
ANNUAL REPORT 2017-18

NADC

National
Australia Day
Council

Australian of the Year
▶ Awards



Australia Day



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Australian Government
Department of the
Prime Minister and Cabinet

The National Australia Day Council is proudly supported by the Australian Government

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Section one:

OVERVIEW

- Introduction
- Key Highlights
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- Our Strategic Focus Areas
- Our History

Introduction

The core mission of the NADC is to help build national pride and unity. For the period of this annual report we have continued to do this through our key programs – Australia Day and the Australian of the Year Awards.

We have also supported active citizenship through our promotion of the Australian Citizenship Affirmation, as well as the roll out of programs and events exploring Australian values and belonging including a leadership program for secondary schools, a primary school recognition program and speaker series around the country.

Australia Day

- Australia Day is a day for all Australians, no matter where our personal stories began. It's a day to reflect on what it means to be Australian, to celebrate contemporary Australia and to acknowledge our history.
- Australia Day continues to be hugely popular, with 3 in 4 people believing it has a bigger meaning beyond being just a day off.
- On Australia Day people celebrate all the things we love about Australia: our land, sense of fair go, lifestyle, democracy, the freedoms we enjoy and particularly our people.
- Australia Day is a day we can recognise the contributions of all Australians. From our Aboriginal and Torres Strait Islander people – who have been here for more than 65,000 years – to those who have lived here for generations and those who have come from all corners of the globe to call our country home.
- Australia Day is a time to come together to celebrate the values that we all share as the Australian community.
- Australia Day means something different to everyone. It is important that all Australians participate in a way that is right for them and that we all respect their differing views.
- We respect the views of Aboriginal and Torres Strait Islander people who consider 26 January as a day of mourning, or a day to mark the survival of their ongoing history, traditions and cultures.
- We aspire to an Australia Day that increasingly includes appropriate recognition and celebration of the importance of Aboriginal and Torres Strait Islanders as the traditional custodians of our beautiful lands and waterways, and their centrality to the great Australian story.

Australian of the Year Awards

- From the thousands of people nominated around the country we recognised 128 Australians (16 people in each state and territory) for their outstanding achievements.
- From these, 32 were selected to represent their state or territory in the national Australian of the Year Awards.
- These people all exemplified perseverance, drive and commitment to their particular endeavours.
- And then, on 25 January the contributions of our four Australians of the Year were announced – Professor Michelle Simmons, Dr Graham Farquhar, Samantha Kerr and Eddie Woo.
- Through sheer determination and exceptional ability, each recipient has contributed to shaping a better Australia for us all.
- The achievements of the four Australians of the Year have now become a part of our great Australian story – a reminder of the values we hold dear.



From left to right, the four 2018 Australian of the Year recipients: Dr Graham Farquhar, Prof Michelle Simmons, Eddie Woo, Samantha Kerr

Key Highlights

The Australian of the Year Awards are well known and highly regarded:

AROUND **3,000**
NOMINATIONS RECEIVED



78%

of Australians are actively supportive of the Awards



90%

prompted awareness of the Awards



73%

agree the Awards highlight the positive impact recipients have on Australian society



MORE THAN 3.3K

national media mentions



8.8 MILLION

cumulative reach (digital + broadcast)



Australia Day Concert Canberra 2018

Australia Day is widely supported and engaged in:



Australia Day remains a day to consider our luck, freedom and to be with family and friends



of Australians participated in Australia Day 2018



support Australia Day



feel an increased sense of pride because of Australia Day

330

Australia Day Ambassadors attended over 300 community events across the country



About Us

The core mission of the National Australia Day Council (NADC) is to actively promote our national day to all Australians to inspire national pride and increase participation and engagement across all sectors of the community.

The NADC is a not-for-profit, government-owned company based in Canberra. With the NADC, the Australia Day National Network (Network), an affiliate group of state and territory organisations, helps facilitate the celebration of Australia Day and being Australian, and recognise inspirational Australians through the Australian of the Year Awards.

Our Strategic Focus Areas

Meaning:

Through a range of initiatives and programs we promote the meaning of Australia Day by encouraging Australians to reflect, discuss and debate what it means to be Australian.

Participation:

We promote active citizenship and encourage Australians to participate in celebrations and other activities focused on and around Australia Day.

Recognition:

The contributions and outstanding service to the community that many Australians make are recognised and shared through the Australian of the Year Awards and the Australia Day Ambassador Program.

Our History

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

The NADC sits within the Prime Minister's portfolio responsibilities and has a close working relationship with the Department of the Prime Minister and Cabinet. The NADC reports to the Commonwealth Parliament under the provisions of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)* and the operations of the company are overseen by a board of directors appointed by the Prime Minister.



Section Two:

MANAGEMENT & ACCOUNTABILITY

- **Governance Structure**
- **NADC Board**
- **Audit and Risk Committee**
- **Company Constitution**
- **Board Charter**
- **Conflicts of Interest**
- **Fraud Control**
- **Risk Management**

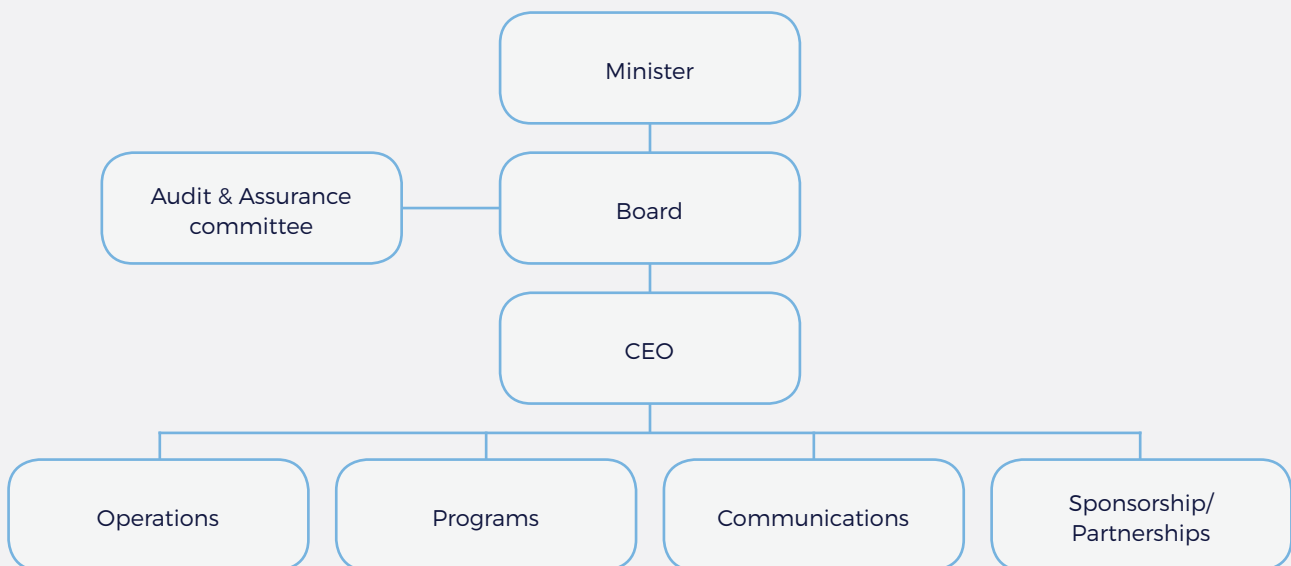
Governance Structure

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

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

NADC has a good working relationship with the Department of the Prime Minister and Cabinet (DPMC) and reports to the Commonwealth Parliament under the provisions of the *PGPA Act*.

The NADC heads a Network of eight state and territory Australia Day affiliate organisations and more than 700 local Australia Day committees. The Australia Day National Network Strategic Plan sets out the purpose, values and priorities of the Network so that each organisation can implement even stronger programs, both nationally and individually, in their jurisdictions. We meet regularly with representatives from the Network and the NADC Chair meets bi-annually with the chairs of the various state and territory councils.



NADC Board

The operations of the company are overseen by a board of directors. The Board of Directors is responsible for the overall corporate governance and successful operation of the NADC and is accountable to the Hon Senator the Hon James McGrath, Assistant Minister to the Prime Minister.

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

At 30 June 2018, the NADC Board comprised nine non-executive directors, including a non-executive Chairperson.

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

Audit and Assurance Committee

The Audit and Assurance committee assists the Board to effectively exercise its functions.

The Board established the NADC Audit and Assurance committee in compliance with section 92 of the PGPA and section 17 of the PGPA Rule 2014. The committee's key activities during 2017-18 included:

- Overseeing the financial performance of the NADC including a review of the budget and financial statements.

Company Constitution

There were no changes to the NADC Constitution in 2017-18.

Board Charter

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

The Board Charter will be reviewed during 2018-19.

Conflicts of Interest

Directors are required to advise the Board of any interest that could potentially conflict with NADC's interests. There were no conflicts of interest declared in 2017-18.

Fraud Control

Consistent with the PGPA Rule 2014 and in line with the Charter for the Audit and Assurance committee, NADC management conducts fraud risk assessments.

The NADC Business Risk and Fraud Control register is reviewed at least on an annual basis. No instances of fraud were detected during the reporting year.

Risk Management

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

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

A comprehensive risk assessment is undertaken on all events by the NADC.

An annual review of our strategic and operational risks is undertaken.

A young child is the central focus of the image, wearing a hat that features the Australian flag's design: a white seven-pointed star on a blue background, and a red field with a white border containing a white saltire (St. Andrew's cross) on a blue field. The child is smiling and appears to be sitting on a colorful inflatable, possibly at a beach or festival. The background is blurred, showing other people and bright colors.

Section Three:

FINANCIAL PERFORMANCE

- Directors' Report
- Auditor's Independence Declaration
- Independent Auditors Report
- Financial Report
- Directors' Declaration
- Statutory Financial Statements
- Appendix

Directors' Report

The Board of Directors presents its report together with the financial statements for the NADC for the financial year ended 30 June 2018 and the auditor's report thereon.

Directors as at the date of this report include:

- Ms. Danielle Roche OAM
- Ms. Robbie Sefton
- Ms. Janet Whiting AM
- Mr Jason Glanville
- Ms. Stephanie Foster PSM
- Mr Norman Schueler OAM
- Ms. Susan Alberti AC
- Mr Richard Rolfe AM
- Ms Jane McNamara

Responsible Minister

The Hon Senator the Hon James McGrath, Assistant Minister to the Prime Minister, was the responsible minister as at 30 June 2018.

Company Secretary

Ms Ria Charles held the position of Company Secretary at 30 June 2018.

Principle activity

The principle activities of the company during 2017-18 have been:

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

Operating trading result

The net amount of operating loss for the company for the period ended 30 June 2018 was \$346,356 and retained earnings at the end of the financial year was \$790,162. The company is exempt from tax.

Dividend

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

Review of operations

During the period ending 30 June 2018, the NADC and Network continued to deliver both national and state programs. The Australian Government, through the Department of Prime Minister and Cabinet, provided a total of \$4,209,000 funding for the company. Sponsors provided a total of \$2,557,023 for national programs, and part of this funding was allocated to state and territory Australia Day affiliates for local projects.

After balance date events

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

Future likely developments

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

Directors during the financial year ended 30 June 2018:



Mr Ben Roberts-Smith VC, MG

Non-executive Director Chair – appointed 4 November 2014

Resigned July 2017

Former Australian Army and Special Air Service Regiment

Ben Roberts-Smith VC, MG is the Commonwealth's most highly decorated serviceman from the war in Afghanistan. Since retiring from the Armed Forces, Ben has been a leading strategic advisor to Government and industry on a broad range of defence, security and personnel issues and he is General Manager, Seven Queensland.

Qualifications:

- Advanced Diploma in Management, Diploma in Government
- Diploma in Government (Security)
- MBA, University of Queensland
- Graduate of the Australian Institute of Company Directors (GAICD)
- Fellow of the Australian Institute of Management (FAIM)



Ms Dannielle Roche OAM

Chair – appointed 25 July 2017

Danni was a member of the Australian women's hockey team that secured a gold medal at the 1996 Atlanta Olympics.

In that same year Danni was also awarded an Order of Australia in recognition of her services to Sport. Danni has over fifteen years of experience working in the finance sector with previous roles including finance and commercial positions with Telstra, Director at UBS Wealth Management, Partner at Evans and Partners and a Director of a privately-owned fraud and risk management business. Danni is currently the Chair of the National Australia Day Council, Commissioner of The Australian Sports Commission, Director of the St. Kilda Football Club, Trustee of the State Sports Centre Trust of Victoria and a Director of Roche Holdings P/L and a Senior Investment Manager at Ord Minnett. She was previously a Director of Hockey Australia for eight years and the Vice President of the Oceania Hockey Federation. She holds a Master of Business Administration



Ms Robbie Sefton

Deputy Chair – appointed 9 June 2010

Re-appointed for 3 years on 5 November 2014

Managing Director, Sefton & Associates

Having worked with media, government, private companies and industry over the past 20 years, Robbie Sefton possesses a wide range of strategic communication skills including issues management, media relations, training, corporate image and brand identity, leadership, sponsorship and special interest/advisory group expertise.



Mr Jason Glanville

Board Member – appointed 4 June 2013
Re-appointed for 3 years on 4 May 2016

Over the past 20 years Jason Glanville has made a significant contribution to social policy development and reform with a particular focus on Indigenous community engagement, social enterprise development, education and leadership.



Ms Elizabeth Kelly PSM

Board member -appointed 21 October 2013
Re-appointed for 3 years on 21 October 2016
Resigned – December 2017

Deputy Secretary, Governance Department of the Prime Minister and Cabinet

Elizabeth Kelly is responsible for machinery of government, legal policy, governance issues across the Australian Public Service, Cabinet and the coordination of support to the Prime Minister and Portfolio Ministers. Elizabeth also has the role of Chief Operating Officer, responsible for financial management, ICT and corporate services.

Qualifications:

- Advanced Management Program, International Competitiveness – Harvard Business School
- B Ec LLB LLM, Economics Law, Honours – University of Sydney, University of NSW



Ms Stephanie Foster PSM

Board member – appointed 19 December 2017
Deputy Secretary, Governance Department of the Prime Minister and Cabinet

Ms Stephanie Foster PSM commenced in the role of Deputy Secretary – Governance at the Department of the Prime Minister and Cabinet on 11 December 2017.

Stephanie was Deputy Australian Public Service Commissioner from October 2013 to December 2017. In this role she supported the Australian Public Service Commissioner in leading and shaping a unified, high performing Australian Public Service.



Ms Janet Whiting AM

Board member – appointed 9 June 2010
Re-appointed for 3 years on 4 May 2016
Partner, Gilbert & Tobin

Janet Whiting AM is a partner of Gilbert + Tobin, heading its litigation practice in Melbourne. In 2015 Janet was named one of Australia’s ten most influential women in the Westpac and *Australian Financial Review* 100 Women of Influence Awards, winning the category for Culture. She was inducted on to the Victorian Honour Roll of Women and received an Order of Australia for her significant service to the community through contributions to the arts, health and major events sector and as a legal professional. Janet’s other current appointments include President of the Council of Trustees, National Gallery of Victoria; Director, Visit Victoria; Council Member, Newman College, University of Melbourne; and Patron, Stephanie Alexander Kitchen Garden Foundation.



Norman Schueler OAM

Board member – appointed 5 November 2014
Re-appointed for 3 years on 5 November 2017
Director, Normetals

Mr Norman Schueler OAM is actively involved in his scrap metal and steel import business. Chair of the South Australian Multicultural and Ethnic Affairs Commission. Chairman of the Jewish Community Council of South Australia.



Ms Jane McNamara

Board member - appointed 21 July 2017
Mayor, Flinders Shire

A born and bred North West Queenslander, Jane McNamara is a third generation Hughenden resident. Elected as Mayor of the Flinders Shire in 2016, Jane has continued her family's 50-year commitment to the region. A keen volunteer, she has contributed to sporting, health, educational and political causes and organisations.



Dr Susan Alberti AC, FAICD

Board Member - appointed: 21 August 2015
Chairman, Susan Alberti Medical Research Foundation

Susan Alberti AC is one of Australia's pre-eminent philanthropists, having donated millions of dollars to medical research and other charitable causes over her successful business career. Susan developed a passion for medical research when her only child, Danielle, was diagnosed with Type 1 diabetes in the 1980s. Susan is relentless and continues her commitment to raise funds for better prevention, treatment and to find a cure for Type 1 diabetes. This has subsequently led her to focus on medical research more broadly. Susan serves on several Boards and Committees including; Australian Charities and Not-for-profits Commission (ACNC) Chair, Victoria University Foundation, Chair, Australia Day Committee (Victoria).

Qualifications:

Graduate of Doctor of Laws honoris causa of Monash University - 2006.

Graduate of Doctor honoris causa of Victoria University - 2016.



Richard Rolfe AM

Board Member - appointed 4 May 2016
Dealer Principal, Audi Centre Canberra

Richard is heavily involved with rugby league, rugby union, basketball, baseball and swimming and together with these sporting organizations, they network with many charitable partners including the Heart Foundation, the Red Cross, RSPCA, Home in Queanbeyan, the Canberra Hospital Foundation and Soldier On.

Qualifications:

Bachelor of Economics, Australian National University

The Board met on 6 and Audit & Assurance Committee on 3 occasions respectively, during the reporting period

	Board Meetings		Audit & Assurance meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Ben Roberts-Smith	1	1	N/A	N/A
Danielle Roche	6	6	3	3
Robbie Sefton	6	5	N/A	N/A
Elizabeth Kelly	2	2	2	2
Jason Glanville	6	3	N/A	N/A
Norman Schueler	6	5	3	3
Janet Whiting *	6	5	N/A	N/A
Susan Alberti *	6	3	N/A	N/A
Richard Rolfe	6	6	3	3
Jane McNamara	6	6	N/A	N/A
Stephanie Foster	3	3	1	1

*Janet Whiting & Susan Alberti were unable to attend one scheduled Board meeting due to the late change in meeting date.

Indemnities and insurance premiums

NADC directors' and officers' liability insurance cover is provided through Comcover, the Australian Government's self-managed fund. NADC renewed its insurance cover in 2017-18 to a level appropriate for its operations.

Directors' benefit

During the period ended 30 June 2018 and to the date of this report, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of the emoluments received or due and receivable by directors shown in the account, or the fixed salary of a full-time equivalent employee of the company or of a related corporation) by reason of a contract made by the company or a related corporation with the director or with a firm of which they are a member, or with a company in which they have a substantial financial interest.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 19 of the financial report.

Approval of Annual Report

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

This report was approved by the NADC Board on 22 August 2018.

Ministerial directions and government policy orders

No ministerial directions were received during the reporting period.

No government policy orders were received during the reporting period.

Significant activities and changes that affected the operations or structure

In April 2018 the NADC undertook an independent, three-month review of its operations. The review concluded in June and, as a result of its findings, the NADC has implemented a significant restructure of the organisation.

Judicial decisions and reviews by outside bodies

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

Obtaining information from subsidiaries

The NADC does not have any subsidiaries

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



Dannielle Roche OAM

Chair

National Australia Day Council Limited Board

22 August 2018

Auditor's Independence Declaration



Danielle Roche, OAM
Chair
National Australia Day Council
Old Parliament House
King Georges Terrace
CANBERRA ACT 2600

NATIONAL AUSTRALIA DAY COUNCIL LIMITED FINANCIAL REPORT 2017-18 AUDITOR'S INDEPENDENCE DECLARATION

In relation to my audit of the financial report of the National Australia Day Council Limited for the year ended 30 June 2018, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office

A handwritten signature in black ink that reads 'L Skipper'.

Lorena Skipper
Audit Principal

Delegate of the Auditor-General

Canberra

21 August 2018

Independent Auditors Report



INDEPENDENT AUDITOR'S REPORT

To the members of National Australia Day Council Limited

Opinion

In my opinion, the financial report of the National Australia Day Council Limited for the year ended 30 June 2018 is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the National Australia Day Council Limited's financial position as at 30 June 2018 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

The financial report of the National Australia Day Council Limited, which I have audited, comprises the following statements as at 30 June 2018 and for the year then ended:

- Statement of Profit or Loss and Other Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cashflows;
- Notes to the financial statements, comprising a Summary of Significant Accounting Policies and other explanatory information; and
- Directors' Declaration.

Basis for Opinion

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

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

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

Directors' Responsibility for the Financial Report

The directors of the National Australia Day Council Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the National Australia Day Council Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Report

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

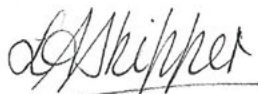
As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

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

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Australian National Audit Office



Lorena Skipper

Audit Principal

Delegate of the Auditor-General

Canberra

22 August 2018

Directors' Declaration

Directors' Declaration

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

- a. The financial statements and notes, set out in the 2017-18 Annual Report are in accordance with the Corporations Act 2001, including:
 - i. Giving a true and fair view of the financial position of the Company as at 30 June 2018 and performance, as represented by the results and cash flows, for the year ended on that date; and
 - ii. Complying with the Australian Accounting Standards, including Australian Accounting Interpretations and the Corporations Regulations 2011; and
- b. There were reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Danielle Roche, OAM
Chair
National Australia Day Council Limited Board

22 August 2018

Financial Report

STATUTORY FINANCIAL STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018

	Note	2018 \$	2017 \$
Continuing Operations			
Revenues			
Revenue from government grants	4	4,209,000	4,173,000
Revenue from other sources	4	<u>2,883,770</u>	<u>2,472,980</u>
Total Revenues		7,092,770	6,645,980
Expenses			
Employee benefits expense	5	1,724,728	1,454,982
Occupancy expenses	5	116,459	109,393
Funding to States and Territory ADCs	5	1,527,881	1,392,104
Events and awards programs	5	3,101,289	2,807,624
Depreciation and amortisation expenses	5	76,294	44,340
Other expenses from ordinary activities	5	<u>892,475</u>	<u>890,591</u>
Total Expenses		7,439,126	6,699,034
Profit from ordinary activities		<u>(346,356)</u>	<u>(53,054)</u>
Other Comprehensive income		-	-
Total Comprehensive Income		<u>(346,356)</u>	<u>(53,054)</u>

The Statement of Comprehensive income should be read in conjunction with the attached notes.

Financial Report

	Note	2018 \$	2017 \$
Statement of Financial Position as at 30 June 2018			
Assets			
Current Assets			
Cash & bank balances	6	2,262,308	2,396,141
Inventories	7	6,958	13,887
Trade & other receivables	8	396,967	40,959
Other assets	9	3,960	26,244
Total Current Assets		<u>2,670,193</u>	<u>2,477,231</u>
Non-Current Assets			
Plant & equipment	10	<u>70,120</u>	<u>100,816</u>
Total Non-Current Assets		<u>70,120</u>	<u>100,816</u>
Total Assets		<u>2,740,313</u>	<u>2,578,047</u>
Liabilities			
Current Liabilities			
Trade & other payables	11	698,141	180,366
Provisions	12	37,863	88,390
Deferred revenue	13	<u>1,204,900</u>	<u>1,145,775</u>
Total Current Liabilities		<u>1,940,904</u>	<u>1,414,531</u>
Non-Current Liabilities			
Provisions	12	9,247	26,999
Total Non-Current Liabilities		<u>9,247</u>	<u>26,999</u>
Total Liabilities		<u>1,950,151</u>	<u>1,441,530</u>
Net Assets		<u>790,162</u>	<u>1,136,518</u>
Equity			
Retained earnings		<u>790,162</u>	<u>1,136,518</u>
Total Equity		<u>790,162</u>	<u>1,136,518</u>

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

	Note	2018 \$	2017 \$
Statement of Changes in Equity for the year ended 30 June 2018			
		Retained Earnings	Total Equity
Balance at 1 July 2017		<u>1,136,518</u>	<u>1,136,518</u>
Comprehensive income for the year			
Profit		<u>(346,356)</u>	<u>(346,356)</u>
Total comprehensive income for the year		<u>(346,356)</u>	<u>(346,356)</u>
Balance at 30 June 2018		<u>790,162</u>	<u>790,162</u>
		Retained Earnings	Total Equity
Balance at 1 July 2016		<u>1,189,572</u>	<u>1,189,572</u>
Comprehensive income for the year			
Profit		<u>(53,054)</u>	<u>(53,054)</u>
Total comprehensive income for the year		<u>(53,054)</u>	<u>(53,054)</u>
Balance at 30 June 2017		<u>1,136,518</u>	<u>1,136,518</u>

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

Financial Report

	Note	2018 \$	2017 \$
Statement of Cashflows for the year ended 30 June 2018			
Cash Flows from Operating Activities			
Receipts from government grants		4,209,000	4,173,000
Receipts from customers		2,334,748	3,120,126
Net GST received (paid to) ATO		299,806	209,063
Payments to suppliers and employees		<u>(6,982,229)</u>	<u>(6,673,111)</u>
Net Cash Flows Provided/(Used) by Operating Activities	19	<u>(138,675)</u>	<u>829,078</u>
Cash Flows from Investing Activities			
Payments for property, plant & equipment		(45,597)	(95,362)
Interest received		<u>50,439</u>	<u>33,997</u>
Net Cash Flows /(Used) by Investing Activities		<u>4,842</u>	<u>(61,365)</u>
Net (Decrease)/Increase in cash held		<u>(133,833)</u>	<u>767,713</u>
Cash at the beginning of the Financial Year		<u>2,396,141</u>	<u>1,628,428</u>
Cash at the end of the Financial Year	6	<u>2,262,308</u>	<u>2,396,141</u>

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

Note	2018	2017
	\$	\$

Notes to the Financial Statements for the year ended 30 June 2018

1. Basis of Preparation

a) Statement of Compliance

These financial statements have been prepared in accordance with the *Corporations Act 2001* and with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations.

Adoption of new Australian Accounting Standard requirements

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

b) Basis of Preparation

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

c) Use of Estimates and Judgements

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

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

2. Summary of Significant Accounting Policies

a) Plant and Equipment

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

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

b) Depreciation

Depreciation is calculated using the straight-line method so as to write off the cost of each non-current asset. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10-100%

c) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Commonwealth Department grants are recognised in the year received in accordance with the funding agreements. Government and corporate sponsorships in cash and in-kind are recognised upon the delivery of the services to the customers. Revenue from the sales of goods is recognised when control has passed to the buyer. Interest revenue is recognised on an accrual basis using the effective interest method.

d) Inventory

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

e) Employee Entitlements

Financial Report

	Note	2018 \$	2017 \$
<p>Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. Salaries and wages and annual leave entitlements are expected to be settled within one year, where balances are under five weeks. Long service leave entitlements are not to be settled within one year, unless seven years service has been achieved. Contributions are made by the NADC to employee superannuation funds are charged as expenses when incurred.</p>			
<p>f) Taxation</p> <p>The NADC is endorsed by the Australian Taxation Office to access the following tax concessions:</p> <ul style="list-style-type: none"> > Income tax exemption from 1 July 2000 under Subdivision 50-B of the <i>Income Tax Assessment Act 1997</i>. > GST concessions from 1 July 2005 under Division 176 of A <i>New Tax System (Goods and Services Tax) Act 1999</i>. > FBT rebate from 1 July 2005 under section 123E of the <i>Fringe Benefits Tax Assessment Act 1986</i>. 			
<p>g) Cash</p> <p>Cash includes cash on hand and on deposit with financial institutions and are stated at their nominal value.</p>			
<p>h) Financial Assets</p> <p>Loans and Receivables</p> <p>Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.</p> <p>Impairment of financial assets</p> <p>At each reporting date, the NADC reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.</p>			
<p>i) Goods and Services Tax (GST)</p> <p>Revenues, expenses, liabilities and assets are recognised net of the amount of goods and services tax (GST), except;</p> <ul style="list-style-type: none"> i. Where the amount of GST incurred is not recoverable from the taxation authority it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or ii. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. <p>The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.</p> <p>Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.</p>			
<p>3. Members' Guarantee</p> <p>The NADC is limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$100 towards meeting any outstanding obligations of the company. As at 30 June 2017 the Commonwealth is the sole member of the NADC.</p> <p>In relation to the Retained Earnings, it should be noted that Clause 1.4 Restriction on application of profits of the company's constitution provides that: "subject to Rule 1.5, all profits (if any) and other income and property of the NADC must be applied in promoting the Objects and no part of them may be paid, directly or indirectly, by way of dividend, bonus, fee or otherwise, to Members or Directors.</p>			

	Note	2018 \$	2017 \$
4. Operating revenue from ordinary activities			
Government grants		4,209,000	4,173,000
Other revenue:			
Sponsorship, in cash		2,140,433	1,990,155
Sponsorship, in kind		416,590	395,743
Merchandising and licensing		33,914	32,644
Interest received		43,396	40,858
Other		<u>249,437</u>	<u>13,579</u>
		<u>7,092,770</u>	<u>6,645,980</u>

Financial Report

	Note	2018 \$	2017 \$
5. Operating expenses from ordinary activities			
Employee Benefits expense		1,724,728	1,454,982
Occupancy expenses		116,459	109,393
Funding to State and Territory ADC's*		1,527,881	1,392,104
Events and Awards programs		3,101,289	2,807,624
Depreciation - plant and equipment		76,294	44,340
Travel and accommodation		358,263	391,482
Computer services and website		106,753	158,242
Merchandise and Licensing		12,732	31,887
Insurance		14,188	14,345
Other expenses from ordinary activities		<u>400,539</u>	<u>294,635</u>
		<u>7,439,126</u>	<u>6,699,034</u>
*Funding to State and Territory ADC's includes grant payments and funds provided directly to State and Territory Australia Day Councils.			
6. Cash & bank balances			
Cash on hand		274	314
Cash at bank		<u>2,262,034</u>	<u>2,395,827</u>
		<u>2,262,308</u>	<u>2,396,141</u>

	Note	2018 \$	2017 \$
7. Inventories			
Stock held for resale		<u>6,958</u>	<u>13,887</u>
8. Trade & other receivables			
Trade debtors		396,967	-
Other receivables		-	<u>40,959</u>
Total trade & other receivables		<u>396,967</u>	<u>40,959</u>
Trade debtors do not include any amounts that are past due at the end of the reporting period. Trade debtors are considered recoverable.			
9. Other assets			
Prepayments		<u>3,960</u>	<u>26,244</u>
		<u>3,960</u>	<u>26,244</u>
10. Plant & equipment			
Plant and equipment at cost		338,092	319,087
Less accumulated depreciation		<u>(267,972)</u>	<u>(218,270)</u>
Total Plant and Equipment		<u>70,120</u>	<u>100,816</u>
(a) Movements in Carrying Amounts			
Movement in the carrying amounts of plant and equipment between the beginning and the end of the current financial year.			
Balance at the beginning of year		100,816	49,795
Additions		45,597	95,361
Disposals		-	-
Profit/(Loss) on Disposal		-	-
Depreciation expense		<u>(76,294)</u>	<u>(44,340)</u>
Carrying amount at the end of the year		<u>70,120</u>	<u>100,816</u>

Financial Report

	Note	2018 \$	2017 \$
11. Trade & other payables			
Current			
Trade payables		369,996	18,520
Other payables		<u>328,145</u>	<u>161,846</u>
Total trade & other payables		<u>698,141</u>	<u>180,366</u>
12. Provisions			
Current			
Employee entitlements - Annual Leave		37,863	71,011
Employee entitlements - Long Service Leave		<u>0</u>	<u>17,379</u>
Total Current		<u>37,863</u>	<u>88,390</u>
Non Current			
Employee entitlements - Annual Leave		958	181
Employee entitlements - Long Service Leave		<u>8,289</u>	<u>26,818</u>
Total Non Current		<u>9,247</u>	<u>26,999</u>
Total current and non current provisions		<u>47,110</u>	<u>115,389</u>
13. Revenue received in advance			
Current			
Revenue received in advance		1,204,900	1,145,775
Total current revenue received in advance		<u>1,204,900</u>	<u>1,145,775</u>

	Note	2018 \$	2017 \$
14. Key Management Personnel Remuneration			
Directors Remuneration			
Remuneration received by directors of the company		<u>14,634</u>	<u>9,325</u>
Directors remuneration is set by the Remuneration Tribunal.			
Executive Remuneration			
Short-term employee benefits		521,138	521,878
Long-term employee benefits		39,569	53,996
Post-employment benefits		46,944	47,698
Termination benefits		<u>197,188</u>	<u>-</u>
Total Executive Remuneration received		<u>804,839</u>	<u>623,571</u>

Executives

The names of persons who were executives of the company at any time during the financial year are as follows:

Christopher Kirby (Part year) - Chief Executive Officer (ceased 13 October 2017)
 Jennifer Barbour (Part year) - Chief Executive Officer (commenced 19 October 2017; ceased 8 March 2018)
 Maria Charles (Part year) - Chief Executive Officer (commenced 5 March 2018; ceased 31 July 2018)
 Karlie Brand (Part year) - Chief Executive Officer (commenced 4 June 2018)
 Carolyn Ludovici - General Manager Programs and Operations (ceased 30 June 2018)
 Damian Tunney (part year) - General Manager Communications and National Network (ceased 30 May 2018)

15. Related Parties

No related party transactions, outside of the compensation of Directors and Executives disclosed in Note 14, occurred in the year.

16. Commitments for Expenditure

Aggregate operating lease expenditure contracted for at balance date but not provided for in the accounts payable:

Not later than 1 year	93,235	38,397
Later than 1 year, but not later than 5 years	9,704	3,598
Over 5 years	-	-
Total Operating Lease Commitments	<u>102,939</u>	<u>41,995</u>

The tenancy lease commitment is a non cancellable operating lease.

Aggregate expenditure contracted for at balance date but not provided for in the accounts payable:

Not later than 1 year	718,304	750,000
Later than 1 year, but not later than 5 years	-	750,000
Over 5 years	-	-
Total Expenditure Commitments	<u>718,304</u>	<u>1,500,000</u>

Financial Report

	Note	2018 \$	2017 \$
17. Remuneration of Auditor			
Amounts received or due and receivable by the auditor for auditing the accounts		<u>17,500</u>	<u>18,000</u>
No other services were provided by the auditor.			
18. Segment Reporting			
The company operates in the community services sector where it is the coordinating body for the Australian of the Year Awards and Australia Day celebrations across the nation. It operates in one geographic area, being Australia.			
19. Reconciliation of Net Cash Provided by Operating Activities to Operating Profit/(Loss)			
Operating Profit/(Loss)		(346,356)	(53,054)
Depreciation and loss on sale of assets		76,294	44,340
Interest Income		(43,396)	(40,858)
(Increase)/decrease in other debtors and prepayments		(340,767)	337,240
(Increase)/decrease in inventory		6,929	6,885
Increase/(decrease) in provision employee entitlements		(68,279)	17,493
Increase/(decrease) in trade creditors and accruals		517,775	21,166
Increase/(decrease) in revenue received in advance		<u>59,125</u>	<u>495,866</u>
Net cash provided/(used) by operating activities		<u>(138,675)</u>	<u>829,078</u>
20. Economic Dependency			
The operations of the company are partly dependent on an annual monetary grant from the Australian Government.			
21. Staffing Level			
As at 30 June 2018 the NADC employed five part time/casual employees and nine full time employees.			

	Note	2018 \$	2017 \$
22. Financial Instruments			
Categories of Financial Instruments			
Financial Assets			
Loans and receivables			
Cash & bank balances	6	2,262,308	2,396,142
Trade & other receivables	8	<u>396,967</u>	<u>14,163</u>
Carrying amount of financial assets		<u>2,659,275</u>	<u>2,410,305</u>
Financial Liabilities			
Trade & other payables	11	670,578	180,366
Carrying amount of financial liabilities		<u>670,578</u>	<u>180,366</u>
Net income and expense from financial assets			
Interest revenue	4	<u>43,396</u>	<u>40,858</u>
Net gain/(loss) from financial assets		<u>43,396</u>	<u>40,858</u>

Net Fair Values

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

Financial Report

	Note	2018 \$	2017 \$
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Financial Risk Management Credit Risk

NADC is exposed to minimal credit risk. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of receivables (2018: \$396,967, 2017: \$14,163).

Liquidity Risk

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

Market Risk

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

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant NADC's profit for the year ended 30 June 2018 would increase/decrease by \$11,312 (2017: increase/decrease by \$11,981).

23. Contingent Liabilities/Assets

There are no contingent liabilities or assets at 30 June 2018 (2017: nil).

There are no remote or unquantifiable contingent liabilities or assets at 30 June 2018 (2017: nil).

24. Events Occurring After Balance Date

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

Appendix 1

PGPA Act – List of requirements

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

Description	Requirement	Page/Section
Table of contents	<i>PGPA Act</i>	Page 3
Related entity transactions	<i>PGPA Act</i>	Section Three Page 33
Details of how/when approval of the annual report was given	Mandatory	Section Three Page 18
Financial Report	<i>Corporations Act 2001</i>	Section Three Page 23
Directors' Report	<i>Corporations Act 2001</i>	Section Three Page 13
Auditor's Report	<i>Corporations Act 2001</i>	Section Three Page 21
Organisation's purpose/activities	<i>PGPA Act</i>	Section Three Page 13
Information on each director of the company during the period	<i>PGPA Act</i>	Section Three Page 14
Ministerial directions given	<i>PGPA Act</i>	Section Three Page 18
Government policy orders	<i>PGPA Act</i>	Section Three Page 18
Organisational structure and location	<i>PGPA Act</i>	Section Two Page 10
Corporate governance practices	<i>PGPA Act</i>	Section Two Page 10
Significant activities report	<i>PGPA Act</i>	Section Three Page 18
Judicial decisions and reviews	<i>PGPA Act</i>	Section Three Page 18
Obtaining information from subsidiaries	<i>PGPA Act</i>	Section Three Page 18

Sponsors and Partners

The NADC would like to thank the following sponsors and partners:

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