(146,900)</u> |
| Net book value as at 30 June 2023 | <u>240,958</u> | <u>5,684</u> | <u>246,642</u> |

| | |
|----------------|----------------|
| 2023 | 2022 |
| \$ '000 | \$ '000 |

(b) Lease liabilities

Maturity analysis - contractual undiscounted cash flows

| | | |
|--|-----------------------|-----------------------|
| No longer than 1 year | 42,529 | 38,572 |
| Longer than 1 year and not longer than 5 years | 98,542 | 98,845 |
| Longer than 5 years | <u>24,796</u> | <u>41,659</u> |
| Total future lease payments at the reporting date | <u>165,867</u> | <u>179,076</u> |

The value of contractual and undiscounted cash flows in the maturity analysis differs from the lease liability because it does not include options. The table however, takes into account all lease arrangements.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|--|----------------|----------------|
| | \$ '000 | \$ '000 |

NOTE 24: LEASES (CONTINUED)

Lease liabilities are presented in the statement of financial position as follows:

| | | |
|---|----------------|----------------|
| Current | 34,660 | 29,767 |
| Non-current | <u>245,307</u> | <u>252,411</u> |
| Total carrying amount of lease liabilities | <u>279,967</u> | <u>282,178</u> |

Sale of land and buildings located in Villiers Street North Melbourne

The land and buildings in Villiers Street North Melbourne was sold on 30 June 2023 for \$57.541 million and leased back for a period of 19 months from the purchaser Sentinel BTR Manager Pty Ltd.

At the time of the sale the fair value of the property was \$55.500 million, \$2.041 million above market terms. \$2.041 million has been recognised as a financial liability in other liabilities to account for this. This balance will unwind over the life for life of the lease. Refer to note 17.

The contractual lease payments entered into has a net present value (NPV) of \$5.969 million. The NPV of the market lease payments is \$2.962 million, with the contractual lease payments \$3.007 million above market rates. This balance has been recorded within the Right of Use Assets in note 24(a). This balance will be amortised over the life of the lease.

NOTE 25: CONTINGENT LIABILITIES

a) Potential for claims not to be indemnified

Lifeblood is entitled to seek, and the NBA may at its discretion grant, indemnities in respect of potential liabilities arising from litigation in relation to pre-July 2000 transfusion-transmitted diseases.

There is a potential for claims to arise from viral/bacterial infections or blood-borne diseases, which are currently unidentified, or in circumstances where there is no test or screening procedures available to test for a virus/bacteria/disease state. In the event that commercial insurance does not cover financial exposure arising as a result of transmission of blood-borne disease occurring subsequent to 1 July 2000, a national managed fund has been established with claims covered at the discretion of the NBA.

b) Bank guarantees

The Society has bank guarantees in place in relation to certain property leases. The value of these guarantees at 30 June 2023 was \$0.238 million (FY22 \$0.172 million). The Board is satisfied the guarantees will not be called upon and therefore no liability has been recorded in the statement of financial position.

c) Climate change

The pace and severity of climate change requires the Society to identify, measure and invest in emissions reduction initiatives. Whilst these are not current obligations or liabilities, they are expected to change future investment priorities including building design, workforce practices, renewable energy sources and fleet management.

There are no other contingent liabilities or events identified which would be expected to have a material impact on the financial statements in the future.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 25: CONTINGENT LIABILITIES (CONTINUED)

d) Legal Claims-Redress

Australian Red Cross Society became a voluntary member of National Redress Scheme in August 2020. The Redress Scheme came into effect on 1 July 2018. A provision is recognised as soon as a claim is notified to the Society either directly or via the National Redress Scheme. Whilst it is possible future claims may be made against the entity, there is no way of determining whether claims will arise and therefore it is not possible to reliably estimate the quantum of any payments that may arise as a result of the Entity's participation in the Redress Scheme.

In the event that claims are lodged in the future and it is probable that a payment will be required, it is anticipated that a provision will be raised in the financial statements based on the average Scheme claim payment rate as advised under the Scheme.

NOTE 26: FINANCIAL INSTRUMENTS

The Society is exposed to the following financial risks in respect to the financial instruments that it held at the end of the reporting period:

(a) Categories of financial instruments

| | 2023 | 2022 |
|----------------------------------|----------------|----------------|
| | \$ '000 | \$ '000 |
| Financial assets | | |
| - Cash and cash equivalents | 241,697 | 224,473 |
| - Trade and other receivables | 19,242 | 18,277 |
| - Bonds | 109,813 | 108,774 |
| - Shares | 35,023 | 38,880 |
| - Managed funds | - | 6,691 |
| - Hybrid bonds | - | 2,738 |
| | <u>405,775</u> | <u>399,833</u> |
| Financial liabilities | | |
| - Trade and other payables | 81,181 | 77,068 |
| - Government grants refundable | 10,798 | 30,205 |
| - Revenue in advance | 90,567 | 97,315 |
| - Government reserves refundable | - | 7,514 |
| - Financial liability | 2,041 | - |
| | <u>184,587</u> | <u>212,102</u> |

The Society's Board considers the above carrying amounts of financial assets and financial liabilities to approximate their fair values.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 26: FINANCIAL INSTRUMENTS (CONTINUED)

The Society's investment policy and associated ethical investment guidelines reduces our investment exposure to certain industries, including fossil fuel. The Society does not believe that current impairment of market values, is required as a result of future climate related events.

(b) Financial risk management objectives and policies

The Society's financial instruments consist mainly of:

- deposits with banks
- investments in equities, managed funds, bonds debentures and other fixed interest securities
- accounts receivable and payable, which arise directly from the society's operations; and
- derivatives, being forward foreign currency contracts, to manage currency risks.

It is not the Society's policy to trade in investments (i.e. to speculate and engage in short-term profit taking). All investments are held to generate income to further the Society's causes and as such are classified as 'FVOCI' or 'FVPL'. Sales do occur however with selected investments which are described in the financial statements as 'FVOCI or FVPL', when the Society is advised to adjust its portfolio in relation to risk exposure and diversification as advised by its investment portfolio managers. The Society holds investments to maximise capital value whilst maintaining a low risk appetite investment strategy.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: market interest rates (interest rate risk), foreign currency risk and market prices (price risk).

(i) Foreign currency risk management

The Society is exposed to fluctuations in foreign currencies arising from purchase of goods and supply of aid in currencies other than the Society's functional currency (\$AUD).

The carrying amount of the Society's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

| Assets | 2023 | | 2022 | |
|------------------|---|---------------------------------------|---|---------------------------------------|
| | Foreign currency \$ '000 | AUD equivalent \$ '000 | Foreign currency \$ '000 | AUD Equivalent \$ '000 |
| Cash | | | | |
| USD Humanitarian | 5 | 7 | 5 | 7 |
| USD Lifeblood | 20 | 30 | 46 | 66 |
| Euro Lifeblood | 6 | <u>10</u> | 9 | <u>14</u> |
| Total | | <u>47</u> | | <u>87</u> |

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 26: FINANCIAL INSTRUMENTS (CONTINUED)

(c) Market risk (Continued)

Foreign currency sensitivity analysis

The Society is mainly exposed to movements in exchange rates relating to Euro and US dollars (USD).

The following table details the Society's sensitivity to a 10% increase and decrease in the Australian Dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in profit or loss and other equity where the Australian Dollar strengthens against the respective currency. For a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

Profit or loss

| | | |
|--------------|----------|----------|
| USD | 2 | 5 |
| Euro | <u>1</u> | <u>1</u> |
| Total | <u>3</u> | <u>6</u> |

(ii) Interest rate risk management

The Society is exposed to market interest rate fluctuations on its fixed and variable interest securities, as well as interest bearing borrowings. The Society accepts the risk as normal in relation to fixed interest financial assets, as they are held to generate investment income on unused funds.

Interest rate sensitivity analysis

The following table summarises how the Society's surplus or deficit and equity would have been affected by changes in interest rates at reporting date.

| | Carrying amount \$ '000 | -50 basis points deficit \$ '000 | -50 basis points equity \$ '000 | +100 basis points deficit \$ '000 | +100 basis points equity \$ '000 |
|------------------------------------|--|---|--|--|---|
| Financial assets | | | | | |
| Cash and cash equivalents | 241,697 | (1,208) | (1,208) | 2,417 | 2,417 |
| Financial assets at FVOCI and FVPL | <u>144,836</u> | <u>(724)</u> | <u>(724)</u> | <u>1,448</u> | <u>1,448</u> |
| Total financial assets | <u>386,533</u> | <u>(1,932)</u> | <u>(1,932)</u> | <u>3,865</u> | <u>3,865</u> |

Sensitivity analysis does not apply to Bank loans with fixed Interest Rate.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 26: FINANCIAL INSTRUMENTS (CONTINUED)

(iii) Price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

(iv) Concentration risk

Concentration risk is the risk to over-rely on one vendor. This is a classic case of putting all your eggs in one basket. If an institution relies heavily on a single provider for many products and services-especially critical ones-that institution might be unable to conduct business if something catastrophic happens to that vendor. The risk arises from the observation that more concentrated portfolios are less diverse and therefore the returns on the underlying assets are more correlated.

(d) Equity price sensitivity

The sensitivity analysis below has been determined based on the exposure to equity price risks at year end.

At reporting date, if the equity prices had been 5% higher/lower:

- the surplus for the year ended 30 June 2023 would have been unaffected as the equity investments are classified as FVOCI and any increment or decrement in the fair value, with the exception of impairment, is an adjustment to other comprehensive income; and
- other comprehensive income for the year ended 30 June 2023 would have increased/decreased by \$1.727 million (FY22 \$1.944 million) as a result of the change in the fair value of equities.

The Society's sensitivity to equity prices has not changed significantly from the prior year.

(e) Credit risk management

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. Credit risk for derivative financial instruments arises from the potential failure by counter parties to the contract to meet their obligations.

(f) Liquidity risk management

The Society manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid funds or unutilised borrowing facilities are maintained.

The following table details the Society's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Society can be requested to pay. The table includes both interest and principal cash flows.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 26: FINANCIAL INSTRUMENTS (CONTINUED)

(f) Liquidity risk management (Continued)

| Non-derivative financial liabilities | Weighted average effective interest rate | 3 months to | | | | | Total |
|--------------------------------------|--|----------------|---------------|--------------|--------------|----------|----------------|
| | | < 1 month | 1-3 months | 1 year | 1 to 5 years | 5+ years | |
| Year ended 30 June 2022 | rate % | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| Non-interest bearing | 0.00 | <u>180,685</u> | <u>28,312</u> | <u>2,485</u> | <u>620</u> | - | <u>212,102</u> |
| Total | | <u>180,685</u> | <u>28,312</u> | <u>2,485</u> | <u>620</u> | - | <u>212,102</u> |
| Year ended 30 June 2023 | | | | | | | |
| Non-interest bearing | 0.00 | 178,542 | 849 | 2,852 | 303 | - | 182,546 |
| Financial liability | 5.65 | - | - | - | 2,041 | - | 2,041 |
| Total | | <u>178,542</u> | <u>849</u> | <u>2,852</u> | <u>2,344</u> | - | <u>184,587</u> |

The following table outlines the Society's remaining contractual maturities for derivative financial liabilities. The amounts presented in the table are the undiscounted contractual cash flows of the derivative instruments, allocated to time bands based on the earliest date on which the Society can be required to pay. Where amounts payable or receivable are not fixed, the amounts disclosed in the below table are determined on the basis of projected rates at the reporting date.

| Non-derivative financial assets | Weighted average effective interest rate | 3 months to | | | | | Total |
|------------------------------------|--|----------------|---------------|---------------|---------------|--------------|----------------|
| | | < 1 month | 1-3 months | 1 year | 1 to 5 years | 5+ years | |
| Year ended 30 June 2022 | rate % | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| Non-interest bearing | 0.00 | 159,056 | - | - | - | - | 159,056 |
| Fixed interest rate instruments | 2.56 | - | 97,500 | 8,261 | 95,294 | 7,958 | 209,013 |
| Variable interest rate instruments | 0.83 | <u>31,764</u> | - | - | - | - | <u>31,764</u> |
| Total | | <u>190,820</u> | <u>97,500</u> | <u>8,261</u> | <u>95,294</u> | <u>7,958</u> | <u>399,833</u> |
| Year ended 30 June 2023 | | | | | | | |
| Non-interest bearing | 0.00 | 192,937 | - | - | - | - | 192,937 |
| Fixed interest rate instruments | 5.32 | - | 73,875 | 15,004 | 87,360 | 1,574 | 177,813 |
| Variable interest rate instruments | 4.09 | <u>35,025</u> | - | - | - | - | <u>35,025</u> |
| Total | | <u>227,962</u> | <u>73,875</u> | <u>15,004</u> | <u>87,360</u> | <u>1,574</u> | <u>405,775</u> |

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 27: GOING CONCERN

The financial report has been prepared on the basis that the Society is a going concern, which assumes continuity of normal business activities the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2023 the Society reported a surplus of \$6.215 million (FY22 \$88.532 million deficit) and a total increase in cash on hand of \$17.331 million (FY22 \$97.824 million decrease), which included total cash inflow from operating activities of \$0.047 million (FY22 \$50.012 million outflow). The current year surplus was positively impacted by the sale of land and buildings which resulted in a gain on sale of \$47.291 million.

The Society has initiated a program which is focused on addressing the sustained historical operating losses resulting from programs which are not fully funded, and the investment required in systems to be more efficient and effective. The Society is continuing to implement a series of co-ordinated actions to restore the organisation to a sustainable surplus, ensuring its working capital remains strong, supported by robust and effective systems and technologies. Specifically, Humanitarian Services is in the process of implementing a plan to reduce the scope of operations to focus on only those programs that reflect the Society's long term strategic priorities. Part of this plan includes the review of the office space requirements, which included the sale of the land and buildings in Villiers Street North Melbourne which was completed on 30 June 2023.

As at the date of this report, and having considered the above position, the Board is confident that the Society will be able to continue as a going concern, based upon their ability to continue to implement the agreed plan.

Accordingly, the Board considers it is appropriate to continue to prepare the financial statements on the going concern basis.

NOTE 28: EVENTS SUBSEQUENT TO REPORTING DATE

There were no material events subsequent to 30 June 2023 and up until the authorisation of the financial statements for issue, that have not been disclosed elsewhere in the financial statements.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 29: ECONOMIC DEPENDENCY

A significant portion of revenue is received by way of recurrent and capital grants from Commonwealth, State and Territory governments. The current Deed between the NBA and Lifeblood relates to the period 1 July 2016 to 30 June 2025 and is the main source of funding for the Lifeblood division. Humanitarian Services is not dependent on any one government grant. The cumulative revenue from government grants enables us to deliver the variety and magnitude of support in the community to various groups of people.

At the time of this report, significant number of State and Commonwealth grants for Humanitarian Services have been renewed and there is no indication that the governments will discontinue their support for the Society.

| | 2023 | 2022 |
|--|----------------|----------------|
| | \$000 | \$000 |
| Top 10 sources of government revenue by level of government and department or agency name | | |
| Commonwealth Government | | |
| National Blood Authority | 677,964 | 676,734 |
| Department of Social Services | 50,439 | 37,439 |
| Department of Foreign Affairs and Trade | 19,021 | 22,511 |
| Department of Home Affairs | 7,989 | 3,995 |
| National Recovery and Resilience Agency | <u>1,451</u> | <u>2,903</u> |
| Total Commonwealth Government | <u>756,864</u> | <u>743,582</u> |
| State Governments | | |
| Department of Health Services — Victoria | 16,468 | 31,362 |
| New South Wales Ministry of Health | 14,807 | - |
| Department of Health South Australia | 3,695 | - |
| Department of Communities, Child Safety and Disability Services — Queensland | 9,496 | 6,986 |
| Family & Community Services — New South Wales | 2,601 | 2,393 |
| Department of Communities and Justice - NSW | - | 17,419 |
| Department of Families, Fairness and Housing - VIC | <u>-</u> | <u>10,865</u> |
| Total State Government | <u>47,067</u> | <u>69,025</u> |
| Total Top 10 Government Grant Revenue | <u>803,931</u> | <u>812,607</u> |

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 30: KEY MANAGEMENT PERSONNEL

The members of the Australian Red Cross Society Board provide their service on a volunteer basis and receive no payment other than reimbursement for reasonable travel and other expenses incurred in connection with their roles. The Lifeblood Board comprises executive and non-executive members who are remunerated. Members of the Society Board who also serve as a member of Lifeblood Board or a Lifeblood committee are remunerated by Lifeblood.

Details of remuneration of Board Members and Executive Team are outlined in the following table. The following includes payments for short-term employee benefits, post-employment benefits, long-term employee benefits and termination benefits:

| | Short-term employee benefits \$ <i>Salaries, fees and termination payments</i> | Post-employment benefits Superannuation contributions \$ | Long-term employee benefits \$ <i>Long service leave</i> | \$ Total |
|--------------------------------|---|---|---|-------------------|
| Year ended 30 June 2022 | | | | |
| Humanitarian Services | 4,455,528 | 361,316 | 60,692 | 4,877,536 |
| Lifeblood | <u>5,456,399</u> | <u>404,145</u> | <u>4,769</u> | <u>5,865,313</u> |
| Total | <u>9,911,927</u> | <u>765,461</u> | <u>65,461</u> | <u>10,742,849</u> |
| Year ended 30 June 2023 | | | | |
| Humanitarian Services | 4,327,694 | 336,306 | 88,740 | 4,752,740 |
| Lifeblood | <u>5,713,806</u> | <u>430,682</u> | <u>92,169</u> | <u>6,236,657</u> |
| Total | <u>10,041,500</u> | <u>766,988</u> | <u>180,909</u> | <u>10,989,397</u> |

For the purposes of the above table, remuneration includes salaries and wages, paid annual leave and paid sick leave, non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services). Also included in remuneration is an amount relating to long-term employee benefits which have accrued, but not paid, to the employees during the period such as long-service leave.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 30: KEY MANAGEMENT PERSONNEL (CONTINUED)

BOARD MEMBERS

SOCIETY BOARD

- Ross Pinney (President)
- Charles Burkitt (Deputy President)
- Sam Hardjono (Chair, Audit and Risk Committee)
- James Birch AM
- Helen Clarke
- John MacLennan (to October 2023)
- Dr Garry Nolan AM
- Ane Coetzee (from December 2022)
- Karyn Collins (from December 2022)
- Nazli Hocaoglu (from April 2023)
- Tarn Kaldor (from December 2022)
- Melanie Ross (from December 2022)
- Eveline Kuang (from October 2023)
- Kathleen Cole (to October 2022)
- Ian Hamm (to April 2023)
- Dr Melissa Phillips (to December 2022)
- Wendy Prowse (to October 2022)
- Rose Rhodes PSM (to September 2022)
- Rita Richards (to October 2022)
- Winifred Smith AM (to October 2022)
- Maria Rigby (to July 2022)
- Elizabeth Smith (from April 2023)
- Keith Wilson (from September 2022)
- Aisling Blackmore (to July 2022)

LIFEBLOOD BOARD

- James Birch AM - Chair
- Stephen Cornelissen AM (Chief Executive Officer and Board Member)
- Prof Christopher Baggoley AO
- Charles Burkitt
- Lance Emerson
- Julie Fahey
- Merran Kelsall AO
- Shehani Noakes
- Amanda Sellers
- Prof Robyn Ward AM

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 30: KEY MANAGEMENT PERSONNEL (CONTINUED)

EXECUTIVE TEAM

Humanitarian

- Kym Pfitzner - Chief Executive Officer (to October 2023)
- Penny Harrison - Chief of Staff, and Acting Chief Executive Officer (from October 2023)
- Lloyd Doddridge - Chief Financial Officer (to September 2023) / Chief Operating Officer
- Alex Mathieson - Director - International & Movement Relations
- Jane Hollman - Chief People and Culture Officer
- Vicki Mau - Director, Programs
- Jenny Brown - Head of Aboriginal and Torres Strait Islander Strategy & Impact (from July 2022)
- Caroline Elton - Chief Marketing Officer (from September 2022)
- Jai O'Toole - Director, State & Territory Operations (from December 2022)
- Jason Laufer - Chief Funding Officer (from May 2023)
- Yvette Zegenhagen - Director, International Humanitarian Law (from July 2022)
- Jean-Baptiste Naudet — Chief Financial Officer (from September 2023)
- Poppy Brown - Director - State & Territory Operations (to January 2023)
- Stacie Haber - Head of Strategy & Performance (to April 2023)*
- Sue Oddie - Strategic Advisor to CEO / Chief Growth Officer (to December 2022)
- Brett Wilson - Chief Information Officer (to April 2023)*
- Cindy Batchelor - Deputy CEO (to July 2022)
- Ken Chandler - Chief Growth Officer (from January 2023 to May 2023)
- Fiona Davies - Head of Inclusion & Diversity (from July 2021 to April 2023)*
- Tara Eaton - Head of Legal (to July 2022)
- Tammy Lamperd - Head of Risk & Compliance (to April 2023)*

*The composition of the executive team was revised in April 2023, resulting in some roles now no longer being part of the executive team

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 30: KEY MANAGEMENT PERSONNEL (CONTINUED)

EXECUTIVE TEAM

Lifeblood

- Shelley Abrams - Executive Director, People and Culture
- John Brown - Executive Director Finance and Corporate (Chief Financial Officer)
- Natasha Foster - Chief Risk Officer (to March 2023)
- Ann Larkins - Executive Director, Information and Communications Technology (Chief Information Officer)
- Stuart Chesneau - Executive Director, Strategy and Growth
- Peter McDonald - Executive Director, Governance, Quality and Assurance
- Joanne Pink - Executive Director, Pathology and Clinical Governance (Chief Medical Officer)
- Cath Stone - Executive Director, Donor Engagement and Experience
- Greg Wilkie - Executive Director, Manufacturing and Logistics
- Marion Hemphill - General Counsel

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|---|------------------|------------------|
| | \$ | \$ |
| NOTE 31: REMUNERATION OF AUDITORS | | |
| During the year the following fees were paid or payable for services provided by the auditors to the Australian Red Cross Society, its network firms and non-related audit firms: | | |
| Remuneration of auditors for: | | |
| <i>Deloitte Touche Tohmatsu</i> | | |
| Audit and assurance services | | |
| - Audit of financial report | 410,183 | 385,455 |
| - Assurance services required under contractual agreements - grant acquittals | 152,794 | 146,486 |
| Other non-audit services | | |
| - Sustainable compliance | <u>22,727</u> | <u>138,969</u> |
| Total | <u>585,704</u> | <u>670,910</u> |
| <i>Ernst & Young</i> | | |
| Audit and assurance services | | |
| Internal audit services | 599,338 | 547,198 |
| Other non-audit services | | |
| - review of processes in relation to remuneration compliance, legislative compliance and support services | <u>36,308</u> | <u>271,058</u> |
| | <u>635,646</u> | <u>818,256</u> |
| Total remuneration of auditors | <u>1,221,350</u> | <u>1,489,166</u> |

Other Ernst & Young services relate to consulting fees for support services for the current year.

Prior year services relates to consulting fees for review of our processes in relation to remuneration compliance and other support services.

NOTE 32: RELATED PARTY DISCLOSURES

a) Board Members

The Board Members are disclosed in Note 30.

b) Executive Team

The executive team members are disclosed in Note 30.

During the year, a member of Alex Mathieson's family was employed in the Chief of Staff's team.

At the time of recruitment and appointment, full disclosure was made of the relationship. The remuneration paid is at arm's length.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 32: RELATED PARTY DISCLOSURES (CONTINUED)

c) Wholly-owned group

Lifeblood and Humanitarian Services are separate divisions of the same entity.

During the reporting period, net payments of \$0.006 (FY22 \$0.006 million) transacted between Lifeblood and Humanitarian Services divisions. As at 30 June 2023, there were nil commitments for minimum lease payments in relation to non-cancellable leases payable to the Society.

NOTE 33: DISASTER RELIEF AND RECOVERY FUND

On 1 July 2019, the Society established the Disaster, Relief and Recovery Fund (DRR Fund), with the intent that the Society can be there as soon as an emergency strikes in Australia and further afield, and in particular funding community support in respect of specified disasters.

Following the devastating summer of 2019/20 bushfires and the generous public response, the Society agreed to utilise the funds donated to the DRR Fund solely for this specific disaster. The DRR Fund was closed to additional donations on 17 April 2020, with the exception of donations pledged (but not received) as at this date.

At 30 June 2023, the balance of the DRR Fund represents the grants and donations received by the Society that are set aside for people impacted by the summer of 2019/20 bushfires who are still coming forward. These will be disbursed or spent specifically for further bushfire relief claims and recovery efforts in FY24. In the years to come these funds will be used to support the long-term recovery program. Future expenditure relating to grants will be expensed in the statement of income and expenditure in the year they were incurred.

All funds allocated to the DRR Fund have been or will be used to support those impacted by the summer of 2019/2020 bushfires including affected communities to meet their immediate needs through emergency grants, together with longer-term recovery support for people and communities.

Administration support costs paid and payable are the necessary costs of managing a fund of this size and distributing money as quickly and efficiently as possible. They include the set-up of a dedicated grant payments team, casework support for people with complex needs, fraud prevention, data security, and the fundraising systems that made it possible to raise money.

The Society has to-date capped the administration support costs allocated to the Bushfire to 5 cents in every dollar raised.

Specific purpose funds relate to the grants and donations received by the Society and are set aside for victims of the bushfires who are still coming forward, and to be disbursed or spent specifically for disaster, relief and recovery efforts in future years. SPF balance of \$3.464 million at 30 June 2023 for DRR Fund is part of the total SPF balance for the Society disclosed in Note 20.

The funds set aside are held in low-risk interest bearing accounts with CBA, ANZ, and NAB. Interest is then allocated back into the fund for distribution.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 33: DISASTER RELIEF AND RECOVERY FUND (CONTINUED)

| | 2023 | 2022 | 2021 | 2020 | Total |
|--|---------------|---------------|---------------|----------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Donations in respect of the Disaster, Relief and Recovery Fund | - | 10 | 14,577 | 227,044 | 241,631 |
| Interest earned on funds held in separate bank accounts | <u>237</u> | <u>15</u> | <u>75</u> | <u>233</u> | <u>560</u> |
| Total income for the Disaster, Relief and Recovery Fund | <u>237</u> | <u>25</u> | <u>14,652</u> | <u>227,277</u> | <u>242,191</u> |
| Direct Relief Grants - distributed | - | 3,497 | 48,392 | 118,658 | 170,547 |
| Direct Relief Grants - provided | <u>-</u> | <u>-</u> | <u>557</u> | <u>33,867</u> | <u>34,424</u> |
| Total direct relief grants | <u>-</u> | <u>3,497</u> | <u>48,949</u> | <u>152,525</u> | <u>204,971</u> |
| Emergency services on the ground | - | - | - | 5,000 | 5,000 |
| 3 year recovery programs | 4,150 | 5,514 | 4,312 | 848 | 14,824 |
| Minderoo recovery pods | - | - | 2,000 | - | 2,000 |
| Administrative support costs | <u>110</u> | <u>688</u> | <u>2,890</u> | <u>8,243</u> | <u>11,931</u> |
| Total expenditure | <u>4,260</u> | <u>9,699</u> | <u>58,151</u> | <u>166,616</u> | <u>238,726</u> |
| SURPLUS (BALANCE OF DRR FUNDS) | <u>3,465</u> | <u>7,488</u> | <u>17,162</u> | <u>60,661</u> | <u>3,465</u> |

AUSTRALIAN RED CROSS SOCIETY

ABN: 50 169 561 394

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 34: ACFID INCOME STATEMENT

Australian Red Cross Society is a signatory to the Australian Council for International Aid and Development (ACFID) Code of Conduct and is committed to full adherence to its requirements. The Code aims to improve international development outcomes and increase stakeholder trust by enhancing the transparency and accountability of signatory organisations.

The ACFID financial statements have been prepared in accordance with the requirements set out in the ACFID Code of Conduct and should be read in conjunction with the financial statements and accompanying notes. Please refer to the ACFID website www.acfid.asn.au for more details.

| | Humanitarian Services 2023 \$ | Society 2023 \$ | Humanitarian Services 2022 \$ | Society 2022 \$ |
|--|--|--------------------------------|--|--------------------------------|
| INCOME STATEMENT | | | | |
| REVENUE | | | | |
| Donations and gifts | 75,958 | 75,958 | 133,858 | 133,858 |
| Legacies and bequests | 18,997 | 18,997 | 12,362 | 12,362 |
| Grants | | | | |
| - Department of Foreign Affairs and Trade | 19,021 | 19,021 | 22,511 | 22,511 |
| - other Australian | 106,759 | 824,230 | 127,625 | 839,301 |
| - other overseas | 2,719 | 2,719 | 2,984 | 2,984 |
| Net gain on assets and investments | 45,998 | 44,841 | - | - |
| Retail and Commercial activities | 44,545 | 44,545 | 36,585 | 36,585 |
| Other income | 1,296 | 15,380 | 351 | 12,505 |
| Investment income | <u>4,834</u> | <u>14,100</u> | <u>3,587</u> | <u>7,592</u> |
| Total revenue | <u>320,127</u> | <u>1,059,791</u> | <u>339,863</u> | <u>1,067,698</u> |
| Expenditure | | | | |
| International aid and development programs expenditure | | | | |
| - funds to International Programs | 38,478 | 38,478 | 35,107 | 35,107 |
| - program support costs | 2,749 | 2,749 | 3,395 | 3,395 |
| - community education | 1,282 | 1,282 | 1,520 | 1,520 |
| Domestic programs | 151,577 | 880,314 | 225,648 | 975,491 |
| Fundraising costs | | | | |
| - public, government, multilateral and private | 20,621 | 20,621 | 19,768 | 19,768 |
| Retail and Commercial activities | 32,946 | 32,946 | 30,427 | 30,427 |
| Accountability and Administration | 46,837 | 53,666 | 50,672 | 59,571 |
| Remediation and Compliance Costs | 6,396 | 6,396 | 27,866 | 27,866 |
| Other expenditure | <u>17,124</u> | <u>17,124</u> | <u>2,784</u> | <u>3,085</u> |
| Total expenditure | <u>318,010</u> | <u>1,053,576</u> | <u>397,187</u> | <u>1,156,230</u> |

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 34: ACFID INCOME STATEMENT (CONTINUED)

| | Humanitarian Services 2023 \$ | Society 2023 \$ | Humanitarian Services 2022 \$ | Society 2022 \$ |
|---|--|-----------------------|--|-----------------------|
| Excess/(deficiency) of revenue over expenditure from continuing operations | <u>2,117</u> | <u>6,215</u> | <u>(57,324)</u> | <u>(88,532)</u> |
| OTHER COMPREHENSIVE INCOME | | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | |
| Actuarial gain on retirement benefit obligations | - | 341 | - | 1,566 |
| Net gain/(loss) arising on equity instruments | - | 4,371 | (1,046) | (7,226) |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Net gain/(loss) on of debt instruments | <u>229</u> | <u>1,028</u> | <u>(141)</u> | <u>(3,565)</u> |
| Other comprehensive income/(loss) for the year | <u>229</u> | <u>5,740</u> | <u>(1,187)</u> | <u>(9,225)</u> |
| TOTAL COMPREHENSIVE SURPLUS/(DEFICIT) FOR THE YEAR | <u>2,346</u> | <u>11,955</u> | <u>(58,511)</u> | <u>(97,757)</u> |

Donations and gifts

During the financial year nil (FY22: nil) was recorded as non-monetary donations and gifts. In addition to those goods which are capable of reliable measurement, the organisation has received donated goods for sale in its retail outlets as well as volunteer hours in providing community services. Significant contributions are also received by way of gifts in kind as pro bono support from corporate partners and volunteers. These goods and services are of a nature for which fair value cannot be reasonably determined and have not been recorded in this income statement. There has been no non-monetary expenditure included in the income statement.

Expenditure

Expenditure incurred for International Humanitarian Law is included in Community education as per ACFID guidelines.

Fundraising costs

Fundraising costs include both International and Domestic programs. There are no separately recorded costs incurred for government, multilateral and private fundraising costs.

Remediation and compliance costs

Remediation and compliance costs related to legal claims and historical remuneration compliance, operational, consulting and audit costs.

AUSTRALIAN RED CROSS SOCIETY
ABN: 50 169 561 394

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 34: ACFID INCOME STATEMENT (CONTINUED)

Accountability and administration costs

Accountability and administration costs includes property maintenance, legal, information technology, finance, human resources and occupancy costs.

During the financial year there were no transactions (FY22: nil) in the International Political or Religious Adherence Promotion program category.

NOTE 35: SOCIETY DETAILS

Australian Red Cross Society is domiciled in Australia and its registered office and principal place of business is:

Australian Red Cross Society
23-47 Villiers Street
North Melbourne VIC 3051

Tel: (03) 9345 1800
ABN 501 69 561 394

The Humanitarian Services' head office is at 23- 47 Villiers Street, North Melbourne, Victoria and it operates in retail stores, regional offices and offices in capital cities of all States and Territories in Australia.

Lifeblood is domiciled in Australia, with its corporate office at 100-154 Batman Street, West Melbourne, Victoria and operates in all all Australian States and Territories.

AUSTRALIAN RED CROSS SOCIETY

ABN: 50 169 561 394

BOARD MEMBERS' DECLARATION

30 JUNE 2023

The Society Board Members declare that:

1. In the Board's opinion, the financial statements and notes thereto, as set out on pages 57 - 126, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (a) complying with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulations 2022*; and
 - (b) giving a true and fair view of the financial position as at 30 June 2023 and performance for the year ended on that date of the Society.
2. Society Board Members declare that they are of the opinion, there are reasonable grounds to believe that the Society is able to pay all of 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*.



President: _____

Ross Pinney

Dated this 27th day of October 2023

The Board Members
The Australian Red Cross Society
23 – 47 Villiers Street
NORTH MELBOURNE VIC 3051

27 October 2023

Dear Board Members,

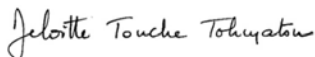
Auditor's Independence Declaration to The Australian Red Cross Society

In accordance with the Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the board members of The Australian Red Cross Society.

As lead audit partner for the audit of the financial statements of The Australian Red Cross Society for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Isabelle Lefevre
Partner

Independent Auditor's Report to the Members of the Australian Red Cross Society

Opinion

We have audited the financial report of the Australian Red Cross Society (the "Society") which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, Australian Council for International Development ("ACFID") statements, other explanatory information and the Board Members' declaration as set out on page 127.

In our opinion:

- (a) the accompanying financial report of the Society is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:
 - (i) giving a true and fair view of the Society's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

- (b) the Society complied in all material respects with the financial reporting requirements of the ACFID Code of Conduct.

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 Society 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 Board Members are responsible for the other information. The other information comprises all information included in the Annual Report 2022-23 except for the Financial Statements (financial report) from pages 57 to 127 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 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 Management and the Board Members for the Financial Report

Management of the Society is responsible for the preparation of the financial report in accordance with Australian Accounting Standards, the ACNC Act and the ACFID Code of Conduct and for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

The Board Members are responsible for overseeing the Society's financial reporting process.

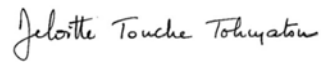
Auditor's Responsibilities for the Audit of the Financial Report

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 the 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board Member'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 Society'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 Society 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.

We communicate with management and the Board Members 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.



DELOITTE TOUCHE TOHMATSU



Isabelle Lefevre

Partner

Chartered Accountants

Melbourne, 27 October 2023