

FamiliesAustralia

**ANNUAL
REPORT**

2020-2021



FamiliesAustralia

VISION

Australian families, in all their diversity, enjoy the greatest possible wellbeing

MISSION

To improve the wellbeing of all Australian families, especially those experiencing the greatest marginalisation and vulnerability

VALUES

Inclusive, practical, collaborative, ethical

Acknowledgements

We acknowledge the Traditional Owners of Country throughout Australia and their continuing connection to land, sea and community. We pay our respects to them and their cultures, and to their Elders past, present and emerging.

We thank all our supporters, in particular, our Members and the Commonwealth Government, for their ongoing support.

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Our organisation

A national voice for families and children

Established in 2001, and now in its 20th year, Families Australia is a national, peak, member-based, not-for-profit organisation that is committed to enhancing the wellbeing of all families, especially those who experience the greatest vulnerability.

We work to build a nation in which all families, irrespective of their form, enjoy the greatest possible wellbeing. We believe that this objective is advanced by better protecting and valuing children, by celebrating families and supporting the most vulnerable amongst them, and by making genuine and lasting improvements to the wellbeing of Aboriginal and Torres Strait Islander peoples.

We partner with government, member and service delivery organisations and researchers to suggest practical and innovative policy solutions to problems facing families, convene the National Coalition on Child Safety and Wellbeing in support of the National Framework for Protecting Australia's Children, and facilitate National Families Week which celebrates the vital role of families.



Message from the Chair

An end of an era can evoke mixed emotions. On the one hand it represents the conclusion of a period of stability and familiarity – on the other the opportunity for re-fresh and renewal.

For the past 16 years Dr Brian Babington AM has led the work of Families Australia. He has done this superbly and much of the influence and contributions to child and family public policy initiated by Families Australia can be attributed to Brian's leadership. It is in this context that I write this year's message as Chair of Families Australia.

It is a year in which we will experience a changing of the guard as Families Australia farewells an outstanding leader – and prepares to usher in a new CEO. Whilst we have an opportunity to look back over a career with a number of significant achievements, perhaps the most important is that Brian leaves Families Australia in a significantly stronger position than when he joined all those years ago. This is particularly important because, perhaps more than ever before, the reach and impact of Families Australia is needed to improve the wellbeing and opportunities for children, young people and families across Australia.

The persistent effects of COVID on our community and the economy are profound. What 12 months ago many had hoped would be a time-limited pandemic has proven to be anything but – and the uncertainty of what lies ahead is having major impacts on the mental health of our nation. Families - and increasingly children and young people - are bearing the burden of both the necessary restrictions being imposed to limit the spread of infection as well as the growing uncertainty as to what the future holds. It is also in the midst of such an unparalleled crisis that the role of families has become even more important. With the influence of other institutions and resources diminishing, it has been families in all their diversity which have been relied upon to both protect and nurture their members.

So, through all of this continuing disruption, it has been important for Families Australia to also step up and ensure its influence and work can be maintained. With limitations on travel and in-person gatherings, Families Australia, like its members, has discovered different ways to undertake its work. From celebrating national Families Week to continuing to gather input and present proposals to shape the succession plan to the National Framework for Protecting Australia's Children – Families Australia has found ways to adapt to the current environment.

Most importantly we have ensured that the views and interests of our members, together with the many organisations and entities which form the "National Coalition", were able to be collected and to be heard. Our members' voices are more important than ever in ensuring Australia can fashion the public policy responses needed to enable our children, young people and our families to flourish.

In acknowledging Brian's leadership, I would also like to recognise the work of the entire staff group at Families Australia. It may be a small team, but it continues to excel in its ability to connect with and maintain communication with our members and stakeholders and provide timely and valued input to key public policy debates.

In closing, I would like to thank Stella Conroy, the former Deputy CEO of Families Australia, who along with Brian has provided such excellent leadership over many years in important areas of work including the response to “Forgotten Australians” and the National Framework.

And finally, to my fellow Board members who have continued to contribute their time, experience and expertise so generously – thank you.

So, to a new era – one built on solid foundations and with great promise to contribute even more for the future of Australia’s families.

A handwritten signature in black ink that reads "Simon Schrapel AM". The signature is written in a cursive style with a large initial 'S' and a small flourish at the end.

Simon Schrapel AM
Chair

Meet our Board



Simon Schrapel AM
Chair

Nominee of UnitingCare Australia



Melinda Crole
Deputy Chair

Nominee of YMCA Australia



Naomi Nicholson
Secretary

Nominee of the Australian Foster Care Association



Dr Sue Packer AO
Public Officer

Nominee of NAPCAN



Dr Marilyn Casley

Nominee of the School of Human Services and Social Work Griffith University



Catherine Liddle

Co-opted Member
(from 15 February 2021)



Fiona May

Nominee of Playgroup Australia
(resigned 9 November 2020)



Emeritus Professor Morag McArthur

Nominee of the Australian Foster Care Association



Annette Michaux

Co-opted Member



Tricia Murray AM

Nominee of the Child and Family Welfare Association of Australia



Kathleen Pinkerton

Nominee of SNAICC – National Voice for our Children



Richard Weston

Nominee of SNAICC – National Voice for our Children
(resigned 9 November 2020)
Co-opted Member (from 23 February 2021)

Families Australia secretariat:

Dr Brian Babington AM, Chief Executive Officer

Stella Conroy, Deputy Chief Executive Officer (until 20 May 2021)

Jennifer Horsfield, Office Manager and Manager of National Families Week

Margaret Fisher, Senior Policy Officer

Elizabeth Hunter, Events and Communications Officer (until 28 February 2021)

Fiona Langford, Accounts Manager

Eileen O'Brien, Policy Officer



Message from our departing CEO

Challenge, progress, persistence

In preparing to leave Families Australia in September 2021 after 16 years as Chief Executive Officer, I wish to thank the Families Australia Board, Members, staff, and the Commonwealth Government—especially the Hon. Michelle Landry MP, Assistant Minister for Children and Families, and the Department of Social Services—for the support and many opportunities given to me.

It has been a privilege to have served the causes that Families Australia stands for. I pay special tribute to my staff colleagues, past and present, for their camaraderie, commitment and skill.

Families Australia occupies an important place as a trusted adviser to government on child and family policy and I am proud of its many achievements. These include playing a leading role in advocating for, and helping to design and implement the National Framework for Protecting Australia's Children 2009-20 and its 10-year successor plan (2021-31), and establishing the National Coalition on Child Safety and Wellbeing.

In the course of 19 consecutive annual National Families Weeks we brought together over 1½ million people in community events. We convened six Child Aware Conferences and 10 Families Australia National Orations. We helped to establish a national organisation to support advocacy by adult survivors of children's institutions—the Alliance for Forgotten Australians—and provided numerous Parliamentary and official policy submissions on a wide range of social policy issues.

All our work has relied on many supporters and advocates who are committed to building stronger families and communities and a nation in which all children and young people grow up safe and well. In that regard, I wish to place on record my special appreciation to the members of the National Coalition Steering Group, and especially to Simon Schrapel AM and Andrew McCallum AM, for their friendship and support over many years.

Turning to FY21, Families Australia faced many challenges imposed by the COVID pandemic. We experienced delays in the finalisation of the successor to the National Framework. National Families Week saw a return to face-to-face community events in May 2021, although well below pre-pandemic levels. Our capacity to hold face-to-face policy forums was also reduced.

We continued, nevertheless, to inform and influence a range of child and family policy agendas as well as support important Aboriginal and Torres Strait Islander campaigns. A particular highlight was the keynote address entitled 'Reimagining Indigenous wellbeing now and into the future', which was delivered by Joe Hedger, a proud Bundjalung man and Director of Ernst and Young's Indigenous Sector Practice, at our NAIDOC Week Policy Forum in November 2020.

Through our online policy forums, we also explored the needs of children and young people with disability as well as the often-hidden intersections between family and health outcomes and systems. Our submission and testimony to the Parliamentary Inquiry into Family, Domestic and Sexual Violence were highlighted in the final report of the Parliamentary Committee.

Turning to the staff, I wish to record my sincere thanks to Jennifer Horsfield, Margaret Fisher, Fiona Langford and Eileen O'Brien, and to colleagues who left us this year after many years of dedicated service, Stella Conroy and Elizabeth Hunter. I thank them all for their excellent work.

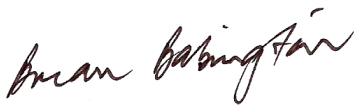
In terms of internal operations, staff wellbeing and safety remained a paramount concern. We provided flexible and safe work conditions and prioritised care and mutual support.

Financially, FY21 was always going to be challenging given the COVID pandemic. Nonetheless, government financial support and prudent financial management resulted in a better than budgeted outcome. With continued uncertainty around government activity, it remains important for Families Australia to diversify and grow its funding sources.

Now more than ever, I firmly believe that, whatever form they take, families are our most time-honoured settings for giving and receiving love, understanding and nurturing. They can connect us with our past and be the ground for the future through our children. They are places where we stand the best chance of being understood for who we truly are, not what we possess or the power we wield. They can give us meaning in life and hope when the outside world fails us and when we fail.

Just as our families are works-in-progress, never finished but ever-flowing, I see Families Australia as ever-evolving and growing based on its commitment to building a more equitable, inclusive, safer and harmonious society.

Although outside the boundaries of this Annual Report, in closing, I am delighted that Jamie Crosby has been selected as the next Chief Executive Officer and wish him and Families Australia all the very best well into the future.



Dr Brian Babington AM

Highlights

- » We worked closely with Commonwealth, State and Territory Governments to help design the 10-year successor to the National Framework for Protecting Australia's Children 2009-2020.
- » We directly informed and influenced a range of national policy agendas relating to families, including in relation to family and domestic violence as well as children and young people with disability.
- » We encouraged Australians to support their families at a time of national upheaval due to the COVID pandemic through face-to-face and online National Families Week celebrations.
- » We supported a range of non-government campaigns and initiatives to help the nation recover and rebuild after the COVID pandemic.
- » We supported Reconciliation by assisting Aboriginal and Torres Strait Islander leaders to advocate their perspectives on justice, access and equity, and by supporting key Aboriginal and Torres Strait Islander campaigns.
- » We strengthened our governance and management capabilities and met our legal, contractual obligations.

Informing and influencing national policy

Contributing to policymaking on family and child wellbeing

Families Australia continued to play an important leadership role in support of a range of child and family policy initiatives, including the National Framework for Protecting Australia's Children (the 'National Framework'), Australia's first-ever governmentally-agreed plan to improve child safety and wellbeing.

Influencing child safety and wellbeing policy directions

2020-21 saw the end of the first 12-year National Framework and planning being undertaken to design the successor plan. It was gratifying that Commonwealth, State and Territory Community Services Ministers announced their commitment to establish a ten-year successor National Framework, 2021-31. Ministers also agreed, in principle, that the successor plan would address the over-representation of Aboriginal and Torres Strait Islander children in child protection systems and take a national approach to early intervention and targeted support for children and families experiencing vulnerability or disadvantage.

These and other features of the expected National Framework for Protecting Australia's Children 2021-31 align well with Families Australia's views as derived from many years of consultations with Members and other stakeholders.

Convening the National Coalition on Child Safety and Wellbeing

Families Australia continued to coordinate the National Coalition on Child Safety and Wellbeing (the 'National Coalition'), a grouping of over 230 leading non-government organisations, researchers and individuals who are committed to progressing the National Framework.

As part of our coordination role, Families Australia co-chaired the National Forum for Protecting Australia's Children, the principal body that oversees the National Framework. The National Forum comprises representatives of the National Coalition and senior Commonwealth, State and Territory Government officials and statutory office-bearers, including the National Children's Commissioner. Families Australia convened the National Coalition Steering Group to discuss strategic directions for the National Framework successor plan.

Throughout the year, Families Australia held discussions with the Commonwealth Assistant Minister for Children and Families, the Hon. Michelle Landry MP, on ways forward for the National Framework successor plan. We continued to advise the Department of Social Services on National Framework policy planning, including at the December 2020 meeting of the National Forum for Protecting Australia's Children, which we co-chaired.

Submissions were made to:

The public consultation on the National Framework's first implementation plan.

SNAICC's 'Turning the Tide' consultation on the National Framework successor plan to underline the importance of significantly reducing the over-representation of Aboriginal and Torres Strait Islander children and young people who are engaged with child protection systems.

Informing and influencing other national policies

Families Australia contributed to children and family policy development activities in a range of other areas.

We convened two online policy forums on topical issues facing children and families, especially in light of the COVID pandemic. The first policy forum, entitled 'Recognising and promoting rights: children and young people with disability', was convened in partnership with Children and Young People with Disability Australia. It focussed attention on children and young people with disability and their experiences of systemic barriers in education and health and lack of access to support more generally. Our second policy forum, which we co-hosted with The Australian National University's Research School of Population Health, focussed on the intersections of health and family.

We provided a major submission to the Parliamentary Inquiry into Family, Domestic and Sexual Violence and worked closely with the Department of Social Services to better link the child safety and family/domestic violence policy agendas. We gave evidence to the Parliamentary Committee on Family and Domestic Violence. The Committee's final report to Parliament extensively noted Families Australia's input and recommendations.

Following on from the National Early Years Summit in March 2020, we contributed to the Early Years Catalysing Group to help invigorate a policy discussion about the early years.

We actively participated in consultations run by the National Office for Child Safety on a proposed National Centre for the Prevention of Child Sexual Abuse and on the National Strategy to Prevent Child Sexual Abuse.

During the year, Families Australia also:

- responded to national consultations by the Mental Health Commission on the draft National Children's Mental Health and Wellbeing Strategy
- responded to requests for input to the e-Safety Commissioner's office about the National Framework successor plan and the Redress Scheme regarding potential sanctions for organisations that do not join by 31 December 2020
- participated in seminars about plans by the Department of Social Services to reconfigure the Families and Children Activity
- supported several campaigns and initiatives of Member organisations and others, including the Every Child campaign, the Thrive by Five campaign, the Valuing Children Initiative, and NAIDOC Week
- participated in the National Office for Child Safety's Child Safe Sectors Leadership Group, and contributed to Australian Institute of Health and Welfare's Child and Youth Information Advisory Group
- urged the Federal Government to support the (now successful) FARE campaign's call for a warning label to be placed on alcohol packaging warning of the dangers of drinking, particularly for the unborn child, and
- shared our Annual Policy Survey with the Department of Social Services which highlighted the importance of improving the integration of service delivery across child and family portfolios, enhancing support for child/parent voice in decision making, and increasing resources that promote effective parenting strategies.

Promoting the importance of families

Facilitating face-to-face and online celebrations of family

Families Australia has hosted National Families Week for each of the past 19 years on behalf of the Commonwealth Government. National Families Week enables community participation in local events to celebrate the vital role played by families.

Community events and online celebrations

National Families Week was held between 15 and 21 May 2021. The theme for National Families Week was Stronger Families, Stronger Communities. There was a welcome return to face-to-face events after the disruption experienced in 2020 due to the COVID pandemic. As many participating organisations remained closed to face-to-face events, there was a lower face-to-face participation rate than in previous years.

Despite these constraints, over 52,000 people registered to attend events arranged by 380 organisations around Australia. For the first time, Westfield shopping centres promoted National Families Week on centre screens throughout Australia which greatly increased the reach of the Week. We continued to see a strong upsurge of support for National Families Week through online social media channels such as Instagram and Facebook.

We were delighted that the Commonwealth Assistant Minister for Children and Families, the Hon. Michelle Landry MP, launched National Families Week at the Jingili Kindergarten in Darwin, attended also by our Chief Executive Officer, Dr Babington AM.



Our National Families Week Champions

Our 17 high-profile National Families Week Champions participated by providing online videos or statements. This year, our Champions included Bernadette Black AM, Chief Executive Officer of the Brave Foundation; Katherine Campbell AO CSC, Secretary of the Department of Social Services; Deirdre Cheers, Chief Executive Officer of Barnardos Australia; Professor Daryl Higgins, Director of the Institute of Child Protection Studies, Australian Catholic University; Professor Lyndall Strazdins, Director of the Research School of Population Health, ANU, and Simon Schrapel AM, Chief Executive of UnitingCare SA and Chair of Families Australia.

88% of respondents regarded National Families Week as valuable or extremely valuable to their organisation

85% said that the Week provided an opportunity for their organisation to engage with families in the wider community



Almost half (44%) of survey respondents used the new school curriculum resources about families.

Of these, 77% responded that the resources were useful meeting curriculum requirements and encouraged their organisation to participate

Advancing Reconciliation

Supporting Aboriginal and Torres Strait Islander leadership in policy processes

Families Australia continued to work to advance Reconciliation between Aboriginal and Torres Strait Islander and non-Aboriginal and Torres Strait Islander peoples. We did this primarily by supporting Aboriginal and Torres Strait Islander leaders to advocate their perspectives on justice, access and equity, and by supporting key Aboriginal and Torres Strait Islander initiatives and campaigns.

We actively supported deep engagement in, and participation by, Aboriginal and Torres Strait Islander Member and stakeholder organisations in our national policy development processes across all policy platforms and activities. These included the National Framework, the National Coalition and the National Forum for Protecting Australia's Children. We made a submission to, and spoke at, SNAICC's *'Turning the Tide'* consultation on the National Framework successor plan.

Mr Joe Hedger, Director of the Indigenous Sector Practice at Ernst and Young, addressed Families Australia's NAIDOC Week Policy Forum in November 2020 on *'Reimagining Indigenous wellbeing now and into the future'*. Joe is a proud Bundjalung man whose family come from the Aboriginal community of Baryulgil on the Far North coast of New South Wales. Joe's address built on the October 2019 address by Dean Parkin on *'Finding a Voice through the Uluru Statement From The Heart'*. Both addresses are available [here](#).

Led by Families Australia's Reconciliation Working Group a key priority over the next twelve months is the submission and registration of a Reconciliation Action Plan (RAP). The RAP will identify initiatives and organisational commitments on our continued Reconciliation journey into the future.

Families Australia continued to share all new resources, funding, research opportunities and announcements concerning Aboriginal and Torres Strait Islander children, young people, families and communities through our fortnightly National Family News e-bulletin and social media platforms.

Supporting Members and the sector

Assisting our Members working for stronger families

Families Australia continued to strengthen links with Members and support a wide range of non-government initiatives aimed at promoting stronger families and communities.

Supporting important causes

We participated in the Valuing Children Initiative, the Every Child campaign, NAIDOC Week, the ARACY/Social Ventures Australia Early Years Catalysing Group, and the Thrive by Five campaign. We supported FARE campaigns around alcohol misuse and partnered with the ReThink Addiction Campaign run by Monash University and Turning Point. Families Australia also participated in National Child Protection Week activities, that included delivering a webinar talk. We supported Anti-Poverty Week by producing a short video message.

Increased outreach to Members

We provided information and advice to our Members through a range of publications and supported policy-related initiatives aligned to Families Australia's work, especially in the area of child safety and wellbeing. We continued to update a resource page on our website to support organisations working with children, young people and families during the COVID pandemic.

Our fortnightly e-bulletin National Family News provided Members and other stakeholders with the latest news about policy, practice and research. National Family News regularly reached more than 1,500 organisations and individuals across Australia and internationally, including government officials, service providers and academics. Feedback about the usefulness of this publication continues to be excellent.

We commenced a monthly Member Update e-bulletin to provide Families Australia Members with latest information about our activities at the national policy level. We held one-on-one meetings with General Members to better understand their views and interests. We also issued e-bulletins to members of the National Coalition about progress in implementing the National Framework. Our three websites continued to attract strong visitor usage and were kept up-to-date.

We continued to respond to numerous requests for information from Members and the public, for example, about sources of assistance with family issues and connections with Commonwealth Departments and agencies.

Annual policy survey highlights areas of need

Families Australia has conducted annual policy surveys of Members and stakeholders since 2014. Each survey has provided opportunities to consider how national policies and programs are operating and explore ways to improve outcomes for families and children who experience vulnerability.

Our 2020 Annual Policy Survey drew particular attention to increased financial stress due to the COVID pandemic which had led to greater levels of homelessness and heightened issues around inadequate levels of affordable housing, social and public housing. This, in turn, impacted on relationships, increased the frequency and severity of violence against women as well as children and young people, increased child protection concerns and had a detrimental impact on the mental health.

Respondents highlighted that service delivery challenges in rural and remote locations had been exacerbated by the COVID pandemic. We also noted that access to, and capacity to adopt, technology in service delivery continued to be a significant barrier.

As in past years, the results of the Annual Policy Survey were provided to, and discussed with, the Department of Social Services to help inform future policy development.

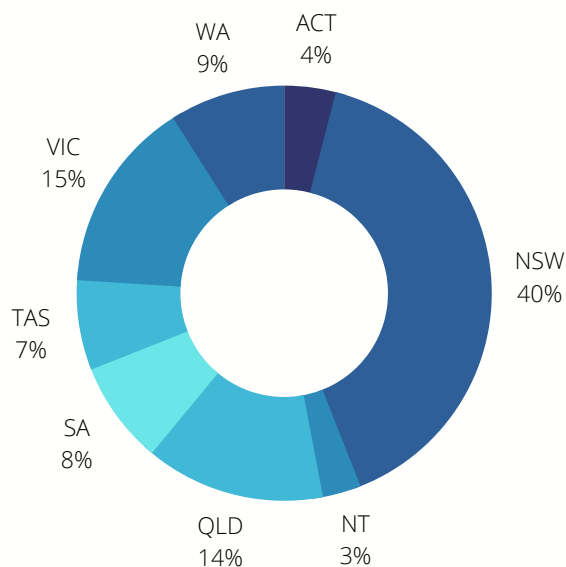
Membership

At 30 June 2021, Families Australia had 486 Members, comprising three Founding Members, 26 General Members and 457 Associate Members.

Our Associate Members comprise a diverse range of organisations. Every State and Territory of Australia is represented by Associate Members as set out in the following graphic.

Annex A contains further information about Families Australia's membership, including the list of Founding and General Members.

Families Australia Associate Membership by State



Governance and management

Further strengthening our capabilities

Families Australia's governance and management capabilities were further strengthened as we intensified our focus on transparency and risk management issues and reviewed our membership processes and strategy, as well as fully met our legal, contractual and ethical responsibilities.

The Board

The Board met four times during 2020-21. At each meeting the Board received and discussed financial and performance reports from the secretariat and was kept apprised of the Association's risk situation as well as compliance with legal and other requirements. The Board's Finance and Financial Audit Sub-committee met four times. The Corporate Governance Sub-committee met twice. The Reconciliation Working Group met once. The members of the Reconciliation Working Group and Sub-committees were as follows:

Reconciliation Working Group

Simon Schrapel AM (Convenor)
Emeritus Professor Morag McArthur
Kathleen Pinkerton
Richard Weston

Corporate Governance Sub-committee

Simon Schrapel AM (Convenor)
Dr Marilyn Casley
Fiona May (until 9 November 2020)
Naomi Nicholson

Finance and Financial Audit Sub-committee

Tricia Murray AM (Convenor)
Melinda Crole
Annette Michaux

During the year, the Board continued to place emphasis on Association risk management. It reviewed the risk register at each Board meeting as well as at every meeting of the Finance and Financial Audit Sub-committee and Corporate Governance Sub-committee. It also reviewed a Board and senior staff Interest Register at each Board meeting. The Board held a workshop in May 2021 to develop Families Australia's Strategic Plan for 2021-26.

Finances

Families Australia recorded a deficit of \$36,574 in 2020-21. The cash reserve stood at \$696,668 at 30 June 2021. An unqualified report was received from the external auditor, Hardwicks, on the accompanying 2020-21 financial statements. All contractual obligations to the Department of Social Services, the Australian Charities and Not-for-Profits Commission, and other legal, financial and contractual requirements and responsibilities were met.

Our workplace

Families Australia continued to build a workplace that rewarded excellent performance and supported a family-friendly work environment for all staff, especially in the context of challenges posed by COVID.

Financial report

Families Australia Incorporated

ABN: 21 830 960 225

Financial Statements

For the Year Ended 30 June 2021

Families Australia Incorporated

ABN: 21 830 960 225

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For the Year Ended 30 June 2021

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Families Australia Incorporated

ABN: 21 830 960 225

Board's Report For the Year Ended 30 June 2021

The Board Members present their report on Families Australia Incorporated for the financial year ended 30 June 2021.

1. General information

Board Members

The names of the Board Members in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Simon Schrapel AM	Chair	
Melinda Crole	Deputy Chair	
Naomi Nicholson	Secretary	
Dr Marilyn Casley		
Catherine Liddle		(Co-opted from 15 February 2021)
Emeritus Professor Morag McArthur		
Annette Michaux		
Tricia Murray AM		
Dr Sue Packer AO		
Kathleen Pinkerton		
Richard Weston		Resigned 9 November 2020 Co-opted from 23 February 2021
Fiona May		Resigned 9 November 2020

Board Members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activities of Families Australia Incorporated during the financial year were to represent the interests of families in Australia.

No significant changes in the nature of the Association's activity occurred during the financial year.

Short term objectives

The Association's short term objectives are to influence Commonwealth policies to improve:

- the safety and wellbeing of children;
- the situation of families at key transition points; and
- the wellbeing of Aboriginal and Torres Strait Islander families and communities, noting that Aboriginal and Torres Strait Islander people have a fundamental right to practice their culture and to make decisions about their future.

In doing so, Families Australia Incorporated focuses its policy attention on assisting families who experience vulnerability or marginalisation. Within that frame of reference, Families Australia Incorporated focuses most attention on the safety and wellbeing of children.

Families Australia Incorporated

ABN: 21 830 960 225

Board's Report For the Year Ended 30 June 2021

1. General information

Long term objectives

Families Australia Incorporated's objective is to work towards the recognition of, and support for, the social, economic, cultural, spiritual, and developmental needs of families, young people and children in Australian communities, in particular, by relieving the suffering, distress and helplessness of those who experience vulnerability and disadvantage, so as to enhance their physical, social and emotional wellbeing.

This objective will contribute to a united Australia that provides justice and equity for all, in particular, for those who experience vulnerability and disadvantage, and which recognises the fundamental importance of families and the heritage and culture of all Australians, including the original inhabitants, the Aboriginal and Torres Strait Islander peoples.

Strategy for achieving the objectives

To achieve these objectives, the Association has adopted the following strategies:

- lead national conversations about the importance and needs of families, and
- work with governments and other stakeholders to identify and bring to fruition policy ideas that maximise family wellbeing, especially for families that experience the greatest degree of vulnerability or marginalisation.

Operating results and review of operations for the year

The (deficit) of the Association for the financial year amounted to \$ (36,574) (2020: Surplus \$ 115,784).

Review of operations - COVID-19

COVID-19 was declared a global pandemic by the World Health Organisation on 11 March 2020. The impact of the virus has seen an unprecedented global response by governments, regulators and numerous industry sectors.

Families Australia's financial results for FY21 were impacted by the pandemic in the following ways:

- Anticipated Australian Government funding decisions were delayed due to the COVID-19.
- The Association received Australian Government financial supplementation through the JobKeeper and cash boost supplementation.
- Cost savings due to travel restrictions continued throughout the year were recorded.

Despite the continuation of COVID-19, Families Australia Incorporated fully delivered its contractual obligations with the Australian Government in respect of all funded activities.

Families Australia Incorporated

ABN: 21 830 960 225

Board's Report For the Year Ended 30 June 2021

2. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Association during the year.

Events after the reporting date

Families Australia Incorporated continues to monitor developments in the COVID19 pandemic and the measures being implemented on the economy to control and slow the outbreak. Given the dynamic nature of these circumstances and the significant increase in economic uncertainty, the related impact on Families Australia Incorporated operations, cash flows and financial condition cannot be reasonably estimated at this stage and will be reflected in Families Australia Incorporated 2022 financial statements.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

Signed in accordance with a resolution of the Members of the Board:


Chair:
Simon Schrapel AM


Deputy Chair:
Melinda Crole

Dated 1 November 2021

Dated: 1 November 2021

Families Australia Incorporated

ABN: 21 830 960 225

Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Responsible Persons of Families Australia Incorporated

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Hardwickes
Chartered Accountants



Bhaumik Bumia CA
Partner

1 November 2021

Canberra

Families Australia Incorporated

ABN: 21 830 960 225

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2021

		2021	2020
	Note	\$	\$
Revenue	5	766,321	1,030,193
Administrative expenses		(105,145)	(58,757)
Conference and seminar costs		-	(13,614)
Depreciation - Plant and equipment	10(a)	(10,313)	(8,380)
Depreciation - Right-of-use asset	11	(33,071)	(32,962)
Employee benefits expense		(532,971)	(560,389)
Finance costs - Leases	11	(10,828)	(4,298)
Forums and symposium expenses		-	(49,635)
Meetings and travel expenses		(67,719)	(123,728)
Other expenses		(235)	-
Publication expenses		(36,040)	(62,646)
Rent expenses		(6,573)	-
(Deficit)/ Surplus before income tax		(36,574)	115,784
Income tax expense	3(b)	-	-
(Deficit)/ Surplus for the year		(36,574)	115,784
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(36,574)	115,784

The accompanying notes form part of these financial statements.

Families Australia Incorporated

ABN: 21 830 960 225

Statement of Financial Position

As At 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	858,616	935,339
Trade and other receivables	7	145	-
Other financial assets	8	-	10,774
Other assets	9	8,810	30,939
TOTAL CURRENT ASSETS		<u>867,571</u>	<u>977,052</u>
NON-CURRENT ASSETS			
Plant and equipment	10	31,159	41,798
Right-of-use assets	11	96,521	5,494
TOTAL NON-CURRENT ASSETS		<u>127,680</u>	<u>47,292</u>
TOTAL ASSETS		<u>995,251</u>	<u>1,024,344</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	25,336	43,721
Lease liabilities	11	38,535	7,566
Employee benefits	14	155,272	167,257
Income in advance	13	15,000	72,222
TOTAL CURRENT LIABILITIES		<u>234,143</u>	<u>290,766</u>
NON-CURRENT LIABILITIES			
Lease liabilities	11	63,457	-
Employee benefits	14	982	336
TOTAL NON-CURRENT LIABILITIES		<u>64,439</u>	<u>336</u>
TOTAL LIABILITIES		<u>298,582</u>	<u>291,102</u>
NET ASSETS		<u>696,669</u>	<u>733,242</u>
EQUITY			
Retained earnings		<u>696,668</u>	<u>733,242</u>
TOTAL EQUITY		<u>696,668</u>	<u>733,242</u>

The accompanying notes form part of these financial statements.

Families Australia Incorporated

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Statement of Changes in Equity For the Year Ended 30 June 2021

2021

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2020	733,242	733,242
(Deficit) throughout the year	(36,574)	(36,574)
Balance at 30 June 2021	696,668	696,668

2020

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2019	628,180	628,180
Restatement due to adoption of AASB 16	(10,722)	(10,722)
Balance at 1 July 2019 restated	617,458	617,458
Surplus throughout the year	115,784	115,784
Balance at 30 June 2020	733,242	733,242

The accompanying notes form part of these financial statements.

Families Australia Incorporated

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Statement of Cash Flows For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	813,267	1,039,063
Payments to suppliers and employees	(862,779)	(946,642)
Interest received	2,423	15,366
Net cash (used in)/provided by operating activities	19 <u>(47,089)</u>	<u>107,787</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from of plant and equipment	91	-
Purchase of plant and equipment	-	(6,582)
Proceeds from maturity of term deposits	10,775	496,404
Net cash provided by investing activities	<u>10,866</u>	<u>489,822</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liabilities	11 <u>(40,500)</u>	<u>(45,910)</u>
Net cash (used in) financing activities	<u>(40,500)</u>	<u>(45,910)</u>
Net (decrease)/increase in cash and cash equivalents held	(76,723)	551,699
Cash and cash equivalents at beginning of year	<u>935,339</u>	<u>383,640</u>
Cash and cash equivalents at end of financial year	6 <u><u>858,616</u></u>	<u><u>935,339</u></u>

The accompanying notes form part of these financial statements.

Families Australia Incorporated

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Notes to the Financial Statements For the Year Ended 30 June 2021

The financial report covers Families Australia Incorporated as an individual entity. Families Australia Incorporated is a not-for-profit Association, registered and domiciled in Australia.

The functional and presentation currency of Families Australia Incorporated is Australian dollars.

Comparative figures have been reclassified to conform to changes in presentation for the current financial year.

1 Basis of Preparation

The Association does not have 'public accountability' as defined in AASB 1053 Application of Tiers of Australian Accounting Standards and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

2 Change in Accounting Policy

Transition to General Purpose - Simplified Disclosure Standard (SDS) reporting

The management have elected to apply the following Accounting Standard prior to their mandatory effective date (annual reporting periods beginning on or after 1 July 2021):

- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

As a result of the early application of the standards, these financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures.

The Association previously prepared general purpose financial statements - Reduced Disclosure Requirements following the recognition and measurements requirements of all applicable Australian Accounting Standards. Accordingly, the application of Australian Accounting Standards – Simplified Disclosures has not affected the reported financial position, financial performance and cash flows of the entity, but has impacted the disclosures included in these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Summary of Significant Accounting Policies

(a) Revenue and other income

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Operating Grants and Sponsorships

When the Association receives operating grant revenue or sponsorships, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Association:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Association

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Families Australia Incorporated

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Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Summary of Significant Accounting Policies

(a) Revenue and other income

Operating Grants and Sponsorships

If a contract liability is recognised as a related amount above, the Association recognises income in surplus or deficit when or as it satisfies its obligations under the contract.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Membership Subscriptions

When the Association receives membership subscription income it records the revenue in the subscription year the income relates to in accordance with AASB 15. The subscription year goes from 1 July to 30 June. If income is received before 30 June relating to the next subscription year, the deferred income is recognised as a liability in the financial statements.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

(b) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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

(d) Plant and equipment

Each class of plant and equipment is carried at cost, where applicable, any accumulated depreciation and impairment.

Depreciation

Office equipment is depreciated on a straight-line basis over the asset's useful life, while motor vehicles and computer equipment are depreciated at diminishing value, commencing when the asset is ready for use.

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Summary of Significant Accounting Policies

(d) Plant and equipment

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Motor Vehicles	22.5%
Office Equipment	10 - 20%
Computer Equipment	25 - 33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Families Australia Incorporated

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Notes to the Financial Statements For the Year Ended 30 June 2021

3 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income is recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Association has no investments in listed or unlisted entities.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

The Association has no investments that fall under this category.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significantly increase in credit risk.

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables and lease liabilities.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Summary of Significant Accounting Policies

(g) Leases

At inception of a contract, the Association assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Association has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Association has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Right-of-use asset

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Summary of Significant Accounting Policies

(h) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(i) Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 30 June 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

(j) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Association where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 2020-1 Amendments to Australian Accounting Standards – Classifications of Liabilities as Current or Non-Current	1 July 2022	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as noncurrent if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	Minor impact expected but entities should consider the appropriate classification of liabilities as current or non-current.

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Notes to the Financial Statements For the Year Ended 30 June 2021

4 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key judgments - COVID-19

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Association based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Association operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the incorporated Association unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

5 Revenue and Other Income

	2021	2020
	\$	\$
Revenue and other income		
- Grant and subsidy income	584,211	794,030
- Government stimulus - Jobkeeper	91,350	45,000
- Government stimulus - Cashflow boost	38,193	59,807
- Management fees	37,500	71,773
- Membership income	12,700	11,655
- Interest income	1,912	12,726
- Other income	455	15,202
- Conference and sponsorship income	-	20,000
Total Revenue	766,321	1,030,193

Families Australia Incorporated

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Notes to the Financial Statements For the Year Ended 30 June 2021

6 Cash and Cash Equivalents

	2021	2020
Note	\$	\$
Cash at bank and in hand	339,427	428,785
Short-term deposits	508,226	506,554
Bank guarantee	10,963	-
15	<u>858,616</u>	<u>935,339</u>

7 Trade and other receivables

	2021	2020
Note	\$	\$
CURRENT		
Trade receivables	110	-
GST receivable	35	-
Total current trade and other receivables	<u>145</u>	<u>-</u>
15		

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

8 Other Financial Assets

	2021	2020
Note	\$	\$
CURRENT		
Term deposit	-	10,774
15	<u>-</u>	<u>10,774</u>

9 Other Assets

	2021	2020
	\$	\$
CURRENT		
Prepayments	8,810	2,928
Accrued income	-	28,011
	<u>8,810</u>	<u>30,939</u>

Families Australia Incorporated

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Notes to the Financial Statements For the Year Ended 30 June 2021

10 Plant and equipment

	2021	2020
	\$	\$
Motor vehicles		
At cost	29,874	29,874
Accumulated depreciation	(8,020)	(1,676)
Total motor vehicles	21,854	28,198
Office equipment		
At cost	22,343	22,343
Accumulated depreciation	(14,941)	(12,577)
Total office equipment	7,402	9,766
Computer equipment		
At cost	11,450	12,538
Accumulated depreciation	(9,547)	(8,704)
Total computer equipment	1,903	3,834
Total plant and equipment	31,159	41,798

(a) Movements in carrying amounts of plant and equipment

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Motor Vehicles	Office Equipment	Computer Equipment	Total
	\$	\$	\$	\$
Year ended 30 June 2021				
Balance at the beginning of year	28,198	9,766	3,834	41,798
Disposals	-	-	(326)	(326)
Depreciation expense	(6,344)	(2,364)	(1,605)	(10,313)
Balance at the end of the year	21,854	7,402	1,903	31,159

	Motor Vehicles	Office Equipment	Computer Equipment	Total
	\$	\$	\$	\$
Year ended 30 June 2020				
Balance at the beginning of year	17,704	8,695	2,506	28,905
Additions	29,874	3,400	3,182	36,456
Disposals	(15,183)	-	-	(15,183)
Depreciation expense	(4,197)	(2,329)	(1,854)	(8,380)
Balance at the end of the year	28,198	9,766	3,834	41,798

Families Australia Incorporated

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Notes to the Financial Statements For the Year Ended 30 June 2021

11 Leases

Right-of-Use assets

	Buildings	Total
	\$	\$
Year ended 30 June 2021		
Balance at beginning of year	5,494	5,494
Additions to right-of-use assets	118,604	118,604
Depreciation charge	(27,577)	(27,577)
Balance at end of year	96,521	96,521
	Buildings	Total
	\$	\$
Year ended 30 June 2020		
Balance at beginning of year	38,456	38,456
Depreciation charge	(32,962)	(32,962)
Balance at end of year	5,494	5,494

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	2021	2020
	\$	\$
CURRENT		
Lease liabilities	38,535	7,565
	38,535	7,565
	2021	2020
	\$	\$
NON-CURRENT		
Lease liabilities	63,457	-
	63,457	-

Lease terms

The Association has lease for the office building in Barton. The lease period expires on 31 October 2023. There is \$120,410 remaining in future lease payments shown in lease liabilities.

Families Australia Incorporated

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Notes to the Financial Statements For the Year Ended 30 June 2021

11 Leases

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Association is a lessee are shown below:

	2021	2020
	\$	\$
Interest expense on lease liabilities	(10,828)	(4,298)
Depreciation of right-of-use assets	(33,071)	(32,962)
	<u>(43,899)</u>	<u>(37,260)</u>

Statement of Cash Flows

	2021	2020
	\$	\$
Total cash outflow for leases	<u>(40,500)</u>	<u>(45,910)</u>

12 Trade and Other Payables

		2021	2020
	Note	\$	\$
CURRENT			
Trade payables	15	1,223	1,883
Accrued expenses	15	23,524	22,360
GST payable		-	2,248
Other payables		589	17,230
		<u>25,336</u>	<u>43,721</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

13 Other Financial Liabilities

	2021	2020
	\$	\$
CURRENT		
Grants received in advance	15,000	72,222
Total	<u>15,000</u>	<u>72,222</u>

Families Australia Incorporated

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Notes to the Financial Statements For the Year Ended 30 June 2021

14 Employee Benefits

	2021	2020
	\$	\$
CURRENT		
Provision for long service leave	96,280	94,578
Provision for annual leave	58,992	72,679
	<u>155,272</u>	<u>167,257</u>
	2021	2020
	\$	\$
NON-CURRENT		
Provision for long service leave	982	336
	<u>982</u>	<u>336</u>

15 Financial Risk Management

The Association is exposed to a variety of financial risks through its use of financial instruments.

The Associations' overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Association is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - interest rate risk

Financial instruments used

The principal categories of financial instrument used by the Association are:

- Trade receivables
- Cash at bank
- Trade and other payables

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Notes to the Financial Statements

For the Year Ended 30 June 2021

15 Financial Risk Management

Summary Table

	Note	2021 \$	2020 \$
Financial assets			
<i>Held at amortised cost</i>			
Cash and cash equivalents	6	858,616	935,339
Trade and other receivables	7	145	-
Term deposits	8	-	10,774
Total financial assets		858,761	946,113
Financial liabilities			
<i>Held at amortised cost</i>			
Trade and other payables (excluding GST and other payables)	12	24,747	24,243
Total financial liabilities		24,747	24,243

Objectives, policies and processes

Those charged with governance have overall responsibility for the establishment of Families Australia Incorporated's financial risk management framework. This includes the development of policies covering specific areas such as interest rate risk, liquidity risk and credit risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Families Australia Incorporated's activities.

The day-to-day risk management is carried out by Families Australia Incorporated's finance function under policies and objectives which have been approved by those charged with governance. The Management has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate risk and assessment of market forecasts for interest rate.

Those charged with governance receive quarterly reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Association's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Association will encounter difficulty in meeting its financial obligations as they fall due.

The Association's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Association maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Association manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

15 Financial Risk Management

Liquidity risk

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period is identified monthly.

At the reporting date, these reports indicate that the Association expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Association.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Trade receivables

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Association has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Association's standard payment and delivery terms and conditions are offered. Credit limits are established for each customer and the utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

Those charged with governance receive monthly reports summarising the turnover, trade receivables balance and aging profile of each of the customers individually.

The Association's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

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.

Families Australia Incorporated

ABN: 21 830 960 225

Notes to the Financial Statements For the Year Ended 30 June 2021

16 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Families Australia Incorporated during the year are as follows:

	2021	2020
	\$	\$
Short-term employee benefits	302,005	297,186
Long-term benefits	33,220	32,690
	335,225	329,876

17 Auditors' Remuneration

	2021	2020
	\$	\$
Remuneration of the auditor Hardwickes Chartered Accountants, for:)		
- auditing or reviewing the financial statements	8,250	8,000
Total	8,250	8,000

18 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 30 June 2021 (30 June 2020: None).

19 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:

	2021	2020
	\$	\$
(Deficit)/ Surplus for the year	(36,574)	115,784
Cash flows excluded from profit attributable to operating activities		
- Finance costs on leases	10,828	4,298
Non-cash flows in profit:		
- Depreciation	43,384	41,342
- Insurance recovery proceeds	-	(14,691)
- net (gain)/loss on disposal	234	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	27,866	(11,935)
- (increase)/decrease in prepayments	(5,882)	639
- increase/(decrease) in income in advance	(57,222)	(27,863)
- increase/(decrease) in trade and other payables	(18,385)	(15,033)
- increase/(decrease) in employee benefits	(11,338)	15,246
Cashflows from operations	(47,089)	107,787

Families Australia Incorporated

ABN: 21 830 960 225

Notes to the Financial Statements

For the Year Ended 30 June 2021

20 Events after the end of the Reporting Period

The COVID-19 outbreak has impacted the way of life in Australia. This has affected the ability of the Association to continue operations as usual and has impacted on its operating results. In accordance with national guidelines, the Association has implemented remote working arrangements in response to government requirements and to ensure the wellbeing and safety of all employees and visitors.

The Association has determined that there are no going concern risks arising from the impact of the COVID-19 outbreak. The Board Members have determined that the Association remains in a healthy cash position and retained stable funding, donations and fees for the 2022 financial year.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

21 Statutory Information

The registered office and principal place of business of the Association is:

Families Australia Incorporated
Suite 2, Level 4
24 Brisbane Avenue
Barton ACT 2600

Families Australia Incorporated

ABN: 21 830 960 225

Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the Association is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



Chair
Simon Schrapel AM



Deputy Chair
Melinda Crole

Dated 1 November 2021

Dated: 1 November 2021

Families Australia Incorporated

Independent Audit Report to the members of Families Australia Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Families Australia Incorporated, which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion the financial report of Families Australia Incorporated has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Responsibilities of Board Members for the Financial Report

The Board Members of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the Association 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Association either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 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 the financial report.

Families Australia Incorporated

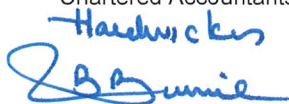
Independent Audit Report to the members of Families Australia Incorporated

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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Association.
- Conclude on the appropriateness of the Association'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 Association'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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Hardwickes
Chartered Accountants



Bhaumik Bumia CA
Partner

Canberra

Dated: 1 November 2021



Annex A: Members

At 30 June 2021 Families Australia had 486 Members, comprising three Founding Members, 26 General Members, and 457 Associate Members.

Founding Members

Australian Foster Care Association
Child and Family Welfare Association of Australia
SNAICC – National Voice for our Children

General Members

Alliance for Forgotten Australians
Anglicare Australia
Australian Community Children's Services
Australian Council on Children and the Media
Australian Federation of Disability Organisations
Barnardos
Blue Knot Foundation
CREATE Foundation
Daniel Morcombe Foundation
Grandparents Australia
Interrelate
Key Assets
MYAN Australia
NAPCAN
Playgroup Australia
Relationships Australia National
Save the Children Australia
School of Human Services and Social Work
Settlement Services International
The Alannah and Madeline Foundation
The Australian Centre for Social Innovation
Tresillian Family Care Centres
UnitingCare Australia
Wanslea
YMCA Australia
yourtown

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www.childaware.org.au