

# THE ORDER OF AUSTRALIA ASSOCIATION LIMITED

## TREASURER'S REPORT TO MEMBERS 2021

On behalf of the directors of The Order of Australia Association Limited I report on the outcome of the financial year ended 31<sup>st</sup> December, 2020 and formally note that Mr Tony Bandle of Bandle McAneny & Co association auditors present at the Annual General Meeting.

The underlying surplus for the year was \$94,366 after taking into account state branches and their regions.

The Association has a policy of reinvesting interest and dividend earnings; during the year the share market was volatile; dividend returns are reduced with signs of improvements as the economy recovers. Major portfolio value losses during the year recovered substantially by the end of the financial year resulting in an increase in the value of our investments of \$64,839 thus increasing our net surplus to \$159,205. COVID-19 impacted values over the period; However, the portfolio had recovered by 31<sup>st</sup> December, 2020 to a healthy balance of \$1,560,824.

Prepaid subscriptions for three year and lifetime memberships are in the appropriate reserve accounts.

The lifetime membership reserve is invested principally in listed securities with a minor amount in interest bearing at call investments. An annual actuarial study is carried out on the lifetime member reserve holdings to establish the amount to be brought in as income for that membership year. As lifetime membership is for the term of that member's life only portion of that income can be used each year. The assessment is similar to that carried out for pensions and superannuation.

Please display chart No 1 – This graphic displays the impact on branch income that has been suffered due to the impact of COVID 19. By referring to Note 21 on pages 28 and 29 of the published annual accounts the income over the past two years for both National and the branches is detailed.

Please display chart No 2 - Membership fees remain unchanged at \$77 per annum, three year memberships \$200 and lifetime members \$1,115 (GST inclusive rates)

At year end we had 8,211 members

### Membership income for 2020 was:

<b>Annual membership fees at \$70 excl GST</b>	<b>163,753</b>
<b>Three year memberships at \$60.60 excl GST</b>	<b>69,684</b>
<b>Life member 2020 actuarial drawdown</b>	<b>85,000</b>
<b>Investment income</b>	<b>73,444</b>
<b>Membership income after GST totals</b>	<b>391,881</b>

*Or expressed per member \$47.72*

**Please display chart No 3**

<b>Significant expenditure on member services were:</b>	
<b>Audit &amp; Other Services</b>	<b>15,000</b>
<b>Bank/Merchant Fees</b>	<b>4,126</b>
<b>Bookkeeping</b>	<b>28,384</b>
<b>Branch Support Grants (BAG)</b>	<b>51,028</b>
<b>Insurance</b>	<b>4,400</b>
<b>IT and Website</b>	<b>14,724</b>
<b>Magazine and magazine Postage</b>	<b>66,324</b>
<b>Member database after Jobkeeper</b>	<b>46,766</b>
<b>NT Conference cancellation</b>	<b>11,975</b>
<b>Photocopying, printing, postage, office costs</b>	<b>18,598</b>
<b>Rent</b>	<b>10,771</b>
<b>Telephone</b>	<b>1,977</b>
<b>Member services total cost</b>	<b>274,073</b>

*Or expressed per member \$33.38*

The remaining member fee income of \$14.34 goes towards scholarships and indirect member administrative costs including board, AGM and other meetings.

In addition to Jobkeeper the association received government stimulus payments of which the bulk were distributed to the branches to assist with their member activities.

Due to COVID-19 investment income was greatly reduced and measures were taken to reduce costs where appropriate. Board and general meetings were held virtually for most of the year and this culminated in a substantial saving to the association.

My appreciation is extended to the branch treasurers who committed themselves to the use of Xero across the organisation. This assisted greatly with the production of monthly, quarterly, annual consolidation and the annual audit.

Commerce Management Services until October, 2020 and Eighty20 Accounts Pty Ltd from October 2020 provided assistance in maintaining the Xero package for the association and we extend our appreciation to the management and staff of both corporations.

**The Way forward...**

Slowly the economy is opening up and our branches are at long last able in some states, if not all, to again hold member activities and this is gradually becoming apparent in the monthly branch figures. With the advent of vaccines and the improvements in our economy the future feels more confident and enthusiastic.

**Muriel Barasso OAM**

**National Treasurer**