

A photograph of a man with a joyful expression carrying two young children on his shoulders. The child on top is wearing a blue and white striped polo shirt and blue shorts. The child on the side is wearing an orange and white striped polo shirt and is laughing. The man is wearing a striped short-sleeved shirt and blue jeans. They are standing in a field of tall, dry grass.

**We act.
For humanity.**



**It was a tough year for all.
Even tougher for the vulnerable
in our community.
We responded.**

Our impact



20,000+

members and volunteers acting for humanity



131,000

Australians supported during
42 emergency activations



\$54.4 million

Comprised of donations of \$27.2m to the Australia Unites
Telethon, and \$27.2m to the QLD & NSW Floods Appeal



47,000+

people received support from 165 countries



180,000+

meals delivered



131,000

direct cash assistance payments



2,800+

people provided with family and
domestic violence support



7,800+

volunteers engaged in Australian programs

Our impact



2,000+

First Nations people supported in placed based work



225,000+

social support hours delivered



19,000+

aged care/community visits



134,000+

hours tele-programs



37,500+

people supported through emergency relief payments



85,000+

people supported through our emergency recovery program



620

people supported in pathways to employment



34,000+

trained in first aid



\$3.2 million

donated items sold through retail



الجمعية
الاحمر
الليبي
مركز
الاسعاف



We couldn't do it without you.

**Members, volunteers,
donors and partners.**

Thank you.

Our impact



13,000+

people provided with psychosocial support through emergency services



2,000

received restoring family links support



66

aid workers across 17 different areas of expertise deployed to support response initiatives in 25 countries, regionally and remotely



2,000+

refugees provided with settlement service



2,200

clients supported through our Humanitarian Settlement Program



175

people supported who experienced human trafficking and slavery



2,000+

reached through IHL training & dissemination



From the President

So many quiet heroes. This is what comes to mind when I look back at the year that was. I'm speaking of all Red Cross people and the work they have given to the community, but most of all, our members and volunteers. These members and volunteers who continually show unwavering support to Australian Red Cross regardless of pandemic conditions

Australian Red Cross operates in accordance with our Fundamental Principles, one of which is Voluntary Service.

We simply couldn't survive without our volunteers: they are our organisational DNA.

The efforts of our approximately 25,000 strong network of staff, members and volunteers throughout 2021-22 have been nothing short of astonishing.

Australian Red Cross made a difference to the lives of over 400,000 Australians. Perhaps it will be remembered most of all, as the year Australians witnessed some of the worst flooding on record.

Watching on in an evacuation centre during the New South Wales floods — a far cry from the dry of my desk environment — I was overcome with pride as I witnessed the incredible work of our team.

Further afield, the devastation of the armed conflict in Ukraine has displaced millions. Not to mention the ongoing upheaval of the COVID-19 pandemic.

Our people have been right there at the frontline, offering essential aid and assistance to those in need. And supporting them, the tremendous generosity of our donors, supporters and partners.

To each and every one of our supporters — thank you. The last year was an unrelenting series of crises: the demand for humanitarian aid has never been more critical.

The astounding breadth and depth of our humanitarian work this year is summarised in this Report however I won't pretend the events of the past year haven't stretched us. As we move into 2023, we have challenges to face that require us to rethink how we work and what we do, to be able to deliver long term sustainability and serving the Australian community into the future.

We have agreed on a clear strategy and have developed as the first execution step of the strategy, an organisational transformation plan that will take the Australian Red Cross from its current state to the desired future state. This process will take 18 months to two years.

The primary aim will be to focus on our core areas of expertise: Emergency Services, Migration Support, International Programs, International Humanitarian Law, and Community Programs, all with a steadfast commitment to inclusion and diversity, and the wisdom of Aboriginal and Torres Strait Islanders at the centre of what we do.

The transformation will enable us to deliver better outcomes to the people we support and remain financially sustainable for the long term. The holistic transformation will address our ways of working, systems and processes, and improve our accountability. It is a busy time, and I see our future confidently and positively.

A handwritten signature in black ink, appearing to read 'Ross Pinney'.

Ross Pinney
President, Australian Red Cross Board



From the CEO

Australian Red Cross is increasingly more relevant than ever before, and it's likely to continue.

Our planet is increasingly volatile, increasingly complex and uncertain; and the role of Red Cross within it, more pivotal than ever before.

International conflict is forcing migration on a scale that's difficult to comprehend. Climate related disasters are leaving a trail of devastation that simply does not end once the storm has subsided. COVID-19 continues to needle its way through the world. These key drivers of humanitarian need are augmented by the social and economic context in which these factors are at play and the increasing complex local and international environments that we operate in.

Our response

Our passion for acting for humanity remained unwavering throughout. Our resilience, while tested, was unswerving: delivering with courage, respect and integrity in the face, at times, of absolute adversity.

From the friendship of a trauma teddy to the warm comfort of a soup kitchen; to natural disaster aid, migrant support, international humanitarian law initiatives and First Nations' programs — ultimately, to that important sense of utter relief for those in need: someone at least cares. That "someone" is us.

Whether it be providing migrants with a sense of belonging, supporting people experiencing homelessness, advocating for the rights of society's most vulnerable, coordinating efforts such as the Ukraine Crisis Appeal and supporting those who have lost contact with loved ones in crisis — someone has been there to help reduce suffering, provide hope and save lives. That "someone" is us.

A poignant 2021-22 memory was visiting flood-affected Lismore in March 2022. It was an emotionally charged situation: it was Australian Red Cross at its best in providing emergency services for the tens of thousands of people who were evacuated, and whose homes and belongings were destroyed. Our people were in evacuation centres, recovery hubs, and processing emergency relief grants.

Long after the flood waters have receded, our people remain on the ground, helping devastated communities to not only recover, but also develop stronger resilience for any future disasters.

Our challenge

We need to adapt to the increasing and often unpredictable demand for our services.

The strategy looks at addressing how we focus on the ever-increasing demand for services by refocussing on our core areas of expertise. As the first step of executing the strategy, we have started a significant organisational transformation. This transformation will ensure we are well positioned to make an even more significant impact, for the long term.

This transformation involves:

- reducing the scope of activities;
- focusing on our core areas of expertise; and
- re-engineering our systems and processes so we are more efficient and effective.



Our Outlook

We're in a strong position to deliver, given our core areas of expertise:

- **Emergency services:** adapting to climate change, disaster relief and building resilience for the “before, during, and after”.
- **International programs:** strengthening disaster management with our partners, responding to people's needs in disaster and conflict zones.
- **Migration:** responding to the humanitarian needs of migrants, refugees, asylum seekers, people in detention and advocacy either directly or through partners.
- **International Humanitarian Law:** disseminating International Humanitarian Law ('IHL') principles and ensuring respect for IHL.
- **Community programs:** supporting community needs in a broad range of areas, including homelessness, social isolation and aged care.

Connecting those with influence and resources (funding, capability and time) with those who need support will remain central to all we do. Innovation, human-centred design, impact measurement, collaboration, cooperation, differentiation, and mutually beneficial partnerships: all things critical to our approach. As is a First Nations perspective across what we do.

Fundamental to our decision making is maintaining perspective: our humanitarian work is only made possible by our nation's altruism.

The heart-breaking reality is that humanitarian need is increasing. In its 108th year of operation, Australian Red Cross made an indelible difference.

The message as to why remains crystal clear. A vintage poster often seen dressing our shopfronts hosts the slogan: “Australian Red Cross Needs You”.

Vintage it may be, but nothing could ring truer today.

Volunteers, members, corporate and academic partners, philanthropic donors and generous everyday Australians — we don't forget for one minute what you enable us to do and deliver on.

Not a day goes by that we don't forget for whom we do this.

Kym Pfitzner
CEO, Australian Red Cross



Global. Local. More relevant than ever before.

Where we are

- We have an emblem trusted across Australia and the world.
- We are part of the world's largest humanitarian Movement: ready and able to respond including if our regional neighbours call.
- We lead the Humanitarian response for Australia, through a network of dedicated members and volunteers.
- We connect those who want to help, with those who need it.
- We have over 100 years of experience.
- We are more relevant than ever before since WWII.
- We draw and build on the strengths and perspectives of First Nations peoples across all that we do.
- We deliver life-saving health outcomes through Australian Red Cross Lifeblood.
- We advocate for those in need, collaborating with donors, partners and government to empower communities and change systems.
- We never give up on the need to act for humanity.

What we do

Connect. Support. Empower.

- We respond quickly to emergencies and disasters, supporting people and communities to prepare for, build resilience, and adapt to the humanitarian consequences of the climate crisis.

- We support migrants in transition: those displaced by crisis such as international conflict and climate-related disasters.
- We provide international assistance to countries to strengthen disaster management, respond to major disasters and conflict, support refugees, asylum seekers, people in detention and help locate and reunite families or clarify the fate of missing persons separated by disaster, war or migration.
- We disseminate the principles of International Humanitarian Law and protect people who require protection under it.
- We support community needs across a broad range of areas, including homelessness, social isolation and aged care.

Where we are going

Red Cross will be providing support and services for many, many years to come.

- We are strengthening our impact by sharpening our focus on our core capabilities (emergency services, migration, international support, international humanitarian law, community programs).
- We are the partner of choice for acting for humanity, known for our excellence in service, high standards of transparent governance, and above all, our humanity.
- We are forever grateful to the people and organisations who enable us to do what we do: Red Cross members, volunteers, partners and employees.



Values

We Respect, we listen and seek to understand

We Aspire to do better and be better

We Collaborate. We act with humility and seek common ground.

We Stand Up, to face challenges and opportunities with courage and compassion

We Deliver. We set ambitious goals and unite as one to achieve them.

About this Report

This Report has been prepared in accordance with Australian Accounting Standards and Interpretations and complies with other requirements of the law and the Australian Charities and Not-for-Profit Commission Act 2012. Australian Red Cross is a signatory to the Australian Council For International Development (ACFID) Code of Conduct, which is a voluntary, self-regulatory sector code of good practice. As a signatory we are committed and fully adhere to the Code, conducting our work with transparency, accountability and integrity.*

We demonstrate transparency by preparing general purpose financial reporting statements, similar to those required by large for-profit entities. Our Annual Financial Statements are externally audited as well as over 70 of our individual programs which are separately audited and acquitted to funders each year.

Our Annual Report 2021-22 provides an integrated overview of our humanitarian activities and impact, as well as our financial, social and environmental performance. A summary report has also been included which provides an overview of operations and activities for the financial year end June 2022 (FY22).

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 50 169 561 394. The Society is comprised of two operating divisions, the Australian Red Cross Lifeblood and Australian Red Cross Humanitarian Services. This Annual Report covers both operating divisions. For the purposes of this statement "Red Cross" refers to both operating divisions.

*See Notes to the Financial Statement section (p.156) for more details.

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Purpose, vision and values



Purpose

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



Vision

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



Values

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



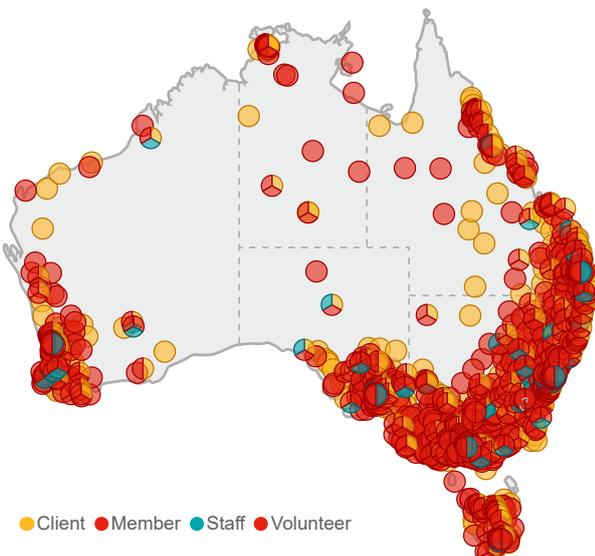
National Societies supported by Australian Red Cross through the provision of finances, in-kind support and/or human resourcing.

Reach

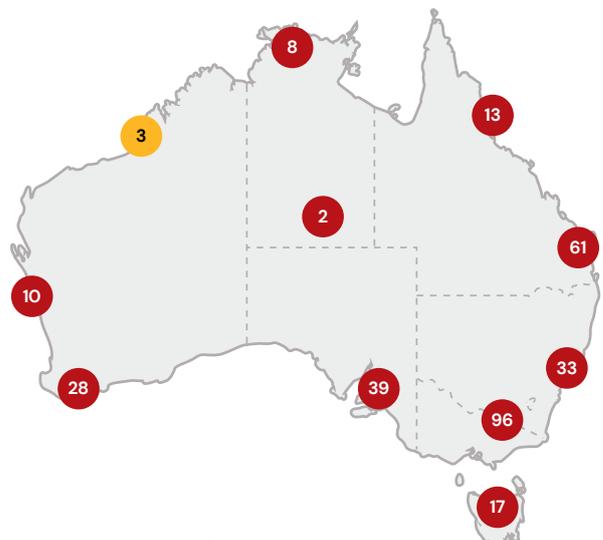
Australian Red Cross people (members, volunteers and employees) are located in every state and territory. Our work reaches hundreds of thousands of people across the country, from major cities to remote communities.

Australian Red Cross operates 310 sites across [Australia](#). We are located in all Australian capital cities and also across regional Australia.

Location of Red Cross people and clients



Location of Red Cross sites



Source: [Red Cross website](#)

Organisational strategy

Over the last year, we developed our new organisational strategy. Part of this process included looking at our core strengths and where we are best placed to make the most impact.

Core capabilities

- Emergency Services.
- Migration Support.
- International Humanitarian Law.
- International — working with other Red Cross Societies to build their capacity and respond to humanitarian emergencies overseas.
- Community Programs.

We are also committed to embedding the voice and learnings of First Nations people and their culture at the centre of all that we do.

Core objectives

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



“ We had a raft of events up here, all supported by the Red Cross, every single one. And that’s been the common thread all the way through. At every single event, we’ve had the Red Cross there, at every recovery event.”

— Perth Hills resident

“ They’re like the quiet glue, almost, that holds this thing together ... really, without the Red Cross, I can’t even imagine, to be honest.”

— Service provider



Impact

We empower people and communities.

We help at-risk communities to build resilience to disasters, provide support for migrants, people in the justice system and work with First Nations communities.

**“ When we ended up at the relief centre,
Red Cross was there. They were the ones that
were organising the chaos, and it was chaos ...**

**It was terrible, but somebody had to make some
kind of ... sense out of it, and that was Red Cross.**

**Now, 15 months later... Red Cross is still here.
They were there then, they’ve been there the
entire time, they are still here now, and they will
be here for as long as we need them.**

They’re not going anywhere.”

— Community member and service provider, Victoria



Emergency Services

This year we supported more than 300,000 people before, during and after disasters.

- Nearly 1,700 volunteers and employees activated.
- Supported 131,000+ people during 42 emergency activations in Australia.
- 18 Register. Find. Reunite (RFR) activations with 10,090 registrations.

Unfortunately, our Emergency Services teams are responding to extreme weather events in Australia with increasing frequency. When these crises intersect with people experiencing vulnerability, the disaster is magnified — overwhelming an individual or community's capacity to cope with the impacts. We work at this intersection, providing on the ground support before, during and after the event.

In FY22 we responded to bushfires, floods, collective trauma, outreach, severe storms, heatwaves and the pandemic, with every state and territory activated at some point during the year.

Our Register. Find. Reunite. service played a crucial part in these responses, by letting family, friends and emergency services know that people were safe. Since launching in 2013, this service has been activated on average 20 times a year.

Community Disaster Resilience Program (CDR)

Emergency Services has a deep and long history of working with individuals and communities to strengthen their disaster resilience. As part of this, our Community Disaster Resilience Program offers a guide to communities considered to be at high risk.

Recent Pilot programs included groups representing Culturally Linguistic and Diverse Communities (CALD) and youth, which helped to inform the [Emergency Resilience in Culturally and Linguistically Diverse Communities](#) report, published in 2021.

2022 floods

In 2022, southeast Queensland and northern New South Wales were severely impacted by multiple rounds of devastating floods. Tens of thousands of people were evacuated, homes and belongings were destroyed and communities now face years of rebuilding.

We listened to the immediate needs of people coming into evacuation centres, as well as their concerns and frustrations, providing support and also advocating for people's needs with other agencies and government.

Members of our First Nations Recovery Team were also on the ground, supporting Aboriginal and Torres Strait Islander communities in disaster-impacted locations. The culturally safe response they provided resulted in the emergence of a greater number of First Nation communities seeking our help. Find out more about this work [here](#).

Our response in numbers



715

Red Cross emergency response team members and volunteers involved



42,275

people assisted, including **18,775** from Qld and **23,500** from NSW



7,120

registrations, **1,757** inquiries and **98** matches through Register.Find.Reunite.



Queensland

Red Cross teams supported in over **20** evacuation centres and **24** recovery hubs and outreach locations



New South Wales

Red Cross teams supported in over **35** evacuation centres and **24** recovery hubs across impacted areas

“ We support people through floods, fires, cyclones and we also play an important role providing psychological first aid in the aftermath of what we call ‘Collective Trauma’ events.

While circumstances are always shocking, we can be proud that Red Cross volunteer team members are there supporting the community during times of great need.”

— Australian Red Cross Staff Member, Emergency Services

Drought Program

The Red Cross National Drought Resilience Program was completed in 2022 and achieved three program outcomes:

- Direct support to 18,700 people in drought-affected communities.
- Ensured community leaders, volunteers, service providers and partners could address the psychosocial needs of drought-impacted communities.
- Direct influence at the policy level to ensure drought is considered as part of disaster response and raised awareness about the needs of drought-impacted communities.



12 support the supporter workshops



10 working dog trial workshops



18 movie nights



14 farm dinners and luncheons



67 farm First Aid courses



11 communities under stress workshops



5 drought-proofing your garden workshops



2 concerts



11 ladies' wellbeing workshops



16 roadshows



6 resilient leaders workshops

International

Our International Programs save lives, build resilient communities and empower people in disasters. In FY22 we had:

- 66 Australian international aid workers across 17 different areas of expertise deployed to 25 countries.
- 9 Red Cross National Societies supported to prepare for, respond to and recover from disasters.
- Supported a further 13 National Societies across the Asia Pacific (Afghanistan, Bangladesh, Cook Islands, Democratic People's Republic of Korea, India, Kiribati, Maldives, Marshall Islands, Micronesia, Palau, Philippines, Samoa and Tuvalu) in their responses to COVID-19 outbreaks and vaccination programs.

Asia Pacific

Our partnership with the Department of Foreign Affairs and Trade (DFAT) supports Red Cross National Societies and their communities in Fiji, Indonesia, Mongolia, Myanmar, Papua New Guinea, Solomon Islands, Timor-Leste, Tonga and Vanuatu to prepare for, respond to and recover from disasters. [Research](#) following significant flooding and COVID-19 outbreaks in Timor-Leste highlighted that Australian Red Cross' approach of "a more appropriate model of localisation for small Pacific Island states" was "broadly successful during the flood response". Further, in a British Red Cross commissioned piece of research — "Is Aid Really Changing?" — Australian Red Cross was commended for its efforts to devolve power and financing to National Societies in the Pacific.

Indeed our approach and partnership with DFAT was highlighted in Australia's statement at the recent Grand Bargain Annual meeting: "Our five-year, AUD 50 million arrangement with the Australian Red Cross (ARC) has supported a phased transfer of power and resources to other national Red Cross Societies. We are assisting these societies to lead their own response efforts and become more financially sustainable".

An example of this work is the response of the Fiji Red Cross Society (FRCS), which deployed 300 volunteers across 15 branches to assist the Fijian Ministry of Health at vaccine sites with registration, crowd management and data verification. FRCS also worked to disseminate key messages on COVID-19 prevention through community outreach and engagement.

Australian Red Cross provided financial and remote technical support to Fiji Red Cross as part of its government's efforts to ensure its population was vaccinated against COVID-19. At the time of writing, 95.3% of adults in Fiji were fully vaccinated.

Afghanistan

The humanitarian emergency in Afghanistan escalated against a backdrop of decades of complex and protracted conflict, combined with a changing climate and a global pandemic. As a result we launched the [Afghanistan Crisis Appeal](#) in August 2021 to assist the ICRC to provide humanitarian aid, including vital healthcare and other assistance. It also helped to support communities in Australia to locate and reconnect with missing family in Afghanistan caught up in the crisis.

With recent flooding events, earthquakes and a growing food insecurity crisis, the Movement's impartial humanitarian support to Afghanistan's most vulnerable is more important than ever.

Tonga

In January, we launched an [appeal](#) to support the Tonga Red Cross Society in response to the devastating volcanic eruption and tsunami. Funds from the initial response were used to distribute immediate relief items such as water, food parcels, tarpaulins, hygiene kits and solar lanterns to communities affected by the disaster.

Ukraine

At the end of February, a new phase in the armed conflict in Ukraine started displacing millions and damaging essential infrastructure.

Through the [Ukraine Crisis Appeal](#), our support assisted the millions of people displaced and affected by the ongoing conflict. Appeal funds contributed towards:

- emergency relief (food, water, hygiene and medicine);
- voluntary evacuations from besieged areas;
- first aid services and trainings;
- crisis accommodation;
- protection services; and
- cash assistance.

“ When I was a little girl in Afghanistan, I dreamed of growing up to be a pilot and flying my family to a safe country. I never dreamed I’d instead be a humanitarian, helping people seeking refuge in Australia.

I’m a Red Cross volunteer, one of many who in some way helped support 300 people who fled to Australia on repatriation flights when the Taliban took control of my homeland last year. Among them were mums, dads, little kids; who had been through things you wouldn’t wish on a living soul.

Everyone deserves a safe home and a welcoming, inclusive community. And I promised myself I’d make sure other people starting over didn’t have to go through what I did.”

— Sabia, Migration Support / Humanitarian Settlement Program, WA



Migration

47,000+ people received support from **165** countries

We connected nearly **11,000** children and adults in the **In Search of Safety** program

2,000 people helped through **Restoring Family Links**

37,000+ people received emergency relief payments

3,000+ people provided with family and domestic violence support

2,200+ refugees helped with settlement services

Our goal is that migrants in transition in Australia have their humanitarian needs met and are participating in a safe, fair, welcoming and inclusive society. We provide support to refugees, people seeking asylum, people in immigration detention and those who are vulnerable because of migration. We also provide services to trace and reconnect families impacted by conflict, war and disaster, as well as a wealth of other resources for ongoing needs, including food and referrals for social support.

Global Migration Lab

[The Red Cross Red Crescent Global Migration Lab \(the 'Lab'\)](#) is a cross-Movement initiative and resource. It strengthens the capacity of the Movement to harness operational research and data for evidence-based humanitarian diplomacy (HD) and advocacy.

This has resulted in:

- research capacity building training and support for 20 National Societies; and
- 15 National Societies engaged in a global research project on migrants' trust in humanitarian action. This includes one-on-one interviews with more than 1,800 migrants and over 10,000 online survey responses.

Empowering migrants

The Migrant Support Program (MSP) co-designed and implemented a Lived-Experience Framework, based on guidance received from community advisors and a lived experience network. This ensured that the voices, experiences, and insights of people with lived-experience of migrants, people seeking asylum and refugees as well as people in immigration detention, informs our work and programs.

We consulted with migrant communities across the country. Through our design of an online 'Work Right Hub', we empowered migrants and communities to prevent and combat criminal labour exploitation by strengthening their capacity to identify signs of exploitation, understand how to access advice and support, and take measures to prevent future exploitation. The Work Right Hub will launch FY22/23.

Humanitarian Settlement Program (HSP)

As part of our response to the conflict in Ukraine and the humanitarian crisis in Afghanistan, we supported people in hotel quarantine and with short-term accommodation, regularly called clients and procured and delivered care packages containing essential items such as food and clothing. Employees and volunteers also provided connections to local community groups and assisted with essential services registrations such as Medicare.

In April, a team of volunteers were mobilised to respond and support the needs of people from Ukraine, such as responding to client and community requests and queries, gathering documentation for program referrals, distributing food vouchers, and managing in-person presentations at the Red Cross office. The development of a dedicated webpage for resources also helped support eligible people from Ukraine to apply for HSP support.

In addition, there was a sharp increase of calls from families concerned about their loved ones in Ukraine and Afghanistan, who were then referred to the Restoring Family Links (RFL) service. RFL is part of the International Red Cross Red Crescent network and helps connect or determine the fate of family members who have been separated as a result of war, disaster or migration.

During this time, we advocated for adequate settlement supports for people seeking safety from Afghanistan and Ukraine and aligned with community and refugee sector asks. We welcomed the commitment by government for an additional intake of 16,500 people from Afghanistan. We also made a submission to and appeared at a public hearing for the 'Inquiry into Australia's engagement in Afghanistan'.

Restoring Family Links

In the past year, we have:

- actively sought 2,000 people for 800+ clients;
- managed 1400+ enquiries on the hotline (of which, 1206 became new enquiries); and
- closed 206 cases, including 70 cases where Red Cross located the missing person or was able to determine their fate.

Safety Net and Emergency Relief

People on temporary visas, including people seeking asylum and people without visas, don't have access to mainstream social services supports such as Centrelink or Medicare. Our Safety Net provides a range of emergency relief services, including financial assistance, information for additional supports and referrals, and complex casework support.

Temporary Visa holder Family and Domestic Violence pilot

The Temporary Visa Holder Family and Domestic Violence pilot supported people with temporary or uncertain visa status who are experiencing family or domestic violence and financial hardship. People in this group face specific challenges to access support, and these payments help meet urgent needs, including housing, food and groceries, and transport.

COVID-19 welfare and vaccination response

We collaborated with multicultural service providers and all levels of government to remove barriers of access to the COVID-19 vaccination program for temporary visa holders, and people without a visa. We also supported the federal government to improve peoples' access to their vaccine certificates, testing facilities, and hospital treatments.

Monitoring immigration detention to ensure humanitarian needs are met

Our Humanitarian Observers regularly visited immigration detention facilities in Australia. Our teams inspect detention facilities, speak with people in detention, and meet with departmental officials and detention service providers to identify issues of humanitarian concern. In response to COVID-19 restrictions, the team used a hybrid model of in-person and remote monitoring to maintain engagement with people in immigration detention, and continued monitoring conditions including the impact of the pandemic on people in detention. We confidentially discussed concerns with the officials and government representatives to try to resolve identified issues and to prevent and reduce harm.

Helping migrants overcome barriers to employment

We create opportunities for migrants to become financially independent. In FY22 we:

- built the capacity of 550 migrants in transition to overcome barriers to employment; and
- partnered with 40+ employers to better understand how to make workplaces culturally safe for migrants.

Connect.Match.Support.

Our **Connect.Match.Support.** and **Connected Women** programs provide a range of supports for job seekers by providing detailed client support. This includes:

- building capacity to engage in employment, training and education;
- empowering clients to consider their career goals;
- connecting people to English language courses and training courses; and
- providing digital literacy training while also identifying and supporting clients with complex casework needs.

We also developed Welcoming Workplace sessions for major, national employers to help create welcoming workplaces for migrants and refugees.

Connected Women – encouraging economic empowerment and entrepreneurship

Migrant Support Programs (MSP) Northern Territory purchased two food trailers for Darwin and Katherine from the fund of Multicultural Community Amenities Grants from NT government. The trailers are used as a resource for Connected Women participants to help them develop knowledge and skills from industry experts to enhance their cooking skills and understand the basics of starting a small food business.

This social enterprise has encouraged women from diverse communities to come together and share their food, culture and experiences in a safe, respectful and collaborative environment while enhancing their skills and setting them up to contribute to the life of the Territory.

Asia Pacific Migration Network

The [Asia Pacific Migration Network](#) (APMN) aims to strengthen the capacity of Asia Pacific National Societies to respond to the humanitarian needs of migrants and other people affected by migration through peer-to-peer engagement.

APMN activities include research and mapping projects, peer-to-peer learning, hosting regional migration events, strategic sessions and trainings, and supporting regional and global meetings within and beyond the Movement.



International Humanitarian Law

Our mandate is to raise awareness of International Humanitarian Law (IHL), also known as ‘the Laws of War’. As part of this we work closely with the Australian Government to ensure respect for IHL.

We do this for businesses through our two training packages on the laws of war and human rights: *War, Law and Business* and *Security, Armed Conflict and IHL*. These resources aim to assist Australian organisations to understand IHL and embed it appropriately in their policies and operations.

War, Law and Business

In late 2021, Red Cross and RMIT University launched a new, immersive experience on IHL for future business leaders — *‘War, Law and Business’*. Our interactive introduction to IHL highlights the role and relevance of this legal framework to the leaders and decision-makers of tomorrow. The website has now been shared with numerous organisations, including universities and a United Nations initiative. Find out more [here](#).

Security, Armed Conflict and IHL

Our short training course on *Security, Armed Conflict and IHL* was aimed at security personnel in the resource and energy sector. It was designed to supplement companies’ existing security and human rights training and has been rolled out with several major companies in the sector.



“ Australian Red Cross’ *Security, Armed Conflict and IHL* training really brings home the importance of managing military and government relationships carefully ... A course like this would be very helpful for our teams to connect the risks with stakeholders.

This is a great course with useful links to key data points. This would be ideal for our in-country managers and community leads where conflict has or is occurring as well as our global communities, external relations and security teams.”

— 2022 corporate participants, *Security, Armed Conflict and IHL for Australian Mining Companies*

Community Programs

60,000+ Patient Transport Trips

180,000 meals delivered

5,000+ people received social support

225,000+ social support hours delivered

1,300 people supported in the justice system

As Australians continued to reel from the sustained lockdowns and social isolation of COVID-19, our Social Support Programs provided invaluable human connection. For many of our clients, services such as MATES, the Home Social Support Program, Telecross or Teleyarn were the only contact they had.

Family Support

- 190 clients supported.
- 750+ volunteer home visits.
- 1,950 text messages and 757 telephone calls.

An in-home early intervention program that supports mothers at risk of experiencing post-natal depression, multiple birth families (twins, triplets or greater), and families who are socially isolated — with practical support to help mothers.

Roadhouse Program

- 15,000+ meals.
- 40+ clients assisted per day.
- 35+ volunteers.
- 30+ stakeholders engaged with the services.

An ACT initiative supporting people who are homeless, or at risk of being homeless. Despite COVID-19 restrictions impacting volunteering, we were able to provide uninterrupted meals and support throughout the year.

Soup Patrol

- 40 people fed every night.
- 20,000 nutritious meals served each year.

A 48-year-old service that delivers meals to people experiencing homelessness and financial hardship every night of the year.

TeleYarn

- 94 TeleYarn clients, 3937 hours of TeleYarn.

In NSW, the TeleYarn service supported clients' wellbeing, mental health, and their connection to Country and to Mob.

Justice

- 16 justice programs within correctional facilities.
- Supported over 190 First Nations community members through our Justice Reinvestment Hub in Port Adelaide.
- Provided direct client support to over 400 young people who have interacted with the justice system.

Our programs support people to transition to positive and productive lives in the community. Our programs have led to improved self-confidence and worth, as well as increased personal and cultural safety both within prison and following release.

National Employment Project — Beyond the Police Check

The [Employment Project](#) is a national collaboration that has brought together nine corporate, community and technical specialists to support employers to recruit, manage and retain people with lived experience of the justice system. This is one of our initiatives that has supported system change and employment opportunities to people in the justice system.

A first of its kind in Australia, the platform focuses on upskilling employers to address the high unemployment rates of this cohort. Alongside this, we released our report [Connecting talent shortages to those who can work](#).

WorkREDi

- 33 new referrals and clients.

WorkREDi is a Victorian program that provides employment support for young people at risk of, or who have had contact with, the youth justice system. In the past year, we provided clients with generalist case management support, mentoring, training and skill development opportunities to help them feel confident and job ready.

“ Tears, but tears of joy and relief. A delightful young woman had been without food for three days. She was in isolation in a very small cabin.

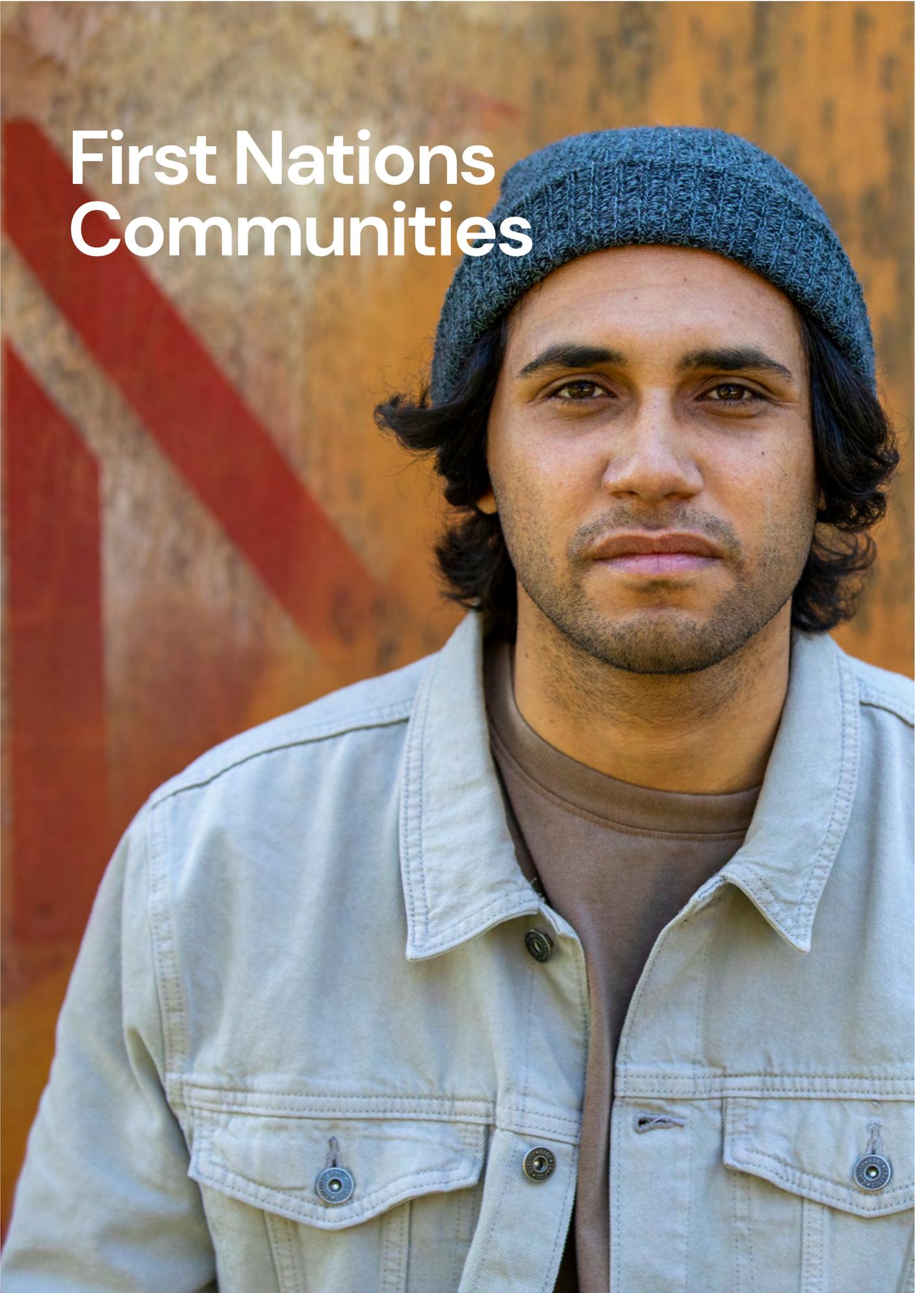
When told Red Cross and the Australian Defence Forces were on the way with her relief parcels and, for her safety, she needed to stay indoors until we left, she cried. She wanted to hug us but settled for waving to us through the window.

Tears all round, another reminder that we don't just deliver food. So proud to be a Red Cross Volunteer.”

— Betty D'Amore, Victorian Emergency Services Volunteer



First Nations Communities



First Nations people are at the heart of all we do.

We are deeply committed to working with First Nations peoples in the true spirit of reconciliation. We will continue to learn from the beliefs, customs, culture and history of first nations peoples; and to draw upon their wisdom, knowledge and leadership to guide us in changing hearts and minds.

Strength-based, localised, place-based approaches are at the heart of our work. We draw and build on the needs and perspectives of First Nations peoples and communities, creating and elevating opportunities to lead their own futures.

Our work in communities such Katherine, Tiwi Islands, Nauiyu/Daly River, Kalgoorlie, Ceduna, Bridgewater, Wallaga Lake, Kempsey and Woorabinda has assisted approximately 2,000 community members.

Elders Lunch — Kwinana, WA

In Kwinana, WA, our employees and volunteers listened to and responded when the community identified the importance of supporting Elders to strengthen family and culture, issues around food insecurity and access to culturally appropriate services. As a result, the weekly Elders Lunch has provided warm meals and a safe meeting space for more than 1,000 Elders. Alongside this, we created a food pantry for the community.

Food Hub — Bridgewater, TAS

In Bridgewater, our conversations with the local First Nations community identified urgent issues with food security. We supported the community to secure a 'Communities for Children' grant to seed a trial which has distributed almost 180 family food packs over three sessions. This resulted in the establishment of the Food Hub, a project that extends to all community members, not just the area's Aboriginal population.

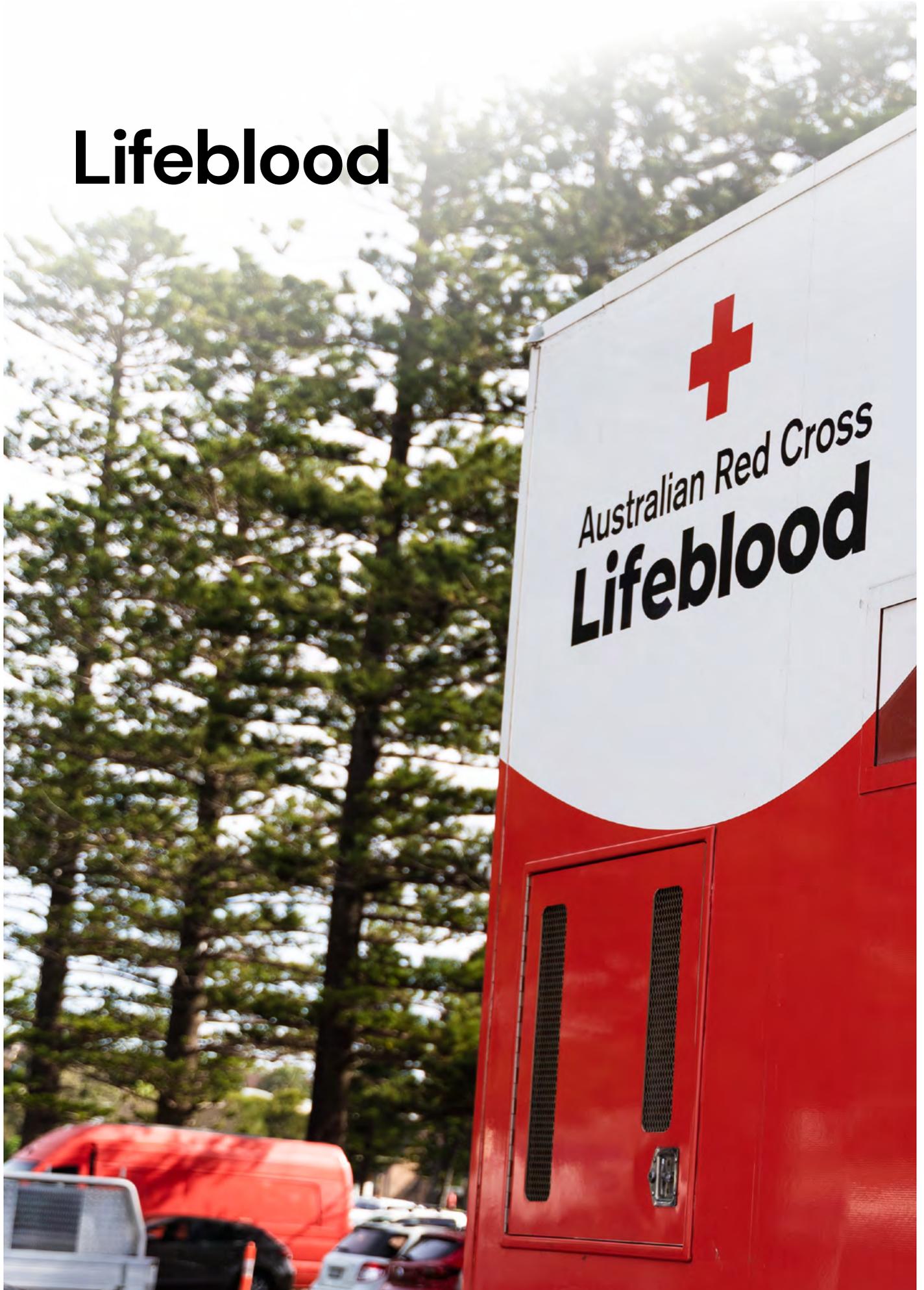
Buwardaja — Katherine, NT

In Katherine, we partnered across sectors and agencies to provide place-based support for incarceration, community violence, domestic violence, complex health presentations, educational disadvantage, Elders in aged care and youth suicide.

“ Buwardaja connects us to country physically and spiritually, it is our identity to country, song line and lore”

— May Rosas, Traditional Owner and Elder and Red Cross Senior Cultural Governance Partner, Community Programs, Katherine

Lifeblood





1 million

Delivered over 1 million fresh blood products to Australian hospitals and healthcare providers.



819.4 tonnes

Supplied 819.4 tonnes of plasma for fractionation to CSL Behring, to be processed and delivered into our Australian hospitals.



521,000

Welcomed more than 93,000 new donors who joined the 521,000 Australians who donated blood, plasma or platelets this year.



3,500 litres

Supplied nearly 3,500 litres of generously donated breast milk for very premature babies (compared to 2,300 litres in FY21).

We see it as our responsibility to make an even greater contribution to Australian healthcare. This commitment sees us actively partnering with government to deliver a highly efficient, world-leading organisation, providing services beyond blood and plasma, including world-class research and expertise in screening, clinical, transplantation and immunogenetics services to enhance health care outcomes globally.

Lifeblood has a continued focus on how to respond to emerging challenges and trends, such as the rising cost of services, increasing demand for plasma products, continued emergence of precision medicine, acceleration in new technologies, and changing consumer and workforce preferences towards more personalised and convenient services.

In response we have been building our knowledge base of the changing consumer profile and donor needs and constantly researching and refining ways to further inspire donors to give blood, plasma and biological products.

Despite what has been a challenging year in terms of blood and plasma collections, Lifeblood has continued to achieve some great results.

All of this has been achieved with focus also being given to:

- improving the diversity of our donor panel to ensure that it reflects the Australian community and that our blood supply can adequately support the treatment of the country's increasingly diverse population;
- driving efficiencies, while building resilience to withstand potential future challenges;
- Maintaining our exemplary safety and quality standards; and
- Continually improving our cyber security to combat the increasing rise of cyber-attacks in the health care sector.

We are also grateful for and proud of the strong feedback our donors and Australian health providers continue to give.

Enhancing healthcare for life-changing results

More life-changing plasma:

- Plasma collections were 2% higher than pre-pandemic levels.
- 21,193 new donors gave plasma in 2021–22.

With the power to help people in 18 different life-giving ways, the demand for plasma grows every year. Our Plasma Strategy aims to increase collections of plasma for fractionation, so we can help even more Australians enjoy a better quality of life.

Over the last year, the impacts of the pandemic saw our collections of plasma dip lower than we initially forecast. Despite this, and although numbers will continue to be challenging, we're seeing strong trends of people returning to donate this game-changing product.

Our focus is to continue to attract new donors, engage with appropriate donors and inspire them to donate plasma more often. This strategy will help strengthen plasma collections and growth, supporting more Australian patients, while working within the footprint of our current donor centres and networks.

Life-changing faecal microbiota for transplant to hospitals Australia-wide

- Manufactured over 100 FMTs.
- Supplied product to 32 patients in five hospitals across Australia.

Faecal microbiota for transplant (FMT) is an effective treatment for patients suffering from recurrent or refractory *Clostridioides difficile* infection, a debilitating bacterial infection within the gut. FMT is over 90% effective for patients with recurrent *Clostridioides difficile* — one transplant can be all it takes.

Our Australian-first pilot in partnership with Fiona Stanley Hospital in Perth has helped prove that FMT is better than antibiotic alternatives for recurrent *Clostridioides difficile*, reducing the average length of patient stay in hospital and the requirement for antibiotics.

This year Lifeblood has seen many firsts for the Microbiome program:

- the first license to collect and manufacture FMT in Australia granted by the Therapeutic Goods Administration;
- the first microbiota donor screened;
- the first FMT manufactured for clinical use;
- the first patient treated with Lifeblood FMT; and
- the first patients cured.

FMT also has potential to impact other conditions and we plan to supply FMT for use in research programs to treat other conditions such as ulcerative colitis, Crohn's disease, major depressive disorders, and in conjunction with other therapies such as immunotherapy.

Partnering with hospitals to improve outcomes for patients

- Enrolled over 200 patients, resulting in 90 successful transfusion events.

With the support of the National Blood Authority, we're partnering with leading Australian hospitals to deliver the Human Leukocyte Antigen (HLA) Compatible Red Cell Transfusion Pilot.

This is a world-leading clinical study that has the potential to improve clinical outcomes and quality of life for patients with end-stage kidney disease or planned live donor kidney transplants. These patients may need blood transfusions while they wait for a transplant, which can then make them less compatible with their planned living kidney donor. We're working towards reducing risks and enhancing transplant outcomes by supplying HLA compatible red cells to patients.

This project gives Lifeblood the capability to supply a product not routinely available anywhere else in the world, giving Australian patients a greater opportunity for positive transplant outcomes.

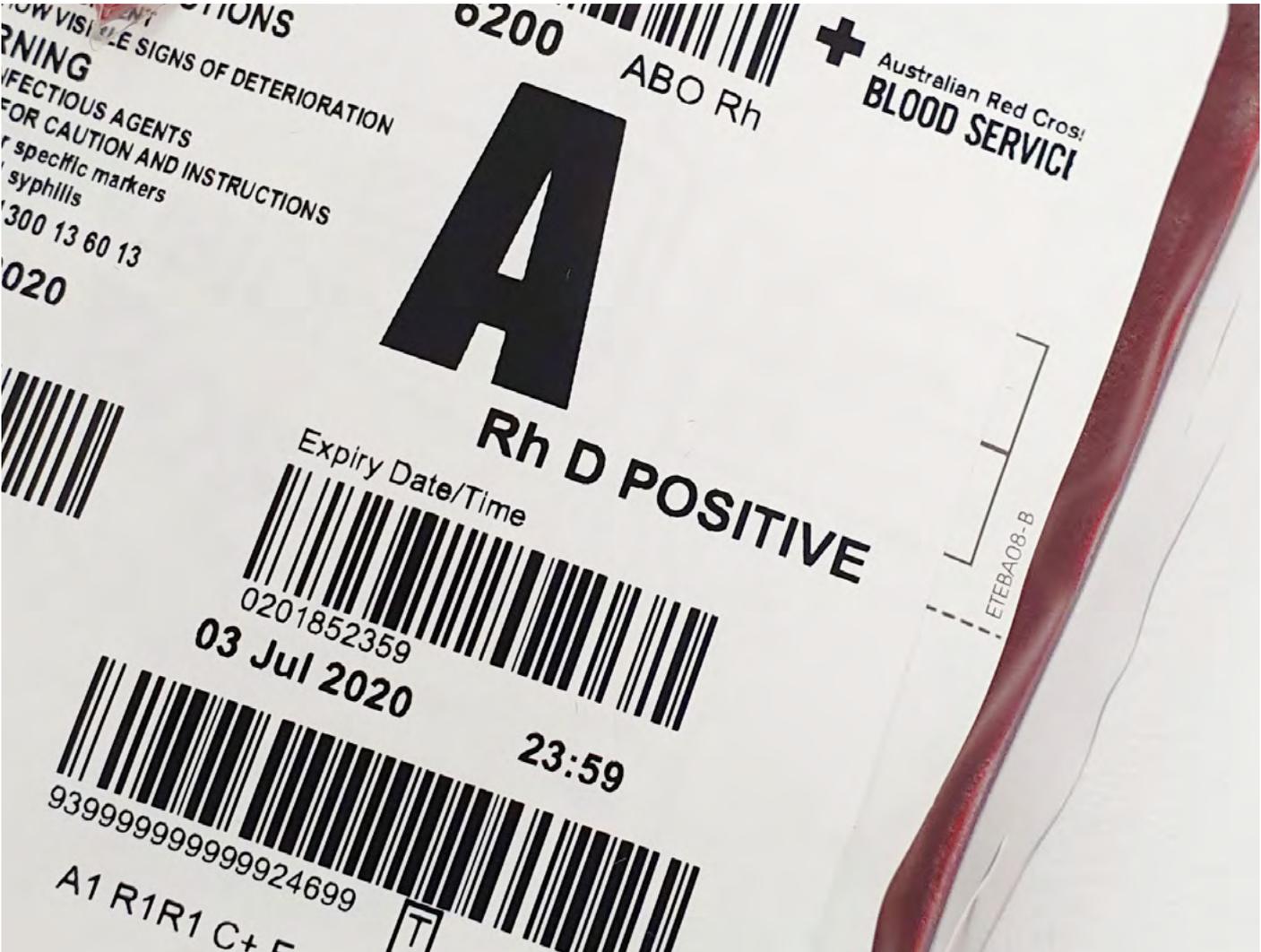
There is also potential for significant savings for the Australian health system. If Lifeblood were to provide this product, it could result in savings of \$27.8 million for the public health system over 10 years.

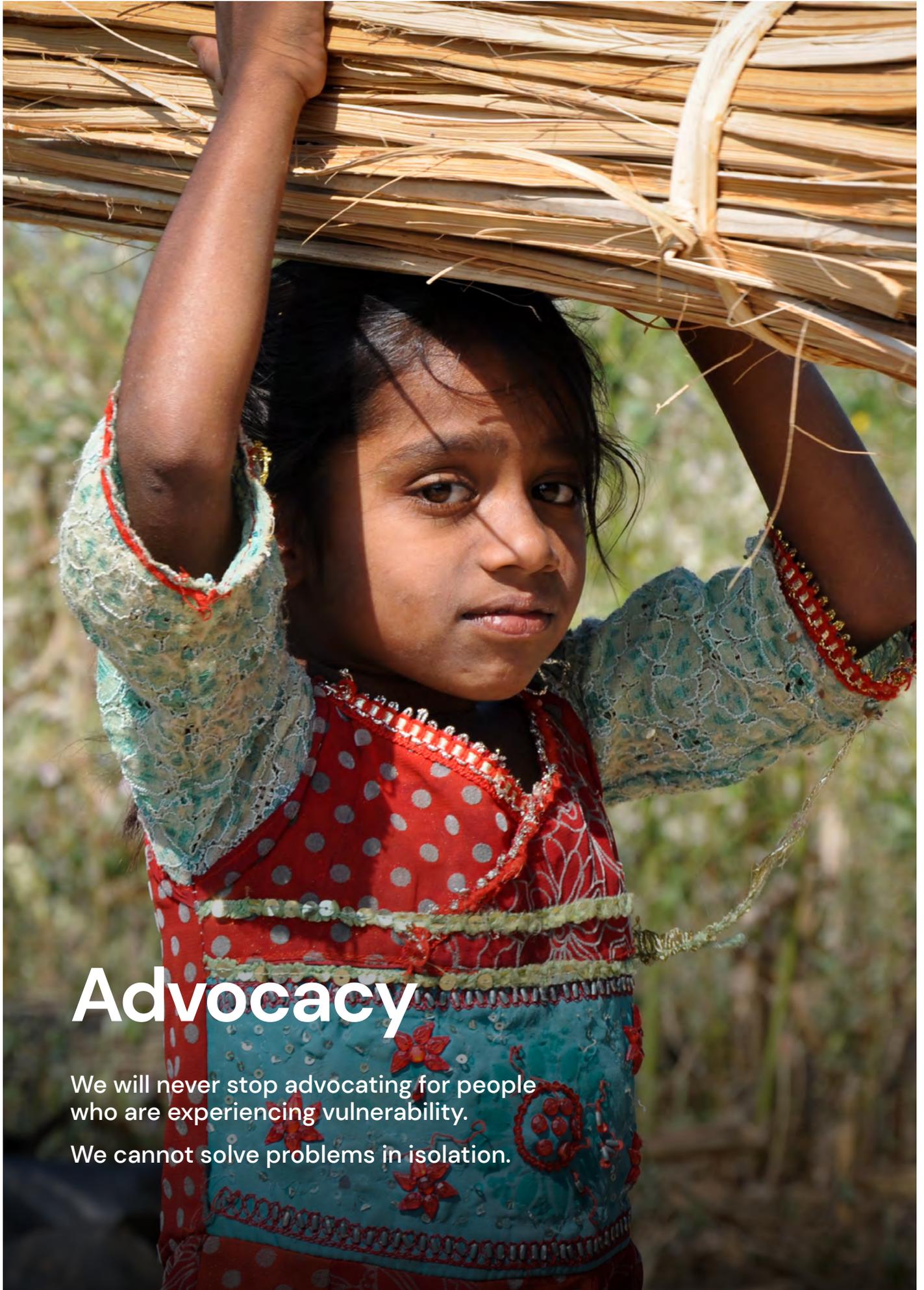
A blood service for the future

We've been implementing upgraded technology to ensure that we continue to be a world-leading international biological manufacturer across collections, processing, testing, distribution and supporting services.

“ Our generous donors are truly the lifeblood of the nation and essential to keeping Australia’s blood and plasma supply flowing. Without them, we couldn’t deliver the services that are critical to the health of our nation.”

— Senior Leader, Lifeblood





Advocacy

We will never stop advocating for people who are experiencing vulnerability.

We cannot solve problems in isolation.

“ It is not a little thing ’cause when you have nothing, and someone says they can help you, it means the world.”

— This is the feedback from a survivor of modern slavery who received support from our Support for Trafficked People Program (STPP) that we manage with funding from the Federal Department of Social Services

In FY22 we continued to provide neutral, independent and impartial humanitarian action and proactive advice. As part of a global Movement, we have an important role to play in speaking up for people and communities impacted by conflict, disaster or vulnerability. The solutions to complex humanitarian problems can not be solved by one organisation, individual or partner alone. Red Cross provides a platform for connection, collaboration and action.

Ongoing advocacy

In addition to our regular dialogue with federal, state and territory departments, we reaffirmed our call for the prohibition and elimination of nuclear weapons by releasing our Elimination of Nuclear Weapons Position Statement, supporting International Humanitarian Law outcomes.

We also conducted regular engagement and advocacy with federal, state and territory governments and departments on issues of humanitarian concern. In addition we made a number of public submissions.

Modern slavery

People who have been exposed to modern slavery are amongst the most isolated members of our community, facing systemic barriers to identification and access to services.

- We directly supported 175 people who experienced human trafficking and slavery.
- We received 52 referrals from the Australian Federal Police.

We provided individualised casework support for impacted people through the Support for Trafficked People Program. Using a victim-centred approach, this ensures needs were identified and that a sense of safety and security was restored. Additionally we provided:

- evidence-based responses to government and the modern slavery sector based on research;
- published a report on *Barriers in accommodating survivors of modern slavery*;
- worked with the University of South Australia to identify the needs of dependents of trafficking and slavery and recommendations to government;
- worked with the Australian Institute of Criminology to analyse the needs and barriers in the support of survivors of sexual exploitation; and
- partnered with British Red Cross and IFRC to roll out IFRC training on *Understanding Trafficking in Persons* e-learning module across eight National Societies participating in the Asia Pacific Migration Network, as well as protection, gender and inclusion networks over 12 months.

Our [Modern Slavery Statement](#) provides further details on our work in this area.



Humanitech

Humanitech harnesses the power of technology for the good of humanity to ensure technology drives positive, human-centred and sustainable change. Humanitech is an initiative powered by Red Cross with founding partner the Telstra Foundation. Highlights include:

- 177 Humanitech Summit attendees.
- 6 Humanitech Lab participants supported to validate, pilot and scale their technology to tackle humanitarian issues.

The ability to influence systems so that practical change happens was advanced, for example:

- The majority of recommendations in the [Trust Alliance's submission](#) on the federal government's proposed digital identity bill were reflected in the revised legislation.
- Design of the Humanity First prototype, principles for ethical, responsible and inclusive technology design and use is now ready for testing.

- The Humanitech Summit [Summit 2022 | Humanitech | Australian Red Cross](#) brought a diversity of sectors together to discuss and debate the design, use and regulation of frontier technologies so that benefits are shared equitably, and their harms addressed.
- Research collaborations and publications through our industry partnerships with the Australian Research Council Centre for Automated Decision Making & Society (ADM&S) at RMIT and with Swinburne's Social Innovation Research Institute.
- Lab member FloodMapp piloting with Red Cross, Emergency Services Queensland and multiple Local Government Services (LGS) to strengthen community flood resilience using live flood mapping data and, another member Climasens piloting with Red Cross emergency teams in South Australia and Queensland using its technology delivering location-based climate intelligence.

“ Humanitech provided a network of practitioners and a ‘hub’ like opportunity to ignite impromptu conversations and idea generation. As a very lean outfit, having the opportunity to workshop, discuss and challenge was particularly beneficial for Good Hood.

Humanitech also provided the network of practitioners to discuss, compare and explore best-practices with regards to co-design, and working with community members with lived-experience.”

— *Good Hood*, Humanitech Partner



People

Red Cross people are passionate.

More than 600 volunteer knitters in 75 knitting groups hand knit teddies in Australia.

In total, 50,000 Trauma Teddies every year. That's a huge number of children who each year receive the care of a teddy bear.

“ I feel proud to be a Red Cross member and Emergency Services volunteer. It has brought fulfilment to my life and introduced me to some wonderful people.”

— Australian Red Cross member

It is the power and dedication of Red Cross people that underpins our humanitarian activities, drives our immense reach, and enables us to help so many in need.

- 7,600 members.
- 12,700 volunteers.
- 1,900 employees.

Initiatives to develop our members and volunteer base included a National Youth Summit where members of our REDxYouth network gathered to design the 2030 National Youth Strategy and 2023/24 Plan of Action — a national strategy aimed at building a shared vision for youth participation throughout Australian Red Cross.

Over the next two years, youth activities will be focusing on four pillars:

- Mental Health of Young People.
- Climate Adaptation.
- Reconciliation.
- Supporting migrants and refugees.

Reconciliation

Our commitment to reconciliation as an organisation is guided by the National Aboriginal and Torres Strait Islander Leadership team and supported by our [Reconciliation Action Plan](#) (RAP). Our third RAP, *Stronger Together, 2018–2021*, provided a comprehensive blueprint for how we could take real and meaningful action towards reconciliation across every level of the organisation.

Remuneration

A review of our remuneration framework in 2018 revealed that some employees of Red Cross were historically not paid the correct rates of pay, allowances and other entitlements.

Red Cross has since updated its remuneration framework and payroll system, enhanced employee training, and strengthened its compliance framework.

In November 2021, Red Cross entered into an Enforceable Undertaking (EU) with the Fair Work Ombudsman (FWO) to address the issue of underpayment of current and former employees, and to avoid future underpayment. The EU contains a number of legal obligations that we must satisfy, including employee training, communication to affected current or former employees, establishment of an independent hotline, an independent assessment of the remediation payments, and three annual audits.

In March 2022 the organisation completed the final round of employee pay history reviews, notifications and payments.

People affected have now either been repaid or are ready to be repaid (pending bank or superannuation details being provided). Red Cross is in the process of remitting the remaining funds to the Commonwealth's unclaimed monies fund, where it will be held until claimed.

Although unintentional, Red Cross unreservedly apologises for the situation, and reaffirms its commitment to preventing such a situation occurring again.

Inclusion and diversity

We are committed to continuing to build an inclusive and welcoming culture that supports people from all lived experiences to enjoy a strong sense of belonging.

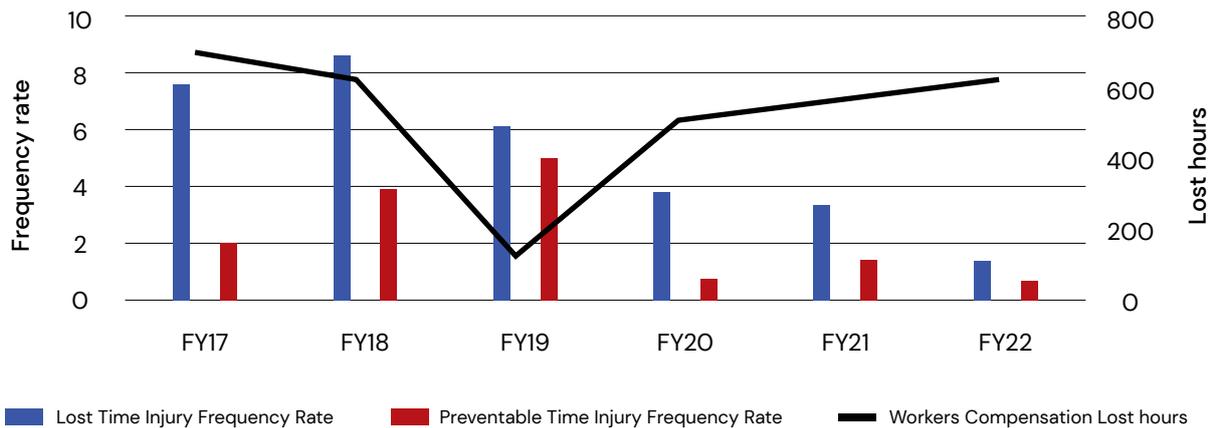
In FY22 more than 2,200 people participated in an inclusion and diversity survey. Feedback showed that 91% participants agreed that Red Cross people should reflect the diversity of the Australian community and 80% of participants felt a sense of belonging, security and acceptance for who they are at Red Cross.

Employee safety

We continue to build the knowledge, skills and behaviours of our people regarding safety risks, health and wellbeing. Our Lost Time Injury Frequency Rate has continued to decline.



Lost Time Injury Frequency Rate FY22



Definitions

- The Lost Time Injury Frequency Rate (LTIFR) calculation measures the number of employees' lost-time injuries (LTI's) per million hours worked over a 12 month period. A lost-time injury (LTI) is something that results in a fatality, permanent disability or time lost.
- The Preventable Lost Time Injury Frequency Rate (PLTIFR) indicator measures the number of LTIs, that after an incident investigation, were determined to be 'preventable' based on Red Cross having the correct processes, conditions, equipment, control, training or supervision in place at the time.
- Workers Compensation Lost hours is the number of recorded hours associated with employees being off work due to a Workers Compensation claim. Largely caused by 3 office/retail injuries, two of those employees affected have since returned to work.

Source: WHS safety data FY22

**“ Connected Women Katherine reminds me of a quote I read in a book titled ‘Things Fall Apart’ by Nigerian author, Chinua Achebe who said”
‘United we stand, divided we fall’.**

We are a united community filled with love and appreciation for one another and that is what I truly love about being a Red Cross Volunteer.

— Jackline Hakim, Red Cross Volunteer



Environmental impact

Our emergency response teams are ready to be there for people right across the country, 365 days a year. So, no one has to face a disaster alone.

Extreme weather conditions are becoming the new norm.

“ Climate and environmental challenges are increasing in scale and intensity, requiring urgent collective action.

The immediate priority of Red Cross is to save lives, reduce suffering, and enhance resilience for those in vulnerable circumstances.

To achieve this, we continue to adjust our operations to reduce our environmental footprint and scale up the work we are doing to assist communities to adapt to climate change.”

— Australian Red Cross staff member, Strategic Initiatives

Climate Action Governance

At the [Statutory Meetings of the International Red Cross and Red Crescent Movement](#) in June 2022, Australian Red Cross President Ross Pinney described the impact that our changing climate is having in generating more severe and frequent emergencies here and across the Pacific region. He called for greater resourcing of disaster risk reduction and innovative financing mechanisms to respond to increasing humanitarian needs.

We also supported an intervention made by Tuvalu Red Cross to the Council of Delegates on behalf of 14 Pacific National Societies supporting the Climate and Environment Charter and urging the Movement to collaborate in support of urgent climate action.

As a result, a further 50 National Societies from around the world signed the [Climate Charter](#), signaling the International Movement’s solidarity in the face of climate challenges.

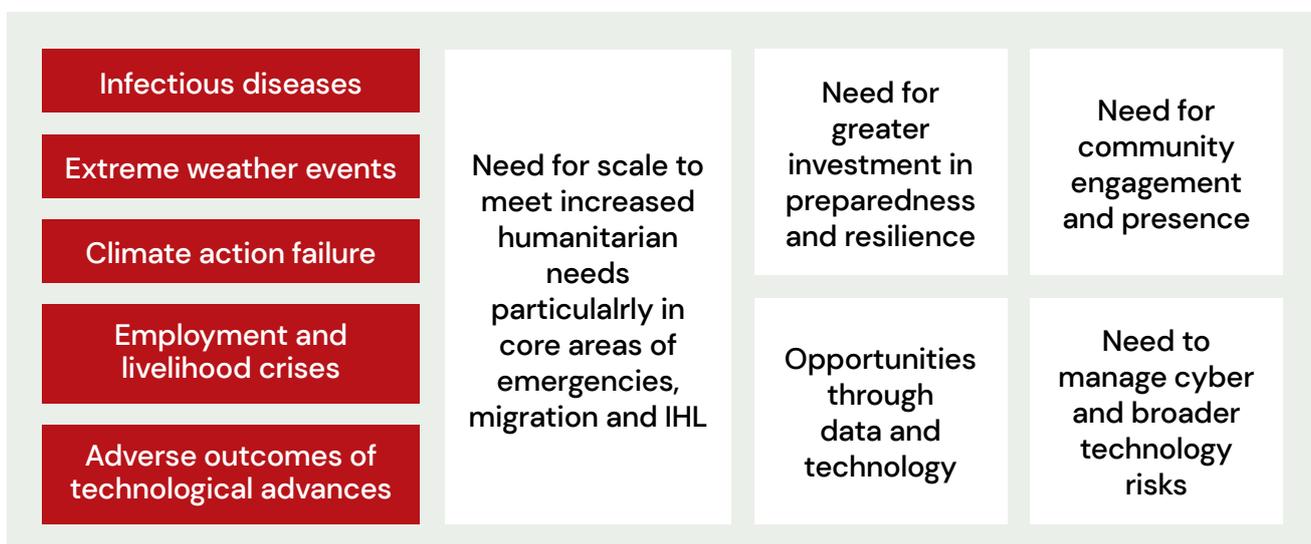
Climate strategy

We aim to reduce our scope 1 and 2 gross emissions by 15% in 2025 and work towards net zero by 2040. Find out how on our [website](#).

We are focusing on strengthening communities, supporting them to prepare and adapt to extreme weather events. We are doing this by:

1. Ensuring our trained, ready-to-deploy workforce of volunteers and employees are able to scale-up, immediately respond, support longer term recovery, and help with preparedness planning.
2. Working with communities to strengthen their capacity to prepare for and adapt. We aim to do this by implementing community climate adaptation programs in more than 100 Local Government Areas most vulnerable to and likely to experience droughts, heatwaves, floods, cyclones, and bushfires. We will do this in line with the Red Cross and Red Crescent Climate Centre, whose global mission is to support the movement and its partners in reducing the impacts of climate change and extreme weather events on vulnerable people.
3. Strengthening mechanisms for disaster risk reduction and enhancing anticipatory action in the Asia Pacific region.

Risk identification including ESG and climate factors



Climate change risk management

The Board participates in an annual strategic risk workshop to identify and review emerging risks, including those arising from climate change and biodiversity.

Whilst our risk maturity is still developing, climate and biodiversity risks have been included as part of our broader emerging risks and strategy review.

Further steps to mitigate risks:

- ongoing monitoring of external environment and impacts to funding;
- strong project planning, implementation, and governance; and
- maintaining the balancing act in our collective focus: managing near-term challenges whilst focusing on investing for longer-term.

Risks associated with climate change include 'transition', 'physical' and 'wellbeing' risks. In the lead up to the COP26 negotiations in Glasgow, and as a result of the release of the The Intergovernmental Panel on Climate Change (IPCC) reports in 2021, we developed resources to help people manage climate anxiety.

Opportunities associated with addressing our environmental impact include reduced operating costs through resource efficiency, solar energy, reduced waste, increased recycling and reuse and increased climate resilience. We have already seen improved financial returns on our ethical investment portfolio, compared to industry benchmarks. Another identified opportunity is our capacity to form partnerships to achieve common Environmental Social Governance (ESG) goals, thus reducing negative environmental impacts and increasing our social impact.



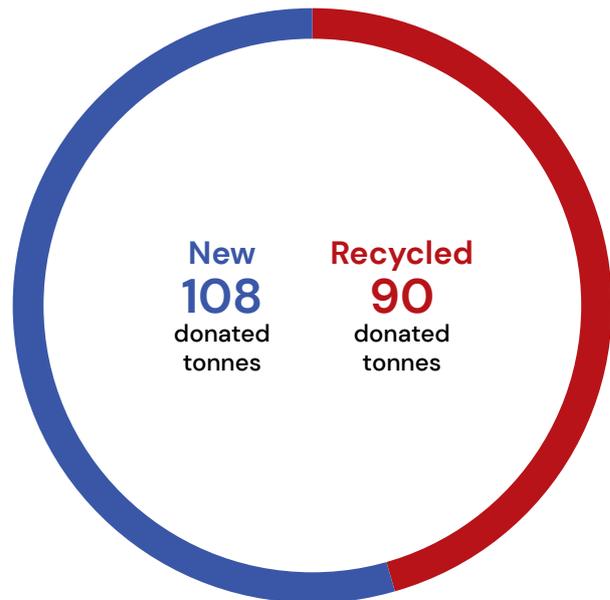
Metrics and targets

We are working to reduce our own carbon footprint and ensure our operations can be undertaken in a way that limits adverse humanitarian consequences associated with climate and environmental challenges. This includes sourcing renewable energy, energy and fleet efficiency, supply chain review and waste avoidance, reduction and recycling.

Red Cross management has developed and published targets as a signatory to the Climate and Environment Charter for Humanitarian Organisations and also as a member of the Australian Climate Leaders Coalition. These commitments demonstrate our growing ambition to support communities to prepare for and respond to climate change.

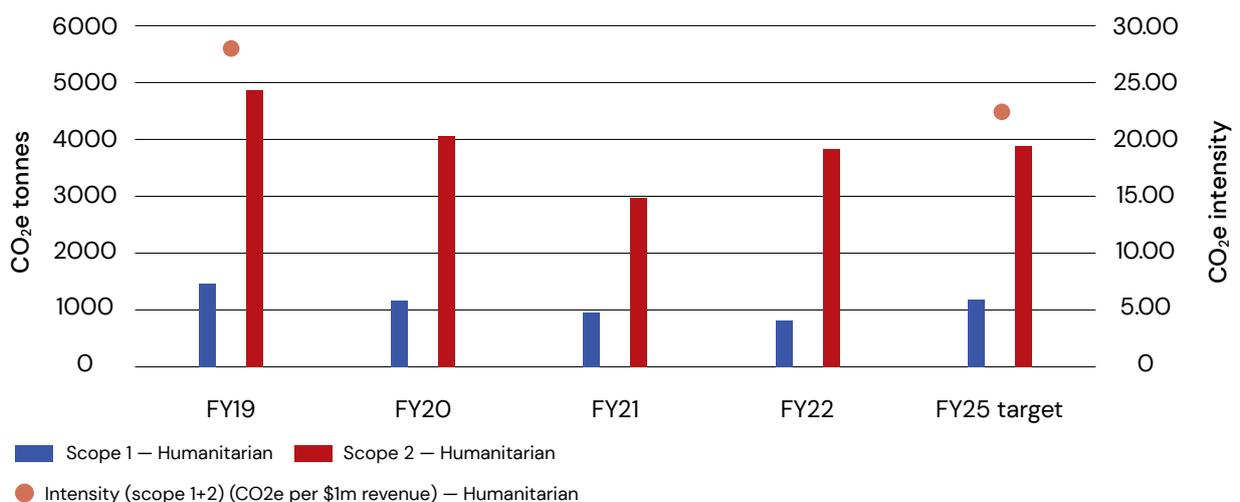
In addition, we diverted 198 tonnes of clothing from landfill into Red Cross Shops. This means that we avoided 722 tonnes of carbon emissions and 62ML of water consumption, which would have been required to produce the equivalent in new clothing.

Donated goods tonnes diverted from landfill – Scope 4 emissions avoidance



Source: ESG, Australian Red Cross

Humanitarian Services Carbon Emissions reduction – on track



Definitions

- Scope 1 emissions are direct, at Red Cross these are calculated using actual fuel usage of our car fleet.
- Scope 2 emissions are generated from the use of electricity and calculated using actual Kwh data for buildings directly owned and leased where we are billed directly for energy.
- Scope 3 are indirect emissions from sources not owned/controlled by Red Cross but related to supply chain emissions from purchased goods, transport, logistics, staff commute, and waste. They are calculated using a variety of data and estimates, including those from a sample of our suppliers. Emissions from freight uses conversion factors from the UK Department for Environment & Rural Affairs. These are estimated at 5,700 tonnes for Humanitarian and 68,000 tonnes for Lifeblood.

Source: ESG, Australian Red Cross

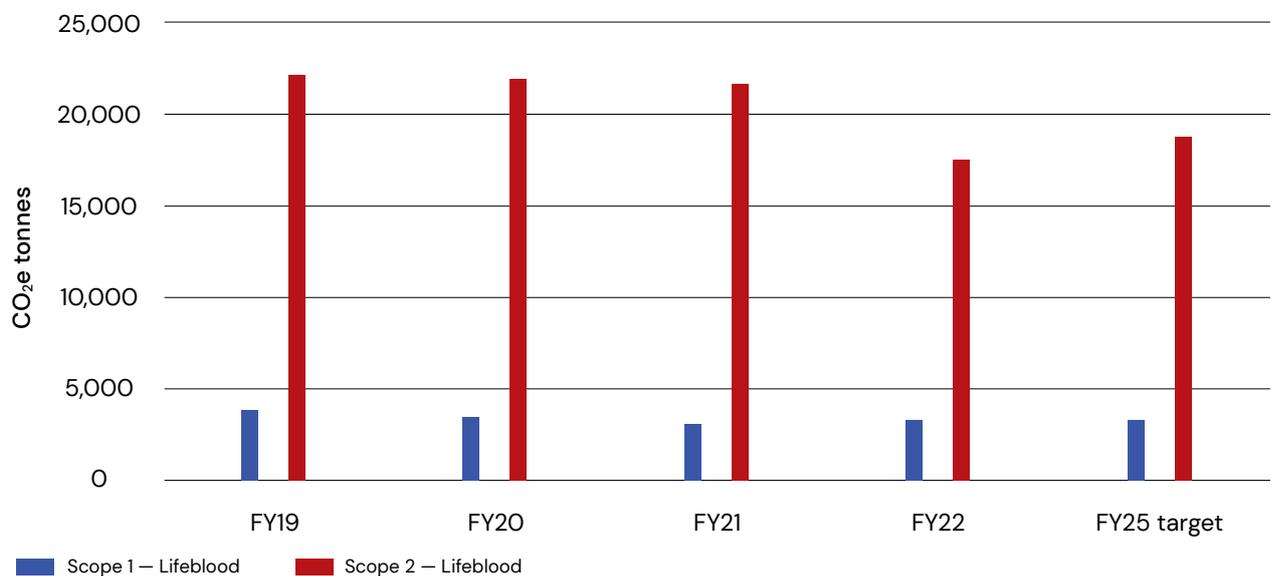
Lifeblood Carbon Emission

The Lifeblood carbon reduction targets include scope 1 and 2 emission reductions of 15% by 2025 and 28% by 2030, and a first step towards an overall goal of net-zero.

Lifeblood recorded a 15.2% reduction in its carbon footprint for 2021/22. This is largely attributed to reductions in overall electricity use from the grid of 8%, predominately due to the installation and use of solar panels. For the first time, 7% of electricity used was purchased from renewable sources.



Lifeblood carbon emissions — on track



Source: ESG, Australian Red Cross



Financial capital

Every dollar counts.
Every dollar is spent with care.
Every dollar represents compassion.

“ It’s a privilege to work for Red Cross...

Our 164 Red Cross Shops around the country provide financial support for our programs; promote engagement and connection within local communities; and provide opportunities for a retail team of nearly 4,000 volunteers.

Not to mention extending the life of clothing through reuse in Red Cross Shops...

Increasingly we play a role in sustainability, diverting thousands of tonnes of clothing from ending up in landfill – around five million items each year. I feel like I’m making a difference through reuse initiatives.

Thank you to all our generous donors and team who make this possible.”

— Australian Red Cross Retail staff member

Retail Shops

- 3,600 retail volunteers in shops and distribution centres.
- 60 student volunteers sorted 4,000kg product at our distribution centre.
- 3.2 million donated items sold.
- Supported communities with over 160 shops in every state and territory.

We found new and innovative ways to operate our Retail services in the face of ongoing temporary closures and lockdown restrictions. Our pop-up shops at festivals and markets were a great success, helping us to maintain connections to local communities.

We encouraged the reuse of valuable textile resources and avoided items being prematurely sent to landfill by running several donation drives in conjunction with five local councils in Sydney and Melbourne.

First Aid

- 34,500+ formally trained first aiders.
- 2,600+ people formally trained in Mental Health awareness.

We trained 1500+ people in *Farm First Aid*, which provides participants with the knowledge to assist themselves, and others, to respond to accidents and injuries common in regional and rural communities.

For the first time, we provided accredited first aid training in the Northern Territory's Galiwin'ku community, working with the Yalu Aboriginal Corporation and their translator to deliver the training in the local Aboriginal (dialect) language.

A total of 600 people participated in our 'First Aid for Babies and Children' on-line course, and more than 500 took part in 'Pet First Aid' demonstrations. Both empower communities with skills to act in emergency situations involving children and our furry friends.

Our *Streetwise First Aid* program, teaches homeless communities practical first aid skills, and the April Pools partnership taught pool/water safety and CPR.

By leveraging technology and digital channels, we increased First-Aid awareness among younger audiences, with 1.8 million Australians watching our First Aid skills clips published on TikTok. This is part of an initiative to offer practical advice, training and skills-development to people of all ages and abilities.

Major Appeals

International disaster appeals

- Afghanistan Crisis Appeal — \$1.36 million in funding.
- Tonga — \$840,000 for immediate relief and long-term recovery.
- Ukraine Crisis Appeal — \$14.8 million raised.

Find out how this money helped people in our International Programs section on pp 22-23.

Tax Appeal

This year's Tax Appeal delivered record-breaking results. Thanks to the generosity of our communities, Red Cross was able to raise \$6 million. Revenue from existing supporters was up 11% and the overall number of donations were up 16% on FY21.

This vital funding helps us continue our critical work and support people during their time of need.



Queensland and New South Wales Floods Appeal and Australia Unites: Flood Appeal Telethon

Following catastrophic floods in southeast Queensland and northern New South Wales, Seven, Nine and 10 free-to-air commercial television networks jointly produced and broadcasted a live entertainment concert across their channels where all proceeds went to the Australian Red Cross.

Billed as the *Australia Unites: Red Cross Flood Appeal*, the star-studded event saw a host of Australian music greats perform to raise money,

including *Tones And I*, Jimmy Barnes, Delta Goodrem, Jon Stevens, Missy Higgins, Jessica Mauboy, Vanessa Amorosi, *Hunters and Collectors*, Kate Miller-Heidke, *The Living End*, Casey Donovan and *Sheppard* to name a few.

Channel 9's Scott Cam, Sylvia Jeffreys, Andy Lee and Peter Overton, Channel 7's Natalie Barr, David Koch, Sonia Kruger and Mark Ferguson and Channel 10's Carrie Bickmore, Dr. Chris Brown, Amanda Keller and Osher Günsberg played hosting roles throughout the telethon, with additional celebrities manning phones to assist with accepting donations from the general public.

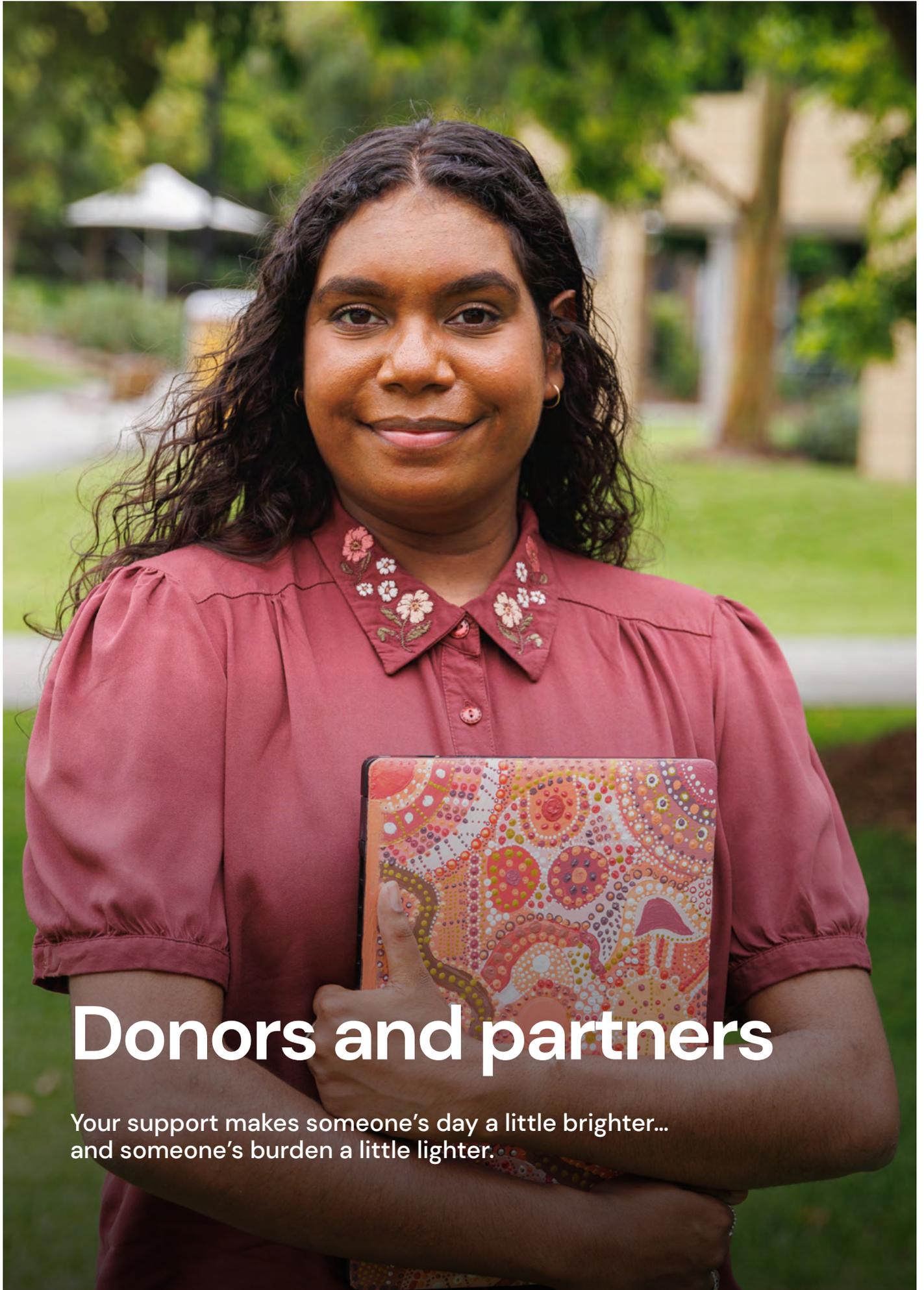
\$54.4 million raised in total

\$27.2 million raised through the Australia Unites Telethon

\$27.2 million raised through the general Qld and NSW Floods Appeal

\$38.3 million has been distributed in flood relief grants, including 100% of the \$27.2 million raised through the Australia Unites Telethon

Over 60,000 applications received for grants have been paid



Donors and partners

Your support makes someone's day a little brighter...
and someone's burden a little lighter.

“ Technology has the power to solve pressing challenges in society, but integrating people and communities in the design and development process is key to doing this successfully.

[Australian Red Cross’] Humanitech’s Innovation Lab is generating important insights through sharing, collaboration and experimentation on the new approaches required to developing and scaling technology for social impact.

Building strong collaborations between people and sectors through this program [Humanitech Innovation Lab] is an opportunity to expedite social change and climate action through technology.”

— Jackie Coates Head Telstra Foundation

We are grateful for the wonderful support of our Australian community, commercial free-to-air television networks, corporate partners and many others. Whether participating in our programs, donating towards an Appeal, or leaving a gift in their will, we sincerely thank them all. Without this generosity, we would not be able to support so many people with our humanitarian aid.

- More than \$3 million worth of in-kind support was received from 30+ corporate supporters.
- More than 220 corporates supported us during disasters.
- 25 partnerships supported our work.
- 87,000+ people generously gave a regular donation, totalling \$32 million.
- 191,000 people made a donation to support our key campaigns.

Donations are vital to sustain our work in the short and long term. Our donors ranged from regular contributors to people who donated to key campaigns. Even as Australians faced increasing financial stress from the pandemic, floods and economic pressures, they demonstrated once again that even in the toughest times acts of humanity and kindness prevail.

A new group of humanitarians united by a commitment to helping Red Cross

In 2022 we invited a group of people to help us form a new group and become a crucial part of an international humanitarian community by pledging to give \$5,000 (or more) each year for the next three years. Their support will help ensure Red Cross can continue to provide both immediate assistance and long-term recovery to assist communities in responding to the impact of disasters, conflict, climate change, and hardship.

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



Trusts, Foundations and Private Ancillary Funds

Workplace giving

A total of 209 generous organisations and their employees supported Red Cross in FY22, raising over \$2.6 million. We would also like to give a special thank you to our top five Workplace Giving supporters: ANZ, BHP, Deloitte Foundation, Foundry and Newcrest. Collectively they raised more than \$500,000.

Society of Women Leaders

The Society of Women Leaders (SWL) is a dynamic collective of committed women who work together to advance the purpose of Red Cross. Since its inception in 2014, SWL has raised \$5 million, and in FY22 supported five areas of work including international disaster response; disaster management in Vanuatu; support for training; mentorship and deployment of female humanitarian practitioners; support for youth in Darwin; and young people experiencing homelessness in Brisbane.

Philanthropic support for people and communities impacted by emergencies

Philanthropic supporters, including the Dick and Pip Smith Foundation, Gandel Foundation and Count Charitable Foundation, donated generously in support of people impacted by international crises in Afghanistan and the conflict in Ukraine.

In Australia, philanthropic partners including Paul Ramsay Foundation supported people and communities impacted by the Qld and NSW Floods, whilst Motorola Solutions Foundation supported work to help children prepare for, respond to and cope with emergencies.

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

- Accenture Foundation
- Australian Philanthropic Services Foundation
- Australian Unity Foundation
- Bupa Foundation
- Brian M Davis Charitable Foundation
- Cartier Philanthropy
- Collier Charitable Fund
- Count Charitable Foundation
- Dick and Pip Smith Foundation
- Equity Trustees
- Gandel Foundation
- Intrepid Foundation
- JLDJS Foundation
- Minderoo Foundation
- Paul Ramsay Foundation
- Perpetual
- QBE Foundation Australia
- Telstra Foundation
- The A.N. Carmichael Memorial Fund
- The Ernest Heine Family Foundation
- The Stan Perron Charitable Foundation

Bequests

If FY22 we received \$12.36 million from generous supporters who left a gift in their will. This personal legacy 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 extend our deepest condolences to their loved ones.

Bequests over \$20K

- Annetta Adami
- Linton Ernest Allan
- James & Joyce Avraamides
- Jean Balston
- Kerry Robert Bauer
- Kenneth Edward Bayliss
- John Edwin Frank Beardsmore
- Michael Belmont Dale
- Melvie Mary Bennett
- Muriel Joan Biggs
- Audrey Barbara Blackburn
- Doris Patricia Bishop
- Helen Bowie
- Geoffrey Robert Burfoot
- Robert Leslie Cahn
- Margaret Constance Cameron
- Anthony Peter Carrier
- Angelo Casella
- Dennis Osborne Clarke
- Mary Lilian Coles
- Daphne Daisy Cooper
- Kenneth Temple Crouch
- Arthur Raymond Court
- Gerald Donald Craig
- Pompeo De Angelis
- Joy and Charles Edward Edwards
- Audrey Jean Farmer
- Eugenie Anita Fiebig
- Carmen Figuerola & Alma Sylvia
- Kathleen Alice FitzGerald
- Giovanna Fung Yee Ng
- Robert J Gallacher
- Judith Anne Gardiner
- Bruce Samuel Gardiner
- Alison Haines
- Eric Marr Hardy
- Agenoria Harvey
- Bernard Otto Ernst Heid
- Valerie Blackburne Henderson
- William Mansell & Dorothy Higgins
- Dorothy Joan Hindle
- Jeannine Holland
- Patricia Mary Holmes
- Mark John Jepson
- William Anderson Johnston
- Ivy May King
- Keith Alexander Knight
- Allan St Ruth Knights
- Emma Kopystynski
- Dagmar Krause
- Margaret Langford
- Jennifer Selina Laurent
- Johannis Marcelis Leeuwis
- Elizabeth Paula Maria Therese Luyten
- Yvonne McCready
- Frances Doreen Mackenzie
- Phyllis Olive McLean
- Anita Stafford McKenzie
- Alison Mary McPhalen
- Mary Milne McRae
- Margaret Mesnage
- David John Millard
- George Findon Miller
- Ian William McKinlay
- Ivor Morton
- Mary Paterson Cairns
- Desmond Palmer Phillips
- Patricia Mary Pieterek
- Marjorie Sybil Pinder
- Betty Ann Price
- Betty Juanita Pelton
- Cate Mckean Poynton
- Maria Priwitzer
- Kerry Girlene Ralland
- Hendrika Catherina Remy
- Marjorie Robb
- Alan Archibald Rowling
- Ursula Anne O'Connor
- Olive Mary Shearer
- Heather Sybil Smith
- Norma Alma Smith
- Audrey Jean Stimpson
- Pearl Alicia Tassell
- John Matthew Tingate
- William Oliver Thomson
- Claire Patricia Joy Trezare
- Robin Ann Spencer Underhill
- Margaret Grace Waite
- Audrey Eva Ward
- Graeme Douglas Watson
- Ann Whetton
- Alan John Williams
- Jane Williamson
- May Wilson
- Elizabeth Anne Woolnough
- John Frederick Wright
- Raymond Bruce Young

Partners

Corporate Partnerships

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.

Red Cross Collective

The Red Cross Collective is an influential cross-sector network of peers from the Australian business community who represent the major supporters of Red Cross' disaster response, recovery and preparedness humanitarian programs.

The Collective welcomes representatives of Australia Post, BHP Foundation, Commonwealth Bank, The Coca-Cola Company, IAG, QBE and NAB, all of whom have a shared vision of ensuring communities are strong and resilient and have capacity to anticipate, respond to and recover from crises such as the recent flood disaster in NSW and Qld.

In FY22 the following partners provided significant support via financial donations, in-kind and/or pro-bono support.

- Accenture
- Amazon Australia
- Aon
- Australia Post
- BHP Foundation
- Blundstone Boots
- Coles
- Colgate
- Commonwealth Bank of Australia
- HWL Ebsworth
- IKEA
- ING
- Inpex
- Insurance Australia Group
- Johnson & Johnson
- JPMorgan
- Kellogg's

- Kickin'Inn
- Kimberly-Clark
- King & Wood Mallesons
- KPMG
- Laing O'Rourke
- Land Rover
- Lego Australia
- Lendlease Group
- McDonald's
- Motion Asia Pacific
- NAB
- Nexon
- NRL
- NRMA Motoring
- Origin Energy Foundation
- PayPal Giving Fund
- Qantas Airways
- QBE
- Reckitt
- Suncorp
- Telstra
- The Coca-Cola Company
- TikTok
- Uber
- Verizon Media
- Vicinity Centres
- White & Case

State government Support for 2022 Floods Appeals

Thank you to the premiers and state governments of Australia for their generous donations, which assisted Red Cross in providing immediate assistance to flood-affected people in NSW and Qld. We thank the governments of NSW (\$2.5m), WA (\$2m), VIC (\$2m), SA (\$1m) and Qld (\$500k).



Patrons and ambassadors

National Patron

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

State and Territory Patrons

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

Ambassadors

We are fortunate to have a number of Red Cross ambassadors who generously donate their time and influence to raise awareness of Red Cross work. Their tireless support for our appeals, programs and campaigns is invaluable in boosting our profile and fundraising efforts.

Red Cross Ambassadors

- Ross Noble
(Comedian)
- Josh Mansour
(NRL sportsman)
- Kate Ritchie
(Actress and radio host)
- Alex van Os
(TV stylist, host and environmentalist)
- Liv Pollock
(Actress and model)
- Dacre Montgomery
(Actor)
- Maggie Beer
(Chef, food expert and TV personality)
- Neville Jetta
(AFL sports)

Governance and risk

We are accountable for all we do –
for those who need us –
and to those who support us.



Structure

Australian Red Cross (Red Cross) has been providing humanitarian assistance to those in need since the outbreak of the First World War in 1914.

We are one of 192 National Society members of the International Federation of Red Cross and Red Crescent Societies (IFRC). The IFRC network, the International Committee of the Red Cross (ICRC), forms the world's largest humanitarian movement. As is the case with other National Red Cross and Red Crescent Societies, we have a special, officially recognised status as an auxiliary to our country's public authorities in the humanitarian field. This means that we enjoy a specific and distinctive partnership with the public authorities, involving mutual responsibilities and benefits, and based on international and national laws.

Divisions

Red Cross operates 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.

Fundamental Principles

In all activities our volunteers, members and employees are guided by the seven Fundamental Principles of the Red Cross and Red Crescent Movement.

Materiality

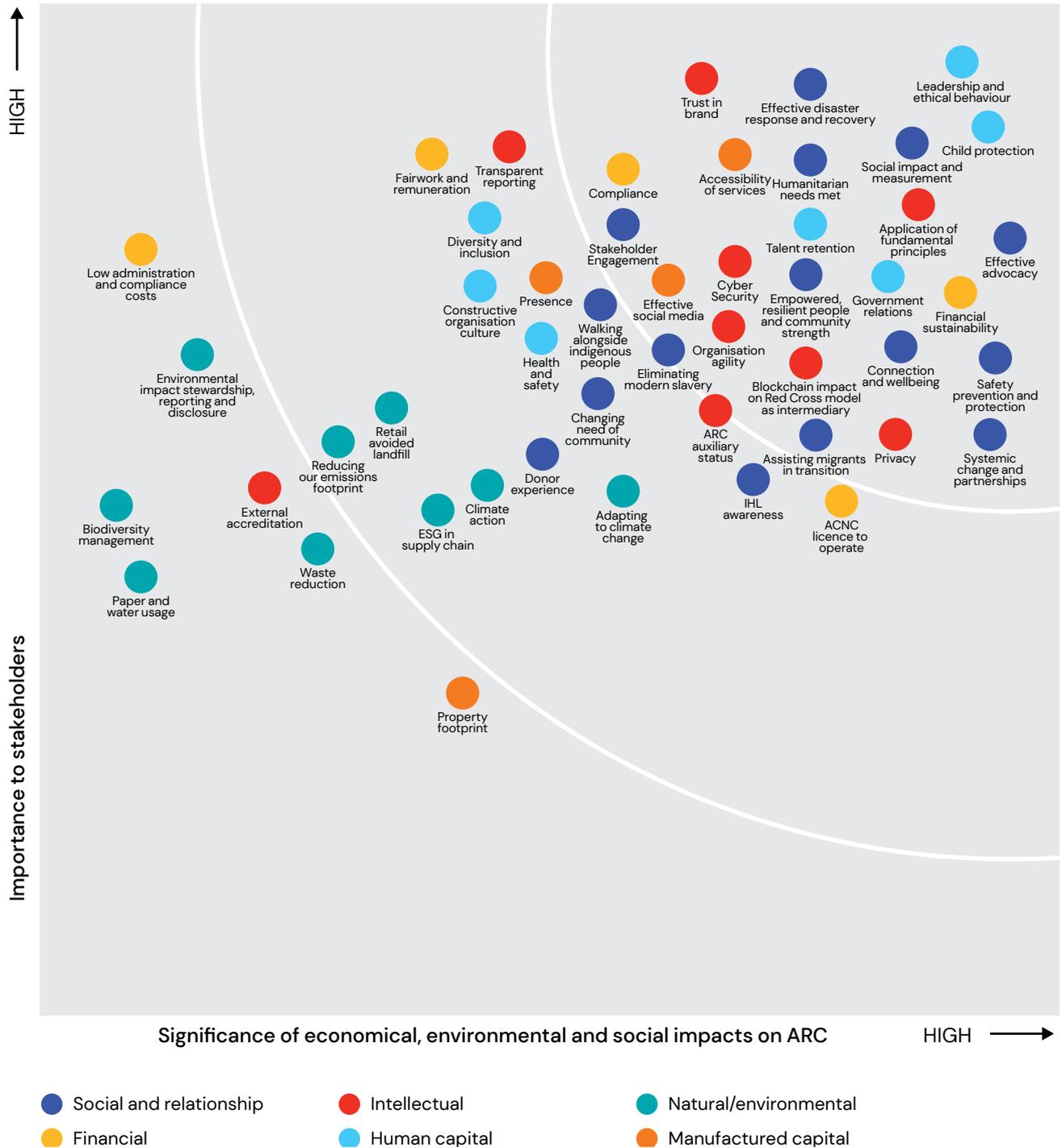
We are strengthening our ESG reporting by incorporating materiality and other elements. Materiality is dynamic and will change over time in line with our strategy, internal and external factors. This Report provides an overview of our activities and financial, social and environmental performance. We have identified issues we believe could be material to Australian Red Cross' ability to create, sustain or erode value for our organisation, stakeholders, the community and environment.

Mobilising community in times of need requires collaboration across all our stakeholders including: clients, people and communities in need, state and federal governments, funders, donors, corporate, philanthropic and academic partners, our members and volunteers, employees, industry bodies, coalitions and sector partners, parliamentary friends, suppliers, regulators and governing bodies.

We have asked a sample of these stakeholders for their views on our material activities and will review our priorities as stakeholder responses change over time. In line with the International Integrated Reporting Framework, these priority areas are grouped into manufactured, social, intellectual, human, natural and financial capital categories.

This table shows our initial analysis of materiality and those items that are of importance to our stakeholders.

Materiality matrix



Source: Environmental, Social Governance stakeholder analysis and survey



Contributing to global social outcomes

United Nations Sustainable Development Goals (SDG)

Our programs align with the United Nations [Sustainable Development Goals \(SDG\)](#) – a collection of 17 interlinked global goals designed to be a “shared blueprint for peace and prosperity for people and the planet, now and into the future”.

During FY22 our programs contributed, in some way, to 14 of the 17 goals, as outlined below. In coming years, we will build out our social impact measurement framework. This may touch on some of the Sustainable Development Goals and will most likely include complementary areas of impact, such as resilience, safety and protection, community connection and wellbeing.

Australian Red Cross link to UN SDGs for year ending 30 June 2022



Managing Risk

Mobilising the power of humanity to support people experiencing vulnerability places Red Cross in an inherently high-risk operating environment.

Guiding risk principles

Six risk management pillars underpin a robust, high-performing, trusted and systems-based organisation that continues to improve its practices through risk-based decision making.

- **Culture and behaviour** — ensuring a risk lens informs the way we think and act and that we build and maintain a positive speak up culture.
- **Risk operating model and governance** — the organisation's structure and the roles within it are aligned to our organisational goals. Our approach to managing risk and opportunity is contemporary and reflects better practise in both governance and implementation.
- **Leadership** — our leaders set the tone at the top to reinforce the importance of being prepared for and actively managing risk.
- **Capability** — building the skills and insights of Red Cross people to confidently manage risk and embrace opportunity.
- **Processes and approach** — ensuring a consistent and integrated approach guides decision making and provides for the efficient use of resources.
- **Supporting risk infrastructure** — establishing what's needed to operationalise effective risk management in practice.

Red Cross has identified desired attributes for each risk management pillar to guide and measure where Red Cross is along its three year risk maturity pathway.

Risk maturity pillars and outcomes

Leadership

Setting the tone at the top to reinforce the importance of being prepared for and actively managing risk.

- Drive daily conversations on risk that balance the need for quality, sustainability and impact.
- Advocate the value of considering risk early and often in our planning and execution.
- Prompt learnings from successes and failures.
- Encourage and recognise the right behaviours.

Culture and behaviours

Ensuring a risk lens informs the way we think and act and that we build and maintain a positive speak up culture.

- Day to day thinking and decision making balances quality, sustainability and impact.
- Take accountability for managing risk and helping others manage their risk.
- Open, honest and timely communication of risks and breakdown in controls.
- Closing the loop on resolutions and decisions.
- Share and learn from our mistakes and successes.

Capability

Ensuring Red Cross people have the skills to confidently manage risk and embrace opportunity.

- Scanning the environment (internal and external) to take early action on emerging trends, future threats and opportunities.
- End to end understanding across the operating model of how decisions and actions have flow on effects.
- Universal application of risk management principles across all activities.
- Effective approach to prioritise resources and actions.

Processes and tools

Ensuring a consistent and integrated approach guides decision making and provides for the efficient use of resources.

- Simple tools to integrate risk thinking within business planning, processes, projects and change management.
- Consistent and simple guidance and parameters to enable risk based decision making.
- Real time intelligence on risks — at strategic, operational, program and project level.
- Single approach to the escalation and management of incidents.
- Risk appetite and tolerances clearly defined to inform operational guidelines and decisions.

Risk operating model effectiveness

Ensuring the way we work is contemporary and reflects better practice in both governance and implementation.

- Roles and responsibilities clearly defined, included in position descriptions and performance assessed.
- Accountabilities agreed and understood: resources allocated in alignment with criticality of key controls.
- Risk and Compliance is a coach, advisor, enabler, partner not a policing unit.
- Independent mechanisms for ongoing feedback on effectiveness of how we are managing risk.

Supporting infrastructure

Establishing what's needed to operationalise effective risk management in practice.

- Training and learning mechanisms are practical, needs based and reinforced regularly.
- Expected risk behaviours are communicated, recognised and linked to performance assessment.
- Technology systems provide high quality data analytics which deliver intelligence for risk-based decision making.
- Controls embedded in technology.

Red Cross has a comprehensive risk governance structure to support the effective management of risk, guided by a 'three lines of engagement' operating model, these being: risk control owners, chief risk officer and internal audit.

Children and adult safeguarding and practice

We are committed to ensuring our people are suitably screened, trained, and supported to build a child-safe culture and ensure children's safety and wellbeing is at the centre of everything we do.

In FY22 Red Cross focused on the following initiatives:

- [Child Safety and Wellbeing Policy, Handbook](#) and [Child Safe Code of Conduct](#) were updated to align to the National Principles for Child Safe organisations.
- Maintained a network of 47 Child Safety Contact Officers and Leads, supported by a National Practice and Safeguarding Team.
- Built our people's capacity through the delivery of monthly practice sessions, and the development of practice guides to support our people to adapt to remote work during the pandemic and respond to changing community needs during the NSW and Qld floods.
- Trained our people to recognise, respond to and minimise harm for children through a suite of e-Learning, induction, and a full-day *Keeping Kids Safe* training program.
- Supported our people in responding to concerns, incidents, disclosures and allegations.
- Commissioned Ernst and Young Australia to conduct an independent internal audit of our safeguarding practices to continuously improve and hold ourselves accountable.

We launched [Our Charter of Commitment to Children and Young People](#) to ensure children and young people are informed about all their rights and encouraged to speak up and provide feedback.

We are also committed to safeguarding all adults engaging with Red Cross and accessing our services. Adults who are experiencing vulnerability or at risk of vulnerability due to their dependence on support and services must be safe and free from abuse or neglect and have their fundamental human rights upheld.

For more information on how Red Cross ensures it protects the rights of all people accessing our services, please visit redcross.org.au/safeguarding.

Executive Team

The Executive Team and Leadership Team are accountable for delivering on our organisational strategy. They also lead 1,874 employees, 12,685 volunteers and 7,638 members to support people experiencing vulnerability across Australia and internationally, while ensuring the organisation is 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 assists in implementing the decisions of the Board in a timely, coordinated, and cooperative manner.

Members comprising the Executive Team as at 30 June 2022:

- Kym Pfitzner, Chief Executive Officer
- Poppy Brown, Director – State and Territory Operations
- Fiona Davies, Head of Inclusion and Diversity
- Lloyd Doddridge, Chief Financial Officer / Chief Operating Officer
- Stacie Haber, Head of Strategy
- Penny Harrison, Chief of Staff
- Jane Hollman, Chief People and Culture Officer
- Tammy Lamperd, Chief Risk Officer
- Kylie Leach, Acting Director International Humanitarian Law (Yvette Zegenhagen – parental leave from February 2022)
- Alex Mathieson, Director – International Programs and Movement Relations
- Vicki Mau, Director – Australian Programs
- Sue Oddie, Senior Advisor to CEO
- Brett Wilson, Chief Information Officer
- Jenny Brown, Head of Aboriginal and Torres Strait Islander Strategy & Impact (appointed July 2022, prior to the issuing of this report.)

Our Board

The Australian Red Cross Society Board operates under the Royal Charter and Rules to govern the activities of the Society. In addition to overseeing and monitoring management's performance, 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 and Red Crescent movement.

The Board has formally delegated responsibility for the day-to-day operation of Australian Red Cross Society to the Chief Executive Officer. Day-to-day operation of Australian Red Cross Lifeblood is delegated to a separate Board and Chief Executive.

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 Australian 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 all Red Cross people.

The Board comprises up to 16 members including the President, Deputy President, Audit and Risk Committee Chair, Youth Member, Australian Red Cross Lifeblood Chair, up to three Additional Board Members (which includes First Nation representation) and the chair or a nominee from each of the eight Divisional Advisory Boards. While they are not members of the Board, the Chief Executive Officer, Chief Financial Officer, and Society Secretary & Chief Governance Officer 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 Australian Red Cross activities. Remuneration is paid to members of the Australian Red Cross Lifeblood Board and its committees.

The Board formally met virtually or in a hybrid format 15 times during FY22, with additional meetings held around the strategy of the organisation.

Council and Board

From a Governance perspective, FY22 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 of the organisation to support a sustainable advantage for decades to come.

The Board and its Committees are supported by the Society Secretary & Chief Governance Officer. The role of the Society Secretary & Chief Governance Officer is to provide strategic governance advice to the Board, its Committees and the Executive and Leadership Teams.

As part of a comprehensive international review process by the Red Cross and Red Crescent movement, the Board has formed a Statutes and Governance Review 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.

Council

Meeting at least once a year, the Council's responsibilities include receiving reports and financial statements, endorsing changes to the Rules 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.

Board Member	Title	A	B	C
Ross Pinney	President	15	15	0
Charles Burkitt	Deputy President	15	15	0
Sam Hardjono	Chair, Audit and Risk Committee	15	14	0
Jim Birch AM	Chair, Australian Red Cross Lifeblood	15	14	0
Nazli Hocaoglu	Youth Member	15	11	0
Wendy Prowse	Chair, Australian Capital Territory Divisional Advisory	15	14	0
John MacLennan	Chair, New South Wales Divisional Advisory Board	15	15	0
Kathleen Cole	Chair, Northern Territory Divisional Advisory Board	15	7	0
Winifred Smith AM	Chair, Queensland Divisional Advisory Board	15	15	0
Rose Rhodes	Representative, South Australian Divisional Advisory Board	15	15	0
Rita Richards	Chair, Tasmania Divisional Advisory Board	13	12	0
Dr Garry Nolan AM	Chair, Victoria Divisional Advisory Board	15	15	0
Aisling Blackmore	Chair, Western Australia Divisional Advisory Board	15	14	0
Ian Hamm	Additional Board Member	13	11	0
Dr Melissa Phillips	Additional Board Member	15	12	0
Maria (Cris) Rigby	Additional Board Member	15	12	0

A Eligible 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)

Australian Red Cross Board Members

Ross Pinney

President

Elected December 2017

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

Previously, Ross 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 chaired the Nominations and Remuneration Committee until July 2022, and is a member of the Finance Committee, Statutes and Governance Review Committee and the Remuneration of Employees Compliance 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

Elected November 2019

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

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

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

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

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

Sam Hardjono

Chair, Audit and Risk Committee

Elected September 2020

Sam was elected as Chair, Audit and Risk Committee in September 2020. Between October 2015 and September 2020, Sam was Chair, New South Wales Divisional Advisory Board.

Sam joined the New South Wales Divisional Advisory Board in 2010, became a member of the Property Sub-Committee in 2013 and a member of the Finance Committee in 2015. He was appointed Chair for the New South Wales Divisional Advisory Board and a member of the Society's Board in 2015. 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. He is currently a non-executive director of a Public Health Network organisation in NSW.

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

James Birch AM

Chair, Australian Red Cross Lifeblood

Appointed February 2016

James was appointed Chair of Australian Red Cross Lifeblood in February 2016. He was previously a member of the South Australian Divisional Advisory 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 Australia, 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 and is a Director of the Cancer Council of South Australia. 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).

Nazli Hocaoglu

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 New South Wales based youth organisations.

Nazli previously worked for one of the leading human rights and pro bono programs in Australia, working on landmark human rights cases focused on racially and culturally fuelled discrimination. She is the Company Secretary and Governance Advisory for Skyjed Pty Ltd 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, Australian Capital Territory Divisional Advisory Board

Appointed October 2016

Term ended October 2022

Wendy was appointed the Chair of the Australian Capital Territory Divisional Advisory Board in 2016 having held the Deputy Chair role for three years, and has been a member of the Divisional Advisory Board since 2012. She joined the Board in October 2016 and has since become a member of the Nominations and Remuneration Committee, Finance Committee, and Statutes and Governance Review Committee. Wendy convenes the Divisional Advisory Board Chairs meetings which have been held periodically over the last year.

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

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

John MacLennan

Chair, New South Wales Divisional Advisory Board

Appointed September 2020

John joined the New South Wales Divisional Advisory Board 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 New South Wales Divisional Advisory Board in 2009 and held that position until 2015. From 2015 to 2020 John was again Deputy Chair of the New South Wales Divisional Advisory Board. In September 2020 he was re-elected Chair of the New South Wales Divisional Advisory Board and re-joined the Society's Board.

He also chairs the Migration Programs Advisory Group, is a member of the Statutes and Governance Review Committee and is a member of the New South Wales 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.

Kathleen Cole

Chair, Northern Territory Divisional Advisory Board

Appointed January 2020

Kathleen joined the Northern Territory Division of the Australian Red Cross in 2000 coming 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 Yasi response in 2007. Kathleen maintained her active volunteering with Red Cross after her employment and has been part of the Northern Territory 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 Puutu Kunti Kurrama people 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, Queensland Divisional Advisory Board

Appointed October 2018 (resigned October 2022)

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

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 for 4 years, including as chair of that committee. 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.

Rose Rhodes PSM

Representative, South Australia

Divisional Advisory Board

Appointed October 2017

Term ended September 2022

Rose was appointed as Chair of the South Australian 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 South Australian Divisional Advisory Board in 2009 and was elected as Deputy Chairperson in 2011. Throughout her working career, Rose often responded to Disasters and Emergencies in Health/Medical Responses and Community Recovery.

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

She was awarded a Distinguished Service Medal in 2017.

Rose previously worked in Health and Community Services with the South Australian and the Northern Territory governments in positions of Regional Director of Health and Community Services, Executive Director of Community Services and Deputy Secretary, Health and Community Services.

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

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

Rita Richards

Chair, Tasmania Divisional Advisory Board

Appointed April 2020

Term ended October 2022

Rita was appointed Chair of the Tasmanian Divisional Advisory Board 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 Roadhouse, providing meals to young individuals who are vulnerable or at risk of homelessness. Between the years of 1993 to 2009, Rita actively participated in Red Cross Calling, a national fundraising initiative which helps support people and communities facing hardship within Australia and overseas.

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.

Dr Garry Nolan AM

Chair, Victoria Divisional Advisory Board

Appointed October 2020

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

Garry was elected Chair of Victoria's Divisional Advisory Board in 2020, after six years as deputy chair. He also served as a member of the Membership Reinvigoration Working Group and is Chair (as of 16 July 2022) of the Nominations and Remuneration Committee.

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

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

Aisling Blackmore

Chair, Western Australia Divisional Advisory Board

Appointed October 2019 (resigned July 2022)

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 Western Australian Young Achiever of the Year in 2016.

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

Aisling coordinates the 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.

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 the Society's 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).

Dr Melissa Phillips

Additional Board Member

Appointed August 2018

Melissa was appointed 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.

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

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

Maria (Cris) Rigby

Additional Board Member

Appointed August 2018 (resigned July 2022)

Maria was appointed as an Additional Board Member in August 2018.

As a former refugee aided by Red Cross and migrant Support Programs, Maria is passionate about contributing her experience across innovation, digital agility, and transformation to make a positive social impact and help those in need. Maria is a senior technology executive who has held roles at Origin, 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 FinTech Asia in 2016, Top 55 Inspiring International Women in Tech in 2018 and Diligent Top 100 Modern Governance Leaders in 2021.

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

Keith Wilson

Chair, South Australia Divisional Advisory Board Appointed September 2022

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

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

Experience in international law, disarmament and non-proliferation fields has led Keith to involvement in delivering training and capacity-building programs on international trade, environment, law and policy, development assistance, security and disarmament, regulation, governance, human rights, and other issues in more than 40 countries including Australia, Africa, Europe, Asia, and the Pacific Islands. He was the inaugural Institute of International Trade (IIT) Visiting Fellow at the World Trade Organisation in Geneva between 2015-2016.

Most recently, Keith was a Senior International Trade Law Counsellor at the Institute for International Trade at the University of Adelaide. Keith has held previous positions in the private sector and legal practice, as well as in the Commonwealth Attorney-General's Department, international organisations and in the Australian tertiary sector. He has been involved in negotiations on a range of international treaties, arrangements, and dispute settlements, and with many international and regional bodies and committees. Keith has also taught in undergraduate and postgraduate university programs in international trade, law, and disarmament.

Jennifer Currie

Society Secretary & Chief Governance Officer

Jennifer Currie is a Fellow of the Governance Institute of Australia and enjoys over a decade of experience advising the Boards of both non-profit and ASX listed entities. Her previous roles include Company Secretary for Equity Trustees Limited, Chief Legal Officer/Company Secretary for Syrah Resources Limited, Capital Health Limited, the Baker Heart & Diabetes Institute and PRB Foods Limited. Her other in-house legal experience includes Medibank, Telstra and the University of Melbourne.

Jennifer 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. She also holds an Associate Certificate from the Australian School of Applied Management.

Jennifer has also held positions as a non-executive director of the Intensive Care Foundation, and the Australian subsidiaries of NYSE Listed parent entities: Summer Infant and Ceridian.



Our Board Committees

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

Additionally, the Board, in conjunction with the Australian Red Cross Lifeblood Board, appoint the Australian Red Cross Lifeblood Advisory Committee.

The Committees of the Board include:

Audit and Risk Committee

The purpose of the Audit and Risk Committee is to support the mission and strategic goals of the Society through the oversight of the effectiveness of the design and operationalisation of the Society's Risk Management Framework. This includes thorough oversight of audit and assurance activities, statutory reporting processes and monitoring the Society compliance with appropriate laws, rules, and regulations.

The Committee is responsible for:

- overseeing the Society's statutory, financial, and other reporting obligations, including the annual financial statements and new or amended accounting policies;
- the scope of work, independence and performance of the internal and external auditors;
- overseeing the Society's systems for managing risk, ensuring compliance (with laws, regulations, industry standards and contractual obligations), and maintaining an effective internal control environment;
- overseeing the Society's management of strategic and material operating risks;
- overseeing the audit and risk management processes undertaken by Australian Red Cross Lifeblood Board through Australian Red Cross Lifeblood's Risk Committee and Australian Red Cross Lifeblood's Finance and Audit Committee;
- overseeing the Society's Environment, Social and Governance (ESG) obligations;

- the operation and implementation of the risk management framework; and
- the system of accountability and internal control affecting the operations of the Society.

Finance Committee

The purpose of the Finance Committee is to support the mission and strategic goals of the Society through oversight of the Society's financial, investment and property performance, policies and strategies.

The Committee is responsible for:

- recommending 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;
- monitoring performance against financial plans and budget targets; and
- recommending to the Board investment and property transactions in accordance with delegations.

Nominations and Remuneration Committee

The purpose of the Nomination and Remuneration Committee is to support the mission and strategic goals of the Society through strong succession planning for the Board, CEO and Australian Red Cross Lifeblood Board and implementation of robust human resources policies, practices, and procedures.

The Committee is responsible for:

- overseeing the process for making appointments and ensuring appropriate succession planning for the Australian Red Cross Board and the Australian Red Cross Lifeblood Board;
- reviewing annually the remuneration for Australian Red Cross Lifeblood Board members. overseeing executive nominations and remunerations;
- providing advice in relation to contemporary and emerging human resources trends, issues, practices and projects related to employees and volunteers; and

- 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.

Remuneration of Employees Compliance Committee

The purpose of the Remuneration of Employees Compliance Committee is to assist the Board in fulfilling its obligations under the two Enforceable Undertakings entered into by the Society with the Fair Work Ombudsman to rectify the remuneration compliance issues.

Statutes and Governance Committee

The purpose of the Statutes and Governance Committee is to recommend to the Board a Governance Model and amended Governance Documents that best enable and support the achievement of the Society's Purpose, Vision and Strategy and to function effectively now and in the future.

National Awards Committee

The purpose of the National Awards Committee is to approve nominations for awards to recognise and reward Australian Red Cross members, volunteers, and employees 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

The National Youth Advisory Committee was re-established by the Board in August 2022. The purpose of this Committee is to advise the Board on matters relevant to and impacting youth members and volunteers of the Society as a strong and collective youth voice.

Australian Red Cross Lifeblood (ARCL) Advisory Committee

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

The Committee is responsible for:

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



Financials

Australian Red Cross is in its 109th year because people like you, care about others.

Humanity prevails.

“ They [Australian Red Cross] have a very collaborative focus with a strong emphasis on ensuring the program being delivered meets the community needs.”

— Red Cross partner feedback



From the CFO

We are pleased to present the audited financial statements for the year ended 30 June 2022.

The financial statements of the Australian Red Cross Society (the Society) incorporate both the Humanitarian Services and Australian Red Cross Lifeblood (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. The Humanitarian Services division supports and empowers people and communities experiencing vulnerability.

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

Overview

This financial year presented significant financial challenges for the Society. Many of these resulted from the ongoing societal impacts of COVID-19, and the natural disasters such as floods in Queensland and New South Wales. Some however reflect a need for organizational change and improve the way we identify and undertake our work in the communities we serve.

Meeting these challenges has resulted in a reported net deficit of \$88.532 million (\$57.324 million deficit from Humanitarian Services and a deficit of \$31.208 million from Lifeblood) for the financial year.

The floods in Queensland and New South Wales created an enormous additional need in our communities requiring support from the Society and a negative impact on our blood supplies. As migration into Australia increased with the easing

of government policies informed by COVID-19, this added pressure on the services already being provided to asylum seekers and refugees already in Australia.

COVID-19 in particular continued to expose vulnerable communities in society for whom new government funding of \$36.410 million was secured by Humanitarian Services to support migrants and refugees experiencing extreme hardship during this period as a result of pandemic restrictions. 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

Humanitarian Services experienced a particularly challenging year financially. In addition to meeting the broader issues of the pandemic and extreme flooding the division recognised the full effect of historic wage underpayments combined with continuing impact of underfunding for many of our current programs. The combined effect of these issues underpinned a deficit of \$57.324 million for the Financial Year ended 30 June 2022. This position is not sustainable indefinitely and the organization is undertaking significant change to redress this position both currently and over the coming year.

COVID-19 in particular continued to negatively impact Humanitarian Services in FY22, with negative impacts on the performance of the Retail stores as a result of closures and resulted in lower net donations from regular giving. Compounding these losses were additional costs from the Humanitarian Settlement Program which was initially impacted by the closure of international borders and latterly from higher accommodation costs experienced during the current housing crisis in Australia that are unable to be recouped under current government contracts.

The following historically based issues were of particular note:

- Historical remuneration compliance work was completed during the year resulting recognition a total payment obligation of \$46.421 million in FY22. It pertains to amounts owed to approximately 10,000 current and former employees for wage underpayments arising from July 2012 to October 2020. This obligation has been paid out save for a closing provision balance of \$3.585 million which represents the amounts due to staff who are yet to come forward and provide their information. Including the incremental labour and consulting cost as well as the underlying obligations to employees the total cost for FY22 to complete this work was \$24.859 million.
- Historical Child Redress claims resulted in the increase of the associated provision by \$2.841 million, with \$1.822 million paid out in settlement payments in the current year.

In response to rising regulatory and cyber risk and reflecting on the implications of the historic items above, Humanitarian Services invested in incremental management capability and technologies to provide the basis for future sustainable operations. Particular costs were incurred to improve our cyber risk exposure and ensuring we maintain bank compliant payment technologies as well as enhanced strategy, risk and cultural frameworks for the organization. Incremental amounts totaling \$14.700 million were incurred which will also underpin the path of strategic change outlined for the FY23 year.

Over the three years to 30 June 2022, the Australian and International community entrusted Red Cross with over \$241.954 million (including interest) for the 2020 Bushfire response. Of the total raised \$7.488 million remains to be spent in FY23 and future years on the long-term recovery program.

Overall government funding decreased by \$22.428 million in comparison to FY21. This was largely due to a decrease 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 \$79.087 million from Commonwealth government grants and \$61.814 million from State and Territory government grants.

Overall, this has been a challenging year with heightened activity in all areas of operation as well as regulatory compliance and operating during a pandemic. Notwithstanding this environment Humanitarian Services has total cash reserves of \$95.209 million (\$66.887 million committed for future program delivery) and investments of \$21.007 million as at 30 June 2022 and a firm commitment to change in the coming year.

Lifeblood

The Lifeblood division finished the year with a deficit of \$31.208 million. In FY22, the year-end operating result for the main operations, excluding research and development, was a surplus of \$30.322 million. Lifeblood has sought to retain \$5.000 million of the main operating surplus and therefore a provision for the return of this surplus of \$25.322 million to the NBA has been made as an offset against income in the same period. Lifeblood also reported a surplus in its research and development program of \$0.223 million which was funded through the special reserves carried forward from the prior year.

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 \$265.340 million.

Our primary funding arrangement is with the NBA under an output-based model. In FY22, total plasma issued was 151.7 (15.6%) tonnes below the annual target of 971.1 tonnes. This result represents a decrease of 47.1 tonnes (5.4%) from the prior year. The key reasons for this shortfall related to donor behaviour leading to lower than targeted collections over the reporting period.

Donor appointments were adversely affected by COVID-19 related collection challenges, floods in Queensland & New South Wales and the surge in influenza infections. The need to convert donors to ensure fresh product supply further impacted plasma collections. However, it is to be noted that the annual target had been achieved in the eight consecutive years prior to the pandemic, which reflects the difficult collections' conditions experienced in the last two years. In contrast, whole blood demand remains at its highest level since 2014.

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 \$62.090 million 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 investments in technology systems, along with the laboratory automation rollout and the blood mixer replacement program.

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.

Outlook

The Lifeblood division continues to achieve positive long term financial results within the terms of the agreement with NBA and that outlook remains over the foreseeable future. The ongoing losses for Humanitarian Services incurred however require redress. The Society's Board and management are implementing a series of strategically aligned and co-ordinated actions that restore Humanitarian Services back to sustainable operating surplus. This is to ensure its working capital position remains strong and is underpinned by more robust and effective systems and controls.

In particular we will over the course of the coming 12 months start to transform Humanitarian Services, by reducing the scope of the humanitarian operations to reduce losses and focus on only those that reflect our long term strategic priorities, supplement working capital through the realization of real property assets and by investing in core technologies that underpin a more efficient organizational structure and ways of working.



Lloyd Doddridge

Chief Financial Officer and Chief Operating Officer

**“ Being part of Red Cross is something
in my life I will be forever proud of.”**

— Red Cross Member

Revenue



Income for the year ended 30 June 2022

The total revenue for the Australian Red Cross Society was \$1,067.698 million. This figure includes \$727.835 million for Lifeblood. Lifeblood's portion of the total revenue includes \$711.676 million in government funding, the remaining \$4.005 million in investment income and \$12.154 million from other income sources. Revenue for Humanitarian Services was \$339.863 million, a \$24.204 million decrease from the previous year where there was gain on sale of assets of \$43.893 million.

There was an increase of \$56.524 million in donations, which was mainly to support people impacted by the Queensland and New South Wales floods (\$54.4 million) and international crisis in Ukraine (\$14.8 million), Tonga (\$840,000) and Afghanistan (\$1.36 million). Our donor funds help us to continue essential support for our most vulnerable migrants, refugees and asylum seekers. Revenue from non-government grants increased by \$2.013 million to \$12.219 million.

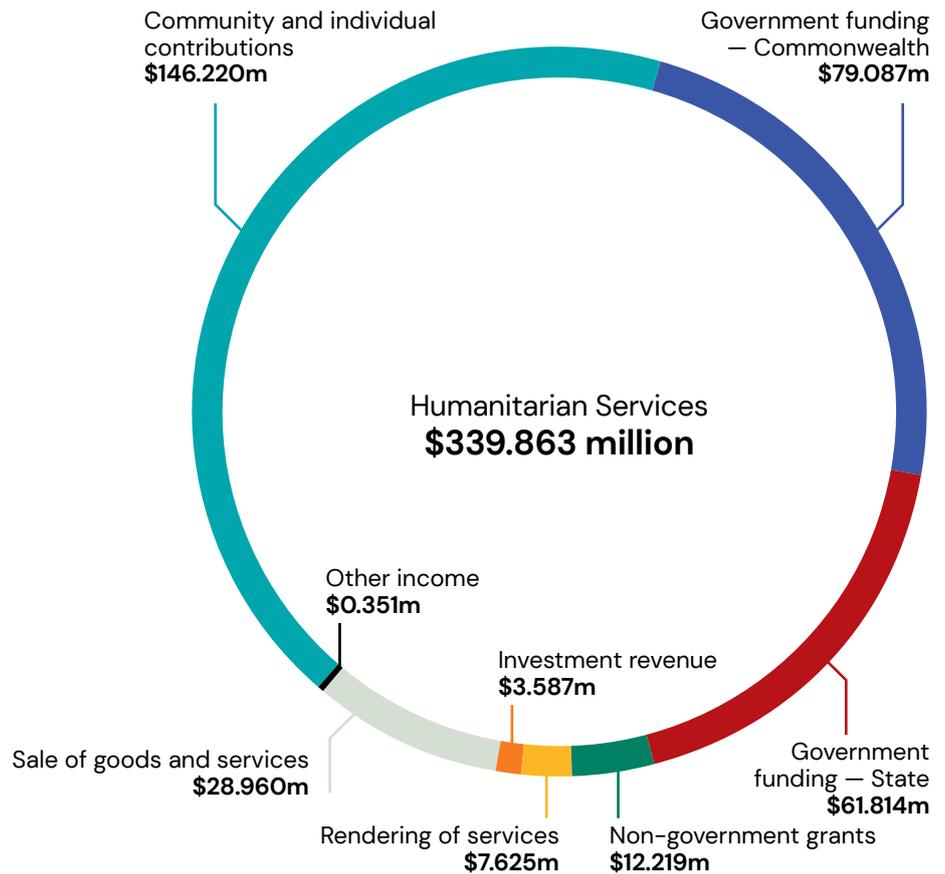
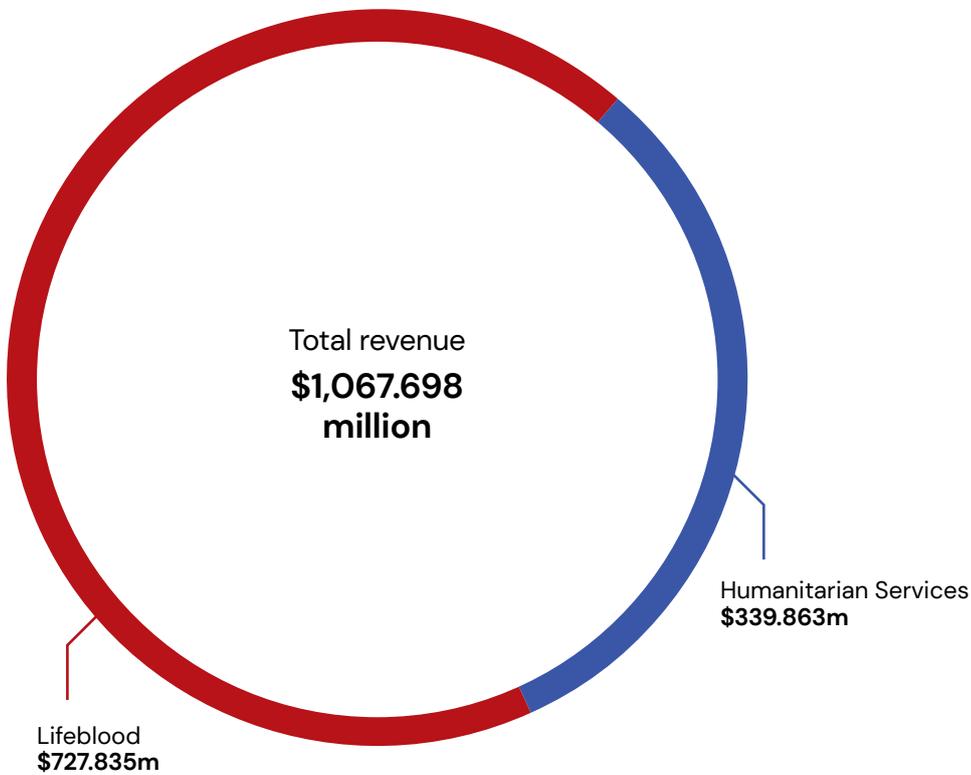
The Australian and international public donated more than \$158.439 million in FY22 (\$146.220m through community and individual contributions and \$12.219m through non-government grants). These donations contributed \$86.860 million for our everyday work and \$71.579 million for emergency appeals. The Australian community responded generously to the domestic disaster in Queensland and New South Wales floods to provide essential aid and support to thousands of devastated and homeless people. Total disaster donations amounted to \$54.396 million, and the Society has used \$38.269 million to meet the immediate needs of the people affected by these floods. The remaining \$16.127 million will be spent in FY23. The Australian community also responded to the conflict in Ukraine with total donations of \$14.765 million, \$1.361 million for disaster in Afghanistan and \$0.840 million for volcanic eruption and tsunami in Tonga.

This year we recorded \$28.960 million from the sale of goods and services, the majority from people who shop at our Red Cross shops, supporting our everyday work. Revenue declined by \$1.344 million due to COVID-19 lockdown restrictions in FY22. Red Cross shops are only possible with substantial non-financial support. Over the years, Red Cross volunteers and members have provided millions of hours: FY22 was no exception. 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 \$79.087 million and state government grant funding was \$61.814 million. In FY22, government income decreased by \$22.428 million.

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.

Where the money came from.

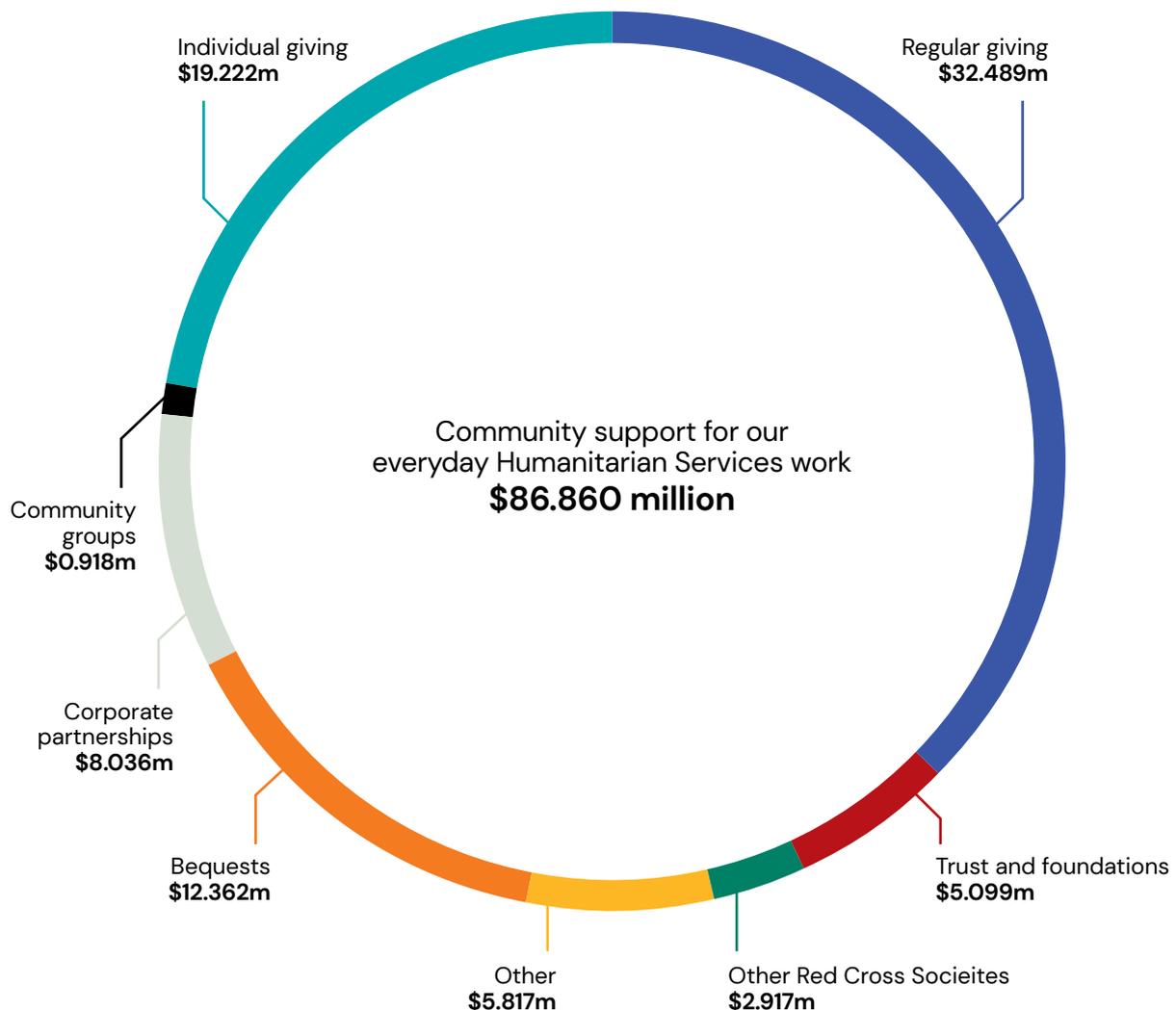


Community support for our Humanitarian Services work

Financial support provided by individuals and the community for our everyday work and services totalled \$86.860 million, reflecting the generosity of the Australian public. The largest source of community support for our everyday work continues to be regular monthly giving. Regular givers donated \$32.489 million in FY22, an increase of \$0.588 million from the previous year. Individual giving provided \$19.222 million – an increase of \$4.522 million from the previous year.

Another key group of supporters is people who thoughtfully leave a gift to Red Cross in their will. Bequests made up \$12.362 million to our income. Almost three in every four dollars given by the community came from regular givers, individual givers and bequests, highlighting the huge positive impact made by everyday Australians.

Corporate partners provided \$8.036 million in FY22, a decrease of \$1.792 million from the previous year. Trusts and foundations donated \$5.099 million, an increase of \$0.796 million from the previous year. We also received income from individuals making one-off donations, Red Cross members and community groups. This is in addition to funding received for one-off emergency appeals.



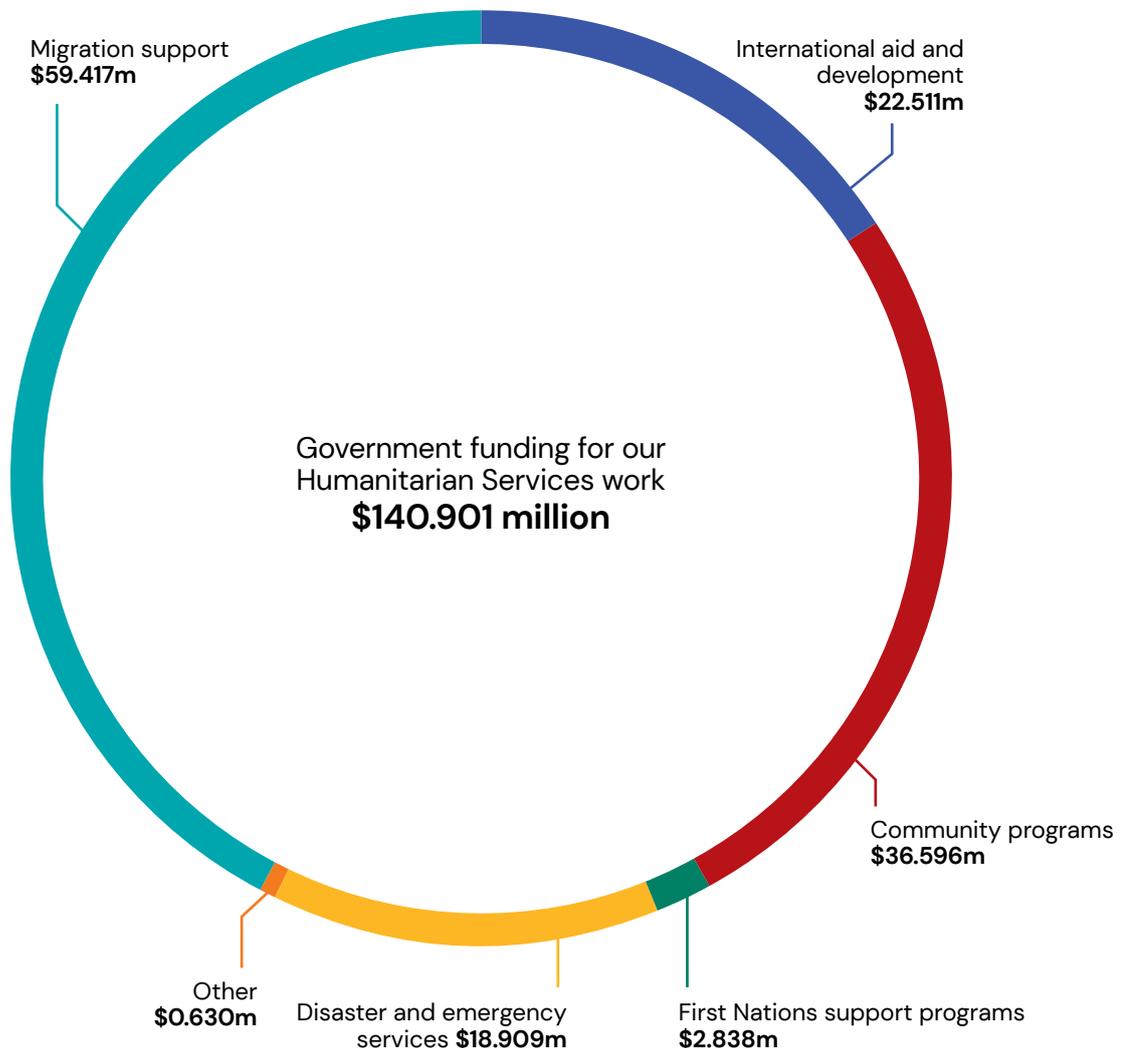
Government funding for our Humanitarian Services work

Government funding for specific programs under contract totalled \$140.901 million in FY22, which included \$79.087 million from Commonwealth Government funding, and \$61.814 million from state and territory government funding. Together, this accounted for 41.5% of total revenue for our Humanitarian Services, a decrease of \$22.428 million 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.

Government provided additional funding to support communities impacted by the COVID-19 pandemic. We received COVID-19 funding of \$36.410 million for migrants support, which was 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 nine key partner countries in the Asia Pacific region. The Department of Foreign Affairs and Trade and other state government departments provided \$22.511 million 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 \$0.909 million compared with FY21.



“ When you don’t know what tomorrow brings, and you come to this centre [Polish Red Cross Warsaw distribution centre] and you see the smiles and caring people, all I feel is gratitude for all we have got from Red Cross.

The children are very happy here. These are the main things. So we are very grateful.”

— Lilyiana fled her village near Kyiv when she saw the Russian army approaching. She arrived with nothing but emergency supplies, but was given clothing, cash, cards and hygiene supplies from Red Cross. Financial donations to Australian Red Cross’ Ukraine Appeal assisted in the provision of these resources

Expenditure



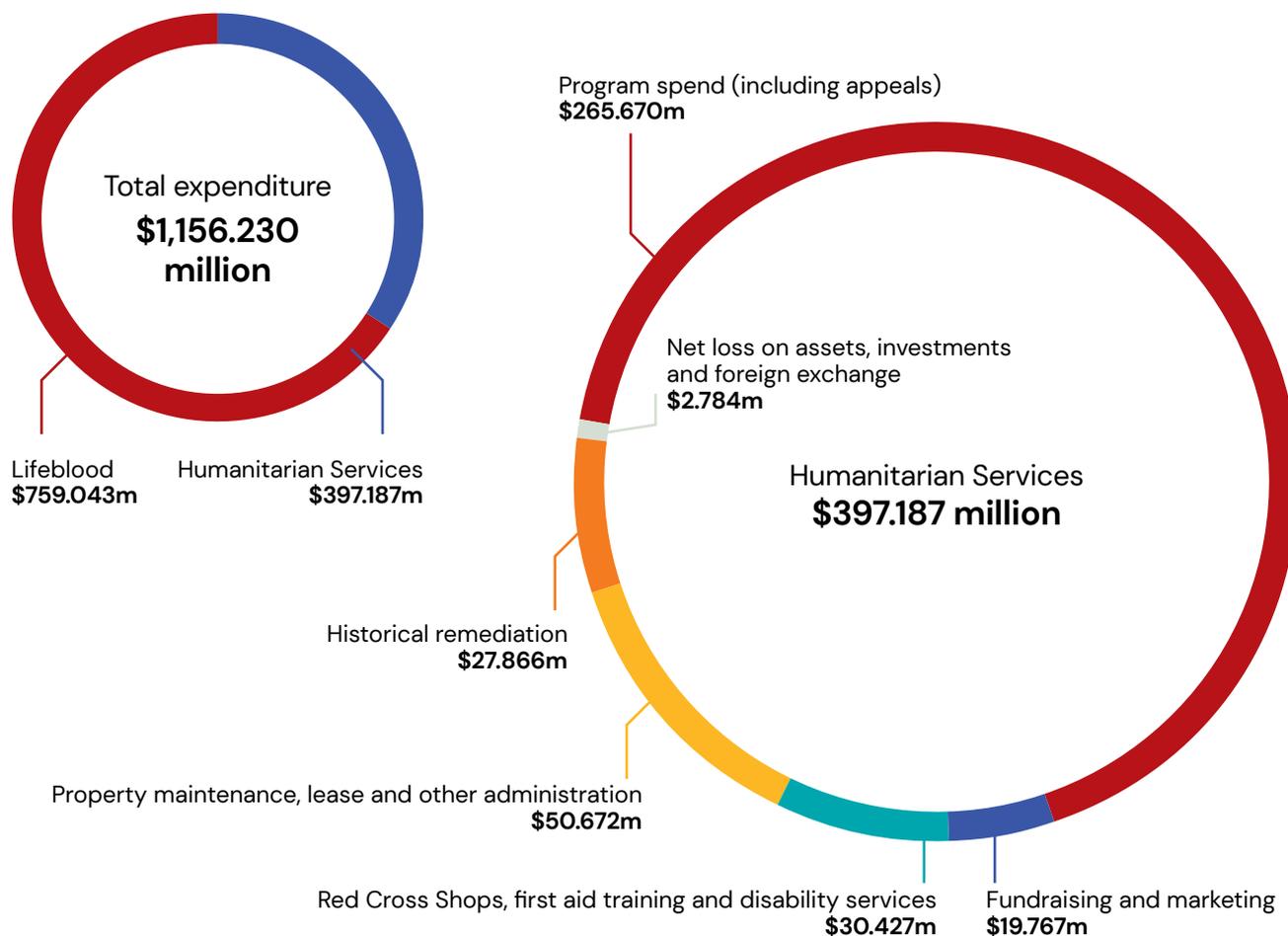
Expenditure for the year ended 30 June 2022

Expenditure for the The Australian Red Cross Society was \$1,156.230 million, including \$759.043 million expended by Lifeblood. Expenditure within Humanitarian Services increased by \$28.422 million to \$397.187 million this financial year due to support for Queensland and New South Wales flood appeal distribution.

The percentage of Humanitarian Services expenditure for Australian and International Programs is 66.9% (\$265.670 million). Out of this, \$53.879 million was spent on emergency relief to support people impacted by disasters in Australia such as bushfires, Queensland and New South Wales floods and crisis overseas such as the Ukraine conflict, Afghanistan crisis, Tonga volcanic eruption and tsunami, COVID-19 Indonesia response, COVID-19 India response and Beirut explosion.

Administration costs for Humanitarian Services division of the Society accounted for \$50.672 million which is 12.8% of total Humanitarian Services expenditure (13.1% in FY21). 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 expensed an additional \$18.755 million for remuneration compliance items, which took the total provision in FY22 to \$46.421 million. Out of this \$42.836 million was paid out in FY22 leaving the balance of \$3.585 million, the amounts due to staff who are yet to come forward and provide their information so payment can be made.

Where the money was spent



Program Spend

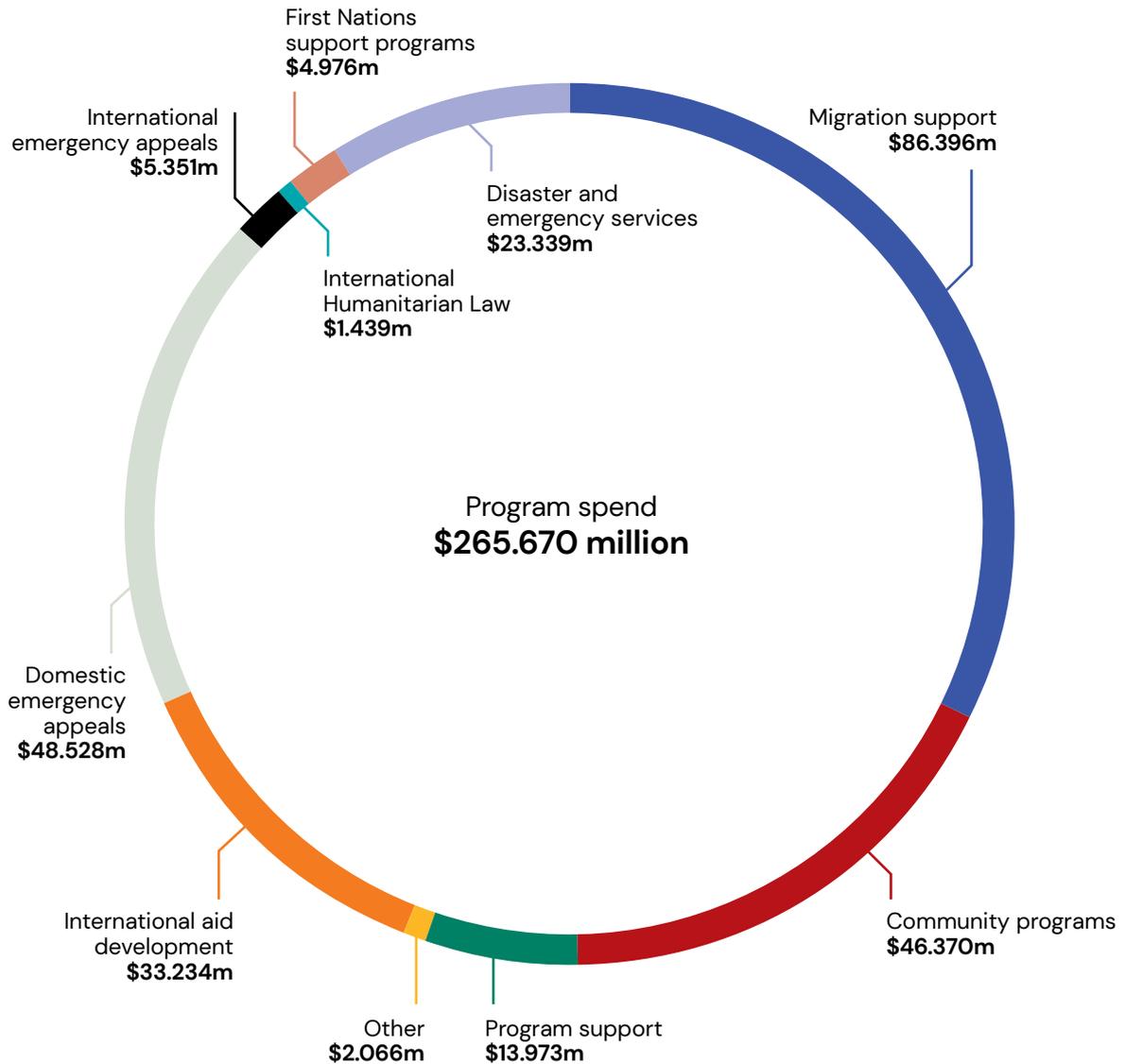
Overall, we incurred \$265.670 million in providing programs, an increase of \$10.094 million from the prior year. This was due to increased support for COVID-19 response to international communities.

Migration support continued to be the highest spend area at \$86.396 million. This includes the COVID-19 related hardship support payments to migrants, supporting migrants in transition and support for trafficked people.

The domestic emergency appeals spend of \$48.528 million includes supporting people impacted by the Queensland and New South Wales floods and bushfire long-term recovery work.

The Community programs spend is a significant share of expenditure at \$46.370 million. This work is with people and communities experiencing exclusion and helps in breaking the cycle of disadvantage.

The International emergency appeals spend of \$5.351 million includes supporting the Ukraine conflict, Afghanistan crisis and Tonga volcanic eruption and tsunami.



Financial Statements

Australian Red Cross Society

ABN 50 169 561 394

Annual financial report — 30 June 2022

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Statement of profit or loss and other comprehensive income for the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
REVENUE			
Government funding			
Operating – Commonwealth funded		705,870	663,586
Operating – State funded		93,378	121,080
Capital – Commonwealth and state funded		53,329	52,480
Total government funding		852,577	837,146
Donations, bequests and sponsorships	4	146,220	89,696
Rendering of services		7,625	7,587
Sale of goods and services		28,960	30,304
Non-government grants		12,219	10,206
Investment revenue	5	7,592	7,090
Other income	6	12,505	24,408
Gain on assets and investments	7	-	43,893
Total revenue		1,067,698	1,050,330
EXPENDITURE			
Employee expenditure	8	562,761	511,463
Operating expenditure	8	375,295	347,854
Cost of services, sale of goods and consumables	8	115,716	121,174
Depreciation and amortisation	8	88,970	92,897
Interest costs and transaction fees	8	10,403	10,958
Loss on assets and investments	7	3,085	510
Total expenditure		1,156,230	1,084,856
NET DEFICIT FOR THE YEAR		(88,532)	(34,526)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gain on retirement defined benefit obligations		1,566	1,398
Net (loss)/gain on equity instruments classified as Fair Value through other comprehensive income (FVOCI)		(7,226)	10,602
Items that may be reclassified subsequently to profit or loss			
Net (loss)/gain on debt instruments classified as FVOCI		(3,565)	2,139
Other comprehensive loss for the year		(9,225)	14,139
TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR		(97,757)	(20,387)

The above Statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes. For divisional reporting refer to Note 3, Page 120.

Statement of financial position

As at 30 June 2022

	Notes	2022 \$'000	2021 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	22(a)	224,473	322,257
Trade and other receivables	9	18,277	14,068
Inventories	10	31,582	26,361
Other financial assets	11	157,083	198,605
Prepayments		20,119	13,059
Total current assets		451,534	574,350
Non-current assets			
Property, plant and equipment	12	292,435	290,436
Intangible assets	13	27,186	33,055
Right-of-use assets	24	253,562	261,925
Retirement benefit plan asset	18(c)	1,079	-
Total non-current assets		574,262	585,416
TOTAL ASSETS		1,025,796	1,159,766
LIABILITIES			
Current liabilities			
Trade and other payables	14	77,068	59,745
Provisions	16	113,148	131,206
Lease liabilities	24	29,767	31,218
Other liabilities	17	135,034	164,343
Total current liabilities		355,017	386,512
Non-current liabilities			
Provisions	16	16,329	17,253
Lease liabilities	24	252,411	255,789
Retirement benefit plan obligation	18(c)	-	416
Total non-current liabilities		268,740	273,458
TOTAL LIABILITIES		623,757	659,970
NET ASSETS		402,039	499,796
EQUITY			
Reserves	19	111,980	137,932
Specific Purpose Funds	20	66,887	62,988
Accumulated funds	21	223,172	298,876
TOTAL EQUITY		402,039	499,796

The above Statement of financial position should be read in conjunction with the accompanying notes.
For divisional reporting refer to Note 3, Page 120.

Statement of changes in equity for the year ended 30 June 2022

	Accumulated funds	Specific purpose fund	Investment revaluation reserve	Special reserve	Capital reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
YEAR ENDED 30 JUNE 2021						
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 deficit 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	-
Balance at 30 June 2021	298,876	62,988	14,523	70,611	52,798	499,796
YEAR ENDED 30 JUNE 2022						
Balance as at 1 July 2021	298,876	62,988	14,523	70,611	52,798	499,796
Net deficit for the year	(88,532)	-	-	-	-	(88,532)
Other comprehensive surplus/(deficit) for the year	1,566	-	(10,791)	-	-	(9,225)
Transfers (from)/to specific purpose funds	(3,899)	3,899	-	-	-	-
Transfers (from)/to other reserves	15,161	-	339	(7,759)	(7,741)	-
Balance as at 30 June 2022	223,172	66,887	4,071	62,852	45,057	402,039

The above Statement of changes in equity should be read in conjunction with the accompanying notes.
For divisional reporting refer to Note 3, Page 120.

Statement of cash flows for the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Receipts from donors, government and other sources		1,133,520	1,076,900
Payments to suppliers and employees		(1,173,129)	(1,021,337)
Interest on borrowings and other costs of finance		(910)	(776)
Interest on lease liabilities		(9,493)	(10,181)
Net cash (used)/provided by operating activities	22(b)	(50,012)	44,606
Cash flows from investing activities			
Payments for property, plant and equipment and intangibles		(48,315)	(35,616)
Proceeds from disposal of property, plant and equipment		61	51,592
Payments for purchase of investment securities		(32,527)	(79,137)
Proceeds from sale of investment of securities		61,209	40,176
Dividends received		2,845	1,601
Interest received		3,565	3,443
Net cash used in investing activities		(13,162)	(17,941)
Cash flows from financing activities			
Repayment of borrowings		-	(9,113)
Payment for principal portion of lease liabilities		(34,650)	(32,700)
Net cash used in financing activities		(34,650)	(41,813)
NET (DECREASE) IN CASH AND EQUIVALENTS		(97,824)	(15,148)
Cash and cash equivalents at the beginning of the financial year		322,257	337,493
Effects of exchange rate changes on the balance of cash held in foreign currencies		40	(88)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	22(a)	224,473	322,257

The above Statement of cash flows should be read in conjunction with the accompanying notes.
For divisional reporting refer to Note 3, Page 120.

Notes to the financial statements

30 June 2022

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), 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 7,638 members support fundraising and advocacy efforts, while 12,685 volunteers assist us to deliver services to those most in need.

Lifeblood is domiciled in Australia, with its corporate office at 100-154 Batman Street, West Melbourne, Victoria and operates in all Australian 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, funding for this activity by the Commonwealth,

State and Territory governments under a Deed of Agreement (the Deed) administered by the National Blood Authority (NBA). 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 2022 was authorised for issue in accordance with a resolution of the Board on 21 October 2022.

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

ACFID Compliance

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

The Code of Conduct aims to improve international development outcomes and increase stakeholder trust by enhancing the transparency and accountability of signatory organisations. The ACFID financial statements have been prepared on page 156 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

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 Australian Accounting Standards and amendments issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that began on or after 1 July 2021, and therefore relevant for the current year end.

- ED 318 – Illustrative Examples for Income of Not-for-Profit Entities and Right-of-Use Assets arising under Concessionary Leases

In January 2022, the AASB issued ED 318 in relation to Concessionary Leases (or Peppercorn Leases) accounted for under AASB 16 Leases. ED 318 documents the AASB's proposed intention to retain the accounting policy choice in AASB 16 Leases (para Aus25.1 – para Aus25.2) on an ongoing basis for not-for-profit private sector (i.e. with no plan to reconsider the accounting policy choice). At transition, the Society elected to measure the Right-of-Use Assets at cost on initial recognition. This policy choice will now be permanent.

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 on 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 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
AASB 2022-3 Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15	1 January 2022	30 June 2023
AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	1 January 2023	30 June 2023

Notes to the financial statements

30 June 2022 (continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. The financial statements have been prepared on a going concern basis as outlined in note 27.

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. 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 the Humanitarian Services and Lifeblood divisions. Consistent accounting policies are employed in the preparation of and presentation of the financial statements across the divisions. The financial statements include the information and results of both divisions as disclosed in Note 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 30 '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 – Income of Not-for-Profit Entities or AASB 15 – Revenue from Contract with Customers when appropriate. In cases where there is an ‘enforceable’ contract with a customer with ‘sufficiently specific’ performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Society expects to be entitled in a contract with parties.

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

The Society recognises revenue from the following major sources:

Training services

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

Grants

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

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

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

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

Notes to the financial statements

30 June 2022 (continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Output-based funding

Lifeblood recognises income for the delivery of products to Approved Health Providers on an accrual basis, representing the right to receive contributions from the NBA. Under the Output Based Funding Model principles (OBFM), Lifeblood 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 over that amount will be returned to the NBA unless otherwise agreed between Lifeblood and the NBA. Any excess funds to be returned are recorded as an other liability within prepaid government funds. Refer to Note 1 for information regarding NBA.

Capital funding

The arrangement with Lifeblood and the NBA provides for capital funding comprising up to 10% of the Main Operating Program funding for the first financial year of the three-year funding term and thereafter indexed at 1.95% for the remaining two years. Capital funding is from Commonwealth, State and Territory governments and is recognised in accordance with AASB 1058 – Income of non-for-profit entities when Lifeblood obtains controls of the funds. Capital funding received in one year may be carried forward and expended in future years.

Sale of goods

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

Donations, bequests and sponsorships

The Society receives part of its income from donations, either as cash or in-kind. 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 the Society does not have an enforceable right to require the donors to meet their pledge. Accordingly, it is not recognised as revenue until it is received.

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

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

Volunteering Services

The Society has 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.

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.

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

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

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

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arms-length transactions and reference to similar instruments.

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.

Notes to the financial statements

30 June 2022 (continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

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

Financial liabilities

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

Interest

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

Dividends

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

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

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

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

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

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

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

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

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

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.

Notes to the financial statements

30 June 2022 (continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 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 capacity to on-premises systems that the Society controls.

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

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

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

o) Finance costs

Finance costs are recognised as an expense when incurred.

Notes to the financial statements

30 June 2022 (continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 incremental borrowing rate.

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.

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; and
- 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, long-service leave, rostered-day-offs and time-in-lieu 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 Active Super in New South Wales and the Australian Red Cross Queensland Staff Retirement Fund.

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

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

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

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.

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

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

Notes to the financial statements

30 June 2022 (continued)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Portable long service (continued)

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

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

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.

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

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

Long-service leave and annual leave

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

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

Provision for remuneration compliance

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

Provision for legal claims

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

Allowance for doubtful debts

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

Provision for site restoration

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

Property, plant and equipment and intangibles

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

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 of each year 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 with regard to the terms of the grant and the outcome of experience from prior reviews of applications.

u) Software-as-a-Service arrangements

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

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis (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.

v) 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 2022 (continued)

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 Society'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 \$0.006 million (FY21: \$0.004 million) for the current financial year primarily include rent paid by Lifeblood operating division to Humanitarian Services operating division.

Divisional statement of profit or loss and other comprehensive income	2022			2021		
	Humanitarian Services	Lifeblood	Society	Humanitarian Services	Lifeblood	Society
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE						
Government funding						
Operating — Commonwealth funded	79,087	626,783	705,870	74,055	589,531	663,586
Operating — State funded	61,814	31,564	93,378	89,274	31,806	121,080
Capital — Commonwealth and state funded	-	53,329	53,329	-	52,480	52,480
Total government funding	140,901	711,676	852,577	163,329	673,817	837,146
Donations, bequests and sponsorships	146,220	-	146,220	89,696	-	89,696
Rendering of services	7,625	-	7,625	7,587	-	7,587
Sale of goods and services	28,960	-	28,960	30,304	-	30,304
Non-government grant	12,219	-	12,219	10,206	-	10,206
Investment revenue	3,587	4,005	7,592	3,803	3,287	7,090
Other income	351	12,154	12,505	15,249	9,159	24,408
Gain on assets and investments	-	-	-	43,893	-	43,893
Total revenue	339,863	727,835	1,067,698	364,067	686,263	1,050,330
EXPENDITURE						
Employee expenditure	182,913	379,848	562,761	157,923	353,540	511,463
Operating expenditure	186,816	188,479	375,295	186,554	161,300	347,854
Cost of services, sale of goods and consumables	4,148	111,568	115,716	4,039	117,135	121,174
Depreciation and amortisation	18,790	70,180	88,970	18,583	74,314	92,897
Interest costs and transaction fees	1,736	8,667	10,403	1,666	9,292	10,958
Loss on assets and investments	2,784	301	3,085	-	510	510
Total expenditure	397,187	759,043	1,156,230	368,765	716,091	1,084,856
NET DEFICIT FOR THE YEAR	(57,324)	(31,208)	(88,532)	(4,698)	(29,828)	(34,526)

NOTE 3. DIVISIONAL REPORTING (continued)

	Humanitarian Services	2022 Lifeblood	Society	Humanitarian Services	2021 Lifeblood	Society
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
OTHER COMPREHENSIVE INCOME						
Items that will not be reclassified subsequently to profit or loss						
Actuarial gain on retirement benefit obligations	-	1,566	1,566	-	1,398	1,398
Net gain/(loss) arising on equity instruments classified as FVOCI	(1,046)	(6,180)	(7,226)	4,301	6,301	10,602
Items that may be reclassified subsequently to profit or loss						
Net gain/(loss) arising on debt instruments classified as FVOCI	(141)	(3,424)	(3,565)	157	1,982	2,139
Other comprehensive income/(loss) for the year	(1,187)	(8,038)	(9,225)	4,458	9,681	14,139
TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR	(58,511)	(39,246)	(97,757)	(240)	(20,147)	(20,387)

Notes to the financial statements

30 June 2022 (continued)

NOTE 3. DIVISIONAL REPORTING (continued)

Divisional statement of financial position

	2022			2021		
	Humanitarian Services	Lifeblood	Society	Humanitarian Services	Lifeblood	Society
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS						
Current assets						
Cash and cash equivalents	95,209	129,264	224,473	137,030	185,227	322,257
Trade and other receivables	15,832	2,445	18,277	12,219	1,849	14,068
Inventories	549	31,033	31,582	573	25,788	26,361
Other financial assets	21,007	136,076	157,083	60,701	137,904	198,605
Prepayments	4,872	15,247	20,119	4,175	8,884	13,059
Total current assets	137,469	314,065	451,534	214,698	359,652	574,350
Non-current assets						
Property, plant and equipment	39,537	252,898	292,435	35,931	254,505	290,436
Intangible assets	4,689	22,497	27,186	7,528	25,527	33,055
Right-of-use assets	22,156	231,406	253,562	24,650	237,275	261,925
Retirement benefit asset	-	1,079	1,079	-	-	-
Total non-current assets	66,382	507,880	574,262	68,109	517,307	585,416
TOTAL ASSETS	203,851	821,945	1,025,796	282,807	876,959	1,159,766
LIABILITIES						
Current liabilities						
Trade and other payables	15,061	62,007	77,068	14,209	45,536	59,745
Provisions	26,323	86,825	113,148	48,596	82,610	131,206
Lease liabilities	10,350	19,417	29,767	9,473	21,745	31,218
Other liabilities	5,659	129,375	135,034	1,545	162,798	164,343
Total current liabilities	57,393	297,624	355,017	73,823	312,689	386,512
Non-current liabilities						
Provisions	2,520	13,809	16,329	2,575	14,678	17,253
Lease liabilities	14,568	237,843	252,411	18,528	237,261	255,789
Defined benefit superannuation plans	-	-	-	-	416	416
Total non-current liabilities	17,088	251,652	268,740	21,103	252,355	273,458
TOTAL LIABILITIES	74,481	549,276	623,757	94,926	565,044	659,970
NET ASSETS	129,370	272,669	402,039	187,881	311,915	499,796
EQUITY						
Reserves	6,009	105,971	111,980	7,196	130,736	137,932
Specific purpose funds	66,887	-	66,887	62,988	-	62,988
Accumulated funds	56,474	166,698	223,172	117,697	181,179	298,876
TOTAL EQUITY	129,370	272,669	402,039	187,881	311,915	499,796

NOTE 3. DIVISIONAL REPORTING (continued)

Divisional statement of changes in equity

Year ended 30 June 2021	Humanitarian Services			Lifeblood				Total
	Accumulated funds	Specific purpose funds	Investment revaluation reserve	Accumulated funds	Special reserve	Capital reserve	Investment revaluation reserve	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance as at 1 July 2020	95,013	90,370	2,738	214,667	70,806	46,073	516	520,183
Net deficit for the year	(4,698)	-	-	(29,828)	-	-	-	(34,526)
Transfers (from)/ to specific purpose funds	27,382	(27,382)	-	-	-	-	-	-
Transfers (from)/to other reserves	-	-	-	(5,058)	(195)	6,725	(1,472)	-
Actuarial gain on retirement benefit obligations	-	-	-	1,398	-	-	-	1,398
Net gain/(loss) on revaluation of financial instruments	-	-	4,458	-	-	-	8,283	12,741
BALANCE AS AT 30 JUNE 2021	117,697	62,988	7,196	181,179	70,611	52,798	7,327	499,796
Balance as at 1 July 2021	117,697	62,988	7,196	181,179	70,611	52,798	7,327	499,796
Net deficit for the year	(57,324)	-	-	(31,208)	-	-	-	(88,532)
Transfers (from)/to specific purpose funds	(3,899)	3,899	-	-	-	-	-	-
Transfers (from)/to other reserves	-	-	-	15,161	(7,759)	(7,741)	339	-
Actuarial gain on retirement benefit obligations	-	-	-	1,566	-	-	-	1,566
Net gain/(loss) on revaluation of financial instruments	-	-	(1,187)	-	-	-	(9,604)	(10,791)
BALANCE AS AT 30 JUNE 2022	56,474	66,887	6,009	166,698	62,852	45,057	(1,938)	402,039

Notes to the financial statements

30 June 2022 (continued)

NOTE 3. DIVISIONAL REPORTING (continued)

Divisional statement of cash flows

	2022			2021		
	Humanitarian Services	Lifeblood	Society	Humanitarian Services	Lifeblood	Society
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Receipts from donors, government and other sources	337,307	796,213	1,133,520	325,629	751,271	1,076,900
Payments to suppliers and employees	(395,415)	(777,714)	(1,173,129)	(365,621)	(655,716)	(1,021,337)
Interest on borrowings and other costs of finance	(893)	(17)	(910)	(619)	(157)	(776)
Interest on lease liabilities	(843)	(8,650)	(9,493)	(1,047)	(9,134)	(10,181)
Net cash provided by/(used in) operating activities	(59,844)	9,832	(50,012)	(41,658)	86,264	44,606
Cash flows from investing activities						
Payments for property, plant and equipment and intangibles	(8,069)	(40,246)	(48,315)	(6,331)	(29,285)	(35,616)
Proceeds from disposal of property, plant and equipment	-	61	61	51,569	23	51,592
Payments for purchase of investment securities	(3,629)	(28,898)	(32,527)	(25,343)	(53,794)	(79,137)
Proceeds from sale of investment of securities	40,096	21,113	61,209	1,625	38,551	40,176
Dividends received	1,248	1,597	2,845	890	711	1,601
Interest received	1,157	2,408	3,565	864	2,579	3,443
Net cash provided by/(used) in investing activities	30,803	(43,965)	(13,162)	23,274	(41,215)	(17,941)
Cash flows from financing activities						
Repayment of borrowings	-	-	-	-	(9,113)	(9,113)
Payment for principal portion of lease liabilities	(12,780)	(21,870)	(34,650)	(13,359)	(19,341)	(32,700)
Net cash used in financing activities	(12,780)	(21,870)	(34,650)	(13,359)	(28,454)	(41,813)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(41,821)	(56,003)	(97,824)	(31,743)	16,595	(15,148)
Cash and cash equivalents at the beginning of the financial year	137,030	185,227	322,257	168,772	168,721	337,493
Effects of exchange rate changes on the balance of cash held in foreign currencies	0	40	40	1	(89)	(88)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	95,209	129,264	224,473	137,030	185,227	322,257

NOTE 4. DONATIONS, BEQUESTS AND SPONSORSHIPS

	2022 \$'000	2021 \$'000
Donations and sponsorships	60,188	57,762
Bequests	12,362	11,138
Raffle tickets	1,285	1,498
Membership fundraising	807	756
Appeals – Domestic		
Qld/NSW Floods recovery	27,211	-
Qld/NSW Telethon	27,185	-
Disaster Relief and Recovery Fund ¹	25	14,652
NSW Flood 2021	14	2,864
Floods and Drought appeal	5	-
Appeals – International		
Ukraine Conflict Appeal	14,765	-
Afghanistan crisis appeal	1,361	-
Tonga Flood Appeal	840	-
Myanmar Appeal	91	86
Syria Crisis Appeal	63	111
Indonesia COVID-19 response	18	-
Beirut Explosion Appeal	-	788
Vietnam Floods & Typhoons Appeal	-	41
TOTAL DONATIONS, BEQUESTS AND SPONSORSHIPS	146,220	89,696

¹ Refer to Note 33 for more details

NOTE 5: INVESTMENT REVENUE

	2022 \$'000	2021 \$'000
Interest revenue – bank deposits	2,415	2,656
Interest revenue – Investments FVOCI & FVPL	1,138	711
Dividends from other entities and imputation credit	2,861	1,770
Other income	1,178	1,953
TOTAL INVESTMENT REVENUE	7,592	7,090

Notes to the financial statements

30 June 2022 (continued)

NOTE 6: OTHER INCOME

	2022 \$'000	2021 \$'000
Other income ¹	12,177	9,157
Jobkeeper Wage Subsidy ²	-	14,843
COVID-19 Rent Abatements ³	328	209
Insurance proceeds	-	199
TOTAL OTHER INCOME	12,505	24,408

¹ Lifeblood receives other income, which is generated from the provision of some 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-19 situation. From 30 March 2020 to 31 December 2020, the subsidy of AUD1,500 per fortnight, per eligible employee, was available. The Society was eligible from March 2020 to September 2020 and opted to only claim for those employees not working on fully funded government programs. The Society was not eligible and did not claim JobKeeper for the October 2020–December 2020 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. The Society was eligible and again opted to only claim for those employees not working on fully funded government programs. The subsidy ended on 28 March 2021 and 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-19 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.

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

	2022 \$'000	2021 \$'000
Net (loss)/gain on disposal of property, plant and equipment ¹	(1,017)	41,694
Impairment of property, plant and equipment	-	(179)
(Loss)/gain on disposal of investments	(861)	(160)
Impairment on Financial assets FVOCI	(145)	-
Unrealised (loss)/gain in investments	(1,070)	2,108
Foreign exchange loss/(gain)	8	(80)
TOTAL (LOSS)/GAIN ON ASSETS AND INVESTMENTS	(3,085)	43,383

¹ FY21 result includes the disposal of Carlton and Bouverie Street property and the Pirie Street property which resulted in a \$43.954 million gain.

NOTE 8. EXPENDITURE

	2022 \$'000	2021 \$'000
Employee expenditure		
Wages and salaries	513,747	467,647
Post-employment and superannuation benefits		
Defined benefit plans	68	185
Defined contribution plans	46,261	40,867
Termination benefits	2,685	2,764
TOTAL EMPLOYEE EXPENDITURE	562,761	511,463
Operating expenditure		
Lease rental expenditure — minimum lease payments	5,464	5,026
(Gain)/loss in inventory	(158)	6,858
Impairment of trade receivables	166	16
Other expenditure		
Other operational costs ¹	123,668	93,550
Buildings and facilities expense	32,717	31,219
Client support costs ²	93,439	111,032
Contribution to other partner societies	28,403	18,728
Partner and call centre expense	15,078	14,180
Telecommunication costs	45,138	38,903
Telemarketing and advertising	21,798	15,027
Travel and accommodation	3,717	2,636
Worker compensation costs	5,865	5,617
Software-as-a-Service expenditure (SaaS accounting policy)	-	5,062
TOTAL OPERATING EXPENDITURE	375,295	347,854
Cost of services, sale of goods and consumables		
Cost of sales	2,360	2,484
Cost of rendering training services	1,788	1,555
Consumables	111,568	117,135
TOTAL COST OF SERVICES, SALE OF GOODS AND CONSUMABLES	115,716	121,174

Notes to the financial statements

30 June 2022 (continued)

NOTE 8. EXPENDITURE (continued)

	2022 \$'000	2021 \$'000
Depreciation of property, plant and equipment and amortisation of intangibles		
Depreciation of property, plant and equipment	39,048	43,059
Amortisation of intangibles	12,061	11,069
Amortisation of right-of-use assets	37,861	38,769
TOTAL DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT AND AMORTISATION OF INTANGIBLES	88,970	92,897
Interest costs and transaction fees		
Transaction fees	947	1,128
Interest on leases	9,456	9,830
TOTAL INTEREST COSTS AND TRANSACTION FEES	10,403	10,958

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 (Refer to note 33 for more details). The client support costs noted above, includes \$3.497 million (FY21 \$48.392 million) for the payments in relation to the Disaster Relief and Recovery Fund.

NOTE 9. TRADE AND OTHER RECEIVABLES

	2022 \$'000	2021 \$'000
Trade receivables	4,912	5,580
Allowance for doubtful debts	(188)	(22)
Total trade receivables	4,724	5,558
Other receivables ¹	12,572	7,868
Goods and services tax receivable	981	642
Total other receivables	13,553	8,510
TOTAL TRADE AND OTHER RECEIVABLES	18,277	14,068

¹ Other receivables relate to bequest income recognised but not yet received where the bequest has probate granted, recoveries of costs for delegates on mission, grants receivable and recoveries of costs incurred in our domestic humanitarian work.

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

NOTE 9. TRADE AND OTHER RECEIVABLES (continued)

	2022 \$'000	2021 \$'000
Aging of past due date trade receivables		
0-30 days	785	710
30-60 days	163	244
60-90 days	22	96
90-120 days	47	47
120+ days	218	258
TOTAL OF AGED PAST DUE DATE TRADE RECEIVABLES	1,235	1,355
Movement in the allowance for doubtful debts		
Opening balance 1 July	22	99
Impairment losses recognised on receivables	166	16
Amounts written off as uncollectible	-	(93)
CLOSING BALANCE 30 JUNE	188	22
Aging of impaired trade receivables		
0-30 days	15	8
30-60 days	3	4
60-90 days	0	3
90-120 days	31	2
120+ days	139	5
TOTAL IMPAIRED TRADE RECEIVABLES	188	22

NOTE 10. INVENTORIES

	2022 \$'000	2021 \$'000
Consumables inventory	25,561	20,483
Finished goods	4,928	4,798
Work in progress	1,093	1,080
TOTAL INVENTORIES	31,582	26,361

Notes to the financial statements

30 June 2022 (continued)

NOTE 11. FINANCIAL ASSETS

	2022 \$'000	2021 \$'000
Fair Value through Other Comprehensive Income (FVOCI)		
Shares	38,880	58,947
Listed bonds	3,366	9,930
Unlisted bonds	105,408	104,266
Total Fair value through Other Comprehensive Income (FVOCI) assets	147,654	173,143
Fair Value through Profit & Loss (FVPL)		
Listed managed funds	-	9
Unlisted managed funds	6,691	19,381
Hybrid bonds – listed	2,738	6,072
Total Fair value through Profit or Loss (FVPL) assets	9,429	25,462
TOTAL CURRENT OTHER FINANCIAL ASSETS	157,083	198,605

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
YEAR ENDED 30 JUNE 2021				
Financial assets FVOCI & FVPL				
Bonds	9,930	110,338	-	120,268
Shares	58,947	-	-	58,947
Managed funds	9	19,381	-	19,390
TOTAL CURRENT OTHER FINANCIAL ASSETS	68,886	129,719	-	198,605
YEAR ENDED 30 JUNE 2022				
Financial assets FVOCI & FVPL				
Bonds	6,104	105,408	-	111,512
Shares	38,880	-	-	38,880
Managed funds	-	6,691	-	6,691
TOTAL CURRENT OTHER FINANCIAL ASSETS	44,984	112,099	-	157,083

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

12(a). Movements

	Land, buildings and renovations	Shop fit-outs	Plant and equipment	Work in progress	Total
YEAR ENDED 30 JUNE 2021	\$'000	\$'000	\$'000	\$'000	\$'000
Gross carrying amount					
Balance as at 1 July	382,097	5,311	287,411	13,047	687,866
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)
Impairment loss of property, plant and equipment	-	-	(179)	-	(179)
Transfers to/(from) work in progress	4,360	282	13,768	(18,410)	-
Transfers to intangibles	-	-	-	(379)	(379)
Balance at 30 June 2021	381,914	5,209	287,894	13,843	688,860
Accumulated depreciation					
Balance as at 1 July	(169,985)	(4,582)	(196,087)	-	(370,654)
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
Balance as at 30 June 2021	(185,713)	(4,629)	(208,082)	-	(398,424)
NET BOOK VALUE AS AT 30 JUNE 2021	196,201	580	79,812	13,843	290,436
YEAR ENDED 30 JUNE 2022					
Balance as at 1 July	381,914	5,209	287,894	13,843	688,860
Additions	-	-	-	47,673	47,673
Disposals	(2,126)	(85)	(13,183)	-	(15,394)
Transfers to/(from) work in progress	15,444	263	19,336	(35,043)	-
Transfers to intangibles	-	-	-	(6,204)	(6,204)
Balance as at 30 June 2022	395,232	5,387	294,047	20,269	714,935
Accumulated depreciation					
Balance as at 1 July	(185,713)	(4,629)	(208,082)	-	(398,424)
Depreciation expense	(15,206)	(372)	(23,470)	-	(39,048)
Disposals	2,093	83	12,796	-	14,972
Balance as at 30 June 2022	(198,826)	(4,918)	(218,756)	-	(422,500)
NET BOOK VALUE AS AT 30 JUNE 2022	196,406	469	75,291	20,269	292,435

There are no assets held for sale for FY22. In FY21, assets classified as held for sale at 30 June 2020 (\$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 2022 (continued)

NOTE 13. INTANGIBLE ASSETS	Software	Work in progress	Total
	\$'000	\$'000	\$'000
YEAR ENDED 30 JUNE 2021			
Gross carrying amount			
Balance at 1 July 2020	128,105	5,953	134,058
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 from PPE	-	379	379
Balance as at 30 June 2021	132,078	8,304	140,382
Accumulated amortisation			
Balance at 1 July 2020	(101,821)	-	(101,821)
Amortisation expense	(11,069)	-	(11,069)
SaaS accounting policy adjustment	5,563	-	5,563
Balance as at 30 June 2021	(107,327)	-	(107,327)
NET BOOK VALUE AS AT 30 JUNE 2021	24,751	8,304	33,055
YEAR ENDED 30 JUNE 2022			
Gross carrying amount			
Balance at 1 July 2021	132,078	8,304	140,382
Additions to work in progress	-	642	642
Disposals/ write off	(500)	(208)	(708)
Transfers to/(from) work in progress	13,507	(13,507)	-
Transfers from PPE	-	6,204	6,204
Reclassification adjustment	44	-	44
Balance as at 30 June 2022	145,129	1,435	146,564
Accumulated amortisation			
Balance at 1 July 2021	(107,327)	-	(107,327)
Amortisation expense	(12,061)	-	(12,061)
Disposals	54	-	54
Reclassification adjustment	(44)	-	(44)
Balance as at 30 June 2022	(119,378)	-	(119,378)
NET BOOK VALUE AS AT 30 JUNE 2022	25,751	1,435	27,186

NOTE 14. TRADE AND OTHER PAYABLES

	2022 \$'000	2021 \$'000
Current		
Trade payables	51,279	42,763
Accruals and other payables	25,789	16,427
Goods and service tax payable	-	555
TOTAL TRADE AND OTHER PAYABLES	77,068	59,745

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.

NOTE 15. BORROWINGS

As at 30 June 2022, the total borrowings were nil (FY21: nil)

	2022 \$'000	2021 \$'000
Unsecured bank overdraft facility		
amount used	-	-
amount unused	8,000	8,000
TOTAL	8,000	8,000
Credit card facility		
amount used ¹	240	241
amount unused	1,260	1,259
TOTAL	1,500	1,500
Bank guarantees		
amount used ²	172	172
amount unused	328	328
TOTAL	500	500

¹ The amount of the used credit card facility is reflected in accruals and other payables. Refer to note 14 Trade and Other Payables.

² Refer to Note 25 Contingent Liabilities

Notes to the financial statements

30 June 2022 (continued)

NOTE 16. PROVISIONS

	2022 \$'000	2021 \$'000
Current		
Employee benefits ¹	103,050	97,837
Remuneration review ²	3,585	27,666
Site restoration	2,129	1,781
Direct Relief Grants provision ⁴	-	557
Legal claims ³	4,384	3,365
Current provisions	113,148	131,206
Non-current		
Employee benefits ¹	10,178	10,546
Site restoration	6,151	6,707
Non-current provisions	16,329	17,253
TOTAL PROVISIONS	129,477	148,459

	2022 \$'000	2021 \$'000
Movements in employee benefits provision		
Opening balance 1 July	108,383	96,999
Provision (utilised)/recognised during the year	4,845	11,384
CLOSING BALANCE 30 JUNE	113,228	108,383

Movements in remuneration review provision		
Opening balance 1 July	27,666	17,095
Provision (utilised)/recognised during the year	(24,081)	10,571
CLOSING BALANCE 30 JUNE	3,585	27,666

Movements in site restoration provision		
Opening balance 1 July	8,488	9,122
Provision (utilised)/recognised during the year	(208)	(634)
CLOSING BALANCE 30 JUNE	8,280	8,488

Movements in legal claims provision		
Opening balance 1 July	3,365	755
Provision (utilised)/recognised during the year	1,019	2,610
CLOSING BALANCE 30 JUNE	4,384	3,365

Movements in Direct Relief Grants provision		
Opening balance 1 July	557	33,867
Provision (utilised)/recognised during the year	(557)	(33,310)
CLOSING BALANCE 30 JUNE	-	557

- ¹ The employee benefits provision contains provisions for annual leave, long service leave, rostered days off and other employee entitlements.
- ² The Remuneration Review provision is a provision for the Humanitarian Services's employee remuneration underpayments for a select group of employees.

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

The calculation of the underpaid amounts has been undertaken, which included amounts for salary and wages, overtime, penalties, and other allowances. Since December 2018, payments to current and former employees have been made to rectify the situation, with \$42.836 million in payments made in FY22. As at 30 June 2022 a provision of \$3.585 million remains unpaid, which represents amounts still to be paid to former employees yet to be successfully contacted.

- ³ The provision for legal claims includes expected future payments relating to Redress claims.

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

- ⁴ The Direct Relief Grants provision is a provision for applications made for bushfire grants from the Disaster Relief and Recovery Fund of nil (FY21: \$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.

NOTE 17. OTHER LIABILITIES

	2022 \$'000	2021 \$'000
Current		
Government grants refundable ¹	30,205	62,077
Revenue in advance ²	97,315	102,266
Government reserves refundable ³	7,514	-
Total current liabilities	135,034	164,343
TOTAL OTHER LIABILITIES	135,034	164,343

- ¹ Lifeblood government grants refundable of \$25.322 million relates to the expected return of funds to the NBA for surpluses in the reported period for Lifeblood.

Humanitarian Services grants refundable of \$4.883 million relates to government grant funding contracts which ended at 30 June 2022. These contracts resulted in unspent surplus which under the terms of the agreement is required to be repaid to the funder.

- ² Revenue in advance includes:

- (i) \$90.733 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 2022.
- (ii) \$0.776 million deferred income in Humanitarian Services.
- (iii) \$5.806 million deferred income includes funds received from customers as at reporting date but Lifeblood has not yet satisfied the performance obligation by transferring a promised good or service.

- ³ Government reserves refundable relate to the liability raised for return of reserves to the government based on the OBFM.

Notes to the financial statements

30 June 2022 (continued)

NOTE 18. DEFINED BENEFIT SUPERANNUATION PLANS

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

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

All contributions are expensed when incurred.

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

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

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

Investment Risk

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

Interest Risk

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

Longevity Risk

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

Salary Risk

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

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at 30 June 2022 by:

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

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

NOTE 18. DEFINED BENEFIT SUPERANNUATION PLANS (continued)

a) Principal actuarial assumptions

	2022 %	2021 %
Discount rate	5.15	2.50
Expected rate of salary increase	2.82	2.00
Anticipated rate of return on plan assets	5.55	5.80

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

	2022 \$'000	2021 \$'000
Service cost		
Current service cost	406	502
Employer contributions	(316)	(325)
Member contributions	(26)	(30)
Net interest cost	4	38
Components of defined benefit cost recognised in surplus/(deficit)	68	185
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amounts included in net interest expense)	1,008	(2,502)
Actuarial (gain)/loss arising from changes in demographic assumptions	1,585	-
Actuarial (gain)/loss arising from changes in financial assumptions	(4,912)	(128)
Actuarial loss arising from experience adjustment	753	1,232
Components of defined benefit gain recognised in other comprehensive income	(1,566)	(1,398)
TOTAL DEFINED BENEFIT GAIN	(1,498)	(1,213)

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	2022 \$'000	2021 \$'000
Present value of funded defined benefit plan obligation (d)	18 (d)	17,473	21,355
Fair value of defined benefit plan assets (e)	18 (e)	(18,552)	(20,939)
NET (ASSET)/LIABILITY ARISING FROM DEFINED BENEFIT PLAN OBLIGATION		(1,079)	416

Notes to the financial statements

30 June 2022 (continued)

NOTE 18. DEFINED BENEFIT SUPERANNUATION PLANS (continued)

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

	2022 \$'000	2021 \$'000
Balance at beginning of the year	21,355	20,263
Current service cost	406	502
Interest on obligation	490	487
Remeasurement (gains)/losses		
Actuarial (gain)/loss arising from changes in demographic assumptions	1,585	-
Actuarial (gain)/loss arising from changes in financial assumptions	(4,912)	(128)
Actuarial loss arising from experience adjustments	753	1,232
Benefits paid (including expenses and taxes)	(2,109)	(907)
Other	(95)	(94)
BALANCE AT END OF THE YEAR	17,473	21,355

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

	2022 \$'000	2021 \$'000
Balance at beginning of the year	20,939	18,634
Interest income	486	449
Remeasurement		
Return on plan assets (excluding amounts included in net interest expense)	(1,008)	2,502
Contributions by the employer	316	325
Contributions by plan participants	26	30
Benefits paid	(2,109)	(907)
Other	(98)	(94)
BALANCE AT END OF THE YEAR	18,552	20,939

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

Australian equities	4,193	5,423
International equities	3,933	5,465
Australian fixed interest	4,879	3,810
International fixed interest	334	398
Property	1,948	2,178
Cash	1,447	1,801
Other	1,818	1,864
TOTAL FAIR VALUE OF THE PLAN ASSETS	18,552	20,939

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 \$0.639 million (2021: \$0.816 million).
- If the expected salary growth increases / (decreases) by 50 basis points, the defined benefit obligation would increase / (decrease) by \$0.375 million (2021: \$0.353 million).

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

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

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

g) Asset-liability matching study

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

h) Effects on future cash flows

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

Members of the Australian Red Cross Queensland Staff Retirement Fund contribute at the rate of 5% of salary. The residual contribution (including back service payments) is paid by the Society. The funding requirements are based on the local actuarial measurement framework. In this framework the discount rate is set on the expected return on the Fund's assets. The Society carries the investment volatility risk and may be required to make additional contributions from time to time if assets do not cover members' vested benefits.

The average duration of the benefit obligation for the funds at 30 June 2022 is 7.89 years (2021: 8.62 years). This number can be analysed as follows:

- Active members: 7.71 years (2021: 8.01 years);
- Retired members: 8.85 years (2021: 9.35 years)

The Society expects to make a contribution of \$0.343 million (2021: \$0.350 million) to the defined benefit plans during the next financial year.

Notes to the financial statements

30 June 2022 (continued)

NOTE 18. DEFINED BENEFIT SUPERANNUATION PLANS (continued)

i) Historic summary

	2022 \$'000	2021 \$'000
Defined benefit plan obligations	17,473	21,355
Less plan assets	(18,552)	(20,939)
(DEFICIT)/GAIN	(1,079)	416
Actual return on assets	1,008	(2,502)
Cumulative amount recognised in the other comprehensive income		
Cumulative amount of actuarial losses	611	2,109
Expected contributions and funding arrangements		
Expected employer contributions at 30 June	343	350

NOTE 19. RESERVES

	Investment revaluation reserve (i) \$'000	Special reserve (ii) \$'000	Capital reserve (iii) \$'000	Total \$'000
YEAR ENDED 30 JUNE 2021				
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 (loss)/gain arising on equities classified as FVOCI	10,602	-	-	10,602
Net (loss)/gain on debt classified as FVOCI	2,139	-	-	2,139
BALANCE AS AT 30 JUNE 2021	14,523	70,611	52,798	137,932
YEAR ENDED 30 JUNE 2022				
Balance as at 1 July 2021	14,523	70,611	52,798	137,932
Transfers from/(to) reserves from accumulated funds	-	(7,759)	(7,741)	(15,500)
Transfer of realised loss/(gain) to accumulated funds	339	-	-	339
Net unrealised (loss)/gain arising on equities classified as FVOCI	(7,226)	-	-	(7,226)
Net (loss)/gain on debt classified as FVOCI	(3,565)	-	-	(3,565)
BALANCE AS AT 30 JUNE 2022	4,071	62,852	45,057	111,980

- 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.

NOTE 20. SPECIFIC PURPOSE FUNDS

	Total \$'000
Year ended 30 June 2021	
Balances as at 1 July	90,370
Transfers from/(to) accumulated funds	(27,382)
BALANCE AS AT 30 JUNE 2021	62,988
Year ended 30 June 2022	
Balances as at 1 July ¹	62,988
Transfers from/(to) accumulated funds	3,899
BALANCE AS AT 30 JUNE 2022	66,887

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 FY22, the adjusted Specific Purpose Funds opening balance of \$62.988 million was reduced by \$46.871 million to deliver contracts and appeals in FY22. A further SPF balance of \$50.770 million was added in FY22 bringing the total closing balance to \$66.887 million for contracts and appeals that have activities to be performed in the future.

NOTE 21. ACCUMULATED FUNDS

	2022 \$'000	2021 \$'000
Balance at beginning of financial year	298,876	309,680
(Deficit)/surplus for the financial year	(88,532)	(34,526)
Actuarial surplus/(loss) on defined benefit superannuation plans	1,566	1,398
Transfers (to)/from specific purpose funds	(3,899)	27,382
Transfers from/(to) other reserves	15,161	(5,058)
BALANCE AS AT 30 JUNE	223,172	298,876

Notes to the financial statements

30 June 2022 (continued)

NOTE 22. CASH AND CASH EQUIVALENTS

a) Reconciliation of cash and cash equivalents

	2022 \$'000	2021 \$'000
Cash	95,489	106,566
Term deposits	128,984	215,691
NET CASH AND CASH EQUIVALENTS	224,473	322,257

b) Reconciliation of deficit for the year to cash flows from operating activities

	2022 \$'000	2021 \$'000
Net deficit for the year	(88,532)	(34,526)
Depreciation and amortisation of non-current assets	88,970	92,897
Impairment of property, plant and equipment	-	179
Impairment of financial assets	145	-
Net foreign currency (gain)/loss	(8)	80
Loss/(gain) on disposal of investments	1,931	(1,948)
Loss/(gain) on disposal of property, plant and equipment and intangibles	1,017	(41,694)
Investment interest recognised in profit or loss	(3,553)	(3,367)
Dividends recognised in profit or loss	(2,861)	(1,770)
Components of defined benefit recognised in surplus	68	185
Other Income – COVID-19 Rent Abatements	(328)	(209)
Software-as-a-service cost adjustment	-	5,061
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(4,209)	8,502
(Increase)/decrease in inventory	(5,221)	4,500
(Increase)/decrease in prepayments	(7,060)	1,128
(Decrease)/increase in trade payables, other liabilities and lease movements	(11,389)	24,967
Decrease in provisions	(18,982)	(9,379)
NET CASH (USED)/PROVIDED FROM OPERATING ACTIVITIES	(50,012)	44,606

NOTE 23. COMMITMENTS

a) Capital commitments

	2022 \$'000	2021 \$'000
Capital commitments contracted for at reporting balance date but not provided for in the financial statements are payable as follows:		
Not longer than 1 year	15,316	22,770
TOTAL COMMITMENTS	15,316	22,770

Of the reported total capital expenditure commitments, \$3.050 million relates to Laboratory Automation a3600 Equipment, \$2.639 million relates to the Finance Enterprise Resource Planning (ERP) & Performance and Consumable & Assets ERP projects, \$1.359 million is attributable to Marrickville Donor Centre, and the balance is committed to various other business initiatives, asset replacement programs and property improvements and relocations.

b) Short term or low value lease agreements

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 with 2 to 20 years term.

At 30 June 2022, 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)

	2022 \$'000	2021 \$'000
Commitments for minimum lease payments in relation to short term or low value leases are payable as follows:		
Within one year	145	431
Later than one year but not later than five years	-	23
Later than five years	-	9
TOTAL SHORT TERM OR LOW VALUE LEASE COMMITMENTS	145	463

c) Specific Purpose Funds

Specific Purpose Funds (SPF) of \$66.887 million are committed funds received by the Society via grants and donations and are set aside for pre-determined purposes.

Notes to the financial statements

30 June 2022 (continued)

NOTE 24. LEASES

a) Right of Use assets

	Properties \$'000	Vehicles \$'000	Total \$'000
YEAR ENDED 30 JUNE 2021			
Cost			
Balance at 1 July	339,968	6,381	346,349
Additions and remeasurements	(1,225)	638	(587)
Disposal	(1,733)	(9)	(1,742)
Balance as at 30 June 2021	337,010	7,010	344,020
Accumulated amortisation			
Balance at 1 July	(42,384)	(1,918)	(44,302)
Amortisation expense	(36,698)	(2,071)	(38,769)
Reclassification	100	22	122
Disposal	854	-	854
Balance as at 30 June 2021	(78,128)	(3,967)	(82,095)
NET BOOK VALUE AS AT 30 JUNE 2021	258,882	3,043	261,925
YEAR ENDED 30 JUNE 2022			
Cost			
Balance at 1 July	337,010	7,010	344,020
Additions and remeasurements	26,125	3,928	30,053
Disposal	(4,951)	(72)	(5,023)
Balance as at 30 June 2022	358,184	10,866	369,050
Accumulated amortisation			
Balance at 1 July	(78,128)	(3,967)	(82,095)
Amortisation expense	(35,747)	(2,114)	(37,861)
Disposal	4,362	106	4,468
Balance as at 30 June 2022	(109,513)	(5,975)	(115,488)
NET BOOK VALUE AS AT 30 JUNE 2022	248,671	4,891	253,562

b) Lease liabilities

	2022 \$'000	2021 \$'000
Maturity analysis – contractual undiscounted cash flows¹		
No longer than 1 year	38,572	38,689
Longer than 1 year and not longer than 5 years	98,845	98,622
Longer than 5 years	41,659	56,816
TOTAL¹	179,076	194,127

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 lease arrangements.

b) Lease liabilities (continued)

Lease liabilities are presented in the statement of financial position as follows:

	2022 \$'000	2021 \$'000
Current	29,767	31,218
Non-current	252,411	255,789
TOTAL LEASE LIABILITIES ²	282,178	287,007

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 four years. These leases are short-term and/or leases of low-value items. The Society 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.

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.

NOTE 25. CONTINGENT LIABILITIES

a) Potential for claims not to be indemnified

Lifeblood is entitled to seek, and the NBA may at its discretion grant, indemnities in respect of potential liabilities arising from litigation in relation to pre-July 2000 transfusion-transmitted diseases.

There is a potential for claims to arise from viral/bacterial infections or blood-borne diseases, which are currently unidentified, or in circumstances where there is no test or screening procedures available to test for a virus/bacteria/disease state. In the event that commercial insurance does not cover financial exposure arising as a result of transmission of blood-borne disease occurring subsequent to 1 July 2000, a national managed fund has been established with claims covered at the discretion of the NBA.

b) Bank guarantees

The Society has bank guarantees in place in relation to certain property leases. The value of these guarantees at 30 June 2022 was \$0.172 million (FY21: \$0.172 million). The Board is satisfied the guarantees will not be called upon and therefore no liability has been recorded in the statement of financial position.

c) Climate change

The pace and severity of climate change requires the Society to identify, measure and invest in emissions reduction initiatives. Whilst these are not current obligations or liabilities, they are expected to change future investment priorities including building design, workforce practices, renewable energy sources and fleet management.

There are no other contingent liabilities or events identified which would be expected to have a material impact on the financial statements in the future.

Notes to the financial statements

30 June 2022 (continued)

NOTE 26. FINANCIAL INSTRUMENTS

a) Categories of financial instruments

	2022 \$'000	2021 \$'000
Financial assets		
Cash and cash equivalents	224,473	322,257
Trade and other receivables	18,277	14,068
Prepayments	20,119	13,059
Bonds	108,774	114,196
Shares	38,880	58,947
Managed Funds	6,691	19,390
Hybrid Bonds	2,738	6,072
Financial liabilities		
Trade and other payables	77,068	59,745
Government grants refundable	30,205	62,077
Revenue in advance	97,315	102,266
Government reserves refundable	7,514	-

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

The Society's investment policy and associated ethical investment guidelines reduces our investment exposure to certain industries, including fossil fuel. The Society does not believe that current impairment of market values, is required as a result of future climate related events.

b) Financial risk management objectives and policies

The Society's financial instruments consist mainly of:

- deposits with banks;
- investments in equities, managed funds, bonds, debentures and other fixed interest securities;
- accounts receivable and payable, which arise directly from the Society's operations; and
- derivatives, being forward foreign currency contracts, to manage currency risks.

It is not the Society's policy to trade in investments (i.e. to speculate and engage in short-term profit taking). All investments are held to generate income to further the Society's causes and as such are classified as 'FVOCI' or 'FVPL'. Sales do occur however with selected investments which are described in the financial statements as 'FVOCI or FVPL', when the Society is advised to adjust its portfolio in relation to risk exposure and diversification as advised by its investment portfolio managers. The Society holds investments to maximise capital value whilst maintaining a low risk appetite investment strategy.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: market interest rates (interest rate risk), foreign currency risk and market prices (price risk).

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:

Assets	2022		2021	
	Foreign currency \$'000	AUD equivalent \$'000	Foreign currency \$'000	AUD equivalent \$'000
Cash				
USD Humanitarian	5	7	5	6
USD Lifeblood	46	66	-	-
Euro Lifeblood	9	14	529	837
TOTAL		87		843

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.

	2022 \$'000	2021 \$'000
Profit or loss		
USD	5	-
Euro	1	53
TOTAL	6	53

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.

Notes to the financial statements

30 June 2022 (continued)

NOTE 26. FINANCIAL INSTRUMENTS (continued)

Interest rate sensitivity analysis

The following table summarises how the Society's surplus or deficit and equity would have been affected by changes in interest rates at reporting date.

	Carrying amount	-50 basis points deficit	-50 basis points equity	+100 basis points deficit	+100 basis points equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and cash equivalents	224,473	(1,122)	(1,122)	2,245	2,245
Financial assets at FVOCI and FVPL	157,083	(785)	(785)	1,571	1,571
TOTAL FINANCIAL ASSETS	381,556	(1,907)	(1,907)	3,816	3,816

Sensitivity analysis does not apply to Bank loans with fixed Interest Rate.

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.

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.

d) Equity price sensitivity

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

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

- the deficit for the year ended 30 June 2022 would have been unaffected as the equity investments are classified as FVOCI and any increment or decrement in the fair value, with the exception of impairment, is an adjustment to other comprehensive income; and
- other comprehensive income for the year ended 30 June 2022 would have increased/decreased by \$1.944 million (FY21: \$2.947 million) as a result of the change in the fair value of equities.

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

e) Credit risk management

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. Credit risk for derivative financial instruments arises from the potential failure by counter parties to the contract to meet their obligations.

f) Liquidity risk management

The Society manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid funds or unutilised borrowing facilities are maintained.

The following table details the Society's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Society can be requested to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1 to 5 years	5+ years	Total
Non-derivative financial liabilities	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
YEAR ENDED 30 JUNE 2021							
Non-interest bearing		158,325	64,591	1,172	-	-	224,088
TOTAL		158,325	64,591	1,172	-	-	224,088
YEAR ENDED 30 JUNE 2022							
Non-interest bearing		180,685	28,312	2,485	620	-	212,102
TOTAL		180,685	28,312	2,485	620	-	212,102

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
Non-derivative financial assets	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
YEAR ENDED 30 JUNE 2021							
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
TOTAL		289,220	138,501	6,365	93,729	20,174	547,989
YEAR ENDED 30 JUNE 2022							
Non-interest bearing	-	179,175	-	-	-	-	179,175
Fixed interest rate instruments	2.56	-	97,500	8,261	95,294	7,958	209,013
Variable interest rate instruments	0.83	31,764	-	-	-	-	31,764
TOTAL		210,939	97,500	8,261	95,294	7,958	419,952

Notes to the financial statements

30 June 2022 (continued)

NOTE 27. GOING CONCERN DISCLOSURE

The financial statements have been prepared on the basis that the Society is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2022 the Society incurred a deficit of \$88.532 million and a total decrease in cash on hand of \$97.824 million, which included total cash outflows from operating activities of \$50.012 million.

The Society has incurred deficits in both the current and prior financial year, these deficits have resulted from:

- Timing differences resulting from the recognition of revenue and expenses, compared to the receipt and expenditure of funds on key major programs, primarily relating to Lifeblood and the funding agreement with the National Blood Authority.
- One off costs relating to historical remediation issues, in particular the remuneration settlement compliance
- Costs associated with organisational transformation, including the re-engineering of systems and processes to be more efficient and effective, and
- Deficits resulting from programs which are not fully funded

The Society has recognised that the sustained operating losses resulting from programs which are not fully funded, and the on-going investment required in systems to be more efficient and effective needs to be addressed. The Society is implementing a series of co-ordinated actions to restore the organisation to a sustainable surplus, ensuring its working capital remains strong, supported by robust and effective systems and technologies. Specifically, Humanitarian Services will implement a plan to reduce the scope of operations to focus on only those programs that reflect the Society's long term strategic priorities. Part of this plan will include the downsizing of the office space requirements, which will result in the sale of the Victorian Head office in North Melbourne.

As at the date of this report, and having considered the above position, the Board is confident that the Society will be able to continue as a going concern, based upon their ability to implement the above plan and specifically:

- Refocus on the Society's strategic direction, with a focus to exit loss making programs as they come to their contracted end
- Continued access to the undrawn banking facility of \$8.000 million; and
- Sale of the Victorian Head office in Villiers Street, North Melbourne, Victoria

Accordingly, the Board considers it is appropriate to continue to prepare the financial statements on the going concern basis.

NOTE 28. EVENTS AFTER THE REPORTING PERIOD

Sale of Investments

The Society disposed of \$20.612m of investments held at fair value at year end in July 2022. The Society disposed of \$8.945 million shares, \$5.561 million bonds and \$6.106 million managed funds totalling \$20.612 million.

Sale of Land and Buildings

Subsequent to year end the Board resolved to actively seek on market expression of interest in the sale of the Victorian Head Office building located at 23-47 Villiers Street, North Melbourne. It is expected that the sale will take several months to complete following an extensive on market sale process. If the sale is successful, it is not expected that settlement of the sale would occur prior to 31 March 2023.

There has not been any other matter or circumstance occurring subsequent to the end of the year that has significantly affected, or may significantly affect, the operations of the Society, the results of those operations, or the state of affairs in future financial years other than those already disclosed in the financial statements.

NOTE 29. ECONOMIC DEPENDENCY

A significant portion of revenue is received by way of recurrent and capital grants from Commonwealth, State and Territory governments. The current Deed between the NBA and Lifeblood relates to the period 1 July 2016 to 30 June 2025 and is the main source of funding for the Lifeblood division. Humanitarian Services is not dependent on any one government grant. The cumulative revenue from government grants enables us to deliver the variety and magnitude of support in the community to various groups of people.

At the time of this report, significant number of State and Commonwealth grants for Humanitarian Services have been renewed and there is no indication that the government will discontinue its support for the Society.

	2022 \$'000	2021 \$'000
Top 10 sources of government revenue by level of government and department or agency name		
Commonwealth government		
National Blood Authority	676,734	636,997
Department of Social Services	37,439	49,315
Department of Foreign Affairs and Trade	22,511	19,597
Department of Home affairs	3,995	-
National Recovery and Resilience Agency	2,903	-
Australian Taxation Office — JobKeeper wage subsidy	-	14,843
Organ & Tissue Authority	-	3,267
Total Commonwealth government	743,582	724,019
State governments		
Department of Health Services — Victoria	31,362	70,458
Department of Communities and Justice — NSW	17,419	-
Department of Families, Fairness and Housing — VIC	10,865	-
Department of Communities, Child Safety and Disability Services — Queensland	6,986	6,778
Family & Community Services — NSW	2,393	-
NSW Ministry of Health	-	13,329
Department of Communities, Housing and Digital Economy — Queensland	-	5,175
SA Health	-	3,463
Total State government	69,025	99,203
TOTAL TOP 10 GOVERNMENT GRANT REVENUE	812,607	823,222

Notes to the financial statements

30 June 2022 (continued)

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
	\$	\$	\$	\$
Society				
YEAR ENDED 30 JUNE 2022				
Humanitarian Services	3,820,962	995,882	60,692	4,877,536
Lifeblood	5,372,353	488,191	4,769	5,865,313
TOTAL	9,193,315	1,484,073	65,461	10,742,849
YEAR ENDED 30 JUNE 2021				
Humanitarian Services	2,674,939	674,417	44,782	3,394,138
Lifeblood	5,068,000	366,000	150,000	5,584,000
TOTAL	7,742,939	1,040,417	194,782	8,978,138

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.

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)
- Mr James Birch AM
- Ms Aisling Blackmore (to July 2022)
- Ms Wendy Prowse (to October 2022)
- Ms Maria (Cris) Rigby (to July 2022)
- Dr Garry Nolan AM
- Ms Kathleen Cole
- Ms Winifred Smith AM (to October 2022)
- Ms Rose Rhodes PSM (to September 2022)
- Ms Nazli Hocaoglu
- Ms Rita Richards (to October 2022)
- Dr Melissa Phillips
- Mr John MacLennan
- Mr Keith Wilson (from September 2022)

LIFEBLOOD BOARD

- Mr James Birch AM (Chair)
- Ms Shelly Park (Chief Executive) to Feb 2022
- Adj Prof Stephen Cornelissen (Chief Executive) from June 2022
- Mr Christopher Baggoley AO
- Mr Charles Burkitt
- Ms Jenni Mack AM (to March 2022)
- Dr Lance Emerson
- Ms Julie Fahey
- Ms Merran Kelsall
- Prof Robyn Ward
- Mr Nigel Ampherlaw
- Ms Shehani Noakes (from May 2022)
- Ms Amanda Sellers (from January 2022)

EXECUTIVE TEAM

Humanitarian Services

- Mr Kym Pfitzner — Chief Executive Officer
- Ms Cindy Batchelor — Deputy Chief Executive Officer (from October 2021 to July 2022)
- Ms Belinda Dimovski — Director, Engagement & Support (to May 2022)
- Mr Noel Clement — Director, Australian Programs (to Feb 2022)
- Ms Penny Harrison — Director, Volunteering (to April 2022), Chief of Staff (from April 2022)

- Mr Michael Annear — Director, International Programs (to September 2021)
- Mr Lloyd Doddridge — Chief Financial Officer and Chief Operating Officer
- Mr Brett Wilson — Chief Information Officer
- Mr Alex Mathieson — Director, International & Movement Relations (from January 2022)
- Ms Jane Hollman — Chief People and Culture Officer
- Ms Tara Eaton — Head of Legal (to July 2022)
- Ms Tammy Lamperd — Chief Risk Officer
- Ms Poppy Brown — Director, State & Territory Operations (from January 2022)*
- Ms Stacie Haber — Head of Strategy
- Ms Fiona Davies — Head of Inclusion and Diversity (from July 2021)
- Ms Sue Oddie — Strategic Advisor to CEO (from July 2021)
- Ms Vicki Mau — Director, Programs (from June 2022)**
- Ms Jenny Brown — Head of Aboriginal and Torres Strait Islander Strategy & Impact (from July 2022)***
- Ms Caroline Elton — Chief Marketing Officer (from September 2022)

Lifeblood Division

Executive Directors

- Mr John Brown — Executive Director, Finance
- Mr Stuart Chesneau — Executive Director, Business Growth and Innovation
- Ms Cath Gillard — Executive Director, People and Culture (to March 2022)
- 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
- Ms Shelley Abrams — Executive Director, People and Culture (from June 2022)

* Ms Poppy Brown previously held the (non-Exec) role of NSW Director

** Ms Vicki Mau previously held the (non-Exec) role of Head of MSP (Migration Support Programs)

*** Ms Jenny Brown previously held this role in a non-Exec capacity

Notes to the financial statements

30 June 2022 (continued)

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:

	2022 \$	2021 \$
Auditors of Australian Red Cross Society		
Deloitte Touche Tohmatsu		
Audit of financial report	385,455	374,500
Assurance services required under contractual agreements — grant acquittals	146,486	97,295
Other non audit services ¹	138,969	-
Total	670,910	471,795
Ernst & Young		
Internal audit services	547,198	610,148
Other services ²	271,058	809,886
Total	818,256	1,420,034
TOTAL AUDITOR REMUNERATION	1,489,166	1,891,829

¹ Relates to advisory services for Sustainable Compliance.

² Other Ernst & 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 other support services.

NOTE 32. RELATED PARTY DISCLOSURES

a) Board Members

The board members are disclosed in Note 30.

Ian Hamm is the board member of Aboriginal and Torres Strait Islander Healing Foundation Limited. There have been transactions to a value of \$102,500 with the entity however Ian has not been involved in any decision making connected with the agreement between the two entities.

Stephanie Owen is an employee of Microsoft Corporation since 1st July 2021. She was not involved in providing any services to Australian Red Cross Society as a Microsoft employee.

b) Executive Team

The executive team members are disclosed in Note 30.

c) Wholly-owned group

Lifeblood and Humanitarian Services are separate divisions of the same entity.

During the reporting period, net payments of \$0.006 million (FY21: \$0.004 million) transacted between the Lifeblood and Humanitarian Services divisions. As at 30 June 2022, there were nil commitments for minimum lease payments in relation to non-cancellable leases payable to the Society.

NOTE 33. DISASTER RELIEF AND RECOVERY FUND

On 1 July 2019, 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, the Society agreed to utilise the funds donated to the DRR Fund solely for this specific disaster. The DRR Fund was closed to additional donations on 17 April 2020, with the exception of donations pledged (but not received) as at this date.

At 30 June 2022, 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 FY23 and future years on the the long-term recovery program. 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.

	2022 \$'000	2021 \$'000	2020 \$'000	Total \$'000
Donations in respect of the Disaster, Relief and Recovery Fund	10	14,577	227,044	241,631
Interest earned on funds held in separate bank accounts	15	75	233	323
Total income for the Disaster, Relief and Recovery fund	25	14,652	227,277	241,954
Direct Relief Grants — distributed	3,497	48,392	118,658	170,547
Direct Relied Grants — provided	-	557	33,867	34,424
Total direct relief grants	3,497	48,949	152,525	204,971
Emergency services on the ground	-	-	5,000	5,000
3 Year Recovery programs	5,514	4,312	848	10,674
Minderoo Recovery Pods	-	2,000	-	2,000
Administrative Support Costs	688	2,890	8,243	11,821
Total expenditure	9,699	58,151	166,616	234,466
SURPLUS (BALANCE OF DRR FUNDS)	7,488	17,162	60,661	7,488

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 \$7.488 million at 30 June 2022 for DRR Fund is part of the total SPF balance for the Society disclosed in Note 20.

The funds set aside are held in low-risk interest bearing accounts with CBA, ANZ, and NAB. Interest is then allocated back into the fund for distribution.

Notes to the financial statements

30 June 2022 (continued)

NOTE 34. ACFID INCOME STATEMENT

Australian Red Cross Society is a signatory to the Australian Council for International Aid and Development (ACFID) Code of Conduct and is committed to full adherence to its requirements. The Code aims to improve international development outcomes and increase stakeholder trust by enhancing the transparency and accountability of signatory organisations.

The ACFID financial statements have been prepared in accordance with the requirements set out in the ACFID Code of Conduct and should be read in conjunction with the financial statements and accompanying notes. Please refer to the ACFID website www.acfid.asn.au for more details.

	Humanitarian Services 2022	Society 2022	Humanitarian Services 2021	Society 2021
	\$'000	\$'000	\$'000	\$'000
INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022				
REVENUE				
Donations and gifts ¹	133,858	133,858	78,558	78,558
Legacies and bequests	12,362	12,362	11,138	11,138
Grants				
– Department of Foreign Affairs and Trade	22,511	22,511	19,597	19,597
– other Australian	127,625	839,301	151,507	825,324
– other overseas	2,984	2,984	2,431	2,431
Net gain on assets and investments	-	-	43,893	43,893
Retail and Commercial activities	36,585	36,585	37,891	37,891
Other income	351	12,505	15,249	24,408
Investment income	3,587	7,592	3,803	7,090
Total revenue	339,863	1,067,698	364,067	1,050,330
EXPENDITURE				
International aid and development programs expenditure				
• funds to International Programs	35,107	35,107	23,987	23,987
• program support costs	3,395	3,395	3,279	3,279
• community education ²	1,520	1,520	818	818
Domestic programs	225,648	975,491	230,203	946,294
Fundraising costs ³				
• public, government, multilateral and private	19,768	19,768	23,411	23,411
Retail and Commercial activities	30,427	30,427	30,173	30,173
Accountability and Administration ⁵	50,672	59,571	41,609	41,609
Remediation and Compliance Costs ⁴	27,866	27,866	15,285	15,285
Other expenditure	2,784	3,085	-	-
Total expenditure	397,187	1,156,230	368,765	1,084,856
Excess /(deficiency) of revenue over expenditure from continuing operations	(57,324)	(88,532)	(4,698)	(34,526)

NOTE 34. ACFID INCOME STATEMENT (continued)

	Humanitarian Services 2022	Society 2022	Humanitarian Services 2021	Society 2021
	\$'000	\$'000	\$'000	\$'000
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Actuarial gain on retirement benefit obligations	-	1,566	-	1,398
Net gain/(loss) on equity instruments	(1,046)	(7,226)	4,301	10,602
Items that may be reclassified subsequently to profit or loss				
Net gain/(loss) on of debt instruments	(141)	(3,565)	157	2,139
Other comprehensive (loss)/income for the year	(1,187)	(9,225)	4,458	14,139
TOTAL COMPREHENSIVE SURPLUS/ (DEFICIT) FOR THE YEAR	(58,511)	(97,757)	(240)	(20,387)

¹ During the financial year nil (FY21: 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 Fundraising costs include both International and Domestic programs. There are no separately recorded costs incurred for government, multilateral and private fundraising costs.

⁴ Remediation and compliance costs related to legal claims and historical remuneration compliance, operational, consulting and audit costs.

⁵ Accountability and administration costs includes property maintenance, legal, information technology, finance, human resources and occupancy costs.

During the financial year there were no transactions (FY21: nil) in the International Political or Religious Adherence Promotion program category.

Board members' declaration 30 June 2022

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
21 October 2022

Independent auditor's declaration

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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

21 October 2022

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 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Isabelle Lefevre
Partner

Independent auditor's report



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

Opinion

We have audited the financial report of the Australian Red Cross Society (the "Society") which comprises the statement of financial position as at 30 June 2022, 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 2022 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.

Other Information

- (a) The Board Members are responsible for the other information. The other information comprises all information included in the Annual Report 2021-22 except for the Financial Statements (financial report) from pages 101 to 158.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

Deloitte.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board Members for the Financial Report

Management of the Society is responsible for the preparation of the financial report in accordance with Australian Accounting Standards, the ACNC Act and the ACFID Code of Conduct and for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board Members are responsible for assessing the ability of the Society to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board Members either intend to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

The Board Members are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

Deloitte.

- 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
DELOITTE TOUCHE TOHMATSU



Isabelle Lefevre
Partner
Chartered Accountants
Melbourne, 21 October 2022



Act for humanity

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