



Mental Health  
Australia

2019/20

# FINANCIAL REPORT

*Mentally healthy people,  
mentally healthy communities*



# DIRECTORS' REPORT 30 JUNE 2020

The directors present their report together with the financial report of Mental Health Australia Limited for the year ended 30 June 2020.

Mental Health Australia Limited is a company limited by guarantee, incorporated under the *Corporations Act 2001* on 23 June 2014.

As at 30 June 2020, there were 124 liable members made up of 72 voting members and 52 non-voting members. In the event the company is wound up, each member is required to contribute \$2 towards meeting outstanding obligations of the company, to a total contribution of \$248.

## THE BOARD

The following held Board directorship during the year and to the date of this report:

Name	Position
<b>Ms Jennifer Westacott</b> (to 3 August 2019)	Board Appointed Director, Chair
<b>Ms Robyn Kruk</b>	Board Appointed Director, Deputy Chair (to 2 August 2019), Interim Chair (from 3 August 2019)
<b>Ms Georgina Harman</b>	Elected Director, Interim Deputy Chair (from 29 January 2020)
<b>Dr Jennifer Bowers</b>	Elected Director
<b>Mr Jeremy Coggin</b>	Elected Director
<b>Ms Robyn Hunter</b> (to 12 June 2020)	Elected Director
<b>Dr Kym Jenkins</b>	Elected Director
<b>Ms Janne McMahon</b>	Elected Director
<b>Mr Mark Orr</b> (from 13 July 2020)	Elected Director
<b>Mr Ashley de Silva</b> (from 25 November 2019)	Elected Director
<b>Ms Carmel Tebbutt</b>	Elected Director

## DIRECTORS

### MS JENNIFER WESTACOTT AO – Chair (to 3 August 2019)

Appointed: 2013

Occupation: Chief Executive of the Business Council of Australia; Non-Executive Director of Wesfarmers Limited; Adjunct Professor City Futures Research Centre at UNSW; National Fellow of the Institute of Public Administration Australia; Chair, Western City & Aerotropolis Authority; Co-Chair, Australia-Canada Economic Leadership Forum Organising Committee; Director, ASA100; Member, Melbourne School of Government Advisory Board; Board Member, Cyber Security Research Centre (CSRC) Ltd; Co-Patron, Pride in Diversity; Patron of The Pinnacle Foundation; Fellow of the Australian Institute of Company Directors

Qualifications: BA (Hons); Grad.Cert. Management; Chevening Scholar London School of Economics; UNSW Sydney Honorary Degree recipient 2017 (Doctor of Letters)

### MS ROBYN KRUK AO - Deputy Chair (to 2 August 2019); Interim Chair (from 3 August 2019)

Appointed: 2015

Sub-Committees: Chairperson, Governance Committee

Occupation: Director, ANZOG; Director, National Disability Insurance Agency and Principal Member, Independent Advisory Council; Chair, Food Standards Australia and New Zealand; Independent Reviewer, National Redress Scheme

Qualifications: BSc Psych (Hons); M Admin, Harvard AMP



**MS GEORGINA HARMAN** – Director; Interim Deputy Chair (from 29 January 2020)

Elected: 2017  
Sub-Committees: Chairperson, Finance, Audit and Risk Management Committee (from January 2019)  
Occupation: CEO Beyond Blue; Member, National Mentally Healthy Workplace Alliance Steering Group; Member, Victorian Mental Health Ministerial Advisory Committee; Member, National Safe Spaces Network Scoping Study Expert Advisory Group (Dept of Health); Member, National COVID-19 Health and Research Advisory Committee; Member, Deakin Advisory Board; Member, Australian Institute of Company Directors  
Qualifications: BA (Hons), MA

**DR JENNIFER BOWERS** - Director

Elected: 2018  
Sub-Committees: Member, Governance Committee (to 28 January 2020); Chairperson Governance Committee (from 29 January 2020)  
Occupation: CEO and Managing Director, Rural and Remote Mental Health Ltd (to 24 January 2020); Delegate, Rural and Remote Mental Health Ltd  
Qualifications: BSc(Hons), PhD, FAICD

**MR JEREMY COGGIN** - Director

Elected: 2018  
Sub-Committees: Member, Finance, Audit and Risk Management Committee  
Occupation: President, Mental Health Carers Australia; Director, Mind Australia  
Qualifications: Exec MBA, BSc (Architecture), BSc (Computing), GAICD

**MS ROBYN HUNTER** - Director

Elected: 2019  
Sub-Committees: Member, Finance, Audit and Risk Management Committee  
Occupation: Former CEO, Mind Australia  
Qualifications: BAppSc (Physiotherapy); MBA; GAICD

**DR KYM JENKINS** - Director

Elected: 2018  
Sub-Committees: Member, Governance Committee  
Occupation: Consultant Psychiatrist; Immediate Past President, Royal Australian and New Zealand College of Psychiatrists (RANZCP); Chair, Council of Presidents of Medical Colleges; Chair, Migrant and Refugee Health Partnership; Member, Mental Health Australia National Multicultural Mental Health Project Stakeholder Group; Member, Australian Medical Council; Chair, Support for Rural Specialists Australia  
Qualifications: MB.ChB; FRANZCP; MPM; MEd; GAICD

**MS JANNE McMAHON OAM** - Director

Elected: 2017  
Sub-Committees: Member, Governance Committee  
Occupation: Director, Board Chair and CEO, Lived Experience Australia; Community Member, SA Health Practitioners Tribunal; Member, Australian Private Hospitals Association Mental Health Committee; Member, Australian Private Psychiatric Hospitals Data Reporting and Analysis Service; Consumer Member, Mental Health Expert Advisory Group, MHDAPC; Project Manager, Carer Guide Website Project; Project Manager, Borderline Personality Disorder SA Website Project  
Qualifications: Consumer advocate



### **MR MARK ORR AM - Director**

**Elected:** 2020 (casual vacancy)  
**Occupation:** CEO, Flourish Australia; Director, Australian Federation of AIDS Organisations Ltd; Director, Mental Health Coordinating Council Ltd; Independent Member, ACON Health Ltd Board Finance and Audit Committee; Chair, ACON Health Ltd Pride in Health and Wellbeing Advisory Group; Member, Steering Committee, SANE Australia National Stigma Report Card Project  
**Qualifications:** BSc (Hons), M Hlth Serv Mgt, M e-Hlth (HI), Grad Dip Spec Ed, Grad Dip App Corp Gov, Grad Cert App Fin and Invest, GAICD, FGIA, FCIS, Registered Psychologist

### **MR ASHLEY DE SILVA - Director**

**Elected:** 2019  
**Sub-Committees:** Member, Finance, Audit and Risk Management Committee (from 21 May 2020)  
**Occupation:** CEO, ReachOut Australia; Member, Advisory Committee to the Fifth Independent Evaluation of Beyond Blue  
**Qualifications:** MBA (Executive); BBus (Mkt); BBus (Mgt)

### **MS CARMEL TEBBUTT - Director**

**Appointed:** 2019  
**Sub-Committees:** Member, Governance Committee (from 29 January 2020)  
**Occupation:** CEO, Mental Health Coordinating Council; Member, Community Mental Health Australia; Independent Board Director, Media Super Trustee Board; Board Director, Woolcock Institute of Medical Research  
**Qualifications:** BEc, GAICD

## COMPANY SECRETARY

### **MS MELANIE CANTWELL**

**Appointed:** 2013  
**Occupation:** Deputy CEO & Company Secretary, Mental Health Australia Limited  
**Qualifications:** BSc (Psych); GDip App Psych; GAICD; GDip Applied Corporate Governance (Chartered Secretary)

## FARM COMMITTEE EXTERNAL MEMBERS

Mental Health Australia would like to acknowledge the pro-bono contributions of the external members of the FARM Committee.

### **MR DEAN BOLAND**

**Appointed:** 2019  
**Sub-Committees:** Finance, Audit and Risk Management Committee  
**Occupation:** Principal, Deloitte (Audit and Assurance)  
**Qualifications:** BCom (Accounting & Commercial Law); Member of Chartered Accountants Australia and New Zealand (CA ANZ)

### **MR KEN MAXWELL**

**Appointed:** 2019  
**Sub-Committees:** Finance, Audit and Risk Management Committee  
**Occupation:** Partner EY; ACT Selections Committee Member, General Sir John Monash Foundation Scholarships  
**Qualifications:** MNucSci; MBA (Executive), AGSM; BEHons (Aeronautical); Dip Government (Management); Dip Bus (Frontline Management)



## DIRECTORS' MEETINGS 2019-20

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 is as follows:

	Board Meetings		Finance, Audit and Risk Management (FARM) Committee		Governance Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Ms Jennifer Westacott	1	1	-	-	-	-
Ms Robyn Kruk	10	10	-	-	1	1
Dr Jennifer Bowers	10	10	-	-	4	4
Mr Jeremy Coggin	10	10	6	5	-	-
Ms Georgina Harman	10	9	6	6	-	-
Ms Robyn Hunter	7	7	5	5	-	-
Dr Kym Jenkins	10	9	-	-	4	4
Ms Janne McMahon	10	8	-	-	4	4
Mr Mark Orr	2	2	-	-	-	-
Mr Ashley de Silva	7	7	2	2	-	-
Ms Carmel Tebbutt	10	9	-	-	3	2
<b>FARM Committee External Members</b>						
Mr Dean Boland	-	-	6	6	-	-
Mr Ken Maxwell	-	-	6	6	-	-



## MENTAL HEALTH AUSTRALIA'S VISION AND MISSION

**Vision:** Mentally healthy people, mentally healthy communities

**Mission:** To create the best mental health system in the world, characterised by:

- Full and meaningful participation by consumers and carers
- Priority given to mental health promotion, prevention and early intervention
- Recovery orientation
- Seamless integration and coordination of policies, services and programs
- Accessibility, effectiveness and efficiency.

## MENTAL HEALTH AUSTRALIA'S OBJECTIVES

As the peak body for mental health in Australia, Mental Health Australia has a proven track record of providing value for Members, advocating for and informing governments on mental health policy, and looking at all aspects of mental health through the lens of consumer and carer needs.

To deliver on our Vision and Mission the core focus areas have been identified:

- *Consumer and Carer Co-design* - designing the best mental health system in the world
- *Engage* - enable the mental health sector to unite and speak with one voice
- *Advocate* - ensure governments, services and programs are effective and efficient
- *Responsive* - maintain the flexibility and resource capacity to deliver on new key projects and policy initiatives
- *Monitor* - promote targets, indicators, and analyse reform and system performance
- *Aspire* - foster a healthy and financially stable Mental Health Australia.

## PRINCIPAL ACTIVITIES

The principal activity of Mental Health Australia Limited during the financial year was to promote and advocate for the mental health sector.

Specific activities Mental Health Australia Limited undertook to deliver against its short and long term mental health advocacy and promotion objectives included:

- Policy submissions – throughout the 2019-20 financial year a number of key submissions were prepared covering a range of national mental health issues, including:
  - Mental Health Australia's second submission to the Productivity Commission Inquiry into Mental Health: Global Evidence Review
  - Mental Health Australia's third submission to the Productivity Commission Inquiry into Mental Health: Intergovernmental Arrangements
  - Submission to the Royal Commission into Aged Care Quality and Safety
  - Submission to the Senate Inquiry into the Adequacy of Newstart
  - Submission to the Senate Inquiry into Centrelink's compliance program (Robodebt)
  - Submission to Religious Freedom Bills
  - Submission with Community Mental Health Australia and Mental Illness Fellowship of Australia to the Review of the NDIS Act and the New NDIS Participant Service Guarantee
  - Submission to the Productivity Commission Inquiry into Mental Health Draft Report
  - Submission to the second exposure drafts of the Religious Discrimination Bills
  - Submission to the consultation on the National Centre for the Prevention of Child Sexual Abuse
  - Pre-Budget Submission 2020-21



- Issues Paper for National Mental Health Commission on the Mental Health Response Plan for COVID-19
- Submission to Senate Finance and Public Administration References Committee Inquiry into lessons to be learned in relation to the Australian bushfire season 2019-2020
- Response to Department of Health Adult Mental Health Centres consultation.

In addition to the direct submissions to the Productivity Commission into Mental Health, Mental Health Australia also developed *Charter 2020: Time to Fix Mental Health* in consultation and agreement with more than 110 organisations from the mental health, suicide prevention and broader health sector. Charter 2020 was launched at Parliament House in August 2019 and used as lens through which to provide further feedback to the Productivity Commission on its Draft Report. Mental Health Australia hosted a webinar on the day the Draft Report was released with Productivity Commissioner Dr Stephen King for more than 100 stakeholder to discuss the report and next steps including further consultation with the sector and consumer and carers in particular.

- Mental Health Australia released a Statement on Cultural Diversity and Respect in June 2020 in response to the global focus on racism and discrimination and as part of broader equity, diversity and inclusion commitments undertaken by the newly established Equity, Diversity and Inclusion Committee in late 2019. Further activities of this Committee included:
  - acknowledging events of significance to diverse communities, including International Women's Day, Harmony Day, Trans Day of Visibility, International Day Against Homophobia, Biphobia, Interphobia & Transphobia (IDAHOBIT) and Reconciliation Week
  - virtual cultural education and training programs were provided to employees to continue building their capabilities and skill
  - a new equity, diversity and inclusion page was published on Mental Health Australia's website
  - further progress was made to embed flexible work arrangements to support workforce diversity
  - continuing our strong focus on the promotion and management of mental health and psychological wellbeing, recognising psychological safety underpins an inclusive culture.
- The 2019 World Mental Health Day (WMHD) campaign was a huge success and for the third year in a row used the theme "Do You See What I See?" to shed a positive light on mental health, reduce stigma and foster connectivity. To build on the success of the 2018 WMHD campaign, and to leverage the well-established following for enhanced engagement in 2019, this year's campaign aimed to challenge negative perceptions and encourage a positive view of mental health by again asking people to make an individual #MentalHealthPromise as well as engage in workplace specific activity and mental health promises. The 2019 WMHD campaign received unprecedented support from businesses, community groups, charitable organisations, prominent Australians and the general public including:
  - a record number of individual mental health promises
  - a record number of partnerships
  - more than 1000 organisations and businesses engaged
  - an official Guinness World Record™ in Townsville, Queensland on World Mental Health Day. The record for the most people wearing high-visibility vests was organised to help make mental health visible.
- The Embrace Multicultural Mental Health Project, including the new website, was officially launched at an event in Melbourne in August 2019, and since then has continued to develop stakeholder relations and connections throughout Australia. The team conducted a series of face-to-face workshops in each state and territory exploring the Framework for Mental Health in Multicultural Australia. During the COVID-19 pandemic, all activities went online and the Embrace team held



regular webinars exploring each module of the Framework. The team continued to develop a social media presence throughout 2019 and 2020.

- The Grace Groom Memorial Oration was delivered in November 2019 by Productivity Commissioner Dr Stephen King to over 120 guests at the National Press Club. The Grace Groom Memorial Scholarship was awarded to ANU postgraduate students Ms Mary Anne Furst and Ms Sally Carter to undertake research in mental health.
- The November 2019 Members Policy Forum at Parliament House was extremely well attended with guest speakers including Shadow Minister for Mental Health The Hon Chris Bowen MP, Assistant Shadow Minister for Mental Health Emma McBride, and CEO of the National Mental Health Commission Christine Morgan. The forum was also an opportunity for further consultation on our response to the Productivity Commission Draft Report.
- Our March 2020 Members Policy Forum was well-attended with over 90 organisations represented. Since COVID-19, a series of Mini Members Policy Forums have been held monthly via video conference with various guest presenters including:
  - Dr Gerry Naughtin, National Disability Insurance Agency, *National Disability Insurance Scheme announcements following COVID-19 pandemic*
  - Professor Alan Rosen, University of Sydney, *Call for nationally consistent mental health response to COVID-19 pandemic*
  - Ms Christine Morgan - CEO, National Mental Health Commission & National Suicide Prevention Adviser to the Prime Minister, *Preparation for the National Mental Health and Wellbeing Pandemic Response Plan*
  - Mr Mohammad Al-Khafaji, CEO, Federation of Ethnic Communities' Councils of Australia, *Mental health and racism.*
- Regular media and communications activities continued to engage stakeholders, with distribution of more than 50 CEO Update e-newsletters to more than 4,600 people weekly. A key piece of regular and informative content for members, stakeholders and individuals in the sector, the CEO Update is augmented by regular content delivered on social media – Twitter, Facebook, YouTube and Instagram – to a combined potential audience of more than 65,000.

## STRATEGIC PLAN

The directors of Mental Health Australia have commenced a new strategic planning process for 2021-24 given the existing Strategic Plan concludes in the 2020 calendar year.

The program under consideration sits within the contracted deliverables and objects of the company, and extends these to focus efforts in four key areas of activity:

1. developing the voice of people with lived experience for greater impact in policy development and reform
2. expanding policy and advocacy targets inclusive of the social determinants of mental ill health
3. building the capability of Members, particularly following the disruptive effects of the pandemic
4. driving internal organisational continuous improvement activities.

The directors will finalise the framework for the new Strategic Plan, and then it will be tested through consultation with Members and key stakeholders, to ensure engagement and support for the direction of the organisation in order to capably and comprehensively fulfil its objects.



## REVIEW AND RESULTS OF OPERATIONS

The company's operations for the year resulted in a surplus of \$186,403. For context, 2019 saw a surplus of \$439,769.

Mental Health Australia has a core funding contract 1 July 2019 to 30 June 2022 with the Australian Government Department of Health under its Health Peak and Advisory Bodies Program. Additional core grant funds were received from the Department for 2019-2020 to support our work on improving linkages, networks and cooperation with members, consumers and carers, the health sector, the wider community, and the Australian Government.

## STATE OF AFFAIRS

The Directors note the health, social and economic impacts of the global COVID-19 pandemic continue to be felt in Australia and internationally. As with most entities currently, the impacts of these factors on the operations of the company remain uncertain and cannot be quantified at this time. The company has taken reasonable steps to manage its response and consider appropriate methods to meet its contracted deliverables and its vision and mission, protect revenue, manage risk, and contain costs.

The company continues to make fiscally responsible decisions and retain an appropriate level of cash reserves as a necessary and prudent response.

In the opinion of the directors there was no significant change in the state of affairs of the company during the financial year under review. The company continues to operate in an effective and efficient manner.

## EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There are no items, transaction or events of a material and unusual nature likely, in the opinion of the Directors, has arisen to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company, in future financial years.

## ENVIRONMENTAL LEGISLATION

The company is not subject to any particular or significant environmental regulation under a law of the Commonwealth or of any state or territory in Australia.

## NON-AUDIT SERVICES

The Board of directors, in accordance with advice from the Finance, Audit & Risk Management Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Australian Charities and Not-for-profits Commission Act 2012*.

The directors are satisfied the services did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed by the Finance, Audit & Risk Management Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.



Fees paid to the external auditors for non-audit services during the year ending 2020 were \$3,500 (ex GST) for the review of grant contracts against the new Accounting Standards that came into effect across the financial year.

#### INDEMNIFICATION AND INSURANCE OF OFFICERS

During or since the end of the previous financial year the company has paid insurance premiums of \$5,990 in respect of officers' professional indemnity insurance, for current and former officers, including executive officers of the company, and directors.

The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The premiums were paid in respect of the following officers of the Company: Dr Jennifer Bowers, Director; Ms Melanie Cantwell, Company Secretary; Mr Jeremy Coggin, Director; Ms Georgina Harman, Director; Ms Robyn Hunter, Director; Dr Kym Jenkins, Director; Ms Robyn Kruk, Director; Ms Janne McMahon, Director; Mr Mark Orr, Director; Mr Ashley de Silva, Director; Ms Carmel Tebbutt, Director; and Ms Jennifer Westacott, Director.

#### RELATED PARTY INTERESTS

As noted in the previous financial year's Directors' Report, there was a material contract entered into with a number of Member entities (the *Optimising Psychosocial Supports* project), one of which entities was the nominating Member for a Mental Health Australia director. This contract was entered into at arm's length and Board meeting minutes reflect the abstention/ absence (where appropriate) of that director for items pertaining to the contract. The Board's conflict of interest register carried this disclosure for each relevant Board and Board Committee meeting during this period. The value of that Member's contribution to the project contract was \$100,000 (ex GST) in total, across the two financial years.

In June 2020, Mental Health Australia signed a service agreement with the National Disability Insurance Agency (NDIA) for the implementation of the National Community Connectors Program. With the Interim Chair holding a longstanding directorship with the NDIA, the contract was entered into at arm's length with the Interim Deputy Chair and Company Secretary executing the agreement. Board meeting minutes reflect abstention/ absence (where appropriate) of the Interim Chair for items pertaining to the Community Connectors Program. The Board's conflict of interest register carries this disclosure for each relevant Board and Board Committee meeting during the life of the service agreement.

The Chair and the directors nominated by a Consumer Member and a Carer Member may receive an annual honorarium. The amount of any honorarium is to be determined by the Board every year. The Board uses rates set by the Australian Government Remuneration Tribunal to guide its decision making. In 2019-20, the annual amounts determined by the Board were \$8,000 per annum (Chair) and \$5,000 per annum (directors nominated by a Consumer Member and a Carer Member).

#### PROCEEDINGS ON BEHALF OF THE COMPANY

As outlined in last year's Directors' Report, Mental Health Australia sought judicial review of a decision made by the ACT Long Service Leave Authority (the Authority) regarding whether Mental Health Australia was required to be registered under the *Long Service Leave (Portable Schemes) Act 2009* (ACT) (the Act).



The Act provides a legislative scheme which enables employees in the community sector industry to transfer, and thus retain, their long service leave entitlements when they move to another employer in the same industry. Mental Health Australia had received conflicting advice from the Authority since the commencement of the Scheme in July 2010 and was seeking clarification as to its employer obligations. The matter was heard in the Supreme Court of the Australian Capital Territory on 16 May 2019 (*Mental Health Australia Ltd v Registrar, ACT Long Service Leave Authority*).

On 19 July 2019, Justice Verity McWilliam handed down her ruling in favour of Mental Health Australia on all matters, most materially:

- Mental Health Australia was denied procedural fairness in relation to the Authority's decision-making processes.
- The Authority had misconstrued the Act and Mental Health Australia did not fall within the definition of an employer for the community sector industry within the meaning of the Act.

On 19 September 2019, the ACT Government Solicitor confirmed the refund of contributions Mental Health Australia had paid into the Long Service Leave Scheme. This was in addition to the refund of legal costs awarded by the Court.

#### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 11 of the financial report.

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



Ms Robyn Kruk, Director



Ms Georgina Harman, Director

Dated: 19 November 2020





**RSM Australia Partners**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Mental Health Australia Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM Australia Partners

Ged Stenhouse  
**Partner**

Canberra, Australian Capital Territory  
Dated: 25 November 2020

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**General information**

The financial statements cover Mental Health Australia Limited as an individual entity. The financial statements are presented in Australian dollars, which is Mental Health Australia Limited's functional and presentation currency.

Mental Health Australia Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 19 November 2020. The Directors have the power to amend and reissue the financial statements.



**Mental Health Australia Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2020**

	Note	2020	2019
	2	\$	\$
<b>Revenue</b>		<b>4,119,332</b>	<b>4,276,977</b>
<b>Expenses</b>			
Travel		(118,127)	(106,762)
Other expenditure		(93,255)	(128,209)
Meeting costs		(135,151)	(178,614)
Sitting fees		(21,880)	(95,665)
Marketing and fundraising		(91,152)	(127,970)
Employee costs		(2,183,757)	(2,115,056)
Office and administration costs		(334,309)	(497,109)
Consultancy and accounting expenditure		(651,729)	(475,060)
Depreciation		(37,770)	(112,763)
Depreciation – right-of-use asset		(234,588)	-
Interest – lease liability		(31,211)	-
		<u>(3,932,929)</u>	<u>(3,837,208)</u>
<b>Total comprehensive surplus/(loss) income for the year</b>		<b><u>186,403</u></b>	<b><u>439,769</u></b>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*



**Mental Health Australia Ltd**  
**Statement of financial position**  
**As at 30 June 2020**

		2020	2019
		\$	\$
<b>Assets</b>	<b>Note</b>		
<b>Current assets</b>			
Cash and cash equivalents	3	2,449,583	1,959,110
Trade and other receivables	4	158,957	159,462
Other financial assets	5	2,062,060	2,061,387
Other assets	6	83,134	51,947
Total current assets		<u>4,753,734</u>	<u>4,231,906</u>
<b>Non-current assets</b>			
Property, plant and equipment	7(a)	23,298	42,683
Right-of-use asset	7(b)	469,177	-
Total non-current assets		<u>492,475</u>	<u>42,683</u>
<b>Total assets</b>		<u><b>5,246,209</b></u>	<u><b>4,274,589</b></u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	8	303,157	357,729
Contract liabilities	1	1,775,319	1,391,445
Current tax liabilities	9	100,603	1,551
Provisions	10	243,271	245,835
Lease Liability	13	228,070	-
Total current liabilities		<u>2,650,420</u>	<u>1,996,560</u>
<b>Non-current liabilities</b>			
Provisions	10	29,001	145,449
Lease Liability	13	247,805	-
Total non-current liabilities		<u>276,806</u>	<u>145,449</u>
<b>Total liabilities</b>		<u><b>2,927,226</b></u>	<u><b>2,142,009</b></u>
<b>Net assets</b>		<u><b>2,318,983</b></u>	<u><b>2,132,580</b></u>
<b>Equity</b>			
Retained earnings		<u>2,318,983</u>	<u>2,132,580</u>
<b>Total equity</b>		<u><b>2,318,983</b></u>	<u><b>2,132,580</b></u>

*The above statement of financial position should be read in conjunction with the accompanying notes*



**Mental Health Australia Ltd**  
**Statement of changes in equity**  
**For the year ended 30 June 2020**

	<b>Retained earnings</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>
Balance at 1 July 2018	1,692,811	1,692,811
Surplus attributable to members of the entity	439,769	439,769
Balance at 30 June 2019	<b>2,132,580</b>	<b>2,132,580</b>
Balance at 1 July 2019	2,132,580	2,132,580
Surplus attributable to members of the entity	186,403	186,403
Balance at 30 June 2020	<b>2,318,983</b>	<b>2,318,983</b>

**Mental Health Australia Ltd**  
**Statement of cash flows**  
**For the year ended 30 June 2020**

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		4,837,821	4,526,306
Payments to suppliers and employees		(4,143,598)	(3,929,832)
Interest received		55,389	76,410
Interest paid on lease liability		(31,212)	-
Net cash provided by operating activities		<u>718,400</u>	<u>672,884</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(18,386)	(79,402)
Payments for investments		-	(1,000,000)
Net cash (used in) investing activities		<u>(18,386)</u>	<u>(1,079,402)</u>
<b>Cash flows from financing activities</b>			
Lease liability paid		(209,542)	-
Net cash (used in) financing activities		<u>(209,542)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents		490,473	(406,518)
Cash and cash equivalents at the beginning of the financial year		1,959,110	2,365,628
Cash and cash equivalents at the end of the financial year	<b>3</b>	<u><b>2,449,583</b></u>	<u><b>1,959,110</b></u>

*The above statement should be read in conjunction with the accompanying notes*



### **Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **New or amended Accounting Standards and Interpretations adopted**

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The following Accounting Standards and Interpretations are most relevant to the entity:

#### **AASB 16 Leases**

The company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets and an interest expense on the recognised lease liabilities. In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. At transition date, there was no impact on the opening balances due to the adoption of this standard.

#### **AASB 15 Revenue from Contracts with Customers**

The company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

#### **AASB 1058 Income of Not-for-Profit Entities**

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liabilities recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

#### **Impact of adoption**

AASB 15, AASB 16 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on adoption.



**Mental Health Australia Ltd**  
**Directors declaration**  
**30 June 2020**

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the AASB, the *Australian Charities and Not-for-profits Commission Act 2012* and associated regulations, as appropriate for not-for-profit oriented entities.

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

**Income Tax**

No provision for income tax has been raised as the company is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

**Goods and Services Tax (GST)**

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

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional statement of financial position as at the beginning of the preceding comparative period, in addition to the minimum comparative financial statements, must be disclosed.

**Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below

*Contract liabilities*

The contract liabilities (previously referred to as unearned revenue) are primarily comprised of amounts paid in advance under various funding agreements. The contracts are all of a similar nature – conditional grants to support the work of the company.

These amounts paid in advance are recognised as revenue as services are provided (as the company fulfils its performance obligations under the funding agreements). Certain amounts may also be repayable to funders in circumstances where it is not spent on relevant activities during the term of the agreement (as per AASB 15).

*Estimation of useful lives of assets*

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Employee benefits provision*

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.



**Mental Health Australia Ltd**  
**Directors declaration**  
**30 June 2020**

	2020	2019
	\$	\$
<b>Note 2. Revenue</b>		
- Operating grants	3,488,078	3,565,532
- Member subscriptions	70,383	59,000
- Donations and sponsorship	16,656	45,217
- Other revenue	388,826	530,818
- Interest received	55,389	76,410
- COVID-19 Australian government support	100,000	-
	<b>4,119,332</b>	<b>4,276,977</b>

**Accounting policy**

**Revenue recognition**

*Grants*

Grant funding that contains specific conditions and enforceable obligations on the use of those funds are recognised as and when the entity satisfies its performance obligations stated within the funding agreements. A contract liability is recognised for unspent grant funds for which a refund obligation exists in relation to the funding period. General grants that do not impose specific performance obligations on the entity are recognised as income when the entity obtains control of those funds, which is usually on receipt.

*Member subscriptions*

Membership subscriptions is recognised of the period of the membership.

*Donations and sponsorship*

Donations and sponsorships are recognised as income when received.

*Other revenue*

Other revenue is recognised when it is received or the right to receive payment is established.

*Interest*

Interest income is recognised when it is probable that the economic benefit will flow to the company and the amount of revenue can be reliably measured. Interest income is accrued on a time basis by reference to the principal and the effective interest rate applicable.

*Government support*

Income from government stimulus is recognised once there is virtual certainty of receipt of funds.

**Note 3. Current assets - cash and cash equivalents**

Cash on hand	200	200
Cash at bank	2,449,383	1,958,910
	<b>2,449,583</b>	<b>1,959,110</b>

**Accounting policy**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.



**Mental Health Australia Ltd**  
**Directors declaration**  
**30 June 2020**

	2020	2019
	\$	\$
<b>Note 4. Current assets - trade and other receivables</b>		
Trade receivables	98,812	145,420
Accrued income	10,145	14,042
Other receivables	50,000	-
	<u>158,957</u>	<u>159,462</u>

**Accounting policy**

Accounts receivable and other debtors, which generally have 30 day terms are recognised and carried at original invoice amount less any expected credit losses. Collectability of these balances is reviewed on an ongoing basis and individual debts that are likely to be uncollectable are written off when identified.

**Note 5. Current assets – other financial assets**

Term deposits	<u>2,062,060</u>	<u>2,061,387</u>
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**Note 6. Current assets – other assets**

Prepayments	<u>83,134</u>	<u>51,947</u>
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**Note 7(a). Non-current assets - property, plant and equipment**

Office equipment - at cost	234,926	216,540
Less: Accumulated depreciation	(219,404)	(202,047)
	<u>15,522</u>	<u>14,493</u>
Leasehold improvements - at cost	272,054	292,054
Less: Accumulated depreciation	(264,278)	(263,864)
	<u>7,776</u>	<u>28,190</u>
	<u>23,298</u>	<u>42,683</u>

**Movements in carrying amounts**

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

	Office equipment	Leasehold improvements	Total
Balance at 1 July 2019	14,493	28,190	42,683
Additions	18,386	-	18,386
Depreciation expense	(17,357)	(20,413)	(37,770)
Balance at 30 June 2020	<u>15,522</u>	<u>7,776</u>	<u>23,298</u>

**Accounting policy**

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses. Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred. The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is available for use.



**Mental Health Australia Ltd**  
**Directors declaration**  
**30 June 2020**

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

Leasehold improvements	7.5%
Office equipment	20% - 33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

**Impairment of non-financial assets**

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss. Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**2020**                      **2019**  
**\$**                                      **\$**

**Note 7(b). Right-of-use asset**

Right of use asset is the Company's non-cancellable property lease of Mental Health Australia Limited's office

**AASB 16 related amounts recognised in the statement of financial position:**

Right-of-use asset - leased premises	703,765	-
Accumulated depreciation	(234,588)	-
<b>Total right-of-use asset</b>	<b>469,177</b>	<b>-</b>

**AASB 16 related amounts recognised in the statement of profit and loss:**

Depreciation charge relating to right-of-use asset	234,588	-
Interest expenses on lease liabilities	31,211	-
<b>Total</b>	<b>265,799</b>	<b>-</b>

**Accounting policy**

At inception of a contract, the entity assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the entity the right to control the use of an identified asset over a period of time in return for consideration. Where a contract or arrangement contains a lease, the entity recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of the future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

**2020**                      **2019**  
**\$**                                      **\$**

**Note 8. Current liabilities - trade and other payables**

Trade payables	157,851	281,770
Accrued expenses	145,306	75,949
	<b>303,157</b>	<b>357,719</b>



**Mental Health Australia Ltd**  
**Directors declaration**  
**30 June 2020**

**Accounting policy**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. All payables are recognised including GST.

	2020 \$	2019 \$
<b>Note 9. Current liabilities - tax</b>		
PAYG	30,574	27,866
GST payable/(receivable)	71,251	(26,450)
ABN withholding payable/(receivable)	(1,222)	135
	<u>100,603</u>	<u>1,551</u>
<b>Note 10. Provisions</b>		
Current		
Annual leave entitlements	133,364	153,686
Long service leave entitlements	109,907	92,149
	<u>243,271</u>	<u>245,835</u>
Non-Current		
Long service leave entitlements	10,104	125,449
Provision for make good (office lease)	18,897	20,000
	<u>29,001</u>	<u>145,449</u>

**Note 11. Key management personnel disclosures**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any Director is considered key management personnel.

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

Aggregate compensation	<u>883,738</u>	<u>777,051</u>
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**Note 12. Contingent liabilities**

The company has no contingent liabilities as at 30 June 2019 and 30 June 2020.

	2020 \$	2019 \$
<b>Note 13. Commitments</b>		
<b>Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not recognised in the financial statements:		
Payable - minimum lease payments:		
not later than 12 months	-	219,204
between 12 months and 5 years	-	458,334
	<u>-</u>	<u>677,538</u>

Operating lease commitments are now accounted for as a right-of-use asset and lease liability on the balance sheet due to the adoption of AASB 16.



### Lease Income Commitments

Non-cancellable operating income leases contracted for but not recognised in the financial statements:

Receivables - minimum lease receipts:

not later than 12 months	151,959	259,251
between 12 months and 5 years	156,518	498,796
	<u>308,477</u>	<u>758,047</u>

### Accounting Policy

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised by recording an asset and a liability equal to the present value of the minimum lease payments including any guaranteed residual values. Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

	2020	2019
	\$	\$
Lease liability - current	228,070	-
Lease liability - non-current	247,805	-
	<u>475,875</u>	<u>-</u>

### Accounting policy

#### Leases

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 organisation has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use
- The organisation 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 organisation 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 organisation 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 indicators 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 organisation'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 organisation has elected to apply the exceptions to lease accounting for leases of low-value assets. For these leases, the organisation recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.



**Mental Health Australia Ltd**  
**Directors declaration**  
**30 June 2020**

**Note 14. Related party transactions**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 11.

*Transactions with related parties*

As noted in the previous financial year's Directors' Report, there was a material contract entered into with a number of Member entities (the *Optimising Psychosocial Supports* project), one of which entities was the nominating Member for a Mental Health Australia director. This contract was entered into at arm's length and Board meeting minutes reflect the abstention/ absence (where appropriate) of that director for items pertaining to the contract. The Board's conflict of interest register carried this disclosure for each relevant Board and Board Committee meeting during this period. The value of that Member's contribution to the project contract was \$100,000 (ex GST) in total, across the two financial years.

In June 2020, Mental Health Australia signed a service agreement with the National Disability Insurance Agency (NDIA) for the implementation of the National Community Connectors Program. With the Interim Chair holding a longstanding directorship with the NDIA, the contract was entered into at arm's length with the Interim Deputy Chair and Company Secretary executing the agreement. Board meeting minutes reflect abstention/ absence (where appropriate) of the Interim Chair for items pertaining to the Community Connectors Program. The Board's conflict of interest register carries this disclosure for each relevant Board and Board Committee meeting during the life of the service agreement. The Chair and the directors nominated by a Consumer Member and a Carer Member may receive an annual honorarium. The amount of any honorarium is to be determined by the Board every year.

The Board uses rates set by the Australian Government Remuneration Tribunal to guide its decision making. In 2019-20, the annual amounts determined by the Board were \$8,000 per annum (Chair) and \$5,000 per annum (directors nominated by a Consumer Member and a Carer Member).

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

**Note 15. Economic dependency**

The company receives significant financial support from the Department of Health in the form of grant funding. The core funding contract with the Department of Health for the year ending 30 June 2020 commenced on 1 July 2019 and expires on 30 June 2022.

**Note 16. Significant events and events after the reporting period**

**Significant events**

The Directors note the health, social and economic impacts of the global COVID-19 pandemic continue to be felt in Australia and internationally. As with most entities currently, the impacts of these factors on the operations of the company remain uncertain and cannot be quantified at this time. The company has taken reasonable steps to manage its response and consider appropriate methods to meet its contracted deliverables and its vision and mission, protect revenue, manage risk, and contain costs.

The company continues to make fiscally responsible decisions and retain an appropriate level of cash reserves as a necessary and prudent response.

In the opinion of the directors there was no significant change in the state of affairs of the company during the financial year under review. The company continues to operate in an effective and efficient manner.

**Events subsequent to the reporting date**

There are no items, transaction or events of a material and unusual nature likely, in the opinion of the Directors, has arisen to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company, in future financial years.



**Mental Health Australia Ltd**  
**Directors declaration**  
**30 June 2020**

**Note 17. Members' Guarantee**

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations to the entity. At 30 June 2020, the number of members was 124.

**Note 18. Company Details**

The registered office of the Company is:  
Mental Health Australia Ltd  
ALIA House, Level 1 9-11 Napier Close  
Deakin ACT 2600

The principal place of business is:  
Mental Health Australia Ltd  
ALIA House, Level 1 9-11 Napier Close  
Deakin ACT 2600

In the Directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Act 2012* other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors.

On behalf of the Directors



Ms Robyn Kruk, Director



Ms Georgina Harman, Director

Dated: 19 November 2020



## INDEPENDENT AUDITOR'S REPORT To the Members of Mental Health Australia Limited

### Opinion

We have audited the financial report of Mental Health Australia Limited, which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

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

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards- Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Mental Health Australia Limited in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in Mental Health Australia Limited's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Report**

The Directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards- Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012 (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 Mental Health Australia Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Mental Health Australia Limited 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

A handwritten signature in black ink that reads 'RSM'.

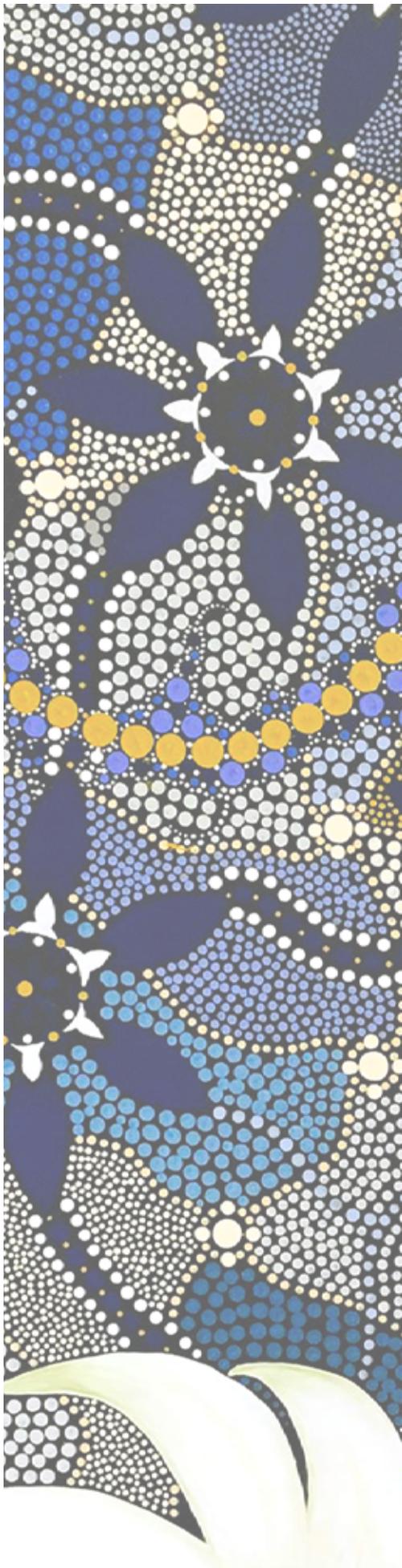
**RSM Australia Partners**

A handwritten signature in black ink that reads 'G Stenhouse'.

**Ged Stenhouse**  
Partner

Canberra, Australian Capital Territory  
Dated: 25 November 2020





Mental Health Australia acknowledges Aboriginal and Torres Strait Islander peoples and communities as the traditional custodians of the land we work on and pay our respects to elders past, present and emerging. Mental Health Australia is committed to reconciliation in Australia through day-to-day work and our Reflect Reconciliation Action Plan (RAP).



As an inclusive organisation we also celebrate people of all backgrounds, genders, sexualities, cultures, bodies and abilities.



Mental Health Australia also acknowledges the work of mental health consumers, carers and advocates, and pays respect to mental health leaders both past and present, working towards our vision of mentally healthy people, and mentally healthy communities.





**Mental Health  
Australia**