

Australian Red Cross

# Annual Report 2020-2021







Photo: Australian Red Cross/Aysha Leo

Dorothy (right) with Samantha and Henry from our parent and baby support group on the Tiwi Islands.



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

#### Acknowledgement of Country

Australian Red Cross acknowledges Traditional Custodians of the lands on which we operate, live and gather, the First Nations peoples. We pay our respects to Elders, past, present and those of the future. We draw upon their wisdom, knowledge and leadership to guide us in changing hearts and minds.

#### 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-profits Commission, under ABN 50169561394. The Society is comprised of two operating divisions, the Australian Red Cross Lifeblood and Australian Red Cross Humanitarian Services. Australian Red Cross Lifeblood was previously called Australian Red Cross Blood Service until 15 November 2019. This Annual Report covers both operating divisions. For the purposes of this statement "Red Cross" refers to both operating divisions.

ABN 50 169 561 394

Cover image: Australian Red Cross/Aysha Leo



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# Year at a glance



Australian Red Cross/Aysha Leo



Through a year of sustained change and uncertainty, Australian Red Cross has continued to be there to support people and communities. Across the year, we leaned on our known strengths and found new ways to act for humanity.

As the global COVID-19 pandemic continued to impact people and communities across Australia, with lockdowns and restrictions increasing social isolation, our support for people experiencing vulnerability has never ceased. We have delivered essential supplies, financial and psychosocial support. Working with our partner agencies, we made sure people in Australia could access care packages, food relief, financial assistance, casework and wellbeing resources to support through lockdowns and social isolation.

Throughout the year, we also continued to deliver financial grants and other vital recovery services to people impacted by the unprecedented bushfires that ravaged Australia in 2019-20. We responded to multiple natural disasters. The New South Wales (NSW) Floods and Victorian (Vic) storm damage left communities under water and people without power for weeks. We activated to support people impacted by fires in Perth Hills and Adelaide Hills, and Western Australia's (WA) Cyclone Seroja. We delivered social programs to support people in need, and for refugees, people seeking asylum and migrants experiencing vulnerability, we reconnected them with family overseas, extended our support for those struggling with lockdowns and digital literacy, and grew our community-based networks.

Internationally, our Partner National Societies are increasingly trusted by their governments and communities to protect the human interest, uphold humanitarian principles, and invoke their mandate to protect lives, dignity and reduce suffering. Our focus on locally-led humanitarian action has shown locally designed solutions are proving more durable as they are purpose-built. We have strengthened our partners' capacity to reach people experiencing vulnerability, to help make sure no-one is left behind.

The events of 2020, its relentless change at pace and uncertainty sparked a greater need for investment in digital technologies to help the mobilisation of people helping people. We have demonstrated we have the capability, capacity and character to respond to increasingly complex humanitarian work. Navigating diverse environments from the technological to the urban, to the lengthy and protracted crises, we have focused our efforts on building the right

systems, foundational frameworks, technology and processes to manage the growing complexity of humanitarian work. Our capabilities are supporting Australians to build strong and resilient communities with a capacity to prepare for, respond to, and recover well from disasters and overwhelming circumstances. Red Cross achieves all this by mobilising the Australian community to act with us as volunteers, members and in so many other ways to participate and contribute.

This year we also looked to our role and impact on people, planet and prosperity for the future. We are making sure our humanitarian force and the way we operate is sustainable and working alongside communities to act for humanity for many years to come.

**This year, Australian Red Cross was there to act for humanity, delivering support to people impacted by:**

### **The COVID-19 pandemic**

- **70,042** people in Australia supported through mandatory isolation due to COVID-19 with **118,516** Psychological First Aid phone calls through the COVID-19 TeleOutreach program, and **33,000** wellbeing kits.
- **522,984** people reached with COVID-19 resilience information. This includes **26,082** views of COVID-19 public information webpages; and **496,902** people reached through COVID-19 public information social media posts.
- **128,133** people on temporary visas or without visas supported by providing **97,793** emergency relief payments totaling **\$51.7M** – through generous support from donors, plus Federal and several State and Territory governments food relief to **44,422** people and casework support across every part of Australia.
- **44,422** people supported with food relief and casework access every part of Australia.
- **554,026** people accessed referral information and additional support for people on temporary visas/no visas who were not eligible for mainstream government supports during COVID-19.



Photo: Department of Defence

(Left to Right) Mount Dandenong resident Jim Henderson has a welfare check by Australian Red Cross representative Kerry Macfarlane and Corporal Paul Summerbell following the recent storm in the region.

### **Emergencies & Disasters**

- **17,930** calls received through the Community Activation and Social Initiative program (CASI) in Victoria.
- **4,713** individuals impacted by Australia's 2019–20 bushfires with **\$82.3M** cash paid in 8,687 bushfire response grants in FY21. As at 30 June 2021, \$224.8M, out of a total of \$241.6M raised, had been disbursed or spent, see more in our Bushfire Reports.
- **151,510** people in **43** emergency events responded to across Australia.
- **2,429** people in NSW communities following record-breaking rain and severe flooding in March 2021, and \$2.8M raised through our NSW Floods Appeal.
- **292,426** people in Australia equipped to be prepared for and recover from disasters.
- **38,588** people received First Aid training and **2,884** people received Mental Health First Aid training.

### **Displacement by war, conflict, migration**

- **141** cases of missing people were successfully concluded, with the whereabouts or fate of loved ones being determined, out of a total of **974** cases that were worked on, relating to a total of **2,255** people.

- **1,639** refugees and humanitarian entrants were supported to settle in Australia, **45%** of whom were children and young people.
- **20,127** people were involved in Red Cross sessions building and strengthening welcoming communities for newly arrived refugees, people seeking asylum and migrants across Australia, including the schools-based program In Search of Safety.
- **665** working hours or **95** days spent monitoring the conditions of immigration detention facilities (largely remotely), during the pandemic.
- **181** people from **37** countries impacted by modern slavery through holistic casework, providing suitable accommodation, health care, emotional support, employment, financial support, education and training, essential items, connection to community, access to social services and referrals to legal and migration advice.

### **Lived experience in and beyond the justice system**

- **1,000** people in contact with the justice system breaking cycles of contact with the system and transitioning to positive, productive lives.
- **144** individuals in prison volunteering as part of the Community Based Health and First Aid (CBHFA) across the country.



### Our older Australians with:

- **98,994** meals.
- **41,067** community [transport](#) trips to connect older Australians with their local community.
- **181,710** hours of social support for people experiencing loneliness, ranging from daily [Telecross](#) calls to check on their wellbeing daily, [TeleYarn](#) to connect Aboriginal and Torres Strait peoples, social outings, home visits, social outings, group activities..
- **8,590** visits to residential aged care or independently in the community through the Community Visitors Scheme.



### This year, through Lifeblood:

- **1,116,000** blood products were collected, processed and delivered to hospitals and healthcare providers to help patients in Australia.
- **1,596,803** blood, plasma or platelets donations were collected from 502,018 people.
- **1,050** premature babies were fed with pasteurised donated breast milk.



### This year, Australian Red Cross strengthened our capacity to act for humanity with:

#### Our collective people power

- **15,951** volunteers, **8,587** members, and **1,853** staff delivering services across Australia and in 36 countries.
- **\$5.11M** raised from our annual Tax Appeal, revenue from existing supporters was up **16%** and overall number of donations up **4%** on FY20.
- **87,593** people generously giving a regular donation, totalling **\$32M**.
- **120K** people making a donation to support our key campaigns.

#### Our role internationally and in our Asia Pacific region

- **1544** partner national society staff and volunteers received rapid COVID-19 training strengthening their role and capacity to deliver public health messages and distribute personal protective equipment alongside their national health systems across East Timor, Indonesia, Fiji, Papua New Guinea, Mongolia, Myanmar, Solomon Islands, Tonga, and Vanuatu.

- A further **325** partner national society staff and volunteers trained in emergency preparedness to respond to the increasing frequency and intensity of natural disasters across the region.
- More than **500** partner national society staff and volunteers received Protection, Gender and Inclusion training, including how to safely refer people to sexual-gender based violence specialist services.
- **Two new disaster response laws adopted** by the Governments of Vanuatu and Nepal with more reforms progressing to disaster management acts in Indonesia and Fiji.
- **10** Asia Pacific Governments were assisted to strengthen their national shelter coordination, preparedness and response mechanisms.
- **55 aid workers** (32 female, 23 male) were deployed to support 33 different humanitarian operations.

#### Our continuous improvement

- **415** core system changes to eliminate manual processes, 4 major releases to the Digital Experience Platform, a combination of **71** information security activities, digital literacy training delivered nationally to raise digital literacy and security awareness and keep our data safe, building the systems, infrastructure to support remote work.
- **36** leaders at all levels attending training, including **41** Culture Coaches building an adaptive, collaborative, achievement focused, agile culture.
- **65%** roles at a Manager/Senior Manager/Executive filled by women.
- **2,400** credentials issued across 16 pilots to volunteers and staff across multiple humanitarian organisations using Traverse, our world-leading humanity-first digital credentialing tool.
- Signing the global Climate and Environment Charter for Humanitarian Organisations.
- **75%** of the committed deliverables of our Reconciliation Action Plan achieved.
- **16** online International Humanitarian Law events focusing on topics such as conflict and climate change, memory and war, children and war and the elimination of nuclear weapons.
- **141** National Awards were awarded to Red Cross people, with many being presented at virtual state and territory AGMs and World Red Cross Day events.



# 2

## Who we are: We act for humanity



Photo: Australian Red Cross / Frances Andjich



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Australian Red Cross was established in 1914 at the outbreak of the First World War to provide humanitarian assistance to the wounded and vulnerable. Today, we are a humanitarian force of almost **15,951** volunteers, **8,587** members, and **1,853** staff delivering services across Australia and in 36 countries.

Red Cross operates as two divisions, Humanitarian Services and Lifeblood. Humanitarian Services provides relief in times of crisis and care for people experiencing vulnerability in Australia and around the world. Australian Red Cross Lifeblood provides quality blood products, tissues and related services for the benefit of the community.

As part of the largest humanitarian network in the world, the International Red Cross and Red Crescent Movement (the Movement), with 80 million people worldwide, our work promotes peace. We are first responders when crises hit in times of conflict and in peace. We lessen human suffering, work alongside people to support immediate needs as well as drive long-term systemic change and build resilience.

Since our foundation, we continue to be guided by the Fundamental Principles of the International Red Cross and Red Crescent Movement. These are Humanity; Impartiality; Neutrality; Independence; Voluntary Service; Unity and Universality.

As auxiliary to the public authorities in the humanitarian field, Red Cross has a unique position in the humanitarian sector, which includes a specific mandate in times of war but extends to many other humanitarian activities, such as disasters and emergencies. We are often first to the scene and we also work behind the scenes, as advocates or humanitarian diplomats, providing facts and evidence that support decision makers and opinion leaders to act for humanity and in the interests of people facing vulnerability.

In 2020–21, we also considered how we work best together and alongside communities as part of developing our next strategy. The strategy development process this year involved significant and wider consultation with Red Cross people, and the people and groups we work with. This work, and our research into future trends told us we needed to make changes. While some things might change, others will always stay the same: making a genuine impact; our Fundamental Principles; and reaching people and places like no-one else, will always be at our core. Our Board and Executive have worked closely together to make sure Red Cross is sustainable and impactful for the future.

# About this Report



Photos: Department of Defence  
Australian Red Cross representative Travis Mason delivers a brief to Australian Defence Force personnel prior to conducting welfare checks on Dandenong Ranges residents following the recent storm in the region.

Our Annual Report 2020–21 provides an overview of our performance in humanitarian operations, bringing people and communities together in times of need across Australia, and our financial statements. This report also summarises our social and environmental performance and speaks to our intellectual capital. This report also includes a dedicated section for Australian Red Cross Lifeblood. This year for the first time, we also report on our work to eliminate modern slavery in our own operations as well as continuing to support those impacted by modern slavery.

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 ACFID Code of Conduct, which is a voluntary, self-regulatory sector code of good practice. As a signatory we are committed and fully adhere to the ACFID Code of Conduct, 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 as well as over 70 of our individual programs which are separately audited and acquitted to funders each year. Our last three years annual reports have won or been finalists in the online reporting category, and also won an overall silver award in the Australasian Reporting Awards, transparency being one of the many criteria used by the independent panel of judges.

\*See Notes to the Financial Statement section for more details



# President Message



Photo: Australian Red Cross/Jade Wisely

The past twelve months has been one of ongoing crises, dominated by our response to the bushfires and the pandemic, and we have risen to the challenge.

I thank all Red Cross people, our staff, members and volunteers, who have worked so hard for such long periods, and who have made such a difference to people's lives.

Red Cross teams have been supporting communities through many lockdowns, as governments around the nation have sought to contain and manage outbreaks of COVID19.

The pandemic has added additional layers of complexity to nearly all Red Cross operations and I commend the staff, members and volunteers who have adapted cheerfully and with exceptional grace to these new ways of working.

We had once-in-100-year floods in NSW, storms on the outskirts of Melbourne and sustained demand for our migration support program.

In this state of continual crisis, where the needs of people and communities do not stop, we have come to the realisation we need to not only make time to rest and refresh our energy, but to ensure we have the right numbers of people and support so we can sustainably maintain crises responses.

In addition, COVID-19, has substantially impacted the lives of our own Red Cross people, with many of us confined to our homes, unable to see friends and family members and many of us unable to travel.

During the past year we have been particularly busy bringing much-needed human warmth to people through phone calls and wellness checks, by distributing emergency grants, and other support. These services continue through extended quarantine and lockdown.

To those who have done this work, thank you.

I am very proud of our efforts assisting more than 128,000 people on temporary visas, or with no current visa. These are members of our communities with no access to Centrelink or Medicare. And our data shows it is increasingly difficult for them to be financially supported by families overseas due to the ongoing economic effect of the pandemic.

We've provided food relief and case work support for 44,000 people on temporary visas.

We have made around over 100,000 friendly calls to people in quarantine to check on their wellbeing.

Red Cross has always been a grass roots organisation with members and volunteers at our very core. This year, we have recommitted to growing Red Cross's community presence.

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We are examining ways we can continue to be relevant to people and communities, to grow our impact and attract a diverse membership.

I was particularly pleased to be able to report recently that at the end of June, of the \$242m raised for the 2019/2020 bushfires,

\$224 million has been disbursed or spent with the remaining \$18 million allocated for further grants, ongoing recovery and support costs.

To date 40,107 people have been assisted with recovery, and communities in 46 local government areas in Queensland, NSW, Victoria, South Australia are being supported by our recovery program.

Three people still on their recovery journey recently received funding via Red Cross for the first time. Those funds were among \$200,000 distributed in July.

This illustrates that the recovery journey is long and how Red Cross has been and will be there for when people are ready to come forward for support.

National Regulator, the Australian Charities and Not-For-Profit Commission, has praised Red Cross for its transparency following publication of the Bushfires Report to June 2021, confirming

regulatory confidence and trust in our organisation.

This year we also saw the power of being part of a global Red Cross Movement, through our work supporting colleague Red Cross Red Crescent Societies in the Pacific, Indonesia, Timor Leste, Mongolia, Myanmar, Vietnam, Afghanistan, Bangladesh, Democratic People's Republic of the Congo, India, Maldives, Philippines, Lebanon, Syria, United States.

While it has been difficult to gather in our communities, our Board has met frequently over video conferencing.

I am very fortunate to serve with so many wonderful Red Cross people. Thank you to Board members, who are volunteers, and to staff, who have adapted so well to working remotely. Thank you to our members and volunteers, who contribute so much, and found new ways to work. Thank you to all our donors and supporters, who have given so generously to enable what we do.

Lastly, I want to acknowledge CEO Kym Pfitzner, who stepped up as temporary CEO before being appointed formally to the role early 2021, for his dedication and leadership during challenging times.



Ross Pinney  
President, Australian Red Cross Board



# CEO Message



Photo: Australian Red Cross/Jade Wisely

In a year that changed the world, Australian Red Cross continued to act for humanity, helping people from all walks of life and in times of need across Australia.

## The call to act for humanity

Red Cross people represent Australia's heart and soul. A 27,000-strong humanitarian network of dedicated staff, members and volunteers of all generations, a kaleidoscope of backgrounds, expertise across regional and rural country to the inner urban cities. While nothing is ever simple, at its core – we are people determined to help all people across every edge and corner of this vast country.

This call to act for humanity is born from our roots in 1914 at the outbreak of the First World War to provide humanitarian assistance to the wounded and vulnerable – and to help all people find safety no matter which side they were on. This foundation of Red Cross and our role as part of a global Movement, remains true to who we are today, and it will tomorrow. Because we need each other. We need each other to find our kindness, to unearth empathy, to stand resilient together against all odds.

## We have been 'always on' and activated to deliver psychosocial and financial support across the country and responding to change at pace

Red Cross are often first to the scene of a disaster or emergency, and we work behind the scenes, as advocates or humanitarian diplomats, providing facts and evidence that support decision makers and opinion leaders to act for humanity and in the interests of people facing vulnerability. We are the frontline and the heartline.

We were activated to respond to multiple natural disasters across the country this year, including the continuing support for those impacted by the Summer Bushfires 2019/20. Our response to the worst bushfires in Australia's history came under intense scrutiny and at times unfair criticism, but we stood by our approach – based on a long history of disaster response and recovery assistance, working closely with emergency partners, and taking time to check the legitimacy of each grant claim – all the while taking inputs and validation from an independent advisory panel. And we did the right thing.

Long after the embers turned to ash and media attention moved on, we have been disbursing funds raised from the grants and recovery program to people, including many who have only recently come forward for the first time. Our approach was vindicated by reviews by the charity regulator – the

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Australian Charities and Not for Profit Commission – and by the lengthy and detailed Bushfire Royal Commission.

I want to thank the thousands of members, volunteers and staff who have worked tirelessly to do what is right. We continue to be there to help communities recover for as long as it takes.

This year, we've supported people in multiple emergency events responded to across Australia, including people impacted by NSW one-in-100-year floods, the VIC storm damage that left communities under water and people without power for weeks, and those affected by the Perth Hills and Adelaide Hills fires, and WA Cyclone Seroja. It's been a year where we have been 'always on'.

In the same year, Red Cross has been a constant source of emergency relief to people in isolation in lockdowns across the country during the COVID-19 pandemic. We've been there for a vast spectrum of humanitarian needs during this pandemic – from sending wellbeing kits to people in hotel quarantine, to checking on the welfare of people in isolation, with Psychological First Aid phone calls through the COVID-19 TeleOutreach program. We were there for people on temporary visas or without visas who didn't have access to a sustainable safety net during COVID-19 (such as Centrelink or Medicare) by providing emergency relief payments and food relief to people and casework support across every part of Australia.

Our business-as-usual work has continued for migrants in transition, people in the justice system, our place-based work alongside First Nations communities, and in the Asia Pacific. We've worked with our partners across non-profit and profit sectors to deliver products and services to help people in times of need. Our innovations put humanity first. We've been called upon by governments for our expertise to respond to local and national humanitarian priorities. Our psychosocial and financial support continues today to help individuals and communities survive the uncertainty of changes beyond their control.

## **We have looked within and invested in learning and leading through change**

At the same time, we have looked internally at our own processes, priorities and strategies for working with communities into the future. We have a commitment and responsibility to co-design humanitarian support and programs with inclusion and diversity in mind, amplifying voices of our First Nations communities. In a year that saw our force for humanity move to delivering many programs and services online, we've invested in digital technologies, skilling and culture change to lift the capacity of our people and programs. We've leaned on our known strengths and found new ones to act for humanity.

## **Our Purpose and Vision, Our Strategy, Our Culture, Our Values, Our Behaviours**

I want to thank our volunteer Board, our Executive, Leadership group and many others for the significant time investment they have made in this process. We have come together to create alignment and set ourselves up for shared goals across the organisation. We have created our new purpose and vision statements, organisational values and its associated behaviours and are creating an organisational strategy that focuses on making the organisation fit-for-purpose in today's world. We're looking at how we can maximise our organisation's strengths, such as our people power with members and volunteers, our presence in the local community, growing the number of people working with us, growing funding and donations to support our work in local communities and how we better position our auxiliary status. We're also working on how we better align Red Cross people, our funders and our internal workings to continue to grow our impact and make a genuine difference in the lives of people and communities. We're focused on reinvesting into our core skills areas of emergencies and disasters, migration and International Humanitarian Law. There is more work to do before we can share our strategy at the end of 2021.



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Culture has been and will continue to be a major focus for our organisation to adopt a constructive culture that reflects our values. Culture will bring our strategy and goals to life. A constructive culture embraces inclusion and diversity, and will support us to be a 'learning organisation'. That is, an organisation that seeks to better understand itself, is open to feedback and looks to improve.

This year, we also looked to our role and impact on people, planet and prosperity for the future. We are making sure our humanitarian force and the way we operate is sustainable and working alongside communities to act for humanity for many years to come.

In the first year in my role as CEO, I couldn't be more honoured to be doing my part to act for humanity at a time when humanity needs us most. I take this opportunity to thank each and every one of our supporters, donors and partners who have recognised we can face immense challenges stronger together.

Thank you to our Executive team, Leadership group and Board for your leadership, expertise and hard work in a year like no other.

To our people – our dedicated staff, members and volunteers who make up Red Cross today, thank you for your unwavering strength, thank you for the capability and character you show day-in and day-out to stand up for humanitarian needs across this country and for the global movement.

Red Cross people are all people across Australia. Whether you've served as a colleague, a local branch member, a volunteer donating time, philanthropist, business or individual donating funds, or been a recipient of our humanitarian work this year – thank you for putting your trust in the Movement, together we stand and will continue to act for humanity.

Thank you



**Kym Pfitzner**  
CEO, Australian Red Cross

Written on lands of the Kulin Nation, I pay my respects to Elders past, present and emerging young leaders.

# 3

## Our clients and communities



Photo: Australian Red Cross/Connor Ashleigh



# Building resilience to Emergencies and Disasters



Photo: Australian Red Cross/ Bec Fitzgerald

On the ground to deliver humanitarian support during the one-in-100 year NSW floods.

We continued to deliver financial grants and other vital recovery services to people impacted by the unprecedented bushfires that ravaged Australia in 2019–20. Read more about this in [our Bushfire Reports](#).

We responded to multiple natural disasters. The New South Wales (NSW) Floods and Victorian (VIC) storm damage left communities under water and people without power for weeks. We activated to support people impacted by both the Perth Hills and Adelaide Hills fires, and Western Australia's (WA) Cyclone Seroja.

- **292,426** people assisted with disaster recovery and preparedness programs, including **19,174** people assisted by the drought program; **38,124** people assisted by the recovery program; **8,128** people attending preparedness activities/ events; **156,958** people assisted through response activities.
- **70,042** people in Australia supported through mandatory isolation due to COVID-19 with **118,516** Psychological First Aid phone calls through the COVID-19 TeleOutreach program.
- **522,984** people reached with COVID-19 resilience information. This includes **26,082** views of COVID-19 public information webpages; and **496,902** people reached through COVID-19 public information social media posts.
- **33,000** COVID 19: iso-wellbeing kits distributed to people in hotel quarantine.
- **31,220** people reached through social media and community events.
- **77,051** people reached through provision of resources and community events in the recovery program.
- **123,165** people reached through Red Cross social media and website resources (not including COVID-related material).
- **5,722** downloads of the Get Prepared App.
- **4,713** individuals impacted by Australia's 2019–20 bushfires supported in FY21 with **\$82.3M** cash, paid in 8,687 bushfire response grants. As at 30 June 2021, \$224.8M, out of total of \$241.6M raised, had been disbursed or spent, See more in our Bushfire Reports.

# Supporting Migrants in Transition



Photo: Australian Red Cross/Dilini Perera

Sudanese mother-of-five Mary has been reunited with her mother in Uganda, whom she thought was dead. Katherine Wright from our tracing service delivered the good news and Mary now talks regularly with her mother.

As the global pandemic became a local emergency, Australian Red Cross activated to provide [emergency relief](#) to 128,133 people in Australia on temporary visas, people seeking asylum, people without visas temporary visas, people in isolation or quarantine or in remote communities.

[Support to people on temporary visas, including people seeking asylum, and people without visas](#) included reaching out to people who could not return home, impacted by border closures, flight limitations and complications restricting their ability to travel. We learned what was needed and the best way to deliver through consultation.

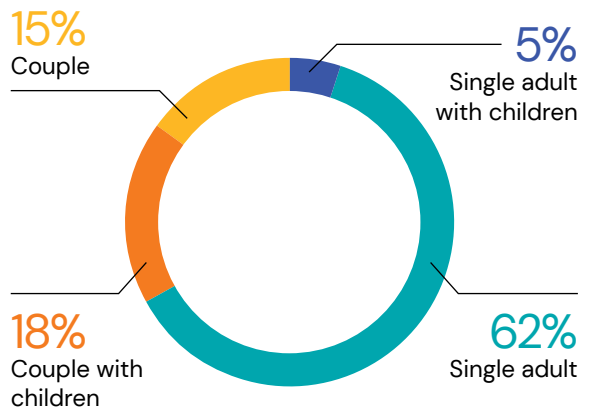
This scaled up safety net reached people in all corners of Australia and was funded through governments and generous donor funds. It included emergency relief payments, food relief and casework support for people in particularly difficult and complex situations. This includes 44,422 people who were supported with food relief, in collaboration with local community organisations across the country.

Our teams processed 154,897 applications received through our online portals and facilitated 97,793 emergency relief payments, totalling \$51,704,286.

Over 23% of people that benefitted from emergency relief payments were families with children and 49.3% of applicants were women.

The top ten nationalities of people including international students receiving support were: **PR China, India, Nepal, Malaysia, Philippines, Vietnam, Sri Lanka, Pakistan, Thailand; and Colombia.**

Family composition of people impacted by emergency relief payments



In addition, 554,026 people accessed additional support and referral information through our homepage, which we continue to update on a regular basis.

Given our nationwide reach with this group and our role as auxiliary to the public authorities in the humanitarian field, we have continued to provide advice and recommendations to governments and relevant authorities on the gaps and barriers to

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accessing basic services for this group, including the October 2020 report "[COVID-19 IMPACTS US ALL](#)".

Our research into services for migrants also fed into a global Red Cross and Red Crescent Report, [Locked down and left out? Why access to basic services for migrants is critical to our COVID-19 response and recovery](#) released on 9 March 2021, further builds on our initial evidence and included responses from 1,925 people in Australia on temporary visas or without visas. This research highlighted, for example, that 55% of people on temporary visas that contacted Red Cross for information during the COVID-19 crisis wanted, and were provided with, information on labour exploitation and avenues of support. Other key findings from the Australian component of the research can be accessed [here](#).

### Access to health information – Testing, treatment and vaccinations

We supported migrants in transition with health information, including related to COVID-19 in 18 different languages. This work also included reaching 1,720 newly arrived migrants to better understand and independently access the health system, including translated COVID-19 health messaging through a Bi-cultural Community Health Program in Tasmania.

Through the Red Cross Red Crescent Global Migration Lab, powered by Australian Red Cross, we also published a report on effective access to COVID-19 vaccines for migrants. The report *Sight Unseen*, highlights global policy trends and main barriers to migrants accessing COVID-19 vaccines identified by over 52 National Red Cross and Red Crescent Societies. Read more in *Our innovation and expertise* section, highlights global policy trends and main barriers to migrants accessing COVID-19 vaccines identified by over 52 National Red Cross and Red Crescent Societies. Read more in *Our innovation and expertise* section.

### Employment support

Throughout the pandemic we continued to increase our support for people on temporary visas, people seeking asylum and refugees as well as prospective employers to engage in safe, dignified and sustainable economic participation through pathways to work, study and volunteering. This includes ensuring migrants in transition are able to contribute to Australia's recovery from COVID-19.

In Queensland, our teams provided individualised support to 364 people, in addition to monthly workshops and newsletters, supporting 131 people in to paid employment. Our teams in South Australia provided individualised in person support to 316 people, with 70 successfully gaining paid employment. Our teams in South Australia also provided English for work classes, matched people with mentors, supported digital literacy through computer classes, held cultural awareness sessions for employers in addition to providing 400 driver mentoring sessions.

In the Northern Territory, our [Connected Women](#) program is offered in Darwin, Katherine and Alice Springs. In the past year our teams reached a total of 902 women through 100 workshops and information sessions, engaged 2055 people in 5 major events and supported 5 families through social enterprises, including a food truck.

### Support for people on temporary visas experiencing Domestic and Family Violence

With support from Department of Social Services, and in collaboration with key Family and Domestic Violence agencies, we were able to stand up a new and unique program to provide support to people on temporary visas, or with uncertain visa status, who are at risk of or are experiencing family and domestic violence, and are in need of financial support.

### Immigration Detention Monitoring

We continued to engage with people in immigration detention facilities and Alternative Places of Detention across Australia to ensure that their safety, health, dignity and wellbeing are upheld and protected regardless of the reason for their detention.

While the majority of engagements took place virtually to ensure the safety and wellbeing of people in immigration detention during the pandemic, we were able to hold 381 in depth engagements with people in immigration detention to ascertain the conditions of detention and their wellbeing. In total, our staff and volunteers spent 665 hours or 95 working days engaged in detention monitoring related activities. In line with [our ways of working in immigration detention](#), we continued to raise issues of humanitarian concern directly with the relevant authorities, in line with our [Guiding Principles for Monitoring Immigration Detention](#).



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# Addressing Modern Slavery

Modern slavery is a significant humanitarian issue with over 40 million people estimated to be subject to modern slavery globally. Women and girls are disproportionately impacted. We are actively looking at our own supply chain, as well as raising awareness about the risk and impact of modern slavery and providing direct support for people impacted by modern slavery in Australia.

Globally, we work with National Societies to promote a coordinated approach to addressing modern slavery, including through participation in global and regional dialogues and networks.

In Australia, Red Cross works with the Australian Government to enhance the response to modern slavery and provides individualized casework support for people impacted by human trafficking and slavery through our delivery of the Support for Trafficked People Program (Support Program). Red Cross was a proponent of a new legislative framework mandating action by Australian organisations, the Modern Slavery Act and as a reporting entity.

**Individualized support** – From 1 July 2020 to 30 June 2021, Red Cross received 57 referrals from the Australian Federal Police and directly supported a total of 181 people who had experienced human trafficking and slavery.

We provide a holistic casework service including suitable and stable accommodation, health care, emotional support, employment, financial support, education and training, essential items, connection to community, access to social services and referrals to legal and migration advice. 100% of clients who have exited the Support Program reported one or more positive outcome, including financial stability, education, support with community and social housing and other forms of long-term accommodation and being provided with information and support to enable them to make informed decisions about their future and advocate for themselves.

## **Increased understanding and awareness –**

The nature of modern slavery means it is hidden often in plain sight and hard to detect. For every person identified as being affected by modern slavery in Australia, research suggests that there are four additional people that go undetected. Red Cross contributed to the development of an e-module on *Understanding and Responding to Trafficking in Persons for the International Federation of Red Cross and Red Crescent*. We adapted the e-module for Australia and included a section on the requirements of the Modern Slavery Act 2018 (Cth) and what we were doing to assess and address modern slavery with Red Cross. The module forms part of mandatory training for all Australian Red Cross staff and is also available to volunteers.

**Our operations and supply chains** – we are systematically evaluating our operations and supply chains to identify and reduce any risk of modern slavery. Our supply chain analysis revealed that many of our suppliers were small Australian based organisations, with limited capacity to consider modern slavery risk in their operations. We plan to continue to develop resources to raise awareness of the risks of modern slavery amongst suppliers and assist them reduce their risks.



Hayfa is a Yazidi woman from the Singjar District of northern Iraq. In 2014 the world watched in horror as Yazidi communities were surrounded and attacked, with reports of mass murder, trafficking of women and children enlisted in the militia. Hayfa moved to the regional Queensland town of Toowoomba in 2018 under a humanitarian visa and has since built a life for herself and her two sons. She works with Red Cross tracing workers to find out what happened to her husband, Ghazi. They were separated by fighters separated in their village.

## Restoring Family Links

Through the worldwide network of our partners across the International Red Cross and Red Crescent Movement we provide our unique Restoring Family Links Service, which supports people who have lost contact with family members due to conflict, disaster or migration.

In the past year our teams were able to successfully determine the whereabouts or fate of 141 people. In many cases family members had lost contact for a number of years. Overall, we worked on 974 cases relating to 2,255 people to determine the fate or whereabouts of family members. Our teams provided 71 Red Cross Messages and responded to 877 new hotline enquiries.

In collaboration with the University of New South Wales we have also taken a first close-up look at the [impact of family separation on forcibly displaced people in Australia](#). The safety and wellbeing for separated family members overseas has a significant impact on people's psychological wellbeing, their capacity to concentrate, sleep, study or work and can impact their ability to settle into a new life in Australia. Despite this toll, people show resilience in finding and reuniting with missing loved ones.



# Act for humanity to support our newest Australians



Photo: Australian Red Cross/Conor Ashleigh

Our [In Search of Safety](#) program gives primary school students a valuable insight into forced migration and why people seek asylum.

We supported 1,639 humanitarian entrants and refugees, 43% of whom were children and young people, in WA, ACT and south-western NSW to settle in their new communities through one-on-one casework, on-arrival support, orientation, employment support, housing as well as linking people with mainstream supports.

Due to travel and arrival restrictions, only emergency cases were newly referred to the program during the last year and our teams engaged closely with existing clients to ensure they were able to access and understand COVID-19 health information, testing and treatment as required and vaccinations when eligible.

## Building and strengthening meaningful welcomes across the country

We held 595 community education sessions during which we spoke to 20,127 people to support schools, communities and work places across Australia to educate, dispel myths and create a more welcoming Australia for all newcomers to our communities, especially people seeking asylum. Our sessions are supported by an amazing group of volunteers including people with lived experience who share their own advice and stories about what it feels to be made welcome to a new home.

We have developed an [extensive library](#) of learning resources, classroom activities and lessons to support communities and encourage people to

[Take the Humanitarian Challenge!](#) to test their own and their friends and families' knowledge and learn more about people who are seeking safety.

## Asia Pacific Migration Network

In our role as Secretariat for the Red Cross and Asia Pacific Migration Network (APMN), which includes 35 National Societies in the region, we have been supporting a range of activities in partnership with National Societies, IFRC and ICRC over the last year.

This has included supporting the Movement to engage in the Regional Consultation for the implementation of Global Compact for Safe Orderly Regular Migration. In our capacity strengthening work, we partnered with British RC and the IFRC to provide a series of online seminars on Understanding and Responding to Trafficking in Persons. Through the APMN we co-authored guidance for the region on conducting a National Assessment on Migration and Displacement and hosted small sub-regional peer to peer sessions that enabled colleagues from neighbouring countries to connect on approaches and challenges to addressing the humanitarian needs of migrants during COVID-19.

We've also been closely engaging with the regional teams on climate and disaster related migration and displacement, co-designing and facilitating a webinar for Pacific National Societies to strengthen understanding of issues, trends and the approach of the Red Cross and Red Crescent on migration and displacement in region.



# Walking alongside Aboriginal and Torres Strait Islander peoples

We support First Nations' communities in our place-based development within all States and Territories, specifically in Woorabinda (Qld), Katherine, Daly River and Tiwi Islands (NT), Kalgoorlie (WA), Ceduna (SA), Bridgewater (Tas), Wallaga Lake and Kempsey (NSW). We also adopted a place-based approach in Kwinana, Alice Springs, Gal'winku and Tennant Creek.

Our place-based work identifies needs, priorities, and solutions, with the end goal of First Nations communities creating and leading their own futures. Place-based shifts power to those within a particular area to articulate needs, priorities, with community determined indicators based on localised community response and action. Red Cross contributes to support communities in a localised approach. This makes Red Cross unique humanitarians – walking in two worlds and holding space for our Elders, aunts, uncles, brothers, sisters, young ones, and our Ancestors. With all these powerful forces behind and beside us, we have a wealth of knowledge to bring significant and lasting positive change in the communities we live in and walk alongside.

In Woorabinda (Qld), we have been raising awareness of domestic violence issues and working with Yoonthalla Services to actively support the development of the Woorabinda Leaders' Forum, made up of local leaders in Woorabinda and service providers to the community.

In Ceduna (SA), we are in partnership with the Ceduna Aboriginal Corporation providing organisational backbone activities for the Ceduna Community Hub (CCH). The CCH uses a strength-based approach with people seeking access to support and service delivery agencies. There are 470 unique clients serviced by the hub with contacts and visitation steadily increasing over the past three years to current levels. An average of 1,928 people have walked through the doors on a monthly basis and even in the pandemic year this has been consistent with the previous year's total.

In Gal'winku (NT), our Baby Hub is set up like a home, Baby Hub is a quiet wellbeing centre where all young Yolngu mums and babies stay strong and healthy. A sewing project was created to pass on skills and strength from generation to generation. Young mums come together to learn how to sew baby clothing and build friendship and new skills. The connection with the Baby Hub also includes health check-ups, nutrition classes, playgroup, and parenting classes.



Photo: Australian Red Cross/Aysha Leo

Every week, Aunty Carol settles in for a yarn with one of our volunteers. Yarning keeps the proud Kamilaroi woman connected, and has led in turn to her making her own connections with young Aboriginal women in the justice system.

In Wallaga Lake (NSW), [our digital storytelling](#) program aims to cultivate First Nation, young future leaders, bring culture and language into the classroom, and create a space for local Aboriginal stories to be celebrated and valued. We are an ally to support revitalising the local Dhurga language at Bermagui Public School with deep collaboration of Merrimans Local Aboriginal Land Council, NSW Government, Bega Valley Shire Council and ABC South Eastern NSW, which sparked the publication of a book and additional resources. Wallaga Lake Art Project was to refresh and give new life to artworks in the community. The project was borne from many conversations, with the intention of lifting the spirit of the community. Alongside 'Sista Speak' which is about engaging young women in cultural practices of weaving, painting, clay work and beading. The impact comes from connection, sharing stories and learning from each other whilst being in a school environment. Our work in Wallaga Lake is about lifting the self-esteem of young people in school and community environments through learning art.

Externally, we presented our submission to support the Indigenous Voice co-design process, as fundamental to the "Uluru Statement" based on a humanitarian perspective to privilege the voice of First Nation peoples to determine their own futures.



# Reconciliation in action



Photo: Australian Red Cross/Aysha Leo

Teleyarn volunteer Aunty Stella contacts Aunty Carol daily to check on her wellbeing. They have formed a genuine friendship where they learn and grow with each other.

Our vision for reconciliation is a unified nation built on dignity, safety and wellbeing for Aboriginal and Torres Strait Islander peoples. To achieve this vision, it is critical that we continue to walk alongside Aboriginal and Torres Strait Islander peoples, communities, organisations and peak bodies. We will be stronger together if: Reconciliation is from the heart, we create culturally safe environments and we connect with others along the reconciliation journey. Our first Reconciliation Action Plan was endorsed by Reconciliation Australia in 2012. We continue to build on this.

By the end of our triennial Reconciliation Action Plan – Stronger Together 2018–2021; overall 75% of the committed deliverables, were achieved; this included the following highlights:

- 4.6% (85) of Red Cross staff identify as being Aboriginal and/or Torres Strait Islander together with 133 volunteers.
- ‘*Cultural Ladder*’ is a five-step, self-paced knowledge journey involves a blended learning approach, all centred around five core areas: cultural awareness, *cultural respect*, *cultural*

*responsiveness*, *cultural empowerment* and *cultural humility*. Level 2 – Cultural respect was launched with 529 staff completing the level.

- the Cultural Ladder now awards a standard digital credential which can be posted on resumes and other platforms such as LinkedIn.
- 5% of the procurement spend was awarded to Indigenous businesses, most notable is Evolve FM as our Facilities Management Provider.
- First Aid training delivered to 55 students in Katherine.
- Arrilla Consulting P/L; an Indigenous owned business was engaged to provide an external review of our Reconciliation Action plan, and to be a critical friend in designing the next part of our commitment to advancing reconciliation within the organisation and society.

# Supporting people within and beyond the Justice system in Australia



Photo: Australian Red Cross/Cameron Laird

Volunteer Elders meet with inmates through the Sisters for Change program at Townsville Women's Correctional Centre.

As a humanitarian organisation, Red Cross supports young people and adults who have come into contact with the justice system. Our goal is to support communities to be stronger, safer and socially cohesive through addressing the underlying drivers of crime and positively contribute to a justice system that supports people to transition to positive and productive lives in the community. We work in both prison and community settings across a range of initiatives. We work with clients, communities and sector partners to tackle the systemic barriers and policies that lead to many cohorts being unfairly overrepresented in the justice system. Through amplifying the voices of people with lived experience we advocate for positive change in a system where prisons are not effective at deterring crime or in rehabilitating people, and instead focus needs to be on addressing the underlying drivers of crime. We work to address the strong link between contact with the justice system and those experiencing disadvantage and social exclusion, whereby contact with the justice system often exacerbates these vulnerabilities and contributes to a cycle of offending.

Over the past 12 months, we have strengthened our existing portfolio through program expansions and commenced new initiatives:

## Community Based Health and First Aid (CBHFA) and In-Prison programs

Our in-prison and post release programs empower prisoners to take ownership of the prison environment, creating initiatives that improve the safety, health and wellbeing of prisoners, and improve prisoner and staff relationships. Building the confidence, skills and leadership of CBHFA volunteers enables them to positively contribute to their community both pre and post release.

- Increased the safety, health and wellbeing of the prison environment through our CBHFA and peer support programs, while also growing the skills, capacity and confidence of individuals within the prison setting through volunteering.
- Launched a new CBHFA site at Adelaide Women's Prison, alongside a pilot for a new CBHFA program for women on Community based orders in the broader Adelaide region.
- Secured state government funding to run three years of CBHFA in the women's and low security men's prison, Ron Barwick TAS. The three-year partnership is expected to directly support over 200 people and indirectly impact the entire prison environment and life beyond the prison gates.
- Supported over 50 people to graduate from the program across four sites in Australia.



- 16 CBHFA volunteers, supported by 6 mentors who were past graduates, implemented 12 projects to support their community in St Helier's Correctional Centre, NSW. They received a Governor's commendation for their efforts in implementing a COVID response across the prison.
- During COVID-19 pandemic when prisons were placed into lockdown, CBHFA volunteers and peer mentors within the prisons showed their leadership through implementing safe hygiene and cleaning practices to prevent the spread of COVID-19. It was one of the only programs active during lockdown.
- Designed, developed and distributed "Isolation Packs" to women and men in prisons in VIC to support their mental health and wellbeing due to facing up to 23 hours a day in their rooms in isolation due to COVID-19 restrictions.

## Youth justice

- In the youth and early intervention space, our work focuses on empowering young people to create positive future pathways and prevent them from becoming entrenched in the justice system. This is achieved through peer support, mentoring and casework support programs including Step Out (SA), WorkREDi (VIC) and our Integrated Youth Programs (QLD).
- We supported young people to meet their individual goals, with 62 young people released from prison in NSW supported to achieve over 80% of their goals when they returned to the community in Western Sydney.
- We joined the National Raise the Age Advocacy Campaign. Red Cross is committed to improving the wellbeing of those experiencing extreme vulnerability and we understand that children and young people coming into contact with the justice system are amongst some of the most vulnerable people in our community. In 2020, we made a submission to the Council of Attorneys-Generals (CAG) Age of Criminal Responsibility Working Group, advocating for raising the age of criminal responsibility in Australia from 10 years to 14. Our submission was made public through the [National Raise the Age Campaign website](#) in May 2020.
- We commenced a nationwide partnership with Vicinity Centre's to provide work experience and mentoring to young people in contact with the justice system.

## Navigating the justice system

- Red Cross designed and implemented a new Magistrates Court Support Program in SA where volunteers support individuals and families attending court.
- We also expanded the Register of Appropriate Support Persons program into Tennant Creek NT, welcomed by the community and the local police with strong volunteer take up.

## Justice Reinvestment

- In 2020, as part of the Justice Reinvestment site in Port Adelaide, Red Cross and Tiraapendi Wodli established the Tiraapendi Wodli Community Hub. The Hub provides a 'community-identified' place to coordinate holistic responses to developing the safety, health and cultural strengths of individuals and families, where community members, services and justice sector partners come together to provide practical support for Aboriginal families.
- The Port Adelaide site is the first Justice Reinvestment initiative in South Australia and one of only seven in Australia. We are walking alongside Tiraapendi Wodli, the Port Adelaide Justice Reinvestment Aboriginal Leadership Group, and the Aboriginal community to deliver an innovative justice response creating long term sustainable change through addressing the drivers of crime rather than focusing on punishment. With this program, we are walking alongside, listening and supporting Aboriginal communities to lead approaches in their own communities.

# 4

# Our people



Photo: Australian Red Cross/Dilini Pereira

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# Staff wellbeing, Inclusion & Diversity, Leadership at all levels

At Red Cross, we seek to create an inclusive environment which is open, welcoming and accessible to the broadest diversity of people. We care about each other and actively raise awareness, develop our people's skills in managing mental health.

While the pandemic throughout 2020–21 continued to present challenges to how we were able to work together in isolation with continued lockdowns and restrictions we focused on three key priorities for our staff – wellbeing, health and safety; inclusion and diversity; and strengthening our leadership at all levels.

To make sure our people made wellbeing a priority over the past year, our Work Health and Safety team collaborated, innovated and worked in partnership to deliver:

- 10 weeks (33 sessions) of virtual mindfulness sessions, focusing on team members taking time to relax, breath and de-stress and focus on mental wellbeing. Feedback from staff was excellent with one employee saying *"The sessions have been absolutely fabulous for me. I feel like I'm part of something bigger than just our little office, more connected to the Red Cross that I first started working for almost seven years ago. Many things in the organisation have changed, but these sessions have reminded me of how awesome our Red Cross people are!"*
- Three Converge International sessions to highlight services from our Employee Assistance Program services.
- Working from home toolkits designed, making sure our people are taking care of themselves in their home environments, physically and mentally.
- Strengthening the resources and toolkits, with re-education on where materials are available for staff to support the dynamics of changing work environments.

We have been actively looking at our recruitment and retention. It is important the people who work for us reflect the diversity of Australia's population and we are promoting gender equity and inclusion.

This year, Australian Red Cross people featured:

- 65% of roles at the Manager/Senior Manager/ Executive level filled by women.
- 56% of our Board are women
- 7 CareerTrackers internships to Aboriginal & Torres Strait Islander university students.
- 16% rolling 12-month attrition in turnover.
- Roll-out of new leadership program including four dedicated cohorts – Accelerate for women, Leading First for emerging leaders, Thrive for middle managers, and Culture Coaches. All programs equip our leaders across the organisation with the skills, behaviours and mindsets to fulfil their full potential and embed our new strategy and culture.





Photo: Australian Red Cross/Rodney Dekker

## Our actions for humanity with our Reconciliation Action Plan

We have seen an increase in staff accessing learning programs related to our First Nations employees to better understand the culture and history of our Aboriginal & Torres Strait Islander colleagues and provide a culturally safe workplace for them. We appointed an Aboriginal & Torres Strait Islander Retention Lead to identify a national framework to partner with communities to increase our First Nations employees. This included creating opportunities for seven First Nations young people to participate in internships with us through the Career Tracker Program in 2020-2.

In Reconciliation Week, earlier this year, there were more than 40 separate events held across the country, the Cultural Ladder had 372 views and more than 400 participants in “pens down” time, and 72 people took part in the inaugural Deadly Blak Reads Bookclub.

150 staff tuned in to International Women’s Day, for an on-line yarn with ‘Love bomber’, Dr Emma Lee, a Trawlulwuy woman from Tebrakunna Country, north-east Tasmania, exploring leading through change and inclusion, and a new method of raising awareness about rights through ‘love-bombing’.

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# Strengthening our Organisational Culture

This year, Australian Red Cross completed the **Organisational Culture Inventory (OCI)** and the **Organisational Effectiveness Inventory (OEI)**. All Staff, Australian Red Cross Board Members, Divisional Advisory Board Members, Youth Advisory Committee Members and a representation of Volunteers were invited to complete the survey.

Measuring our culture allows us to build our self-awareness, challenge our assumptions, monitor what is working and adapt what is not. The feedback provided a clear picture of our organisational culture, and will help us all to create a constructive and effective culture as a solid foundation for future performance.

Over the last year, the Talent and Culture team have worked with organisation's Leadership teams to grow their awareness and understanding of the results, where we are and where we want to be. Organisational vision and purpose and, leadership skills and qualities were critical causal factors which have impacted our culture. As a result, these have formed the basis for much of our activities.

In the first six months of 2021 the following activities have occurred:

- Our Board has undertaken a 360-degree feedback process and participated in a number of workshops to understand the culture results.
- The Executive Team have also each completed a 360 degree feedback and are currently undertaking a targeted team Coaching Program.
- Across the organisation we have completion of 5 "Exploring Culture with Exec" Sessions (Series evaluation rating based on how useful the sessions were: 4 out of 5), 3 All Staff Culture Information Sessions and Over 120 debriefs & workshops with teams on growing a constructive culture.

We have also launched our Culture Coaches programs with a total of 41 team members across the organisation being trained as culture ambassadors to assist in the development and embedding of our cultural goals.



# 5

## Building a Humanitarian Movement



Photo: Australian Red Cross/Conor Ashleigh



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# Members act, represent, connect and support local communities

Red Cross is an organisation of people helping people, most are volunteers. We aim to grow our humanitarian force both in number of people connected with our Movement and in our capability to be active in the communities we work with. To do this, we need to engage people of all ages to be inspired to join us to act for humanity. Examples of this include our work with our youth in Australia and our network of Members.

Our Members bring people together, they are local networks on the ground, acting for humanity in branches across every state and territory of Australia. Just like the diversity our people around the country, no branch is the same and their activities reflect local needs.

As an example, our Singleton branch in NSW created a series of greeting cards using Susan Ginn's watercolour paintings as a safe way to raise funds during the pandemic, as each card is in a cellophane bag which can be wiped down. Exchanges of cards for funds happen on an individual basis at a reasonable distance.

The beauty of the cards is the involvement of local Aboriginal students from Singleton High School who have submitted their paintings to be reproduced on the front of the greeting cards, while the back of the card tells about the artist welcomed by the students, their parents and teachers of the Ka-Wal Aboriginal Cultural Centre. We now have 18 paintings for reproduction, 10 of which are in print and ready to go. One of the paintings submitted features a motif titled "Moving Forward", explained by the artist as "Two cultures meeting and moving forward together as one people". The fundraiser has raised \$1,000 to date.

## Making the most of our Membership capability

Red Cross undertook a research project into the role members want to play, what *community action* means to them, and how we can empower people to act for humanity. 79 members were interviewed across seven States and Territories, with a diverse spread of demographics including diverse age groups, locations, and membership roles. Membership remains a founding element of the organisation and essential to our future, as members deliver presence, provide access to community needs and contribute to Red Cross programs. Leveraging these insights, a cross-organisational group has been developed with the aim of reinvigorating membership across the organisation.

# Working with our volunteers of tomorrow



Photo: Australian Red Cross / Dilini Perera

Connected Women is a program run in the Northern Territory to help migrant women make connections, learn new skills, and thrive in their new home. The program is run by hundreds of volunteers who run events, including a traditional water blessing and smoking ceremony.

Young people play a critical role in catalysing progress within communities. This year, we held a 10-week online leadership experience, REDxYouth Activators, that brought together 25 future change makers (aged 18-30), to explore humanitarian issues within their communities. The program built on diverse experiences and empowered confidence as change makers. Participants reported a significant increase in their understanding across ten key competency areas and connection to supportive and encouraging networks.

*"The program has allowed me to articulate what I am currently doing and believe in and where I want to go next. I believe it's given me a starting point to build off, lifelong connections and resources I can refer back to."*

- Kayla, REDxYouth Activators participant

We also co-designed a collaborative National Youth Advisory Committee (NYAC) network to improve the way young people can network together, engage in the governance of Red Cross and be empowered to take action. We're excited by its potential.

This year, we also prototyped Redx Ready, priming us for fast mobilisation during surges of demand in disaster response. Working with 30 volunteers to map our current volunteer journey, skills, interests and behaviours we worked on a model to match community needs with capability of available volunteers.



# Australian Red Cross



Photo: Australian Red Cross

## Our network

This year our Retail footprint spans 162 shopfronts nationwide. Despite the disruptions of lockdowns closing shopfronts throughout the year, Retail broke all historical records for gross sales and net sales. To build scale and invest in the future, we rolled out a new point of sale (POS) system, consolidated operations in our new national distribution centre and invested in a new online platform enabling us to sell pre-loved product via our website for the first time.

The launch of My Red Cross portal and the consolidated e-commerce online retail service was delivered as the flagship of the Digital Acceleration Program, which places control in the hands of our humanitarians, empowering them to choose how they interact with the Australian Red Cross; through self-service tools, connecting them with deeper engagement opportunities and magnifying their impact on the communities and groups serviced. It is underpinned by a new operating model and future-proof technology infrastructure and software.

The Property Masterplan endorsed by the Board in 2019 is about making sure all our assets are fully used. Over the past four years, over \$80m of property sale proceeds has been generated and used or earmarked for the purchase or improvement of more suitable property alternatives. As an example, in 2021, an under-utilised leased site was sold and alternate premises were purchased in Adelaide, adding further value to our balance sheet.

Our First Aid program continued to be delivered across the country, and despite being impacted throughout the year by multiple lockdowns, still managed to train just over 41,000 students. Courses were delivered in person when they could be but we also adapted, moving to online learning and hybrid courses – and we focused on Mental Health wellbeing courses during the pandemic. Other highlights included launching a Baby First Aid program, Pet First Aid and delivering, alongside our Emergency Services team, a number of Farm First Aid courses across regional Australia to educate and upskill local communities on first aid, mental health and resilience.



# 6

## Our innovation and expertise



Photo: Australian Red Cross/Michael TK Chong

# Our humanity-first technologies



Photo: Australian Red Cross



Photo: Australian Red Cross

Moments of collaboration and connection at our Humanitech Summit.

This year, we continued to break new ground on the impact of technology on the humanitarian sector. As part of the work we do in *Humanitech*, we released our flagship research report [Future of Vulnerability: Humanity in the Digital Age](#), promoting the importance of 'humanity-first' approaches to data and technology. Throughout the year, we shared our expertise at RightsCon, NetHope, Humanitarian Leadership Conference and International Federation of Red Cross and Red Crescent's Data & Digital Week, as well as multiple domestic forums including input on the Federal Government's National Blockchain Roadmap through the credentialing working group and frontier technology conferences including Blockchain Week and Intersekt 2021.

We also delivered our Humanitech Summit over two days bringing together some of Australia and the world's leading minds attended by over 700 people at an online collective on Day 1, and over 50 cross-sector participants to an intensive exploratory workshop on Day 2. The workshop provided inputs on the problems to solve through the Humanitech Lab with themes focusing on climate, disasters and emergencies, equity and justice. We are grateful to the Telstra Foundation, our founding partner who are deeply collaborating with us to bring Humanitech to life.

Along with Humanitech thought leadership, as part of our work on digital identity, we continued to evaluate Traverse, a world-leading verifiable digital credential tool to enable secure, private transmission of identity-related credentials. Through Traverse we have issued over 2,400 credentials to people across 16 pilots across multiple organisations. Having developed our internal capability in Digital Identity and Verifiable Credentials we have world leading expertise applying a humanity-first lens and are now being sought out as advisors including to the wider Red Cross Red Crescent Movement in this important enabling technology.



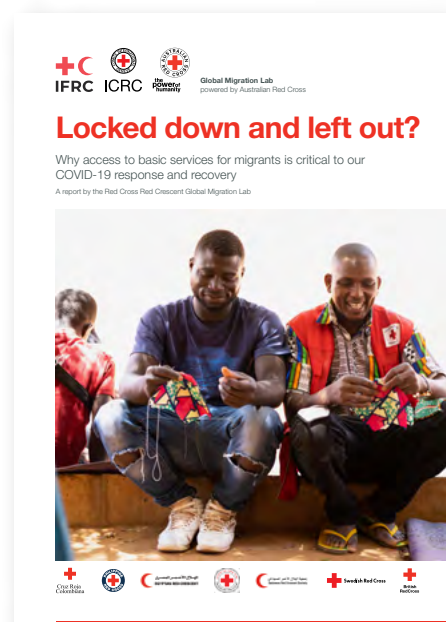
# Launching the Global Migration Lab



Photo: IFRC

Linking the global context to the local reality, the [Global Migration Lab](#) is a new initiative currently hosted by Australian Red Cross launched in 2021.

The Lab seeks to ensure that the voices, expertise and experience of migrants and the communities in which they live and work are amplified to guide and inform policy and operations, and that research on migration builds on evidence from people directly affected. Projects aim to provide partners, governments and the Red Cross Red Crescent Movement with recommendations and insights to influence the structural factors that given rise to vulnerabilities experienced by migrant groups across the world. Our first report was [Locked down and left out? Why access to basic services for migrants is critical to our COVID-19 response and recovery](#) released on 9 March 2021, as well as a report on effective access to COVID-19 vaccines for migrants. The report *Sight Unseen*, highlights global policy trends and main barriers to migrants accessing COVID-19 vaccines identified by over 52 National Red Cross and Red Crescent Societies.





# Our strength in brand story



Photo: Australian Red Cross/Amelia Wong

Val Lawrence, the face of our first-ever virtual door-knock campaign Red Cross Calling

With the pandemic limiting our in-person connection and fundraising events, such as the doorknocking tradition of Red Cross Calling, this year we diversified the way we raised funds for our humanitarian movement. We launched our first virtual doorknock campaign with Val Lawrence as our 73-year-old face of the campaign. Val has been a volunteer with Red Cross since 1973 and coordinating the Queenscliff Branch Red Cross Calling activities and door knocking for over 30 years. She got behind the campaign and kindly shared her story. Val helped us raise over \$1M for Red Cross Calling. Off the back of this online campaign, we also partnered with Channel Nine to produce a [two-hour special](#), Red Cross Connecting, featuring stories celebrating our unique reach and connection with communities across Australia.

Storytelling was a strong feature of our Tax Appeal too, sharing stories on social media on how we help, and the inspirational people who make this life-changing work possible. The Appeal used data insights to enable greater personalisation and reach our donors directly in a way that made the greatest impact, growing revenue raised from our existing supporters and increasing the overall number of donations. This year brought some unique challenges: delivering a large campaign under COVID-19 restrictions; amidst office closures in Sydney and Victoria; and an unpredictable donor landscape. Despite this, and thanks to the generosity of our supporters, we had a record-breaking Tax Campaign, reaching \$5.11M.



Photo: Australian Red Cross/Aysha Leo



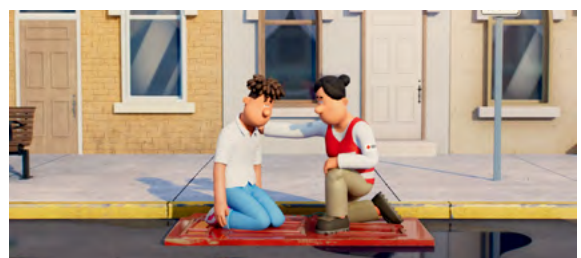
Photo: Australian Red Cross/Dilini Perera



Photo: Australian Red Cross/Dilini Perera

Images from Red Cross Connecting TeleAppeal

We celebrated the launch of our first advertising campaign in 10 years with the ad 'The Worst Block in Town', with pro-bono involvement from Australian singer songwriter Katie Miller-Heike donating the accompanying song. Our brand refresh also included rolling out an updated brand narrative and logo for our Red Cross emblem to wear on our uniform and storefronts.



An image from our advertising campaign

# Humanitarian diplomacy in action



Photo: Australian Red Cross

Staff, Board members, supporters and guests of South Australia Red Cross, including Ross Pinney (President) and Rose Rhodes (Chair of the South Australia Divisional Advisory Board) gather under the big screen at the Adelaide Oval to celebrate World Red Cross Day and its 2021 theme of “Unstoppable”.

Red Cross engages with the Australian Federal Government to advance our public policy work, guided by our Advocacy Policy that reminds us that *“the decision to persuade is not a choice, but a fundamental responsibility.”* As humanitarians, we aim to persuade policy makers and legislators to apply humanitarian principles and maximise humanitarian outcomes when creating law and policy. We worked to influence responses to the various state and federal inquiries into the 2019/20 bushfire response, including the Bushfire Royal Commission hearings at which we were ably represented by Noel Clement. We advanced the Raise the Age campaign that seeks to have the age of criminal responsibility lifted from 10 to 14 years old nationally, continued ongoing direct dialogue on issues of concern, contributed a submission on the family reunion visas, advocated around temporary visa holders’ access to support during COVID, and raised awareness around vaccine access for migrants. We also contributed to the

Inquiry into the Rights of Women and Girls in the Pacific, and we provided input into the changes to charity regulations, among others.

We are particularly proud to have raised our organisation’s voice to support the Indigenous Voice to Parliament; not only do we believe this is critical that a mechanism is created, it must also be enshrined in the Constitution because, given the history of discrimination and systemic biases experienced by Aboriginal and Torres Strait Islander people in Australia, we cannot foresee a time when it will not be necessary that indigenous people are expressly consulted on all matters that affect them. We hosted a Parliamentary Friends of Red Cross event at Parliament House during Refugee Week and the CEO met personally with numerous Ministers and parliamentarians on his first parliamentary visit to Canberra in June 2021.



# Promoting the laws of war in a pandemic

In response to the restrictions resulting from the pandemic, the International Humanitarian Law (IHL) Program was reshaped, moving activities online, increasing virtual national collaboration and involving more people, more easily, from regional and international locations.

*“Through the interaction during the course we leave with a greater understanding of each other and this helps break down barriers. When we encounter each other in an operational setting we will be much better prepared to engage with each other, working together where we can, or at least alongside one another, for the benefit of those that need our help.”* (Participant, International Law and Humanitarian Action course)

More than 160 volunteers joined 16 online events focusing on topics such as conflict and climate change, memory and war, children and war and the elimination of nuclear weapons. In partnership with the Indo-Pacific Centre for Military Law, our three-day flagship course – International Law and Humanitarian Action – was adapted to a part-online, part in-person structure. This meant almost fifty humanitarian and military practitioners could participate simultaneously from Sydney and Canberra.

Our annual moot court competition for law students hosted with the Australian Law Students Association attracted a record number of teams as the online format made it more accessible and affordable for students to participate.

We also launched a new emblem protection platform to fulfil our mandate to protect the distinctive emblems and facilitate our work alongside the Department of Defence.

The Victorian IHL Advisory Committee coordinated a partnership with Readings Bookstore to run an online book club on the law and impact of war. The book club met online once every second month to share stories of armed conflict written by prominent authors. Notable and award-winning authors discussed their materials with the general public, increasing the accessibility of IHL and encouraging worldwide attendance. This included Professor Philippe Sands, prominent author and high-profile legal advocate, who joined us to discuss his book *The Ratline: Love, Lies and Justice on the Trail of a Nazi Fugitive* about the disappearance of senior Nazi Otto Wächter.

In our efforts to promote the elimination of nuclear weapons, we developed our [first online accessible design](#) kit to help the public learn more and take action in support of ending the nuclear weapons era.



Photo: Photos supplied



# Our leadership in international humanitarian needs in the Asia Pacific

Our Red Cross partners rose to significant humanitarian needs driven by extremes in seasonal weather patterns across the Asia Pacific region. This was supported by strengthened capacity through first responder training, simulation exercises and prepositioned relief supplies enabling the provision of humanitarian services to communities impacted by tropical cyclones in Fiji, Floods in Indonesia and Timor Leste and civil unrest in Myanmar.

Australian Red Cross published research<sup>1</sup> capturing the real-time experience of Pacific national societies, articulating the critical roles of their frontline responders in dual-disasters and highlighting the impact that long-term investments have had on local capacity. These document the progress of Pacific national societies towards greater localised responses and situating this evidence within the global discussion of the Grand Bargain 2.0.

Partners have strengthened their profile and capacity for epidemic and pandemic response through coordinating closely with their ministries of health on COVID-19 preparedness and response efforts from national to community levels. This has included engaging with communities and building trust; supporting COVID-19 prevention and mitigation public health messaging and addressing issues of stigma through tailored information and education campaigns (using a variety of communications platforms to reach diverse audiences); and supporting and enhancing testing, quarantine and contract tracing services where requested and capacity exists. In preparation for COVID-19 vaccines roll out, national societies have

been engaging with national planning mechanisms, with an emphasis on supporting public health messaging, ensuring information reaches the most marginalised and hardest to access, and addressing vaccine hesitancy and misinformation.



Photo: Lebanese Red Cross

Photo: Lebanese Red Cross

One year on from the devastating Beirut port explosion, the International Federation of Red Cross Red Crescent Societies (IFRC) continues to support the Lebanese Red Cross (LRC) with life-saving activities, reaching millions of people throughout the country.



1. Local leadership, Covid-19 and the Pacific and A moment in time: COVID, localisation and the Pacific

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## Cybersecurity

COVID-19 has changed how we view and use technology as an enabler to achieve a greater impact and engagement with our volunteers, members and the clients we support. Our technology was crucial to supporting our staff and volunteers to continue to deliver their services remotely and virtually during lockdowns and restrictions.

During the pandemic and at all times our priority has been to continue to enhance our protections of Australian Red Cross data. Several cybersecurity initiatives were delivered over the year to increase our network security, moving our data to the cloud and increasing our security around digital donations.

We will continue to invest in our technology so that key controls across our critical IT processes, such as disaster recovery, incident management, change management, are designed and operating effectively to be ready in the event of an emergency or disaster activation.

We are focusing on how we can leverage data to enable better decision-making on the ground to improve our efficiency. During the 2021 NSW floods, we leveraged several external data sets to indicate flood levels at properties in the flood zones. This enabled a faster review of those impacted to determine how the Australian Red Cross could assist.

Our path forward is focused on creating the optimal software and technology infrastructure to enable Red Cross to have the right technology tools and data delivered at the right time to the teams on the ground for biggest impact.

# 7

## Planet and prosperity for humanity





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# Environmental sustainability

This year we initiated further actions around climate and environmental sustainability. We know and support the need for immediate climate action increasing across the globe. We have first-hand experience of the increasingly severe and frequent incidence of natural disasters and associated humanitarian consequences we are living today, and the humanitarian needs that unfold both in Australia and overseas, as a result of climate change.

Australian Red Cross has signed a global [Climate and Environment Charter for Humanitarian Organisations](#), which commits us to seven wide-ranging actions. This includes developing targets and measuring our progress as we implement our commitments, transparently reporting on the impact of our work on the climate and environment.

In September we came together with 10,000 of our colleagues and partners from within and beyond the International Red Cross Red Crescent Movement at the first *Climate:Red* virtual summit. Hosted by the IFRC Solferino Academy, the summit presented 220 virtual sessions over 30 continuous hours, led and facilitated largely by National Societies. The summit was about our International Federation's [Strategy 2030](#) climate ambitions, addressing themes on how we must act, empower, influence, and transform in order to meet the humanitarian impacts of climate change. We discussed ways to drive climate change initiatives every day and to lead the change in how humanity adapts to climate change. Australian Red Cross colleagues across the organisation contributed their insights diverse issues. Many sessions are available to watch from the [Climate:Red website](#).

We have begun to understand and measure our greenhouse gas emissions (GHG) with the aim of reducing our own environmental footprint. Our work within the humanitarian division generates carbon emissions principally through the use of fuel in our vehicles, electricity in our buildings as well as indirectly through domestic and international travel.

Our target is to reduce our net carbon emissions over time and become a net-zero emissions organisation, in step with society's progress in achieving the goal of the UN Paris Agreement on climate change.

In order to understand and reduce our emissions we have reviewed the source of our emissions. These include fuel used by our vehicles, needed for patient transport, to deliver first aid training, manage our retail stores and to attend emergencies throughout Australia. Fuel comprises

what is known as Scope 1 emissions as they are directly generated from our activity.

We also generate emissions through the use of electricity in our offices needed to run our programs and provide a workplace for our staff. These are known as scope 2 emissions, as the energy supplied by companies providing our electricity, generate emissions as a result of our electricity usage.

Our interstate and international travel via aeroplane generates a carbon footprint as does where we choose to invest. These supply chain impacts are known as scope 3 emissions.

We have started implementing initiatives to understand, report, measure and reduce our carbon footprint. Measures to reduce our footprint over the last three years have included:

- the use of some hybrid vehicles.
- investing in LED lighting in premises.
- the introduction of technology facilitating flexible working arrangements.
- reduced reliance on interstate and international travel.
- the implementation of an ethical framework around investments that reduces our investment in industries that amongst other principles, those that are fossil fuel intensive.

We are now starting to measure and see the impact of these initiatives and continue to explore others. We know part of the reduction in usage of carbon emission generating activities, was due to the closure of our Red Cross shops, several of our programs, reduced travel as well working from home, due to COVID-19 restrictions commencing in the last quarter of FY20 and continuing throughout FY21. We will capture learnings from this period to change our on-going footprint where possible.

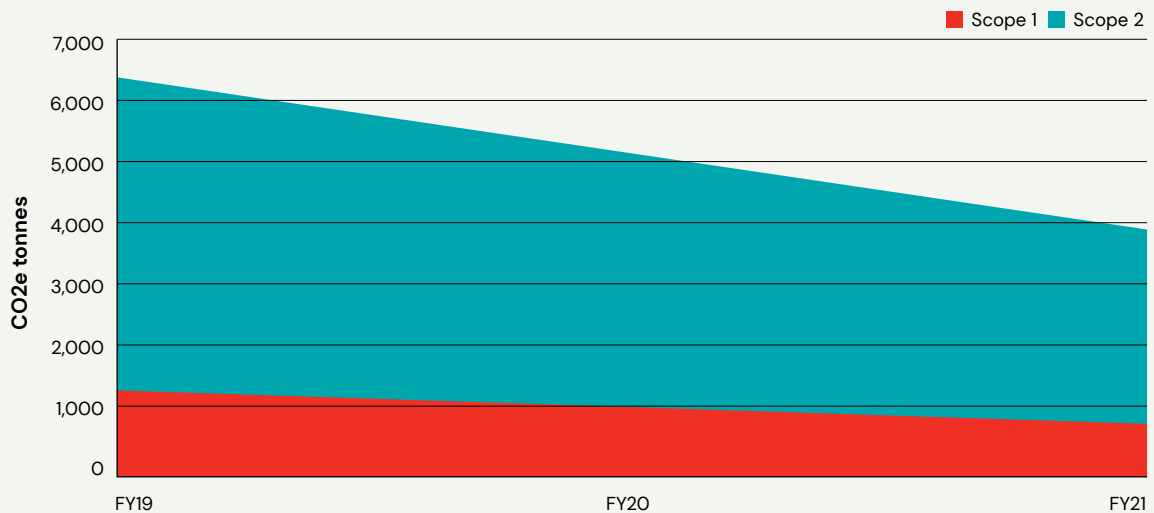


Figure 1: Indicative Humanitarian division Carbon Emissions

### Greenhouse gas emissions (GHGs)

Greenhouse gas emissions (GHG) comprise carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride.



**Scope 1 emissions** – direct emissions that come from sources owned, controlled, or operated by Red Cross. Scope 1 emissions include emissions produced from the burning of petrol/diesel in Red Cross vehicle fleets.



**Scope 2 emissions** – indirect emissions generated from the consumption of an energy commodity by Red Cross for use in buildings, facilities, and operations. Red Cross does not physically generate these emissions, but as an energy consumer, is still responsible for the GHG emissions created at the source. Scope 2 emissions include all purchased electricity/gas used in Red Cross owned and operated buildings.



**Scope 3 emissions** – indirect emissions that originate from sources not owned or directly controlled by Red Cross but related to Red Cross programs and activities. Scope 3 emissions include emissions produced throughout the supply chain such as, purchased goods, transport, logistics, staff commuting and waste. Scope 3 emissions are difficult to calculate as supply chains are complex and may not be measurable.

Scope 1 CO<sub>2</sub> emissions are calculated using actual fuel consumed (Diesel, petrol, LPG) multiplied by emission factors published in the National Greenhouse Accounts (NGA).

Scope 2 CO<sub>2</sub> emissions are calculated by taking a sample of Kilowatt hours (KWh) consumed in each State and Territory to establish the average cost per KWh. This is then extrapolated to establish the total KWh consumed in each State and Territory and then multiplied by emission factors published in the NGA.

The NGA Factors provide methods that help companies and individuals estimate greenhouse gas emissions. ([industry.gov.au/data-and-publications/national-greenhouse-accounts-factors-2021](https://www.industry.gov.au/data-and-publications/national-greenhouse-accounts-factors-2021)).

# Our ethical investments, financial sustainability and prosperity for humanity

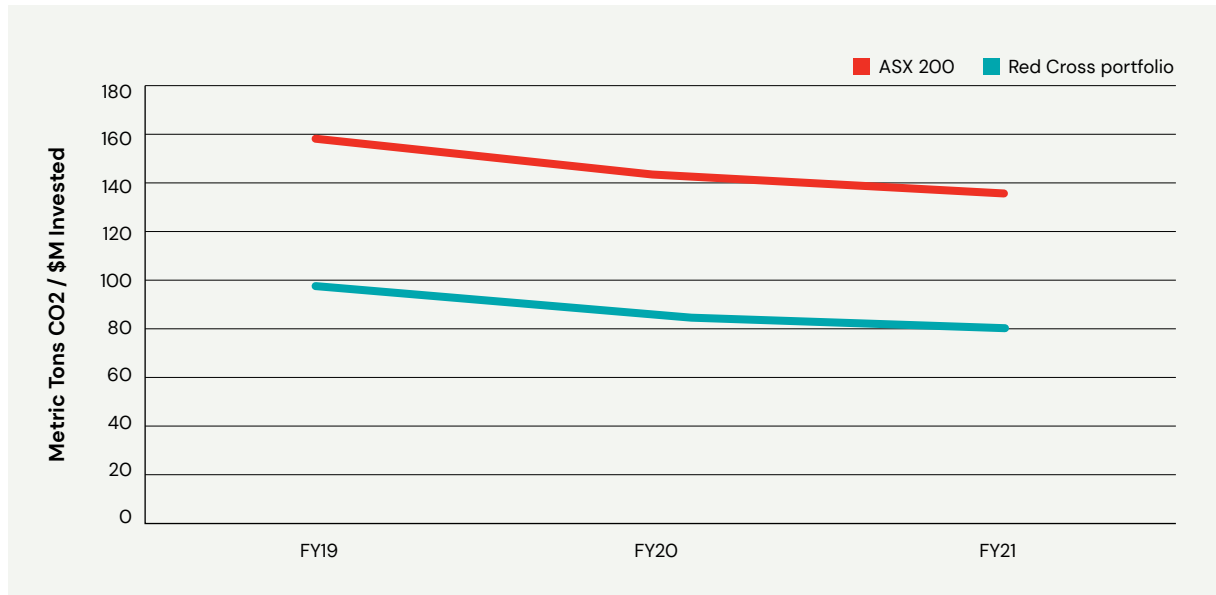


Figure 2: Humanitarian division Australian Equities Investment Portfolio

Australian Red Cross has developed an ethical investment framework that ensures that we promote investments in companies that meet our ethical framework and aligns with our Fundamental Principles. This means we don't invest in companies whose activities are not in line with our Fundamental Principles nor the Movement's objectives, such as arms manufacturing or companies that have more than 10% revenue generated from activities such as fossil fuels, alcohol or tobacco. We also only invest in companies that have minimum ethical ratings regardless of their industry.

We also measure our investment portfolio carbon footprint. As a result of this policy our carbon footprint is also favourable as compared to the ASX 200 Index benchmark and is in line with our target to reduce carbon emissions as an organisation.

Figure 2: Investment Portfolio compares the historical and most recent emissions of the Australian Red Cross Humanitarian division portfolio (Australian Shares only) to the ASX

200 index benchmark based on the current constituents and weights of each as calculated by MSCI ESG Research LLC.\*

As an organisation, we have continued to focus on our financial sustainability by improving our liquidity and balance sheet over the last five years, investing in technology, risk management, compliance, and our longer-term future. This year our five-year financial sustainability goals were met with liquidity of at least 1.5. Our liquidity ratio ensures that we have existing cash and other current assets to cover our current liabilities, as well as short and long term contractual commitments disclosed as specific purpose funds within equities, financial management, reporting and systems, all necessary to support achievement of our direct humanitarian outcomes.

\*MSCI ESG Research LLC is an independent organisation that provides in-depth research, ratings and analysis of environmental, social and governance-related business practices to companies worldwide. ([www.msci.com](http://www.msci.com))



# 8

## Our supporters



# Individuals and Donors



Photo: Australian Red Cross/Judith Russo

Nedd Brockman completed [50 marathons in 50 days](#) on 19 October 2020 to a crowd of supporters at Centennial Park.

We engaged thousands of Australians to support Red Cross either by committing to a regular gift, donating to important campaigns like Tax, Festive and Red Cross Calling, putting in the effort to raise funds for us from their network of family, friends and colleagues or making the most incredible gesture by leaving a gift in their Will to Red Cross.

Our wonderful individual giving supporters and community fundraisers contributed \$55M revenue to support a range of Red Cross programs and services. A total of 87,593 people generously gave a regular donation, which added up to \$32M; and over 120,000 people made a donation to support our key campaigns.

Our annual Tax Appeal was our highest ever generating \$5.11M. Revenue from existing supporters increased by 16% and overall number of donations was up 4% from FY2020.

Donations from the public are vital to sustain Red Cross in the short and long-term. These acts of humanity power our programs and services, which support thousands of people to get through tough times.

Our supporters continue to be some of our best advocates, willing to help whenever we call on them, even when dealing with their own challenges in the face of a global pandemic. They are true humanitarians, kind and compassionate everyday people who take the initiative to make the world a better and safer place for us all. They demonstrate

time and time again how willing they are to help others through tough times and how vital a part of the Red Cross movement they are. Over 2,000 people completed our Supporter Survey about their connection to Red Cross and gave us helpful intel on how we can grow their connection with Red Cross.

## Running for Red Cross: Nedd Brockman

With a preparation diet that included chocolate milk and the motto “get comfortable being uncomfortable,” 21-year-old Nedd Brockman decided to run 50 marathons in 50 days as a fundraiser for Red Cross just one month before he began. Inspired to help people experiencing poverty, Nedd completed the challenge while holding down a full-time job as an apprentice electrician. His aim was to raise \$50,000 and he almost doubled that, raising just over \$92,000 – an amazing effort! Nedd also featured in [The Canberra Times](#) and appeared on [A Current Affair](#) and The Project to raise awareness. Red Cross staff and volunteers were in Sydney to cheer him on his final run and many people joined alongside him to run each day, like a real-life Forrest Gump. Showcasing the tenacity and goodwill that we’ve come to know and love in our supporters, we acknowledge and thank Nedd for all he has achieved to act for humanity.



# Bequestors

People who leave a bequest to Red Cross are particularly special. This year we received \$10.494M from generous supporters who left a gift to Red Cross in their Will. This personal legacy strengthens our organisation and ensures we build strength and resilience in others for generations to come. We sincerely thank the following supporters who generously gave gifts of more than \$20,000 in their estates this year; and we extend our deepest condolences to their loved ones. In our Supporter Survey about their connection to Red Cross over 200 supporters told us they have either left a bequest to Red Cross or would like to hear more about how they can.

Adrian Joseph Hetherington  
Agnes Lowrie McSkimming  
Armstrong  
Alice PIKE  
Alison Hope HALE  
Allan Frederick Smith  
Amelia Mary Davies  
Anicetas Perminas  
Audrey Barbara Blackburn  
Audrey Eva Ward  
Beatrice Daphne Wright  
Betty Juanita Pelton  
Brian Fellowes  
Claire Constance Scurrah  
Cornelia Elisabeth Maria  
Van Der Stok  
Doris Howard Ryan  
Doris Ruby Broun  
Edith Rachel McCulloch  
Edward Cecil Kitson  
Ellen Miller Squire  
Frank Howard Boreham  
Giovanna Fung Yee Ng  
Gloria Dowling  
Gregory John Walker  
Heather Irene Moorhead  
Ian Richard McLean  
Ioulia Stamatina Dillon  
Jessie Ellis Wardman  
Joan Finchley  
Leslie Tomkinson  
Lyn Patchett  
Margaret Peggy Ditchburn  
Mary Pool  
Melvie Mary Bennett  
Michael Belmont Dale  
Alan John Matheson  
Albert Crust  
Allan Ronald Hunt  
Alma Sylvia & Carmen Figuerola  
Annetta Adami



Photo: Australian Red Cross/Dilini Perera

Bruce George Horsham  
David John Millard  
David Ronald Gunn  
David Walter Mickle  
Delina Victoria Schembri-Hardy  
Edward William Simms  
Elisabeth Ann Hilton  
Enid Mackenzie  
Graham Ross Druery  
Irene Agnes Rose  
Ivor Morton  
Jane Williamson  
Janine Baker  
Jeanette Heather Buck  
Joanne Elizabeth Erwin  
John William Gibbins  
Joy Lillian Roseman  
Judith Rosalie Hodgens  
Kari Antii Utter  
Kenneth Temple Crouch  
Margaret Anne Brien  
Margaret Mary Langford  
Marion Alice Wakefield  
Marion Isabel Jennings  
Nessie Jean Appleby  
Pamela Irene Gorry

Patricia Mary Pieterek  
Peter Mahoney  
Pompeo De Angelis  
Raymond Bruce Young  
Robert Galloway  
Roger Baudoin  
Ruth Gwen Taylor  
Ruth Meta Mattner  
Sharyn Laurelle Murdoch-Daly  
Stanley John Stephen Harrison  
William George Bussman  
William Morrison  
Yvonne Geyer  
Zarko Ristic  
Pauline Mavis Shipman  
Raymond George Maher  
Royal Mercier Kearney  
Ruth Murchland  
Sheila Woodcock  
Shirley Joan Mottram  
Stanley John Stephen Harrison  
Susan Hamilton Ray  
Wendy Jean Porteous  
William Mansell Higgins &  
Dorothy Higgins  
William Arthur Smith



# Ambassadors and High-Profile Supporters



Photo: Australian Red Cross/Scott Ehler

Alex van Os supporting Red Cross Shops



Photo: Irene Lorbergs Photography

Dacre Montgomery and Liv Pollock volunteering at Canberra Roadhouse



Photo: Irene Lorbergs Photography

Josh Mansour supporting World Red Cross Day

We are fortunate to have a number of Red Cross ambassadors who generously donate their time and influence to raise awareness of Red Cross, and use their profiles and public platforms to support and promote our work.

In what has been a challenging year for many, we thank our Red Cross ambassadors for supporting our appeals, programs and campaigns. Our ambassadors and high-profile supporters help to raise awareness of Red Cross work and vital funds for the organisation, meaning we can help more people across Australia and internationally.

Just some examples of high-profile support over the last year include:

## World Red Cross Day

Josh Mansour and Kate Ritchie along with a range of influential individuals from all across Australia joined us to celebrate World Red Cross Day to recognise the efforts of Red Cross people around the world

## Beirut Explosion Appeal

We thank the many high profile Lebanese-Australians, who supported the Red Cross Beirut Explosion Appeal and asked their audience to dig deep to support the work of Lebanese Red Cross following the tragic blast. Supporters included: Josh Mansour, Mitch Moses, Robbie Farah, Tarek Elrich, Buddy Farah, Andrew Nabbout, Billy Dib, Tiana Jaber, Bianca Elmir, Rita Rizk, Rob Stanton, Amanda Shalala, Susie Youssef, David Basheer, Fatima Kdouh, Antoinette Lattouf, Moudi Najjar, Haneen Zreika.

## Red Cross Roadhouse visit

Ambassadors Dacre Montgomery and Liv Pollock travelled to Canberra to prepare and serve meals to people experiencing poverty in Canberra.

## Trauma Teddy 30th Anniversary

Kate Ritchie hosted a teddy bears picnic with young Mums from Red Cross young parents program and their babies to celebrate 30 years of our Red Cross Trauma Teddies

## Kate Miller-Heidke

Thank you to Kate who composed the music and lyrics for the latest Red Cross brand ad.

## Red Cross Connecting

Thank you to Josh Mansour and Alex van Os who appeared on the Channel Nine Special Red Cross Connecting.

## Celebrity Apprentice

Comedian Ross Noble selected Red Cross as his charity for the show. He was highly successful and reached the finals, raising funds and also sharing his experience with Nine audiences.

## Welcoming a new Ambassador

We also welcomed a new Ambassador, Josh Mansour, South Sydney Rabbitohs.

## Red Cross Ambassadors

- Josh Mansour
- Alex van Os
- Dacre Montgomery
- Neville Jetta
- Professor Munjed Al Muderis
- Kate Ritchie
- Liv Pollock
- Maggie Beer
- Munjed Al Muderis



Photo: Australian Red Cross/Scott Ehler

Kate Ritchie Celebrates 30 years of Trauma Teddies



Photo: Office of the Governor-General of the Commonwealth of Australia

His Excellency, General the Honourable David Hurley AC DSC (Retd), Patron of Australian Red Cross

## Our Patron

Australian Red Cross is delighted to enjoy the continued support of His Excellency General the Honourable David Hurley AC DSC (Retd), as the Patron of the Australian Red Cross Society. We would like to express our appreciation to His Excellency for his esteemed patronage, together with Her Excellency Mrs Hurley, for their active support throughout the year.

We were honoured to have His Excellency show his support for Red Cross people at both World Red Cross Day and National Volunteer Week in 2021, honouring the staff, volunteers and members who dedicate their time to support the Red Cross Movement.

Our Patron, His Excellency David Hurley, the Governor-General of Australia, took time to meet with a number of Victorian staff to better understand the work being undertaken by Red Cross in the state in response to COVID-19, and particularly in the context of the fourth lockdown.

His Excellency also thanked Red Cross people for their resilience and strength throughout the challenging times of 2019/20, with a letter of recognition shared with all staff, members and volunteers. Our Patron, David Hurley, is also the patron for Meals on Wheels and continues to show dedication and support this program and to the staff including the ACT.

We thank His Excellency for his continued support as Patron of Australian Red Cross.

## State and Territory Patrons

- Victoria: Mr Anthony Howard AM QC
- NSW: Her Excellency the Honourable Margaret Beazley AC QC
- TAS: Her Excellency the Honourable Barbara Baker AC
- QLD: Mrs Kaye de Jersey
- WA: The Honourable Kim Beazley AC
- SA: Mrs Lan Le
- NT: Her Honour the Honourable Vicki O'Halloran AO
- ACT: His Excellency, Mr Pedro Zwahlen, Ambassador of Switzerland to Australia

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# Corporate partners – volunteering, brand, impact

At Red Cross, we recognise the value in working together with our business and philanthropic partners to reach the community in times of need and create impact. By leveraging our collective channels, expertise and networks we can better meet community needs.

This year, we launched the Red Cross Collective Series bringing together like-minded professional organisations and supporters of our work with communities during the pandemic. United by a common goal to share and learn from experiences in responding to the pandemic and to better understand how we might collaborate to support our communities to recover.

Based on the outcomes and success of the series, the 'Red Cross Collective' agreed to advance this new model of collaboration beyond COVID-19 to explore how together we can build communities that are strong and resilient and have the capacity to anticipate, respond to and recover from crises. Together we are exploring how we can reduce duplication and ensure that resources are used more efficiently to support communities before, during and after a disaster.

It has been a year where we facilitated the power in collective action among our corporate partners to support their employees and customers to connect to purpose and to create impact in the communities they work to drive positive social change together.

Highlights of our work this year included:

## Red Cross Collective

In 2020, we saw first-hand the far-reaching impacts of the COVID-19 pandemic. Philanthropists and the corporates turned to Red Cross to understand how they could best support their communities. We were quick to realise that there was a need for a more efficient and proactive collaborative model. Red Cross Collective was born as a whole of community approach to COVID giving partners the opportunity to share their experiences of the impact of the pandemic, to identify opportunities for further collaboration and to bring together meaningful interventions to facilitate positive change in Australian society.

Based on the outcomes and success of the Collective, Red Cross together with the partners of the Collective advanced this model of collaboration beyond COVID-19 to explore how we can more broadly build safer and more resilient communities.

## Red Cross Collective Partners

CBA, Australia Post, NRMA, The Coca Cola Company, QBE, BHP Foundation and CBRE.

## 2020 Workplace Giving Excellence – Silver award for Best Innovation

This award acknowledged the delivery of this program which transforms workplace giving: COVID CONNECT offered people the ability to just talk to someone through a social chat; to learn ways to improve on their current level of social connection, and better connect in with their community. COVID Connect phone calls were made by volunteers from 12 different corporate partners over a period of 5 months in 2021. CBRE Origin Foundation, IAG, Lendlease, CUA, FFA, QBE, KWM, NRMA, Capgemini, Bupa, and NAB.

## Shared Value Collaboration of the Year to Watch 2020: Australian Red Cross, CUA and Infolxchange

Connected Future – a shared value partnership between the three organisations aims to improve the digital and financial capability of vulnerable community members across Australia. The Shared Value Project award selection committee praised Connected Future's approach to delivering both social and business outcomes through the partnership. They said: "Connected Future is a shining example of the magic that can happen when people and customers sit at a program's heart," the committee said.

Australian Red Cross partnership with QBE also became a Shared Value Collaboration of the Year category shortlist in 2020. QBE and Red Cross entered into a strategic multi-year partnership in November 2019. This partnership enables the rapid mobilisation of support for disaster relief activities in response to catastrophic events in 27 countries across the world, and support disaster preparedness and climate resilience initiatives for vulnerable communities.





Scenes from *'The life of a T-shirt'* featuring Alex Bridge, Retail Shop Volunteer and Maria Vaz, Retail Shop Manager at our Red Cross Collingwood store.

## Partnering for a sustainable ecosystem

This year marked 10 years of our partnership with Country Road to give garments a new life through [Fashion Trade](#). Over the past 10 years, Red Cross Shops received over 250,000 pre-loved Country Road items from brand and customer donations. Fashion Trade diverted approximately 37,500kg of textiles from landfill and raised over \$750,000 for Red Cross programs.

These partners provide the major cash or in-kind or pro-bono support:

- Airbnb
- Accenture
- Australia Post
- BHP Foundation
- The Coca Cola Company
- Coles
- Commonwealth Bank of Australia
- Country Road Group
- David Jones
- Great Southern Bank
- Google
- HWL Ebsworth
- Inpex
- Insurance Australia Group
- Kimberly Clark
- King & Wood Mallesons
- Land Rover
- Lendlease Group
- Motion Asia Pacific
- NAB Foundation
- NRMA Motoring
- Origin
- QBE
- Telstra Foundation
- Twitter
- Vicinity Centres
- Qantas

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# Trusts, Foundations and Private Ancillary Funds

Grants and donations from philanthropists, trusts, foundations and private ancillary funds totalled more than \$19M for FY21. These funds supported communities impacted by disaster, provided seed funding to test new concepts and contributed to essential services.

## Society of Women Leaders

The Society of Women Leaders is a dynamic collective of committed women leading in philanthropy, who work together to advance the mission of Australian Red Cross and make a measurable impact on important issues facing vulnerable communities in Australia and internationally. Since its inception in 2014, SWL has raised over \$4.23 million, with \$672,500 being raised in FY21. These funds supported seven programs this year including the delivery of *Baby Hub* as part of Red Cross' place-based community development work in Galiwin'ku, Northern Territory. The Baby Hub supports the community to improve nutritional outcomes for infants, parents and carers, including showing new mothers how to look after their new babies, what to feed them at different stages of their development, healthy home behaviours and how to cook healthy food. Baby Hub also delivers education sessions (in Yolŋu Matha language) about parenting, nutrition for babies and mothers, and developing educational resources focused on the underlying causes of chronic diseases.

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# Philanthropic support for people and communities impacted by emergencies

Philanthropic partners including **Paul Ramsay Foundation** donated generously in support of communities impacted by the **2021 New South Wales floods**. This included support for Red Cross' immediate response to the floods, the provision of financial assistance (cash grants) for people impacted, and longer-term work to support people and communities to recover and build resilience to disasters.

Philanthropists also gave generously to Red Cross' Pacific Core Cost initiative. This initiative is an innovative "circuit breaker" approach towards supporting Red Cross National Societies in the Pacific region to become stronger and more financially sustainable organisations that are therefore better placed to respond effectively and efficiently to local needs and crises as they arise. For example, in 2021 access to reliable core funding has supported Vanuatu Red Cross to pivot its operations in response to COVID-19 and more easily manage the unpredictability created by the pandemic.

**We extend our thanks to the following trusts, foundations and private ancillary funds that each contributed \$100,000 or more in the past year:**

- Australian Philanthropic Services Foundation
- California Community Foundation
- Charities Aid Foundation (CAF) America
- Collier Charitable Fund
- Equity Trustees
- Global Giving Foundation
- JLDJS Foundation
- Paul Ramsay Foundation
- Perpetual
- QBE Foundation Australia
- Tasmanian Community Fund
- The A.N. Carmichael Memorial Fund
- The Ernest Heine Family Foundation
- Wells Fargo Bank N.A.
- WME Foundation

## Government

- Australian Capital Territory Government
- New South Wales Government
- Northern Territory Government
- Queensland Government
- South Australian Government
- Tasmanian Government
- Victorian Government
- Western Australian Government

## Commonwealth Government

- Department of Social Services
- Department of Health
- Department of Home Affairs
- Department of Foreign Affairs and Trade
- Attorney Generals Department
- Department of Education, Skills and Employment



# 9

## Guiding the organisation



## Our Executive Team

The Executive Team and Leadership Team are accountable for delivering on strategy and ensuring that we are operationally and financially healthy and sustainable. The Executive Team reports to the CEO, and provides high-level advice on key strategic and operational matters, and assist in implementing the decisions of the Board in a timely, coordinated and cooperative manner.

Members comprising the Executive Team:

- Kym Pfitzner, Chief Executive Officer
- Cindy Batchelor, Deputy Chief Executive Officer
- Noel Clement, Director, Australian Programs
- Belinda Dimovski, Director, Engagement and Support
- Lloyd Doddridge, Chief Financial Officer / Chief Operating Officer
- Tara Eaton, Head of Legal
- Stacie Haber, Head of Strategy
- Penny Harrison, Director, Volunteering
- Jane Hollman, Chief People and Culture Officer
- Brett Wilson, Chief Information Officer
- Tammy Lamperd, Chief Risk Officer
- Fiona Davies, Head of Inclusion & Diversity
- Yvette Zegenhagen, Head of International Humanitarian Law
- Sue Oddie, Strategic Adviser to the CEO

[Read about the Executive Team, including their bios, on our website.](#)

## Our Leadership Team

The Executive Team supports the CEO in delivering the strategic goals for people experiencing vulnerability, the Leadership Team operationalises this. The Leadership Team is responsible for implementing Australian Red Cross' strategy, leading 1,853 employees, 15,951 volunteers and 8,587 members every day to support people experiencing vulnerability across Australia.

At the end of the financial year the Leadership Team was established to support the executive in achieving the organisational goals. The Leadership Team are effective and influential advocates for Australian Red Cross internally and externally who drive change management initiatives and comprises skilled professionals with diverse experience in the areas of humanitarian program delivery, finance, IT, legal, fundraising, marketing, advocacy and volunteering.

Members comprising the Leadership Team.

- Adrian Prouse
- Amanda Robinson
- Andrew Coghlan
- Andrew Kenyon
- Astrid Mallard
- Belinda D'Souza
- Christopher Kwong
- Craig Stewart
- Garry Page
- Glen Smith
- Jacob A. Walsh
- Jai O'Toole
- Jennifer Currie
- Jenny Brown
- Kate Miranda
- Katrina Harrison
- Lee Prouse
- Mali Hawkins
- Melinda Godber
- Melissa Goode
- Poppy Brown
- Renee Wood
- Sharon Wachtel
- Steve Boxshall
- Sue Cunningham
- Supipi Jayawardena
- Vanessa Byrne
- Veronica Bell
- Vicki Mau

Read about the [Leadership Team](#), including their bios on our website.

# Governance

From a Governance perspective, the FY21 Year is best characterised by an unwavering focus by the Board on working with management to develop a comprehensive new strategy and building capability. This includes a sustained focus on improvement in the systems, control environment and reporting functions within the organisation to ensure that it is well-prepared for the future.

A phenomenal investment of time has been given by both the Board (all volunteers) and the management team, to co-design the strategy that will truly support the organisation in having a sustainable advantage for decades to come.

To support the Board and its Committees, Red Cross has invested in the appointment of a new Society Secretary & Chief Governance Officer. The role has been designed and is empowered to include the provision of strategic governance advice.

As part of a comprehensive international review process, the Board has formed a Governance Committee, whose remit includes review of the current governance model and structure to determine any changes that should be recommended to best support the Society for the next decade.

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# Risk Management

Red Cross recognises that to maximise the impact and quality of our both the services we deliver and our work with communities, we must operate in a financially sustainable, safe and innovative manner – all in the context of an acceptable and sustainable risk framework. This will both inspire and maintain community and stakeholder confidence and ensure that we continue to act as a humanitarian force for many years to come.

Red Cross is embarking on an exciting transformation of brand, culture and strategy. The scale, pace and complexity of change required to implement this transformation, while continuing to respond to disaster and act for humanity as we are faced with ever increasing disruption on a global scale, brings considerable uncertainty. In this context, Red Cross' ability to harness strategic opportunities, and identify and respond to risk, is critical to the successful achievement of our purpose.

## Council of the Australian Red Cross Society

Meeting once a year at the Annual General Meeting, the Council's responsibilities include receiving reports and financial statements and electing and appointing Office Bearers and Additional Board Members. The Council's composition is prescribed by the Rules of the Australian Red Cross Society.

Read more about the [Membership of the Council](#).



# Our Board

The role of the Board is to govern the activities of the Society. In doing so, the Board approves the overall strategy for the Society including strategic plans, annual plans and budgets. The Board works to ensure the Society acts in accordance with the fundamental principles of the Red Cross Red Crescent movement. The Board sets policies including the values of the organisation.

The Australian Red Cross Society Board operates under a Royal Charter and Rules that establish the policies and internal rules for the governance of the organisation. The Board has formally delegated responsibility for the day-to-day operation of Australian Red Cross Society to the Chief Executive Officer and executive management team. Day-to-day operation of Lifeblood is delegated to a separate board, CEO and executive management team. The Board oversees and monitors management's performance.

Ensuring good governance is a key Board responsibility. This includes overseeing mechanisms to provide for compliance with legal requirements and regulations, effective identification and management of risks and the ongoing financial viability of Red Cross. The Board monitors and

periodically evaluates its own performance and strives to have a skilled and diverse membership in place. It also establishes and implements a recognition process that acknowledges the efforts of volunteers, members and staff.

Comprising up to 16 members, the Board includes the President, Deputy President, Audit and Risk Committee Chair, Youth Member, Chair or nominee of each of the eight Divisional Advisory Boards (DABs) from every state and territory, the Australian Red Cross Lifeblood (ARCL) Chair and up to three Additional Board Members. While they are not members of the Board, the Chief Executive Officer, Chief Financial Officer and Board Secretary attend Board meetings throughout the year.

The Board is made up entirely of volunteers. We do not provide payment for serving as a Board Member but we provide reimbursement for reasonable travel and other expenses incurred in connection with Red Cross activities.

The Board met eleven times during the financial year with additional meetings held during the strategic discussion of our future focus. The Board has also met virtually since March 2020 due to travel restrictions in place during the COVID-19 pandemic.

Board Member	Title	A	B	C
Ross Pinney	President	17	17	0
Charles Burkitt	Deputy President	17	15	0
Nazli Hoacaglu	Youth Member (from November 2020)	8	8	0
Sam Hardjono	Chair, NSW DAB (to September 2020) then Chair, Audit and Risk Committee (from September 2020)	17	17	0
Wendy Prowse	Chair, ACT DAB	17	17	0
Kathleen Cole	Chair, NT DAB	17	13	0
Winifred Smith AM	Chair, QLD DAB	17	17	0
Rose Rhodes	Chair, SA DAB	17	17	0
Rita Richards	Chair, TAS DAB	17	17	0
Dr Garry Nolan, AM	Chair, VIC DAB (from October 2020)	12	12	0
Aisling Blackmore	Chair, WA DAB	17	17	0
Jim Birch AM	Chair, ARCL	17	15	0
John MacLennan	Chair, NSW DAB (from September 2020)	14	14	0
Ian Hamm	Additional Board Member	17	14	0
Dr Melissa Phillips	Additional Board Member	17	16	0
Cris Topfner-Rigby	Additional Board Member	17	15	0
Kym Pfitzner	Chair, Audit and Risk Committee (to September 2020)	3	2	0
Eveline Kuang	Youth Member (to November 2020)	9	9	0
Anne Macarthur AM	Chair, VIC DAB (to October 2020)	5	5	0

**Legend** A = Meetings held during the period of office of the Board Member  
 B = Meetings attended by the Board Member  
 C = Meetings attended by an alternate of the Board Member (Divisional Advisory Board Chairs and Youth Member only)

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## Australian Red Cross Board Members

### Ross Pinney

President

Appointed December 2017

Ross Pinney was elected President of Australian Red Cross Society for a second two-year term at the Annual General meeting on 29 November 2019. Previously, Ross had served as Deputy President since 2011, as a Red Cross Divisional 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 chairs the Nominations and Remuneration Committee and is a member of the Finance Committee and 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 and is a fellow of the Australian Institute of Company Directors.

### Charles Burkitt

Deputy President

Appointed in November 2019, prior to this was Chair, NT DAB from October 2014

Charles was elected as Deputy President on 30 November 2019.

Charles has served as a board member since October 2014, when he was elected as Chairman of the Northern Territory Divisional Advisory Board. He is also Chair of the Finance Committee and a member of the Audit & Risk Committee.

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 directly experiencing the Red Cross Power of Humanity with support being provided following this event. Since this time he has continually volunteered with the Red Cross cause.

Charles began his career as an experienced Investment Adviser specialising in financial markets, having worked in that industry for more than 15 years. He now actively works within the Property Development Industry based in Darwin, while also having obtained extensive Board experience as an active Board Member of several local organisations. Charles enjoys an active lifestyle with an interest in most sports and leisure activities.

### Sam Hardjono

Chair, Audit & Risk Committee

Appointed October 2015 as Chair, NSW DAB and as Chair, Audit & Risk Committee in September 2020.

Sam Hardjono joined the NSW Divisional Advisory Board in 2010 and became member of the Property Committee in 2013 and Finance Committee in 2015. He was appointed Chair for NSW and therefore a member of the national board that same year.

For his service, dedication and exceptional leadership to the 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 start-up sectors. 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 has served on inter-governmental, not-for-profit, corporate, private and start-up boards, either as a trustee, non-executive director or advisory roles for over 20 years.

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

### Nazli Hoacaglu

Youth Member

Appointed November 2020

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

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on racially and culturally fuelled discrimination. She is the Company Secretary and Governance Advisory for Skyjed Pty Ltd and provides legal and governance oversight to AI and machine learning companies, Dynamic Crowd Measurement Pty Ltd and Vardogyir Pty Ltd.

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.

#### **Wendy Prowse**

Chair, ACT Divisional Advisory Board  
Appointed October 2016

Wendy was appointed the Chair of the ACT Divisional Advisory Board in 2016 having held the Deputy Chair role for three years and has been a member of the DAB since 2012. She joined the National Red Cross Board in October 2016 and has since become a member of the Nominations and Remuneration Committee, Finance Committee and Services Advisory Group. Wendy convenes the DAB Chairs meetings which are held prior to each National Board meeting however are meeting more frequently and virtually in 2020 due to COVID-19.

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. 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.

#### **Kathleen Cole**

Chair, NT Divisional Advisory Board  
Appointed January 2020

Kathleen joined the Northern Territory Division of the Australian Red Cross in 2000 from a corporate career in mining finance and management. Taking the role as Corporate Services Manager she worked for 10 years with the Northern Territory Red Cross in several leadership roles including as Indigenous Program Manager and Interim Divisional Director.

Kathleen developed her social justice understanding and application of community development

practices with Red Cross. Kathleen was deployed overseas with Red Cross work in China, Papua New Guinea and East Timor with short duration secondments working with local counterparts in finance and governance training and development. Over her term of employment Kathleen was activated in many local, interstate and international disasters responses to natural disasters, terrorism and infrastructure failures. Kathleen was awarded a Red Cross Distinguished Service Award for her work with the Cyclone Yass response in 2007. Kathleen maintained her active volunteering with Red Cross after her employment and has been part of the NT Advisory Board since 2014.

Kathleen is currently the Executive Officer of the Miriam Rose Foundation Aboriginal Corporation. Kathleen is a FCPA and a GAICD. She sits on the PKKP Native Title Board as an Independent Director, the Mala'la Health Service Aboriginal Corporation as an Independent Director and is a Director of the Australia Football League of the Northern Territory.

#### **Winifred Smith AM**

Chair, QLD Divisional Advisory Board  
Appointed October 2018

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.

During her time with 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 Premiers 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 and chaired that committee for 4 years. 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 at 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.



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### **Rose Rhodes PSM**

Chair, SA Divisional Advisory Board  
Appointed October 2017

Rose was appointed as Chair of the SA Divisional Advisory Board and a member of the Society's Board in October 2017. Rose joined 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 SA performing various roles in the Incident Management Team in SA 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 Communities 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.

### **Rita Richards**

Chair, TAS Divisional Advisory Board  
Appointed April 2020

Rita Richards was appointed Tasmanian Divisional Advisory Board Chair on 2 April 2020.

Rita has been a long standing member of the Red Cross community for the past 70 years; commencing when she joined the Junior Red Cross at the Dunalley School in 1950.

Rita later joined the Tea Tree Branch in 1989 where she held the position of President until 1991.

Continuing with her voluntary work, from 1993 to 1998, Rita volunteered at the Road House, 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.

Rita then held the position of President of the Hobart No.1 Branch from 1999 to 2007 and was the Branch Secretary from 2005–2006.

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 Red Cross Tasmania and travels to many Branch and public functions to promote the history of 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 Red Cross history is evident to all in Tasmania.

### **John MacLennan**

Chair, NSW Divisional Advisory Board

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

In September 2020 he was re-elected Chair of the NSW DAB and rejoined the National Board. He also chairs the Migration Programs Advisory Group, is a member of the Governance Committee, the Services Advisory Group and the NSW International Humanitarian Law Committee. John was awarded Honorary Life Membership of Australian Red Cross in 2015.

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

### **Dr Garry Nolan AM**

Chair, VIC Divisional Advisory Board  
Appointed October 2020

Garry Nolan joined Red Cross in 2007 after he retired from National Australia Bank. Garry's final roles at NAB included Group Company Secretary & Chief Governance Officer and Chairman of National Nominees Limited (the largest holder of registered securities listed on the Australian Securities Exchange at that time). In these roles, he contributed to the Best Practice Governance Recommendations for companies listed on the Australian, London and New York stock exchanges.

Governance remains a passion, with Garry loving when everything works together to achieve the

desired result and believing that without good governance practices, the sustainability of any organisation is at considerable risk.

Garry was elected Chair of Victoria's DAB in 2020 after six years as deputy and sees Red Cross' ability to support people in distress as one of the many reasons for his passion for the Movement and being the glue that helps to keep society together. Garry is a Fellow of the Australian Institute of Company Directors.

### **Aisling Blackmore**

Chair, WA Divisional Advisory Board  
Appointed October 2019

Aisling Blackmore was elected Chair of the West Australian Division in October 2019. She has been an active member and volunteer within 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 WA 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.

Aisling coordinates Emerging Leaders Strategy for the International Initiative for Disability Leadership across the eight member countries, and works closely with colleagues in Europe, North America and the Pacific.

### **James Birch AM**

Chair, Lifeblood  
Appointed February 2016

James Birch 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 and a 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, Clevertar Pty Ltd and the Women's and Children's Health Network (SA) 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).

### **Ian Hamm**

Additional Board Member  
Appointed April 2017

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 our Board in April 2017 as an Additional Board Member, Ian was a member of the Victorian 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: 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; Director: Community First Development; and Director: National Trust Australia (Vic).

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).

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### **Dr Melissa Phillips**

Additional Board Member  
Appointed August 2018

Melissa was elected as an Additional Board Member in August 2018. 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. She was formerly a Senior Regional Advisor on refugee protection and migration for Danish Refugee Council based in the Middle East and North Africa and has academic expertise on issues related to migration, multiculturalism and displacement. 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). Melissa is a Regional Advisor for the International Detention Coalition, is on the Advisory Board of Urban Refugees and is an Assistant Editor for the Journal of Intercultural Studies. In addition to her current role on the Board, Melissa is also a member of the Migration Programs Advisory Committee.

### **Cris Topfner-Rigby**

Additional Board Member  
Appointed August 2018

Cris was elected as an Additional Board Member in August 2018. A former refugee aided by Red Cross and migrant herself, Cris is passionate about and committed to contributing with her experience across innovation, digital agility and transformation to make a positive social impact and help those in need. A senior technology executive, Cris is currently Head of Retail IT at Origin Energy. Prior to joining Origin, Cris held senior executive roles at Coles, Coles Financial Services, as well as positions in military research and software agencies in Australia and overseas.

She was recognized 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. A regular speaker at national and international conferences.

Cris 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.

Cris is currently a non-Executive Director and a Chair on a number of Boards and committees. She has a Master in Computer Sciences and is a Graduate of the Australian Institute of Directors.

### **Kym Pfitzner**

Chair, Audit & Risk Committee  
Appointed February 2020 to September 2020

Kym was elected as Chair of the Audit and Risk Committee in February 2020. He was a member of the Finance Committee and the Nominations and Remuneration Committee.

In September 2020 Kym stepped down from the Board to become our Interim CEO.

Kym is an advisor in Strategy and Leadership and holds various directorships and advisory board positions, particularly within the Advertising and Media industry. He has extensive corporate governance experience in listed and non-listed public companies, privately-owned companies and government-owned organisations.

He has held senior regional and country executive leadership roles including CEO, COO and CFO in Asia Pacific, China and Australia for global advertising holding groups, the more recent being Dentsu Aegis Network. He also has extensive corporate development experience heading up the acquiring of over two hundred businesses.

Kym is a Chartered Accountant, a graduate of the Australian Institute of Company Directors, has a master degree in Leadership, a master degree in Business Administration, a post-graduate diploma in Chartered Accounting, a post-graduate certificate in Executive Leadership, and a degree in Accounting. He currently is undertaking a PhD in Leadership.

Kym is passionate about how leadership can positively impact people, our planet and organisations in a sustainable and ethical way.



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### **Eveline Kuang**

Youth Member

Appointed December 2018 until 27 November 2020

Eveline (Evie) was elected as Youth Member in December 2018. Evie started volunteering with the Australian Red Cross in 2015, in the Roadhouse program in Canberra, providing meals to those who are vulnerable or at risk of homelessness. The following year she joined the ACT Youth Advisory Committee and co-chaired the committee from January 2017 to January 2019, while remaining an active member on the ACT Divisional Advisory Board. From August 2018 to April 2019, Evie acted as chair of the National Youth Advisory Committee, contributing to youth engagement together with other young humanitarians. In recognition of her contributions, Evie was awarded a Youth Meritorious Service Award in 2018.

Evie has a keen interest in human rights, volunteering and giving back, while aiming to inspire others to do the same. The combination of her professional interests and having a direct impact with people on the ground led Evie to want to become more involved.

Along with serving on our Board, Evie is a mergers & acquisitions lawyer, specialising in foreign investment. Evie has had almost 10 years' experience in the Commonwealth Government, most recently as a legislative adviser in national security and a policy adviser in foreign investment and critical infrastructure. Evie is also a qualified yoga teacher, teaching in Canberra yoga studios and is passionate about promoting wellness and wellbeing.

Evie holds a B Commerce/Laws (hons) from the University of Canberra and a Master of Laws from the Australian National University, and has been admitted as a lawyer since 2014.

### **Anne Macarthur AM**

Chair VIC Divisional Advisory Board

Appointed October 2014, until October 2020

Anne joined Junior Red Cross in 1952 and has been an active member of Lindenow & District Branch for 50 years. Anne is currently the Chairman of the Victorian Advisory Board. She also chairs the Red Cross Emergency Services Advisory Group and is a member of the Nominations and Remunerations Committee.

During her time with Red Cross Anne has been heavily involved in Branch and Regional governance, fundraising and other Red Cross activities. Anne was a trained Emergency Services

volunteer for more than 20 years and was heavily involved during the Black Saturday bushfires.

Anne represented the Victorian Advisory Board on the Victorian International Humanitarian Law committee for 15 years and has been a member and past Chairman of the Victorian Overseas Support Group since its inception in 1997. Anne has been awarded Honorary Life Membership of Australian Red Cross as well as other awards. Anne was the Bairnsdale Citizen of the Year in 2005 and was also awarded the Order of Australia Medal in 2007 for her work in the wider community and, in 2016, a Victorian COTA Senior Achiever award.

### **Jennifer Currie**

Society Secretary & Chief Governance Officer

Supporting the Board in its governance of the Australian Red Cross, Jennifer Currie is a Fellow of the Governance Institute of Australia and enjoys over a decade of experience advising the Board of both non-profit and ASX listed entities. She is also a Director of the Australian and NZ subsidiaries of NYSE and TSX Listed parent Ceridian.

Jennifer's 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.

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# Committees of the Board

Six Red Cross Board Committees met during the year, all of which include Board Members. The Board also appoints various other committees, including advisory committees and specialist committees which are established for short-term, specific or ad hoc purposes. The Committees of the Board include:

## Audit and Risk Committee

Assists the Board in fulfilling its governance role and responsibilities in exercising due care, diligence and skill. The Committee oversees:

- the statutory financial reporting process, including the annual financial statements and new or amended accounting policies.
- the scope of work, independence and performance of the internal and external auditors.
- the operation and implementation of the risk management framework.
- the system of accountability and internal control affecting the operations of the Society.
- the process for monitoring compliance with laws, regulations and internal policies.
- the audit and risk management processes undertaken by the Australian Red Cross Lifeblood Board through its Risk Committee and its Finance and Audit Committee.

## Finance Committee

Assists the Board in ensuring that Red Cross meets its essential financial requirements and sustainability. Specifically, the purpose of the Committee is to:

- recommend to the Board financial, investment and property policies and strategies, and the medium to long term financial plans and annual operating and capital budgets, including Key Performance Indicators (KPIs), that support the mission and strategic goals of Red Cross.
- monitor performance against financial plans and budget targets.
- recommend to the Board investment and property transactions in accordance with delegations.

## National Awards Committee

Approves nominations for awards to recognise and reward Red Cross members, volunteers and staff for their contributions to the International Movement or Australian Red Cross Society, and makes recommendations for ways to acknowledge the efforts of Red Cross people.

## National Youth Advisory Committee

Whilst not currently operational, broad consultation is currently underway to develop the most appropriate National Youth Advisory Committee model for the future..

## Nominations and Remuneration Committee

Supports and advises the Board regarding appointments of Board Members, succession planning, remuneration and employment, induction, training and education programs. The scope of responsibilities and activities include:

- overseeing the process for making appointments and ensuring appropriate succession planning for the Australian Red Cross Board and the Lifeblood Board.
- reviewing annually the remuneration for Lifeblood Board members.
- providing advice in relation to contemporary and emerging human resources trends, issues, practices and projects related to staff and volunteers.
- providing advice and oversight on policies relating to remuneration and terms and conditions of employment to support the strategic and operational goals and objectives of Australian Red Cross and meet the legal obligations of the organisation.

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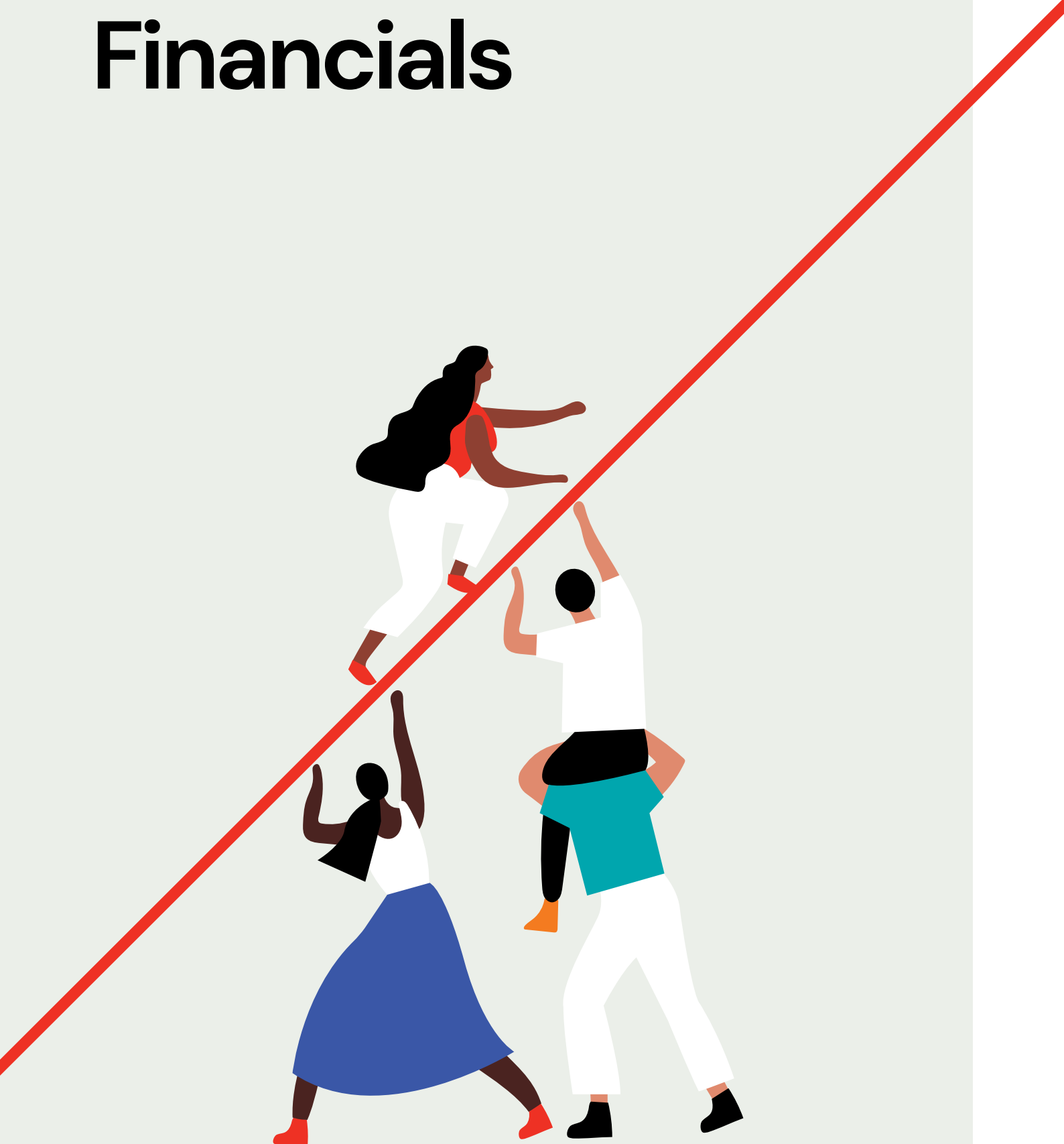
## Australian Red Cross Lifeblood (ARCL) Advisory Committee

Provides independent advice to the Lifeblood Board on medical, scientific and research matters issues. The committee also provides assurance to the Red Cross Board that the Lifeblood maintains the highest standards of medical and scientific practice and product safety. The responsibilities of the Committee are to:

- review and provide advice on medical and scientific aspects (including technical and safety issues) of Lifeblood activities as referred to it by the Lifeblood Board or management or the Red Cross Board, or as it believes of its own initiative require the attention of management, the Lifeblood Board or the Red Cross Board.
- receive an annual research summary from the Research Advisory Committee.
- consider regular reports including on blood products, donor and product safety and transfusion medicine services at each meeting.
- scan the external medical and scientific environment, to enable input to policy development and recommendations for research initiatives.



# 10 Financials



## Message from the Chief Financial Officer

**We are pleased to present audited financial statements for the year ended 30 June 2021.**

The financial statements of the Australian Red Cross Society (the Society) incorporate both the Humanitarian Services of Red Cross and Australian Red Cross Lifeblood operating divisions. The Lifeblood division is entrusted with the supply of Australia's blood and collects, processes and distributes life-saving blood and blood products. Red Cross Humanitarian Services supports and empowers people and communities experiencing vulnerability.

The Humanitarian Services is principally funded through generous donations from individuals and corporations in the community and grants from governments. Lifeblood is largely funded by the government through the National Blood Authority. The divisions operate separately and, under the funding agreements in place, cannot cross subsidise the other.

### Overview

This financial year has been a year of adapting to COVID-19 in the backdrop of so much that we do. Australian bushfires and floods in NSW continue to create enormous additional need in our communities requiring support from Red Cross. While migration into Australia has been paused due to government policies informed by COVID-19, asylum seekers and refugees already in Australia remain a vulnerable community. The focus of our work and our financial circumstances reflects us all adapting to these changes in community needs. For FY2021, Red Cross reported a net deficit of \$34.526M (\$4.698M deficit from Humanitarian Services and a deficit of \$29.828M from Lifeblood).

In FY2021, Red Cross applied an accounting policy decision to no longer capitalise certain costs relating to cloud computing arrangements as a result of new IFRS Interpretations Committee guidance issued towards the end of the financial year. This resulted in a one-off negative adjustment in our current year profit and loss of \$5.062M. As a not-for-profit entity, both divisional results reflect accounting standards requirements that create a difference in the timing for recognising receipt of funds as revenue as compared to those recognising committed funds as expenditure.

COVID-19 has exposed vulnerable communities and Red Cross has participated in new government funding for Humanitarian Services such as the two grants amounting to \$66.5M supporting migrants in extreme hardship who do not have access to other funding. In this way Red Cross is adapting in response to these conditions and taking advantage of every opportunity we have to support communities in need. Correspondingly Lifeblood has sustained record demand for blood products as we deal with the effects of COVID-19 and the effects of lockdowns in major cities. Doing so required significant organisational agility to meet changed circumstances over an extended period.

### Humanitarian Services

The result for Humanitarian Services for the 2021 financial year was a deficit of \$4.698M. The deficit arises from an operationally break even result, which is impacted by one-off items during the year:

- Draw down of revenue received in prior year (specific purpose fund) of \$71.173M including \$58.151M of expenditure to support communities affected by the devastating 2020 Bushfires. New income recognised in this year that will be spent in FY2022 amounted to \$43.791M, including grants to provide direct financial assistance to migrants in need.
- We advanced our remuneration compliance work, resulting in an increase to the back payment provision and associated operational costs of \$15.285M.
- The sale of properties in Carlton and Adelaide resulted in a net gain of \$41.694M and ensures we are in the right places to deliver our services. These funds will be used to invest into our future and are currently held in our investments and short term deposits.
- Other one-off items include the cloud computing adjustment and increased provision for historical legal claims (\$5.824M).

During FY2021 the Australian public donated \$89.696M (FY20 \$303.538M mainly due to Bushfire support) to help us deliver programs, strengthen communities and support our everyday work and specific causes. Domestic and international disasters persisted in FY2021 and the Australian public responded to our Appeals donating \$2.864M for the NSW Floods and \$1.026M for international disasters such as the Beirut Explosion.

Over the two years to 30 June 2021, the Australian and International community entrusted Red Cross with over \$241.929m (including interest) for the

2020 Bushfire reponse. \$17.162M remains to be spent in FY2022 and beyond on the longer term recovery program. The reports from the ACNC and the Bushfire Royal Commission on the progress to date give us further confidence in our services and our transparency to the public.

In addition to meeting the needs of those facing emergencies and disasters our underlying funding and work with communities demonstrate our ongoing commitment in supporting migrants in transition and collaborating to strengthen those socially excluded in our communities. This includes Aboriginal and Torres Strait Island peoples, those in the justice system, those of us isolated by age or infirmity and communities significantly impacted by climate change. We sincerely thank the community for their support of those who have needed it most.

Overall government funding to Red Cross increased by \$62.652M in comparison to FY2020. This was largely due to an increase in funding to support migrants in transition and more isolated members of our local and international community during COVID-19. Our Humanitarian Services revenue includes \$74.055M from Commonwealth government grants and \$89.274M from State and Territory government grants. Together these enabled us to build sustainability within the communities we work with, support people to live safely and to provide relief where required.

We received \$14.843M of JobKeeper income to support our short-term financial position mitigating the financial effect of lockdowns during the year that led to restricted operating conditions and fundraising activities.

The current balance sheet position of the organisation continues to be strong. It has total cash reserves of \$137.030M (\$62.988m committed for future program delivery) and investments of \$60.701M. These funds provide the basis for stable operations in the coming year.

## Lifeblood

Our Lifeblood division finished the year with a deficit of \$29.828M. In FY21, the year-end operating result for the Main Operating Program (MOP), excluding Research and Development, was a surplus of \$61.211M. A provision for the return of this surplus to the National Blood Authority (NBA) has been made as an offset against income in the same period. Lifeblood also reported a deficit in its Research and Development program of \$0.173m which was funded through special reserves.

The remainder of the deficit relates mainly to differences in timing between the accounting standards requirements for recognising expenditure compared to how these items are funded by the NBA which is on an as incurred (cash) basis. Lifeblood's cash and investment position remains strong at \$323.132M, and during FY21 Lifeblood repaid borrowings of \$9.113M.

Our primary funding arrangement is with the NBA under an output-based model. In FY21, total plasma issued was 16.3 (1.8%) tonnes below the annual target of 882.8 tonnes. This result represents an increase of 63.9 tonnes (8%) from the prior year. The key reasons for this shortfall include extended high demand for red cells, to levels not seen since 2016 driven by factors including elective surgeries, increased presentations to emergency departments and increased volumes of obstetrics, triggering the need to convert plasma donors to whole blood. In addition, Lifeblood's mobile collection network capacity was significantly reduced throughout the year as a result of navigating through COVID-19 restrictions and our commitment to our Donor Centres being places of wellness for our donors and staff. The plasma for fractionation target for FY22 has increased to 971.1 tonnes, which is a further growth of 10% (88.3 tonnes). Lifeblood continues its focus on reducing product cost, driving efficiencies through the transformation of Lifeblood's existing network and supply chain and further securing the supply of essential plasma products for patients in a cost-effective manner for Australia.

Maintaining a stable and secure blood supply requires continual investment. This year, we invested \$40.931M of funding from the NBA into the upgrade of infrastructure, technology and equipment, further transforming our delivery in life-giving blood, plasma, transplantation and biological products for world leading health outcomes. Major projects included the implementation of the Alinity blood and plasma screening platform throughout our processing centres along with plasma freezer replacements and critical investment in cyber security programs.

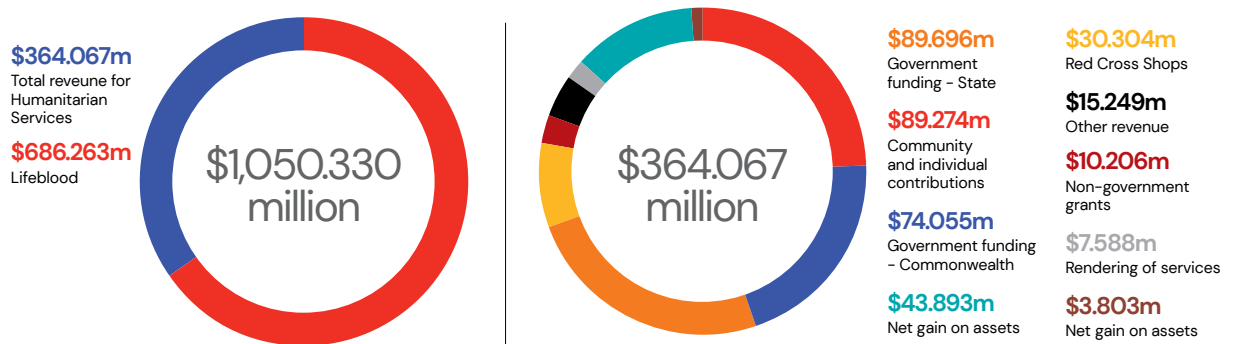
Outside of our output-funding arrangement with the NBA, Lifeblood continued to provide a range of related services such as transplant and immunogenetic services across New South Wales, Victoria and South Australia and the pasteurised human milk bank in these states and throughout Queensland as well.

Lloyd Doddridge  
Chief Financial Officer and Chief Operating Officer



## Where the money came from

### Income for the year ended 30 June 2021



Gross revenue for the entire Australian Red Cross Society was \$1,050.330M. This figure includes \$686.263M for Lifeblood – the blood products and human tissue services division of the Australian Red Cross Society. Lifeblood’s portion of the gross revenue includes \$673.817M in government funding, \$3.287M in investment income and \$9.159M from other income sources. Revenue for Humanitarian Services was \$364.067M, a \$104.047M decrease from the previous year where there was extraordinary support for the Bushfire Disaster Relief and Recovery Appeal. There was an increase of \$62.652M in government funding which was mainly due to providing additional COVID-19 support to members of the community. Our donor funds help us to continue essential support for our most vulnerable migrants, refugees and asylum seekers. Our revenue from our Red Cross shops increased by \$4.969M to \$30.304M due to easing of COVID-19 restrictions in certain states. Revenue from Non-Government Grants decreased by \$2.273M to \$10.206M.

The Australian and international public donated more than \$99.902M this year (\$81.360M for our everyday work and \$18.542M for emergency appeals). In FY2020, the Australian and international community responded to the Disaster Relief and Recovery fund to support the communities devastated by the 2020 Bushfires. In FY2021, total donations and interest has now amounted to \$241.929m over two years and the Society has used \$224.767m to meet the immediate needs of people affected by these fires through emergency grants. The remaining \$17.162m will be spent in future years on long term recovery support for people and communities.

In March 2021, NSW experienced several days of record-breaking rain that caused severe flooding, forcing many people to evacuate. Red Cross launched the NSW Flood appeal to help communities impacted by flood and the Australian community and our corporate partners responded by donating \$2.864M.

This year, our supporters who shop at our Red Cross shops spent \$30.304M, supporting our everyday work. Retail revenue increased by 19.6% thanks to lower impact of COVID-19 restrictions in FY2021. As we enter FY2022, we are already experiencing more difficult trading conditions with new lockdowns restricting the opening of many stores. Red Cross shops are only possible with substantial non-financial support. Red Cross volunteers and members provide millions of hours through the year. There are also gifts in-kind and pro bono services. While we do not place a dollar value on these valuable forms of support, without them our everyday work would not be possible.

Government funding, which includes Commonwealth government and State government funding is an important source of income. For our Humanitarian Services, Commonwealth grant funding was \$74.055M and State government funding was \$89.274M, which represents 20.3% and 24.5% of income respectively (FY2020: 13.0%, 8.5%). In FY2021, government income increased by \$62.652M, largely to support our work with vulnerable migrants during the COVID-19 pandemic.

We assess all funding opportunities through internal review processes to ensure services we fund are aligned with community needs and our strategic direction. Risk assessments are conducted and business continuity plans developed to ensure our services remain viable and effective.

In FY2021, we sold properties in Carlton, VIC and Adelaide, SA, resulting in a net gain on sale of \$41.694m. This is part of a property masterplan to ensure we can invest in our future property footprint which will be suitable for how we deliver services to the community and the changing way our volunteers, staff and members work with us.

## Community support for our humanitarian services work

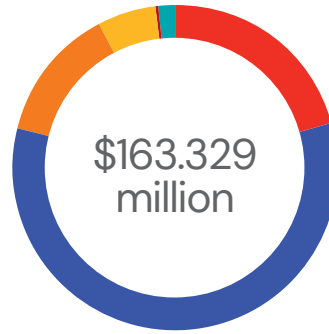


<b>\$31.901m</b> Regular giving	<b>\$7.630m</b> Other
<b>\$14.700m</b> Individual giving	<b>\$4.303m</b> Trusts and Foundations
<b>\$11.138m</b> Bequests	<b>\$1.862m</b> Community groups
<b>\$9.828m</b> Corporate partnerships	Rendering of services

Financial support provided by individuals and the community for our everyday work and services totalled \$81.360M, reflecting the generosity of the Australian public. The largest source of community support for our everyday work continues to be regular, ongoing monthly contributions. These regular givers donated \$31.901M, a decline from the previous year (\$33.329M) caused by COVID-19 lockdown restrictions impacting fundraising activity. Another key group of supporters are people who thoughtfully leave a gift to Red Cross in their Will. Bequests contributed 13.2% of our income, providing \$11.138M. Almost two in every three dollars given by the community came from regular givers, individual givers and bequests, highlighting the huge positive impact made by everyday Australians.

Donations from valued corporate partners increased in FY2021, despite challenging economic conditions for many. Corporate partners donated \$9.828m in FY2021, an increase of 14.6% against last year. We also received income from trusts and foundations, individuals making one-off donations, Red Cross members and community groups.

## Government funding for our humanitarian services work



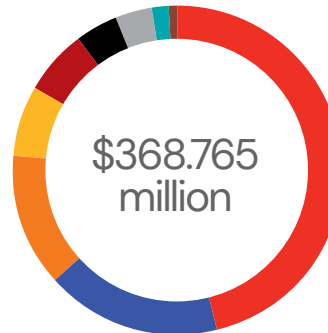
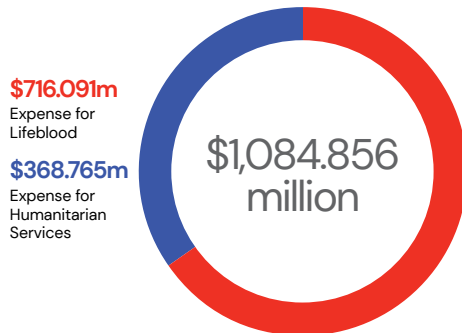
<b>\$95.388m</b> Migration support	<b>\$9.526m</b> Disaster and emergency services
<b>\$34.030m</b> Social inclusion and community based programs	<b>\$2.541m</b> Aboriginal and Torres Strait Islander programs
<b>\$21.602m</b> International aid and development	<b>\$0.243m</b> Other

Government funding for specific programs under contract totalled \$163.329M in FY2021, which included \$74.055M from Commonwealth government funding, and \$89.274M from State and Territory government funding. Together this accounted for 44.8% of total revenue for our humanitarian services, an increase of \$62.652M compared to last year. The continued spread of COVID-19 resulted in an increasing level of restrictions on corporate Australia's ability to operate and the release of a number of government stimulus packages to support individuals and businesses as the Australian and global economies faced significant slowdowns and uncertainties. Governments provided additional funding to support communities impacted by the COVID-19 pandemic. We received COVID-19 funding of \$70.896M primarily used to provide direct financial assistance to migrants in need who do not have access to government support programs available to other Australians.

Our International Programs focused on providing efficient and effective support to 9 key partner countries in the Asia Pacific region. The Department of Foreign Affairs and Trade and other State government departments provided \$21.602M in International Aid & Development funding to support this work as well as our response to significant disasters in the region. This represents an increase of \$4.197M compared with FY2021, mostly to support the COVID-19 response in Bangladesh and India.

## Where the money was spent

Expenditure for the year ended 30 June 2021



- \$170.657m** Australian programs
- \$62.613m** Emergency appeals
- \$48.184m** Property maintenance, lease and other administration
- \$26.355m** International programs
- \$23.584m** Red Cross Shops
- \$15.285m** Remuneration compliance
- \$12.752m** Fundraising
- \$6.589m** First aid training and disability employment services
- \$2.746m** Marketing

Expenditure for the Australian Red Cross Society was \$1,084.856M, including \$716.091M (66.0%) expended by Lifeblood. Expenditure within Humanitarian Services decreased by 5.13% to \$368.765M this financial year due to a majority of the bushfire grants being distributed in the previous year.

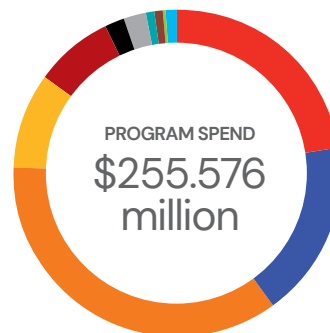
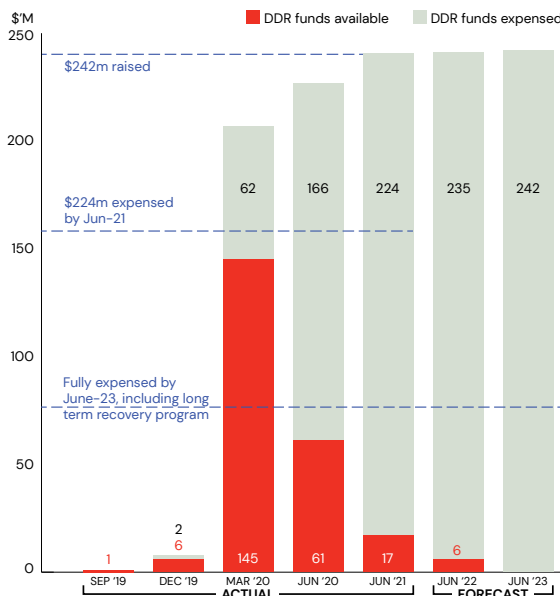
The percentage of Humanitarian Services expenditure for Australian programs is 46.3%, while expenditure on International programs is 7.1%. Administration costs for Humanitarian Services of Red Cross accounted for 13.1% of total expenditure (10.0% in FY2020). These costs include property maintenance, legal, information technology, finance, human resources and occupancy expenses, and are critical to delivering our services effectively. In addition, this year, we put aside an additional \$10.571M for remuneration compliance items to include payments for overtime, penalties and other allowances. This brings the total provision to \$27.666M.

\$62.613M was spent on emergency relief to support people impacted by disasters in Australia such as bushfires, NSW floods and crises overseas such as Myanmar, Syria, Beirut explosion and disasters such as Vietnam Floods and Typhoons.

Of the \$241.929M raised for the bushfires over FY2020 and FY2021, \$224.767M has been spent and disbursed to support people and communities impacted by the bushfires via the Disaster Relief and Recovery Fund (\$166.616M in FY2020 and \$58.151M in FY2021). Any remaining funds allow the Society to support bushfire-affected communities in FY2022 and beyond.

**\$255.576M was incurred in providing programs, with a significant shift in program expenditure to support migrants during the COVID-19 season.** Program spend on migration support has increased by \$55.546m compared to FY2020. Our overall Humanitarian program spend decreased by 15.2% as the initial response to communities affected by bushfire has given way to longer term recovery. In FY2021, we spent \$58.151M supporting bushfire impacted communities, compared to \$166.616M in FY2020, a reduction of \$108.465M.

Social inclusion and community based programs are a significant share of expenditure (\$44.151M). This work is with people and communities experiencing exclusion, and helps in breaking the cycle of disadvantage.



- \$91.154m** Migration support
- \$58.151m** Domestic emergency appeals bushfire
- \$44.151m** Social inclusion and community based programs
- \$23.808m** International aid development
- \$19.968m** Disaster and emergency services
- \$6.136m** Program support
- \$4.958m** Aboriginal & Torres Strait Islander programs
- \$2.687m** Domestic emergency NSW floods
- \$2.017m** Other
- \$1.730m** International emergency appeals
- \$0.818m** Internal humanitarian law



# Financial Statements

## Statement of profit or loss and other comprehensive income

For the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
<b>REVENUE</b>			
<b>Government funding</b>			
Operating – Commonwealth funded		663,586	633,622
Operating – State funded		121,080	69,326
Capital – Commonwealth and state funded		52,480	51,265
<b>Total government funding</b>		<b>837,146</b>	<b>754,213</b>
Donations, bequests and sponsorships	4	89,696	303,538
Rendering of services		7,587	7,384
Sale of goods		30,304	25,335
Non-government grants		10,206	12,479
Investment revenue	5	7,090	9,859
Other income	6	24,408	23,153
Net gain on assets and investments	7	43,893	3,964
<b>Total revenue</b>		<b>1,050,330</b>	<b>1,139,925</b>
<b>EXPENDITURE</b>			
Employee expenditure	8	511,463	469,658
Operating expenditure	8	347,854	378,770
Cost of services, sale of goods and consumables	8	121,174	124,254
Depreciation and amortisation	8	92,897	101,929
Interest costs and transaction fees	8	10,958	15,048
Net loss on assets and investments	7	510	2,546
<b>Total expenditure</b>		<b>1,084,856</b>	<b>1,092,205</b>
<b>NET (DEFICIT)/SURPLUS FOR THE YEAR</b>		<b>(34,526)</b>	<b>47,720</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Actuarial gain/(loss) on retirement defined benefit obligations		1,398	(1,126)
Net gain/(loss) on equity instruments classified as Fair Value through other comprehensive income (FVOCI)		10,602	(3,436)
<b>Items that may be reclassified subsequently to profit or loss</b>			
Net gain/(loss) on debt instruments classified as FVOCI		2,139	(1,158)
<b>Other comprehensive income/(loss) for the year</b>		<b>14,139</b>	<b>(5,720)</b>
<b>TOTAL COMPREHENSIVE (DEFICIT)/SURPLUS FOR THE YEAR</b>		<b>(20,387)</b>	<b>42,000</b>

The above Statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes on pages 79-132. For divisional reporting refer to Note 3.

## Statement of financial position

As at 30 June 2021

	Notes	2021 \$'000	2020 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	22(a)	322,257	337,493
Trade and other receivables	9	14,068	22,570
Inventories	10	26,361	30,861
Other financial assets	11	198,605	145,076
Prepayments		13,059	14,187
Assets classified as held for sale		-	12,308
<b>Total current assets</b>		<b>574,350</b>	<b>562,495</b>
<b>Non-current assets</b>			
Property, plant and equipment	12	290,436	317,212
Intangible assets	13	33,055	32,237
Right-of-use assets	24	261,925	302,047
<b>Total non-current assets</b>		<b>585,416</b>	<b>651,496</b>
<b>TOTAL ASSETS</b>		<b>1,159,766</b>	<b>1,213,991</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	14	59,745	71,513
Borrowings	15	-	4,583
Provisions	16	131,206	142,163
Lease liabilities	24	31,218	35,479
Other liabilities	17	164,343	132,522
<b>Total current liabilities</b>		<b>386,512</b>	<b>386,260</b>
<b>Non-current liabilities</b>			
Provisions	16	17,253	15,675
Lease liabilities	24	255,789	290,244
Defined benefit superannuation plans	18	416	1,629
<b>Total non-current liabilities</b>		<b>273,458</b>	<b>307,548</b>
<b>TOTAL LIABILITIES</b>		<b>659,970</b>	<b>693,808</b>
<b>NET ASSETS</b>		<b>499,796</b>	<b>520,183</b>
<b>EQUITY</b>			
Reserves	19	137,932	120,133
Specific Purpose Funds	20	62,988	90,370
Accumulated funds	21	298,876	309,680
<b>TOTAL EQUITY</b>		<b>499,796</b>	<b>520,183</b>

The above Statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes on pages 79-132. For divisional reporting refer to Note 3.

## Statement of changes in equity

For the year ended 30 June 2021

	Accumulated funds	Specific purpose fund	Investment revaluation reserve	Special reserve	Capital reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>YEAR ENDED 30 JUNE 2020</b>						
Balance as at 1 July 2019	316,216	19,456	6,782	72,152	63,653	478,259
Net surplus for the year	47,720	-	-	-	-	47,720
Other comprehensive deficit for the year	(1,126)	-	(4,594)	-	-	(5,720)
Transfers (from)/to specific purpose funds	(70,914)	70,914	-	-	-	-
Transfers (from)/to other reserves	17,860	-	1,066	(1,346)	(17,580)	-
Transfer to income in advance - other adjustment	(76)	-	-	-	-	(76)
<b>Balance at 30 June 2020</b>	<b>309,680</b>	<b>90,370</b>	<b>3,254</b>	<b>70,806</b>	<b>46,073</b>	<b>520,183</b>
<b>YEAR ENDED 30 JUNE 2021</b>						
Balance as at 1 July 2020	309,680	90,370	3,254	70,806	46,073	520,183
Net deficit for the year	(34,526)	-	-	-	-	(34,526)
Other comprehensive surplus for the year	1,398	-	12,741	-	-	14,139
Transfers (from)/to specific purpose funds	27,382	(27,382)	-	-	-	-
Transfers (from)/to other reserves	(5,058)	-	(1,472)	(195)	6,725	-
<b>Balance at 30 June 2021</b>	<b>298,876</b>	<b>62,988</b>	<b>14,523</b>	<b>70,611</b>	<b>52,798</b>	<b>499,796</b>

The above Statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes on pages 79-132. For divisional reporting refer to Note 3.



## Statement of cash flows

For the year ended 30 June 2021

	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>		
Receipts from donors, government and other sources	1,076,900	1,187,893
Payments to suppliers and employees	(1,021,337)	(1,009,888)
Interest on borrowings and other costs of finance	(776)	(3,672)
Interest on lease liabilities	(10,181)	(11,376)
<b>Net cash provided by operating activities</b>	<b>44,606</b>	<b>162,957</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment and intangibles	(35,616)	(51,631)
Proceeds from disposal of property, plant and equipment	51,592	19,508
Payments for purchase of investment securities	(79,137)	(32,180)
Proceeds from sale of investment of securities	40,176	34,729
Dividends received	1,601	1,621
Interest received	3,443	6,235
<b>Net cash used in investing activities</b>	<b>(17,941)</b>	<b>(21,718)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(9,113)	(10,582)
Payment for principal portion of lease liabilities	(32,700)	(28,440)
<b>Net cash used in financing activities</b>	<b>(41,813)</b>	<b>(39,022)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND EQUIVALENTS</b>	<b>(15,148)</b>	<b>102,217</b>
Cash and cash equivalents at the beginning of the financial year	337,493	235,332
Effects of exchange rate changes on the balance of cash held in foreign currencies	(88)	(56)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>322,257</b>	<b>337,493</b>

The above Statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes on pages 79–132. For divisional reporting refer to Note 3.

The 2020 Cash flow from operating activities and Cash flow from financing activities from Lifeblood entity have been reclassified, resulting in consolidated:

- Increase in payments to suppliers and employees \$1,000.407 million to \$1,009.888 million
- Decrease in payments for principle portion of lease liabilities \$37.921 million to \$28.440 million
- Decrease in interest and other costs of finance paid \$4.371 million to \$3.672 million
- Increase in interest on lease liabilities \$10.677 million to \$11.376 million

## Notes to the financial statements

### 30 June 2021

#### **NOTE 1: PRINCIPAL ACTIVITIES AND REGISTERED OFFICE IN AUSTRALIA**

Australian Red Cross Society ('Society') undertakes a wide range of humanitarian activities to reduce vulnerability and improve lives in Australia and overseas.

Australian Red Cross Society is an organisation incorporated by Royal Charter and is a member of the International Federation of Red Cross and Red Crescent Societies. Australian Red Cross 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 and previously called Australian Red Cross Blood Service), providing quality blood products, tissues and related services for the benefit of the community.

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. 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 8,587 members support fundraising and advocacy efforts, while 15,951 volunteers assist us to deliver services to those most in need.

Lifeblood is domiciled in Australia, with its corporate office at 417 St Kilda Road, Melbourne, Victoria and operates in all States and Territories. The organisation operates four main processing and testing facilities plus a network of collection centres in metropolitan and regional areas across Australia, funded for this activity by the Commonwealth, State and Territory governments under a Deed of Agreement (the Deed) administered by the National Blood Authority (NBA). In the event that Lifeblood ceases to perform services under the Deed, the Deed-funded net assets of Lifeblood would be transferred to the NBA for no consideration.

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.

#### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Statement of compliance**

The financial report is a general-purpose financial report which 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.

Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS). Compliance with A-IFRS ensures that the financial statements and notes of the Society comply with International Financial Reporting Standards (IFRS), except for the requirements applicable to not-for-profit organisations.

The financial report of Australian Red Cross Society for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Board on 22 October 2021.

For the purpose of the financial report the entity is considered to be a not-for-profit entity.

##### **ACFID Compliance**

Australian Red Cross 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 on page 60 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. For further information on the code, please refer to [www.acfid.asn.au](http://www.acfid.asn.au)

## Notes to the financial statements

30 June 2021

### 2.1 Application of new and revised Accounting Standards and policies

#### Amendments to Australian Accounting Standards Board and interpretations that are mandatorily effective for the current year

In the current year, the Society has applied the following standards and amendments to the AASBs issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2020, and therefore relevant for the current year end.

- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia
- AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021 (1 April 2021)

The impact of the application of the above amendments and standard has been shown in the Financial Statements.

#### AASB 2020-4 Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions and AASB 2021-3 Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions beyond 30 June 2021

The Australian Accounting Standards Board issued AASB 2020-4 Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions (Amendment to AASB 16) on 15 June 2020. This Standard amends AASB 16 to provide a practical expedient that permits lessees not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications.

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

- 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
- Any reduction in lease payments affects only payments originally due on or before

30 June 2021 (a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021)

- There is no substantive change to other terms and conditions of the lease.

The amendment in AASB 2020-4 applies to annual reporting periods beginning on or after 1 June 2020 and applied to rent concessions affecting payments originally due on or before 30 June 2021. The amendment in AASB 2021-3 applies to annual reporting periods beginning on or after 1 April 2021 and extends the ambit of the practical expedient to include rent concessions affecting payments originally due on or before 30 June 2022.

In FY2020, the Society elected to apply AASB 2020-4 Amendments to Australian Accounting Standards – COVID-19 Related Rent Concessions prior to its mandatory application date.

In FY2021, the Society has elected to apply AASB 2021-3 amendments prior to its mandatory effective date.

The Society has elected to apply the practical expedient to all of the COVID-19 related rental concessions it has obtained as lessee. The amount totalling \$0.209 million (PY: \$0.757 million) was recognised in the profit or loss for the reporting period to reflect changes in lease payments that arose from rent concessions.

#### New standards adopted as at 1 July 2020

The society has not adopted any new accounting standards.

#### Other changes in accounting policies/interpretations during the year

##### Materiality

The definition of 'Material' in the Australian Accounting Standards has been amended in AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments clarify the definition of material in AASB 101 by introducing the concept of 'obscuring' material information, alongside the concepts of 'omitting' and 'misstating' information. Additionally, the threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The Society has adopted the new definition in preparing the financial statements.

## Notes to the financial statements

30 June 2021

### **Change in accounting policy – Software-as-a-Service arrangements**

During the year, the Society revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing SaaS (Software as a Service) arrangements in response to the IFRS Interpretations Committee (IFRIC) agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements.

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 (refer to note 2.3(l)). 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.

The Society has implemented this guidance as a change in accounting policy.

Historical financial information has not been restated and the impact of the change in accounting policy has been captured in the current year, refer to note 13.

### **Key judgements in applying this accounting policy**

#### **Software-as-a-Service (SaaS) arrangements**

The following describes Society's accounting policy in respect of customisation and configuration costs incurred in implementing SaaS arrangements. In applying Society's accounting policy, the following key judgements have the most significant impact on the amounts recognised in financial statements.

#### **Capitalisation of configuration and customisation costs in SaaS arrangements**

Part of the customisation and configuration activities undertaken in implementing SaaS arrangements may entail the development of software code that enhances or modifies, or creates additional capability to the existing on-

premise software to enable it to connect with the cloud-based software applications (referred to as bridging modules or APIs). Judgement was applied in determining whether the additional code meets the definition of and recognition criteria for an intangible asset under AASB 138 Intangible Assets. During the year, the Society did not have any new intangible assets in respect of customisation and configuration costs incurred in implementing SaaS arrangements.

#### **Determination whether configuration and customisation services are distinct from the SaaS access**

Costs incurred to configure or customise the cloud provider's application software are recognised as operating expenses when the services are received. In a contract where the cloud provider provides both the SaaS configuration and customisation, and the SaaS access over the contract term, the directors applied judgement to determine whether these services are distinct from each other or not, and therefore, whether the configuration and customisation costs incurred are expensed as the software is configured or customised (i.e. upfront), or over the SaaS contract term. All costs for customisation and configuration of SaaS arrangements could be separately identified from the access cost and were appropriately expensed.

During the year, the Society did not recognise any prepayments in respect of customisation and configuration activities undertaken in implementing SaaS arrangements.

#### **Retrospective restatement**

Historical financial information has not been restated to account for the impact of the change in accounting policy. All prior year costs have been included in the current period's results as the prior year adjustment is not considered material enough to warrant restatement.

The Society's accounting policy has historically been to capitalise all costs related to cloud computing arrangements as intangible assets in the Statement of Financial Position. However, on application of the agenda decision, there was \$5.062 million of net costs recognised as intangible assets as at 1 July 2020, which did not meet the recognition criteria and was derecognised in the June 2021 financial year. The impact is captured in the current year profit and loss (refer to note 13).



## Notes to the financial statements

30 June 2021

### 2.2 Standards and Interpretations issued not yet effective

At the date of authorisation of the financial statements, a number of Standards and Interpretations were in issue but not yet effective. The adoption of these Standards and Interpretations may have an impact on future financial reports. These are listed below.

Standard/Interpretation	Effective for annual reporting periods beginning on or 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 and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 January 2023	30 June 2024
AASB 2020-3 Amendments to Australian Accounting Standards –Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022	30 June 2023
AASB 2020-5 Amendments to Australian Accounting Standards – Onerous Contracts—Cost of Fulfilling a Contract	1 January 2022	30 June 2023
AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	1 July 2021	30 June 2022
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023	30 June 2024
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments	1 January 2022	30 June 2023

### 2.3 Basis of preparation

For the purposes of these financial statements, Australian Red Cross Society is a not-for-profit private sector organisation. These financial statements are general purpose financial statements Tier 2, which have been prepared in accordance with the Australian Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected financial assets and liabilities, including derivatives, for which the fair value basis of accounting has been applied. Historical cost is based on the fair values of the consideration given in exchange for assets.

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 at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Society takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable; and the significance of the inputs to the fair value measurement in its entirety.

## Notes to the financial statements

30 June 2021

These are described as follows:

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

The Society's financial statements are prepared by combining the financial statements of 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 3. Note 3 'Divisional Reporting' presents the Society's results and financial position split by Humanitarian Services and Lifeblood (divisions).

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.

All other notes are shown at an aggregated level except for Note 28 'Key Management Personnel'. 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.

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

### (a) Foreign currency

The functional and presentation currency of Australian Red Cross Society is Australian dollars (\$AUD).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at reporting date. All foreign currency differences in the financial report are taken to 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.

### (b) 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.

### (c) Goods and services tax

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

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

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

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 within operating cash flows.

### (d) Revenue

The Society recognises revenue under AASB 1058 or AASB 15 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.

## Notes to the financial statements

30 June 2021

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 based on input method. Red Cross 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 capitalisation criteria for costs incurred to fulfil a contract. The expenditure may not correlate to the timing of grant receipts.

### Output-based funding

Lifblood recognises income for the delivery of products to Approved Health Providers on an accrual basis, representing the right to receive contributions from the NBA. Under the Output Based Funding Principles, Lifblood can apply to retain up to \$5 million of any operating surplus for the purpose outlined in the Principles. If the annual surplus is more than \$5 million in any year, then the surplus funding over that amount will be returned to the NBA unless otherwise agreed between Lifblood and the NBA. Any excess funds to be returned are recorded as a liability within prepaid government funds.

### Capital funding

The arrangement with Lifblood 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 1.95% for the remaining two years. Capital funding is from State, Territory and Commonwealth governments and is recognised in accordance with AASB 1058 – Income of non-for-profit entities when Lifblood obtains controls of the grant 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. Amounts donated can be recognised as revenue only when the Society gains control, economic benefits are probable, and the amounts can be measured reliably.

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 we do 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.

### Volunteering Services

The Directors have decided not to recognise volunteer services within the financial statements, given the true value of these services is not reliably measurable 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, and are not reliably measured in financial terms.

## Notes to the financial statements

30 June 2021

### Revenue – donations for the Disaster Relief and Recovery Fund (DRR Fund)

All donations specifically identified by donors for the Disaster Relief and Recovery Fund (DRR Fund) and all single giving and corporate donations received by the Australian Red Cross from the 5th to the 17th of January 2020 were allocated to the DRR Fund.

The DRR Appeal was officially closed on the 30 June 2020. From 1st July 2020, the Society received \$14.7 million revenue for the DRR Fund that was pledged prior to 30th June 2020.

### (e) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on-hand; deposits held at call with financial institutions; and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### (f) 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:

#### Financial assets

Financial assets are recognised and derecognised on trade date where 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.

#### (i) 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 as 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 investment's 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 as at FVPL. Investments in hybrid instruments at FVPL are initially measured at fair value plus transaction costs.

#### (ii) 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.

The classification of financial assets for amortised cost under AASB 9 is as follows:

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

- the financial asset is held within a business model whose objective 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.

#### Loans and other 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'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest income is recognised by applying the effective interest rate.



## Notes to the financial statements

30 June 2021

### 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.

### 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.

A cumulative gain or loss that had 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.

### 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.

## Notes to the financial statements

### 30 June 2021

#### 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.

#### (g) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The Society measures inventories held for distribution at cost, adjusted when applicable for any loss of service potential. Initially, the cost of inventory is measured at current replacement cost where the consideration for those inventories is significantly less than fair value principally to enable the entity to further its objectives.

#### Retail inventory

Retail inventory is valued at cost. No value is assigned to donated goods based on the lower of cost and net realisable value principle. The donated goods which the Society receives are predominantly clothing.

#### Blood inventory

Inventories held for distribution display the following three essential characteristics:

- (i) There must be future economic benefits;
- (ii) The entity must have control over the future economic benefits; and
- (iii) The transaction giving rise to the entity's control over future economic benefit must have occurred.

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 distributes in Australia the supply of fractionated plasma products manufactured in Australia and imported finished product. Plasma-derived products are manufactured in Australia

by the fractionator, CSL Behring (Australia) Pty Ltd ('CSL'). 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.

Inventory at year end includes:

- (i) all fresh blood products and plasma for fractionation (not yet supplied to CSL) held at Lifeblood or at a Lifeblood storage facility; and
- (ii) all work in progress held at Lifeblood.

Consumable inventory has been valued 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 plus operating overheads.

#### (h) Trade receivables

Trade receivables, which generally have 30-day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

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.

#### (i) 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.

## Notes to the financial statements

30 June 2021

### (j) Property, plant and equipment

Property, plant and equipment are recorded at historical cost, less any subsequent accumulated depreciation and any impairment in value. Cost includes expenditure that is directly attributable to the item. 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 is provided on property, plant and equipment including leasehold buildings but excluding freehold land.

Depreciation is calculated on a straight-line basis so as to write-off the net cost of each asset (including leasehold buildings but excluding freehold land) over the shorter of its expected useful life or period of the lease, to its estimated residual value. The estimated useful life, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

	YEARS	%
Freehold buildings and renovations	5 - 40	2.5 - 20
Leasehold improvements	Shorter of lease period or useful life	
Shop fit-outs	Shorter of lease period or useful life	
Plant and equipment:		
- Motor vehicles	4 - 10	10 - 25
- Computer equipment	3 - 4	25 - 33.33
- Plant, furniture, fittings and equipment	5 - 10	10 - 20

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.

### (k) 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 flows 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

## Notes to the financial statements

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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.

### (l) Intangibles

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 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.

The following estimated useful lives are used in the calculation of amortisation:

	YEARS	%
Intangibles	4	25

Other intangible assets are stated at cost less accumulated amortisation and impairment losses. 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 capability to on-premises systems that the Society controls. Refer to note 2.1 and Note 13.

### (m) Borrowings

All borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (which are assets that necessarily take a substantial period of time to get ready for their intended use or sale) are initially recognised at cost against the borrowing.

All borrowings are initially recorded at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, borrowings are subsequently measured at amortised cost using effective interest rate method. Amortised cost is calculated by taking into account any issue cost and discount premium on settlement.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised, as well as through the amortisation process.

### (n) Payables

These 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.

### (o) Finance costs

Finance costs are recognised as an expense when incurred.

### (p) Leases

The Society assesses whether a contract is or contains a lease, at inception of the contract. The Society recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

#### Right-of-use assets

The right-of-use asset, representing the right to use the underlying asset, is measured at cost, which is made up of the initial measurement of the discounted lease liability and any lease payments made in advance of the lease commencement date (net of any lease incentives received and any initial direct costs). Make good asset cost provision is included in the right-of-use asset cost.

The Society depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Society also assesses the right-of-use asset for impairment when such indicators exist.

#### Lease Liabilities

At the commencement date, the Society recognises the lease liability as the financial obligation for future contractual lease payments.

The lease liability is measured at the present value of lease payments to be made over the remaining lease term, discounted using the 180-day bank bill swap rate as at 1 July 2019 (BBSW 1.235%) plus a 1.175% to 2.565% lease specific adjustment.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.



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At each reporting period, it is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments, which are to eventuate with reasonable certainty. The Society did not make any such adjustments during the periods presented.

In determining the lease term, the Society includes the non-cancellable period of the lease and the next available extension option, unless known otherwise.

The Society has applied the following practical expedients:

- apply a single discount rate to a portfolio of leases with similar characteristics
- exclude initial direct costs from the measurement of the right-of-use asset at initial application
- exclude low value assets and short-term leases

#### Short-term leases and leases of low-value assets

Lease payments on short-term leases and leases of low value assets are recognised as expenses on a straight-line basis over the lease term.

#### 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.

#### (q) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and long-service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. The liability for annual leave and long-service leave is recognised under provision for employee benefits. All other

short-term benefit obligations are presented as payables.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Society in respect of services provided by employees up to the reporting date. Expected future payments are discounted using corporate bond yields. Consideration is given to future wage and salary levels, experience of employee departures, periods of service and existence of a portability scheme in a state.

#### 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 the Local Government Superannuation Scheme ("LGSS") 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.

Defined benefit costs are categorised as follows:

- (i) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- (ii) Net interest expense or income; and
- (iii) Remeasurement.

## Notes to the financial statements

### 30 June 2021

#### 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.

#### 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 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 1.2% of wages for eligible employees in Queensland, Victoria and in the ACT respectively.

#### (r) Provisions

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. 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.

#### (s) Direct Relief distributed Grants

These 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 urgent home repairs. This also includes mid to long term support grants for people facing financial hardship or to rebuild their homes.

#### (t) Judgements, estimates and assumptions

In the application of the Society's accounting policies, management are required to make judgements, estimates and assumptions about carrying amounts 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. 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.

#### 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.

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## Notes to the financial statements

### 30 June 2021

All contracts with customers have been considered enforceable for the purpose of AASB15 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 AASB15 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.

#### **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**

Judgement is required in the estimate of remuneration compliance payments. Details are provided in Note 16 – Provisions.

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

#### **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 & 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.

#### **Direct Relief Grants provision**

In the application of the Society's accounting policies, management are required to make judgements, estimates and assumptions about the carrying amount of the Direct Relief Grants provision 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. There is a degree of uncertainty as to the amount of the pending applications that will be successful and paid.

This amount represents the expense provided relating to claims applications received by 30 June 2021 for additional support.

The expense is recognised when an applicant makes a claim that meets the relevant grant's requirements or at year end taking into account the probability of expected settlement having regard to the terms of the grant and the outcome of experience from prior reviews of applications.

#### **(u) Comparative amounts**

Certain comparative amounts in the financial statements have been reclassified or re-represented to conform to changes in presentation in the current financial year.

## Notes to the financial statements

30 June 2021

### NOTE 3: 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 group's accounting policies described in Note 2. Division surplus represents the surplus earned by each division. There is no allocation of central administration costs.

Interdivision transactions of \$0.004 million (PY: \$0.385 million) for the current financial year and for prior year primarily include rent paid by Lifeblood operating division to Humanitarian Services operating division.

Divisional statement of profit or loss and other comprehensive income	2021			2020		
	Humanitarian Services	Lifeblood	Society	Humanitarian Services	Lifeblood	Society
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>REVENUE</b>						
<b>Government funding</b>						
Operating – Commonwealth funded	74,055	589,531	663,586	61,065	572,557	633,622
Operating – State funded	89,274	31,806	121,080	39,612	29,714	69,326
Capital – Commonwealth and state funded	-	52,480	52,480	-	51,265	51,265
<b>Total government funding</b>	<b>163,329</b>	<b>673,817</b>	<b>837,146</b>	<b>100,677</b>	<b>653,536</b>	<b>754,213</b>
Donations, bequests and sponsorships	89,696	-	89,696	303,538	-	303,538
Rendering of services	7,587	-	7,587	7,384	-	7,384
Sale of goods	30,304	-	30,304	25,335	-	25,335
Non-government grant	10,206	-	10,206	12,479	-	12,479
Investment revenue	3,803	3,287	7,090	3,715	6,144	9,859
Other income	15,249	9,159	24,408	11,022	12,131	23,153
Gain on assets	43,893	-	43,893	3,964	-	3,964
<b>Total revenue</b>	<b>364,067</b>	<b>686,263</b>	<b>1,050,330</b>	<b>468,114</b>	<b>671,811</b>	<b>1,139,925</b>
<b>EXPENDITURE</b>						
Employee expenditure	157,923	353,540	511,463	134,467	335,191	469,658
Operating expenditure	186,554	161,300	347,854	227,544	151,226	378,770
Cost of services, sale of goods and consumables	4,039	117,135	121,174	3,996	120,258	124,254
Depreciation and amortisation	18,583	74,314	92,897	18,528	83,401	101,929
Interest costs and transaction fees	1,666	9,292	10,958	4,169	10,879	15,048
Loss on assets	-	510	510	-	2,546	2,546
<b>Total expenditure</b>	<b>368,765</b>	<b>716,091</b>	<b>1,084,856</b>	<b>388,704</b>	<b>703,501</b>	<b>1,092,205</b>
<b>NET (DEFICIT)/SURPLUS FOR THE YEAR</b>	<b>(4,698)</b>	<b>(29,828)</b>	<b>(34,526)</b>	<b>79,410</b>	<b>(31,690)</b>	<b>47,720</b>



**Notes to the financial statements**  
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Divisional statement of profit or loss and other comprehensive income (continued)	2021			2020		
	Humanitarian Services \$'000	Lifeblood \$'000	Society \$'000	Humanitarian Services \$'000	Lifeblood \$'000	Society \$'000
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items that will not be reclassified subsequently to profit or loss</b>						
Actuarial gain/(loss) on retirement benefit obligations	-	1,398	1,398	-	(1,126)	(1,126)
Net gain/(loss) arising on equity instruments classified as FVOCI	4,301	6,301	10,602	(925)	(2,511)	(3,436)
<b>Items that may be reclassified subsequently to profit or loss</b>						
Net gain/(loss) arising on debt instruments classified as FVOCI	157	1,982	2,139	(98)	(1,060)	(1,158)
<b>Other comprehensive income/(loss) for the year</b>	<b>4,458</b>	<b>9,681</b>	<b>14,139</b>	<b>(1,023)</b>	<b>(4,697)</b>	<b>(5,720)</b>
<b>TOTAL COMPREHENSIVE (DEFICIT)/SURPLUS FOR THE YEAR</b>	<b>(240)</b>	<b>(20,147)</b>	<b>(20,387)</b>	<b>(78,387)</b>	<b>(36,387)</b>	<b>(42,000)</b>

Notes to the financial statements  
30 June 2021

Divisional statement of financial position	2021			2020		
	Humanitarian Services	Lifefood	Society	Humanitarian Services	Lifefood	Society
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	137,030	185,227	322,257	168,772	168,721	337,493
Trade and other receivables	12,219	1,849	14,068	18,084	4,486	22,570
Inventories	573	25,788	26,361	499	30,362	30,861
Other financial assets	60,701	137,904	198,605	30,685	114,391	145,076
Prepayments	4,175	8,884	13,059	3,627	10,560	14,187
Assets classified as held for sale	-	-	-	12,308	-	12,308
<b>Total current assets</b>	<b>214,698</b>	<b>359,652</b>	<b>574,350</b>	<b>233,975</b>	<b>328,520</b>	<b>562,495</b>
<b>Non-current assets</b>						
Property, plant and equipment	35,931	254,505	290,436	36,690	280,522	317,212
Intangible assets	7,528	25,527	33,055	9,315	22,922	32,237
Right-of-use assets	24,650	237,275	261,925	33,454	268,593	302,047
<b>Total non-current assets</b>	<b>68,109</b>	<b>517,307</b>	<b>585,416</b>	<b>79,459</b>	<b>572,037</b>	<b>651,496</b>
<b>TOTAL ASSETS LIABILITIES</b>	<b>282,807</b>	<b>876,959</b>	<b>1,159,766</b>	<b>313,434</b>	<b>900,557</b>	<b>1,213,991</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables	14,209	45,536	59,745	17,961	53,552	71,513
Borrowings	-	-	-	-	4,583	4,583
Provisions	48,596	82,610	131,206	66,152	76,011	142,163
Lease liabilities	9,473	21,745	31,218	12,073	23,406	35,479
Other liabilities	1,545	162,798	164,343	1,772	130,750	132,522
<b>Total current liabilities</b>	<b>73,823</b>	<b>312,689</b>	<b>386,512</b>	<b>97,958</b>	<b>288,302</b>	<b>386,260</b>
<b>Non-current liabilities</b>						
Provisions	2,575	14,678	17,253	2,315	13,360	15,675
Lease liabilities	18,528	237,261	255,789	25,042	265,202	290,244
Defined benefit superannuation plans	-	416	416	-	1,629	1,629
<b>Total non-current liabilities</b>	<b>21,103</b>	<b>252,355</b>	<b>273,458</b>	<b>27,357</b>	<b>280,191</b>	<b>307,548</b>
<b>TOTAL LIABILITIES</b>	<b>94,926</b>	<b>565,044</b>	<b>659,970</b>	<b>125,315</b>	<b>568,493</b>	<b>693,808</b>
<b>NET ASSETS</b>	<b>187,881</b>	<b>311,915</b>	<b>499,796</b>	<b>188,119</b>	<b>332,064</b>	<b>520,183</b>
<b>EQUITY</b>						
Reserves	7,196	130,736	137,932	2,738	117,395	120,133
Specific purpose funds	62,988	-	62,988	90,370	-	90,370
Accumulated funds	117,697	181,179	298,876	95,011	214,669	309,680
<b>TOTAL EQUITY</b>	<b>187,881</b>	<b>311,915</b>	<b>499,796</b>	<b>188,119</b>	<b>332,064</b>	<b>520,183</b>

Notes to the financial statements  
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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	
<b>Year ended 30 June 2020</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance as at 1 July 2019</b>	86,593	19,456	3,761	229,623	72,152	63,653	3,021	478,259
Net surplus/(deficit) for the year	79,410	-	-	(31,690)	-	-	-	47,720
Transfers (from)/to specific purpose funds	(70,914)	70,914	-	-	-	-	-	-
Transfers (from)/to specific purpose funds - Other adjustments	(76)	-	-	-	-	-	-	(76)
Transfers to/(from) other reserves	-	-	-	17,860	(1,346)	(17,580)	1,066	-
Actuarial loss on retirement benefit obligations	-	-	-	(1,126)	-	-	-	(1,126)
Net gain/(loss) on revaluation of financial instruments	-	-	(1,023)	-	-	-	(3,571)	(4,594)
<b>BALANCE AS AT 30 JUNE 2020</b>	<b>95,013</b>	<b>90,370</b>	<b>2,738</b>	<b>214,667</b>	<b>70,806</b>	<b>46,073</b>	<b>516</b>	<b>520,183</b>
<b>Year ended 30 June 2021</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance as at 1 July 2020</b>	95,013	90,370	2,738	214,667	70,806	46,073	516	520,183
Net surplus/(deficit) for the year	(4,698)	-	-	(29,828)	-	-	-	(34,526)
Transfers (from)/to specific purpose funds	27,382	(27,382)	-	-	-	-	-	-
Transfers to/(from) other reserves	-	-	-	(5,058)	(195)	6,725	(1,472)	-
Actuarial gain on retirement benefit obligations	-	-	-	1,398	-	-	-	1,398
Net gain on revaluation of financial instruments	-	-	4,458	-	-	-	8,283	12,741
<b>BALANCE AS AT 30 JUNE 2021</b>	<b>117,697</b>	<b>62,988</b>	<b>7,196</b>	<b>181,179</b>	<b>70,611</b>	<b>52,798</b>	<b>7,327</b>	<b>499,796</b>

## Notes to the financial statements

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Divisional statement of cash flows	2021			2020		
	Humanitarian Services \$'000	Lifeblood \$'000	Society \$'000	Humanitarian Services \$'000	Lifeblood \$'000	Society \$'000
<b>Cash flows from operating activities</b>						
Receipts from donors, government and other sources	325,629	751,271	1,076,900	455,658	732,235	1,187,893
Payments to suppliers and employees	(365,621)	(655,716)	(1,021,337)	(330,877)	(679,011)	(1,009,888)
Interest on borrowings and other costs of finance	(619)	(157)	(776)	(2,973)	(699)	(3,672)
Interest on lease liabilities	(1,047)	(9,134)	(10,181)	(1,196)	(10,180)	(11,376)
<b>Net cash provided by/ (used in) operating activities</b>	<b>(41,658)</b>	<b>86,264</b>	<b>44,606</b>	<b>120,612</b>	<b>42,345</b>	<b>162,957</b>
<b>Cash flows from investing activities</b>						
Payments for property, plant and equipment and intangibles	(6,331)	(29,285)	(35,616)	(1,571)	(50,060)	(51,631)
Proceeds from disposal of property, plant and equipment	51,569	23	51,592	18,875	633	19,508
Payments for purchase of investment securities	(25,343)	(53,794)	(79,137)	(8,670)	(23,510)	(32,180)
Proceeds from sale of investment of securities	1,625	38,551	40,176	13,308	21,421	34,729
Dividends received	890	711	1,601	740	881	1,621
Interest received	864	2,579	3,443	972	5,263	6,235
<b>Net cash provided by/ (used in) investing activities</b>	<b>23,274</b>	<b>(41,215)</b>	<b>(17,941)</b>	<b>23,654</b>	<b>(45,372)</b>	<b>(21,718)</b>
<b>Cash flows from financing activities</b>						
Repayment of borrowings	-	(9,113)	(9,113)	-	(10,582)	(10,582)
Payment for principal portion of lease liabilities	(13,359)	(19,341)	(32,700)	(11,014)	(17,426)	(28,440)
<b>Net cash provided by/ (used in) financing activities</b>	<b>(13,359)</b>	<b>(28,454)</b>	<b>(41,813)</b>	<b>(11,014)</b>	<b>(28,008)</b>	<b>(39,022)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(31,743)</b>	<b>16,595</b>	<b>(15,148)</b>	<b>133,252</b>	<b>(31,035)</b>	<b>102,217</b>
Cash and cash equivalents at the beginning of the financial year	168,772	168,721	337,493	35,509	199,823	235,332
Effects of exchange rate changes on the balance of cash held in foreign currencies	1	(89)	(88)	11	(67)	(56)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>137,030</b>	<b>185,227</b>	<b>322,257</b>	<b>168,772</b>	<b>168,721</b>	<b>337,493</b>

The 2020 Cash flow from operating activities and Cash flow from financing activities from Lifeblood entity have been reclassified, resulting in:

- Increase in payments to suppliers and employees \$669.530 million to \$679.011 million
- Decrease in payments for principle portion of lease liabilities \$26.907 million to \$17.426 million
- Decrease in interest and other costs of finance paid \$1.398 million to \$0.699 million
- Increase in interest on lease liabilities \$9.481 million to \$10.180 million



## Notes to the financial statements

30 June 2021

### NOTE 4: DONATIONS, BEQUESTS AND SPONSORSHIPS

	2021 \$'000	2020 \$'000
<b>Donations and sponsorships</b>	57,762	61,139
<b>Bequests</b>	11,138	12,839
<b>Membership fundraising</b>	756	975
<b>Raffle tickets</b>	1,498	990
<b>Appeals – Domestic</b>		
Disaster Relief and Recovery Fund <sup>1</sup>	14,652	227,277
NSW Flood 2021 Appeal	2,864	-
<b>Appeals – International</b>		
Beirut Explosion Appeal	788	-
Syria Crisis Appeal	111	222
Myanmar Appeal	86	95
Vietnam Floods & Typhoons Appeal	41	-
Nepal Earthquake Appeal	-	1
<b>TOTAL DONATIONS, BEQUESTS AND SPONSORSHIPS</b>	<b>89,696</b>	<b>303,538</b>

1. Refer to Note 33 for more details

### NOTE 5: INVESTMENT REVENUE

	2021 \$'000	2020 \$'000
Interest revenue – bank deposits	2,656	5,461
Interest revenue – Investments FVOCI & FVPL	711	775
Dividends from other entities and imputation credit	1,770	1,788
Other income	1,953	1,835
<b>TOTAL INVESTMENT REVENUE</b>	<b>7,090</b>	<b>9,859</b>

### NOTE 6: OTHER INCOME

	2021 \$'000	2020 \$'000
Other income <sup>1</sup>	9,157	12,131
Jobkeeper Wage Subsidy <sup>2</sup>	14,843	10,265
COVID 19 Rent Abatements <sup>3</sup>	209	757
Insurance proceeds	199	-
<b>TOTAL OTHER INCOME</b>	<b>24,408</b>	<b>23,153</b>

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

2. On 30 March 2020, the Federal Government announced the “JobKeeper” program, a wage subsidy to help businesses keep staff employed during the COVID situation. From 30 March 2020 to 31 Dec 2020, the subsidy of AUD1,500 per fortnight, per eligible employee, was available. Red Cross was eligible from March to September and opted to only claim for those employees not working on fully funded government programs. Red Cross was not eligible and did not claim Jobkeeper for the Oct-Dec quarter.

From 1 January 2021 to 28 March 2021, the subsidy was reduced to a fortnightly payment of \$1,000 per eligible Tier 1 employee or \$650 per eligible Tier 2 employee. Red Cross was eligible and again opted to only claim for those employees not working on fully funded government programs.

The subsidy ended on 28th March 2021 and has mitigated the decline in revenue from closing retail stores, first aid courses and face to face fundraising activities as well as fee for service programs that could no longer be run in their pre COVID form.

The Society was eligible to receive the Commonwealth Government JobKeeper Wage Subsidy due to projected GST turnover (excluding government grants) declining by greater than 15% for the turnover test period as compared to the relevant comparison period in the prior year.

3. 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, these concessions were not contract modifications, but were variable lease payments arising from the existing contract.

## Notes to the financial statements

30 June 2021

### NOTE 7: GAINS AND (LOSSES)

	2021 \$'000	2020 \$'000
Net gain on disposal of property, plant and equipment <sup>1</sup>	41,694	1,948
Impairment of property, plant and equipment	(179)	-
(Loss)/Gain on disposal of investments	(160)	559
Impairment on Financial assets FVOCI	-	(109)
Foreign exchange loss	(80)	(134)
Unrealised Gain/(Loss) in investments	2,108	(846)
<b>TOTAL NET GAINS <sup>2</sup></b>	<b>43,383</b>	<b>1,418</b>

1. The gain on disposal of property, plant and equipment mainly relates to the sale of Carlton/Bouverie Street property and the Pirie Street property.

2. The total of \$43.383 million includes total gains of \$43.893 million and total losses of \$0.510 million.

### NOTE 8: EXPENDITURE

	2021 \$'000	2020 \$'000
<b>Employee expenditure</b>		
Wages and salaries	467,647	429,113
<b>Post-employment benefits</b>		
Defined benefit plans	185	(11)
Defined contribution plans	40,867	38,114
Termination benefits	2,764	2,442
<b>TOTAL EMPLOYEE EXPENDITURE</b>	<b>511,463</b>	<b>469,658</b>
<b>Operating expenditure</b>		
Lease rental expenditure – minimum lease payments	5,026	4,824
Increase in inventory	6,858	1,499
Impairment of trade receivables	16	4
<b>Other expenditure</b>		
Other operational costs <sup>1</sup>	93,550	97,477
Buildings and facilities expense	31,219	33,055
Client support costs <sup>2</sup>	111,032	164,954
Contribution to other partner societies	18,728	11,161
Partner and call centre expense	14,180	11,623
Telecommunication costs	38,903	28,341
Telemarketing and advertising	15,027	14,458
Travel and accommodation	2,636	7,133
Worker compensation costs	5,617	4,241
Software-as-a-Service expenditure (new SaaS accounting policy) <sup>3</sup>	5,062	-
<b>TOTAL OPERATING EXPENDITURE</b>	<b>347,854</b>	<b>378,770</b>

## Notes to the financial statements

30 June 2021

### NOTE 8: EXPENDITURE (continued)

	2021 \$'000	2020 \$'000
<b>Cost of services, sale of goods and consumables</b>		
Cost of sales	2,484	3,064
Cost of rendering training services	1,555	932
Consumables	117,135	120,258
<b>TOTAL COST OF SERVICES, SALE OF GOODS AND CONSUMABLES</b>	<b>121,174</b>	<b>124,254</b>
<b>Depreciation of property, plant and equipment and amortisation of intangibles</b>		
Depreciation of property, plant and equipment	43,059	48,991
Amortisation of intangibles	11,069	15,239
Amortisation of right-of-use assets	38,769	37,699
<b>TOTAL DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT AND AMORTISATION OF INTANGIBLES</b>	<b>92,897</b>	<b>101,929</b>
<b>Interest costs and transaction fees</b>		
Transaction fees	1,128	4,371
Interest on leases	9,830	10,677
<b>TOTAL INTEREST AND DEBT SERVICING COSTS</b>	<b>10,958</b>	<b>15,048</b>

1. The other operational costs includes professional fees, software and equipment costs, freight costs amongst other costs.
2. This includes the Disaster, Relief and Recovery payments to bushfire victims (See note 33 for more detail). The client support costs noted above, includes \$48.392 million (FY20 \$118.658 million) for the payments in relation to the Disaster Relief and Recovery Fund and \$0.557 million (FY20 \$33.867 million) for the provision for application claims for the DRR Fund.
3. Refer to Note 2 for more details.

### NOTE 9: TRADE AND OTHER RECEIVABLES

	2021 \$'000	2020 \$'000
Trade receivables	5,580	6,594
Allowance for doubtful debts	(22)	(99)
<b>Total trade receivables</b>	<b>5,558</b>	<b>6,495</b>
Other receivables <sup>1</sup>	7,868	16,075
Goods and services tax receivable	642	-
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>	<b>14,068</b>	<b>22,570</b>

1. Other receivables relate to bequest income recognised but not yet received where the bequest has passed probate, recoveries of costs for delegates on mission, and recoveries of costs incurred in our domestic humanitarian work.
- \* Trade receivables are non-interest bearing and are generally on 30 day terms. Where debts are assessed to be non-recoverable, these are written off.

## Notes to the financial statements

30 June 2021

### NOTE 9: TRADE AND OTHER RECEIVABLES (continued)

	2021 \$'000	2020 \$'000
<b>Aging of trade receivables</b>		
0-30 days	710	2,790
30-60 days	244	377
60-90 days	96	85
90-120 days	47	117
120+ days	258	166
<b>TOTAL OF AGED TRADE RECEIVABLES</b>	<b>1,355</b>	<b>3,535</b>
<b>Movement in the allowance for doubtful debts</b>		
<b>Opening balance 1 July</b>	99	89
Impairment losses recognised on receivables	16	23
Amounts written off as uncollectible	(93)	(13)
<b>CLOSING BALANCE 30 JUNE</b>	<b>22</b>	<b>99</b>
<b>Aging of impaired trade receivables</b>		
0-30 days	8	32
30-60 days	4	22
60-90 days	3	10
90-120 days	2	5
120+ days	5	30
<b>TOTAL IMPAIRED TRADE RECEIVABLES</b>	<b>22</b>	<b>99</b>

### NOTE 10: INVENTORIES

	2021 \$'000	2020 \$'000
Consumables inventory	20,483	18,166
Finished goods	4,798	11,656
Work in progress	1,080	1,039
<b>TOTAL INVENTORIES</b>	<b>26,361</b>	<b>30,861</b>



## Notes to the financial statements

30 June 2021

### NOTE 11: OTHER FINANCIAL ASSETS

	2021 \$'000	2020 \$'000
<b>Fair Value through Other Comprehensive Income (FVOCI)</b>		
<b>Shares – Listed</b>	<b>58,947</b>	<b>37,379</b>
<b>Bonds</b>		
Listed Bonds	9,930	3,806
Unlisted bonds	104,266	94,515
<b>Total Fair value through Other Comprehensive Income (FVOCI) assets</b>	<b>173,143</b>	<b>135,700</b>
<b>Fair Value through Profit &amp; Loss (FVPL)</b>		
<b>Managed Funds</b>		
Listed managed funds	9	-
Unlisted managed funds	19,381	7,052
<b>Hybrid Bonds – Listed</b>	<b>6,072</b>	<b>2,324</b>
<b>Total Fair value through Profit or Loss (FVPL) assets</b>	<b>25,462</b>	<b>9,376</b>
<b>Total Fair value through Profit &amp; Loss (FVPL) and Fair Value through Other Comprehensive Income (FVOCI) assets</b>	<b>198,605</b>	<b>145,076</b>
<b>TOTAL CURRENT OTHER FINANCIAL ASSETS</b>	<b>198,605</b>	<b>145,076</b>

#### 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 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>YEAR ENDED 30 JUNE 2021</b>				
<b>Financial assets FVOCI &amp; FVPL</b>				
Bonds	9,930	110,338	-	120,268
Shares	58,947	-	-	58,947
Managed funds	9	19,381	-	19,390
<b>TOTAL CURRENT OTHER FINANCIAL ASSETS</b>	<b>68,886</b>	<b>129,719</b>	<b>-</b>	<b>198,605</b>

Notes to the financial statements  
30 June 2021

NOTE 11: OTHER FINANCIAL ASSETS (continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>YEAR ENDED 30 JUNE 2020</b>				
<b>Financial assets FVOCI &amp; FVPL</b>				
Bonds	6,130	94,515	-	100,645
Shares	37,379	-	-	37,379
Managed funds	-	7,052	-	7,052
<b>FINANCIAL ASSETS AT AMORTISED COSTS</b>				
<b>TOTAL CURRENT OTHER FINANCIAL ASSETS</b>	<b>43,509</b>	<b>101,567</b>	<b>-</b>	<b>145,076</b>

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

(a) CARRYING AMOUNTS

	Land, buildings and renovations \$'000	Shop fit-outs \$'000	Plant and equipment \$'000	Work in progress \$'000	Total \$'000
<b>YEAR ENDED 30 JUNE 2021</b>					
<b>Gross carrying amount</b>					
Balance as at 30 June 2020	382,097	5,311	297,500	13,047	697,955
Balance as at 30 June 2021	381,914	5,209	297,983	13,843	698,949
<b>Accumulated depreciation</b>					
Balance as at 30 June 2020	(169,985)	(4,582)	(206,176)	-	(380,743)
Balance as at 30 June 2021	(185,713)	(4,629)	(218,171)	-	(408,513)
<b>NET BOOK VALUE AS AT 30 JUNE 2020</b>	<b>212,112</b>	<b>729</b>	<b>91,324</b>	<b>13,047</b>	<b>317,212</b>
<b>NET BOOK VALUE AS AT 30 JUNE 2021</b>	<b>196,201</b>	<b>580</b>	<b>79,812</b>	<b>13,843</b>	<b>290,436</b>

(b) MOVEMENTS

<b>YEAR ENDED 30 JUNE 2020</b>					
<b>Gross carrying amount</b>					
Balance as at 1 July	387,742	5,065	288,267	26,598	707,672
Reclassification to ROU Asset	(8,987)	-	-	-	(8,987)
Additions	-	-	-	42,766	42,766
Disposals	(11,344)	(90)	(32,062)	-	(43,496)
Transfers to/(from) work in progress	14,686	336	41,295	(56,317)	-
<b>Balance at 30 June 2020</b>	<b>382,097</b>	<b>5,311</b>	<b>297,500</b>	<b>13,047</b>	<b>697,955</b>
<b>Accumulated depreciation</b>					
Balance as at 1 July	(159,657)	(4,257)	(208,110)	-	(372,024)
Reclassification to ROU Asset	7,056	-	-	-	7,056
Depreciation expense	(21,629)	(414)	(26,947)	-	(48,990)
Disposals	4,245	89	28,881	-	33,215
<b>Balance as at 30 June 2020</b>	<b>(169,985)</b>	<b>(4,582)</b>	<b>(206,176)</b>	<b>-</b>	<b>(380,743)</b>
<b>NET BOOK VALUE AS AT 30 JUNE 2020</b>	<b>212,112</b>	<b>729</b>	<b>91,324</b>	<b>13,047</b>	<b>317,212</b>

Notes to the financial statements  
30 June 2021

NOTE 12: PROPERTY, PLANT AND EQUIPMENT (continued)  
(b) MOVEMENTS (continued)

	Land, buildings and renovations \$'000	Shop fit-outs \$'000	Plant and equipment \$'000	Work in progress \$'000	Total \$'000
<b>YEAR ENDED 30 JUNE 2021</b>					
Balance as at 1 July	382,097	5,311	297,500	13,047	697,955
Transfer from Assets classified as held for sale	15,136	-	-	-	15,136
Classification transfer	(9)	-	9	-	-
Additions	(548)	-	-	19,585	19,037
Disposals	(3,986)	(384)	(13,115)	-	(17,485)
Disposals Asset Held for Sale	(15,136)	-	-	-	(15,136)
Transfers to/(from) work in progress	4,360	282	13,768	(18,410)	-
Impairment loss of property, plant and equipment	-	-	(179)	-	(179)
Transfers to / (from) work in progress (Intangibles)	-	-	-	(379)	(379)
<b>Balance as at 30 June 2021</b>	<b>381,914</b>	<b>5,209</b>	<b>297,983</b>	<b>13,843</b>	<b>698,949</b>
<b>Accumulated depreciation</b>					
Balance as at 1 July	(169,985)	(4,582)	(206,176)	-	(380,743)
Transfer from asset held for sale	(2,828)	-	-	-	(2,828)
Depreciation expense	(18,033)	(426)	(24,600)	-	(43,059)
Disposals	2,305	379	12,605	-	15,289
Disposals Asset Held for Sale	2,828	-	-	-	2,828
<b>Balance as at 30 June 2021</b>	<b>(185,713)</b>	<b>(4,629)</b>	<b>(218,171)</b>	<b>-</b>	<b>(408,513)</b>
<b>NET BOOK VALUE AS AT 30 JUNE 2021</b>	<b>196,201</b>	<b>580</b>	<b>79,812</b>	<b>13,843</b>	<b>290,436</b>

In 2021, assets classified as held for sale (\$12,308 million) include properties in Carlton (Victoria) and Adelaide (South Australia) were settled in September 2020 and May 2021 respectively.

## Notes to the financial statements

30 June 2021

### NOTE 13: INTANGIBLE ASSETS

	2021 \$'000	2020 \$'000
<b>Carrying amounts of</b>		
Software	24,751	26,284
Work in progress	8,304	5,953
<b>TOTAL INTANGIBLE ASSETS</b>	<b>33,055</b>	<b>32,237</b>

In April 2021, the International Financial Reporting Standards Interpretations Committee (IFRIC) issued a final agenda decision, discussing whether configuration or customisation expenditure relating to cloud computing arrangements can be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

The Society's accounting policy has historically been to capitalise all costs related to cloud computing arrangements as intangible assets in the Statement of Financial Position. However, on application of the agenda decision, there was \$5.062 million of net costs recognised as intangible assets as at 1 July 2020, which did not meet the recognition criteria and was derecognised in the June 2021 financial year. The impact is captured in the current year profit and loss.

	Software \$'000	Work in progress \$'000	Total \$'000
<b>YEAR ENDED 30 JUNE 2020</b>			
<b>Gross carrying amount</b>			
Balance at 1 July 2019	111,564	4,136	115,700
Additions to work in progress	-	8,263	8,263
Transfers to/(from) work in progress	6,446	(6,446)	-
<b>Balance as at 30 June 2020</b>	<b>118,010</b>	<b>5,953</b>	<b>123,963</b>
<b>Accumulated amortisation</b>			
Balance at 1 July 2019	(76,486)	-	(76,486)
Amortisation expense	(15,240)	-	(15,240)
<b>Balance as at 30 June 2020</b>	<b>(91,726)</b>	<b>-</b>	<b>(91,726)</b>
<b>NET BOOK VALUE AS AT 30 JUNE 2020</b>	<b>26,284</b>	<b>5,953</b>	<b>32,237</b>



## Notes to the financial statements

30 June 2021

### NOTE 13: INTANGIBLE ASSETS (continued)

	Software \$'000	Work in progress \$'000	Total \$'000
<b>YEAR ENDED 30 JUNE 2021</b>			
<b>Gross carrying amount</b>			
Balance at 1 July 2020	118,010	5,953	123,963
Additions to work in progress	-	16,570	16,570
Transfers to/(from) work in progress	14,549	(14,549)	-
SaaS accounting policy adjustment	(10,576)	(49)	(10,625)
Transfers to / (from) work in progress (PPE)	-	379	379
<b>Balance as at 30 June 2021</b>	<b>121,983</b>	<b>8,304</b>	<b>130,287</b>
<b>Accumulated amortisation</b>			
Balance at 1 July 2020	(91,726)	-	(91,726)
Amortisation expense	(11,069)	-	(11,069)
SaaS accounting policy adjustment	5,563	-	5,563
<b>Balance as at 30 June 2021</b>	<b>(97,232)</b>	<b>-</b>	<b>(97,232)</b>
<b>NET BOOK VALUE AS AT 30 JUNE 2021</b>	<b>24,751</b>	<b>8,304</b>	<b>33,055</b>

### NOTE 14: TRADE AND OTHER PAYABLES

	2021 \$'000	2020 \$'000
<b>Current</b>		
Trade payables	42,763	50,538
Accruals and other payables	16,427	20,070
Goods and service tax payable	555	905
<b>TOTAL TRADE AND OTHER PAYABLES</b>	<b>59,745</b>	<b>71,513</b>

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.

## Notes to the financial statements

30 June 2021

### NOTE 15: BORROWINGS

	2021 \$'000	2020 \$'000
<b>Current – secured</b>		
Bank loans	-	4,583
<b>Total borrowings</b>	<b>-</b>	<b>4,583</b>
<b>Disclosed in the financial statements as:</b>		
Current borrowings	-	4,583
<b>TOTAL BORROWINGS</b>	<b>-</b>	<b>4,583</b>

#### Leased assets pledged as security for lease liabilities

The total current and non-current lease liabilities, which are effectively secured as the rights to the leased assets, are recognised in the financial statements and revert to the lessor in the event of default.

#### Financing facilities

	2021 \$'000	2020 \$'000
<b>Unsecured bank overdraft facility</b>		
amount used	-	-
amount unused	8,000	8,000
<b>TOTAL</b>	<b>8,000</b>	<b>8,000</b>
<b>Secured bank loan facility <sup>1</sup></b>		
amount used	-	4,583
<b>TOTAL</b>	<b>-</b>	<b>4,583</b>
<b>Credit card facility</b>		
amount used	241	1,201
amount unused	1,259	1,449
<b>TOTAL</b>	<b>1,500</b>	<b>2,650</b>

The Society is not in default of the financing facilities.

- In 2011, the Society had entered into a 10-year loan agreement for the value of \$47.500 million to partially fund the building works of the Sydney Processing Centre in Alexandria. The loan is secured by a fixed charge on the building works and equipment (including fixtures and fittings) and a charge over the Deed of Indemnity between the Society and the NBA. Lifeblood receives special grant funding to cover the loan repayments under this arrangement. The weighted average effective interest rate was 8.63%. As at 30 June 2021, the residual balance of this loan was nil (2020: \$4.583 million), with the loan paid off in February 2021.

Notes to the financial statements  
30 June 2021

**NOTE 16: PROVISIONS**

	2021 \$'000	2020 \$'000
<b>Current</b>		
Employee benefits <sup>1</sup>	97,837	88,116
Remuneration review <sup>2</sup>	27,666	17,095
Site restoration	1,781	2,330
Direct Relief Grants provision <sup>4</sup>	557	33,867
Legal claims <sup>3</sup>	3,365	755
<b>Non-current</b>		
Employee benefits <sup>1</sup>	10,546	8,883
Site restoration	6,707	6,792
<b>TOTAL PROVISIONS</b>	<b>148,459</b>	<b>157,838</b>
<b>Disclosed in the financial statements as:</b>		
Current provisions	131,206	142,163
Non-current provisions	17,253	15,675
<b>TOTAL PROVISIONS</b>	<b>148,459</b>	<b>157,838</b>

**(a) Movements in employee benefits provisions**

	2021 \$'000	2020 \$'000
<b>Movements in employee benefits provision</b>		
Opening balance 1 July	96,999	87,037
Provision recognised during the year	11,384	9,962
<b>CLOSING BALANCE 30 JUNE</b>	<b>108,383</b>	<b>96,999</b>
<b>Movements in remuneration review provision</b>		
Opening balance 1 July	17,095	19,313
Payment made during the year	-	(291)
Provision recognised during the year	10,571	(1,927)
<b>CLOSING BALANCE 30 JUNE</b>	<b>27,666</b>	<b>17,095</b>
<b>Movements in site restoration provision</b>		
Opening balance 1 July	9,122	8,990
Provision (utilised)/recognised during the year	(634)	132
<b>CLOSING BALANCE 30 JUNE</b>	<b>8,488</b>	<b>9,122</b>

Notes to the financial statements  
30 June 2021

**NOTE 16: PROVISIONS (continued)**

**(a) Movements in employee benefits provisions (continued)**

	2021 \$'000	2020 \$'000
<b>Movements in legal claims provision</b>		
Opening balance 1 July	755	150
Provision recognised during the year	2,610	605
<b>CLOSING BALANCE 30 JUNE</b>	<b>3,365</b>	<b>755</b>
<b>Movements in Direct Relief Grants provision</b>		
Opening balance 1 July	33,867	-
Provision (utilised)/recognised during the year	(33,310)	33,867
<b>CLOSING BALANCE 30 JUNE</b>	<b>557</b>	<b>33,867</b>

1. The employee benefits provision contains provisions for annual leave, long service leave and rostered days off and other employee entitlements. Annual leave provision and Roster day off (RDO) provision have only current portions of \$41.280 million and \$0.137 million approximately. Long service leave provision has a current portion of \$56.353 million and non-current portion of \$10.546 million.
2. The provision for Remuneration Review is a provision for the Humanitarian Division's estimate of employee underpayments for some 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 Red Cross. 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 being underpaid over a number of years. This issue affects a number of current and former employees. The provision is for back paying employees to correct this issue. In December 2018, the majority of the then current employees were paid a proportion of the then identifiable amount of back pay. There were further payments made to some of the then current employees in Nov 2019 and April 2020. The majority of the remaining provision relates to ex-employees whose back payments are still being reviewed. As at 30 June 2021, the provision is revised to \$27.666 million, which now includes a provision for payments of overtime, penalties and other allowances. This was following the determination of assumptions and estimates, relating to these matters. As part of the assumption and in line with AASB 137 this provision does not include costs that will be incurred post 30 June 2021 associated with the anticipated signing of an Enforceable Undertaking with Fair Work or the project team and consultant costs associated with completing the anticipated remediation payments.
3. This relates to provision for legal claims. Since 1924, Red Cross has managed a number of respite care homes for children. Most of these closed before 1970. The Society is a participating institution in the National Redress Scheme. The National Redress Scheme helps people who have experienced child sexual abuse at one of our homes gain access to counselling services, a direct personal response, and a monetary payment. The Society also respond to claims directly and has its own process for investigating and responding to complaints in a caring, compassionate and prompt way. Where appropriate, a provision has been recognised for direct and Redress Scheme claims.
4. The Direct Relief Grants provision is a provision for applications made for bushfire grants from the Disaster Relief and Recovery Fund of \$0.557 million. This amount represents the expense provided relating to claims applications received by 30 June 2021 for additional support. The expense is recognised when an applicant makes a claim that meets the relevant grant's requirements or at year end taking into account the probability of expected settlement having regard to the terms of the grant and the outcome of experience from prior reviews of applications.



**Notes to the financial statements**  
30 June 2021

**NOTE 17: OTHER LIABILITIES**

	2021 \$'000	2020 \$'000
<b>Current</b>		
Government grants refundable <sup>1</sup>	62,077	32,790
Revenue in advance <sup>2</sup>	102,266	99,732
<b>Non-current</b>		
<b>TOTAL OTHER LIABILITIES</b>	<b>164,343</b>	<b>132,522</b>
<b>Disclosed in the financial statements as</b>		
Current other liabilities	164,343	132,522
Non-current other liabilities	-	-
<b>TOTAL OTHER LIABILITIES</b>	<b>164,343</b>	<b>132,522</b>

- Lifeblood government grants refundable of \$61.211 million relates to the expected return of funds to the National Blood Authority (NBA) for surpluses in the reported period for Lifeblood. Humanitarian Services grants refundable of \$0.866 million relates to contracts ending in FY2021 with no possibility of extension or alternate use of funding.
- Revenue in advance includes:
  - \$96.847 million output funding net cash prepayment relates to government grant funding received in advance from NBA for product and services to be supplied in July 2021.
  - \$0.680 million deferred income in Humanitarian services.

**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:

- Local Government Super (NSW); and
- Australian Red Cross Queensland Staff Retirement Fund (QLD).

All contributions are expensed when incurred.

Local Government Super (NSW): Local Government 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 Local Government Superannuation 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 Local Government Superannuation Scheme (known as Local Government Super). Local Government 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.

## Notes to the financial statements

30 June 2021

### NOTE 18: DEFINED BENEFIT SUPERANNUATION PLANS (continued)

The plans in Australia typically expose the Australian Red Cross 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.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at 30 June 2021 by:

- Mr Jeff Humphries, Principal, CHR Consulting Pty Ltd for Australian Red Cross Queensland Staff Retirement Fund (QLD)
- Mr Richard Boyfield, Partner, Representative of Mercer Consulting (Australia) Pty Ltd for Local Government 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.

### (a) Principal actuarial assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2021 %	2020 %
Discount rate	2.50	2.50
Expected rate of salary increase	2.00	2.50
Anticipated rate of return on plan assets	5.80	5.80

Notes to the financial statements  
30 June 2021

**NOTE 18: DEFINED BENEFIT SUPERANNUATION PLANS (continued)**

**(b) Amounts recognised in the statement of profit and loss and other comprehensive income**

	2021 \$'000	2020 \$'000
<b>Service cost</b>		
Current service cost	502	535
Employer contributions	(325)	(524)
Member contributions	(30)	(30)
Net interest cost	38	8
<b>Components of defined benefit cost recognised in surplus/(deficit)</b>	<b>185</b>	<b>(11)</b>
<b>Remeasurement on the net defined benefit liability:</b>		
Return on plan assets (excluding amounts included in net interest expense)	(2,502)	557
Actuarial (gain)/loss arising from changes in financial assumptions	(128)	289
Actuarial loss arising from experience adjustment	1,232	280
<b>Components of defined benefit (gain)/loss recognised in other comprehensive income</b>	<b>(1,398)</b>	<b>1,126</b>
<b>TOTAL DEFINED BENEFIT (GAIN)/LOSS</b>	<b>(1,213)</b>	<b>1,115</b>

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.

**(c) Amounts recognised in the statement of financial position**

	Notes	2021 \$'000	2020 \$'000
Present value of funded defined benefit plan obligation (d)	18 (d)	21,355	20,263
Fair value of defined benefit plan assets (e)	18 (e)	(20,939)	(18,634)
<b>NET LIABILITY ARISING FROM DEFINED BENEFIT PLAN OBLIGATION</b>		<b>416</b>	<b>1,629</b>

## Notes to the financial statements

30 June 2021

### NOTE 18: DEFINED BENEFIT SUPERANNUATION PLANS (continued)

#### (d) Reconciliation of movement in the present value of the defined benefit plan obligation

	2021 \$'000	2020 \$'000
<b>Balance at beginning of the year</b>	20,263	20,151
Current service cost	502	535
Interest on obligation	487	516
<b>Remeasurement (gains)/losses</b>		
Actuarial (gain)/loss arising from changes in financial assumptions	(128)	289
Actuarial loss arising from experience adjustments	1,232	280
Benefits paid (including expenses and taxes)	(907)	(1,407)
Other	(94)	(101)
<b>BALANCE AT END OF THE YEAR</b>	<b>21,355</b>	<b>20,263</b>

#### (e) Reconciliation of movement in the fair value of plan assets

	2021 \$'000	2020 \$'000
<b>Balance at beginning of the year</b>	18,634	19,637
Interest income	449	508
<b>Remeasurement</b>		
Return on plan assets (excluding amounts included in net interest expense)	2,502	(557)
Contributions by the employer	325	524
Contributions by plan participants	30	30
Benefits paid	(907)	(1,407)
Other	(94)	(101)
<b>BALANCE AT END OF THE YEAR</b>	<b>20,939</b>	<b>18,634</b>
<b>The fair value of the plan assets at the end of the reporting period for each category, are as follows</b>		
Australian equities	5,423	4,416
International equities	5,465	4,864
Australian fixed interest	3,810	3,541
International fixed interest	398	410
Property	2,178	2,068
Cash	1,801	1,304
Other	1,864	2,031
<b>TOTAL FAIR VALUE OF THE PLAN ASSETS</b>	<b>20,939</b>	<b>18,634</b>



**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 \$0.816 million (2020: \$0.762 million).
- If the expected salary growth increases / (decreases) by 50 basis points, the defined benefit obligation would increase / (decrease) by \$0.353 million (2020: \$0.356 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**

Local Government Super's funding arrangements are assessed at least every three years following the release of the triennial actuarial review.

Following completion of the last review as at 30 June 2018, Lifeblood operating division had sufficient assets to cover its liabilities, and no adjustments to funding have occurred. The next triennial valuation as at 30 June 2021 will occur over the next 6 months, with final reports to be issued in December 2021. The Society 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 2021 is 8.62 years (2020: 9.53 years). This number can be analysed as follows:

- Active members: 8.01 years (2020: 8.86 years);
- Retired members: 9.35 years (2020: 8.69 years)

The Society expects to make a contribution of \$0.350 million (2020: \$0.380 million) to the defined benefit plans during the next financial year.

## Notes to the financial statements

30 June 2021

### NOTE 18: DEFINED BENEFIT SUPERANNUATION PLANS (continued)

#### (i) Historic summary

	2021 \$'000	2020 \$'000
Defined benefit plan obligations	21,355	20,263
Less plan assets	(20,939)	(18,634)
<b>Deficit</b>	<b>416</b>	<b>1,629</b>
<b>Actual return on assets</b>	<b>(2,502)</b>	<b>(557)</b>
<b>Cumulative amount recognised in the other comprehensive income</b>		
Cumulative amount of actuarial losses	2,109	3,322
<b>Expected contributions and funding arrangements</b>		
Expected employer contributions at 30 June	350	380

### NOTE 19: RESERVES

	Investment revaluation reserve (i)	Special reserve (ii)	Capital reserve (iii)	Total
	\$'000	\$'000	\$'000	\$'000
<b>YEAR ENDED 30 JUNE 2020</b>				
Balance as at 1 July 2019	6,782	72,152	63,653	142,587
Transfers from/(to) reserves from accumulated funds	-	(1,346)	(17,580)	(18,926)
Transfer of realised loss/(gain) to accumulated funds	1,066	-	-	1,066
Net unrealised gain/(loss) arising on equities classified as FVOCI	(3,436)	-	-	(3,436)
Net gain/(loss) on debt classified as FVOCI	(1,158)	-	-	(1,158)
<b>BALANCE AS AT 30 JUNE 2020</b>	<b>3,254</b>	<b>70,806</b>	<b>46,073</b>	<b>120,133</b>
<b>YEAR ENDED 30 JUNE 2021</b>				
Balance as at 1 July 2020	3,254	70,806	46,073	120,133
Transfers from/(to) reserves from accumulated funds	-	(195)	6,725	6,530
Transfer of realised loss/(gain) to accumulated funds	(1,472)	-	-	(1,472)
Net unrealised gain/(loss) arising on equities classified as FVOCI	10,602	-	-	10,602
Net gain/(loss) on debt classified as FVOCI	2,139	-	-	2,139
<b>BALANCE AS AT 30 JUNE 2021</b>	<b>14,523</b>	<b>70,611</b>	<b>52,798</b>	<b>137,932</b>

(i) Investment 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.

**Notes to the financial statements**  
30 June 2021

**NOTE 20: SPECIFIC PURPOSE FUNDS**

	<b>Total \$'000</b>
<b>YEAR ENDED 30 JUNE 2020</b>	
Balances as at 1 July	19,456
Transfers (to)/from accumulated funds	70,914
<b>BALANCE AS AT 30 JUNE 2020</b>	<b>90,370</b>
<b>YEAR ENDED 30 JUNE 2021</b>	
Balances as at 1 July <sup>1</sup>	90,370
Transfers (to)/from accumulated funds	(27,382)
<b>BALANCE AS AT 30 JUNE 2021</b>	<b>62,988</b>

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

1. For FY2021, the adjusted Specific purpose funds opening balance of \$90.370 million was reduced by \$71.173 to deliver contracts and appeals in FY2021. The majority of this spend was \$58.151 million for Disaster Relief and Recovery. Further, the balance of Specific purpose funds increased by \$43.791 million for contracts and appeals that have activities to be performed in FY2022 and beyond.

**NOTE 21: ACCUMULATED FUNDS**

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Balance at beginning of financial year</b>	309,680	316,216
Surplus/(deficit) for the financial year	(34,526)	47,720
Actuarial surplus/(loss) on defined benefit superannuation plans	1,398	(1,126)
Transfers from/ (to) specific purpose funds	27,382	(70,914)
Transfers (to)/from other reserves	(5,058)	17,784
	<b>298,876</b>	<b>309,680</b>

## Notes to the financial statements

30 June 2021

### NOTE 22: CASH AND CASH EQUIVALENTS

#### (a) Reconciliation of cash and cash equivalents

	2021 \$'000	2020 \$'000
Cash	106,566	145,078
Term deposits	215,691	192,415
<b>NET CASH AND CASH EQUIVALENTS</b>	<b>322,257</b>	<b>337,493</b>

#### (b) Reconciliation of surplus / (deficit) for the year to cash flows from operating activities

	2021 \$'000	2020 \$'000
Deficit/Surplus	(34,526)	47,720
Depreciation and amortisation of non-current assets	92,897	101,929
Impairment of property, plant and equipment	179	-
Impairment of financial assets	-	109
Net foreign currency loss	80	134
(Gain)/loss on disposal of investments	(1,948)	287
Gain on disposal of property, plant and equipment and intangibles	(41,694)	(1,948)
Investment interest recognised in profit or loss	(3,367)	(6,236)
Dividends recognised in profit or loss	(1,770)	(1,788)
Components of defined benefit recognised in surplus/(deficit)	185	(11)
Other Income –COVID 19 Rent Abatements	(209)	(757)
Software-as-a-service cost adjustment	5,061	-
<b>Changes in assets and liabilities</b>		
Decrease/(Increase) in trade and other receivables	8,502	(4,905)
Decrease/(Increase) in inventory	4,500	(6,968)
Decrease in prepayments	1,128	1,122
Increase/(Decrease) in trade, payables, other liabilities and lease movements	24,967	(8,079)
(Decrease)/Increase in provisions	(9,379)	42,348
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>44,606</b>	<b>162,957</b>



## Notes to the financial statements

30 June 2021

### NOTE 23: COMMITMENTS

#### (a) Capital commitments

	2021 \$'000	2020 \$'000
<b>Capital commitments contracted for at reporting balance date but not provided for in the financial statements are payable as follows:</b>		
Not longer than 1 year	22,770	16,319
<b>TOTAL COMMITMENTS</b>	<b>22,770</b>	<b>16,319</b>

Of the reported total capital expenditure commitments, \$2.699 million relates to the Consumable & Asset Enterprise Resource Planning (ERP) project, \$2.598 million relates to the Finance ERP & Performance project, \$2.630 million is attributable to LabNet, and the balance is committed to various other business initiatives.

#### (b) Short term or low value lease agreements

The Society leases various premises used as offices, blood collection centres, processing and testing centres, and warehouses under short term or low value lease agreements expiring within 2 to 20 years.

At 30 June 2021, 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).

	2021 \$'000	2020 \$'000
<b>Commitments for minimum lease payments in relation to short term or low value leases are payable as follows:</b>		
Within one year	431	548
Later than one year but not later than five years	23	339
Later than five years	9	2
	<b>463</b>	<b>889</b>

#### (c) Specific Purpose Funds

Specific Purpose Funds (SPF) of \$62.988 million are committed funds received via grants and donations by the Society and are set aside for pre-determined purposes.

## Notes to the financial statements

30 June 2021

### NOTE 24: LEASES

#### (a) Right of Use assets

	2021 \$'000	2020 \$'000
<b>Carrying amounts of:</b>		
Properties	258,882	297,584
Vehicles	3,043	4,463
<b>TOTAL RIGHT-OF-USE ASSETS</b>	<b>261,925</b>	<b>302,047</b>

	Properties \$'000	Vehicles \$'000	Total \$'000
<b>Cost</b>			
Balance at 1 July 2020 <sup>1</sup>	339,968	6,381	346,349
Additions and remeasurements	(1,225)	638	(587)
Disposal	(1,733)	(9)	(1,742)
<b>Balance as at 30 June 2021</b>	<b>337,010</b>	<b>7,010</b>	<b>344,020</b>
<b>Accumulated amortisation</b>			
Balance at 1 July 2020 <sup>1</sup>	(42,384)	(1,918)	(44,302)
Amortisation expense	(36,698)	(2,071)	(38,769)
Reclassification	100	22	122
Disposal	854	0	854
<b>Balance as at 30 June 2021</b>	<b>(78,128)</b>	<b>(3,967)</b>	<b>(82,095)</b>
<b>NET BOOK VALUE AS AT 30 JUNE 2021</b>	<b>258,882</b>	<b>3,043</b>	<b>261,925</b>

1. While prior year cost and accumulated amortisation balances have been restated, the prior year net book value remains unchanged.

#### (b) Lease liabilities

	2021 \$'000	2020 \$'000
<b>Maturity analysis – contractual undiscounted cash flows <sup>1</sup></b>		
No longer than 1 year	38,689	39,253
Longer than 1 year and not longer than 5 years	98,622	108,503
Longer than 5 years	56,816	73,215
<b>TOTAL <sup>1</sup></b>	<b>194,127</b>	<b>220,971</b>

1. 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 leases arrangements.

**Notes to the financial statements**  
30 June 2021

**NOTE 24: LEASES (continued)**

**(b) Lease liabilities (continued)**

	2021 \$'000	2020 \$'000
<b>Lease liabilities are presented in the statement of financial position as follows:</b>		
Current	31,218	35,479
Non-current	255,789	290,244
<b>TOTAL LEASE LIABILITIES <sup>2</sup></b>	<b>287,007</b>	<b>325,723</b>

2. The total lease liabilities include option to extend.

**Other Leases**

The Society leases IT equipment, photocopiers and printers with lease terms of up to 4 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases. The Society also has processing centre fit-out leases for the Lifeblood division.

**NOTE 25: CONTINGENT LIABILITIES**

**Contingent liabilities**

**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.

**Bank guarantees**

The Society has bank guarantees in place in relation to certain property leases. The value of these guarantees at 30 June 2021 was \$0.172 million (2020: \$0.177 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.

**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.

## Notes to the financial statements

30 June 2021

### NOTE 26: FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

	2021 \$'000	2020 \$'000
<b>Financial assets</b>		
Cash and cash equivalents	322,257	337,493
Trade and other receivables	14,068	22,570
Prepayments	13,059	14,187
Bonds	114,196	98,321
Shares	58,947	37,379
Managed Funds	19,390	7,052
Hybrid Bonds	6,072	2,324
<b>Financial liabilities</b>		
Trade and other payables	59,745	71,513
Interest bearing loans and borrowings	-	4,583
Government grants refundable	62,077	32,790
Revenue in advance	102,266	99,732

The Society's Board considers the above carrying amounts of financial assets and financial liabilities to approximate their fair values.

Our investment policy and associated ethical investment guidelines reduces our investment exposure to certain industries, including fossil fuel. We do 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;
- 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).

##### (c)(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:

**Notes to the financial statements**  
30 June 2021

**NOTE 26: FINANCIAL INSTRUMENTS (continued)**

**(c) Market risk (continued)**

Assets	2021		2020	
	Foreign currency \$'000	AUD equivalent \$'000	Foreign currency \$'000	AUD equivalent \$'000
<b>Cash</b>				
USD	5	6	5	7
Euro	529	837	153	251
<b>TOTAL</b>		<b>843</b>		<b>258</b>

**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.

	2021 \$'000	2020 \$'000
<b>Profit or loss</b>		
USD	-	1
Euro	53	15
<b>TOTAL</b>	<b>53</b>	<b>16</b>

**(c)(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.



## Notes to the financial statements

30 June 2021

### NOTE 26: FINANCIAL INSTRUMENTS (continued)

#### (c) Market risk (continued)

	Carrying amount \$'000	-50 basis points deficit \$'000	-50 basis points equity \$'000	+100 basis points deficit \$'000	+100 basis points equity \$'000
<b>Financial assets</b>					
Cash and cash equivalents	322,357	(1,612)	(1,612)	3,224	3,224
Financial assets at FVOCI and FVPL	198,605	(993)	(993)	1,986	1,986
<b>Financial liabilities</b>					
<b>TOTAL INCREASE/(DECREASE)</b>	<b>520,962</b>	<b>(2,605)</b>	<b>(2,605)</b>	<b>5,210</b>	<b>5,210</b>

#### (c)(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.

increment or decrement in the fair value, with the exception of impairment, is an adjustment to other comprehensive income.

- other comprehensive income for the year ended 30 June 2021 would have increased/decreased by \$2.947 million (2020 : \$1.869 million) as a result of the change in the fair value of equities.

#### (c)(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.

The society's sensitivity to equity prices has not changed significantly from the prior year.

In order to mitigate the concentration risk, the Society has no more than 40% of cash and investments held with any single institution. The Society has quarantined the funds raised for the Disaster Relief and Recovery Fund across the big four banking institutions in the lowest risk cash accounts.

#### (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.

#### (d) Equity price sensitivity

The sensitivity analysis below has been determined based on the exposure to equity price risks at year end.

#### (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.

At reporting date, if the equity prices had been 5% higher/lower:

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.

- the deficit for the year ended 30 June 2021 would have been unaffected as the equity investments are classified as FVOCI and any

Notes to the financial statements  
30 June 2021

NOTE 26: FINANCIAL INSTRUMENTS (continued)

(f) Liquidity risk management (continued)

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1 to 5 years	5+years	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>YEAR ENDED 30 JUNE 2021</b>							
Non-interest bearing		158,325	64,591	1,172	-	-	224,088
		<b>158,325</b>	<b>64,591</b>	<b>1,172</b>	<b>-</b>	<b>-</b>	<b>224,088</b>
<b>YEAR ENDED 30 JUNE 2020</b>							
Non-interest bearing		204,383	32,115	1,522	-	-	238,020
Lease liability	8.02	364	735	3,431	1,997	-	6,527
Bank loan liability	8.63	558	1,129	2,896	-	-	4,583
		<b>205,305</b>	<b>33,979</b>	<b>7,849</b>	<b>1,997</b>	<b>-</b>	<b>249,130</b>

The following table details the Society's expected maturity for its non-derivative financial assets. The table below has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Society anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1 to 5 years	5+years	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>YEAR ENDED 30 JUNE 2021</b>							
Non-interest bearing	-	242,493	-	-	-	-	242,493
Fixed interest rate instruments	2.41	-	138,501	6,365	93,729	20,174	258,769
Variable interest rate instruments	0.00	46,727	-	-	-	-	46,727
		<b>289,220</b>	<b>138,501</b>	<b>6,365</b>	<b>93,729</b>	<b>20,174</b>	<b>547,989</b>
<b>YEAR ENDED 30 JUNE 2020</b>							
Non-interest bearing	-	250,074	-	-	-	-	250,074
Fixed interest rate instruments	1.25	4,028	142,005	7,327	79,998	7,287	240,645
Variable interest rate instruments	0.45	28,721	-	-	-	-	28,721
		<b>282,823</b>	<b>142,005</b>	<b>7,327</b>	<b>79,998</b>	<b>7,287</b>	<b>519,440</b>

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## Notes to the financial statements

### 30 June 2021

#### **NOTE 27: GOING CONCERN**

COVID-19 and related measures to slow the spread of the virus have had a significant impact on the Australian and global economy, supply chains and financial markets, and resulted in increased levels of volatility and uncertainties.

Since the beginning of COVID-19, COVID-19 has impacted the Society, specifically as follows:

- A rapid increase in demand for our services to support mental health, social isolation, and emergency relief for those groups falling between the gaps of available government policy;
- Ability to run programs such as our Humanitarian Settlement program, Accommodation centres, Night Cafe and Learner Driver programs were impacted and also reduced the fee for service income that could be generated from these programs;
- Government funding cuts due to no new refugees coming to Australia;

For the year ended 30 June 2021, Society was impacted specifically as below:

- Face-to-face fundraising efforts were intermittently disrupted by snap lockdowns across different cities during the year. These snap lockdowns also disrupted the trading of retail stores and delivery of First Aid training courses;

The decline in revenue was mitigated by the JobKeeper wage subsidy and a favourable tax campaign and additional funding received to support COVID activities.

As a result of the Society's ability to adapt and pivot in the changing circumstances, as well as revenue and cost optimisation, the Society continues to be a going concern with a strong financial base.

In addition, climate change, as predicted, has exacerbated the frequency and severity of natural disasters. This impacts the Society given our auxiliary role to government and commitment to support impacted people in times of need. Whilst we depend on a combination of staff and extensive volunteer network to run response and relief centres as well as recovery programs, financial support to impacted people is also generated from the generous donations of individuals and corporate partners. The increasing need for long term recovery programs and case work is often also dependent on these donations, the magnitude of which are uncertain at the time a disaster occurs. Whilst these limitations can impact the extent and speed of work on the ground, they currently do not impact the Society as a going concern.

#### **NOTE 28: EVENTS AFTER THE REPORTING PERIOD**

The Society expects to complete payments in relation to remuneration compliance during FY2022. Refer to Note 16 - Provisions.

**Notes to the financial statements**  
30 June 2021

**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. The Humanitarian division 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 reason to believe that the government will discontinue its support for the Society. The only exception is the JobKeeper grant, which was a temporary government relief package to support organisations impacted by COVID-19. The JobKeeper grant ended in March 2021.

**Top 10 sources of government revenue by level of government and department or agency name**

	2021 \$'000	2020 \$'000
<b>Commonwealth government</b>		
National Blood Authority	636,997	619,844
Department of Social Services	49,315	39,110
Department of Foreign Affairs and Trade	19,597	17,405
Australian Taxation Office – JobKeeper wage subsidy	14,843	10,265
Organ & Tissue Authority	3,267	3,100
<b>Total Commonwealth government</b>	<b>724,019</b>	<b>689,724</b>
<b>State government</b>		
Department of Health Services – Victoria	70,458	16,648
NSW Ministry of Health	13,329	12,698
Department of Communities, Child Safety and Disability Services – Queensland	6,778	6,961
Department of Communities, Housing and Digital Economy – Queensland	5,175	1,169
SA Health	3,463	2,858
<b>Total State government</b>	<b>99,203</b>	<b>40,334</b>
<b>TOTAL TOP 10 GOVERNMENT GRANT REVENUE</b>	<b>823,222</b>	<b>730,058</b>

**Notes to the financial statements**  
30 June 2021

**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. Salaries and fees	Post employment benefits Superannuation contributions & termination benefits	Long-term employee benefits Long service leave	Total
	\$	\$	\$	\$
<b>Society</b>				
<b>YEAR ENDED 30 JUNE 2021</b>				
Humanitarian Services	2,674,939	674,417	44,782	3,394,138
Lifeblood	5,068,000	366,000	150,000	5,584,000
<b>TOTAL COMPENSATION</b>	<b>7,742,939</b>	<b>565,800</b>	<b>194,782</b>	<b>8,978,138</b>
<b>YEAR ENDED 30 JUNE 2020</b>				
Humanitarian Services	2,126,665	526,837	63,436	2,716,938
Lifeblood	4,783,000	331,000	58,000	5,172,000
<b>TOTAL</b>	<b>6,909,665</b>	<b>490,228</b>	<b>121,436</b>	<b>7,888,938</b>

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.



## Notes to the financial statements

30 June 2021

### NOTE 30: KEY MANAGEMENT PERSONNEL (continued)

#### Board members

#### SOCIETY BOARD

Mr Ross Pinney (President)  
Mr Charles Burkitt (Deputy President)  
Mr Ian Hamm  
Mr Sam Hardjono  
(Chair of Audit and Risk Committee  
from September 2020)  
Mr Kym Pfitzner  
(Chair of Audit and Risk Committee  
to September 2020)  
Ms Eveline Kuang (to November 2020)  
Ms Wendy Prowse  
Ms Cris Topfner-Rigby  
Dr Garry Nolan (from October 2020)  
Ms Kathleen Cole  
Ms Winifred Smith AM  
Ms Rose Rhodes PSM  
Ms Nazli Hocaoglu (from November 2020)  
Ms Rita Richards  
Ms Anne Macarthur OAM (to October 2020)  
Dr Melissa Phillips  
Ms Aisling Blackmore  
Mr James Birch AM  
Mr John MacLennan (from February 2021)

#### LIFEBLOOD BOARD

Mr James Birch AM (Chair)  
Ms Shelly Park  
(Chief Executive and Board Member)  
Mr Nigel Ampherlaw  
Mr Christopher Baggoley AO  
Mr Charles Burkitt  
Ms Jenni Mack AM  
Dr Lance Emerson  
Ms Julie Fahey  
Ms Merran Kelsall  
Prof Robyn Ward

### HUMANITARIAN SERVICES OPERATING DIVISION

#### Executive Team

Mr Kym Pfitzner – Chief Executive Officer  
(from January 2021)\*  
Ms Judy Slatyer – Chief Executive Officer  
(to September 2020)  
Ms Belinda Dimovski – Director, Engagement  
& Support  
Mr Noel Clement – Director, Australian Programs  
Ms Penny Harrison – Director, Volunteering  
Mr Michael Annear – Director, International Programs  
Mr Lloyd Doddridge – Chief Financial Officer and  
Chief Operating Officer  
Mr Brett Wilson – Chief Information Officer  
(from January 2021)  
Ms Caroline Sheehan – Director, Transformation  
(to December 2020)  
Ms Jane Hollman – Chief People and Culture  
Officer (from March 2021)  
Ms Tara Eaton – Head of Legal  
Ms Tammy Lamperd – Head of Risk & Compliance  
(from January 2021)  
Mr Simon Bolles – Interim Chief Financial Officer  
and Support Services (to July 2020)  
Ms Stacie Haber – Director, Transformation  
(from February 2021)  
Ms Fiona Davies – Head of Inclusion and Diversity  
(from July 2021)

\*Mr Kym Pfitzner was the Acting CEO from September 2020 to  
January 2021.

### LIFEBLOOD OPERATING DIVISION

#### Executive Directors

Mr John Brown – Executive Director, Finance  
Ms Stuart Chesneau – Executive Director, Business  
Growth and Innovation  
Ms Cath Gillard – Executive Director,  
People and Culture  
Ms Natasha Foster (Chief Risk Officer  
(from January 2021))  
Ms Ann Larkin – Executive Director, Information  
and Communications Technology  
Mr Peter McDonald – Executive Director,  
Corporate Strategy and Transformation  
Dr Joanne Pink – Executive Director, Clinical  
Services and Research  
Ms Cath Stone – Executive Director, Donor Services  
Mr Greg Wilkie – Executive Director, Manufacturing  
and Quality  
Ms Marion Hemphill – General Counsel

**Notes to the financial statements**  
30 June 2021

**NOTE 31: AUDITORS' REMUNERATION**

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:

	2021 \$	2020 \$
<b>Auditors of Australian Red Cross</b>		
<b>Deloitte Touche Tohmatsu</b>		
Audit of financial report	374,500	365,275
Assurance services required under contractual agreements – grant acquittals	97,295	100,385
<b>Total</b>	<b>471,795</b>	<b>465,660</b>
<b>Ernst &amp; Young</b>		
Internal audit services	610,148	590,492
Other services	809,886	554,223
<b>Total</b>	<b>1,420,034</b>	<b>1,144,715</b>
<b>TOTAL AUDITOR REMUNERATION</b>	<b>1,891,829</b>	<b>1,610,375</b>

1. Other Ernst and Young services relate to consulting fees for review of our processes in relation to remuneration compliance, legislative compliance, and support services for the current year. Prior year services relates to consulting fees for review of our processes in relation to remuneration compliance and projects on costing and youth homelessness services. Previous year amounts have been restated to include Ernst and Young internal audit fees for Lifeblood.

**NOTE 32: RELATED PARTY DISCLOSURES**

**(a) Board Members**

The Board Members are disclosed in note 28.

Eveline Kuang is an employee of King & Wood Mallesons. The company provided legal services to Humanitarian Services during the year but Eveline wasn't involved in providing those services.

**(b) Executive Team**

Penny Harrison's partner worked from July to December 2020 as the RedR Australia "Trust Alliance" chair. The Society obtained training services from RedR Australia to a value of \$2,535.

**(c) Wholly-owned group**

Lifeblood and Humanitarian Services are separate divisions of the same entity. In states and territories where Lifeblood is located on Humanitarian Services premises, there are contractual arrangements for the sub-lease of premises between the respective operating units of Lifeblood and Humanitarian Service for the sharing of facilities and outgoings. The effect of the above transactions has been eliminated in full in the Society balances.

During the reporting period, net payments of \$0.004 million (2020: \$0.385 million) transacted between the Lifeblood and Humanitarian Services divisions. The transactions largely related to Lifeblood's workers compensation premium charge reimbursements for shared policies owned by the Society. As at 30 June 2021, there were nil commitments for minimum lease payments in relation to non-cancellable leases payable to the Society.

## Notes to the financial statements

### 30 June 2021

#### NOTE 33: DISASTER RELIEF AND RECOVERY FUND

On 1 July 2019, Australian Red Cross Society (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, Management 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 2021, 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 FY2022. Future expenditure relating to grants will be expensed in the statement of income and expenditure in future periods.

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.

	2021 \$'000	2020 \$'000	Total \$'000
Donations in respect of the Disaster, Relief and Recovery Fund	14,577	227,044	241,621
Interest earned on funds held in separate bank accounts	75	233	308
<b>Total income for the Disaster, Relief and Recovery fund</b>	<b>14,652</b>	<b>227,277</b>	<b>241,929</b>
Direct Relief Grants – distributed	48,392	118,658	167,050
Direct Relief Grants – provided	557	33,867	34,424
<b>Total direct relief grants</b>	<b>48,949</b>	<b>152,525</b>	<b>201,474</b>
Emergency services on the ground	–	5,000	5,000
3 Year Recovery Programs	4,312	848	5,160
Minderoo Recovery Pods	2,000	–	2,000
Administrative Support Costs	2,890	8,243	11,133
<b>Total expenditure</b>	<b>58,151</b>	<b>166,616</b>	<b>224,767</b>
<b>SURPLUS (BALANCE OF DRR FUNDS) <sup>3</sup></b>	<b>17,162</b>	<b>60,661</b>	

- 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. Third party fundraising platform and merchant card fees of \$2.4 million are included in this amount.
- 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 \$17.162 million at 30 June 2021 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 Commonwealth bank, ANZ, and NAB. Interest is then allocated back into the fund for distribution.

## Notes to the financial statements

30 June 2021

### NOTE 34: ACFID INCOME STATEMENT

Australian Red Cross 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](http://www.acfid.asn.au) for more details.

	Humanitarian Services 2021	Society 2021	Humanitarian Services 2020	Society 2020
	\$'000	\$'000	\$'000	\$'000
<b>INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021</b>				
<b>REVENUE</b>				
Donations and gifts <sup>1</sup>	78,558	78,558	290,699	290,699
Legacies and bequests	11,138	11,138	12,839	12,839
Grants				
– Department of Foreign Affairs and Trade	19,597	19,597	17,404	17,404
– other Australian	151,507	825,324	92,675	746,211
– other overseas	2,431	2,431	3,077	3,077
Net gain on assets and investments	43,893	43,893	3,964	3,964
Retail and Commercial activities	37,891	37,891	32,719	32,719
Other income	15,249	24,408	11,022	23,153
Investment income	3,803	7,090	3,715	9,859
<b>Total revenue</b>	<b>364,067</b>	<b>1,050,330</b>	<b>468,114</b>	<b>1,139,925</b>
<b>EXPENDITURE</b>				
International aid and development programs expenditure				
– funds to international programs	23,987	23,987	17,316	17,316
– program support costs	3,279	3,279	2,811	2,811
– community education <sup>2</sup>	818	818	937	937
Domestic programs <sup>3</sup>	230,203	946,294	278,926	982,427
Fundraising costs <sup>4</sup>				
– public, government, multilateral and private	23,411	23,411	23,059	23,059
Retail and Commercial activities	30,173	30,173	31,344	31,344
Accountability and Administration <sup>4</sup>	41,609	41,609	34,311	34,311
Remuneration Compliance Costs <sup>5</sup>	15,285	15,285	-	-
<b>Total expenditure</b>	<b>368,765</b>	<b>1,084,856</b>	<b>388,704</b>	<b>1,092,205</b>
<b>Excess /(deficiency) of revenue over expenditure from continuing operations</b>	<b>(4,698)</b>	<b>(34,526)</b>	<b>79,410</b>	<b>47,720</b>

Notes to the financial statements  
30 June 2021

NOTE 34: ACFID INCOME STATEMENT (continued)

	Humanitarian Services 2021 \$'000	Society 2021 \$'000	Humanitarian Services 2020 \$'000	Society 2020 \$'000
<b>INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021</b>				
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Actuarial loss on retirement benefit obligations	-	1,398	-	(1,126)
Net gain / (loss) on equity instruments	4,301	10,602	(925)	(3,436)
Net gain / (loss) on of debt instruments	157	2,139	(98)	(1,158)
<b>Other comprehensive (loss)/income for the year</b>	<b>4,458</b>	<b>14,139</b>	<b>(1,023)</b>	<b>(5,720)</b>
<b>TOTAL COMPREHENSIVE SURPLUS/ (DEFICIT) FOR THE YEAR</b>	<b>(240)</b>	<b>(20,387)</b>	<b>78,387</b>	<b>42,000</b>

1. During the financial year nil (2020: 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.
2. Expenditure incurred for International Humanitarian Law is included in Community education as per ACFID guidelines.
3. During FY2021, simplified reporting for domestic programs was introduced in line with ACFID guidelines. As such, domestic programs costs are not split between various projects.
4. Fundraising and Administration costs include both International and Domestic programs. There are no separately recorded costs incurred for Government, multilateral and private fundraising costs. These costs cannot be separated into International and Domestic programs and represent costs to support whole of operations.
5. Remuneration compliance costs include the increase in back payments for historical remuneration compliance and operational, consulting and audit costs.

During the financial year there were no transactions (2020: nil) in the International Political or Religious Adherence Promotion program category.



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## Board members' declaration

30 June 2021

The Society Board Members declare that:

- (a) in the Board's opinion, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable;
- (b) in the Board's opinion, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including compliance with Australian Accounting Standards and give a true and fair view of the financial position and performance of the Society and the ACFID financial statements comply with the ACFID Code of Conduct; and
- (c) the Board has been given signed declarations by the Society's Chief Executive Officer and Chief Financial Officer regarding the integrity of the financial statements and that the Society's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects.

Signed in accordance with a resolution of the Society Board.

On behalf of the Society Board



Ross Pinney  
President of the Society

Melbourne  
23 October 2021

Independent auditor's report to the members of Australian Red Cross Society  
30 June 2021

**Deloitte.**

Deloitte Touche Tohmatsu  
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The Board Members  
The Australian Red Cross Society  
23 – 47 Villiers Street  
NORTH MELBOURNE VIC 3051

23 October 2021

Dear Board Members,

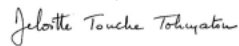
**Auditor's Independence Declaration to The Australian Red Cross Society**

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 2021, 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

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Member of Deloitte Asia Pacific Limited and the Deloitte Organisation.

# Independent auditor's report to the members of Australian Red Cross Society

30 June 2021



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## Independent Auditor's Report to the Members of the Australian Red Cross Society

### Report on the Audit of the Financial Report

#### 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 2021, 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.

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 2021 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 2013.
- (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.

# Independent auditor's report to the members of Australian Red Cross Society

30 June 2021

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### Other Information

The Board Members are responsible for the other information. The other information comprises Year at a glance, Who we are: We act for humanity, Our clients and communities, Our people, Building a Humanitarian Movement, Our innovations and expertise, Planet and prosperity for humanity, Our supporters, Guiding the organisation, the Lifeblood of Australia and the introduction to the financial statements 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.

Independent auditor's report to the members of Australian Red Cross Society  
30 June 2021

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- 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, 23 October 2021



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# The Lifeblood of Australia



## Supporting Australians to act for humanity

Australian Red Cross Lifeblood helped over half a million Australians act for humanity by donating blood, plasma, breast milk and other biological products to help others. We collected and processed these life-giving gifts to deliver 1,116,000 fresh blood products – red cells, platelets, fresh frozen plasma, cryoprecipitate and cryo-depleted plasma – to hospitals and healthcare providers to help Australian patients. More than 1,000 premature babies in neonatal intensive care units received donated breast milk when they most needed it thanks to generous mums and our milk operations.

## Optimising the business

This year we helped over 500,000 people provide life-giving blood, plasma, transplantation and biological products for world-leading health outcomes. While the Covid-19 pandemic tested our resilience, we focused on the health and wellbeing of our people and our donors, maintained our facilities as places of wellness and continued our work as an essential service. During a challenging year, our life-giving purpose was made possible thanks to our donors who carried on giving, our dedicated people and our partners who continued to support our work.

We continued implementing our strategic plan, proudly transforming every area of our work using technology and data. Our processing centres now have improved freezing technologies and associated software that increases our capability to freeze and supply plasma. We're also able to fully trace every product that passes through these freezers. New technologies and new ways of working are providing a safer working environment for our people, increasing efficiency and improving the quality of products for Australian patients.

Our Customer Service Delivery and Red Cell Reference teams received exceptionally positive feedback from our customers and maintained their high satisfaction scores, in excess of 90 per cent. As part of optimising our business, we're focusing on automation within our processing centres, and this year continued to progress the next generational change in our testing labs, including a fully automated laboratory system for sample sorting, preparation and storage.

Platelets are a special part of blood needed for clotting, and extra platelets are needed by people suffering from certain diseases or cancers.

By improving our bacterial screening process, we extended the shelf-life for platelets from five to seven days. Hospitals and health care providers are benefitting from improved service and supply of this vital blood component for their patients.

This year we worked to enhance the national organ matching system, OrganMatch, with the goal of making it an end-to-end system for solid organ transplantation in Australia. Clinicians can now manage their patients' transplant status directly in the system, improving the management of patient wait lists. We're also working with the Australian transplant sector to move fully to virtual cross matching, which delivers more effective and efficient organ allocation and matching. There are no dedicated courses at university level for the highly specialised clinical science of immunogenetics and transplantation, so we developed a specific fellowship that's been approved by the Royal College of Pathologists of Australasia.

## Customer experience

Lifeblood, and the thousands of patients each week who require the biological products we supply, are reliant on the time and generosity of our donors. Like all Australians, our donors have had to respond to the rapid and ongoing changes to our lives the pandemic has brought. Throughout the past year, we've ramped up the message that the need for blood never stops and our donors are essential. We've also worked hard to make donating as easy as possible and an exceptional experience.

We're transforming the way we communicate with our donors through our new agile marketing automation platform that allows us to deliver more personalised communications. Our donors' time is precious and these enhancements are making it easier for them to make and change appointments with us. We also want them to know how special they are, so they're now receiving more relevant and highly personalised communications via email, SMS and push notifications through the app.

We shared our story with more people, more often, driving conversations about all the ways Lifeblood supports Australians 'beyond blood', from plasma and breast milk to organ, tissue and microbiota. Over 98,000 new donors were inspired to make a change for life and give blood.

As part of our Reconciliation Action Plan, we've been working with Aboriginal artists to develop our own Acknowledgement of Country artwork, representing the story of our life-giving organisation as told through the eyes and art of the Traditional

Owners of this land. This powerful and beautiful artwork will be displayed to welcome everyone into our Lifeblood donor centres and sites around Australia — proudly showing our support for reconciliation.

## Enhancing healthcare

Over half the blood donations by Australians this year were donations of plasma, the powerful and versatile part of your blood that can be used in 18 different life-giving ways.

We delivered 867 tonnes of plasma to CSL Behring for the manufacture of plasma products and we remain a world leader in the collection of plasma. Next year, we have a significant challenge to increase the number of donors, deliver on our plasma growth targets and meet the increased demand we are seeing for blood and blood products. [Find out more about donating.](#)

Thanks to a \$2M grant from the Commonwealth Government, we expanded our supply of donated breast milk for vulnerable pre-term babies and opened a new facility in Brisbane. We received our first urgent order on 14 June 2021, the same day it became fully operational. We added an extra 19 neonatal intensive care units to our network, which now totals 30 hospitals across New South Wales, South Australia, Queensland and Tasmania. For the first time, we're also supplying breast milk to special care nurseries and private hospitals.

Lifeblood has been licensed by the Therapeutic Goods Administration to manufacture faecal microbiota for transplant. In partnership with Fiona Stanley Hospital, we have established a pilot program in Western Australia to provide Fiona Stanley Hospital and Fremantle Hospital with a reliable supply of faecal microbiota for transplant to treat patients suffering from life-threatening *C. difficile* infection.

As the nation's population continues to grow and diversify, so the likelihood of rare blood types continues to grow. We added a voluntary question for donors about their ethnic ancestry and 2,000 donors responded, helping our scientists to identify those with rare blood types. [Find out more about our research.](#)

This year we genotyped 7,000 donors — and identified 154 new donors with rare blood groups. We're aiming to genotype 1% of our blood inventory. Finding more donors with rare blood types means that together with these generous Australians we can support the transfusion needs of our diverse Australian population.



Photo: Lifeblood

## Rachelle and Estelle

Two years after blood donors saved the lives of Rachel and her premature daughter Estelle, the young Sydney mother made a vow: "On our second 'survivoriversary' — the day I woke from my induced coma, the day I learnt we had both survived — we want to give back". Following complications during pregnancy and childbirth, Rachel lost the equivalent of three times the volume of her body's blood. Born at just over 26 weeks, baby Estelle also needed blood transfusions. The actions of blood donors mean that Rachel and her daughter are here today; inspired by their generosity, Rachel is now a regular blood donor.



Photo: Lifeblood

## Manik

Giving plasma not only helps patients in need, it helps our donors to connect with people and know that they are a really valuable part of the community. Donors like Manik, who loves heading to a local café with his fellow donors after giving plasma (but not as much as he loves changing lives). When Manik moved to Canberra, he knew no one. He just showed up.



Photo: Lifeblood

## Jessica

When we established Lifeblood Milk only around 25% of babies born in Australia had access to a safe supply of donated breast milk. Thanks to Australian Red Cross Lifeblood and milk banks around the country, now around 80% have access. But we couldn't have made this happen without the essential, generous and very special role played by milk donors. Donors like Jessica, who was one of the Australian mums who donated breast milk this year to help premature babies and their families.

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Act for humanity

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