

The Order of Australia Association Limited

ABN 40 008 612 664

Annual Report

For the Financial Year ended

31 December 2020

The Order of Australia Association Limited

ABN 40 008 612 664

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CHAIRMAN'S REPORT

The year 2020 was one of considerable challenge for the Association, against a background of national response to the Covid-19 pandemic. It is of great credit to all that our membership losses through the year were more than balanced by new Order recipients joining us.

The role of Branches and Regional Groups was critical to our success. Despite lockdowns and considerable ongoing restrictions on members' events, innovative ways were developed to maintain contact and continue with the activities of the Association. Branches and Regional Groups embraced the capacity to communicate electronically with members both by email and video conferencing and consequently contact and involvement were maintained.

It was with great regret that we were forced to cancel the planned National Conference in Darwin in May. Considerable work had been done by the NT Conference Committee in putting together an interesting and informative program. The 2020 Annual General Meeting was to have been held during the conference. It was therefore, of necessity, conducted by videoconference. This was the first occasion on which our Association employed this medium for a nation-wide meeting and attendance was restricted to ease the management of the process.

It was decided that, with the continuing limitations on travel, the National Conference planned for Canberra in May 2021 should not proceed but be postponed to 2022.

The National Board, through its Board Committees and Working Group, updated the Strategic Plan and continued to review Association governance arrangements. A new Constitution, Bylaws and a series of policies were developed with substantial input from Branches. Our experience with conducting the 2020 AGM earlier in the year allowed us to complete a successful Extraordinary General Meeting (EGM) by teleconference in December, with attendance open to all members. The new Association Constitution was adopted at this EGM by an overwhelming majority.

A survey of reader views on the content of The Order magazine was completed during the year, with valuable feedback provided on the future structure and content of the magazine

I am sure we all look forward to 2021 as a year in which we can return to normal and at last meet with our fellow members and our communities. I thank my fellow directors for their guidance during this difficult year and our members throughout the Association for their efforts in keeping the organisation vibrant and developing through 2020



Barry Nunn AO

National Chairman

The Order of Australia Association Limited

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Directors' report

For the year ended 31 December 2020

The directors present their report together with the financial report of The Order of Australia Association Limited ("the Association"), for the year ended 31 December 2020 and the auditor's review report thereon.

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DIRECTORS' REPORT

1. DIRECTORS

The directors of the Association during the reporting period, along with details of the number of director's meetings (including meetings of the Executive Committee) held and the number of meetings attended by each of the directors of the Association during the year are:

Name	Board	Executive Committee
MAJGEN Barry N Nunn AO RFD ED (Retd)	10	5
Mr John Archer OAM	10	5
Ms Muriel Barasso (Wood) OAM	10	5
Dr Helene Bender OAM	10	5
Mr Paul L Wheelton AM Resigned February 2020	1	
GPCAPT (Rtd) Phillip Morrall AM.CSC resigned 31 st May 2020	5	2
Mr Graham Hyde OAM appointed July, 2020	4	3
Mr. Michael Crane AM DSC & Bar resigned May 2020	3	
Dr Alan Morrison AM appointed April 2020	5	
Mr Peter McMurtrie AO	9	
Associate Professor Nora Lewis AM	9	
Professor Robin Watts AM	10	
Mr Alastair Douglas OAM appointed October 2020	2	
The Hon Frank Madill AM resigned October 2020	8	
Mr William Lye OAM, QC	10	
Mr James (Jim) Mein AM appointed June 2020	5	
Professor John McKellar AM ED	9	

The Board held 10 Meetings for the year ended 31 December 2020

The Executive Committee held 5 meetings for the year ended 31 December 2020

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DIRECTORS' REPORT CONTINUED

The Association National Board

Members of the Association National Board at the end of the reporting period were:

MAJGEN Barry Nunn AO RFD ED (Rtd), National Chairman, director appointed 2017

BSc(Chem Eng), Retired Company Director, Chairman Executive Committee, member of all Board Committees

Mr John Archer OAM FIML, Deputy National Chairman, director appointed November 2015.

Retired Author and Journalist; Chairman Audit & Risk Committee; Member Executive committee

Ms Muriel Barasso (Wood) OAM, National Treasurer, appointed September 2018.

Strata Managing Agent; Fellow and Life Member of Strata Community Association NSW; Company Director;

Member Investment Committee; Member Audit & Risk Committee; Member Executive Committee.

Dr Helene Bender OAM, B.Com. National Membership Director, appointed May 2018 previously VIC nominated director, appointed July 2017; *Company Director; Chairman Strategy Committee, Member Audit & Risk committee, Secretary Audit & Risk committee; Member Executive Committee.*

Mr Graham Hyde OAM.FIPA.FFA(UK). FCHSM(Hon). FIML.FRSH(UK).AFAAQHC.

National Secretary appointed July 2020; *Health Service Manager (Rtd); Management Consultant; Public Accountant and Registered Tax agent; Member Executive Committee*

Associate Professor Nora Lewis AM, NT Nominated Director, appointed April 2018.

Member Nominations Committee

Mr Peter McMurtrie AO, KstJ , JP(Qual) MBA(HRM), Grad.Dip.HSM, FPA, FAIES, AFCHSM.

QLD nominated director appointed September 2018; *Commissioner, St John Ambulance Australia (Qld) (Ret)*

Deputy Commissioner, Qld Ambulance Service (Ret.) Chair Nomination Committee; Member Strategy Committee; Member Constitution Working Group.

Mr James (Jim) Mein AM. FCA. FCPA. FIML. FLGAA

NSW Nominated Director, appointed April 2020; *Chartered Accountant; Past Uniting Church NSW ACT Synod Moderator and Director of Schools Ministry; Member Audit & Risk Committee.*

Dr Alan Morrison AM. JP.FAICD.FCIM.FIE(Aust) FEIT

ACT Nominated Director appointed April 2020; *Chairman and Managing Director Clanmoor Holdings Pty Ltd; Former Chairman Standards Australia; President International Standards Organisation (ISO); Member Investment Committee*

Mr Alastair Douglas OAM

TAS Nominated Director appointed October 2020(proxy holder from June 2020) *current Tasmanian Branch Chairman; past National Treasurer; past board member of various non-for-profit organisations.*

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DIRECTORS' REPORT CONTINUED

The Association National Board Continued

Professor John McKellar AM. ED. FIML SA Nominated Director appointed June 2019; *Vice President Adelaide Universities Regiment Association. Member Constitution Working Group; Member Investment Committee.*

Emeritus Professor Robin Watts AM, PhD, M Hlth Sc, BA, Dip N Ed, RN, WA Nominated Director appointed February 2018; *Fellow Royal College of Nursing, Retired nurse; Chairman Constitution Working Group.*

Mr William Lye OAM Q.C. M Ent Inn, LLM, LLB, BSc, MAICD VIC Nominated Director appointed August 2018. *Barrister at Law; Member Constitution Working Group; Member Nomination Committee.*

2 PRINCIPAL ACTIVITIES

The principal activities of the Association during the year were to conduct activities at National, Branch and regional levels that supported its objectives and were in accord with the Strategic Plan 2018-2023. This included receptions for new recipients in the Order, community programs supporting citizenship, recognition of youth achievement and public ceremonies designed to create a sense of unity and national pride.

The Strategic Plan is underpinned by business plans at National, Branch and Regional level with objectives tied to the four major goals to encourage, promote and support diversity in nominations, looking after our members, looking after our association and looking after our communities. Each of those four goals have generated strategies and tasks in the business plan that was reviewed during the year.

There were no significant changes in the nature of the activities of the Association during the period.

3 OPERATING AND FINANCIAL REVIEW

Overview of the Association

The Association, through its Branches, provides a variety of activities for members, by undertaking community works and supporting various community activities. Liaison with government agencies and community organisations has been conducted to improve community knowledge and understanding of the Order of Australia and the Association.

The Association operates a central office in Old Parliament House, Canberra, staffed by one-part time employee. Financial services were sourced from Commerce Management Services from September 2017 to October 2020 and from Eighty20 Accounts Pty Ltd from October 2020. Investment services were sourced from Innate Wealth Pty Ltd from March 2018.

The financial activities of regional groups are included in the financial report of the Association.

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DIRECTORS' REPORT CONTINUED

The surplus for the year amounted to \$94,366 (2019 \$101,353 surplus)

4. OBJECTIVES OF THE ASSOCIATION

The Association is a company limited by guarantee of members, recipients of awards in the Order of Australia with the purpose to celebrate and promote outstanding Australians. We support the Order of Australia and recognise the contribution of its members to the Australian and international communities. The objectives of the Association are to foster commitment to and pride in Australian citizenship, to promote national unity among Australians, and to improve public awareness of these issues. The Association achieves its objectives through targeted programs of support, particularly at Branch and Regional levels. Our priorities are promoting the Order of Australia, supporting our membership, building a well-known and respected organisation, demonstrating excellence and innovation in our programs, and further developing links with the Australian community.

5. DIVIDENDS

The Association is a non-profit membership organisation and accordingly does not pay dividends.

6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the association during the reporting period

7. CONTRIBUTED EQUITY

The Order of Australia Association is a Company limited by guarantee. Every member of the Association undertakes to contribute to the property of the Association in the event that the Association is wound up while they are a member or within one year after they cease to be a member, for payment of the debts and liabilities of the Association contracted before they cease to be a member and of the costs, charges and expenses of winding up and for adjustment of the contributories among themselves, such amount as may be required, not exceeding \$10. The number of members as at the balance date was 8,211 (2019: 7,863).

8. EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Association, to affect significantly the operations of the Association, the results of those operations, or the state of affairs of the Association, in the future years with the exception of the impact on the investments held by the association due to the world wide COVID-19 pandemic. As at the close of business on 4th February 2021 the investments were valued at \$1,596,749.

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DIRECTORS' REPORT CONTINUED

9. LIKELY DEVELOPMENTS

As mentioned in item 8 (Events Subsequent to Reporting Date) one significant circumstance has arisen since 31 December 2020, being the impact of the COVID-19 pandemic. The full impact on our future revenue and expenses cannot be assessed at this time.

10. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS INDEMNIFICATION

The Association has not made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Association.

11. INSURANCE PREMIUMS

Since the end of the previous financial year, the Association has paid professional indemnity insurance premiums in respect of directors.

12. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 9 and forms part of the directors' report for the financial year ended 31 December 2020.

This report is made with a resolution of the directors:



Barry N Nunn AO

Director



Muriel Wood OAM

Director

Dated this

29th MARCH 2021.



Chartered Accountants

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AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS
COMMISSION ACT 2012

TO THE DIRECTORS OF

THE ORDER OF AUSTRALIA ASSOCIATION LIMITED

ABN: 40 008 612 664

I declare that, to the best of my knowledge and belief, in relation to the review for the year ended 31 December 2020 there have been:

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

Bandle McAneney & Co

Anthony J Bandle FCA

Partner

Place: Canberra, ACT

Dated this 29th day of March 2021

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

Continuing operations	Note	2020 \$	2019 \$
Revenue	5	538,760	758,470
Meeting expenses		(20,101)	(55,328)
Function expenses		(123,126)	(187,023)
Newsletter expenses		(66,324)	(79,036)
Professional fees, insurance and administrative expenses		(74,404)	(74,793)
Right of use asset-depreciation & interest		(15,421)	(16,792)
Donations/ scholarships paid		(28,241)	(3,030)
Personnel Expenses	7	(66,266)	(44,172)
Other expenses	6	(97,158)	(276,772)
Results from operating activities		47,719	21,524
Finance income	9	46,647	79,829
Net finance income		46,647	79,829
Surplus for the period		94,366	101,353
Other comprehensive income			
Net change in fair value of financial assets at fair value through other comprehensive income	9	64,839	146,993
Other comprehensive income for the period		64,839	146,993
Total comprehensive income for the period		159,205	248,346

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	13a	547,888	470,821
Inventories	11	20,877	22,422
Receivables	12	16,768	24,862
Prepayments		2,590	13,032
TOTAL CURRENT ASSETS		588,123	531,137
NON-CURRENT ASSETS			
Investments	10	1,560,825	1,390,836
Right of use asset – Office Lease		29,092	29,092
Accumulated depreciation - Office Lease		(25,452)	(10,908)
TOTAL NON-CURRENT ASSETS		1,564,465	1,409,020
TOTAL ASSETS		2,152,588	1,940,157
CURRENT LIABILITIES			
Payables	17	46,232	22,917
Provisions – Employee benefits		7,138	5,026
Deposits in advance	16	1,496	1,141
TOTAL CURRENT LIABILITIES		54,866	29,084
NON- CURRENT LIABILITIES			
Provisions	18	42,602	18,900
Lease liability – Office Lease		3,804	18,535
Deferred Income	15	1,014,789	987,291
TOTAL NON-CURRENT LIABILITIES		1,061,195	1,024,726
TOTAL LIABILITIES		1,116,061	1,053,810
NET ASSETS		1,036,527	886,347
EQUITY			
Accumulated members' funds		812,274	726,933
Reserves		224,253	159,414
TOTAL EQUITY		1,036,527	886,347

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Community works Reserves	Fair value Reserve	Accumula ted Members Funds	Total
	\$	\$	\$	\$
At 1 January 2019	43,036	(30,615)	624,072	636,493
Total comprehensive income for the year:				
Surplus for the period	-	-	101,353	101,353
<i>Other comprehensive income</i>				
Net change in fair value of financial assets at fair value through other comprehensive income	-	146,993	-	146,993
Prior period adjustment to equity	-	-	1,508	1,508
At 31 December 2019	43,036	116,378	726,933	886,347
At 1 January 2020	43,036	116,378	726,933	886,347
Total comprehensive income for the year:				
Surplus for the period	-	-	94,366	94,366
<i>Other comprehensive income</i>				
Net change in fair value of financial assets at fair value through other comprehensive income	-	64,839	-	64,839
Prior period adjustment to equity			(9,025)	(9,025)
At 31 December 2020	43,036	181,217	812,274	1,036,527

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Cash Flows From Operating Activities			
Cash receipts from members and customers		574,707	799,831
Cash paid to suppliers & employees		<u>(430,112)</u>	<u>(723,700)</u>
Net cash from/(used in) operating activities	13b	<u>144,595</u>	<u>76,131</u>
Cash flows from Investing Activities			
Net prior year adjustments		(9,025)	1,508
Purchase of plant and equipment		-	-
Purchase of financial assets		(105,150)	(141,931)
Interest received	9	9,100	11,865
Dividends received	9	29,270	48,753
Imputation credits received	9	<u>8,277</u>	<u>19,211</u>
Net cash from/(used in) investing activities		<u>(67,528)</u>	<u>(60,594)</u>
Net increase/(decrease) in cash and cash equivalents		77,067	15,537
Cash at beginning of the financial year		<u>470,821</u>	<u>455,284</u>
Cash at end of year		<u>547,888</u>	<u>470,821</u>

The accompanying notes form part of these financial statements.

The Order of Australia Association Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. REPORTING ENTITY

The Order of Australia Association Limited (the "Association") is an Association limited by guarantee and domiciled in Australia. The address of the Association's registered office is Old Parliament House, 18 King George Terrace, Parkes, ACT, 2600. Primarily, the Association is involved in not-for-profit activities.

2. BASIS OF PREPARATION

The financial Statements have been prepared for the year commencing 1 January 2020 to 31 December 2020.

(a) STATEMENT OF COMPLIANCE

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements were authorised for issue by the Board of Directors on the same date of the signing of the directors' declaration.

The Association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the Association from the adoption of these Accounting Standards and interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Association.

The following Accounting Standards and Interpretations are most relevant to the Association:

AASB 1053 Application of Tiers of Australian Accounting Standards

This standard establishes a differential financial reporting framework consisting two Tiers of reporting requirements for preparing general purpose financial statements, being Tier 1 Australia Accounting Standards and Tier 2 Australian Accounting Standards – Reduced Disclosure Requirements. The Association being classed as Tier 2 continues to apply the full recognition and measurement requirements of Australian Accounting Standards.

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NOTES TO THE FINANCIAL STATEMENTS

(b) BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- ✓ financial assets at fair value through other comprehensive income

(c) FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Australian dollars, which is the Association's functional currency.

(d) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- ✓ note 4 – determination of fair value

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NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Association.

Certain comparative amounts have been reclassified to conform with the current year's presentation.

(A) BASIS OF PREPARATION

(i) Transactions eliminated

Intra-Association balances and transactions of State/Territory branches, and any unrealised income and expenses arising from intra-Association transactions, are eliminated.

(B) PROPERTY, PLANT AND EQUIPMENT

(ii) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in surplus or deficit.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

- office equipment 3-10 years.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(C) INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business.

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NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(D) IMPAIRMENT

FINANCIAL ASSETS

A financial asset not carried at fair value through surplus or deficit or fair value through other comprehensive income is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Association on terms that the Association would not consider otherwise and indications that a debtor or issuer will enter bankruptcy.

The Association considers evidence of impairment for financial assets recognised at amortised cost at both a specific asset and collective level. All individually significant financial assets recognised at amortised cost are assessed for specific impairment. All individually significant financial assets recognised at amortised cost found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Financial assets recognised at amortised cost that are not individually significant are collectively assessed for impairment by joining together financial assets recognised at amortised cost with similar risk characteristics.

In assessing collective impairment the Association uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in surplus or deficit and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

NON-FINANCIAL ASSETS

The carrying amounts of the Association's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit").

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NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(D) Impairment (continued)

Non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in surplus or deficit. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (Association of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(E) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified at fair value through profit or loss in which case transaction costs are expensed to profit or loss immediately.

Financial Assets

Classification and subsequent measurement

Financial assets with the implementation of AASB 9 Financial Instruments for the first time in 2019, the entity classifies its financial assets in the following categories:

1. financial assets at fair value through profit or loss;
2. financial assets at fair value through other comprehensive income; and
3. financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date. Comparatives have not been restated on initial application.

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NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

Financial assets measured at fair value through other comprehensive income are held with the objective of both collecting contractual cash flows and selling the financial assets and the cash flows meet the SPPI test. Any gains or losses as a result of fair value measurement or the recognition of an impairment loss allowance is recognised in other comprehensive income.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria: 1. the financial asset is held in order to collect the contractual cash flows; and 2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount. Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Amortised Cost Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Impairment of Financial Assets Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the writeoff directly reduces the gross carrying amount of the financial asset.

(F)EMPLOYEE BENEFITS

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in surplus or deficit in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

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NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) SHORT-TERM BENEFITS

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. Liabilities for wages and salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities.

(G) DEFERRED INCOME

Life memberships

Deferred income from lifetime memberships represents the unearned portion of lifetime membership fees received. Revenue from lifetime memberships is recognised over the average expected lifetime of the membership based on actuarial assumptions from the year the lifetime membership fees have been received. The unrecognised portion is recognised as deferred income in the statement of financial position.

During the year a transfer of \$30,099 was made to deferred income in respect of lifetime memberships to recognise the large number of lifetime memberships of the organisation. At 31 December 2020 lifetime membership accounted for approximately 57% of total membership.

(H) PROVISIONS

A provision is recognised if, as a result of a past event, the Association has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(I) REVENUE

(iii) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

(iv) Members annual, three year and life subscriptions

Annual subscription fees are brought to account as revenue, when received. Three year memberships are brought to account in relevant years and prorata deferred. Lifetime member fees are brought to account over the average expected lifetime of the membership based on actuarial assumptions from the year following the date of receipt.

(v) FUNCTIONS AND DONATIONS

For donations and ticket sales, revenue is brought to account upon receipt of cash.

The Order of Australia Association Limited

ABN 40 008 612 664

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(J) LEASES

Leases accounting policy for year ended 31 December 2020

At inception of a contract, the company 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 Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The company 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.

The company has elected not to separate non-lease components from lease components and has accounted for all leases as a single component.

At the lease commencement, the company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the company 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.

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. The right-of-use asset is assessed for impairment indicator at each reporting date.

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 company'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 company'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.

The company has elected to apply the exceptions to lease accounting for leases of low-value assets. For these leases, the company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

The Order of Australia Association Limited

ABN 40 008 612 664

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(K) FINANCE INCOME AND FINANCE COSTS

Finance income comprises interest income on funds invested, dividend income, and gains on the disposal of financial assets at fair value through other comprehensive income. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method. Dividend income is recognised in surplus or deficit on the date that the Association's right to receive the payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise impairment losses recognised on financial assets.

(L) INCOME TAX

No provision for income tax has been raised as the Association is exempt from taxation under Division 50 of the *Income Tax Assessment Act 1997*.

(M) GOODS AND SERVICES TAX

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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

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

(N) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The Association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

4. DETERMINATION OF FAIR VALUE

A number of the Association's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values for investments have been determined for measurement purposes based on the following methods.

INVESTMENTS IN EQUITY SECURITIES

The fair value of financial assets at fair value through other comprehensive income is determined by reference to their quoted closing bid price at the reporting date.

The Order of Australia Association Limited

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NOTE 5: REVENUE

	NOTE	2020	2019
		\$	\$
Membership subscriptions	2 & 3G	318,447	299,283
Functions		103,989	333,411
Sale of merchandise		19,428	27,483
Sponsorship and donations		1,632	29,075
Australian Government COVID-19 Support		39,500	-
Other income		55,764	69,218
		<u>538,760</u>	<u>758,470</u>
Total revenue		<u>538,760</u>	<u>758,470</u>

NOTE 6: OTHER EXPENSES

	2020	2019
	\$	\$
Regional office support and branch expenses	1,590	81,334
Other expenses	95,568	195,438
	<u>97,158</u>	<u>276,772</u>

NOTE 7: PERSONNEL EXPENSES

	2020	2019
	\$	\$
Wages and salaries	66,266	44,172
	<u>66,266</u>	<u>44,172</u>

NOTE 8: AUDITORS REMUNERATION

	2020	2019
	\$	\$
Audit Services		
Review of the financial report	9,550	9,550
Review of State offices	1,900	1,900
	<u>11,450</u>	<u>11,450</u>
Other services		
Preparation of financial report	3,550	3,550
	<u>3,550</u>	<u>3,550</u>

The Order of Australia Association Limited

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: FINANCE INCOME

Recognised in surplus or deficit

	2020	2019
	\$	\$
Interest income on assets measured at amortised cost	9,100	11,865
Dividend income	37,547	67,964
Finance Income	<u>46,647</u>	<u>79,829</u>

Recognised in other comprehensive income

	2020	2019
	\$	\$
Net change in fair value of available-for-sale financial assets classified as fair value through other comprehensive income	64,839	146,993
Finance Income/(cost) recognised in other comprehensive income	<u>64,839</u>	<u>146,993</u>

NOTE 10: INVESTMENTS

	2020	2019
Non-current	\$	\$
Financial assets at fair value through other comprehensive income	1,560,825	1,390,836
	<u>1,560,825</u>	<u>1,390,836</u>

The Order of Australia Association Limited

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 11: INVENTORIES

	2020	2019
Current	\$	\$
Finished goods – merchandise – at cost	20,877	22,422
	<u>20,877</u>	<u>22,422</u>

NOTE 12: RECEIVABLES

	2020	2019
Current	\$	\$
Sundry receivables	16,768	24,862
	<u>16,768</u>	<u>24,862</u>

NOTE 13a: CASH AND CASH EQUIVALENTS

	2020	2019
Current	\$	\$
Cash at bank	547,888	470,821
Cash and cash equivalents in the statement of cash flows	<u>547,888</u>	<u>470,821</u>

NOTE 13b: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	Note	2020	2019
Cash flows from operating activities		\$	\$
Surplus for the year		94,366	101,353
Adjustments for:			
Depreciation		14,544	10,908
Finance income	9	(46,647)	(79,829)
Operating surplus before changes in assets and liabilities		62,263	32,432
Change in right of use asset – office lease		-	(29,092)
Change in other receivables and prepayments		18,536	(27,144)
Change in inventories		1,545	(834)
Change in other payables		23,315	14,785
Change in provisions/deposits in advance		26,169	(19,563)
Changes in deferred income		27,498	87,012
Changes in lease liability		(14,731)	18,535
Net cash from operating activities		144,595	76,131

The Order of Australia Association Limited

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 14: CAPITAL AND RESERVES

AVAILABLE-FOR-SALE-RESERVES

The available-for-sale value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised or impaired.

COMMUNITY RESERVES

The reserve represents funds set aside by the Association to undertake Community Works activities.

CONTRIBUTED EQUITY

The Order of Australia Association is a Company limited by guarantee. Every member of the Association undertakes to contribute to the property of the Association in the event that the Association is wound up while they are a member or within one year after they cease to be a member for payment of the debts and liabilities of the Association contracted before they cease to be a member and of the costs, charges and expenses of winding up and for adjustment of the contributories among themselves, such amount as may be required, not exceeding \$10. The number of members as at the balance date was 8,211 (2019:7,863).

NOTE 15: DEFERRED INCOME

	2020	2019
Non-Current	\$	\$
Deferred income from 3 year members	71,298	73,899
Deferred income from lifetime members	943,491	913,392
	<u>1,014,789</u>	<u>987,291</u>

NOTE 16: DEPOSITS IN ADVANCE

	2020	2019
Current	\$	\$
Function and conference deposits in advance	1,496	1,141
	<u>1,496</u>	<u>1,141</u>

The Order of Australia Association Limited

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 17: PAYABLES

	2020	2019
Current	\$	\$
Trade payables and accrued expenses	46,232	22,917
	46,232	22,917

NOTE 18: PROVISIONS

	2020	2019
Non-Current	\$	\$
Victoria - Oration 2021	4,202	5,500
Victoria - Scholarship	25,000	10,000
National Scholarship	13,400	3,400
	42,602	18,900

NOTE 19: RELATED PARTIES

KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel receive no compensation in relation to the management of the Association.

KEY MANAGEMENT PERSONNEL AND DIRECTOR TRANSACTIONS

No directors hold positions in other entities that transacted with the Association during the period.

The Order of Australia Association Limited

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 20: SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Association, to affect significantly the operations of the Association, the results of those operations, or the state of affairs of the Association, in the future years with the exception of the impact on the investments held by the association due to the world wide COVID-19 pandemic.

NOTE 21: BRANCH INFORMATION

2020	State & Territory	National	Eliminations	Total
	Branches	Office		
	\$	\$	\$	\$
<i>Revenue</i>				
Functions	103,989	-	-	103,989
Sale of merchandise	17,592	1,836	-	19,428
Branch administration grants	58,278	-	(58,278)	-
Other	45,212	409,528	-	454,740
Total revenue	225,071	411,364	(58,278)	578,157
<i>Expenses</i>				
Functions	11,975	111,151	-	123,126
Meetings	237	19,864	-	20,101
Newsletters	-	66,234	-	66,234
Cost of merchandise sold	23,112	-	-	23,112
Other	170,963	138,533	(58,278)	251,218
Total expenses	206,287	335,782	(58,278)	483,791
Surplus for the year	18,784	75,582	-	94,366
Other comprehensive income				
Net change in fair value of available-for-sale financial assets	-	64,839	-	64,839
Total comprehensive income	18,784	140,421	-	159,205
<i>Assets</i>				
Cash and cash equivalents	491,794	56,094	-	547,888
Inventories	20,877	-	-	20,877
Other	(6,177)	1,604,544	-	1,598,367
Total assets	506,494	1,660,638	-	2,167,132
Total liabilities	(34,928)	(1,095,677)	-	(1,130,605)
Net assets	471,566	564,961	-	1,036,527

The Order of Australia Association Limited

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NOTE 21: BRANCH INFORMATION (Continued)

2019

	State Territory Branches	National Office	Eliminations	Total
	\$	\$	\$	\$
Revenue				
Functions				
Sale of merchandise	333,411	-	-	333,411
Branch administration grants	24,314	3,169	-	27,483
Other	48,226		(48,226)	-
Total revenue	41,449	387,730	-	429,179
<i>Expenses</i>	447,400	390,899	(48,226)	790,073
Functions				
Meetings	187,023	-	-	187,023
Newsletters	2,784	52,544	-	55,328
Cost of merchandise sold	-	79,036	-	79,036
Other	21,776	-	-	21,776
Total expenses	68,669	325,114	(48,226)	345,557
Surplus for the year	280,252	456,694	(48,226)	688,720
Other comprehensive income	167,148	(65,795)	-	101,353
Net change in fair value of available-for-sale financial assets				
	-	146,993	-	146,993
Total comprehensive income	167,148	81,198	-	248,346
Assets				
Cash and cash equivalents				
Inventories	440,390	30,431	-	470,821
Other	21,082	1,340	-	22,422
Total assets	17,810	1,429,104	-	1,446,914
Total liabilities	479,282	1,460,875	-	1,940,157
Net assets	(16,960)	(1,036,850)	-	(1,053,810)
	462,322	424,025	-	886,347

The Order of Australia Association Limited

ABN 40 008 612 664

Directors' declaration

In the opinion of the directors of The Order of Australia Association Limited ('the Association'):

- (a) The financial statements and notes, set out on pages 10 to 29, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - i. Giving a true and fair view of the financial position of the Association as at 31 December 2020 and of its performance as represented by the results of its operations and its cash flows for the year ended on that date; and
 - ii. Complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulations 2013; and
- (b) There are reasonable grounds to believe that the Association is able to pay its debts, as and when they become due and payable.

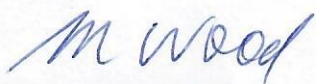
Signed in accordance with a resolution of the directors and subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Dated: 29th MARCH 2021



Barry N Nunn AO

Director



Muriel Wood OAM

Director



Chartered Accountants

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18 Napier Close
DEAKIN ACT 2600
PO Box 52, DEAKIN WEST ACT 2600
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**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF
THE ORDER OF AUSTRALIA ASSOCIATION LIMITED
ABN: 40 008 612 664**

Report on the Financial Report

We have reviewed the accompanying financial report of The Order of Australia Association Limited (the company), which comprises the Statement of Financial Position as at 31 December 2020, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2415 *Review of a Financial Report – Company Limited by Guarantee*, or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report does not satisfy the requirements of Division 60 of the ACNC Act: including: giving a true and fair view of the company's financial position as at 31 December 2020 and its performance for the year ended on that date; and complying with the Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013*. ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF
THE ORDER OF AUSTRALIA ASSOCIATION LIMITED

ABN: 40 008 612 664

Independence

In conducting our review, we have complied with the independence requirements of the Australian Charities and Not-for-profits Commission Act 2012. We confirm that the independence declaration required by the *Australian Charities and Not-for-Profits Act 2012*, which has been given to the directors of the Order of Australia Association Limited, would be in the same terms if given to the directors as at the time of this review report.

Qualification

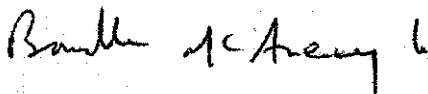
It is not practicable to establish accounting controls over cash receipts from function revenue beyond the recording of amounts entered in the books and records.

The audit conclusion expressed in this report has been formed on the above basis.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of The Order of Australia Association Limited is not in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* including:

- a) Giving a true and fair view of the company's financial position as at 31 December 2020 and of its performance for the year ended on that date; and
- b) Comply with Australian Accounting Standards and *Australian Charities and Not-for-Profits Commission Act 2012*.



Bandle McAneney & Co
Chartered Accountants



Anthony J Bandle FCA
Partner

Dated this 29th day of March 2021
Place: CANBERRA, ACT