Reconciliation Australia Limited

ABN 76 092 919 769

Annual Financial Report

for the financial year ended 30 June 2023

Contents to financial report

Directors' report

The directors of Reconciliation Australia Limited (Reconciliation Australia) submit herewith the annual report of the company for the financial year ended 30 June 2023.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Name	***Particulars***
Professor Thomas E. Calma AO *Hon DLitt, Hon DSc, Hon DUniv*	Professor Calma is an Aboriginal elder from the Kungarakan tribal group and a member of the Iwaidja tribal group in the Northern Territory. He is currently the Chancellor of the University of Canberra. Professor Calma holds board positions with Ninti One and the Australia Literacy and Numeracy Foundation. He was previously the Co-Chair of the Senior Advisory Group of the Indigenous Voice co-design process and served as the Aboriginal and Torres Strait Islander Social Justice Commissioner and the Race Discrimination Commissioner.
Ms Melinda A. Cilento *BA, BEc (Hons), MEc*	Ms Cilento is CEO of the Committee for Economic Development of Australia (CEDA) and a non-executive director of Australian Unity. She was previously a non-executive director of Woodside Petroleum and has held senior management and economist roles at the Productivity Commission, Business Council of Australia, International Monetary Fund and the Commonwealth Department of Treasury.
Mr Kenny R. Bedford *BAppHSc, DipYW*	Mr Bedford is of the Meuram tribe of Erub Island in the Torres Strait. He is a Director of My Pathway, Debe Mekik Le Consultancy, a member of the National NAIDOC Committee and a Community Engagement Lead of the From the Heart Campaign. Mr Bedford was previously the President of the Erub Fisheries Management Association and on the board of the Torres Strait Regional Authority.
Mx Sharon L. Davis *BEd, MSc (Oxon.)*	Mx Davis is from the Bardi and Kija Peoples of the Kimberley and was previously the Director of Education at the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS). They are a director of the Stronger Smarter Institute and previously led Aboriginal education with Catholic Education Western Australia.
Mr Douglas A. Ferguson *BBus (Accounting), FCAANZ*	Mr Ferguson is a Partner with KPMG and is currently the NSW Chairman and Head of Asia and International Markets. He is a Fellow of the Chartered Accountants in Australia and New Zealand, an Adjunct Professor at the University of Sydney Faculty of Business, a director and audit committee chairman of the Committee for Sydney and a member of the Business Council of Australia's Global Engagement Committee.
Dr Blaze J. Kwaymullina *BA (History), M.C.J,* *PhD (English)*	Dr Kwaymullina is a Palyku Traditional Owner from the Pilbara region of Western Australia. He is an academic, writer, children's author and business owner, having established a small group of profit for purpose, social enterprise and not-for-profit entities. Dr Kwaymullina was previously Associate Dean of Teaching and Learning and Associate Dean of Research for the School of Indigenous Studies at the University of Western Australia (UWA). He is also an Advisory Committee Member for the Dilin Duwa Centre for Indigenous Business Leadership.

Name	*Particulars*
Mr William D. Lawson AM *BEng*	Mr Lawson is a semi-retired engineer, working part-time with GHD. Mr Lawson was the Founder and inaugural Co-Chair of Reconciliation Tasmania, and the Tasmanian representative on previous Prime Minister Julia Gillard's Expert Panel on Constitutional Recognition. He is also the founder of the Beacon Foundation.
Ms Kirstie M. Parker	A Yuwallarai woman from northwest NSW, Ms Parker is Strategic Adviser to the Uluru Dialogue, UNSW. She was previously the Director of Aboriginal Affairs and Reconciliation with the Attorney General's Department (SA), CEO of the National Centre of Indigenous Excellence and Co-Chair of the National Congress of Australia's First Peoples. Ms Parker has more than 30 years' experience in journalism, advocacy and management of Indigenous organisations, including as the Editor of the Koori Mail.
Ms Joy Thomas	Ms Thomas comes from a background in federal politics, serving for many years as an adviser and chief of staff to ministers in the Howard Government. She previously held senior management positions with the Australian Medicare Local Alliance (AML Alliance) and Australian General Practice Network (AGPN). Ms Thomas works as a private consultant to peak industry bodies across the agriculture, water and energy sectors.

The above named directors held office during the whole of the financial year and since the end of the financial year.

Company secretary

Ms Karen Mundine (Chief Executive Officer) has been the Company Secretary since 18 September 2017. She is from the Bundjalung Nation of northern NSW and has more than 20 years' experience leading community engagement, public advocacy, communications and social marketing campaigns. Ms Mundine holds a Bachelor of Arts in Communications and is a director of Gondwana Choirs and the Australian Indigenous Leadership Centre.

Ms Kathryn O'Meara (Finance Manager) was appointed as an additional Company Secretary on 6 November 2020. She has extensive financial management and corporate governance experience working in a range of industries including professional services, corporate multi-nationals, and not-for profit. Ms O'Meara holds a Bachelor of Commerce (Accounting) and is a member of the Chartered Accountants in Australia and New Zealand. She resigned from Reconciliation Australia on 9 February 2023.

Short and long term objectives and strategy

Reconciliation Australia is the lead body for reconciliation in the nation. The company is an independent, not-for-profit organisation that promotes and facilitates reconciliation by building relationships, respect and trust between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians.

Our purpose is to inspire and enable all Australians to contribute to the reconciliation of our nation. Our vision of a just, equitable and reconciled Australia and is based on five inter-related dimensions: race relations, equality and equity, unity, institutional integrity, and historical acceptance.

Principal activities

During the year, Reconciliation Australia was involved in a range of programs and projects aimed at that promoting and facilitating reconciliation by building relationships, respect and trust between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians. This included:

- Reconciliation Action Plan (RAP) program
- Indigenous Governance Program
- Narragunnawali: Reconciliation in Education
- National Reconciliation Week
- Australian Reconciliation Barometer
- Constitutional Reform and Truth Telling

Review of operations

The result of Reconciliation Australia's operations in the current year was a surplus of $375,685 (surplus of $1,718,085 in 2022).

Reconciliation Australia's general operational activities were primarily funded by the Commonwealth Government, through the National Indigenous Australians Agency. Funding was also received from the BHP Foundation, corporate supporters and private donors.

Changes in the state of affairs

There were no significant changes in the state of affairs of Reconciliation Australia during the financial year.

Subsequent events

The Company issued permanent employment contracts to all employees with an effective date of 1 July 2023, where previously fixed term contracts were issued for periods between 1 and 3 years. This is in response to the amendments to the Fair Work Act affecting fixed term contracts which will come into effect from 6 December 2023. In addition, all employee classifications and salaries were benchmarked and adjusted where necessary against classifications and pay points within the Social, Community, Home Care and Disability Services Industry Award. It is expected that this change will have an immaterial impact on the financial statements.

There has been no other matters or circumstances occurring subsequent to the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future years.

Environmental regulation and performance

Reconciliation Australia is not subject to any particular or significant environmental regulation.

Indemnification of officers and auditors

During the financial year, Reconciliation Australia paid a premium in respect of a contract insuring the directors of Reconciliation Australia (as named above), the company secretaries, the Chief Executive Officer and all executive officers of Reconciliation Australia against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the amount of the premium.

Reconciliation Australia has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of Reconciliation Australia against a liability incurred as such an officer or auditor.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member).

During the financial year four board meetings and five audit and risk committee meetings were held.

Director	Board of directors		Audit and risk committee	
	Held	Attended	Held	Attended
Mr K. R. Bedford	4	2	5	3
Prof. T. E. Calma AO	4	4	5	3
Ms M. A. Cilento	4	4	5	4
Mx S. L. Davis	4	3	-	-
Mr D. A. Ferguson	4	4	5	5
Dr B. J. Kwaymullina	4	1	-	-
Mr W. D. Lawson AM	4	4	5	5
Ms K. M. Parker	4	4	-	-
Ms J. Thomas	4	4	-	-

Members' guarantee

In accordance with Reconciliation Australia's constitution, each member is liable to contribute $1 in the event that the company is wound up. The total amount members would contribute is $9.

Auditor's independence declaration

The auditor's independence declaration is included on page 7 of this financial report.

The directors' report is signed in accordance with a resolution of directors.

On behalf of the directors:

Professor Thomas Calma AO
Director

Ms Melinda Cilento
Director

6 November 2023

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Level 5, 6 Brindabella Circuit
Brindabella Business Park
ACT 2609
GPO Box 823
Canberra ACT 2601 Australia
Tel: +61 2 6263 7000
Fax: +61 2 6263 7004

www.deloitte.com.au

6 November 2023

The Board of Directors
Reconciliation Australia Limited
Old Parliament House
King Georges Terrace
Parkes ACT 2600

Dear Directors

Auditor's Independence Declaration to Reconciliation Australia Limited

In accordance with Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of Reconciliation Australia Limited.

As lead audit partner for the audit of the financial report of Reconciliation Australia Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Australian Charities and Not-for-profit Commission Act 2012 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

David Salmons
Partner
Chartered Accountants

Deloitte.

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060
Level 5, 6 Brindabella Circuit
Brindabella Business Park ACT 2609
GPO Box 823
Canberra ACT 2601 Australia
DX 5661
Tel: +61 (0) 2 6263 7000
Fax: +61 (0) 2 6263 7001
www.deloitte.com.au

Independent Auditor's Report to the Members of Reconciliation Australia Limited

Opinion

We have audited the financial report of Reconciliation Australia Limited (the "Entity") which comprises the statement of financial position as at 30 June 2023, 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 other explanatory information, and the declaration by the directors.

In our opinion, the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

(i) giving a true and fair view of the Entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards – Simplified Disclosures 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 Entity in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional & 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Entity's directors' report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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

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

Responsibilities of the directors for the Financial Report

The directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the ACNC Act 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.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

David Salmon

David Salmon
Partner
Chartered Accountants
Canberra, 6 November 2023

Directors' declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that Reconciliation Australia will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached financial statements and notes there to, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the directors made pursuant to s. 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013.

On behalf of the directors:

Professor Thomas Calma AO
Director

Ms Melinda Cilento
Director

6 November 2023

Statement of profit or loss and other comprehensive income

for the year ended 30 June 2023

	Note	2023 $	2022 $
Revenue	4	**9,776,701**	9,828,520
Investment income	5	**427,297**	68,884
Other gains and losses	6	**17,347**	(14,053)
Employee benefits expense		**(5,382,884)**	(3,813,420)
Consultants and outside services expense		**(408,083)**	(338,300)
Communications and marketing expense		**(2,811,677)**	(2,295,594)
Workshops and events expense		**(317,651)**	(1,067,492)
Travel and accommodation expense		**(395,607)**	(230,167)
Office communications and supplies expense		**(40,564)**	(35,633)
Office facilities and utilities expense		**(54,601)**	(71,977)
Depreciation and amortisation expense		**(368,297)**	(258,685)
Finance costs	5	**(18,434)**	(18,048)
Other expenses		**(47,862)**	(35,950)
Surplus before tax		**375,685**	1,718,085
Income tax expense		**-**	-
Surplus for the year from continuing operations		**375,685**	1,718,085
Other comprehensive income for the year		**-**	-
Surplus for the year		**375,685**	1,718,085

This statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

Statement of financial position

as at 30 June 2023

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents		**486,133**	1,022,912
Trade and other receivables	7	**647,453**	323,614
Other financial assets	8	**5,553,575**	6,603,015
Other assets	9	**307,798**	174,002
Total current assets		**6,994,959**	8,123,543
Non current assets			
Property, plant and equipment	10	**178,804**	130,360
Right-of-use assets	11	**314,065**	288,251
Other financial assets	8	**3,230,187**	1,975,654
Total non current assets		**3,723,056**	2,394,265
Total assets		**10,718,015**	10,517,808
Liabilities			
Current liabilities			
Trade and other payables	12	**387,031**	617,039
Lease liabilities	13	**290,381**	200,177
Provisions	14	**383,827**	315,345
Contract liabilities	15	**4,363,921**	4,351,362
Total current liabilities		**5,425,160**	5,483,923
Non current liabilities			
Lease liabilities	13	**39,643**	107,289
Provisions	14	**135,308**	184,377
Total non current liabilities		**174,951**	291,666
Total liabilities		**5,600,111**	5,775,589
Net assets		**5,117,904**	4,742,219
Equity			
Capital and reserves			
Retained earnings		**4,789,667**	4,413,982
Reserves	16	**328,237**	328,237
Total equity		**5,117,904**	4,742,219

This statement of financial position is to be read in conjunction with the attached notes.

Statement of changes in equity

for the year ended 30 June 2023

	Note	Constitutional Reform Reserve $	Retained earnings $	Total $
Balance at 30 June 2021		**328,237**	**2,695,897**	**3,024,134**
Surplus for the year		-	1,718,085	1,718,085
Total comprehensive income for the year		**-**	**1,718,085**	**1,718,085**
Transferred to / (from) reserve	16	-	-	-
Balance at 30 June 2022		**328,237**	**4,413,982**	**4,742,219**
Surplus for the year		-	375,685	375,685
Total comprehensive income for the year		**-**	**375,685**	**375,685**
Transferred to / (from) reserve	16	-	-	-
Balance at 30 June 2023		**328,237**	**4,789,667**	**5,117,904**

This statement of changes in equity is to be read in conjunction with the attached notes.

Statement of cash flows

for the year ended 30 June 2023

	2023 $	2022 $
Cash flow from operating activities		
Receipts from partners	**1,633,566**	2,871,613
Project funding received	**5,282,069**	4,851,058
Government grants received	**2,450,000**	5,400,000
Proceeds from donations and fundraising appeals	**99,044**	97,038
Interest paid on lease liabilities	**(18,434)**	(18,048)
Payments to suppliers and employees	**(7,926,694)**	(6,416,045)
Net GST and employee taxes paid	**(1,742,898)**	(1,130,152)
Net cash (used in)/generated by operating activities	**(223,347)**	5,655,464
Cash flow from investing activities		
Interest received	**294,312**	61,164
Purchase of investments	**(7,575,699)**	(8,804,415)
Proceeds from investments	**7,387,954**	3,015,605
Purchase of property, plant and equipment	**(113,737)**	(45,906)
Net cash (used in) investing activities	**(7,170)**	(5,773,552)
Cash flow from financing activities		
Payment of principal portion of lease liabilities	**(306,262)**	(189,307)
Net cash (used in) in financing activities	**(306,262)**	(189,307)
Net (decrease) in cash and cash equivalents	**(536,779)**	(307,395)
Cash and cash equivalents at the beginning of the year	**1,022,912**	1,330,307
Cash and cash equivalents at the end of the year	**486,133**	1,022,912

This statement of cash flows is to be read in conjunction with the attached notes.

Notes to the financial statements

for the year ended 30 June 2023

1. General information

1.1 Information about the company

Reconciliation Australia is a company limited by guarantee, incorporated in Australia under the *Corporations Act 2001*.

The company is a registered charity with the Australian Charities and Not-for-Profit Commission which holds deductible gift recipient status and is exempt from income tax.

The principal activities of the company are the delivery of programs and projects which promote and facilitate reconciliation by building relationships, respect and trust between the Australian community and Aboriginal and Torres Strait Islander peoples.

The address of its registered office and principal business address is:

Old Parliament House
King George Terrace
Parkes ACT 2600

The financial statements of Reconciliation Australia Limited (the company) for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the directors on 27 October 2023.

1.2 Basis of preparation

These general purpose financial statements that have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012,* Australian Accounting Standards – Simplified Disclosure Requirements, and comply with other requirements of the law.

For the purpose of preparing the financial statements, the company is a not-for-profit entity.

The presentation currency used in these financial statements is Australian dollars ($). Amounts in these financial statements are stated in Australian dollars unless otherwise noted.

1.3 Statement of compliance

The company 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 requirement 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.

1.4 Going concern basis

The financial statements have been prepared on the going concern basis. The directors note that a new funding agreement with the BHP Foundation for the Indigenous Governance Program has been signed on 16 February 2023 for 5 years to 31 December 2027. In addition, the current funding agreement with the National Indigenous Australian Agency (NIAA) which was due to end on 30 June 2023, has been extended for a period of 2 years.

The directors are of the view that the current financial position of the company, along with the forecast cash flows, provides sufficient evidence of the ability of the company to continue to operate for a period of at least 12 months from the date of signing of these financial statements.

2. Changes in accounting policies and changes in estimates

2.1 New and revised accounting standards

There are no new or revised accounting standards and interpretations issued by the Australia Accounting Standards board (the AASB) that have a material impact to the company and that are effective for an accounting period that begins on or after 1 July 2022.

3. Judgements and estimates

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

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

4. Revenue

	2023 $	2022 $
Government grants	**3,600,000**	3,699,513
Project and program funding	**4,119,510**	3,095,443
Event registration fees	**79,433**	1,294,033
Reconciliation Action Plan revenue	**1,839,280**	1,291,750
Consultant fees	**24,103**	-
Sponsorship	**-**	343,150
Charitable donations	**99,044**	97,038
Other revenue	**15,331**	7,593
	9,776,701	9,828,520

Contracts with Customer Revenue

	2023 $	2022 $
Point in Time	**1,854,611**	1,299,343
Over Time	**7,823,046**	8,088,989
Total	**9,677,657**	9,388,332
Non-AASB 15 Revenue	**99,044**	440,188
Total Revenue	**9,776,701**	9,828,520

Revenue is recognised in accordance with the accounting policy in Note 21.

	2023 $	2022 $

5. Investment income and finance costs

Investment income

Interest on financial assets measured at amortised cost:		
- Bank and cash deposits	**251,816**	9,110
Interest on financial assets measured at fair value through profit and loss:		
- Hybrid fund securities	**175,481**	59,774

Finance costs

Interest on financial liabilities measured at amortised cost:		
- Interest on obligations under leases	**18,434**	18,048

6. Other gains and losses

Loss on disposal of property, plant and equipment	**-**	(14,053)
Loss on disposal of investments	**(6,289)**	-
Gain on fair value movements	**23,636**	-
	17,347	**(14,053)**

7. Trade and other receivables

Trade receivables (non-related parties)	**394,335**	69,753
Interest receivable	**103,375**	4,712
Other receivables	**149,743**	249,149
	647,453	323,614

8. Other financial assets

Financial assets measured at amortised cost:

- Bank cash deposits	**5,553,575**	6,603,015

Financial assets measured at fair value through profit and loss:

- Hybrid fund securities	**3,230,187**	1,975,654

	2023 $	2022 $

8. Other financial assets (continued)

Current	**5,553,575**	6,603,015
Non current	**3,230,187**	1,975,654
	8,783,762	8,578,669

9. Other assets

Prepayments	**243,050**	143,752
Rental Bonds	**64,748**	30,250
	307,798	174,002
Current	**307,798**	174,002
Non current	**-**	-
	307,798	174,002

10. Property, plant and equipment

Carrying amounts

Furniture and fittings		
- At cost	**19,220**	19,220
- Accumulated depreciation	**(11,911)**	(10,696)
	7,309	8,524
Artwork		
- At cost	**4,483**	4,483
- Accumulated depreciation	**-**	-
	4,483	4,483
Office equipment		
- At cost	**46,273**	41,440
- Accumulated depreciation	**(33,905)**	(29,841)
	12,368	11,599
IT equipment		
- At cost	**295,548**	223,837
- Accumulated depreciation	**(192,596)**	(157,381)
	102,952	66,456

	2023 $	2022 $

10. Property, plant and equipment (continued)

	2023 $	2022 $
Leasehold improvements		
- At cost	**110,278**	73,085
- Accumulated depreciation	**(58,586)**	(33,787)
	51,692	39,298

	Furniture fittings $	Artwork $	Office equipment $	IT equipment $	Leasehold improvement $	Total $
Balance at 1 July 2022	8,524	4,483	11,599	66,456	39,298	**130,360**
Additions	-	-	4,833	71,711	37,193	**113,737**
Disposals	-	-	-	-	-	**-**
Depreciation	(1,215)	-	(4,064)	(35,215)	(24,799)	**(65,292)**
Balance at 30 June 2023	7,309	4,483	12,368	102,952	51,692	**178,804**

Depreciation

Depreciation is provided on property, plant and equipment (except artwork). Depreciation is calculated on a diminishing balance method in accordance with the accounting policy in Note 21.

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

Furniture and fitting	5 to 10 years
Office equipment	3 to 10 years
IT equipment	2 to 4 years
Leasehold improvements	2 to 3 years

	2023 $	2022 $

11. Right-of-use assets

Net carrying amounts

	2023 $	2022 $
Office premises	**282,671**	245,224
Office equipment	**31,394**	43,027
	314,065	288,251

11. Right-of-use assets (continued)

	Office premises	Office equipment	Total
	$	$	$
Movement during the period			
Balance at 1 July 2022	**245,224**	**43,027**	**288,251**
Additions	328,820	-	328,820
Disposals	-	-	-
Depreciation	(291,373)	(11,633)	(303,006)
Balance at 30 June 2023	**282,671**	**31,394**	**314,065**

Depreciation

Depreciation of the right-of-use assets is recognised over the shorter period of lease term and useful life of the underlying asset using the straight-line method, and in accordance with the accounting policy in Note 21.

	2023 $	2022 $
12. Trade payables		
Amounts payable to trade suppliers	**256,635**	101,753
Accruals	**130,396**	39,318
Other payables	**-**	475,968
	387,031	617,039
13. Lease liabilities		
Secured		
Current	**290,381**	200,177
Non-current	**39,643**	107,289
	330,024	307,466

Significant leasing arrangements

Lease liabilities are secured by the assets leased and represent the discounted future rental payments by the company for:

- Office premises and certain leased equipment. These leases are negotiated for a term of between 2 and 5 years and rentals are fixed for a term of 2 to 5 years

	2023 $	2022 $

13. Lease liabilities (continued)

Future minimum lease payments

	2023 $	2022 $
Not later than one year	**299,503**	209,701
Later than one year and not later than five years	**40,475**	110,198
Later than five years	**-**	-
	339,978	319,899

14. Provisions

Carrying amounts

	2023 $	2022 $
Employee benefits	**493,882**	474,589
Make good (leasehold office premises)	**25,253**	25,133
	519,135	499,722
Current	**383,827**	315,345
Non current	**135,308**	184,377
	519,135	499,722

Movements in make good provision	**Make good provision $**
Carrying amount as 1 July 2022	25,133
Additions	120
Carrying amount as at 30 June 2023	**25,253**

	2023 $	2022 $

15. Contract liabilities

Project funding received in advance	**4,363,921**	4,351,362
	4,363,921	4,351,362
Current	**4,363,921**	4,351,362
Non current	**-**	-
	4,363,921	4,351,362

16. Reserves

Constitutional reform reserve	**328,237**	328,237
	328,237	328,237
Movements in reserve:		
Balance at beginning of the year	**328,237**	328,237
Transferred to / (from) reserve	**-**	-
Balance at end of year	**328,237**	328,237

Nature and purpose of reserve:

The Constitutional Reform reserve represents the proceeds of fundraising and is being specifically used to progress the establishment of a First Nation's Voice to Parliament and facilitate truth telling and agreement making measures.

	2023 $	2022 $

17. Employee benefits

Defined contribution plans

Amount recognised as an expense for defined contribution plans	**452,977**	321,546

	2023 $	2022 $

18.Related parties

Remuneration of key management personnel

Aggregate key management personnel compensation	**543,462**	470,475

The directors of Reconciliation Australia are volunteers. They are not paid to perform their roles and responsibilities but are entitled to claim a set amount, in lieu of forgone income due to time spent on Reconciliation Australia business.

Transactions with other related parties

During the financial year ended 30 June 2023, the following transaction (ex. GST) occurred between the company and its other related parties:

- Payments totalling $200,000 (2022: $87,000) were made to Reconciliation Tasmania to support National Reconciliation Week and Narragunnawali: Reconciliation in Education activities. Mr W.D. Lawson, a director of the Company, is a member of Reconciliation Tasmania.
- Payments totalling $63,848 (2022: $Nil) were made to Social Ventures Australia for consulting services provided to the Indigenous Governance Program. Mr W.D. Lawson, a director of the Company, is a member of Social Ventures Australia until 23 February 2023.
- Payments totalling $43,256 (2022: $9,825) were made to KPMG for the secondment of a Human Resource Advisor. Mr D. Ferguson, a director of the Company, is NSW Chairman of KPMG.
- Receipts for $5,860 (2022: $Nil) were received from the National Indigenous Australians Agency for Ms K. Mundine's role as member of their Referendum Engagement Group. The Commonwealth Government, through the National Indigenous Australians Agency provides funding for Reconciliation Australia's general operational activities.
- A payment totalling $5,000 (2022: $Nil) was made to the Australian Indigenous Leadership Centre for sponsorship for their gala dinner. Ms K. Mundine is a director of the Centre.
- Payments totalling $5,600 (2022: $Nil) were made to Stronger Smarter Institute for training courses for staff in the Narragunnawali: Reconciliation in Education program. Mx S. Davis, a director of the Company, is a director of the Institute.
- A payment totalling $5,000 (2022: $Nil) was made to Wakakirri as sponsorship for their activities from the Narragunnawali: Reconciliation in Education program. Prof T. Calma, a director of the Company, is Patron of Wakakirri.
- A payment totalling $277 (2022: $Nil) was made to Indigenous Initiatives and Innovations as reimbursement for travel costs for Mr K. Bedford. Mr K Bedford, a director of the company, is a director of Indigenous Initiatives and Innovation.
- A receipt totalling $1,100 (2022: $Nil) was received from GHD for Reconciliation Australia's attendance at their Reconciliation Action Plan advisory meeting. Mr W.D. Lawson, a director of the Company, is a consultant at the company.

- Individual amounts of $750 each were received in 2022 (2023: $Nil) for development fees for reconciliation action plans from the Committee for Economic Development of Australia (CEDA), Gondwana Choirs and My Pathways for which Ms M.A. Cilento, Ms K.M. Mundine and Mr K.R. Bedford are directors respectively. In addition, payments totalling $1,300 were made in 2022 (2023: $Nil) to Aboriginal Education Consulting for consulting services for which Mx S.L. Davis is director.

19. Subsequent events

The Company issued permanent employment contracts to all employees with an effective date of 1 July 2023, where previously fixed term contracts were issued for periods between 1 and 3 years. This is in response to the amendments to the Fair Work Act affecting fixed term contracts which will come into effect from 6 December 2023. In addition, all employee classifications and salaries were benchmarked and adjusted where necessary against classifications and pay points within the Social, Community, Home Care and Disability Services Industry Award. It is expected that this change will have an immaterial impact on the financial statements.

There has been no other matters or circumstances occurring subsequent to the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future years.

20. Remuneration of auditors

	2023 $	2022 $
Deloitte and related network firms		
Audit of financial reports	**24,025**	24,750
Other assurance and agreed-upon procedures under legislation or contractual arrangements	**4,000**	8,000
	28,025	32,750

21. Significant accounting policies

Basis of accounting

These financial statements have been prepared on the basis of historical cost. Historical cost is generally based on the fair values of the consideration given in exchange for assets.

Revenue recognition

Government grants and project funding

When the company receives government grants, project funding and charitable donations that are in the scope of *AASB 1058: Income for not-for-profit entities* (being a transaction where the consideration paid to acquire the asset is significantly less than fair value principally to enable the company to further its objectives), it performs an assessment to determine if the contract is ‘enforceable’ and contains ‘sufficiently specific’ performance obligations.

In cases where there is an ‘enforceable’ contract with a customer with ‘sufficiently specific’ performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied.

In all other cases (where the contract is not ‘enforceable’ or the performance obligations are not ‘sufficiently specific’), the transaction is accounted for under AASB 1058 where the company:

21. Significant accounting policies (continued)

- Recognises the asset in accordance with the requirements of other relevant applicable Australian Accounting Standards (e.g. AASB 9, AASB 16, AASB 116 and AASB 138).
- Considers whether any other financial statement elements should be recognised ('related amounts') in accordance with the relevant applicable Australian Accounting Standard including:
  - contributions by owners (AASB 1004)
  - a lease liability (AASB 16)
  - revenue, or a contract liability arising from a contract with a customer (AASB 15)
  - a financial instrument (AASB 9)
  - a provision (AASB 137)
- Recognises income immediately in the profit or loss for the excess of the initial carrying amount of the asset over any related amounts recognised

The company receives funding specific projects. Funding received in one year may be expected to fund the costs of that project over the course of more than one financial year. Revenues are recognised in a financial year to the extent of the relevant project's outlay in that period. Funds to be spent in future periods are provided for as revenue received in advance.

Charitable donations, sponsorships and fee for service

Revenue received from charitable donations, sponsorships and fee for service activities is recognised when the right to receive the income has been established.

Employee benefits

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

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, it is recognised as part of the cost of acquisition of an asset or as part of an item or expense; or
- for receivables and payables which are recognised inclusive of GST.

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

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

Financial assets

Investments comprise of short-term bank deposits and hybrid fund securities which are interest bearing and listed on the Australia Stock Exchange. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

21. Significant accounting policies (continued)

Trade receivables and other receivables are measured at amortised cost using the effective interest rate method,less any impairment.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised costs, lease receivables, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit losses experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well
as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Property, plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment (except artwork). Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

21. Significant accounting policies (continued)

Depreciation is provided on property, plant and equipment (except artwork). Depreciation is calculated on a diminishing balance method so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value.

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

Furniture and fitting	5 to 20 years
Office equipment	3 to 10 years
IT equipment	2 to 4 years
Leasehold improvements	2 to 3 years

Artwork is stated at cost and is not depreciated. The cost of the artwork approximates the fair value of this asset.

There have been no changes to the estimated useful lives of property, plant and equipment since the prior year.

Impairment of assets

At each reporting date the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and depreciated replacement cost. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which the impairment loss is treated as a revaluation decrease (refer Property, plant and equipment).

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised in profit and loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase (refer Property, plant and equipment).

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs.

Trade and other payables are subsequently measured at amortised costs using the effective interest rate method, with interest expense recognised on an effective yield basis. The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

21. Significant accounting policies (continued)

Leases

The company assesses whether a contract is or contains a lease at inception of the contract. The company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is engaged, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.
The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of fixed lease payments.

The lease liability is presented as a separate line in the statement of financial position and is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed; or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The company made one such adjustment during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, lease any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position. The company applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

Provisions

Provisions are recognised when the company has a present obligation, the future sacrifice of economic benefits is probable and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

22. Comparatives

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year. In particular, the 'Hybrid fund securities' disclosed in Note 8 have been reclassified from 'Financial assets measured at amortised cost' to 'Financial assets measured at fair value through profit and loss'. These 'Hybrid fund securities' have also been reclassified from current assets to non-current assets reflecting the timing of expected realisation of the asset.

23. Significant Judgements

In the application of the Company's accounting policies, which are described in Note 21, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimated.

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

Judgements made in applying accounting policies

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

To determine if a grant contract should be accounted for under AASB 1058 or AASB15, the Company has to determine if the contract is "enforceable" and contains "sufficiently specific" performance obligations. When assessing if the performance obligations are "sufficiently specific", the Company has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation and holding discussions with relevant parties.

Income recognition from grants received by the Company has been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed.

Judgement is undertaken within the determination of whether the reconciliation action plan revenue is recognised at a point in time or over time. The determination of whether the revenue is recognised over time or at a point in time depends on whether the accreditation promised within the contract with customers is distinct from the provision of the reconciliation action plan itself. The Company has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained within product offering.

Revenue recognised from the reconciliation action plans has been appropriate accounted for at a point in time based on an assessment of the arrangement and the transfer of value with the customer.