



AUSTRALIAN NATIONAL DEVELOPMENT INDEX LIMITED

ACN 160 688 077

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2017

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DIRECTORS' REPORT

In respect of the financial year ended 30 June 2017, the directors of Australian National Development Index Limited submit the following report made out in accordance with the resolution of directors.

1. Directors and officers

The names of directors and officers who served during the period and to the date of this report are as shown below.

It should be noted that for the reporting period, ANDI's Board consisted of 9 directors. ANDI's constitution provides for the appointment of up to 12 directors, and current directors have resolved to offer two director positions to appropriate representatives of the Indigenous community and to ANDI's host university.

Name	Qualifications & Experience
Dominic McGann (ANDI Chair from March 2017)	Dominic McGann (ANDI Chairperson) is the Chairman of Partners, McCullough Robertson Lawyers, a leading independent Australian law firm with offices in Brisbane, Sydney and Newcastle. He has held prominent positions with the Queensland Government and has extensive experience in the resources industry and particularly, native title and cultural heritage matters.
Kester Brown (ANDI Treasurer)	Kester Brown (ANDI Treasurer) is a Partner of Ernst & Young, Chartered Accountants, at its Melbourne office and a Fellow of the Financial Services Institute of Australia. He has considerable experience in accounting, financial management and governance, in both commercial and community organisations.
Rev Tim Costello AO	Tim Costello is an Australian Baptist Minister, Chief Advocate of World Vision Australia, an authority on social justice issues, leadership and ethics, and a 'National Living Treasure'. He is a published writer, former Australian of the Year and currently Chair of the Community Council of Australia, the Australian Churches Gambling Taskforce and the National Australia Bank's Social Responsibility Advisory Council. (He has been granted leave from Board meetings pending his appointment to the proposed ANDI Eminent Persons support group, but has continued to participate in Board activities and ANDI promotional activities where possible).
Tom Crago	Tom Crago is the owner and CEO of the internationally recognised video game developer Tantalus, a Melbourne-based company with more than forty titles to its credit. Tom has degrees in Arts (Honours), Law (Honours), International Business, and a Graduate Diploma in Legal Practice. He is at present a PhD candidate at the Victorian College of the Arts, University of Melbourne. Tom is a past President of the Game Developers' Association of Australia, and served on the Australian Federal Innovation Minister's IT Industry Innovation Council and Book Industry Strategy Group. He is the author of a critically acclaimed book, 'Flashbacks from the Flow Zone' (Hardie Grant).

Name	Qualifications & Experience
Gabrielle Kelly	Gabrielle Kelly is the inaugural Director of the Wellbeing and Resilience Centre at the South Australian Health and Medical Research Institute (SAHMRI). Film- maker, digital media executive, social entrepreneur and strategist, she has been working on human behaviour and systems change in a range of settings. Previously, she ran the ground-breaking Adelaide <i>Thinkers in Residence</i> program, leading significant implementation of change in city design, advanced manufacturing, early childhood education, and positive psychology.
Rev Elenie Poulos	Elenie Poulos MAICD is a Minister of the Uniting Church in Australia and former National Director of Uniting Justice Australia. She has been deeply engaged over many years in policy analysis and development in social and economic justice, human rights, peacemaking and the environment. She is currently a PhD candidate at Macquarie University, New South Wales.
Michael Salvaris (ANDI Chair to March 2017)	Mike Salvaris is a Research Fellow at the University of Melbourne. He is a former legal aid lawyer, tenants' advocate, senior policy advisor and human rights and wellbeing researcher. Mike is co-founder of the OECD <i>Global Progress Research Network</i> . He is an advisor to the OECD <i>Global Project on Measuring the Progress of Societies</i> and the <i>Canadian Index of Wellbeing</i> .
Professor Fiona Stanley AC	Fiona Stanley is the Founding Director and Patron of the Telethon Institute for Child Health Research and a Distinguished Research Professor, School of Paediatrics and Child Health, University of Western Australia. She is a national and international leader in researching the causes of major childhood illnesses and gathering and analysis of population data for epidemiological and public health purposes. Fiona has been a contributor to major international, national and local committees, and widely published writer and like Tim Costello, she is a 'National Living Treasure'. (She has been granted leave from October 2013 for family reasons, but has continued to contribute advice and participate in Board and ANBDI general activities when possible and had led negotiations with the University of Melbourne.)
Dr Geoffrey Woolcock	Geoff Woolcock PhD, MAICD is a Senior Research Fellow at the University of Southern Queensland's Institute for Resilient Regions, and an Adjunct Associate Professor at Griffith University and QUT. Geoff is an experienced social researcher with considerable expertise in social and community service planning and evaluation, including social impact assessment and community development. In addition to ANDI, he is a board director of the Brisbane Housing Company and the Logan Child-Friendly Community Charitable Trust overseeing the high-profile collective impact initiative, <i>Logan Together</i> .

Name	Qualifications & Experience
Dr Jacques de Vos Malan (ANDI Company Secretary from December 2016)	Jacques de Vos Malan D.Mus GAICD is an Honorary Fellow at the University of Melbourne. He is known as a composer, writer and artistic director. He has managed large projects in broadcasting, construction and interdisciplinary research. Jacques is the former CEO of Melbourne Recital Centre and former General Manager and Company Secretary of the Australian Council of Learned Academies.
John Clarke	ANDI Company Secretary to December 2016

During the year, three meetings of directors were held. Attendances by each director were recorded as follows:

	No. eligible to attend	No. attended
Dominic McGann	3	2
Kester Brown	3	3
Tim Costello	3	1
Tom Crago	3	2
Gabrielle Kelly	3	3
Elenie Poulos	3	3
Michael Salvaris	3	3
Fiona Stanley	3	0
Geoffrey Woolcock	3	3

2. FY 2017 in brief

In the course of FY 2017, ANDI Ltd has made a rapid transition from a not-for-profit body in search of support, to a community research organisation, in partnership with the University of Melbourne and based at the Melbourne Graduate School of Education. The company has entered into formal agreements with UoM, substantially increased its fundraising results and launched two pilot research studies in the domains of education and health. Networking and consultation in the academic sector and the community sector is in place and constantly expanding. Assuming the pilot studies are successfully completed by July 2018, there is every reason to plan for a stable and successful five years ahead.

3. Principal Objectives and strategies of the Company

3.1 Current objectives

Australian National Development Index Limited (ANDI) is an independent, non-partisan and member-owned national initiative incorporated as a not-for-profit public company limited by guarantee. ANDI's uniqueness comes in part from its partnerships with a diverse collection of over 60 Australian organisations and institutions in the community, welfare, government, business, trade union, academic, indigenous, environmental, human rights, ethnic and religious fields. These partner networks span the nation and enable ANDI to seek views from across the community.

ANDI's principal long-term objectives are the advancement of education, the relief of poverty and other purposes beneficial to the community by means including:

- promoting a shared vision of what really constitutes sustainable national wellbeing and the elements that contribute to or detract from it;
- conducting research to measure national progress toward, or movement away from, achieving equitable and sustainable wellbeing;
- understanding and promoting awareness of why society is moving in the direction it is moving;
- stimulating discussion about the types of policies, programs, and activities that would progress us closer and faster toward achieving the best possible quality of life for all, now and into the future;
- giving Australians tools to promote sustainable wellbeing with policy shapers and decision makers;
- informing policy by helping policy shapers and decision makers to understand the consequences of their actions for Australian sustainable wellbeing;
- empowering Australians to compare their wellbeing both with others within Australia and those around the world;
- engaging the knowledge and perspective of Aboriginal and Torres Strait Islander Australians, whose cultural values and practices have sustained their peoples in this land for tens of thousands of years, and who have a unique role in defining the vision for a sustainable and equitable future for our people and our country.

ANDI's key long-term goal is to produce and distribute widely a regular and sustainable annual index of progress, with linked sub-measures based around particular dimensions of wellbeing. This index will be based on new and existing data and expert research and will be shaped by the priorities of Australians, identified through an extensive and inclusive national community engagement process. In much the same way as economic indicators are regularly reported and discussed at a national level, a progress index is a tool to improve public discourse on the direction in which our nation is headed.

To achieve this goal, ANDI's short-term objectives are to:

- develop a coalition of appropriate philanthropic funders to support ANDI's initial development on a national scale;
- maintain an ongoing partnership with a major Australian university ('ANDI Host University') to host ANDI's research program;
- further expand an accessible and interactive Internet presence (website, Facebook page, phone app) for wide public engagement;
- develop and pilot a national community engagement program that will eventually engage 500,000 Australians and at least a third of Australia's local government areas;
- establish up to twelve research domains, sub-measures and data sources relating to Australians' views of progress;
- release the first ANDI index, along with several research reports into various dimensions of wellbeing.

3.2 Planning and strategies to achieve objectives

3.2.1 General planning and strategy

ANDI was registered as an Australian Public Company Limited by Guarantee in October 2012, after being endorsed as a national priority in the '*Australia 2020 Ideas Summit*' in 2008, and launched as a community and research organisation in 2009.

In our 2015 Directors Report, we noted that, with generous support from the Lord Mayor's Charitable Foundation, the Board had developed a 5 year (2014-2018) ANDI Business Plan setting out key goals, strategies and financial targets for work in this period on its community engagement, research and index development programs. In FY2016, as in the previous year, ANDI's Business Plan was again adjusted because of delays in expected funding and, in particular, in finalising an agreement with the ANDI Host University (as detailed below). Nonetheless, the 2014-2018 Business Plan as adjusted, and the pilot report AP21C (see below) continue to be ANDI's most relevant long-term planning documents. Directors expect that this Business Plan will be significantly revised and updated in FY 2017/2018, as part of our major partnership with the University of Melbourne and as a consequence of the anticipated growth in funding and resources for both research and community engagement activities. A copy of the 2014-2018 Business Plan is available at ANDI's website: <http://www.andi.org.au> or on request from ANDI's Company Secretary Dr Jacques de Vos Malan at jacques.devosmalan@andi.org.au.

3.2.2 Research planning and strategies

As detailed in earlier reports, ANDI was a leading partner in 2012-2013 in an important research project entitled '*Australia's Progress in the 21st Century: Measuring the Future We Want*' ('AP21C'). The aim of this ACOLA project was to plan, pilot and evaluate the feasibility and funding of a long-term research project to develop an ongoing national index of progress and wellbeing. AP21C was sponsored and co-funded by the Australian Council of Learned Academies (ACOLA) and the Victorian Health Promotion Council (VicHealth), which each provided \$50,000; additional funding of \$50,000 was contributed by the Building Industry Superannuation Fund (Cbus). The project report, launched in August 2013, set out a detailed 5-year plan to undertake the research needed to support the development of an Australian national progress and wellbeing index. A key recommendation of this report was the importance of a partnership with a 'Host University' to anchor the extensive research needed to underpin such an index. A copy of the AP21C report may be downloaded at: <http://www.acola.org.au/index.php/projects/ap21c>.

The AP21C report, with appropriate updates and adjustments, and read with the 'Short Business Plan' (prepared in December 2014 by ANDI Directors Fiona Stanley and Mike Salvaris for ANDI's negotiations with the University of Melbourne: see below) still constitutes the most detailed and relevant planning documentation of ANDI's research program. The development of a more detailed and updated research plan is one of the priorities of the new partnership between ANDI and the University of Melbourne. The research planning workshop held in February 2016, co-hosted by the Academy of Social Sciences in Australia (ASSA) and UOM forms the basis of this planning.

4. Current activities

4.1 Research 'Host University'

As reported in the 2015 Directors' Report, ANDI began negotiations in October 2014 with the University of Melbourne (UOM) around a formal agreement for the University to become ANDI's principal research partner and Host University. In November 2016, this process was brought to a successful conclusion with the

signature of a formal Memorandum of Understanding (MOU) and Collaboration Agreement between ANDI and the UoM. Securing such a partnership has been a critical prerequisite for ANDI's development since its inception. ANDI's Board (primarily through directors Fiona Stanley and Mike Salvaris and with great assistance from ANDI 'Champion' Sir Gus Nossal, received invaluable support and advice from ANDI's pro bono lawyers McCullough Robertson. The '*ANDI Project*' is the title now given to the activities of ANDI Ltd in partnership with University of Melbourne.

4.2 Links with Australian Bureau of Statistics (ABS)

As indicated in the 2015 report, ANDI has had a long-standing co-operative relationship with the ABS. ANDI Directors have served as members of the ABS's Expert Reference Group for its pioneering national project '*Measures of Australia's Progress*' (MAP) and in the development of its important November 2012 report '*Aspirations for Our Nation*', while former ABS Directors Dennis Trewin and Brian Pink and key staff have been supportive of ANDI's development and provided advice and data. By early 2014 a draft Memorandum of Understanding had been close to finalisation, setting up terms under which ANDI, the ABS and ANDI's Host University would work with each other to support both the ANDI and MAP projects. In June 2014, due to budget cuts within the agency, the ABS terminated its MAP project and further development of the MoU had to be suspended pending resolution of the future of the MAP project. As in 2014/2015, ANDI has continued its discussions with the ABS in the past year and Directors are confident that a new MoU will be negotiated with the ABS and the University of Melbourne, which will provide for mutual collaboration and support, including the ABS having the role of ANDI's principal statistical advisor, whether or not the MAP project is restored.

4.3 OECD and UNDP partnership

During 2015/2016, ANDI continued its links with the OECD, with ANDI directors Mike Salvaris and Geoff Woolcock participating in the OECD's global project on measuring societal progress (the '*Better Life Initiative*') and its associated Global Progress Research Network. As advised in our 2014 and 2015 reports, a Memorandum of Understanding had been negotiated between the OECD, ANDI and Deakin University to provide for collaboration on a range of projects relating to measuring national and international progress and supporting the BLI and ANDI projects. After Deakin's withdrawal from a proposed ANDI research agreement, the OECD agreed that it would extend a similar memorandum of understanding to a proposed ANDI-University of Melbourne partnership. In November 2014, the OECD wrote to Prof Glyn Davis to encourage UoM to enter into an agreement with ANDI and to advise its support for such an agreement. Directors are confident that the OECD will proceed with the proposed MOU once the agreement with the University of Melbourne is completed. Additionally, ANDI is currently negotiating with the United Nations Development Program for the development of a national wellbeing priorities survey based on the UNDP's very successful global survey, *MyWord2015*, and are confident of a favourable outcome.

4.4 Canadian Index of Wellbeing

In FY2017, ANDI continued its close relationship with its sister project in Canada, the *Canadian Index of Wellbeing* (CIW). The CIW is generally regarded as one of the world's leading projects in this field and has agreed to collaborate with ANDI and become a partner in its development. ANDI Chair Mike Salvaris has continued his position on CIW's Research Advisory Board.

5. Management

5.1 Governance agreements

The University and ANDI Limited have signed two formal agreements setting out in detail the proposed goals and terms of a long-term partnership: a Memorandum of Understanding for 5 years, signed in November 2016, and a Collaboration Agreement for the initial 18 months 'set-up' and pilot phase of the project, signed in January 2017. A minor variation to the Collaboration Agreement was agreed in July 2017 to enable more flexible staff appointments.

5.2 Office

The ANDI Project Office has been established in the Melbourne Graduate School of Education (MGSE) on Level 8, 100 Leicester St, Carlton. Under the agreements, MGSE is host faculty for the ANDI Project.

5.3 Strategic Planning

Professor Helen Berry facilitated a Strategic Planning Workshop with Project staff on 26-27 April 2017 from which she provided a detailed report and a 12-month task-list and milestones.

5.4 Project Advisory Committee

The Project Advisory Committee has been established and will hold its first meeting on Wednesday 13 September 2017. The Chair, Dennis Trewin AC, former Director of the Australian Bureau of Statistics, has proposed further meetings be held in February and May 2018.

5.5 Staffing

Personnel currently involved in the ANDI Project team are:

- Professor Fiona Stanley, Project Director (0.1)
- Professor Barry McGaw, Project Director (0.2)
- Mr Michael Salvaris, Project Manager (0.5)
- Dr Kate Lycett, Early Career Researcher (0.2)
- Dr Matthew Courtney, Early Career Researcher (0.2)
- Ms Claudia Sandoval, Executive Officer (0.2)
- Professor Helen Berry, Consultant (Research strategy and planning)
- Dr Jacques de Vos Malan, Consultant (Project management, community engagement)
- Dr Ghazaleh Dashti, Ph.D. student, will join the team as an Early Career Researcher (0.2) in January 2018.

6. Communications

6.1 Communication and Participation within the University of Melbourne

During FY2017, the ANDI Project was promoted across the University of Melbourne in an article in Pursuit which generated considerable interest. Professor Stanley and Mr Salvaris will deliver a lecture on the Project at the University of Melbourne School of Population and Global Health on 6 September 2017. This is part of the plan to engage other departments, schools, faculties and centres within Melbourne University and to influence early career researchers to work on the project. Similar introductory seminars are planned for other faculties during FY2018.

6.2 Early Career Researchers

ANDI recruited an enthusiastic team of Early Career Researchers (ECRs) to participate in the successful February 2017 ASSA Roundtable. Three of these researchers, Dr Kate Lycett, Dr Matthew Courtney and Ph.D. student Dr Ghazaleh Dashti, have now joined the ANDI Project team. In FY2018, ANDI is exploring the creation of a cross-disciplinary university-wide network of ECRs who might participate in and support the ANDI Project with external funding, either philanthropic or from the Australian Research Council under the Learned Academies Special Projects (LASP) program. ASSA's 2017 submission for LASP funding includes provision for support of ECRs. The ECR program is tentatively titled *The Australian Progress Fellows Scheme*.

6.3 Community Engagement

The ANDI Project has taken the first steps in the development of a community engagement framework and public consultation process. The community engagement strategies developed by the Australian Bureau of Statistics for the *Measuring Australia's Progress* (MAP) 2.0 project, the *Canadian Index of Wellbeing* and ANDI Ltd itself are being studied. A discussion document has been developed and circulated that situates community group and individual consultative activities within a larger stakeholder identification strategy. Professor Stanley gave a presentation on the ANDI Project on 7 June 2017 to a national conference of community organisations, Progress 2017. The ANDI Project team will hold an initial planning meeting on 8 September 2017 with the Australian Council of Social Service (ACOSS) and the Communities Council of Australia (CCA) for a national community workshop of community organisations to discuss and support the ANDI Project's national community engagement program. This workshop, to be held in November 2017, will bring together national peak groups across all relevant community fields including social welfare, business and trade union, indigenous and ethnic, local government, youth etc.

The feasibility of creating a computer application (an 'app') is being studied for ANDI Ltd by a leading computer game developer. The intention would be to publish a tool that makes it possible for individuals to 'vote' for a choice of social progress indicators, thereby allowing a measure of public influence in the Index development. We are discussing with Professor Su Baker the involvement of the VCA in the design of the community engagement platform for the project, including communications, design and video. The United Nations Development Program has agreed in principle to the ANDI Project's adaptation and use of UNDP's successful global progress and wellbeing survey, *MyWorld2015* (which achieved over 9 million respondents), through the Australian Communities Foundation as the ANDI Project's major community engagement platform.

7. Partnerships

7.1 Learned Academies

The Academy of the Social Sciences in Australia (ASSA) and the University of Melbourne co-hosted at the University of Melbourne on 15 February 2017 a Roundtable on the Australian National Development Index (ANDI) Project. The Roundtable was attended by over 40 eminent academics in key domains to be covered by ANDI and other leaders from government, business, the ACTU and community groups. A short report has been submitted to ASSA. ASSA wishes to maintain engagement with the ANDI Project and has offered to sponsor a further Roundtable or Workshop. ASSA selected the ANDI Project as its top priority in nominating projects to the Australian Research Council for funding under its Learned Academies Special Projects (LASP) program. A decision is expected in October 2017.

Professor Sir Gus Nossal and Mike Salvaris met in June 2016 with the Chair and Chair-elect of the Australian Council of the Learned Academies (ACOLA), Professor Andrew Holmes and Professor John Fitzgerald, the Council comprising the Presidents of the four Learned Academies, Humanities, Science, Social Sciences, and Technology and Engineering. ACOLA had supported an earlier pilot project on ANDI and had published the final report, *Australia's Progress in the Twenty-First Century: measuring the future we want*. Professor Holmes subsequently wrote affirming ACOLA's continuing interest in the ANDI Project.

7.2 Other Universities

If the ANDI Project proceeds beyond the initial 18 months of the current Collaboration Agreement between the University of Melbourne and Australian National Development Index Ltd, it is anticipated that other universities will be fully engaged in parts of the work. Initial interest has already been declared by staff at the Australian National University, the University of Sydney, the University of New South Wales, the University of Western Australia and Curtin University.

7.3 International

The Rector of the University of Rome has invited the Vice-Chancellor of the University of Melbourne to join in establishing collaboration between the two universities in work on indices of national wellbeing. The work in Italy is led by Professor Enrico Giovannini, Professor of Economic Statistics at the University of Rome and a former Chief Statistician at the Organisation for Economic Co-operation and Development (OECD). Professor Giovannini is available to visit Melbourne in 2018. If ASSA's submission for the 2017 LASP funding round is successful, there is provision in its proposed budget for Professor Giovannini's visit. Another option might be to seek funding through a Miegunyah Fellowship. Mike Salvaris is a member of a panel of Research Associates of the Canadian Index of Wellbeing which is hosted by the University of Waterloo. He has been invited to give a guest lecture at the University of Waterloo in November and to discuss collaboration with the University of Melbourne.

ANDI has established connections with current work at the OECD through Dr Martine Durand, Chief Statistician and Mr Andreas Schleicher, Director for Education and Skills and Special Advisor on Education Policy to the Secretary-General. The OECD has agreed to participate in the ANDI-UOM project. While on a recent private trip to Europe, Professor Helen Berry, on behalf of the ANDI Project, visited the office of the *Wales We Want* venture in Cardiff and the OECD in Paris, to meet staff involved with the OECD's *Better Life Index*. Both are leading models of the development and application of wellbeing indicators and potential partners in the ANDI Project.

Mike Salvaris has received a 2017 *Hall of Heroes* award from the Community Indicators Consortium, the international peak group in this field whose Board includes representatives from the OECD, the UN and leading US and Canadian organisations and universities. The award, which cites his 'long term impact' in community indicators and wellbeing, will be recognised at an awards ceremony at the CIC conference in Florida, USA in November 2017.

8. Funding and fundraising strategies

8.1 Fundraising strategies

In FY2017 ANDI has continued to develop a fundraising strategy based on (i) building a coalition of both philanthropic and corporate funders to support its core development ('Hub') and community engagement program, and (ii) developing a Host University agreement (with the University of

Melbourne) as the basis for its research and research funding program. The completion of a formal partnership agreement with the Host University effectively became a precondition both for significant philanthropic support by our key funding supporters (which has been otherwise agreed in principle), as well as for University- based research funding. Additionally, a partnership with a major university such as UoM is considered a strong positive for potential corporate sponsorship.

Despite the slower than expected progress in securing that partnership, ANDI did receive in July 2015 a grant of \$60,000 from Equity Trustees which gave the company some additional capacity for its core development work, and ensured that basic 'care and maintenance tasks' could continue. With the formalisation of the agreements with UoM, fundraising has moved ahead significantly, as follows.

8.2 Fundraising outcomes

Under the Collaboration Agreement with the University of Melbourne, Australian National Development Index Ltd is required to raise \$250,000 for this 18-month stage of work on the ANDI Project by April 2018. The full amount was raised by August 2017 with generous grants from the Lord Mayor's Charitable Foundation and the Australian Communities Foundation (ACF). The ACF grant will be recognised at a ceremony on 18 September.

The ARC LASP application seeks \$316,000 for work over the next 18 months. These funds would be applied to enhancing the current pilot project, the role of ECRs and links with ASSA and ACOLA.

On 20 July 2017, the Australian Communities Foundation and the Myer Family Company co- hosted a meeting of philanthropic organisations with a potential interest in supporting major projects including the ANDI Project and we gave a presentation to the meeting.

ANDI has had one meeting with Adrian Collette, Vice-Principal (Engagement), to discuss sources of funding for the ANDI Project and joint UOM-ANDI fund-raising approaches in the next 12 months, and a possible ECR scheme. In FY2017, ANDI will hold a further meeting with Mr Collette and a representative of the Vice- Principal (Advancement).

9. Operating Results, Review of Operations, State-of-Affairs and Developments

9.1 Operating results

The operating deficit of the company for the year ended 30 June 2017 was \$26,405 (year ended 30 June 2016: surplus \$43,932).

9.2 Relevance of actions to strategy

Section 3 above sets out ANDI's objectives, principal strategies for achieving these objectives and main activities in 2016-2017. In general, the activities listed in Section 3.1 are those which Directors regarded as the most urgent current priorities for achieving ANDI's longer term goals, in three important spheres:

- the development of a broad partner base, a community engagement program, and a central project team to drive ANDI's development;
- the development of a host university relationship and a supporting research program;
- building a solid and lasting financial and resource base to support the ANDI project

9.3 Performance review

ANDI's Board as part of its ongoing role monitors the company's performance and capabilities at a general level against the goals set out in its Constitution and its Business and Research Plans. Director Kester Brown has general responsibility within the Board for overseeing ongoing financial performance. Additionally, the company has been subject to external financial and performance reviews insofar as these flow from standard audit and reporting requirements. Beyond these, ANDI's Board has not developed more specific performance review measures for the key tasks set out in its business and research plans to date, mainly because the performance of these tasks necessarily requires a threshold level of resources and organisation which the company, being still in its developmental stage, has not yet achieved.

However, as indicated in our 2014/2015 report, negotiations with the University of Melbourne include a proposal for a specialised joint management and finances committee to be set up as an early priority once agreement on partnership is reached, with tasks including the setting of key performance measures.

9.4 Current state-of-affairs and other relevant developments

In 2016/2017, as in the three previous years, modest levels of funding and considerable in-kind and pro bono support enabled the company to operate a small secretariat of two or three part-time people, establish and conduct initial research and planning activities, and develop approaches and submissions to individuals and organisations likely to be interested in supporting ANDI.

In calendar year 2017, Directors expect a lift in the level of ANDI's operations and resources, following the completion of a partnership agreement with the University of Melbourne, as reported.

However, until such a lift in the level of ANDI resources is achieved, the Board has once again taken the position that prudence requires ANDI to continue its operations at a modest level and to work within a 'care and maintenance' budget framework.

Except as indicated in this report, there were no other significant changes in the state of affairs or operations of the company that occurred during the year and there are no imminent plans which are anticipated to significantly impact the results of the company's operations. The company will continue to carry on the principal activities disclosed within this report.

9.5 Other significant events

Otherwise there have been no significant events occurring after the reporting date which may affect either the company's operations or results of those operations or the company's state of affairs.

10. Other Matters

10.1 Directors' Benefits

Since the end of the previous financial year, apart from remuneration benefits paid in accordance with the Collaboration Agreement (refer section 5 of this Directors' Report), no director of the company has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with any director or with a firm of which any director is a member or with a company in which any director has a substantial financial interest.

10.2 Indemnifying Officer or Auditor

The company has taken out an insurance policy covering Directors & Officers Liability, Employment Practices Liability and Professional Indemnity. No other indemnities have been given during or since the end of the financial period, for any person who is or has been an officer or auditor of the company.

10.3 Auditor's Independence

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

10.4 Capital Structure

Australian National Development Index Limited is a company limited by guarantee, incorporated and domiciled in Australia. In accordance with the guarantee, if the company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 30 June 2017, the number of members was 9. At that date, the collective liability of members was \$90.

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'K. Brown', with a long horizontal stroke extending to the right.

Kester Brown, Director

Melbourne, 17 November 2017

Auditor's Independence Declaration to the Directors of Australian National Development Index Limited

I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* or any applicable code of professional conduct in relation to our audit of the financial report of Australian National Development Index Limited for the financial year ended 30 June 2017.

PKF Melbourne Audit & Assurance

Steven Bradby

Partner

Melbourne, 17 November 2017

AUSTRALIAN NATIONAL DEVELOPMENT INDEX LIMITED

ACN 160 688 077

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

Year ended 30 June 2017

	Notes	2017	2016
		\$	\$
Revenues from ordinary activities			
Operating revenue	3	<u>102,371</u>	<u>147,287</u>
Expenditure			
Consultant and project expenses		115,605	97,905
Insurance		2,053	1,932
Administration expenses		<u>11,118</u>	<u>3,518</u>
Total expenditure		<u>128,776</u>	<u>103,355</u>
Surplus (deficit) for the year	3	<u>(26,405)</u>	<u>43,932</u>

STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

Current assets

Cash	<u>18,069</u>	<u>44,474</u>
Total assets	<u>18,069</u>	<u>44,474</u>
Net assets	<u>18,069</u>	<u>44,474</u>

EQUITY AND STATEMENT OF CHANGES IN EQUITY

Accumulated surplus at the beginning of the year	44,474	542
Surplus (deficit) for the year	<u>(26,405)</u>	<u>43,932</u>
Accumulated surplus at the end of the year	<u>18,069</u>	<u>44,474</u>

The above statements should be read in conjunction with the accompanying notes.

AUSTRALIAN NATIONAL DEVELOPMENT INDEX LIMITED
ACN 160 688 077
FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

STATEMENT OF CASH FLOWS

Year ended 30 June 2017

	Notes	2017	2016
		\$	\$
Cash flows from operating activities			
Receipt of grants and other revenue		-	60,000
Interest received		598	1,041
Payments to suppliers and employees		(27,003)	(17,109)
Net cash flows (used by) from operating activities	(a)	<u>(26,405)</u>	<u>43,932</u>
Net increase (decrease) in cash held		(26,405)	43,932
Add opening cash brought forward		<u>44,474</u>	<u>542</u>
Closing cash carried forward		<u><u>18,069</u></u>	<u><u>44,474</u></u>
(a) Reconciliation of the surplus from operations to the net cash flows from operations			
Surplus (deficit) from operations		(26,405)	43,932
Fair value of services contributed free of charge		101,773	86,246
Costs outlaid in respect of the services contributed free of charge		<u>(101,773)</u>	<u>(86,246)</u>
Net cash flow from operating activities		<u><u>(26,405)</u></u>	<u><u>43,932</u></u>

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

AUSTRALIAN NATIONAL DEVELOPMENT INDEX LIMITED

ACN 160 688 077

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. Corporate Information

Australian National Development Index Limited is a company limited by guarantee that is incorporated as a not-for-profit entity and domiciled in Australia.

The registered office of Australian National Development Index Limited is located at Level 1, 60 Leicester Street, Carlton, Victoria. The company is primarily involved in researching and contributing to the development of an index that objectively measures sustainable national wellbeing. The Company has no employees at 30 June 2017.

2. Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*. Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below.

The financial statements are presented in Australian dollars, and have been prepared on an accruals basis. They are based on historical costs.

(b) Going concern

The financial statements are prepared on a going concern basis. Australian National Development Index Limited is dependent on the receipt of continued funding and in-kind support to enable it to achieve its objectives.

(c) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Grants

Grants are recognised when the company gains control of the contribution and associated conditions are fulfilled.

Resources Received Free of Charge

Resources received free of charge are recognised at their fair value when the company obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

Investment income

Investment income comprising interest is recognised as it accrues, using the effective interest method.

(d) Taxation

The company is a not for profit organisation and has tax exempt status under Division 50 of the *Income Tax Assessment Act 1997*. Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

(f) Accounts payable

Accounts payable due to third parties represent liabilities for goods and services provided to the entity prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition, depending on credit terms.

AUSTRALIAN NATIONAL DEVELOPMENT INDEX LIMITED

ACN 160 688 077

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
3. Financial Results			
Revenue:			
Grants	(a)	-	60,000
Services and resources received free of charge	(b)	101,773	86,246
Interest		598	1,041
		<u>102,371</u>	<u>147,287</u>

The company received the following funding and in kind support during the year:

(a) Grants received from:

Equity Trustees		-	60,000
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(b) Services and resources received free of charge from:

- Fair value of services provided in respect of legal support by McCullough Robertson (a firm in which Dominic McGann is a partner)		17,083	9,866
- Fair value of services provided by Michael Salvaris as part of his executive director role		79,690	72,000
- Fair value of services provided in respect of fund-raising support by Australian Communities Foundation through the work of Trudy Wyse		5,000	4,380
		<u>101,773</u>	<u>86,246</u>

4. Related Parties

The related parties of the company are the key management personnel, being the company's Directors, who are identified in the Directors' Report. Directors do not receive any remuneration. Certain directors are associated with organisations that have provided services and resources to the company, free of charge (refer Note 3).

5. Commitments and Contingencies

Subsequent to entering into a Memorandum of Understanding in November 2016, Australian National Development Index Limited (ANDI) and the University of Melbourne (UoM) entered into a Collaboration Agreement in January 2017 under which UoM agreed to become ANDI's principal research partner and Host University. Under the Collaboration Agreement ANDI is obligated to contribute \$250,000 towards the costs of the first stage of the joint community research project between the parties. As at 30 June 2017 the project is approximately 5 months into the 18 month first stage of an intended 5-year program to develop the ANDI Index.

In accordance with the Collaboration Agreement, ANDI is working to source the funding to satisfy its financial commitment to the first stage of the project, and has arranged two generous philanthropic grants, one from the Lord Mayor's Charitable Foundation (\$100,000) and one (in which the UoM was partner and co-applicant) from the Australian Communities Foundation's Impact Fund.

Under the grant agreements with the philanthropic funders, the sums granted are to be paid to UoM, and applied to the work of the joint project, which is based at Melbourne Graduate School of Education (MGSE) and advised by a joint ANDI-UoM committee with an independent chair.

Under the terms of the Collaboration Agreement the ANDI-sourced funding contributions are to be made in tranches requiring 20% to be received by UoM within 90 days of entry into the agreement, 30% within 6 months, 30% within 12 months, and the remaining 20% within 15 months.

As at 30 June 2017 UoM has received \$100,000 of the ANDI-sourced funding contributions. Residual tranches up to the committed level of \$250,000 are due to be paid to the project by ANDI prior to 30 June 2018, subject to satisfactory progress and reporting of the project. The funds required to meet the expenditure commitments are expected to be sourced from a combination of the grants specified above and other grants which ANDI is currently pursuing.

6. Events After the End of the Reporting Period

The project referred to in Note 5 has continued as anticipated by the Collaboration Agreement subsequent to the reporting date. Otherwise, there have been no significant events occurring after the reporting date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

AUSTRALIAN NATIONAL DEVELOPMENT INDEX LIMITED
ACN 160 688 077
FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Australian National Development Index Limited, we state that, in the opinion of the directors:

- (1) the financial statements and notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Accounting Standards - Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the company.
- (2) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.



Kester Brown, Director

Melbourne, 17 November 2017

Independent Auditor's Report to the Members of Australian National Development Index Limited

Auditor's Opinion

We have audited the accompanying financial report of Australian National Development Index Limited (the company), which comprises the statement of financial position as at 30 June 2017, the statements of surplus or deficit and other comprehensive income, changes in equity, and cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of the financial position of the company as at 30 June 2017 and of its financial performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with 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.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

PKF Melbourne Audit & Assurance
Melbourne, 17 November 2017

Steven Bradby
Partner