THE AUSTRALIA AND NEW ZEALAND SCHOOL OF GOVERNMENT LIMITED AND ITS CONTROLLED ENTITY

ACN 102 908 118

CONSOLIDATED GENERAL PURPOSE FINANCIAL REPORT

31 DECEMBER 2021

Index to the consolidated financial statements

Directors' Report

The directors present their report together with the consolidated financial report of The Australia and New Zealand School of Government Limited ("the Company") and its controlled entity (together referred to as "the consolidated entity"), for the 18-month period ended 31 December 2021 and the auditors' report thereon.

Information about the directors

The names and particulars of the directors of the company during or since the end of the 18 month period ended 31 December 2021 are:

Name and Qualifications	Experience and Special Responsibilities
Ms Robyn Caroline Kruk AO BSc (Psych) Hons.	Independent Director, NSW: ANZSOG Board Appointed: 14 January 2014 Maximum Term Reached: 18 November 2020
Dame Karen Margaret Sewell DNZM, QSO BA, Dip. of Teaching	Independent Director, NZ: ANZSOG Board Member: Research Committee Appointed: 19 November 2014 Maximum Term Reached: 18 November 2020
Mr Christopher Barcroft Eccles AO BA, LLB	Secretary, Department of Premier and Cabinet, VIC Director: ANZSOG Board (NSW representative until June 2014) Member: Remuneration Committee Appointed: 4 January 2015 Resigned: 21 October 2020
Mr Jeremi Moule BA	Secretary, Department of Premier and Cabinet, VIC Director: ANZSOG Board Appointed: 3 June 2020
Professor Margaret Elaine Gardner AC BEcon (Hons), PhD (Syd), DUniv (Griffith), FASSA, FAICD, FIML	President & Vice-Chancellor, Monash University, VIC Director: ANZSOG Board Member: Foundation and Investment Committee Member: Remuneration Committee Chair/Member: Academic Board Appointed: 13 January 2015
Mr Robert John Setter BEd / BA (Hons)	Chief Executive, Public Service Commission, QLD Director: ANZSOG Board Member: Finance, Audit and Risk Management Committee Member: Remuneration Committee Appointed: 18 December 2015
Professor Girol Karacaoglu PhD (Econ)	Head of School of Government, Victoria University of Wellington, NZ Director: ANZSOG Board Member: Member: Finance, Audit and Risk Management Committee Member: Academic Board Appointed: 3 October 2016 – Resigned 30 June 2022

Directors' Report (cont'd)

Name and Qualifications	Experience and Special Responsibilities
Mr Peter Stanley Hughes CNZM BA, MPA, Post Grad Dip. Business & Administration	Public Service Commissioner, Head of Service – Te Kawa Mataaho Public Service Commission, NZ Chair: ANZSOG Board (until 18 November 2020) Director: ANZSOG Board Appointed: 14 October 2016
Professor Kenneth John Smith AO BSW (Hons), MSW	Dean and CEO ANZSOG, VIC Director: ANZSOG Board Member: Academic Board Appointed: 15 May 2017
Ms Jodie Elizabeth Ryan BB (Accounting); CPA Fellow	Chief Executive Officer, Department of the Chief Minister, NT Director: ANZSOG Board Member: Finance, Audit and Risk Management Committee Member: Foundation and Investment Committee Appointed: 15 June 2017
Professor Deborah Jane Terry AO BA(Hons), PhD ANU, HonLLD Aberd., FASSA	Vice Chancellor and President, University of Queensland, QLD Director: ANZSOG Board Member: Academic Board Appointed: 27 June 2017
Mr Peter Woolcott AO	Australian Public Service Commissioner, Commonwealth Chair: ANZSOG Board (from 18 November 2020). Director: ANZSOG Board Member: Foundation and Investment Committee Appointed: 28 March 2019
Ms Kathrina Lo	NSW Public Service Commissioner, NSW Director: ANZSOG Board Appointed: 1 July 2020
Ms Ann Sherry AO BA, Grad Dip IR, FAICD, FIPAA	Independent Director, NSW: ANZSOG Board Member: Finance, Audit and Risk Management Committee Appointed: 18 November 2020 – Resigned 30 June 2022
Ms Belinda Clark QSO BA, LLB(Hons) University of Auckland, LLM, New York University	Independent Director, NZ: ANZSOG Board Member: Foundation and Investment Committee Appointed: 18 November 2020
Ms Erma Ranieri	Commissioner for Public Sector Employment SA and Chief Executive, Office of the Commissioner for Public Sector Employment, SA Director: ANZSOG Board Appointed: 27 May 2021

Directors' Report (cont'd)

Name and Qualifications	Experience and Special Responsibilities
Ms Jenny Gale Bed; Dip Teach	Head of State Service and Secretary, Department of Premier and Cabinet, TAS Director: ANZSOG Board Appointed: 27 May 2021
Ms Kathy Leigh BA Griffith University, LLB (Hons) ANU, LLM ANU	Head of Service and Director-General | Chief Minister, Treasury and Economic Development Directorate, ACT Government Director: ANZSOG Board Appointed: 27 May 2021
Ms Sharyn O'Neill MEd (Education Administration and Policy)	WA Public Sector Commissioner Director: ANZSOG Board Appointed: 27 May 2021
Ms Mary Wiley-Smith BA	Deputy Australian Public Service Commissioner, Commonwealth Alternative Director: ANZSOG Board Alternative Member: Foundation and Investment Committee Appointed: 17 December 2019 Resigned: 26 August 2021
Mr Patrick Hetherington	Deputy Australian Public Service Commissioner, Commonwealth Alternative Director: ANZSOG Board Alternative Member: Foundation and Investment Committee Appointed: 26 August 2021
Ms Megan Barry	Deputy Commissioner , Public Service Commission, QLD Alternative Director: ANZSOG Board Alternative Member: Finance, Audit and Risk Management Committee Appointed: 7 November 2019
Ms Vicki Telfer PSM MPA, MALP	Commissioner for Public Employment, NT Alternative Director: ANZSOG Board Appointed: 15 April 2021
Mr Toby Hemming LLB, BA (Hons), Grad Dip (Applied Corp Gov), GAICD	Deputy Secretary and General Counsel, Department of Premier and Cabinet, VIC Alternative Director: ANZSOG Board Appointed: 26 August 2021

Directors' Report (cont'd)

Name and Qualifications	Experience and Special Responsibilities
Dr Damian West	Deputy Director, General Workforce Capability and Governance and Workplace Safety and Industrial Relations | Secure Local Jobs Registrar | Chief Minister, Treasury and Economic Development Directorate, ACT Government Alternative Director: ANZSOG Board Appointed: 26 August 2021
Ms Jane Hanna	Director, State Service Management Office, Department of Premier and Cabinet, TAS Alternative Director: ANZSOG Board Appointed: 25 November 2021

Company Secretary
Ms. Radha Sharma was appointed as Company Secretary on 12 August 2020.

The objectives of the Company
ANZSOG is recognised globally as a leading provider of executive-level education for the public sector. ANZSOG was created by government *for* government, with the active collaboration of its member universities. ANZSOG is dedicated to creating value for citizens by:

- Providing world-class education for public sector leaders
- Conducting research and facilitating informed discussion on issues that matter for public sector performance
- Promoting and supporting innovation in the public sector.

At the core of our ethos is a deep and genuine commitment to good public administration, reflecting the aspirations of and our close relationship to our government owners.

Remuneration of key management personnel
Information about the remuneration of key management personnel is set out at note 22. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the consolidated entity.

Principal activities
ANZSOG delivers:

- Post-graduate education incorporating the core disciplines that inform effective public administration.
- Executive education led by distinguished academics from the world's leading education providers and senior officials from among ANZSOG's ten member governments.
- 'Safe' places for high performing senior practitioners to discuss and draw practical learnings from theory, research and case studies, to inform policy debates and service delivery reform.
- Targeted learning environments for senior practitioners across Australia and New Zealand to learn from one another and build lasting professional networks, benefiting governments, communities and citizens.
- Research and Advisory on contemporary public administration matters in collaboration with member governments and universities.

Directors' Report (cont'd)

Performance measurement

The Company measures its performance through continuous evaluation of all aspects of program delivery based on feedback from participants, sponsors, academic staff and other stakeholders and through the underlying growth of its balance sheet.

Review and results of operations

The Company developed and delivered post-graduate and executive courses during the 18-month period ended 31 December 2021 and recognised course and other revenue of $17,520,993 (2020: $11,021,575), grant income totalling $1,503,000 (2020: $1,237,834) and job keeper subsidy income of $1,249,206 (2020: $582,300). In accordance with Australian Accounting Standards, these amounts have been recognised as revenue, which contributed to the consolidated results. The profit for the consolidated entity amounted to $14,695,547 (2020: Loss: $4,483,870).

The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Australian and other Governments as well as the travel and trade restrictions imposed by Australia and other countries in 2021 caused disruption to businesses and economic activity.

COVID-19 has had an impact on the operations of the Group as core operations are located in Australia. Even though the Group continued to operate during periods of restrictions, it was not at our planned or expected capacity levels due to reduced demand for its programs. However, the directors do not consider the impact to likely compromise the ability of the entity to continue operating for the foreseeable future.

Equity

The Company is limited by guarantee. At 31 December 2021 there were 26 members (2020: 25 members) with a limit of liability of $50.00 each. The total amount that members of the Company are liable to contribute if the Company is wound up is $1,300 (2020: $1,250).

Changes in state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the 18 month period ended 31 December 2021.

Subsequent events

Subsequent to the end of the reporting period, the investment market has been volatile and as a consequence, the value of the investment portfolios of the consolidated entity as stated in Note 11 – Other financial assets and in Note 20 – Financial instruments, has declined in market value from $72,325,265 (as at 31 December 2021). The decline in value to 22nd June 2022 is estimated to be approximately 20%.

There have not been any other matters or circumstances occurring subsequent to the end of the financial period that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Future developments

Disclosures of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

Environmental regulation

The consolidated entity's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

Directors' Report (cont'd)

Indemnification and insurance of officers and auditors

Indemnification

The consolidated entity has not indemnified or made any relevant agreement for indemnifying against a liability of any person who is or has been an auditor of any entities included in the consolidated entity.

The Company has agreed to indemnify the current directors for all liabilities to another person that may arise from their position, except where the liability arises out of conduct involving a lack of good faith as directors of the company.

Insurance premiums

The Company has paid insurance premiums of $9,074 (2020: $4,776) in respect of the directors' and officers' liability insurance.

Directors' meetings

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Company during the financial period July 2020– December 2021 are as follows

Director	Board		Committees							
			Foundation & Investment		Finance, Audit & Risk Management		Remuneration		Academic Board	
	A	B	A	B	A	B	A	B	A	B
Ms Robyn Caroline Kruk AO	8	2	-	-	-	-	-	-	-	-
Dame Karen Margaret Sewell DNZM, QSO	8	2	-	-	-	-	-	-	-	-
Mr Christopher Barcroft Eccles AO	8	1	-	-	-	-	-	-	-	-
Mr Jeremi Moule	8	4	-	-	-	-	-	-	-	-
Professor Margaret Elaine Gardner AC	8	6	6	3	-	-	1	1	2	2
Mr Robert John Setter	8	7	-	-	5	5	-	-	-	-
Professor Girol Karacaoglu	8	7	-	-	5	5	-	-	2	2
Mr Peter Stanley Hughes CNZM	8	7	-	-	-	-	1	1	-	-
Professor Kenneth John Smith AO	8	8	-	-	-	-	-	-	2	2
Ms Jodie Elizabeth Ryan	8	4	6	1	5	1	-	-	-	-
Professor Deborah Jane Terry AO	8	6	-	-	-	-	-	-	2	1
Mr Peter Woolcott AO	8	7	6	4	-	-	-	-	-	-
Ms Kathrina Lo	8	6	-	-	-	-	-	-	-	-
Ms Ann Sherry AO	8	6	-	-	3	2	-	-	-	-
Ms Belinda Clark QSO	8	4	4	2	-	-	-	-	-	-
Ms Erma Ranieri	8	1	-	-	-	-	-	-	-	-
Ms Jenny Gale	8	1	-	-	-	-	-	-	-	-
Ms Kathy Leigh	8	1	-	-	-	-	-	-	-	-
Ms Sharyn O'Neill	8	2	-	-	-	-	-	-	-	-
Ms Mary Wiley-Smith (Alt Director)	-	1	-	-	-	-	-	-	-	-
Ms Megan Barry (Alt Director)	-	0	-	-	-	-	-	-	-	-
Ms Vicki Telfer (Alt Director)	-	1	-	-	-	-	-	-	-	-
Mr Toby Hemming (Alt Director)	-	2	-	-	-	-	-	-	-	-
Dr Damian West (Alt Director)	-	1	-	-	-	-	-	-	-	-
Ms Jane Hanna (Alt Director)	-	1	-	-	-	-	-	-	-	-

A - Number of meetings held during the time the director held office during the period **B** - Number of meetings attended

Directors' Report (cont'd)

Share options

No options over issued shares or interest in the company or a controlled entity were granted during or since the end of the financial 18 month period ended 31 December 2021 and there were no options outstanding at the date of this report.

Dividends

The Company is limited by guarantee and is prohibited by its Memorandum of Association from paying a dividend to members.

Proceedings on behalf of the company

No person has applied for leave of court to bring proceedings on behalf of the consolidated entity or company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all of those proceedings. The company was not a party to any proceedings during the 18 month period ended 31 December 2021.

Company limited by guarantee

The Company is incorporated in Australia under the *Corporations Act 2001* as a company limited by guarantee. Every member of the Company undertakes to contribute to the assets of the Company in the event of it being wound up during the time that they are a member, or within one year after they cease to be a member, for:

a. payment of the debts and liabilities of the Company contracted before the time at which they ceased to be a member;
b. the costs, charges and expenses of winding up, and
c. the adjustment of the rights of contributories among themselves, provided that such an amount will not exceed $50.

Auditor's independence declaration

The auditor's independence declaration is included on page 8 of the financial report.

Signed in accordance with a resolution of the directors:

Director

Director

Melbourne, 7 July 2022

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

477 Collins Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

Tel: +61 3 9671 7000
Fax: +61 3 9671 7001
www.deloitte.com.au

The Board of Directors
The Australia and New Zealand School of Government Limited
Level 8, 700 Swanston Street,
Carlton, VIC, 3053

7 July 2022

Dear Board Members

The Australia and New Zealand School of Government Limited

In accordance with the Australian Charities and Not-for profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of The Australia and New Zealand School of Government Limited.

As lead audit partner for the audit of the financial statements of The Australia and New Zealand School of Government Limited for the 18-month period ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements as set out in the Australian 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.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Lefevre

Isabelle Lefevre
Partner
Chartered Accountants

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

477 Collins Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

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Fax: +61 3 9671 7001
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Independent Auditor's Report to the members of The Australia and New Zealand School of Government Limited

Opinion

We have audited the financial report of The Australia and New Zealand School of Government Limited (the "Entity") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the 18-month period 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 as set out on pages 13 to 40.

In our opinion, the accompanying financial report presents fairly, in all material respects, the Group's financial position as at 31 December 2021 and of its financial performance and its cash flows for the 18-month period then ended in accordance with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 (the "ACNC Act").

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 Group in accordance with the auditor independence requirements of the ACNC Act and 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

The Directors are responsible for the other information. The other information comprises the Directors' report included in the Group's financial report, 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 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have 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 Group'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 Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

Lefevre

Isabelle Lefevre
Partner
Chartered Accountants
Melbourne, 7 July 2022

Directors' Declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company 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 thereto 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 Group.

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

Director

Director

Melbourne, 7 July 2022

Consolidated statement of profit or loss and other comprehensive income for the 18-month period ended 31 December 2021

	Notes	18 month Period ended 31 December 2021 $	Year ended 30 June 2020 $
Revenue	4	20,273,199	12,891,709
Cost of sales		(14,524,924)	(11,316,089)
Gross profit		5,748,275	1,575,620
Administration and governance expense		(6,497,413)	(4,408,042)
Strategic expenses		(699,787)	(2,041,024)
Office facilities expense		(191,114)	(197,862)
Marketing and business development expense		(1,606,259)	(1,086,998)
Results from operating activities		(3,246,298)	(6,158,306)
Finance income	7	3,245,582	2,305,698
Gain on sale of investments		936,258	51,624
Gain / (loss) on fair value adjustment		14,385,973	(317,402)
Investment management expense		(551,397)	(337,512)
Foreign exchange loss		(74,571)	(27,972)
Net investment and finance income		17,941,845	1,674,436
Profit / (loss) before income tax	5	14,695,547	(4,483,870)
Income tax expense	3(e)	-	-
Profit / (loss) for the period / year		14,695,547	(4,483,870)
Other comprehensive income for the period / year, net of tax		-	-
Total comprehensive income / (loss) for the period / year		14,695,547	(4,483,870)

The accompanying notes form part of these financial statements.

Consolidated statement of financial position at 31 December 2021

	Notes	18 month Period ended 31 December 2021	Year ended 30 June 2020
		$	$
Assets			
Current assets			
Cash and cash equivalents	8	9,140,225	7,464,919
Trade and other receivables	9	1,579,927	2,722,259
Other assets	10	1,138,644	1,095,120
Total current assets		11,858,796	11,282,298
Non-current assets			
Other financial assets	11	72,325,265	58,715,871
Plant and equipment	12	661,775	147,019
Intangible assets	12	568,130	543,991
Right-of -use assets	13	5,322,535	212,946
Total non-current assets		78,877,705	59,619,827
Total assets		90,736,501	70,902,125
Liabilities			
Current liabilities			
Trade and other payables	14	2,464,919	2,241,273
Provisions	15	675,248	606,974
Lease liabilities	16	471,090	86,244
Deferred income	17	9,631,847	10,011,989
Total current liabilities		13,243,104	12,946,480
Non-current liabilities			
Provisions	15	282,943	89,045
Lease liabilities	16	4,782,624	134,317
Total non-current liabilities		5,065,567	223,362
Total liabilities		18,308,671	13,169,842
Net assets		72,427,830	57,732,283
Equity			
Capital reserve		25,478,597	28,108,574
Retained earnings		46,949,233	29,623,709
Total equity		72,427,830	57,732,283

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity for the 18-month period ended 31 December 2021

	Notes	Capital reserve	Fair value reserve	Retained earnings	Total
		$	$	$	$
Balance at 1 July 2019		25,718,279	-	36,497,874	62,216,153
Deficit for the year		-	-	(4,483,870)	(4,483,870)
Other comprehensive income for the year		-	-	-	-
Total other comprehensive loss for the year		-	-	(4,483,870)	(4,483,870)
Transfer between equity accounts	18	2,390,295	-	(2,390,295)	-
Balance at 30 June 2020		**28,108,574**	-	**29,623,709**	**57,732,283**

	Notes	Capital reserve	Fair value reserve	Retained earnings	Total
		$	$	$	$
Balance at 1 July 2020		28,108,574	-	29,623,709	57,732,283
Profit for the 18 month period		-	-	14,695,547	14,695,547
Other comprehensive income for the period		-	-	-	-
Total other comprehensive income for the period		-	-	14,695,547	14,695,547
Transfer between equity accounts	18	(2,629,977)	-	2,629,977	-
Balance at 31 December 2021		**25,478,597**	-	**46,949,233**	**72,427,830**

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows
for the 18-month period ended 31 December 2021

	Notes	18 month Period ended 31 December 2021	Year ended 30 June 2020
		$	$
Cash flows from operating activities			
Cash receipts in the course of operations		21,159,926	12,577,112
Cash payments in the course of operations		(22,332,948)	(19,424,241)
Finance cost on lease liabilities		(78,939)	(10,162)
Net cash used in operating activities	21(b)	(1,251,961)	(6,857,291)
Cash flows from investing activities			
Payments for property, plant and equipment		(642,744)	(26,743)
Payments for intangible assets		(767,345)	(238,554)
Payments for investments		(30,871,295)	(25,487,481)
Proceeds from sale of investments		32,584,132	31,697,930
Dividends received		2,720,291	53,706
Interest received		291,571	1,391,219
Franking credit rebates		109,182	161,287
Net cash provided by investing activities		3,423,792	7,551,364
Cash flows from financing activities			
Repayment of lease liabilities		(496,525)	(82,282)
Net cash used in financing activities		(496,525)	(82,282)
Net increase in cash and cash equivalents		1,675,306	611,791
Cash and cash equivalents at the beginning of the period / year		7,464,919	6,853,128
Cash and cash equivalents at the end of the period / year	21(a)	9,140,225	7,464,919

The accompanying notes form part of these financial statements.

1. General information

The Australia and New Zealand School of Government Limited (the "Company") is limited by guarantee and domiciled in Australia. The consolidated entity is primarily involved in the provision of educational services. The Company's registered office and its principal place of business are as follows:

Level 8
700 Swanston Street
Carlton VIC 3053

2. Adoption of new and revised Accounting Standards

2.1 Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for an accounting period that begins on or after 1 July 2020.

- AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021

2.2 New and revised Australian Accounting Standards in issue but not yet effective

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and Amendments that have been issued but are not yet effective:

Standard/amendment	Effective for annual reporting periods beginning on or after
AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For Profit and Not-for-Profit Tier 2 Entities	1 July 2021
AASB 2020-3 Amendments to Australian Accounting Standards- Annual Improvements 2018-2020 and Other Amendments	1 January 2022
AASB 2020-1 Amendments to Australian Accounting Standards- Classification of Liabilities as Current or Non-Current	1 January 2023
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023

The above mentioned new and revised standards and interpretations are not expected to have a material impact on the Group's financial statements.

2. Significant accounting policies

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

The financial statements comprise the consolidated financial statements of the consolidated entity. For the purposes of preparing the consolidated financial statements, the Company is a not for-profit entity.

The financial statements were authorised for issue by the directors on 7 July 2022.

Basis of preparation
The financial statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entity controlled by the Company, The Australia and New Zealand School of Government Foundation (its subsidiary). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expense of subsidiaries acquired or disposed of during the period / year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the consolidated entity.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Changes in the consolidated entity's ownership interests in subsidiaries that do not result in the consolidated entity losing control are accounted for as equity transactions. The carrying amounts of the consolidated entity's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the consolidated entity loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the consolidated entity had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9 or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

3. Significant accounting policies (cont'd)

Critical accounting judgements and key sources of estimation uncertainty
In the application of the company's accounting policies, which are described below, the directors are required to make judgments, estimates and assumptions about 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 estimates.

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 the revision and future periods if the revision affects both current and future periods.

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

Employee benefits
Management judgement is applied in determining the following key assumptions used in the calculation of employee benefits at reporting date:

- future increases in salaries and wages;
- future on cost rates; and
- experience of employee departures and period of service.

Property, plant and equipment and intangible assets
Useful lives and residual values of property, plant and equipment and intangible assets are reviewed annually. Judgement is applied in determining the useful lives of property, plant and equipment and intangible assets. Any reassessment of useful lives and residual value in a particular period / year will affect depreciation and amortisation expense (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future years.

Provision for doubtful debts
Management's judgement is applied in determining the provision for doubtful debts. The estimated expected credit loss on each debtor is assessed and is recognised in the provision for doubtful debts.

(a) Revenue

Grant revenue
Grants received are recognised as revenues when the consolidated entity gains control of the contributions. The nature of the consolidated entity's operations permits it to raise funds from the governments and universities who have subscribed or are invited to subscribe to the Memorandum of Association of the Company.

Contributions are recognised as revenue where there is no obligation to refund the monies. Where there is an obligation to refund these grants, contributions received are recognised as liabilities until the specific conditions attached to the contribution are achieved.

Course revenue
Course revenue includes income derived by way of fee income from post graduate and executive courses. Course revenue is recognised in profit or loss over time based on the program in which courses are delivered.

3. Significant accounting policies (cont'd)

(a) Revenue (cont'd)

Dividend and interest income
Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective rate applicable which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets carrying amount on initial recognition.

(b) Foreign currency

The financial statements of the consolidated entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the results and financial position of the Company are expressed in Australian dollars ('$'), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

(c) Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the consolidated entity's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise losses on disposal of available for sale assets and finance management fees.

Foreign currency gains and losses are reported on a net basis as either finance income or finance expense depending on whether foreign currency movements are in a net gain or net loss position.

(d) Employee benefits

A liability is recognised 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.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(e) Income tax

The Company and its controlled entity are exempt from income tax under Section 50-5 of the Income Tax Assessment Act (1997).

3. Significant accounting policies (cont'd)

(f) Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment. Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within "other revenue" in profit or loss.

Subsequent costs

The cost of replacing a part of an item of plant and equipment is recognised when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other costs are recognised in profit or loss as an expense as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives.

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

- Plant and equipment 3-5 years
- Leasehold improvements 3-8 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(g) Intangible assets

Intangible assets acquired separately

Intangible assets with finite lives that are acquired separately are carried at cost less accumulate amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- How the intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3. Significant accounting policies (cont'd)

(h) Provisions

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When 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 (where the effect of the time value of money is material).

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

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the consolidated entity has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

(h) Financial instruments

Recognition and Derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification of Financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the entity may make the following irrevocable election / designation at initial recognition of a financial asset:

- The entity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The entity may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. Significant accounting policies (cont'd)

(i) Financial instruments (cont'd)

Initial measurement of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs.

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI
- Financial assets at FVTPL

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

(ii) Debt instruments at fair value through other comprehensive income (Debt FVTOCI)

Debt FVTOCI initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss.

(iii) Equity instruments at fair value through other comprehensive income (Equity FVTOCI)

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

(iv) Financial assets at fair value through profit or loss (FVTPL)

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.

Impairment of financial assets

The entity recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. 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.

Trade and other receivables and contract assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The entity 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 entity's historical credit loss 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.

3. Significant accounting policies (cont'd)

(i) Financial instruments (cont'd)

Financial liabilities and Equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

Financial liabilities at FVTPL

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in profit or loss.

Financial liabilities measured subsequently at amortised cost

The effective interest 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 estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. 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 of expense; or
ii. 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.

(k) Trade and other payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the company prior to the end of the financial period / year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services.

(l) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, the short- term highly liquid investments with original maturities of three months or less.

3. Significant accounting policies (cont'd)

(m) Leases

The Group as a lessee
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the 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 lessee uses its incremental borrowing rate.

The lease liability 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 right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less 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 the lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease

The Group applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of non-financial assets' policy above.

(n) Comparatives

Where necessary, the comparative figures have been adjusted to conform to changes in presentation in the current financial period.

(o) Working capital

The financial statements have been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The working capital position as at 31 December 2021 for the consolidated entity results in a deficit of net current assets of $1,384,308 (2020: $1,664,182). A contributing factor to this deficiency is the classification of course and sponsor income received in advance of $9,631,847 (2020: $10,011,989) as current liabilities. The recognition of this income is deferred until ANZSOG have provided the services associated with the receipt of this income. Another contributing factor to this deficiency is the classification of annual and long service leave liabilities of $675,248 (2020: $606,974) as current liabilities, all of which are not expected to be paid in full in the next twelve months.

At the date of this report and having considered the above position, the Directors believe that the consolidated entity will be able to continue as a going concern and pay its liabilities as and when they fall due.

	18 months Period ended 31 December 2021 $	Year ended 30 June 2020 $
4. Revenue		
Course revenue		
Executive Master of Public Administration	6,819,375	3,669,529
Executive Fellows Program	1,655,850	2,137,208
Executive Education	5,639,877	4,534,635
Events	2,183,499	522,346
Other Income	1,222,392	157,857
	17,520,993	11,021,575
Grant revenue		
Victoria Government	750,000	645,834
Queensland Government	150,000	100,000
Australian Capital Territory Government	30,000	20,000
New South Wales Government	423,000	282,000
South Australia Government	50,000	-
Western Australia Government	50,000	150,000
Tasmania Government	20,000	20,000
Northern Territory Government	30,000	20,000
	1,503,000	1,237,834
Job-keeper Subsidy income	1,249,206	582,300
Australian government COVID19 relief assistance	-	50,000
Total revenue	20,273,199	12,891,709

5. Loss / profit for the period / year

Loss / profit for the period / year has been arrived at after charging the following items of expense:

Depreciation and amortisation	925,466	440,049
Contributions to defined contribution superannuation funds	1,482,052	913,595
Wages and salaries	10,319,973	6,381,976
	12,727,491	7,735,620

6. Auditors' remuneration

Audit of financial reports	69,000	32,500
Other services	8,500	8,250
	77,500	40,750

The auditor of the consolidated entity for the 18-month period ended 31 December 2021 was Deloitte Touche Tohmatsu.

Other auditors:

Internal audit and other regulatory audit services	32,376	21,364

	Period ended 31 December 2021 $	Year ended 30 June 2020 $
7. Finance income		
Interest income on bank deposits	291	3,179
Interest income on financial assets at FVTPL	291,280	1,388,040
Dividend and other related income on financial assets at FVTPL	2,844,829	753,192
Franking credit rebates	109,182	161,287
Investment and finance income	3,245,582	2,305,698

8. Cash and cash equivalents

Cash on hand	246	401
Bank balances including call deposits maturing in 3 months or less	9,139,979	7,464,518
	9,140,225	7,464,919

The consolidated entity's exposure to interest rate risk and a sensitivity analysis for financial assets is disclosed in note 20.

9. Trade and other receivables

Trade receivables	985,686	1,535,383
Other receivables	594,241	1,186,876
	1,579,927	2,722,259

There are no impairment losses recognised in Trade receivables for consolidated entity (2020: $nil).
The consolidated entity's exposure to credit and impairment losses related to trade and other receivables is disclosed in note 20.

10. Other assets

Prepayments	283,737	311,108
Bank guarantees	854,907	784,012
	1,138,644	1,095,120

11. Other financial assets

Non-current investments

Financial assets at FVTPL– floating interest rate	5,729,337	4,614,766
Financial assets at FVTPL – equity securities	66,595,928	54,101,105
	72,325,265	58,715,871

The consolidated entity's exposure to credit and interest rate risks is noted in note 20.

12. Plant and equipment

Plant and equipment		
At cost	591,829	419,968
Accumulated depreciation	(348,856)	(310,232)
	242,973	109,736
Leasehold improvements		
At cost	1,695,159	1,289,919
Accumulated depreciation	(1,276,357)	(1,252,636)
	418,802	37,283
Total plant and equipment	661,775	147,019

	Period ended 31 December 2021 $	Year ended 30 June 2020 $
Intangible assets		
At cost	1,125,811	717,581
Accumulated depreciation	(588,551)	(518,773)
	537,260	198,808
Intangible assets WIP	30,870	345,183
Total intangible assets	568,130	543,991

Reconciliations		
Plant and equipment		
Carrying amount at beginning of the period / year	109,736	164,974
Additions	247,779	26,743
Disposals	(7,023)	-
Depreciation	(107,519)	(81,981)
Carrying amount at end of the period / year	242,973	109,736
Leasehold improvements		
Carrying amount at beginning of the period /year	37,283	114,076
Additions	394,965	-
Transfer from intangible assets	15,200	-
Depreciation	(28,646)	(76,793)
Carrying amount at end of the period / year	418,802	37,283
Intangible assets		
Carrying amount at beginning of the period / year	543,991	496,815
Additions	767,345	238,554
Transfer to leasehold improvements	(15,200)	-
Disposals	(358,794)	-
Depreciation	(369,212)	(191,378)
Carrying amount at end of the period / year	568,130	543,991

13. Right-of-use assets

At cost	5,832,521	302,843
Accumulated depreciation	(509,986)	(89,897)
	5,322,535	212,946

The consolidated entity's operating leases predominantly consist of office premises leases, which expire no later than ten years. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Reconciliations of the written down values at the beginning and end of the current period and previous financial year are set out below:

Reconciliations		
Carrying amount the beginning of the period / year	212,946	302,843
Additions	5,529,678	-
Depreciation	(420,089)	(89,897)
Carrying amount at end of the period / year	5,322,535	212,946

	Period ended 31 December 2021 $	Year ended 30 June 2020 $
14. Trade and other payables		
Trade payables	1,601,615	1,114,420
Other payables and accruals	863,304	1,126,853
	2,464,919	2,241,273

The consolidated entity's exposure to liquidity risk related to trade and other payables is disclosed in note 20.

15. Provisions		
Current		
Provision for annual leave	544,782	408,832
Provision for long service leave	130,466	198,142
	675,248	606,974
Non-current		
Provision for leased property restoration costs	165,000	-
Provision for long service leave	117,943	89,045
	282,943	89,045

16. Lease liabilities		
Current		
Lease liabilities	471,090	86,244
Non-current		
Lease liabilities	4,782,624	134,317

17. Deferred income		
Unearned revenue	9,631,847	10,011,989

Deferred income classified as current relates to amounts received in advance for services not yet provided.

18. Equity

The Company is an incorporated company limited by guarantee. At 31 December 2021 there were 26 members (30 June 2020: 25 members) with a limit of liability of $50.00 each.

Nature and purpose of capital reserve

Transfers between retained earnings and the capital reserve are made for:

(i) Contributions received towards Academic Chairs where management plans are in place to make use of these funds in future periods. Amounts will be transferred from this reserve to the retained earnings in the period in which the expenditure is incurred;

(ii) Capital grants received to support the objectives of the ANZSOG Foundation and repayable under certain conditions (refer note 23);

(iii) Unspent and uncommitted income received on these capital grants. Amounts will be transferred from this reserve to retained earnings in the period in which the amount is spent or committed.

19. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to note 3 for a summary of the significant accounting policies relating to the consolidated entity.

	Company	
	Period ended 31 December 2021 $	**Year ended 30 June 2020 $**
Result of the parent entity		
Profit / (loss) for the period / year	8,458,186	(3,246,088)
Other comprehensive income	-	-
Total comprehensive (loss) / income for the period / year	8,458,186	(3,246,088)
Financial position of the parent entity at period / year end		
Current assets	9,027,117	9,130,763
Non-current assets	50,100,457	36,563,093
Total assets	59,127,574	45,693,856
Current liabilities (i)	13,561,403	13,428,077
Non-current liabilities	5,065,565	223,359
Total liabilities	18,626,968	13,651,436
Total equity of the parent entity comprising of:		
Capital reserve	-	1,373,300
Retained earnings	40,500,606	30,669,120
Total equity	40,500,606	32,042,420

(i) Included in Current liabilities is $666,361 (2020: $478,541) owing to the Australia and New Zealand School of Government Foundation.

20. Financial instruments

Overview

The consolidated entity has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the consolidated entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Audit and Risk Management Committee which is responsible for monitoring risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The risk management profile has been established to identify and analyse the risks faced by the consolidated entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management profile is reviewed regularly to reflect changes in market conditions and the consolidated entity's activities.

The Audit and Risk Management Committee oversees management's compliance with the consolidated entity's risk management policies and procedures and reviews the risk management framework in relation to the risks faced by the consolidated entity. The Audit and Risk Management Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk and management controls and procedures, the results of which are reported to the Audit and Risk Management Committee.

The Board has established the ANZSOG Foundation Committee to assist the Board of Directors in fulfilling its responsibilities as Trustee of the ANZSOG Foundation by managing market risk and the investment strategy for the Trust. The Committee reports regularly to the Board of Directors on its activities.

Credit risk

Credit risk is the risk of financial loss to the consolidated entity if a customer fails to meet its contractual obligations, and arises principally from the consolidated entity's receivables.

Trade and other receivables

The consolidated entity's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the consolidated entity's customer base, being government bodies and members, limit their exposure to credit risk. The consolidated entity does not have a significant concentration of transactions with a single customer that would exceed 15% of total transactions. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis specially in relation to Covid-19 Pandemic. The consolidated entity does not require collateral in respect of financial assets.

Investments

The consolidated entity limits its exposure to credit risk by investing only in liquid securities and only with counterparties that have a good credit rating. Given that the consolidated entity has only invested in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations, except as disclosed in note 20.

20. Financial instruments (cont'd)

Exposure to credit risk

The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure. The consolidated entity's maximum exposure to credit risk at the reporting date was:

	Notes	Period ended 31 December 2021 $	Year ended 30 June 2020 $
Financial assets at FVTPL	11	72,325,265	58,715,871
Trade and other receivables	9	1,802,778	2,722,259
Cash and cash equivalents	8	9,140,225	7,464,919
		83,268,268	68,903,049

Impairment losses

The ageing of the consolidated entity's trade receivables at the reporting date was as follows:

2021

	Gross $	Impairment $
Not past due	221,880	-
Past due 0-30 days	256,415	-
Past due 31-120 days	464,345	-
Past due 121 days to one year	43,046	-
	985,686	-

2020

	Gross $	Impairment $
Not past due	553,542	
Past due 0-30 days	55,000	-
Past due 31-120 days	110,000	-
Past due 121 days to one year	816,841	-
	1,535,383	-

The allowance for impairment accounts in respect of trade and other receivables are used to record impairment losses unless the consolidated entity is satisfied that no recovery of the amount owing is possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly. At 31 December 2021 the consolidated entity does not have any collective impairment on its trade and other receivables (2020: $nil).

Liquidity risk

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The consolidated entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the consolidated entity's reputation.

20. Financial instruments (cont'd)

Liquidity risk (cont'd)

The following are the contractual maturities of financial liabilities, including estimated interest payments an excluding the impact of netting agreements:

	Notes	Carrying amount	Contractual cash flows	6 months or less	More than 6 months
		$	$	$	$
2021					
Non-derivative financial liabilities					
Trade and other payables	14	2,464,919	2,464,919	2,464,919	-
		2,464,919	2,464,919	2,464,919	-
2020					
Non-derivative financial liabilities					
Trade and other payables	14	2,241,273	2,241,273	2,241,273	-
		2,241,273	2,241,273	2,241,273	-

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the consolidated entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The consolidated entity is exposed to currency risk on sales and purchases which are denominated in a currency other than the respective functional currency. The currencies in which these transactions primarily are denominated are the New Zealand dollar (NZD) and the USA dollar (USD). However the effect of the overall translation of NZD and USD transactions for the period / year is deemed immaterial to total revenue and expenses.

Interest rate risk

The consolidated entity has no external borrowings or fixed interest investments and hence is not subject to interest rate risk.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower:

- profit for the period ended 31 December 2021would decrease/increase by $3,329,796 (year ended 30 June 2020: $2,705,055) as a result of the changes in fair value of financial assets carried at FVTPL.

The consolidated entity's sensitivity to equity prices has not changed significantly from the prior year.

Currency risk

All financial assets and liabilities held by the consolidated entity are in Australian dollars. The consolidated entity is not exposed to currency risk at period / year end. There was minimal exposure to currency risk during the period.

20. Financial instruments (cont'd)

Interest rate risk
Profile

At the reporting date the interest rate profile of the consolidated entity's interest-bearing financial instruments was as follows:

	Carrying amount	
	Period ended 31 December 2021 $	**Year ended 30 June 2020 $**
Fixed rate investments		
Financial assets	-	-
Variable rate instruments		
Financial assets	14,869,562	12,079,685

Interest rate risk

Cash flow sensitivity analysis for variable rate instruments
A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2020.

Cash flow sensitivity analysis for variable rate instruments

	-1%		+1%	
2021	**Profit $**	**Equity $**	**Profit $**	**Equity $**
Financial assets				
Variable rate instruments	(148,696)	-	148,696	-
Cash flow sensitivity (net)	(148,696)	-	148,696	-
2020				
Financial assets				
Variable rate instruments	(120,797)	-	120,797	-
Cash flow sensitivity (net)	(120,797)	-	120,797	-

20. Financial instruments (cont'd)

Fair values

Fair values versus carrying amounts
The fair values to financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	Notes	2021 Carrying amount	2021 Fair value	2020 Carrying amount	2020 Fair value
		$	$	$	$
Assets carried at fair value					
Financial assets at FVTPL	11	72,325,265	72,325,265	58,715,871	58,715,871
Assets carried at amortised cost					
Trade and other receivables	9	1,802,778	1,802,778	2,722,259	2,722,259
Cash and cash equivalents	8	9,140,225	9,140,225	7,464,919	7,464,919
Liabilities carried at amortised cost					
Trade and other payables	14	(2,464,919)	(2,464,919)	(2,241,273)	(2,241,273)
		80,803,349	80,803,349	66,661,776	66,661,776

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

2021	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets at FVTPL	47,119,617	25,205,648	-	72,325,265
	47,119,617	25,205,648	-	72,325,265
2020				
Financial assets at FVTPL	45,707,449	13,008,422	-	58,715,871
	45,707,449	13,008,422	-	58,715,871

Level 1 includes all listed interest bearing and equity securities and level 2 includes investment in unlisted unit trusts.

20. Financial instruments (cont'd)

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the consolidated entity's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all the consolidated entity's operations. The objective of the consolidated entity is to manage operational risk so as to prevent financial losses and damage to the consolidated entity's reputation. The primary responsibility for the development and implementation of controls to address operational risk is assigned to the management of the consolidated entity.

This responsibility is supported by the development of an overall risk management plan and appropriate policies and procedures to manage risk in the following areas:

- requirements for appropriate segregation of duties including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risk faced and adequacy of controls and procedures to address the risks identified
- development of contingency plans
- ethical and high level business standards
- risk mitigation including insurance

Compliance with policies and procedures is supported by a programme of periodic reviews of internal controls undertaken by internal audit. The results of these reviews are discussed with the management of the consolidated entity and submitted to the Audit and Risk Management Committee.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain member, director and market confidence and to sustain future development of the business. There were no changes to the consolidated entity's approach to capital management during the period / year.

	Period ended 31 December 2021 $	Year ended 30 June 2020 $
21. Cash and cash equivalents		

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments. Cash and cash equivalents at the end of the financial period / year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash and cash equivalents	9,140,225	7,464,919

21. Cash and cash equivalents (cont'd)

b) Reconciliation of (loss) / profit for the period / year to net cash flows from operating activities

	Period ended 31 December 2021 $	Year ended 30 June 2020 $
Profit / (loss) for the period / year	14,695,547	(4,483,870)
Adjusted for:		
Depreciation and amortisation	925,466	440,049
Loss on disposal of PPE and intangible assets	365,817	-
Gain on sale of financial assets at FVTPL	(936,258)	(1,537,918)
Loss on sale of financial assets at FVTPL	-	1,486,293
Net change in fair value of financial assets at FVTPL	(14,385,973)	317,403
Dividend recognised in the profit or loss	(2,844,829)	(753,192)
Interest income recognised in the profit or loss	(291,571)	(1,391,219)
Franking credits recognised in the profit or loss	(109,182)	(161,287)
Operating loss before changes in working capital and provisions	(2,580,983)	(6,083,741)
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Trade and other receivables	1,266,870	357,226
Other assets	(43,524)	(721,266)
Increase/(decrease) in liabilities:		
Trade and other payables	223,646	(739,580)
Deferred income	(380,142)	268,415
Provisions	262,172	61,655
Net cash used in operating activities	(1,251,961)	(6,857,291)

22. Related parties

Key management personnel compensation
The compensations to the key management personnel are as follows:

	Period ended 31 December 2021 $	Year ended 30 June 2020 $
Short-term employee benefits	1,092,858	689,360
Long-term employee benefits	20,718	10,278
	1,113,576	699,638

Other related party disclosures
Other related parties consist of the Company's members, being participating governments and universities.

During the financial period / year some participating universities provided educational services and its facilities to students who are staff of government members under normal commercial terms and conditions. It is not practical to quantify the value of services provided during the financial period / year.

During the financial period / year, all transactions between the consolidated entity and other related parties were in the ordinary course of business and on normal arm's length commercial terms and conditions.

23. Contingent liabilities considered remote

The directors are of the opinion that provisions are not required in the controlled entity in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or amount is not capable of reliable measurement.

Deed of Agreement with the Commonwealth of Australia
Termination and repayment to the Commonwealth of Australia (the Commonwealth).

As per clause 15 of the Deed of Agreement (the Deed) between the Company and the Commonwealth dated 30 June 2005, if the Commonwealth forms the reasonable opinion that the Company has failed to comply with its obligations under the Deed, the Commonwealth may issue a notice to the Company requiring it to rectify that failure within 30 days of the date of the notice.

Without prejudice to its rights at Law, the Commonwealth may, by notice in writing to the Company terminate the Deed immediately if:

I. an insolvency event occurs in respect of the Company;

II. the Commonwealth forms a reasonable opinion that the funds or interest have been invested, used, spent or committed by the Company other than in accordance with the provisions of the Deed or the Trust Deed (establishing the ANZSOG Foundation);

III. the Company has failed to comply with a notice issued by the Commonwealth under clause 15 of the Deed;

IV. there is an amendment to the Trust Deed or the Company's constitution which, in the reasonable opinion of the Commonwealth, will impede or affect the Company's ability to comply with its obligations under the Deed;

V. the Company assigns its rights or novates its obligations under the Deed without prior written consent from the Commonwealth; or

VI. there is a change in the control or ownership of the Company without prior written consent from the Commonwealth.

If the Commonwealth terminates the Deed under any situation listed above the Company must repay the grant funding of $10,000,000, the GST amount of $1,000,000, and any interest income unspent or uncommitted.

This contingent liability takes effect until the expiration of the Trust Deed in 2085 or until the day the Commonwealth terminates the Deed in a manner set out above.

23. Contingent liabilities considered remote (cont'd)

Deed of Agreement with the Government of New Zealand
Termination and repayment to the Government of New Zealand (the Government)

As per clause 15 of the Deed of Agreement (the Deed) between the Company and the Government dated 15 June 2007, without prejudice to its rights at Law, the Government may, by notice in writing to the Company terminate the Deed immediately if:

I. an insolvency event occurs in respect of the Company;

II. the Government forms the reasonable opinion that any Funds have been invested, used, spent, committed or otherwise dealt with other than in accordance with the provision of the Deed or the Trust Deed in a manner that cannot be readily rectified;

III. the Government forms the reasonable opinion that the Company has failed to comply with any of its obligations under the Deed and the failure is incapable of being rectified, or if the failure is capable of being rectified, the failure has not been rectified within 30 business days of the Government giving notice to the Company of the failure to comply;

IV. there is an amendment to the Trust Deed or to the Company's constitution which, in the reasonable opinion of the Government, will impede or affect the Company's ability to comply with its obligations under the Deed;

V. the Company assigns any of its rights, or novates (or purports to assign or novate) any of its obligations, under the Deed without the proper written consent of the Government;

VI. there is a change in the control or ownership of any Trustee without the prior written consent of the Government; or

VII. there is a change of Trustee or one or more additional Trustees are appointed without the prior written consent of the Government, provided that such consent will not be unreasonably withheld if each replacement or additional Trustee enters into a deed of accession to the Deed in a form that is acceptable to the Government (acting reasonably).

If the Government terminates the Deed, the Company must repay the grant funding of NZD 6,000,000 together with any income accrued thereon and retained by the Trustees.

This contingent liability takes effect until the expiration of the Trust Deed in 2085 or until the day the Government terminates the Deed in a manner set out above.

24. Controlled entities

	Ownership interest	
	Period ended 31 December 2021	**Year ended 30 June 2020**
	%	%
The Australia and New Zealand School of Government Foundation – a Trust	100%	100%

25. Events subsequent to reporting date

Subsequent to the end of the reporting period, the investment market has been volatile and as a consequence, the value of the investment portfolios of the consolidated entity as stated in Note 11 – Other financial assets and in Note 20 – Financial instruments, has declined in market value from $72,325,265 (as at 31 December 2021). The decline in value to 22nd June 2022 is estimated to be approximately 20%.

There have not been any other matters or circumstances occurring subsequent to the end of the financial period that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

26. Economic dependency

A significant portion of The Australia and New Zealand School of Government's revenue is arranged through State Government grants in accordance with various funding agreements. The entity is dependent on the continuing financial support of the Governments.