

RUMBALARA ABORIGINAL CO-OPERATIVE

ANNUAL REPORT 2015-16



RUMBALARA
ABORIGINAL CO-OPERATIVE LTD.

HEART OF COMMUNITY



Annual Report

Rumbalara Aboriginal Co-operative

ABN 84 530 647 942

20 Rumbalara Rd, Mooroopna Vic 3629

Po Box 614 Mooroopna 3629

Ph: 03 58 200 000

Tax concessions and fundraising

Public Benevolent Institution (PBI) and endorsed by the Australian Taxation Office as:

A Deductible gift Recipient (DGR); and

An income tax exempt charity (holding tax concessions and exemptions relating to income goods and services and fringe benefits taxes).

Fundraises throughout Australia and registered under fundraising legislation as required:

About this Annual Report

This Annual Report covers our activities and performances for the period July 2015 to June 2016, our financial year. This report is one of the ways we seek to satisfy our accountability obligations to our community, stakeholders including our partners and supporters.

We believe accountability is crucial for our sustainability and therefore our ability to fulfil our vision. By holding ourselves accountable, we demonstrate that we are worthy of the trust our community place in us.

It has been prepared to respond to specific legal requirements and we are working towards the Australian Council for International Development ACFID Code of Conduct guidelines. A copy of our Strategic Plan can be found on our website together with this report.

We encourage you to read this Annual Report together with:

- **Changing the Paradigm to Close the Gap Discussion Paper:** Understanding the context of Aboriginal & Torres Strait Islander health & wellbeing to effect measurable change.
- **Strategic Plan:** The organisations strategic priorities for 2016-2020
- **Heart of Community document:** Rumbalara History, Story & Philosophy
- **Highlights:** Rumbalara Highlights for 2015-16

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Message from the Chairperson

Lee Joachim



Our existence today through our resilience of being the oldest living race of people has created somewhat of a quandary. Prior to occupation we were relatively peaceful societies, existing as environmental socialist cultures where everything had a right to live and played a role as an indicator, protector and

provider. No doubt we had our troubles as a people living in such a harsh landscape with limited resources, that is a given. Then we had colonization thrust upon us.

Through colonisation we survived the controls and deprivation of Europeans and their cultural existence. There was torment and torture, preconceptions and a perception of a pure lack of uniqueness of our people. With that came missionaries and the introduction of their belief system and do-gooding, to help the heathen, using their analogy. Our way of life changed from living off the land to the hand out of rations.

As a community our organisation has gone through some huge changes, some of them, much needed changes.

There was a clear lack of financial knowledge pertaining to the organisation funds and government funds. However, work by staff in corporate services in delivering a true fiscal depiction for the Board began a story of strong control systems. Savings in all areas of the organisation began. Purposeful budgets were developed as per funding agreements, putting a challenge to Management of controlling their areas of responsibility and being frugal whilst ensuring services were not affected and aligned to government expectation of funding deliverables.

Where service areas were spread across Mooroopna and Shepparton, we are now all in Mooroopna, apart from our

Aged Care Programs located in Shepparton. This action is central to our Heart of Community process and our holistic service delivery. Cooperation between all service areas was essential to kick starting this process and today we are seeing the strong beginning to our resilient culture. We are working together to achieve a united approach to our health and wellbeing. This is an example of true cultural practice in the modern era.

As a Board we understood the concerns of community and staff specifically to the factors of shame and confidentiality. Our belief of taking a 'village to raise a child' and addressing issues of domestic violence, alcohol and other drug addictions has been brought to the community for all to assist in a positive change. We acknowledge the staff of the service areas for their hard work in assisting the Board to get where we are today.

Even though we have made great progress in the past 12 months, the Board still fights a constant battle to address the lies, smears and innuendo that constantly circle in the community and which disallows true unity within that community.

This has to stop.

There needs to be a change to a good community model of care. Within this, there needs to be support for the Board, the CEO, and the operational leadership team to develop and implement the changes necessary for the organization to move forward to true self-reliance and self-determination. Last year I spoke of nine areas which highlighted the type of work that needed to happen to help make and keep Rumbalara the relevant and viable organisation it is today. To me they are the tools to self-determination and it is a continuing conversation we must have.

Change

Rumbalara cannot continue to be a service based on what Governments give us. That would eventually lead to our downfall. We must strive to be a well-resourced, well led, forward thinking and self-reliant business unit.

We have introduced an entrepreneurial and forward looking focus which will help set the foundations for Rumbalara's future success. A key aspect of this is our procurement process which ensures we are diligent in employing Aboriginal people and utilising Aboriginal owned and operated businesses where ever this is possible, but this may take some time.

Governance and our Constitution

We are continuing to develop and strengthen the governance of our organisation. It is only through the strict adherence to the principles of good governance can the organisation hope to be placed to address the challenges we face into the future and position ourselves better for our self-reliance and self-determination. Essential to this is the development of our young people to become our future leaders.

Emerging leaders are being identified and mentored by our current leaders. The emerging leaders are all undertaking study in Leadership. By doing this, we can be confident that the future of the organisation will be further strengthened by the skills and knowledge the young leaders are gaining today.

Importantly, our new Strategic Plan for 2016 – 2020 has given us a road map to the future where the Board sets the priorities and our operational leaders are given the tools and resources necessary for us to achieve our goals.

Our Constitution is evolving and changing to reflect the dynamic nature of the areas we work in and the times we are living in. In the near future, the Board will need the expertise of accountants, lawyers and business; people with specialist knowledge to assist us in our work and make sure we are completing our task diligently and professionally. Constitutional changes will ensure the important work of the Elders Advisory Council and the Emerging Leaders is ongoing, and the organisation is committed to their role and function now and into the future.

Research and Publication

We have developed our own research area and have published our own research discussion paper; *Changing the Paradigm to 'Close the Gap': Understanding the context of Aboriginal and Torres Strait Islander health and well-being to effect measurable change*. Through this we have started to tell our own story, use our own words and use our own data to inform and raise issues of concern to us and our community. In essence, we are holding the pen. Our unique

voice is being heard in forums in Victoria and interstate, including as keynote speakers and in state wide research partnerships. There will be more research in the coming months and years.

Health and Funding

We are entering into a retail health market. Our competitors in areas such as the National Disability Insurance Scheme (N.D.I.S.), will be the likes of Australian Home Care and BUPA. Presently, Aboriginal and Torres Strait Islanders make up six percent of the Greater Shepparton community. Unfortunately, only about half of those currently access Rumbalara to use its services. We need to increase the proportion of Aboriginal and Torres Strait Islanders using our services to compete with other service providers and make sure RAC remains a viable indigenous organisation. However, the old block funding model does not apply to Rumbalara anymore. We are being made more accountable for our money spent by newer funding models and practices. The message in this is that we need to do more with less. That is the expectation we must meet.

Community

We have taken the need for an appropriately skilled and trained workforce to meet the needs of our community very seriously. We are investing in our future by developing partnering arrangements with a range of organisations. For example, we have a memorandum of understanding with GOTAFE for the provision of training to ensure that RAC can sustain a highly skilled workforce and enhance opportunities for appropriately skilled indigenous people in the Greater Shepparton area. We are also working very closely with TaskForce in the training of 15 appropriately qualified Alcohol and Other Drug workers. We are also endeavouring to ensure our community gets the best care possible. Our new 'intake' process is one part of our holistic model of care and is a real example of how an integrated model can be operationalised. Another great example of our integrated approach is the School Initiative. Here, Rumbalara services come together to give young school children in Mooroopna and Shepparton the opportunity to have their general health, their eyes and ears checked for any problems. As we move forward, it is timely to thank the Rumbalara staff, our community and our supporters for all the work that is being done to make our organisation truly unique.



Chief Executive Officer Report

Kim Sedick



The story of Rumbalara is a story of change. The 2015/16 year has been one of change and achievement, and the actualisation of some really great goals. The organisation that was once in crisis is now stable and focussed on:

- Providing excellence in service delivery
- Being responsive in meeting the needs of community
- Working in partnership with our funding bodies
- Playing the leadership role in influencing policy and outcomes for Aboriginal and Torres Strait Islander people.

To achieve what we have managed to achieve in a short period of time has meant that we have had to actively work on a culture within the organisation, of transparency, accountability and pride. It has been difficult for some people to accept that we all must hold each other accountable. But we must all take responsibility for doing the best job we can every day on a consistent basis. We have to strive to improve the way we go about doing things and we have to be strong in our beliefs. Gone are the days where individuals can run their own race. The organisation must stand strong in ensuring that we provide excellent services and a strong voice for our community, both now and far into the future. A couple of things that I want to highlight are firstly, the importance of evidence, and secondly, the issue of self-determination.

Information, data and evidence is vital in research and

research is what changes the policy direction of Government. Any person can have an opinion and make claims without evidence. All that will amount to is the opinion of the uninformed. Claims made without evidence should not be taken into account. Nor should they be allowed to inform policy. It is vital that Rumba, in our dealings with funding bodies and community, always do so from a basis of robust evidence. Secondly, I would like to have a look at the issue of self-determination and the emerging leaders of Rumbalara. We've been blessed with a highly talented and committed group of young people. They not only are part of community and respect the legacy of the Elders, but they bring with them a vision, a passion and excitement that builds on the strengths of the past as they create their own legacy. Finally, I want to look at the environment in which we operate. Just a short while ago Rumbalara used to receive Government funding because we were Rumbalara. About seven years ago the Government changed the way Rumba received funding to be more of a purchaser provider type of arrangement. In this arrangement, we were contracted to deliver a specific set of services and supports in response to identified priorities. Currently, Rumbalara is facing a tsunami of government reforms.

These reforms include:

- The prevention of domestic and family violence
- Responses to Aboriginal and Torres Strait Island children in 'out of home' care
- Changes to the Home and Aged Care, and Aged Care Packages
- An increasing drive towards consumer led, activity based funding models

Not only does this tsunami of change require enormous expertise within the organisation, it also means that we have to do so while still bedding down the operational improvements, financial controls, governance improvements and reporting systems that we have been constructing. Rumbalara is in a strong position. We are now in the process of progressing the work we have already started. The organisation has positioned itself to remain strong despite the changes we have had to deal with. I take a great deal of pride in congratulating the staff, the Board, the leadership team and the community on what has been an exceptional year.



Events Celebrated



10

Community Day Events

- Toms Footwear
- RAC family XMAS at Mooroopna
- Community Meeting
- Water Only Launch
- Naidoc Breakfast
- Naidoc Family Day
- Constitutional Community Meeting
- Heart Foundation Launch
- Safe Summer Expo
- Responsible Gambling Information Day

10

Client Program Events

- Olympic Opening Ceremony
- Turtle Project Launch
- Elders Open Day Fundraiser
- Harmony Day
- Women's Health Expo
- Carers Information Day

10

Ministerial Visits

- Minister Hutchins Visit
- Attorney Generals Official Visit

5

Governance & Management Events

- Governance Training
- Board In-service
- Annual General Meeting
- Forensic Audit
- Nominee Meet & Greet

5

Partnership Events

- Apology Breakfast
- Lullas Health Check Day
- Regional Indigenous Skills to Employment (RISE)
- First Annual GV Health Research Day Fair
- Ngar-Wu Wanyarra Aboriginal Health Conference

3

National Events

- National Families Day
- Sorry Day
- National Aboriginal & Torres Strait Islander Children's Day

TOTAL = 31+ Events for 2015/16



Our Finances



JACKIE WALKER

The 2015/16 year for Rumbalara has been a difficult one in that the organisation has implemented a robust set of financial controls and the associated necessary policies and procedures.

Rumbalara has returned a surplus of \$708,411.

This remarkable achievement has come about primarily through reductions in motor vehicle expenses, office and administration expenses, professional and consulting expenses, especially a reduction in legal fees and staff expenditure.

Even though we have a 1.6 million dollar reduction in income, we have a \$700,000 surplus due to:

- \$150,000 reduction in motor vehicle expenses
- \$390,000 reduction in office expenses
- \$144,000 reduction in professional fees including a \$90,000 reduction in amount paid for legal advice
- \$230,000 reduction in staff expenses
- Despite all this, the organisation has seen approximately the same amount spent on the provision of client services which was 1.88 million dollars in 2014/15 and 1.86 million dollars in 2015/16.
- Total wages in 2014/15 was 10.5 million dollars and in 2015/16 it was 10.4 million dollars.

Some of the findings of Price Waterhouse Coopers are that the amount of staff turnover is the same as it was for the past 5 years, at about 25 percent. Current discretionary

expenditure by the C.E.O. is the lowest that it has been in the past 5 years. The other thing that we have managed to do in the 15/16 financial year is that we have spent money on capital improvement projects. We have engaged in significant repairs and maintenance programs and we have established the new gardens at Mooroopna. We have also completed extensive repairs and maintenance of the church. Importantly, we are in the process of putting in water tanks to reduce storm water runoff and help maintain our natural environment.

This set of financial indicators shows that the controls and disciplines that have been put in place are working.

Rumbalara is no longer an organisation that recklessly spends money. Rather, we have adopted the visionary and disciplined behaviour of an organisation that is investing in the future of our community. We do this to ensure that we are supporting the people and the families not only for today, but for successive generations into the future.

We Stand For

We work in partnership with individuals families and community to support them in achieving an optimal quality and standard of living, through active partnerships we strengthen the health and culture for our people, our way



OUR VALUES

- I know that working at Rumbalara is an honour and not a right;
- I will ensure competent, relevant, respectful and safe service delivery while aiming for excellence at all times;
- I will take responsibility and demand to be held accountable for all my decisions and actions;
- I will take pride in my organisation, my work and my presentation and expect the same from everyone else;
- I will be fair and diligent and honest in all my decisions and actions;
- I will treat everyone with respect and fairness;
- I accept that once a decision is made, we stand together to uphold that decision;
- I will hold myself and everyone else accountable to consistently show up on time, work hard and behave appropriately;
- I will leave my work at work and go home safely to my family;
- I take responsibility to live up to the standards of the culture that we are building in our organisation; and
- I accept my responsibilities as an individual and as part of a team.

OUR VISION

Resilient and united, providing community controlled services that grow and strengthen community.

OUR HEART

Rumbalara is the 'Heart of Community' and we value the wisdom and cultural strength of our Elders, the optimism and joy of infants, and the potential of teenagers and adults in creating a new tomorrow while honouring and respecting the past. We recognise our communities as being amongst the most resilient and most vulnerable people in the world. We also recognise and respect the cultural strengths of the individual, family, and community by working in partnership with all our stakeholders and by striving to achieve an optimal quality and standard of life which refers back to our physical, social, emotional, cultural needs and well-being.

Our Governance & Management

We are committed to best practice governance. Our main decision making body is the Rumbalara Board of Directors. Board of Directors are elected at each annual general meeting and serve for a period of 12 months or more. The board meetings are held on a monthly basis. The board has major responsibility for Rumbalara's direction and strategy and is accountable to all community members, funding bodies and other stakeholders for the organisations performance and the fulfilment of its responsibilities.

Governing Principles

Our boards policy manual sets out the principals as to how our board conducts its work. The following statement on our board's governing style details how it's roles and responsibilities are discharged:

The board will approach it's task proactively and is responsible for setting the tone of legal, ethical and moral conduct of the organisation. The code of conduct policy sets the minimum requirements of conduct for Board Directors in carrying out their duties and responsibilities to Rumbalara.



Board Committees

In 2015 – 16 our Board was supported by the following Board committees:

- Elders Advisory Council established in 2015 to provide representative feedback and input to the Board of Directors and Chief Executive Officer
- Research Committee established in 2016 to co-ordinate and oversee Rumbalara's research activities
- Occupational Health & Safety Committee to identify and resolve health and safety problems and develop and monitor safe systems and procedures.
- Quality & Risk Management established in 2016 to support the organisation meet strict compliance requirements and mitigate risks.
- Community Support Fund Committee established in 2016 to assess and allocate funds for community
- Finance & Audit Committee established in 2016 to provide oversight and advice on the financial activities of the organisation
- Clinical Governance - established in 2016 to ensure appropriate reporting, monitoring and oversight of clinical quality and safety issues



Our Board

The unique experience and expertise of seven highly qualified individuals is brought together to contribute to the running of Rumbalara through their role on the board. Throughout 2015/16 Lee Joachim served as our board Chair and Jacqueline Walker served as our Secretary. Other currently serving members are Josh Atkinson, June Murray and Merle Miller. We would like to acknowledge the contribution of Leonie Dwyer, Kevin Collie, Neville Atkinson and Sonya Parson's who served for the board for periods of times over the past 12 months.

CURRENT BOARD OF DIRECTORS



Lee Joachim
Chairperson



Jacqueline Walker
Secretary



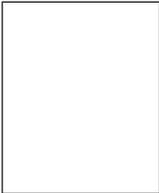
Josh Atkinson
Director



June Murray
Director



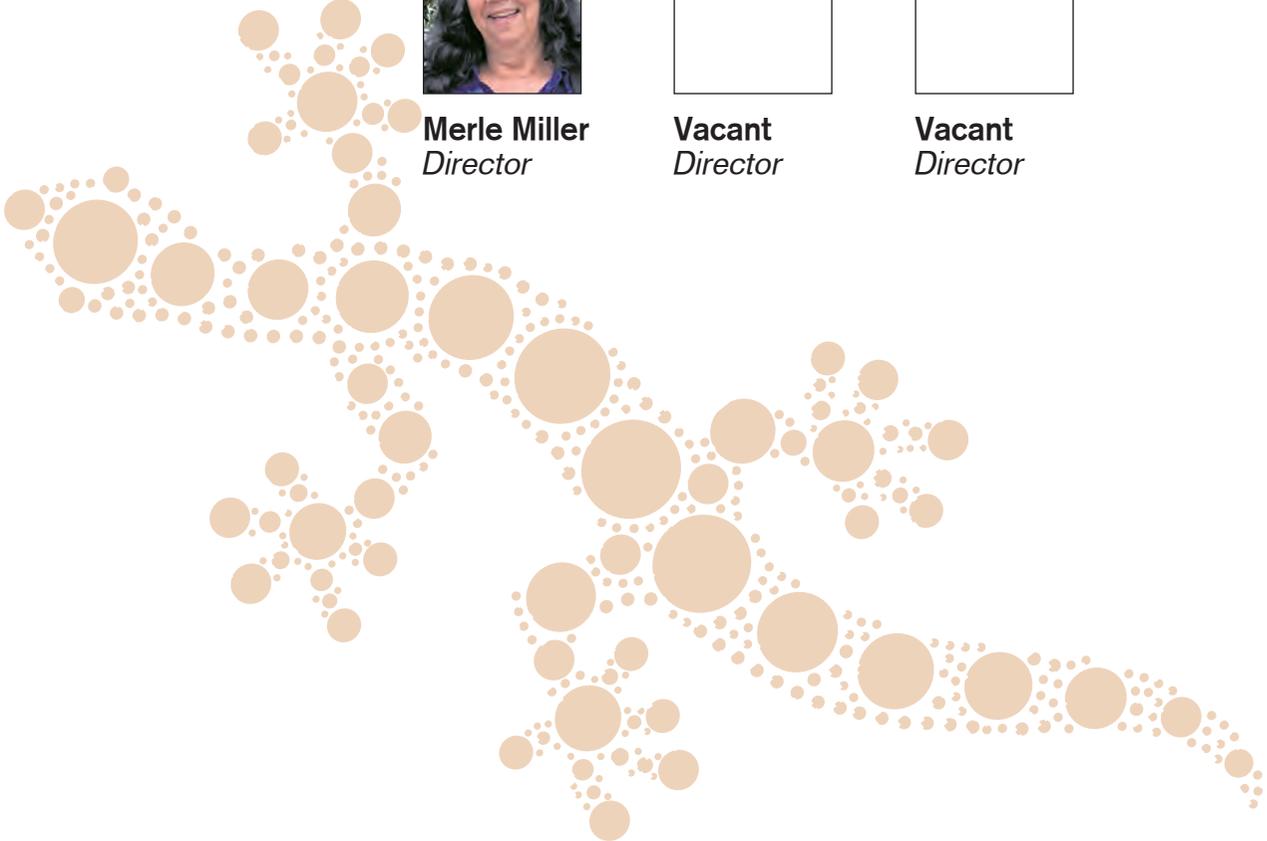
Merle Miller
Director



Vacant
Director



Vacant
Director



Our Leaders



**Director of
Community
Services**

Deborah Walsh

Support and assistance to families and individuals who are experiencing difficulties in their lives



**Director of
Positive Ageing
& Disability**

Dean Walton

In home or residential care to the aged and those who have a disability and support for those who care for them



**Director of
Asset &
Infrastructure**

Sherie Knight

Ensure appropriate management of assets, vehicle fleet and IT inventory are kept up to date



**Director of
Health &
Wellbeing**

Cindy McGee

A full range of health services to help address identified Health issues such as cardiovascular, poor diet nutrition, oral health, eye and ear health



**Director of
Quality Assurance
& Risk
Management**

Shane McLennan

Ensuring consistent running of business operations and access to services are fair & ethical

Community Service

Rumbalara delivers an extensive suite of Community Services across five program areas. They are Justice Services, Housing, Families, Alcohol and Other Drugs (AOD), and Responsible Gambling. It is through these services that we assist members of our community who are having difficulties in their lives and need support. Our programs aim to strengthen community engagement and develop positive relationships with community members.

228 FAMILIES
across Community Services were supported and assisted

90 REFERRALS
of new clients referred to Rumbalara Community Services for support

40 CHILDREN
attend Bush Kinder each week over the 16 week period



“All our program areas are important because we are dealing with peoples life changing events. We work to secure a future and preserve them in their culture. It’s about having a future, a future that can be more positive.” (Deborah Walsh)

Community Services

Community Services is one of Rumbalara's core program areas. With five program streams and a large staff team of 39, Director of Community Services, Deborah Walsh, is upbeat about the direction the program area is heading and the initiatives that have been put in place.

"One of our new initiatives is Bush Kinder. It's a collaboration between 'Save the Children', Rumbalara and 'Lulla's Children's Centre'. Bush Kinder is an absolute highlight of the week, every week, it allows children to play in our bush setting at Mooroopna in a natural and unstructured way."

Community Services has also been heavily involved in the roll out of the primary schools health initiative; an initiative where a team of Rumbalara staff work together to provide school aged children with full health checks.

"Every Aboriginal and Torres Strait Islander child in primary schools in Mooroopna had the opportunity to have a health check, This was done over two days a week for four weeks. It's a really exciting collaboration between the two schools and ourselves."

In Justice services, Rumbalara had Youth Support Services and Youth Justice attending Mooroopna Secondary College once a fortnight with the Aboriginal and Torres Strait Islander boys from years seven through to nine. The boys participated in cultural activities with the Youth Justice Team.

"Participation in the program has been good and well received. The program is about strengthening the young men and their identity and culture."

Community Services staff work in areas of crucial importance such as Out of Home Care. High on the priority list is Rumbalara's participation on the Aboriginal Children's Panel that sits every six weeks.

The panel provides advice on particular cases that are in the child protection system. There is senior representation from all service areas including the area manager of the Department of Human Services. All stakeholders such as police and education representatives are involved in the work of the panel.

"All our program areas are important because we are dealing with peoples life changing events. We work to secure a future and preserve them in their culture. It's about having a future, a future that can be more positive."

Community services are currently negotiating Memorandums of Understanding with Salvo Care and Vincent Care. These are in the areas of additional counselling support and financial capability.

Deborah Walsh



Community Services

Rumbalara Justice Services offers programs in Aboriginal family violence, including the information and referral program called Time Out', and the men's and women's case management services. There is also the Youth Support Service that is for Aboriginal and Non-Aboriginal young people under 17 who have come into contact with police. Additionally, there is the Koori Justice program for young people 10 to 21 who are on statutory orders and the local justice program; new programs that works with people on court orders or are dealing with the Sheriffs office.

Liz Lattore has been working with Rumbalara for over 16 years and has seen the organisations Justice Services expand to where they are today.

Rumbalara's Justice Services deliver a range of high quality and innovative programs to community. It is an essential component of addressing the legal injustices that are apparent in society, including Victoria's high incarceration rates for both our young people and adults, and the high incidence of young Indigenous people coming into contact with the law.

"We are keeping Aboriginal people safer, reducing risk to the community and reducing the over representation of Indigenous people in the justice system. We are helping them to lead a healthy, non-offending lifestyle. It's also about safety for the community as a whole."

Liz is sure that if the services didn't exist there would be far different outcomes than some of the positive one's she witnesses today.

"For example, if we have a family violence situation, the female would more than likely stay in the situation. They would more than

likely be put back in a position of the perpetrator reoffending, if they didn't have access to the information and supports that we have today."

Liz has seen great changes in the past 12 months particularly with the introduction of the more integrated approach of 'Heart of Community'.

"We're finding our work practices becoming more holistic, more proactive. At the end of day preventative is what works. Prevention is better than the cure. We provide information and education, which helps people make their own informed decisions, making them more resilient and less reliant, strengthening their sense of identity and self worth.

Liz has also found that the integrated approach to service provision has contributed to a greater sense of teamwork.

"It has given us the opportunity to walk alongside each other and gather different points of view, different ways of working. We're identifying each others strength's and utilizing each others skills and knowledge."

There have been many achievements over the past 12 months including the building of relationships built on trust and respect both internally and externally.

"There is more interaction with external services and better relationship building within the staff. We're breaking down the barriers and that sense of program ownership over clients. We are actually working together."

"The programs also have an open and honest relationship with Victoria Police. We have regular meetings with the police and the Office of Corrections and if we have issues between each other we can just go and talk. Our relationships and partnerships are very strong."

A major achievement was the funding of a lawyer from the Goulburn Valley Community Legal Centre. The lawyer provides free information advise and referral on a broad range of legal issues for community.

Liz says that in the future, one of the greatest challenges for the program area is getting the staff the appropriate qualifications needed to carry on with the important work that the service does.

"Gone are the days when you just put someone in the position and let them do it. Those days are gone. We're dealing with a lot more violent crimes. A lot more drug fuelled rage and family violence is being reported more often.

Liz Lattore

Community Services

Rumbalara is one of the leading provider's of family Services to Aboriginal and Torres Strait Islanders in Victoria. Through the provision of culturally appropriate and sensitive services, this program supports and assist families and children to move through the difficult times, so they can be an active part of a safe and healthy community.

As Operations Manager within Family Services, Herb Goonan brings a commitment to Rumbalara that totals almost 19 years. It is this sense of commitment that allows Herb and the team at Family Services deal with a range of difficult issues, that are faced by community members everyday.

'It's really important for us as workers to be the voice of our community when the community are too frustrated, or angry or scared to stand up and talk for themselves. Our community rely on us to be that voice when that's appropriate.'

Guiding families through the difficult times is a challenging role for all those working at Family services. Often, this means that workers have to have a high level of resilience and courage to say when things aren't right within a family.

'We have seen families where you could never knock their love for their kids, but they have huge methamphetamine addictions. You have to agree with Department of Human Services. The priority is to protect the children.'

A major achievement for Family Services has been the Children in School Program; a program for children in years five, six, seven and eight who are disengaged or having difficulties in school. The program operates from Monday to Thursday. Two workers receive referrals from school or Department of Human Services and the kids get involved in programs at Mooroopna.

'The program assists and supports kids that are finding it hard to attend school or have limited time there, or have poor literacy and numeracy skills. The level of attendance and understanding has all gone higher. That's pretty awesome.'

Another achievement has been the Aboriginal Family Lead Decision Making Program. This program has recently been nominated for a major award in Melbourne.

Herb thinks that Rumbalara's integrated service response has been a great development but also sees challenges for the future including getting appropriately trained staff.

'We need appropriate trained staff or up-skilled staff. Staff that can be forward thinking and have an understanding, have an appropriate framework to work within. We are looking at qualifications and reevaluating our professionalism to go to that next level. We also need to develop our young staff to be future community leaders.'

Herb Goonan



Community Services

Alcohol & Drug services supports members of our community to access the appropriate rehabilitation and detoxification programs that are available throughout the state. Its the role of the support worker to be educated and aware of all the drug and alcohol issues within our community.

When talking with Uncle Dave Atkinson, one of Rumbalara's two AOD support workers, you come to realise there is no such thing as a typical day at the workplace. Support work can mean anything from buying groceries for a client, through to supporting a client through the court process or visiting clients at a rehabilitation service. The small team in AOD services sees getting access to detoxification and appropriate rehabilitation programs for their clients as one of their core roles.

"We do a self assessment and a comprehensive assessment and then clients get sent to a detox or rehabilitation service. It could be anywhere. . We refer them to Ngwala, Odyssey House or something similar. We have to send them to Melbourne because there's a shortage of beds everywhere."

Another fundamental role of the team is that of court support. This role entails working with clients who have been told by the Koori Courts or mainstream Courts that they must engage in AOD counselling and support with Rumbalara

"If they don't engage it's recorded. If they are on corrections orders like Community Based Orders we report back to the courts. The courts often ask whether the client has been doing the right thing or not."

Uncle Dave believes if Rumbalara AOD services didn't exist, a lot of clients wouldn't access any services. He believes, for those that do access mainstream services, they wouldn't get the same quality of service.

"It's about having trust, building trust between the client and worker. Mainstream services don't know how to deal with past trauma; the stolen generations."

"Indigenous people get treated differently. A lot of non-Indigenous people think Indigenous people are different, that they don't want to work or don't want to get help. They are stereotyped. We've been put down for so long and we still are."

AOD work is difficult and challenging work and success can sometimes only be measured in small steps.

"What makes us keep going is getting someone into rehab or detox and they stick it out for 16 weeks. At least we know they've given it a go.

They might fall off the bike, but we are always here to put them back on the bike and try to get them back into rehab. You always look at trying to get them back in to get better. I tell every client, I'm walking with you, and you aren't alone."

While alcohol and ICE are major drugs present in the community, Victoria Police are reporting that heroin is making a comeback in Shepparton. Uncle Dave believes more powerful and dangerous drugs will also emerge in the community.

"There's s new drug called Flakka. It's a synthetic drug and it's cheaper and it's deadly. It's 45 times stronger than ice. I wouldn't be surprised if it's not here. You don't know what young people and old people are doing unless you are living with them."

Uncle Dave also believes the challenge for the next 12 months is to get trained younger workers into the service.

"If we don't get these kids now we are going to wipe out a generation. They're not going to follow us to do AOD work or anything around Rumba."

David Atkinson

Our Town's Ice Fight



WENDY LOVELL

Over the past four months I have been delighted to work with Rumbalara CEO Kim Sedick as co-chairs of a committee to address the effects of the drug ice in our community. Kim's leadership in bringing together the police, government departments, health providers and many other agencies has initiated the first multi-agency community response to addressing ice in our community.

The committee is working across six areas that cover;

1. Prevention and harm minimisation (Safe Summer in Shepp)
2. Service Mapping (to gain a comprehensive picture of services currently available)
3. Informing the community on who to call and when to call if they encounter someone affected by ice
4. How to improve the response and engagement of emergency services with someone affected by ice
5. Community strengthening through education programs



6. The ability of our region to cope with detox
The work of our committee is starting to produce some positive results with the pilot of 'Safe Summer in Shepp' being held on the 3rd and 4th November. 'Safe Summer in Shepp' will be an interactive session for young people that will inform and educate them on how to avoid participating in risky behaviours. This year's event will be a pilot with around 120 young people participating. Other areas of the agenda are progressing and I look forward to seeing these actions produce positive results for our community.

A handwritten signature in black ink that reads "Wendy Lovell".

Positive Ageing & Disability

Positive Ageing and Disability services provides care and services required to aged and disabled community members still living in their home, as well as residential care to Elders who are now unable to live in their homes. The service currently services over 100 clients through the Community Home Support Program in our local area, 150 home care packaged clients across four regions in Victoria and New South Wales. There is also a thirty bed Elders Residential Care Facility.



RUMBALARA ABORIGINAL CO-OPERATIVE provides three levels of Aged Care Services, HACC, Home Care Packages & Residential Aged Care.

45% CURRENT RESIDENTS
have been in the Elders Facility for 2 years or more



“Our services matter because we can provide a positive change in someone’s life due to the challenges they face because of a disability or becoming frail and aged.”(Dean Walton)

Positive Ageing & Disability

Director of Positive Ageing, Dean Walton, heads up one of Rumbalara's largest operational areas. With over 65 staff working across all the programs service areas, his team works to ensure all services are provided in a culturally appropriate manner and to a very high standard.

"Our services matter because we can provide a positive change in someone's life due to the challenges they face because of a disability or becoming frail and aged."

Positive ageing services strives to ensure that community members that receive services can continue to maintain levels of independence and normality that wouldn't be achievable without the provision of those services. Dean Walton

"If the program team wasn't here, community members wouldn't be able to live normally or independently. The Rumbalara Elders facility is already proving that residents can move in and live longer and happier as research against national statistics has shown."

Dean says, If the service didn't exist some people would be in mainstream services and others wouldn't be in a service at all, having problems coping with living, with all the negative connotations that entails.

"If we weren't here the community wouldn't have access to a culturally effective service provider. That means being respectful, we're aware and wanting to learn more about the cultural history of the people we're providing our service to. It's not just being aware of that they are Aboriginal and what they have lived through."

The past 12 months have seen the service maintain high levels of service, meet its funding obligations and successfully complete another quality review. The service has also maintained its presence in the outer regions including Loddon Mallee in Victoria and Orana Far West and Southern Riverina Murray in New South Wales.

Dean is proud of his staff and the positive impact they have on the lives of the residents and the community.

The program has maintained a focus on intergenerational activities where school and social groups of all ages have had opportunities to visit or be visited by residents of the Elders facility. This has had a lasting and poignant impact on all participants.

"We just had a youth group donate a beautiful steel turtle which is two meters by one meter big, to the elders. So we've now developed a relationship with this youth group and our Elders."

Importantly, the service has increased the physical activity of the residents with an increase in outings to a minimum of once a week, but sometimes up to three or four a week.

"During NAIDOC week the Elders were out for four days. They had a lunch on the Monday, Tuesday they went to Kyabram, Thursday they went to the Family Day and Friday they went to the showground's."

A major achievement for the year has been the successful procurement process to outsource the meal requirements at the Elders Facility.

"We're very proud that a member of the Aboriginal community won that tender. That's an achievement for us both financially and for the community. It's introduced our residents to more culturally specific meals and given us the ability to have more culturally themed days. Its also increased employment for the Aboriginal community."

Over the year the Elders facility has maintained its level of residency at a stable level of 25 or 26 each month.

Significantly, the service has had visits from government representatives and Aboriginal people from interstate wanting to discuss the Rumbalara model of aged care.

"They wanted to come and see the place because they had heard such good reports about it."

Dean Walton

Health & Wellbeing

Rumbalara Health & Wellbeing services 1,373 Aboriginal and Torres Strait Islander people who are classified as active patients. Active patients are patients who accessed the service two or more times in the past 24 months. The health services' 1,373 active patients represent 66% of Greater Shepparton's Aboriginal and Torres Strait Islander population, and as such, is a statistically relevant representation of the identified population.

16,629 EPISODES
of Health Care delivered to community



8479 VISITED
Rumbalara Medical Clinic



526 HEALTH
CHECKS
completed

80 WOMEN
aged between 40-72 had a breast screening.

“Patients now ring and get an appointment when they need it and the new doctor is currently receiving cultural supervision from a community Elder once a fortnight.”(Cindy McGee)

9496 TRANSPORT
provided to community

Health & Wellbeing

Rumbalara provides our community with a full range of Health and Wellbeing programs and services. As one of the largest providers of services to Aboriginal and Torres Strait Islanders medical services in Victoria, we are committed to the community's physical health, mental health, and emotional and spiritual well-being. We promote the cultural pride, independence and health awareness of all in our community.

Cindy McGee, Director of Rumbalara's Health and Well Being Services, is well aware of the important role the services and programs under her stewardship, play in the lives of the people in our community.

"Without our services, the community wouldn't receive the continuity of care they need. We've been busier in the past 12 months than in the previous 12 months and there have been some significant achievements."

High on the list of achievements has been the success of a new treatment for Hepatitis C. The new treatment has taken a hard to treat illness into one that can be relatively easily managed with a high success rate of cure.

"We've had three cured from Hepatitis C. We had four patients on the treatment plan and three have received the all clear. One is still on the plan and will keep on going."

Another major achievement for Rumbalara has been the development and release of the organisations first research and discussion paper. The discussion paper, Changing the Paradigm to 'Close the Gap, utilized our own health service data to present a health profile of the typical Rumbalara health service user, and offers a new understanding of the context of Aboriginal and Torres Strait Islander health and wellbeing. It also introduces the concept of 'normalised unwellness'.

The paper has been received very positively. So much so, that Rumbalara staff were invited to present the keynote address at the recent Goulburn Valley Health Research Fair and the Shepparton Department of Rural Health Aboriginal Health Conference.

"That's been really important for the organisation, so now we are being invited all over the place."

In a good example of how Health and Well Being Services can work in an integrated way with other Rumbalara services to effect change at the community level, the roll out of the school Initiative has been a success.

"We go into the schools to do the health, hearing and dental checks. When we go into the schools we take Family Services workers with us, and our diabetes educator. The plan is to start off at Mooroopna and then go over to Shepparton and possibly the whole Hume East division."

It is important for us to look at other ways of engaging the community. The future of our children is important to us. If we can allow them the opportunity and the sense of wellness from a young age we may be able to decrease chronic disease such as diabetes, heart disease and mental illness. The way we do things now is obviously not working, so we are always looking at ways we can improve and provide health care services to the community.

The service also appointed a new doctor in February of this year. This has been important because it assists in giving patients ready access to the health services they need in a timely manner.

"Patients now ring and get an appointment when they need it and the new doctor is currently receiving cultural supervision from a community Elder once a fortnight."

Cindy is trying to look at other ways of engaging the community in a culturally appropriate way. This is one of her challenges for the future.

"The business needs to remain viable and culturally appropriate. I want people to receive a service regardless of the personalities involved. It's a challenge to come up with new and better processes and different ideas."

"I'd like reception area changes to reflect more of our history. Also some didgeridoo music playing, stuff happening on the T.V. I'd also like our outdoors area landscaped for community to utilise."

Cindy McGee

Health & Wellbeing

The healthy lifestyles team does a broad range of activities for the health and well being of the community. Whether it is through physical activity through the Gym membership program, or through the provision of nutritious food at the Soul Food kitchen, the team at Healthy Lifestyles is trying to reduce the health risk factors of Aboriginal and Torres Strait Islanders.

The Rumbalara Healthy Lifestyles Program, headed by Hope Briggs, has been at the forefront of introducing new health, nutrition and other initiatives into Rumbalara. Presently they are assisting with the setting up of the Care Co-ordination project, as well as being heavily involved with the Mooroopna Primary School initiative. This initiative will see health and wellbeing checks, dental checks and hearing checks being delivered to about 120 primary students at Mooroopna Park and Mooroopna Primary schools.

“I want all our activities to align with our ‘Heart of Community’ and what our vision for that is and what we are trying to achieve with that. We can focus on all the different aspects of health and that is our advantage, the ability to focus on physical, spiritual, mental and cultural aspects. It’s important that our services are provided holistically to make sure everyone is looked after.”

This year also saw the introduction of the ‘Water Only’ initiative. In an effort to improve the health of its workforce, Rumbalara was the first enterprise in the region to take up the challenge of having a ‘water only’ workplace. In doing this, it is “encouraging, staff, family and visitors to make healthier choices about what they drink.”

The Healthy Lifestyles program is also setting up a Youth Leadership program that is hoped to eventually become a

Rumbalara Youth Advisory council. Importantly there is also the Rumbalara research committee that is currently being set up and hopes to build on research already done this year when Rumbalara released its first discussion paper.

The team also ran women’s day events such as the free breast screening event for women aged 40 to 72 on site at Rumbalara.

“When we run events we try to do it in a fun and relaxed way. We try to deliver a serious message but do it in a more relaxed way.”

‘We have great outcomes. When we did the breast screening we had 80 women attend. We had over 30 women screened and half of those had never had a breast screen before. The breast screening is important but we also need to make sure people are doing their own checks. We’ll have another one in the near future and will probably put a focus on educating young people.’

Hope sees the development of staff in Healthy Lifestyles over the past 12 months as a great achievement for the program.

“The staffs confidence and motivation has grown greatly over the last 12 months. It’s great to see. They’re engaged and doing stuff they would never do in the past. Their skills and knowledge base is improving and you can see the benefits all the time. It’s exciting to watch. The motivation comes from feeling positive about the organisation and where we are heading.”

Hope Briggs



Health & Wellbeing

Indigenous Australians suffer from more dental decay, gum disease, and tooth loss than non-Indigenous Australians. Tooth decay goes untreated more often than not. Access to culturally appropriate and affordable dental health care such as that provided by Rumbalara's Oral Health Services is crucial if we are to address the disparity between the oral health of Indigenous and non-Indigenous Australians.

Rumbalara's Oral Health clinic is the largest clinic for Indigenous people outside of the Melbourne metropolitan area. The clinic, situated on the Mooroopna site, has four chairs, and is attended by five full and part time dentists, one part time oral health therapist, and four dental assistants.

Its student program, in partnership with Melbourne University, has fifth year undergraduate students on a six to eight week rotation from January to October each year. The clinic's mobile dental van operates up to three times a week and goes to areas such as the Echuca Aboriginal community where it sees up to 13 clients per day. The program has been so successful that a few years ago the organisation recruited one of the students into the service as a dentist.

The Clinic's co-coordinator, Tracey Hearn, who is studying her Masters Degree in Public Health, who has been with the service from the beginning when she started as a trainee.

"Education to change community behaviors is a strong focus of our approach. If you aren't educating people from a young age you're just going to see the same poor outcomes as in older generations."

Whilst education is a focus of the clinic's work, it is just one of a set of strategies employed to improve the oral health of the community.

"Education is part of our preventative approach, and it works alongside early intervention strategies such as regular checks to educate and promote good oral health."

"A lot of people don't realize that oral health is a part of your overall health and well-being. Poor oral health leads to heart disease, diabetes, and chronic heart disease. Good oral health also builds self esteem and confidence and you can see it especially in the young kids."

An example of the prevention and early intervention approach is the new school initiative program; a pilot program whereby the clinic goes into schools and incorporates oral health, health and hearing checks for all Indigenous children.

"One of the challenges of the oral health clinic is to address the rate of people failing to attend appointments. In one month this year, 100 people failed to attend their appointments and this is hard to manage and has a big impact on the service especially our funding."

Despite the challenges, Tracey believes the service has done extremely well in the past financial year. Amongst the achievements has been the re-accreditation of the clinic, and exceeding the targets set in the National Partnership Agreement by 450. This has generated an extra \$150,000 for Rumbalara.

"The whole team has worked hard to generate extra income, so using different strategies such as running private clinics has helped with this."

Tracey Hearn



Health & Wellbeing

The Rumbalara Medical Clinic has three General Practitioner's, Aboriginal health workers and nurses that work in a range of fields. These include drug and alcohol, mental health, cancer support. Other specialist services in Indigenous health are; chronic disease, Care Coordination Supplementary Services, hearing and women's and children's services. Visiting specialists include those in obstetrics and gynaecology, psychiatry, psychology and dermatology. There are midwives, and a paediatrician. There is also a healthy liver clinic.

Shannon Drake Rumbalara's Manager of Clinical Services, says that the organisation's Health Service remains committed to providing a unique, sustainable health service delivery model and program management to enhance health outcomes to Aboriginal and Torres Strait Islander community within the Goulburn Valley region that is at the heart of the community's needs.

"We see closing the health gap as more than policy, it is lives within a community we are trying to prolong and implement preventative care for a healthier community. Rumbalara staff are committed to the advancement of our community health and wellbeing and ensuring the progression of self-determination."

Clinical Services aims to provide comprehensive primary health care throughout the Aboriginal and Torres Strait Islander and broader communities within our service areas guidelines.

"We ensure this is achieved by providing bulk billing services, promoting awareness, preventative health measures, screening and monitoring, across appropriate readily accessible clinical services to all ATSI clients and their families."

Shannon sees the health and well-being of the community as the major priority.

"Without this service where we tailor the health needs to the community and ensure we take the time to listen and complete comprehensive checks, community would have to attend main stream programs for their care."

"Completion of health checks allows us to assess clients and implement focused clinical care tailored to their needs."

Clinical Services has seen many achievements over the past 12 months including the recruitment of a full time GP, the development of the obstetrician and gynaecology clinic for women, and the implementation of the Healthy Liver clinic.

"For the last few years Rumbalara Medical has been working hard to set up a healthy liver clinic to treat patients with chronic liver disease. This has been a successful clinic as it has proved to clear hepatitis c in the patients within our clinic. With new treatments patients are being cleared of hepatitis c within a 12 week period. This is depending on the patients' medical conditions and consultation with the specialist."

Other projects that have been achieved this year are in the areas of asthma and diabetes. The chronic disease nurse has been at the centre of this.

"All Rumbalara patients with asthma have been set up with a recall for an asthma action plan to ensure they have a consultation with their GP, so that they can be educated about their asthma and what to do in the event of an emergency."

Added to this has been the joint initiative with Goulburn Valley Health where the chronic disease nurse has been getting credentials in diabetes education. This is to, "ensure that patients at Rumbalara get the best diabetes care."

Shannon identifies the need to increase staff, ensure ongoing funding, reduce waiting times and ensure access for all clients that present for an appointment as amongst the challenges that are ahead in the next 12 months.

Shannon Drake

Asset & Infrastructure

Rumbalara acts as a custodian for the community's many assets. It ensures that the organisations programs and services are supported by appropriate and necessary infrastructure. Cost effective lifecycle planning and management of assets and infrastructure is a major focus of Rumbalara. This is to make sure the organisation can optimally and sustainably deliver on its objectives and meet the current and future needs of the community.



53 TENANTED
residential properties owned by Rumbalara

\$32 MILLION
dollars worth of assets at Rumbalara

“The assets are the assets of the community, we are contributing to their self determination by providing jobs and opportunities and placing the organisation in a position where we won’t be dictated to by governments and others,”
(Sherie Knight)

Asset & Infrastructure

With about 32 million dollars worth of assets to look after, Director of Assets and Infrastructure, Sherie Knight has a vast range of property and equipment to take responsibility for. Included in the assets of the organisation, is anything valued over a thousand dollars, and that ranges from cars and machinery, medical equipment, and buildings such as the Elders Facility, through to the 53 tenanted residential properties owned by Rumbalara. Sherie is also responsible for all Information and Communications Technology and associated equipment.

“Within my portfolio we also have responsibility for sorting out tenancy issues particularly in relation to maintenance, either ad hoc, or the annual Scope of Works maintenance program funded by the Department of Health and Human Services.”

Added to this, Ms Knight must also ensure compliance with legislation and building standards for the properties that are owned by Rumbalara, particularly the corporate sites.

“I’m doing a lot of planning, working on a business plan for our 53 residential properties because it is ageing housing stock. ”

On any day, Ms Knight could be responding to maintenance issues at the corporate sites or the residential sites, or dealing with fleet issues, reviewing policies or developing up a plan for I.T.

“We have completed a process of cataloguing our I.T. assets. We have ageing I.T. infrastructure and we are looking at the resources necessary to what we need to in the future, including replacing our old technology.”

A major challenge for the organisation is to develop a business model that will assist in replacing Scope of Works funding that has been provided by DHHS, but will cease next year.

“We are offering community members lawn mowing and maintenance services at a competitive rate, to generate income, employ Aboriginal people and begin to be self funding.”

“The assets are the assets of the community, we are contributing to their self determination by providing jobs and opportunities and placing the organisation in a position where we won’t be dictated to by governments and others.”

Sherie Knight



Quality Assurance & Risk Management

All our programs and services are operated in an environment of strict compliance with legislative requirements and agreements with our various funding bodies and agencies. This includes operating at the appropriate standards necessary to achieve accreditation and certification in everything we do, and making sure that all risks have been assessed and mitigated so we reach our objectives.



“The GEMBA implementation moves our area into the computer age. With this program we are able to move all our policies, funding agreements, payment schedules and accreditation information into the one place.”

(Shane McLennan)

Quality Assurance & Risk Management

All programs and services within Rumbalara are operated in an environment of strict compliance with legislative requirements and agreements with various funding bodies and agencies. This includes operating at the appropriate standards necessary to achieve accreditation and certification and making sure that all risks have been assessed and mitigated so to reach organisation objectives.

Shane McLennan's role of Director, Quality Assurance and Risk Management, covers a wide gamut. His area ensures continuous quality improvement to make sure that the organisation is meeting the deliverables it is required to deliver, and that programs and services are properly accredited, and helping to ensure that funding is secure and ongoing. His risk management function is also critical to the ongoing success of the organisation.

"You always have to be looking at mitigating risk or acting on a risk and improving on it. I see risks as a good indicator that we haven't done something right and we need to address it. Or if we haven't done it right then we're in breach of a policy or procedure."

Shane also supports other departments in making sure that they are delivering a quality service.

"If the role didn't exist, I think that would mean an increased burden on the other Director's. The risk is they may overlook some-thing; so having a designated role that looks around the whole organisation is a huge bonus to the respective Directors and the organisation. The role is critical in making sure our standards are always of the highest quality. If you don't have a quality and risk framework it will eventually effect your reputation. "

Another aspect of Shane's role is that of handling internal and external complaints.

"Consumers generally complain about a service that they received or didn't receive. Internally, complaints can be about a variety of things ranging from a work colleague's behavior through to a lack of equipment or floor space. Everything must be investigated and resolved."

Shane says there have been a number of achievements that have taken place over the past 12 months including improving the relationship with finance, the accreditation of the dental program, the review of Justice Services, and the building of better relationships all round.

"The dental accreditation was a great achievement. Tracey and her team worked extremely hard and should be very proud".

The review of Justice Services has been seen as another achievement as well.

"That entailed identifying gaps, and making some good recommendations that will benefit the organisation, benefit the staff, benefit the programs and very importantly benefit the community."

In the future, Shane has to conduct a number of investigations as well as make sure the Royal Australian College of General Practitioners accreditation of the medical services runs smoothly. There is also the Introduction of the GEMBA 360 program.

"The GEMBA implementation moves our area into the computer age. With that program we are able to move all our policies, funding agreements, payment schedules and accreditation information into the one place. I'd like everyone who needs to use it to be on GEMBA by Christmas 2016."

"I think at a Director level we have a very talented team. There are various backgrounds and skills, which has been a bonus to all of us. Everyone is very supportive and it has been exciting being part of the organisation that the community is going to benefit from."

Shane McLennan



RUMBALARA
ABORIGINAL CO-OPERATIVE LTD.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 June 2016

ABN 84530647942



Rumbalara Aboriginal Co-operative Limited

ABN: 84530647942

Financial Report For The Year Ended 30 June 2016

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RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED
ABN: 84530647942
DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2016.

Directors

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

Lena Morris retired (5/11/2015)
Lee Joachim
Leonie Dwyer resigned (10/03/2016)
Jacqueline Walker
Joshua Atkinson
Shane McLennan retired (5/11/2015)
Sonya Parsons resigned (24/01/2016)
Kevin Collie resigned (19/11/2015)
Neville Atkinson resigned (15/04/2016)
Merle Miller appointed (8/12/2015)
June Murray appointed (1/04/2016)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the company during the financial year were provision and delivery of community and health services to the Aboriginal community of the Goulburn Valley region.

Meetings of Directors

During the financial year, 12 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Lena Morris	4	2
Lee Joachim	12	11
Leonie Dwyer	9	7
Jacqueline Walker	12	11
Joshua Atkinson	12	8
Shane McLennan	4	1
Sonya Parsons	2	2
Kevin Collie	1	1
Neville Atkinson	6	1
Merle Miller	6	3
June Murray	3	3

The entity, a large co-operative, is regulated by the Co-operatives National Law (Vic) and by the Co-operatives National Law (NSW). If the entity is wound up, the constitution states that the winding up must be in accordance with Part 4.5 clause 448 of the Co-operatives National Law (Vic). If, on the winding up or dissolution of the Co-operative, any property remains after the satisfaction of all its debts and liabilities and the costs, expenses and charges of the winding up, that property -

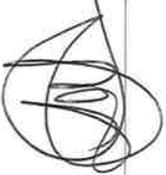
- (a) must not be paid to or distributed among the members; and
- (b) must be given or transferred to an institution -
 - (i) which has objects similar to those of the Co-operative; and
 - (ii) whose constitution prohibits the distribution of property among its members; and
 - (iii) which has been chosen by the members of the Co-operative at or before the time of dissolution.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 6 of the financial report.

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED
ABN: 84530647942
DIRECTORS' REPORT

Signed in accordance with a resolution of the Board of Directors.



Lee Joachim

Director

Dated this

14th

day of

September

2016

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED
ABN: 84530647942
AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 283 OF CO-OPERATIVES NATIONAL LAW
(Victoria) AND SECTION 307C OF
THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* and the *Co-operatives National Law (Victoria)* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Name of Firm RP & RG Pty Ltd *trading as* Wyndham Audit



Name of Director Mr Russell Guppy

Date 14th September 2016

Address 78 Wyndham Street
SHEPPARTON
Victoria 3630

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED

ABN: 84530647942

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR
ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
Revenue			
Other income	2	14,485,101	16,601,650
Employee provisions expense	2	2,375,517	1,877,775
Depreciation and amortisation expense		(10,433,909)	(10,532,751)
Bad and doubtful debts expense	3	(1,081,732)	(1,103,752)
Repairs, maintenance and vehicle running expenses	3	(10,000)	-
Fuel, light and power expense		(157,809)	(218,253)
Rental expense		(299,232)	(270,301)
Training expense		(283,204)	(381,417)
Audit, legal and consultancy fees	3	(75,805)	(256,803)
Administration expense		(209,420)	(313,384)
Marketing expenses		-	-
Client support services expenses		(20,346)	(72,099)
Fundraising expenses		(1,855,995)	(1,887,813)
Sundry expenses		-	-
Share of net profits of associates and joint ventures		(1,724,754)	(1,879,455)
Current year surplus before income tax		708,411	1,563,397
Tax expense		-	-
Net current year surplus		708,411	1,563,397
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gain (loss) on revaluation of land	7, 17c	(26,000)	704,776
Total other comprehensive income for the year		(26,000)	704,776
Total comprehensive income for the year		682,411	2,268,173
Profit attributable to members of the entity		708,411	1,563,397
Total comprehensive income attributable to members of the entity		682,411	2,268,173

The accompanying notes form part of these financial statements.

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED
ABN: 84530647942
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	4	10,329,359	8,225,184
Accounts receivable and other debtors	5	385,927	363,338
Other current assets	6	98,000	169,564
TOTAL CURRENT ASSETS		<u>10,813,286</u>	<u>8,758,087</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	31,782,928	32,680,946
TOTAL NON-CURRENT ASSETS		<u>31,782,928</u>	<u>32,680,946</u>
TOTAL ASSETS		<u>42,596,214</u>	<u>41,439,033</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	8	1,861,489	1,458,649
Employee provisions	9	1,076,237	1,032,923
TOTAL CURRENT LIABILITIES		<u>2,937,726</u>	<u>2,491,572</u>
NON-CURRENT LIABILITIES			
Employee provisions	9	267,920	239,304
TOTAL NON-CURRENT LIABILITIES		<u>267,920</u>	<u>239,304</u>
TOTAL LIABILITIES		<u>3,205,646</u>	<u>2,730,876</u>
NET ASSETS		<u>39,390,568</u>	<u>38,708,157</u>
EQUITY			
Retained surplus		33,283,793	32,575,381
Reserves		6,106,774	6,132,774
TOTAL EQUITY		<u>39,390,568</u>	<u>38,708,156</u>

The accompanying notes form part of these financial statements.

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED
ABN: 84530647942
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Note	Retained Surplus \$	Revaluation Surplus \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2014		31,011,984	5,428,000		36,439,984
Comprehensive Income					
Surplus for the year attributable to members of the entity		1,563,398			1,563,398
Other comprehensive income for the year	17				
Net fair value gains on available-for-sale financial assets				-	-
Gains on revaluation of land and buildings	7		704,774		704,774
Total other comprehensive income		-	704,774	-	704,774
Total comprehensive income attributable to members of the entity		1,563,398	704,774	-	2,268,172
Balance at 30 June 2015		32,575,382	6,132,774	-	38,708,156
Balance at 1 July 2015		32,575,382	6,132,774	-	38,708,156
Comprehensive Income					
Surplus for the year attributable to members of the entity		708,411			708,411
Other comprehensive income for the year	17				
Net fair value losses on available-for-sale financial assets				-	-
Losses on revaluation of land and buildings	7		(26,000)		(26,000)
Total other comprehensive income		-	(26,000)	-	(26,000)
Total comprehensive income attributable to members of the entity		708,411	(26,000)	-	682,411
Other transfers					
Cumulative revaluation surplus relating to sale of property, transferred to retained surplus	17				-
Total transactions with owners and other transfers		-	-	-	-
Balance at 30 June 2016		33,283,793	6,106,774	-	39,390,567

For a description of each reserve, refer to Note 17.

The accompanying notes form part of these financial statements.

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Commonwealth, state and local government grants		15,736,576	14,221,920
Receipts from donations, bequests and raffles		1,209,054	1,660,775
Payments to suppliers and employees		(14,891,376)	(15,881,536)
Interest received		266,299	239,536
Dividends received		-	-
Interest paid		(3,941)	(4,470)
Net cash generated from operating activities	14	<u>2,316,611</u>	<u>236,225</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		102,217	1,300
Payment for property, plant and equipment		(314,654)	(68,594)
Net cash used in investing activities		<u>(212,437)</u>	<u>(67,294)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of finance lease commitments		-	-
Increase in finance lease commitments		-	-
Net cash used in financing activities		-	-
Net increase in cash held		2,104,175	168,931
Cash on hand at beginning of the financial year		8,225,184	8,056,253
Cash on hand at end of the financial year	4	<u>10,329,359</u>	<u>8,225,184</u>

The accompanying notes form part of these financial statements.

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED
ABN: 84530647942
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The financial statements cover Rumbalara Aboriginal Co-operative Limited as an individual entity, incorporated and domiciled in Australia. Rumbalara Aboriginal Co-operative Limited is incorporated as a co-operative.

The financial statements were authorised for issue on 30th September 2016 by the directors of the Co-operative.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Co-operatives National Law (Vic.) and the Co-operatives National Law (NSW) and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Co-operative is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

Accounting Policies

(a) Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

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Rumbalara Aboriginal Co-operative Limited receives non-reciprocal contributions of assets from the government and other parties for no or nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

All revenue is stated net of the amount of goods and services tax (GST).

(c) Fair Value of Assets and Liabilities

The Co-operative measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Co-operative would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED
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The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and impairment losses.

Freehold Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Co-operative and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2½%
Plant and equipment	10% - 66½%
Leased plant and equipment	22½%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised as income in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

(e) Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

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Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(f) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Co-operative commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Co-operative's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Co-operative assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a "loss event"), which has an impact on the estimated future cash flows of the financial asset(s).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Co-operative recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(g) Impairment of Assets

All assets held in the name of the Co-operative are subject to implicit or implied encumbrances lodged against them by the statutory authorities of the Federal and State Governments.

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(h) Employee Provisions

Short-term employee provisions

Provision is made for the Co-operative's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The Co-operative's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Co-operative does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

- (i) Cash on Hand**
Cash on hand includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.
- (j) Accounts receivable and other debtors**
Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.
Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.
- (k) Goods and Services Tax (GST)**
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).
Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.
Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.
- (l) Income Tax**
No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.
- (m) Intangibles**
Software
Software is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and any impairment losses. Software has an estimated useful life of between 2 and 4 years. It is assessed annually for impairment.
- (n) Provisions**
Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.
- (o) Comparative Figures**
Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.
When the Co-operative retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.
- (p) Accounts Payable and Other Payables**
Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Co-operative during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.
- (q) Critical Accounting Estimates and Judgements**
The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Co-operative.
- Key Estimates**
Impairment
The freehold land and buildings were independently valued at 30 June 2015 by Opteon (Goulburn North East Vic). The valuation was based on the fair value less costs of disposal. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of \$704,775 being recognised for the year ended 30 June 2015.
At 30 June 2016, the directors reviewed the key assumptions made by the valuers at 30 June 2015. They have concluded that these assumptions remain materially unchanged, and are satisfied that carrying amount does not exceed the recoverable amount of land and buildings at 30 June 2016.

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Key Judgements

(ii) Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. The Co-operative expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

(r) Economic Dependence

Rumbalara Aboriginal Co-operative Limited is dependent on the Commonwealth and State Governments for the majority of the revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the relevant Departments will not continue to support Rumbalara Aboriginal Co-operative Limited.

(s) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Co-operative. The Co-operative has decided not to early adopt any of the new and amended pronouncements. The Co-operative's assessment of the new and amended pronouncements that are relevant to the Co-operative but applicable in future reporting periods is set out below:

- AASB 9: *Financial Instruments* and associated amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the Co-operative on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the Co-operative elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Co-operative's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019). When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application. Although members of the committee anticipate that the adoption of AASB 16 will impact the Co-operative's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 2 Revenue and Other Income

	2016	2015
	\$	\$
Revenue		
Revenue from (non-reciprocal) government grants and other grants		
— State/federal government grants – operating	8,215,204	7,703,594
— Other government grants	6,003,599	8,658,520
— Other organisations	-	-
	<u>14,218,803</u>	<u>16,362,114</u>
Other revenue		
— Dividends received	-	-
— Interest received on investments in government and fixed interest securities	266,299	239,536
	<u>266,299</u>	<u>239,536</u>
	<u>14,485,101</u>	<u>16,601,650</u>
Total revenue		
Other income		
— Gain on disposal of property, plant and equipment	1,151	-
— Charitable income and fundraising	2,600	-
— Net fair value gain on remeasurement of investments in held-for-trading listed shares	-	-
— Bequests received	-	-
— Capital grants	-	-
— Gains on contributed assets	-	-
— Rental income	530,352	537,039
— Other	1,841,414	1,340,736
	<u>2,375,517</u>	<u>1,877,775</u>
Total other income		
Total revenue and other income	<u>16,860,619</u>	<u>18,479,426</u>

Note 3 Surplus for the year

	2016	2015
	\$	\$
(a) Expenses		
Employee benefits expense:		
— salaries, wages, and on-costs	10,433,909	10,532,751
Total employee benefits expense	<u>10,433,909</u>	<u>10,532,751</u>
Depreciation and amortisation:		
— land and buildings	633,768	570,869
— motor vehicles	50,858	54,722
— furniture and equipment	397,105	478,160
— software	-	-
Total depreciation and amortisation	<u>1,081,732</u>	<u>1,103,752</u>
Bad and doubtful debts:		
— trade and other receivables	10,000	-
Rental expense on operating leases:		
— minimum lease payments	283,204	381,417
— contingent rentals	-	-
Total Rental Expense	<u>283,204</u>	<u>381,417</u>
Audit fees		
— audit services	27,261	53,326
— taxation services	-	-
Total Audit Remuneration	<u>27,261</u>	<u>53,326</u>

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(b) Significant Revenue and Expenses

Property, plant and equipment:
 Proceeds on disposal 1,300
 Disposals at carrying amount (104,940)
 Net gain on disposals (2,723) (3,326)

Note 4 Cash on Hand

	2016	2015
	\$	\$
CURRENT		
Cash at bank	10,329,359	8,225,184
Cash on hand	-	-
Total cash on hand as stated in the statement of financial position and statement of cash flows	<u>10,329,359</u>	<u>8,225,184</u>

Note 5 Accounts Receivable and Other Debtors

	2016	2015
	\$	\$
CURRENT		
Accounts receivable	395,927	363,338
Provision for doubtful debts	(10,000)	-
Other debtors	<u>385,927</u>	<u>363,338</u>
Total current accounts receivable and other debtors	<u>395,927</u>	<u>363,338</u>

(a) Credit risk

The Co-operative has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 5. The main source of credit risk to the Co-operative is considered to relate to the class of assets described as "accounts receivable and other debtors".

The following table details the Co-operative's accounts receivable and other debtors exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Co-operative and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Co-operative.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality.

2016	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31 - 60	61 - 90	>90	
Accounts receivable	\$ 395,927	\$ -	\$ 294,164	\$ 4,463	\$ 2,839	\$ 94,460	\$ -
Other debtors	-	-	-	-	-	-	-
Total	<u>395,927</u>	<u>-</u>	<u>294,164</u>	<u>4,463</u>	<u>2,839</u>	<u>94,460</u>	<u>-</u>

2015	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31 - 60	61 - 90	>90	
Accounts receivable	\$ 282,094	\$ -	\$ 95,005	\$ 2,162	\$ 200	\$ 184,727	\$ -
Other debtors	-	-	-	-	-	-	-
Total	<u>282,094</u>	<u>-</u>	<u>95,005</u>	<u>2,162</u>	<u>200</u>	<u>184,727</u>	<u>-</u>

Note 6 Other Current Assets

	2016	2015
Accrued Income	\$ 58,000	\$ 149,564
Security Bond	<u>40,000</u>	<u>20,000</u>
	<u>98,000</u>	<u>169,564</u>

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED
ABN: 84530647942
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 7 Property, Plant and Equipment

	2016	2015
	\$	\$
LAND AND BUILDINGS		
Freehold land at fair value:		
— Directors valuation in 2016	8,212,066	8,342,066
— Independent valuation in 2015		
Total land	8,212,066	8,342,066

Buildings at fair value:		
— Directors valuation in 2016	21,840,483	21,658,969
— Independent valuation in 2015	(632,928)	-
Less accumulated depreciation		
Total buildings	21,207,555	21,658,969
Total land and buildings	29,419,621	30,001,034

PLANT AND EQUIPMENT

Plant and equipment:		
At cost	6,962,071	6,832,931
Less accumulated depreciation	(4,598,763)	(4,153,019)
Less accumulated impairment losses		
Total plant and equipment	2,363,307	2,679,912
Total property, plant and equipment	31,782,928	32,680,946

Movements in Carrying Amounts

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

	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
2015				
Balance at the beginning of the year	8,747,161	21,108,783	3,162,919	33,018,862
Additions at cost	480		36,513	36,993
Additions at fair value		10,704	13,362	24,066
Disposals				-
Revaluations	(405,575)	1,110,351		704,776
Depreciation expense		(570,869)	(532,882)	(1,103,751)
Carrying amount at the end of the year	8,342,066	21,658,969	2,679,912	32,680,946
2016				
Balance at the beginning of the year	8,342,066	21,658,969	2,679,912	32,680,946
Additions at cost		182,355	132,299	314,654
Additions at fair value				-
Disposals	(104,000)		(940)	(104,940)
Revaluations	(26,000)			(26,000)
Depreciation expense		(633,768)	(447,963)	(1,081,732)
Carrying amount at the end of the year	8,212,066	21,207,555	2,363,307	31,782,928

Asset revaluations

The freehold land and buildings were independently valued at 30 June 2015 by Opteon (Goulburn North East Vic). The valuation resulted in a revaluation increment of \$704,775 being recognised in the revaluation surplus for the year ended 30 June 2015.

At 30 June 2016 the directors reviewed the key assumptions made by the valuers at 30 June 2015. They have concluded that these assumptions remain materially unchanged, and are satisfied that the carrying amount does not exceed the recoverable amount of land and buildings at 30 June 2016.

Refer to Note 16 for detailed disclosures regarding the fair value measurement of the Co-operative's freehold land and buildings.

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 8 **Accounts Payable and Other Payables**

	2016	2015
	\$	\$
CURRENT		
Accounts payable	572,870	681,972
Deferred income	-	-
Other current payables	1,288,620	776,678
Other payables (net amount of GST payable)	-	-
	1,861,489	1,458,649

8(a)

	2016	2015
	\$	\$
(a) Financial liabilities at amortised cost classified as accounts payable and other payables		
Accounts payable and other payables:		
— Total current	1,861,489	1,458,649
— Total non-current	-	-
Less deferred income	-	-
Less other payables (net amount of GST payable)	-	-
Financial liabilities as accounts payable and other payables	1,861,489	1,458,649

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The average credit period on accounts payable and other payables (excluding GST payable) is 1 month. No interest is payable on outstanding payables during this period.

Note 9 **Employee Provisions**

	2016	2015
	\$	\$
CURRENT		
Provision for employee benefits: annual leave and personal leave	682,377	702,475
Provision for employee benefits: long service leave	393,860	330,448
	1,076,237	1,032,923
NON-CURRENT		
Provision for employee benefits: long service leave	267,920	239,304
	267,920	239,304
	1,344,157	1,272,227

Analysis of total provisions:

	2016	2015
	\$	\$
Opening balance at 1 July 2015	1,272,227	1,272,227
Additional provisions raised during the year	667,689	667,689
Amounts used	(595,759)	(595,759)
Balance at 30 June 2016	1,344,157	1,344,157

Employee Provisions

Employee provisions represents amounts accrued for annual leave, personal leave and long service leave.

The current portion for this provision includes the total amount accrued for annual and personal leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Co-operative does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Co-operative does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

No adjustment for net present value of future cash flows in respect of long service leave has been made.

The directors consider the inflation increment of wages and salaries negates the discount effect of future cash flows.

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED
ABN: 84530647942
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 10 Capital and Leasing Commitments

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2016	2015
Payable – minimum lease payments	\$	\$
— not later than 12 months	307,248	369,359
— between 12 months and five years	537,137	600,375
— later than five years	219,961	311,445
	1,064,346	1,281,179

The property lease commitments are non-cancellable operating leases contracted for but not recognised in the financial statements with a five-year term. Increases in lease commitments may occur in line with the consumer price index (CPI).

The motor vehicle lease commitments are non-cancellable finance leases contracted for with a two or three-year term. No capital commitments exist in regards to the lease commitments at year-end. Increases in lease commitments may occur in line with CPI.

Note 11 Contingent Liabilities and Contingent Assets

	2016	2015
	\$	\$

Rumbalara Aboriginal Co-operative Limited is a party to a deed of grant funding with the Department of Health and Human Services (formerly the Department of Health and Aging) pursuant to which the Department provided funds to the value of \$8,964,000 to construct an Elder's Care Facility. There are a number of obligations the Co-operative accepted under this deed, including:

- (a) a requirement to operate the Elder's Care Facility for a minimum period of twenty years from the 26th March 2012, being the date of initial operation; and
- (b) a requirement not to transfer control or ownership of the Elder's Care Facility without the consent of the Department for a minimum period of twenty years.

If the Co-operative breaches its obligations under this deed, there is a capacity for the Department to demand repayment of some or all of the funds provided to the Co-operative under this deed.

Estimates of the potential financial effect of contingent liabilities that may become payable:

	2016	2015
	\$	\$
	Nil	Nil

Note 12 Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

Note 13 Related Party Transactions

Other Related Parties

Other related parties include close family members of Key Management Personnel (KMP) and entities that are controlled or jointly controlled by those KMP individually or collectively with their close family members.

	2016	2015
	\$	\$
	Nil	Nil

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED
ABN: 84530647942
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 14 Cash Flow Information

	2016	2015
	\$	\$
Reconciliation of Cash Flows from Operating Activities with		
Net Current Year Surplus		
Net current year surplus	708,411	1,563,397
Non-cash flows:		
Depreciation and amortisation expense	1,081,732	1,103,752
Movement in prior year funding recognised as income in current year		(1,932,468)
Fair value gain on investments in held-for-trading shares	(1,151)	-
Gain on disposal of property, plant and equipment	10,000	-
Doubtful debts expense	3,874	3,326
Loss on sale of investments	-	-
Gains on contributed assets		
Changes in assets and liabilities:		
(Increase)/decrease in accounts receivable and other debtors	(52,589)	(67,437)
Increase/(decrease) in accounts payable and other payables	402,840	(114,476)
(Increase)/decrease in accrued income	91,564	(149,564)
(Increase)/(decrease) in employee provisions	71,930	(170,305)
(Increase)/decrease in inventories on hand		
(Increase)/decrease in prepayments		
	2,316,611	236,225
	2,316,611	236,225

Note 15 Financial Risk Management

The Co-operative's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, receivables and payables, and lease liabilities.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2016	2015
	\$	\$
Financial assets		
Cash and cash equivalents	10,329,359	8,225,184
Loans and receivables	385,927	363,338
Financial assets at fair value through profit or loss	-	-
Held-to-maturity investments	-	-
Available-for-sale financial assets	-	-
Other	-	-
Total financial assets	10,715,286	8,588,522
	10,715,286	8,588,522
Financial liabilities		
Financial liabilities at amortised cost:		
— accounts payable and other payables	1,861,489	1,458,649
— lease liabilities	-	-
Total financial liabilities	1,861,489	1,458,649
	1,861,489	1,458,649

Refer to Note 16 for detailed disclosures regarding the fair value measurement of the Co-operative's financial assets and financial liabilities.

Financial Risk Management Policies

The Board of Directors is responsible for monitoring and managing the Co-operative's compliance with its risk management strategy. The Board of Directors' overall risk management strategy is to assist the Co-operative in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Co-operative is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the Co-operative is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED
ABN: 84530647942

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Co-operative.

The Co-operative does not have any material credit risk exposures as its major source of revenue is the receipt of grants. Credit risk is further mitigated as 100% of the grants being received from Commonwealth, State and Local governments are in accordance with funding agreements which ensure regular funding for a period of 3 years.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 5.

The Co-operative has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	2016	2015
		\$	\$
Cash on hand			
— AA Rated		10,329,359	8,225,184
	4	10,329,359	8,225,184

(b) Liquidity risk

Liquidity risk arises from the possibility that the Co-operative might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Co-operative manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Co-operative does not hold any derivative financial liabilities directly.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED
ABN: 84530647942
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total
	2016	2015	2016	2015	2016	2015	
Financial liabilities due for payment	\$	\$	\$	\$	\$	\$	\$
Accounts payable and other payables (excluding estimated annual leave and deferred income)	2,937,726	2,491,572	267,920	239,304			3,205,646
Finance lease liabilities							2,730,876
Total expected outflows	2,937,726	2,491,572	267,920	239,304	-	-	3,205,646
Financial Assets - cash flows realisable							
Cash on hand	10,329,359	8,225,184					10,329,359
Accounts receivable and other debtors	385,927	363,338					385,927
Other financial assets							-
Total anticipated inflows	10,715,286	8,588,522	-	-	-	-	10,715,286
Net (outflow) / inflow on financial instruments	7,777,560	6,096,950	(267,920)	(239,304)	-	-	7,509,640

(c) Market Risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Co-operative is also exposed to earnings volatility on floating rate instruments.

The Co-operative also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

Refer to Note 16 for detailed disclosures regarding the fair value measurement of the Co-operative's financial assets and financial liabilities.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Co-operative. Most of these instruments, which are carried at amortised cost (i.e. accounts receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Co-operative.

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED

ABN: 84530647942

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016		2015	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
Financial assets					
Cash on hand (i)	4	10,329,359	10,329,359	8,225,184	8,225,184
Accounts receivable and other debtors (i)	5	385,927	385,927	363,338	363,338
Total financial assets		10,715,286	10,715,286	8,588,522	8,588,522
Financial liabilities					
Accounts payable and other payables (i)	8	1,861,489	1,861,489	1,458,649	1,458,649
Lease liabilities	16	-	-	-	-
Total financial liabilities		1,861,489	1,861,489	1,458,649	1,458,649

(i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

Note 16 Fair Value Measurements

The Co-operative measures and recognises the following assets at fair value on a recurring basis after initial recognition.

- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- freehold land and buildings.

The Co-operative does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

(a) *Fair Value Hierarchy*

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

- | | | | |
|--|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 |
| Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. | Level 1 | Level 2 | Level 3 |
| Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. | Level 1 | Level 2 | Level 3 |
| Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. | Level 1 | Level 2 | Level 3 |

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Co-operative selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Co-operative are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Co-operative gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Co-operative's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED
ABN: 84530647942
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

		Level 1	Level 2	Level 3	Total
	Note	\$	\$	\$	\$
Recurring fair value measurements					
Non-financial assets					
Freehold land	7		8,212,066		8,212,066
Freehold buildings	7		21,840,483		21,840,483
Total non-financial assets recognised at fair value		-	30,052,548	-	30,052,548

		Level 1	Level 2	Level 3	Total
	Note	\$	\$	\$	\$
Recurring fair value measurements					
Non-financial assets					
Freehold land	7		8,342,066		8,342,066
Freehold buildings	7		21,658,969		21,658,969
Total non-financial assets recognised at fair value		-	30,001,035	-	30,001,035

(b) *Valuation techniques and inputs used to measure Level 2 fair values*

Fair value
(\$) at 30

Description	June 2016	Valuation technique(s)	Inputs used
<i>Non-financial assets</i>			
Freehold land (i)	8,212,066	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per hectare; market borrowing rate
Freehold buildings (i)	21,840,483	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per square metre; market borrowing rate
	<u>30,052,548</u>		

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(i) The fair value of freehold land and buildings is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period, the directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

There were no changes during the period in the valuation techniques used by the Co-operative to determine Level 2 fair values.

(c) *Disclosed fair value measurements*

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:

- government and fixed interest securities; and
- lease liabilities.

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used:

Description	Note	Fair value hierarchy level	Valuation technique(s) Inputs used
Assets			
Government and fixed interest securities	15	2	Income approach using discounted cash flow methodology
Liabilities			
Lease liabilities	15	2	Current commercial borrowing rates for similar instruments

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED
ABN: 84530647942
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 17 Reserves

(a) Revaluation Surplus

The revaluation surplus records the revaluations of non-current assets.

(b) Financial Assets Reserve

The financial asset reserve records revaluation increments and decrements (that do not represent impairment write-downs) that relate to financial assets that are classified as available-for-sale.

(c) Analysis of Each Class of Reserve

	2016	2015
	\$	\$
Note		
7	(26,000)	704,776
	<u>(26,000)</u>	<u>704,776</u>
	<u>-</u>	<u>-</u>

Gain on revaluation of land
 Transfer of revaluation surplus to retained surplus relating to sold property

Movement in revaluation surplus

Revaluation gains/(losses) on available-for-sale financial assets

Reclassification of fair value losses on available-for-sale financial assets to profit or loss
 Movement in financial assets reserve

Note 18 Entity Details

The registered office of the entity is:

Rumbalara Aboriginal Co-operative Limited
 20 Rumbalara Road
 MOORROOPNA
 Victoria 3629

The principal place of business is:

Rumbalara Aboriginal Co-operative Limited
 PO Box 614
 MOORROOPNA
 Victoria 3629

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED
ABN: 84530647942
DIRECTORS' DECLARATION

The directors of the registered entity declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 7 to 28, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position of the registered entity as at 30 June 2016 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.



Director

Lee Joachim

Dated this 14th day of September 2016

RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED
ABN: 84530647942
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
RUMBALARA ABORIGINAL CO-OPERATIVE LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Rumbalara Aboriginal Co-operative Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, matters required by Section 283 of the Co-operatives National Law (Vic), the Corporations Act 2001, and the Australian Charities and Not-for-profits Commission Act 2012 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the registered entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian Charities and Not-for profits Commission Act 2012, the Corporations Act 2001, the Co-operatives National Law (Vic) and any applicable code of professional conduct in relation to the audit.

Opinion

In our opinion the financial report of Rumbalara Aboriginal Co-operative Limited has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, Division 2 of Part 2M.4 of the Corporations Act 2001 and with Section 276 of the Co-operatives National Law (Vic) including:

- (i) giving a true and fair view of the registered entity's financial position as at 30 June 2016 and of its financial performance and cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013, the Corporations Act 2001 and the Co-operatives National Law (Vic).

Auditor's signature:



RP & RG Pty Ltd trading as Wyndham Audit
Russell Guppy - Director

Address:

78 Wyndham Street
SHEPPARTON
Victoria 3630

Dated this

14th

day of

September

2016

