



Australian  
**Rural Leadership**  
Foundation

# ANNUAL REPORT 2017-2018





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**Directory Australian Rural Leadership Foundation Limited**  
**ABN 80 056 874 787**

**Patron-in-Chief** His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd)

**Patrons** Mr Tim Fairfax AC and Mr Andrew Robb AO, and Professor Colleen Hayward AM

**Auditors** RSM Australia

**Bank** Bendigo Bank/National Australia Bank

**Solicitors** Griffin Legal

**Registered Office** 3/24 Napier Close  
 Deakin ACT 2600

**Telephone** 02 6281 0680

**Facsimile** 02 6285 4676

**Email** info@rural-leaders.org.au

**Website** rural-leaders.org.au



## MICHAEL CARROLL

This year has provided the Board with an opportunity to reflect on past and current success, and focus on the future strategic direction of the Australian Rural Leadership Foundation (the Foundation).

In 2017-2018, we celebrated the 25<sup>th</sup> Anniversary of the Foundation. The organisation was formed in 1992 by a few visionary individuals who had the foresight to see the need for leadership development for rural communities and industries. Through the support of Rural Industries Research and Development Corporation (now Agrifutures) the idea was able to come to fruition, and has continued for 25 years with the support of other generous sponsors and partners.

As we have expanded program offerings and services, the success of the Foundation can be attributed to staying true to the original vision of outstanding regional and rural leadership.

To commemorate the 25<sup>th</sup> Anniversary several celebrations were held over the year, that allowed us to reflect on past achievements and recognise the ongoing impact of the Foundation.

A testament to the Foundation's significance was the Gala Dinner in October. Over 400 people including sponsors, honorary fellows, alumni, partners and supporters celebrated the Foundation's Anniversary in Canberra. It was a momentous night and provided us with an opportunity to collectively celebrate the contribution the Foundation has made and continues to make in rural, regional and remote Australia.

At Gala, the Board bestowed Honorary Fellowships on three individuals who have provided meritorious service to the Foundation, their community and industry. Congratulations and thank you for your contribution Marion Dolby, Rosemary Nugget and Patrick Hone.

As part of the 25<sup>th</sup> Anniversary, we celebrated at an afternoon tea at Government House hosted by Australia's Governor-General, His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd), who is also Patron-in-Chief of the Foundation. It was a special event shared with devoted alumni and supporters.

The Board are committed to ensuring the Foundation's strategic direction will steer the organisation's future, so we can continue to celebrate significant milestones, as we have this year. Our focus is to see the organisation grow its footprint in developing, supporting and promoting outstanding regional and rural leadership.

The continued importance and relevance of the Foundation is seen in the work of our growing alumni, who are having a profound impact in the communities and industries of rural, regional and remote Australia.

With the success of Milparanga (formerly called the National Aboriginal and Torres Strait Islander Leaders Program) and the new For Our Future – Forest Industry Leadership Program, the alumni will continue to grow, as will the profile of the Foundation.

At our Annual General Meeting (AGM) in November we farewelled Board Member, Lockie McDonald. Lockie is a graduate of Course 17 of the Australian Rural Leadership Program (ARLP) and had served on the Board since 2011. The Board thanked Lockie for his outstanding contribution to the Foundation. At the AGM, we welcomed Melissa Fletcher to the Board, who is a graduate of Course 18 of the ARLP.



With a positive financial position, the Board is keen to see the Foundation grow and develop as we look for opportunities and strategies for the future. We continue to review and track the direction of the Foundation against the Strategic Plan 2015-2018. The Board and I thank the Chief Executive, Matt Linnegar and the Foundation staff, as they continue to deliver on the strategic plan priorities.

The Audit and Risk Committee and the Board are comfortable the Foundation is operating within its means and managing other risks whilst looking forward. Again, our auditors returned an unqualified audit for the financial year.

On behalf of the Board of the Australian Rural Leadership Foundation, I present to you our Annual Report for 2017-2018.

# CHIEF EXECUTIVE'S REPORT

## MATT LINNEGAR

2017-2018 was definitely a year to remember. Not only did we celebrate our 25<sup>th</sup> Anniversary, but we had more programs being delivered, more participants and more graduates than ever before.

Firstly, I would like to acknowledge the Foundation Board, staff and partner organisations. Your dedication to the Australian Rural Leadership Foundation (ARLF/the Foundation) and its vision means that we continue to grow and expand our impact in developing leadership in rural, regional and remote Australia.

The successful delivery of the pilot National Aboriginal and Torres Strait Islander Leaders Program, which has been renamed Milparanga, was a major achievement for the Foundation. The program has received renewed funding for an additional three years, with the program growing to include additional sponsor organisations.

Milparanga is part of our four core programs, the others being our flagship - the Australian Rural Leadership Program (ARLP), TRAIL: emerging leaders program and the Agribusiness Leadership Program. This year TRAIL and Agribusiness experienced a record number of participants. Due to the popularity of TRAIL, a second program is being delivered in October 2018.

In addition to our four core programs, we delivered client specific programs for the sheep and rice industries, and for the Torres Strait Regional Authority. We also delivered the first For Our Future – Forest Industry Leadership Program. The successful program was a collaboration between us, Polykala and Leadership Victoria, and is sponsored by Forest and Wood Products Australia Limited. We look forward to delivering the program again in 2019.

This year, we had 248 participants engage in the Foundation's programs, of these 179 graduated from programs and became part of the ARLF Alumni Network. The remainder will graduate from their respective programs next year. The ARLF Alumni Network now consists of 1,288 dedicated leaders working for the greater good of rural, regional and remote Australia. They are contributing to the Foundation, their communities and industries through demonstrating outstanding leadership.

I am pleased to report that this year we awarded the first ever ARLF Alumni Scholarship to Yola Bakker from Tom Price, WA. Yola will join Course 25 of the ARLP when they commence in July 2018. Her participation in the ARLP would not be possible without the generous donations of our alumni who are giving back to the Foundation by donating to the fund. This scholarship will give others the opportunity to benefit from our leadership programs, as our alumni have.

We have attempted to capture the alumni voice regarding regional leadership issues, challenges and opportunities this year through the Regional Dialogues. Supported by the Australian Government Department of Infrastructure and Regional Development, we held dialogues in three locations across Australia and one online. A report will be prepared and disseminated next year.

The Foundation family continues to grow, and we welcomed three new staff members to the team this year. Jacqui Bond, Stacey Pyke and Fiona Humphris provide much needed support in the Canberra office, as we continue to deliver our leadership programs.



Most importantly 2017-2018 was a time to reflect and celebrate. It was a pleasure to be able to reunite and reconnect with many alumni, partner organisations and supporters at our 25<sup>th</sup> Anniversary celebrations in October. The Gala Dinner exceeded all my expectations with over 400 people attending, including past Chairs and Board members, alumni from all over Australia and long-term partner organisations.

I would like to thank all our partner organisations and sponsors. As the number of programs we deliver continues to grow, so does the diversity of our partners and we thank them for their commitment to the greater good of rural, regional and remote Australia. As we look toward the next 25 years for the ARLF, we can see that the strength is in nurturing these relationships, whilst continuing to develop outstanding leadership.

# THE FOUNDATION



## OUR BOARD

At the Annual General Meeting (AGM) in November 2017, Australian Rural Leadership Foundation (ARLF/ the Foundation) Board Member, Lockie McDonald was farewelled. Lockie is a graduate of Course 17 of the Australian Rural Leadership Program (ARLP) and had served on the Board since 2011. In addition to his work as a Board Member, Lockie is an active alumnus. The Board thanked Lockie for his outstanding contribution to the Foundation.

At the AGM, the Foundation welcomed Melissa Fletcher to the Board, who is a graduate of Course 18 of the ARLP.

## PATRONS

The ARLF Patrons continued to play an active role in 2017-2018, in promoting and representing the Foundation. The patrons are:

**PATRON-IN-CHIEF** Australia's Governor-General, His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd)

**PATRON** Mr Tim Fairfax AC

**PATRON** Mr Andrew Robb AO

**PATRON** Professor Colleen Hayward AM

## THE ARLF TEAM

The Foundation's team has continued to grow in 2017-2018, with now 14 staff.

**CHIEF EXECUTIVE AND COMPANY SECRETARY** - Matt Linnegar

**DIRECTOR: PARTNERSHIPS** - Philippa Woodhill

**DIRECTOR: LEADERSHIP PROGRAMS** - Charlie Morrice

**MANAGER: LEADERSHIP PROGRAMS** - Scott Gorringer

**MANAGER: AUSTRALIAN RURAL LEADERSHIP PROGRAM** - Graham Smith

**MANAGER: LEADERSHIP PROGRAMS** - Andrea Hogg

**MANAGER: FINANCE** - Michelle Wickson

**MANAGER: PARTNERSHIPS** - Gemma Gordon

**MANAGER: COMMUNICATIONS** - Monique Brouwer

**COORDINATOR: PARTNERSHIPS** - Matilda Ferguson

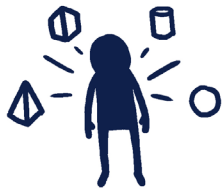
**COORDINATOR: PROGRAMS** - Naomi Browne

**COORDINATOR: PROGRAMS** - Jacqui Bond

**BOOKKEEPER** - Stacey Pyke

**CRM OFFICER** - Fiona Humphris





**EXPERIENCE**

**1** We place people and groups in **challenging situations** in a range of contexts



**REFLECT**

**2** They will have time and space to **make sense** of the experience and how they and others respond



**DEVELOP**

**3** They will change their behaviour and approach to become an **intuitive leader** who can work with other people, organisations and communities in complexity



**INFLUENCE**

**4** You are investing in people who will make an **impact** for the greater good of rural, regional and remote Australia

This year the Foundation continued to deliver exceptional programs to develop leaders for rural, regional and remote Australia.

The Australian Rural Leadership Foundation (ARLF) has been developing stronger leadership within the communities and industries of rural, regional and remote Australia for over 25 years. All programs delivered in 2017-2018 were based on our philosophy of providing participants with:

- experiential learning – challenging situations in a range of contexts
- the time and space for reflection
- opportunities to develop to become an intuitive leader who can work in complexity
- the ability to influence and make an impact in rural, regional and remote Australia.





## EXPERIENCE

# Experience is an integral part of all ARLF programs

### FOUR CORE PROGRAMS

This year, the Foundation delivered its four core programs with the support of partners and sponsors.

#### AUSTRALIAN RURAL LEADERSHIP PROGRAM (ARLP)

Flagship program

Over 30 established leaders from different communities, industries and backgrounds

Approx. 50 days face-to-face - five sessions over 15 months

Course 23 graduated in October 2017

Course 24 completed Session One (Darwin/Kimberley), Session Two (Brisbane/Toowoomba), Session Three (Cairns) and Session Four (Indonesia)

#### TRAIL: EMERGING LEADERS PROGRAM

Cross sector leadership program set in Canberra and region

Eight days, including a challenging four-day outdoor leadership experience

TRAIL graduated in May 2018 (Canberra)

#### AGRIBUSINESS LEADERSHIP PROGRAM

Designed specifically for agribusiness leaders

Approx. 12 days face-to-face - two face-to-face sessions over 12 weeks

Agribusiness Leadership Program graduated in June 2018

Session One (Grampians/Melbourne) and Session Two (Sydney)

#### MILPARANGA (FORMERLY CALLED NATIONAL ABORIGINAL AND TORRES STRAIT ISLANDER LEADERS PROGRAM - NATSILP)

Aboriginal and/or Torres Strait Islander leaders engage in powerful and different conversations

Approx. 11 days face-to-face - two session program

Lingiari NATSILP program graduated in August 2017 (Darwin) - Nicholls and O'Shane NATSILP programs graduated in September 2017 (Canberra)

Milparanga completed Session One (Perth)



### CLIENT SPECIFIC PROGRAMS

Client-specific programs are designed to address the leadership development needs of the partner organisation's business, sector, region or community. In 2017-2018, the Foundation delivered the following client specific programs:

- Torres Strait Women's Leadership Program
- Torres Strait Young Leaders Program
- Sheep Industry Leadership Program
- Developing Leaders for the Rice Industry
- For Our Future – Forest Industry Leadership Program

This year, the Foundation had 248 participants engage in a Foundation program and experience leadership development.

The Foundation delivered 12 programs over the year, which is an increase of three programs on the previous year. Since last year, there has been a 43% increase in the number of participants undertaking a Foundation program.

Some of these participants will graduate next year in 2018-2019. Of the 248, 179 graduated and have become part of the ARLF Alumni Network.

This reach of industries the Foundation is engaged with has increased again this year, with the addition of the For Our Future – Forest Industry Leadership Program and the popularity of the TRAIL: emerging leaders program.

## 43% increase in the number of participants

The industries, sectors and communities the Foundation works with includes:

- Agribusiness
- The arts
- Banking
- Education – secondary and tertiary
- The environment
- Forestry
- Government – local, state and federal
- Health
- Aboriginal and Torres Strait Islander Australia
- Primary Production and supply chain.

| PROGRAM  | PARTICIPANTS |
|--|--------------|
| Australian Rural Leadership Program Course 23*   | 31           |
| Australian Rural Leadership Program Course 24  | 33           |
| Agribusiness Leadership Program*   | 18           |
| TRAIL: Emerging leaders program*   | 17           |
| National Aboriginal and Torres Strait Islander Leaders Program (Lingiari, Nicholls and O’Shane)* | 43           |
| Milparanga (formerly called NATSILP)   | 17           |
| Torres Strait Women’s Leadership Program*  | 10           |
| Torres Strait Young Leaders Program*   | 8            |
| Sheepmeat Industry Leadership Program*   | 16           |
| Rice Industry Leadership Development Program   | 19           |
| For Our Future – Forest Industry Leadership Program*   | 28           |
| Milparanga Mentoring Program*  | 8            |
| <b>TOTAL NUMBER OF PARTICIPANTS</b>  | <b>248</b>   |

\*Program completed, participants graduated



Torres Strait Women’s Leadership Program 2017 at their graduation in the Torres Strait.



## NATIONAL ABORIGINAL AND TORRES STRAIT ISLANDER LEADERS PROGRAM - MILPARANGA



The Foundation commenced a pilot of the *National Aboriginal and Torres Strait Islander Leaders Program* last year. Co-designed by the alumni and the Foundation, the program aims to develop and prepare Aboriginal and/or Torres Strait Islander people to engage in powerful and different conversations. The pilot was completed at a graduation ceremony in Canberra in September 2017.

The pilot, funded by the Australian Government Department of Prime Minister and Cabinet, was a success and program funding

was renewed for another three years through the Indigenous Advancement Strategy (IAS). The program has been renamed *Milparanga: developing Aboriginal and Torres Strait Islander leadership*. A new funding model has meant that other organisations have been able to fund and support participants on the program.

“The program has given me direction, understanding and knowledge. It's also given me a stronger indication of where I want to go in the future.”

*Cory Paulson, graduate of the National Aboriginal and Torres Strait Islander Leaders Program 2017.*

The artwork by Jordan Lovegrove, Ngarrindjeri, Dreamtime Creative shows how the Australian Rural Leadership Foundation is developing the leadership capabilities of Aboriginal and Torres Strait Islander people through Milparanga. The artwork also aims to demonstrate the follow-on effect of the program. Milparanga is represented by the large meeting circle in the middle. The smaller circles on the left are the facilitators, collaborators, organisations, communities and alumni that contribute to the program. The participants of Milparanga are represented by bigger meeting places on the right. Using the knowledge and experience they've gained, the participants create change in their community. The environments, conversations, policies, communities and industries that the participants of Milparanga influence are shown by the connecting smaller meeting circles.

## FOR OUR FUTURE - FOREST INDUSTRY LEADERSHIP PROGRAM



This year the Foundation delivered the first *For Our Future – Forest Industry Leadership Program*. Leaders from all aspects of the industry, including wood growing and harvesting, wood product, policy and research, were brought together to engage in leadership development.

The program was a collaboration between the Foundation, Polykala and Leadership Victoria, and is sponsored by Forest and Wood Products Australia Limited. The program was a resounding success and will continue in 2019.

“I'm more confident about where the industry is at and where it could be”

“I feel some of the tools/concepts will really help me speak up and ask for opportunities”

## IMPACT OF PROGRAMS ON PARTICIPANTS

### TRAIL: EMERGING LEADERS PROGRAM

“ The program took me out of my comfort zone and challenged me in many ways. I believe the knowledge and skills I have gained I will use in both professional and personal life. I will try to become the leader I know I can be and inspire my community, ”

*Stephen Foster, graduate of TRAIL: emerging leaders program, sponsored by the Torres Strait Regional Authority.*



### AGRIBUSINESS LEADERSHIP PROGRAM

“ The program for me has been lifechanging and probably lifesaving. Without being a part of this program, I probably wouldn't be part of this industry anymore, ”

*Leisa Perfect, graduate of Agribusiness Leadership Program, sponsored by the Australian Meat Processor Corporation.*



### AUSTRALIAN RURAL LEADERSHIP PROGRAM

“ It's given me a vision of where I want to go, what I want to do, and the impact I want to make in my industry, and the local and wider community, ”

*Sally Mitchell, graduate of the ARLP Course 23, sponsored by the Gardiner Dairy Foundation*





## REFLECT

# Leadership requires reflection for development and growth

### CELEBRATING 25 YEARS

This year, the Foundation celebrated its 25<sup>th</sup> Anniversary in October in Canberra. The celebrations provided an opportunity to reflect on past achievements, acknowledge outstanding contributions and celebrate the ongoing impact of the organisation.

The Foundation Board and staff were thrilled with the support from our sponsors, alumni and partner organisations, with over 700 attendees across the various events. The events consisted of:

- a cocktail function thanking our partner organisations for their commitment to developing leaders
- the ARLP Course 23 Graduation Ceremony and the 2017 John Allwright Memorial Address
- the ARLF Regional Leaders' Assembly, and
- the 25<sup>th</sup> Anniversary Gala Dinner.

### 25<sup>TH</sup> ANNIVERSARY GALA DINNER

The Gala Dinner was the pinnacle of our celebrations and was a night of reconnecting, re-immersion and reflection.

On the night, the Board bestowed Honorary Fellowships for three individuals who have provided meritorious service to the Foundation, their community and industry. The recipients were:

- Marion Dolby, a Gooniyandi woman from the Galeru Community – integral to the Kimberley session of the ARLP and has been involved in the program from the start.
- Rosemary Nugget, a Gooniyandi woman from the Mimbi Community – integral to the Kimberley session of the ARLP and has been involved in the program from the start.
- Patrick Hone, Executive Director of the Fisheries Research and Development Corporation – a strong supporter of leadership development and is dedicated to the greater good of rural, regional and remote Australia.

The Foundation acknowledges the support of the generous Gala partner organisations: Elders, the Grains Research and Development Corporation, Westpac, the Torres Strait Regional Authority and Prime Super.

“ Just a quick note to say what a wonderful evening it was... obviously very well planned and executed. Congratulations to you and the team, ”

*John Williams, ARLF Fellow Course 10.*

“ Congratulations to all at the ARLP. I was proud to be part of the celebration, ”

*Jacqui Bramwell, ARLF Fellow Course 15.*

“ Thank you all for having me, it was a great event, and congratulations, ”

*Bernie George, ARLF Fellow Course 3.*

“ A great event and a great night! ”

*John Wilson, ARLF Governor Member.*

## Over 700 attendees across our celebratory events



## 2017 JOHN ALLWRIGHT MEMORIAL ADDRESS

The 2017 John Allwright Memorial Address was presented during the ARLP Course 23 Graduation Ceremony in October 2017 by ARLP graduates, Sarah Crooke – Course 1, Gondowring, Victoria and Matt Barwick – Course 21, Newcastle, NSW. The powerful address shared their experiences during the program and its impact on their development as leaders.



## GOVERNMENT HOUSE CELEBRATION

In November, as part of the 25<sup>th</sup> Anniversary, the Foundation had afternoon tea at Government House hosted by Australia's Governor-General, His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd), who is also Patron-in-Chief of the Foundation. It was a special event shared with Board members, staff, alumni and supporters. The Foundation announced at the event that the first ever ARLF Alumni Scholarship would be awarded in 2018, as part of Course 25 of the ARLP.



## LONGITUDINAL STUDY

In 2016, the Foundation commissioned Deakin University to undertake a study to determine the impact of its programs on developing individual leadership performance, and how the benefits flowed to workplaces, communities and industries.

The research was built on previous program evaluations and included a mix of surveys, focus groups and face-to-face interviews with 255 alumni from programs run over the last 25 years. In addition, 29 sponsors shared their perspectives on the alumni's leadership journey and reflected on the contribution these leaders have made to rural and regional Australia.

The research found the following benefits flowed to sponsors and their stakeholders from individuals undertaking ARLF programs:

- high levels of retention and career development within the rural and regional sector
- alumni pursued leadership roles in peak rural organisations
- alumni joined key policy and decision-making committees and boards
- alumni assumed membership and leadership roles of community organisations
- increased community capacity building through intergenerational mentoring
- use of alumni networks to promote and advocate for rural and regional Australia
- high levels of volunteerism in rural and isolated communities.

## 87% of sponsors say ARLF enhances leadership capacity in rural and regional Australia

The research also found that alumni benefited from their ARLF program over the long term, through:

- increased levels of self-confidence to lead
- desire and capacity to initiate and achieve change
- capacity to mobilise resources and networks to advocate for rural and regional Australia
- progression into leadership positions where influence can be exercised
- enacting the principles of values-based leadership.

“ There is demonstrable evidence...of a significant impact on individuals in key positions in communities, government and NGO organisations and in rural, regional and remote Australia. The impact of their leadership is evident not merely because many have been and continue to be in key positional leadership, but leaders have influence and impact on practice through professional and voluntary networks and policy activism.”

*Deakin University*

## 93% of alumni said the ARLF significantly enhanced their leadership capacity



## DEVELOP

# Development is ongoing, it requires reflection & often change

The Foundation had 179 participants graduate from programs this year and become part of the ARLF Alumni Network. Of this 179, 40% of the graduates identified as Aboriginal and/or Torres Strait Islander. The gender split of graduates was 54% female and 46% male.

### GRADUATES GENDER

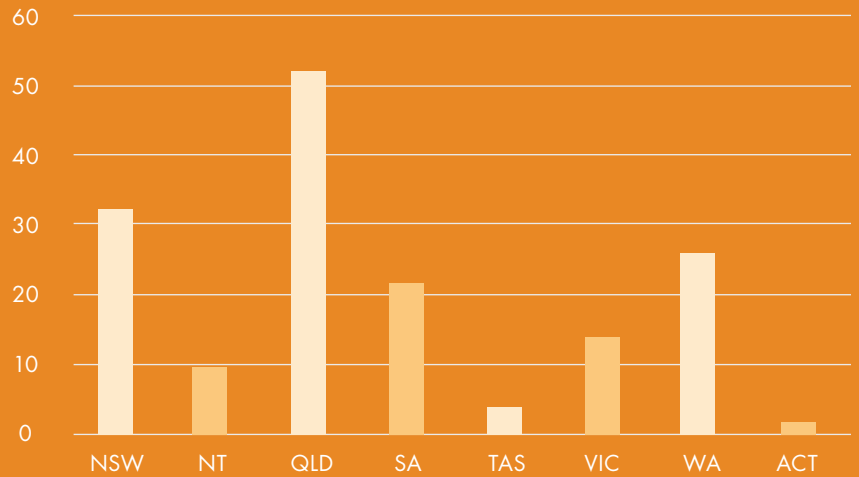
- female
- male



The graduates are located throughout Australia, with each state and territory represented.

## 179 participants graduated and became part of the Foundation's Alumni Network

### LOCATION OF GRADUATES



### FIRST ALUMNI ARLP SCHOLARSHIP AWARDED

This year, the Foundation awarded the first ever Alumni Scholarship for the ARLP to Yola Bakker from Tom Price, WA. From performing arts to real estate, the consular corps to environmental impact, Yola has a diverse background and hopes to be the change that she wishes to see in the world. The Alumni Scholarship has been funded by the generous donations from the Foundation alumni.

The intent is for this scholarship to offer annual places on Foundation programs to worthy recipients.

In 2017-2018, the ARLF Alumni Network donated \$8,890 towards the fund.

“ This ARLP Scholarship means a great deal to me, my family and the groups/ organisations/ committees that I am currently involved in. I feel it will give many of our projects the legs needed to actively and effectively build traction and move forward. It will enhance my connections and links vital to bridge some of the challenges brought about by isolation and remote living. ”

Yola Bakker.



## IMPACT OF PROGRAMS ON GRADUATES

### AUSTRALIAN RURAL LEADERSHIP PROGRAM

“ The ARLP course has given me so much confidence. I have picked up a lot of skills and tools that have broadened my abilities in how I function and work in my communities. It has given me confidence to challenge myself, to step out of my comfort zone – go into places and do things that I have never experienced before, ”

*Andrew Lui, graduate of the ARLP Course 23, sponsored by the Torres Strait Regional Authority.*



### AGRIBUSINESS LEADERSHIP PROGRAM

“ This program has allowed me to connect with a whole group of different people across a number of different organisations and these will be relationships I will look to foster in the future, which I think will benefit the greater good of agribusiness, ”

*Simon Thurbin, graduate of Agribusiness Leadership Program, sponsored by Westpac Agribusiness.*



### TRAIL: EMERGING LEADERS PROGRAM

“ Loved it. Concepts and tools that are relevant to my work and self. A great group of people! ”

*Nicola Cottee, graduate of TRAIL: emerging leaders program, sponsored by the Cotton Research and Development Corporation.*



### FEEDBACK FROM SHEEP INDUSTRY LEADERSHIP PROGRAM

“ Leadership is not about standing at the top but it is about sharing a dream and working towards a common goal. The ARLF has done an amazing job putting this program together and I feel very privileged to be part of it. ”

“ I feel I have grown in my thought process as a leader. I will bring out into practice the tools and past experience of others. Thanks for a great week with a great bunch. I feel now it is quite easy to see if you are achieving leadership, just look back and see if any follow. ”



*Torres Strait Young Leaders Program in Canberra with Elsie Seriat OAM, graduate of TRAIL.*



## INFLUENCE

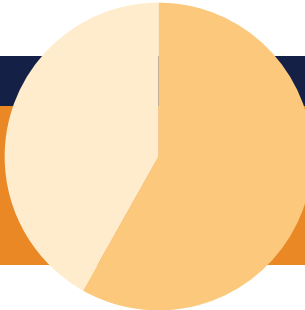
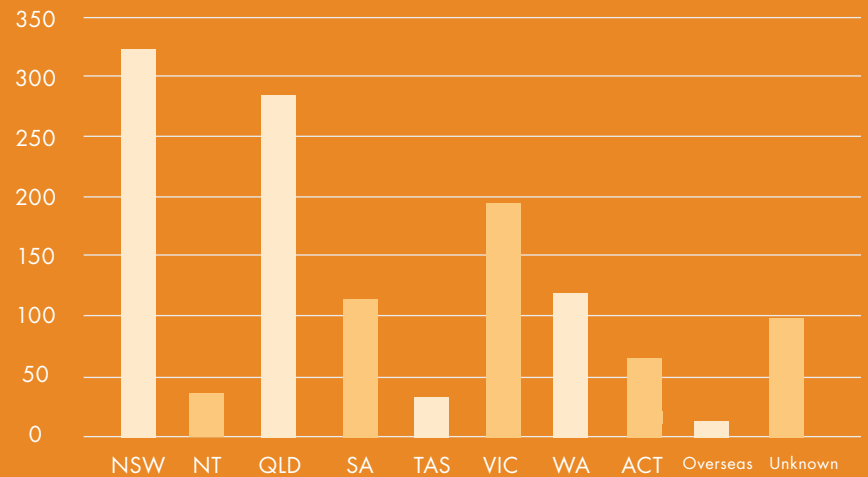
# Making an impact for the greater good of rural, regional and remote Australia

The ARLF Alumni Network continued to grow this year and now consists of 1,288 dedicated leaders working for the greater good of rural, regional and remote Australia.

The members of the alumni are located across all states in Australia and overseas. The footprint and profile of the Foundation continues to increase, focused on attracting participants and industries from underrepresented states and territories.

Of the alumni, 194 identified as Aboriginal and/or Torres Strait Islander Australia, 15% of our total alumni.

## LOCATION OF ALUMNI



## ALUMNI GENDER

- female
- male

42% of the alumni are female and 58% are male. In recent years, the Foundation has successfully worked to ensure gender parity within our network of leaders.

## ALUMNI INVOLVEMENT

The ARLF Alumni Network continued to be involved in Foundation activities and programs in 2017-2018. They are a valuable resource and the Foundation draws upon their expertise and advice. Alumni involvement is varied and included:

- assisting with program design
- facilitating sessions
- assisting to recruit and select program participants
- presenting on ARLF and its programs and their experiences
- providing advice on a range of leadership topics and development opportunities
- meeting with program participants
- acting as mentors for Foundation participants and graduates
- participating in the Regional Dialogues



ARLF fellows on 14 July 2017 at the Corangamite 30 years of Landcare celebration held at the historic Barwon Park Mansion, Winchelsea VIC

## REGIONAL DIALOGUES

In 2017-2018, the alumni participated in four interactive and facilitated discussions investigating what regional leaders can do to create change in their specific 'regional centre', and discuss what support is needed to make this happen.

These free events were hosted in Canberra, Mount Gambier, Launceston and for the wheatbelt of WA. The series of Regional Dialogues were delivered in partnership with the Department of Infrastructure and Regional Development, CBH Group also generously supported the Canberra dialogue. A report will be provided to the Department next year and then disseminated widely.



## THE FOUNDATION'S FOOTPRINT

The Foundation's activities took us right across Australia and overseas. As the Foundation travelled across Australia, the staff and participants promoted the work of the Foundation and the importance of leadership in rural, regional and remote areas.

In 2017-2018, the Foundation travelled to the following locations with its leadership programs and the Regional Dialogues:

“ Indonesia was an amazing experience and I learnt a lot about the country, the people and leadership. We saw people leading in all sorts of roles and in all sorts of places, some of them unexpected. One of my favourite leadership quotes neatly encapsulates one of the main messages I took home from Indonesia: If your actions can inspire others to dream more, learn more, do more and become more then you are a leader, ”

*Tim Ferraro on his trip to Indonesia as a participant of ARLP Course 24, sponsored by NSW Local Land Services.*



## ALUMNI AWARDS

The Foundation would like to congratulate the following alumnus who received National Awards in 2017-2018:

**VONDA MALONE**, ARLF Fellow Course 19, winning the inaugural McKinnon Prize for Political Leadership.

**PETER RYAN AM**, ARLF Fellow Course 2, was awarded the Member of the Order of Australia for significant service to the community through the economic and social development of the Goulburn Valley.

**DARRIEA TURLEY AM**, ARLF Fellow Course 9, was awarded the Member of the Order of Australia for significant service to the community of Broken Hill, particularly in the health, social welfare and education sectors, and to women in local government.

**ELSIE SERIAT OAM**, graduate of TRAIL, was awarded the Order of Australia Medal for her contribution to her community of Thursday Island.



## TELLING THE FOUNDATION'S STORY

In 2017-2018, the Foundation continued to communicate the story of regional leadership, the work of its alumni and its role in developing leadership for the greater good of Australia. The ARLF News – the alumni newsletter, was sent monthly and provided information about the Foundation and alumni.

The Foundation continued to publish stories online about alumni and promote their work and achievements across Australia.



In 2017-2018, 14 stories were produced on certain alumnus, highlighting their leadership contributions and their views on leadership for and in rural, regional and remote Australia.

Their stories illustrate the ongoing impact the Foundation's programs have not only on graduates, but also within their families, industries and communities.

“ My expectations of the ARLP were about challenging myself to do something on a different level. It was about an opportunity for growth, which is what I got. I think the ARLP works so well because of its length (15 months). I think that's what makes it so significant.

Through the ARLP, I really learned the importance of knowing when to speak and when to listen, when to lead and when to follow.”

*Waverley Stanley, graduate of the ARLP Course 12.*

“ I would recommend NATSILP to everyone, but especially for young women questioning who they are or where they are in the workforce. I think if you're having doubts about your purpose or what you can achieve that is definitely where the program can be most beneficial.”

“ Since The Gathering Place opened in November, we've assisted four women out of family violence situations, we have a play group running, we're looking at setting up a homework class, we've participated in art shows, we've set up a homeless shower and we host 42 different programs – there's heaps going on.”

*Ebony Hickey, graduate of the National Aboriginal and Torres Strait Islander Leaders Program (NATSILP).*



“ When I came back from TRAIL at end of April last year I was mindful of having a good speaking/listening balance in communicating with my team. I also got into framing my writing a bit differently than I had in the past, that's something I've picked up from TRAIL and kept working on.”

*Adam Knapp, graduate of TRAIL: emerging leaders program 2017.*



# OUR PARTNERS

As a not-for-profit organisation, the Foundation relies on the generous support of partner organisations to deliver programs. The Foundation appreciates the continued support of all its partners.



## OUR PARTNERS

Agrifutures

Auctions Plus

Auscott Limited

Australian Council for the Arts

Australian Government Department of Agriculture & Water Resources

Australian Government Department of Health

Australian Government Dept of Infrastructure Transport Local Government & Regional Development

Australian Government Department of Prime Minister and Cabinet

Australian Honey Bee Industry Council

Australian Live Export Corporation

Australian Lot Feeders Association

Australian Meat Processor Corporation

Australian Pork Limited

Australian Wool Innovation

Consolidated Pastoral Company

Cooperative Bulk Handling Ltd

Cotton Australia

Cotton Research & Development Corporation

Elders Limited

Fairfax Agricultural Media

Fisheries Research and Development Corporation

Forest & Wood Products Australia

Gardiner Foundation

Goat Industry Council of Australia

Grains Research and Development Corporation

Hassad Australia

Indigenous Land Corporation

James Cook University

Meat and Livestock Australia

Monash University

My Pathways

National Australia Bank

NSW Department of Primary Industries

NSW Local Land Services

Northern Territory Government

Nufarm

Prime Super

Queensland Farmers' Federation

Queensland Sugar Limited

Ricegrowers Association of Australia Inc

Sheep Producers Australia

Sunpork Fresh Foods

Syngenta

Telstra

Thyne Reid Foundation

Torres Strait Regional Authority

Victorian Government Department

Westpac Banking Corporation

William Buckland Foundation

Wine Australia

Woolworths Limited

## OUR BOARD OF DIRECTORS



### **MICHAEL CARROLL - CHAIR**

Michael Carroll was appointed Chair of the Australian Rural Leadership Foundation in March 2016, and he first joined the Foundation Board in November 2015. He has more than 25 years experience in food and agribusiness with current directorships including Tassal, Select Harvests, Sunny Queen, Paraway Pastoral Company and Rural Funds Management. Mike is also a member of the Marcus Oldham Agricultural College Foundation. Former board roles include Warrnambool Cheese & Butter, Queensland Sugar, Rural Finance, the Australian Farm Institute and Meat and Livestock Australia and the Geoffrey Gardiner Dairy Foundation.

Mike held senior positions at the National Australia Bank (NAB) and Monsanto Agricultural Products. His family has been involved in farming for over 140 years, and Mike has a property in western Victoria. Mike holds a Bachelor of Agricultural Science from La Trobe University and a Master of Business Administration from Melbourne University Business School. He completed the Advanced Management Program at Harvard Business School, Boston and is a Fellow of the Australian Institute of Company Directors.



### **MR IAN CROOK**

Ian Crook joined the Foundation Board in 2013, bringing experience in agriculture, research and marketing. Ian holds a Bachelor of Agricultural Science from the University of Melbourne and a Masters in Agriculture from the University of Sydney and is a Graduate Army Officer, Training Unit Scheyville. He has held a range of leadership roles in the crop protection industry in Australia and overseas and most recently spent ten years with agrochemical company Arista LifeScience as Australasian Regional Manager. Ian completed the Australian Rural Leadership Program in 2000 as a part of Course 6, and is now working part time and for charity.



### **MR ROB DULHUNTY**

Rob Dulhunty joined the Foundation Board in November 2015. He brings extensive experience in leadership and advisory roles in the regional space. Since 2011, Rob has been Chair of Landcare New South Wales, and is Manager at Nant Pastoral Co Pty Ltd. Rob's Landcare roots extend back to his roles as Vice-Chairman and a Founding member of Landcare NSW, from 2006-2011. He is also a member of the NSW Office of Environment and Heritage Ministerial Roundtable, in an advisory role to Minister for the Environment.



### **DR ANNA CARR**

Fellow of ARLP Course 20, Dr Anna Carr was elected to the Foundation Board in November 2015. Anna is currently on secondment with the Northern Australia Quarantine Strategy on stakeholder and communication mapping for northern initiatives. She has a strong background in community engagement and has a wide network across rural and community groups. Prior to this secondment, Anna worked with the Australian Bureau of Agricultural Resource Economics and Sciences (ABARES). She is originally from the northern wheatbelt in WA, and has a PhD in Resource and Environmental Management.



### **MS MELISSA FLETCHER**

Melissa is a Kamilaroi woman from Moree now residing in Dubbo in NSW and a graduate from Course 18 of the Australian Rural Leadership Program. Melissa is the CEO of Fletcher International Exports Pty. Ltd as well as an owner of a small business with outlets in Brisbane and Dubbo. Melissa has previously served as a Director of the Albany Port Authority, General Manager of Fletcher International, WA and as Indigenous Liaison at St Patricks Senior College in Mackay, Qld.



### **MR RICK SAWERS**

Rick Sawers joined the Foundation Board in March 2016. He is an experienced Company Director in Financial Services and Trade and Leadership sectors contributing strong business, risk management, strategic, human resource and system capabilities.

Rick has considerable experience leading very large, heavily regulated and international businesses. He has held a range of senior executive roles, including as Group Treasurer for ANZ and Group Executive and Group Treasurer for NAB. Rick is a Non-Executive Director for the Export Finance and Insurance Corporation (EFIC), and has held the role of Non-Executive Chairman of the US Great Western Bancorporation. He has experienced diverse board positions with a range of international banks as well as the Australian Financial Markets Association.



### **MR ROBERT HADLER**

Robert Hadler has 30 years experience in banking and food production, manufacturing and retail including Non-Executive Director roles at Kinross Farms, the Rural Finance Corporation and the Global Foundation. He was the Deputy CEO of the National Farmers Federation and had senior executive roles at ANZ, NAB, Goodman Fielder, AWB and Coles. He is considered a best practice leader in branding and customer engagement, cultural change and employee engagement, risk and issues management, governance and reputation strategies.



### **MS ANDREA STAINES**

Andrea Staines joined the Foundation Board in November 2015, and she brings a strong background in corporate strategy, commerce and economics. Andrea's board experience includes involvement in company floats, oversight of major construction and IT projects. She is a former member of the Qantas Executive Committee and former CEO of Qantas subsidiary, Australian Airlines. In addition to ARLF, she is currently on the boards of Tourism Australia, National Disability Insurance Agency, Sealink, UnitingCare QLD and QIC. Andrea holds an MBA with a finance focus (Michigan) and a Bachelor of Economics from the University of Queensland.



The Directors of the Australian Rural Leadership Foundation Limited present their report for the financial year ended 30 June 2018.

## Directors

The directors of the Australian Rural Leadership Foundation during the 2017 - 2018 financial year, up to the date of this report, were:

|  |  |
|--|--|
| Mr Michael Carroll (Chairman)                    | Mr Robert Hadler                               |
| Dr Anna Carr                                     | Mr Ian Crook                                   |
| Mr Robert Dulhunty                               | Ms Andrea Staines                              |
| Mr Rick Sawers                                   | Mr Lachlan McDonald (retired 17 November 2017) |
| Ms Melissa Fletcher (appointed 17 November 2017) |  |

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

## Directors' Benefits

During or since the financial year, no director of the Foundation has received, or become entitled to receive, a benefit (other than potential or perceived benefit as disclosed in note 13 (c) related part transactions) by reason of a contract made by the Foundation with the director, or with a firm of which a director is a member or with an entity in which a director has a substantial interest.

## Principal Activities

The principal activity of the Foundation during the financial year 2017 - 2018 was the development and delivery of programs that support and develop leadership in, and for rural Australia including:

- the Australian Rural Leadership Program
- TRAIL for emerging leaders
- Australian Agribusiness Leadership Program
- client-specific courses for particular groups or industries
- the engagement and enhancement of the Australian Rural Leadership Foundation's leadership network of graduates and members.

## Short-term and Long-term Objectives

In June 2015, the Foundation developed a strategic plan for the 2015-2018 period.

The Foundation's short-term objectives are:

To develop outstanding regional and rural leaders for the greater good, no matter where they live or work by:

- Becoming synonymous with successful leadership development
- Establishing an engaged and supportive network

Creating greater awareness of the Foundation

Creating opportunities for partnerships, new business and funding

Living its values (socially responsible, ethically-based, effective and constructive, responsive to context, values diversity, consensus builder).

The Foundation's long-term objective is to:

Develop and promote leadership.

### Strategies

To achieve its stated objectives, the Foundation has adopted the following strategies:

Design, deliver and evaluate leadership development initiatives based on the Foundation's core principles

Contribute to leadership theory and practice

Increase our influence as a leader amongst leadership organisations for regional, rural and remote Australia

Extend our reach beyond our border

Actively supporting our network in tackling individual and collective leadership challenges and opportunities for the greater good of regional, rural and remote Australia and more broadly within the region

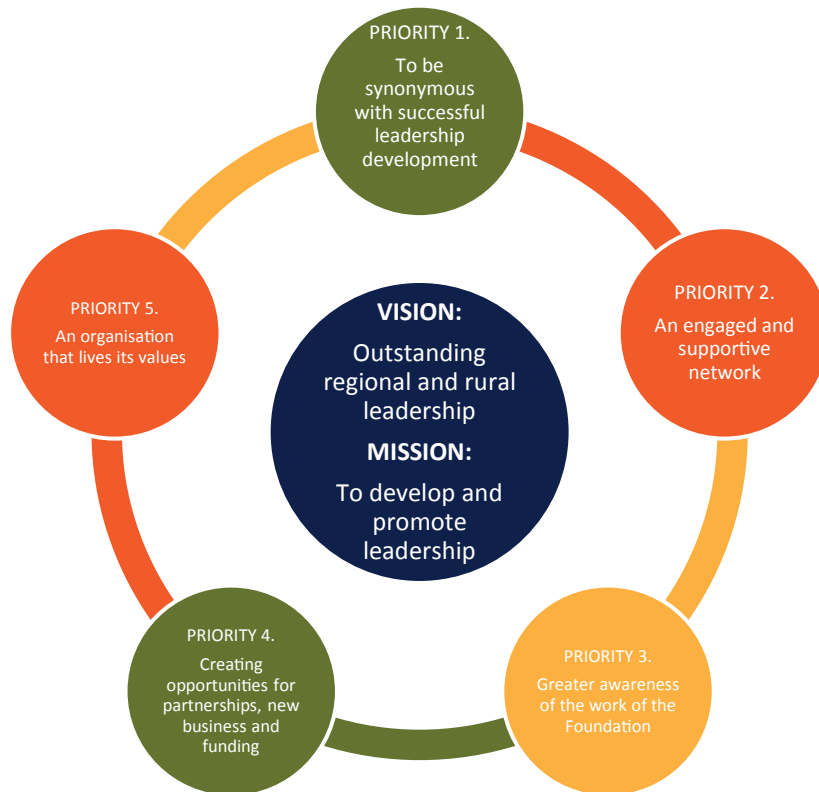
Create opportunities for our network to connect with each other and the Foundation

Build greater awareness of the work of the Foundation; raise the Foundation's profile through all forms of media; create opportunities to showcase the work of the Foundation; and encourage participants, the alumni and Foundation partners to highlight the work of the Foundation

Create opportunities for partnerships, new business and new funding by engaging with like-minded organisations for mutual benefit; leveraging our networks; approaching new markets; and capitalising on the Foundation's deductible gift recipient status

Maintain an organisation that lives its values through a commitment from staff and Board; ensure sound governance and financial management principles and invest in professional and personal development.

## Priorities – ARLF Strategic Plan 2015 - 2018



The Foundation has continued to focus on the following priorities in 2017-2018:

**Priority one** involves delivering effective leadership development initiatives; contributing to leadership theory and practice and extending our reach and influence to diverse partners and locations.

**Priority two** involves interacting with our network as they lead in regional, rural and remote Australia. This includes facilitating ways for our alumni to collaborate with each other and the ARLF, while encouraging reciprocal support from our leaders.

**Priority three** involves multiple strategies to raise the profile of the ARLF, its work and alumni, and in turn building financial support, new business and applicant interest.

**Priority four** involves securing strategic partnerships and pursuing new market opportunities. Revenue growth will result from diversified stakeholders and new approaches to fundraising.

**Priority five** involves a team of staff and Board, committed to enacting the values the ARLF applies to its work.



## Information on Directors

|  |  |
|--|--|
| <p><b>Mr Michael Carroll</b><br/><i>BAgric MBA AMP FAICD</i><br/>Appointed Special Skills Director and Chairperson 4 March 2016.<br/>Appointed First Elected Director 16 November 2016</p> | <p><b>Mr Robert Hadler</b><br/><i>BEC (Hons)</i><br/>Appointed special skills Director on 28 June 2013; reappointed special skills Director 18 November 2015</p>           |
| <p><b>Ms Andrea Staines</b><br/><i>BEC MBA (Finance), FAICD</i><br/>Appointed Special Skills Director 4 March 2016<br/>Appointed First Elected Director 16 November 2016</p>               | <p><b>Mr Rick Sawers</b><br/>Dip Inter Trade MA<br/>Appointed Special Skills Director 4 March 2016<br/>Appointed First Elected Director 16 November 2016</p>               |
| <p><b>Mr Robert Dulhunty</b><br/>Appointed as Director on 18 November 2015</p>   | <p><b>Mr Ian Crook</b><br/><i>BAGSc MScAgr FARLF GAICD</i><br/>Appointed as Director on 15 November 2013.<br/>Appointed First Elected Director 16 November 2016</p>        |
| <p><b>Dr Anna Carr</b><br/><i>BA (Hons); MAES, PhD, FARLF, GAICD</i><br/>Elected as Director on 18 November 2015</p>   | <p><b>Mr Lachlan McDonald</b><br/><i>BA (Eng) RN FARLF</i><br/>Elected as a Director on 8 November 2011; reappointed on 14 November 2014.<br/>Retired 17 November 2017</p> |
| <p><b>Ms Melissa Fletcher</b><br/>FARLF<br/>Elected as Director on 17 November 2017</p>  |  |

During the year, the Foundation held five Board meetings and four Audit and Risk Committee meetings, two Nominations Committee meetings and one Fundraising Committee meeting. Directors attended meetings as follows:

| DIRECTOR                              | BOARD MEETINGS | AUDIT AND RISK COMMITTEE * | NOMINATIONS COMMITTEE | FUNDRAISING COMMITTEE |
|---------------------------------------|----------------|----------------------------|-----------------------|-----------------------|
| Mr Michael Carroll                    | 5 (5)          | -                          | 1 (1)                 | -                     |
| Mr L McDonald                         | 1 (3)          | -                          | 0 (1)                 | -                     |
| Ms M Fletcher                         | 2 (2)          | -                          | -                     | -                     |
| Mr Robert Hadler                      | 5 (5)          | -                          | 2 (2)                 | 1 (1)                 |
| Mr Ian Crook                          | 5 (5)          | 4 (4)                      | -                     | 1 (1)                 |
| Dr Anna Carr                          | 5 (5)          | -                          | 1 (2)                 | 1 (1)                 |
| Ms Andrea Staines                     | 5 (5)          | 4 (4)                      | -                     |                       |
| Mr Rick Sawers                        | 5 (5)          | 3 (4)                      | 2 (2)                 |                       |
| Mr Robert Dulhunty                    | 5 (5)          | -                          | 2 (2)                 | 1 (1)                 |
| Mr Alex Ramsey*<br>Independent Member | -              | 4 (4)                      | -                     | -                     |

NB: The figure in brackets indicates the number of meetings held during the 2017 – 2018 financial year.

## Operating Results

The surplus for the financial year was \$245, 852 (2017: \$247,243 surplus).

## Review of Operations

A detailed review of operations is provided in the Chief Executive's Report.

## Changes in the State of Affairs

During the year, Members approved a new Constitution that broadened the objects of the Foundation and reinforced strategic short and long term imperatives to generate additional revenue to ensure the financial sustainability of the Foundation.

In the opinion of the directors, there were no other significant changes during the reporting period in the state of the affairs of the Foundation, other than those disclosed in this report and the accounts.

## Subsequent Events

Directors are not aware of any matter or circumstance since the end of the financial year that have significantly affected the Foundation's affairs.

## Indemnification and Insurance of Directors and Officers

During the financial year, the Foundation has paid premiums insuring all the directors and officers of the Foundation against costs incurred in defending proceedings for conduct involving:

- a contravention of sections 182 or 183 of the *Corporations Act 2001*, as permitted by section 199B of the *Corporations Act 2001*.

The total amount of the insurance contract premiums paid was \$5,490 excluding GST.

## Future Developments and Results

In March 2018, the directors and management reviewed the maturing 2015 – 2018 Strategy and agreed that while our purpose - the greater good of rural, regional and remote Australia remained the same, our activities in pursuit of this purpose will expand. The Foundation will work closely with our alumni and broader network over the coming year to test concepts including convening real conversations about challenges and opportunities facing regional Australia. The directors are confident that the operations of the Foundation will continue to meet the expectations of members, program participants, investors and supporters.

## Company Details

The Foundation is a public company limited by guarantee. If the Foundation is wound up, the constitution states that each member and each member who ceased to be a member in the preceding year is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the Foundation. At 30 June 2018 the number of members was 769 (2017:729).

## Auditor Independence

A copy of the auditor's independence declaration as required by the *Australian Charities and Not-for-profits Commission Act 2012* is set out immediately after this report.

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



Mr Michael Carroll, *Chairman*



Ms Andrea Staines, *Director*

# DIRECTOR'S DECLARATION

**Australian Rural Leadership Foundation Limited**

## **Directors Declaration**

In the Directors' opinion:

the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and other mandatory professional reporting requirements;

the attached financial statements and notes give a true and fair view of the Foundation's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and

there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

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



**Mr Michael Carroll** *Chairman*  
*DATE: 10<sup>th</sup> October 2018*



**Ms Andrea Staines**, *Director*



**RSM Australia Partners**

Equinox Building 4, Level 2, 70 Kent Street Deakin ACT 2600  
GPO Box 200 Canberra ACT 2601

T +61 (0) 2 6217 0300

F +61 (0) 2 6217 0401

[www.rsm.com.au](http://www.rsm.com.au)

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Australian Rural Leadership Foundation Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

**RSM Australia Partners**

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

**Ged Stenhouse**  
Partner

Canberra, Australian Capital Territory  
Dated: 10<sup>th</sup> October 2018



## RSM Australia Partners

Equinox Building 4, Level 2, 70 Kent Street Deakin ACT 2600  
GPO Box 200 Canberra ACT 2601

T +61 (0) 2 6217 0300  
F +61 (0) 2 6217 0401

[www.rsm.com.au](http://www.rsm.com.au)

## INDEPENDENT AUDITOR'S REPORT To the Members of Australian Rural Leadership Foundation Limited

### Opinion

We have audited the financial report of Australian Rural Leadership Foundation Limited, which comprises the statement of financial position as at 30 June 2018, Statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

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

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2018 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards- Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### Basis for Opinion

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

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

### Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in Australian Rural Leadership Foundation Limited's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

The Directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards- Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing Australian Rural Leadership Foundation Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Australian Rural Leadership Foundation Limited or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

**RSM Australia Partners**

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

**Ged Stenhouse**  
Partner

Canberra, Australian Capital Territory  
Dated: 10<sup>th</sup> October 2018

# STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

Australian Rural Leadership Foundation Limited  
 Statement of profit and loss and other comprehensive income  
 For the year ended 30 June 2018

|  | Note | 2018<br>\$            | 2017<br>\$            |
|--|------|-----------------------|-----------------------|
| Revenue from ordinary activities                         | 2    | 3,653,242             | 3,042,196             |
| Course costs   | 3    | (2,031,209)           | (1,644,629)           |
| Staffing costs   |      | (1,074,031)           | (886,375)             |
| Core administrative costs                                |      | (215,081)             | (189,033)             |
| Occupancy costs  | 3    | (62,121)              | (53,780)              |
| Capital Fund Raising Campaign                            |      | (2,963)               | (4,251)               |
| Depreciation and amortisation                            | 3    | (21,985)              | (16,885)              |
| <b>Surplus before income tax</b>                         |      | <b><u>245,852</u></b> | <b><u>247,243</u></b> |
| Other comprehensive income                               |      | -                     | -                     |
| <b>Surplus attributable to members of the Foundation</b> |      | <b><u>245,852</u></b> | <b><u>247,243</u></b> |

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

# STATEMENT OF FINANCIAL POSITION

Australian Rural Leadership Foundation Limited  
Statement of financial position  
For the year ended 30 June 2018

|                                      | Note | 2018<br>\$       | 2017<br>\$       |
|--------------------------------------|------|------------------|------------------|
| <b>CURRENT ASSETS</b>                |      |                  |                  |
| Cash and cash equivalents            | 4    | 1,273,326        | 1,808,571        |
| Receivables                          | 5    | 837,197          | 153,648          |
| Investments                          | 6    | 1,888,576        | 1,885,407        |
| Other current assets                 | 7    | 250,555          | 287,982          |
| <b>TOTAL CURRENT ASSETS</b>          |      | <b>4,249,654</b> | <b>4,135,608</b> |
| <b>NON-CURRENT ASSETS</b>            |      |                  |                  |
| Property, plant and equipment        | 8    | 52,590           | 59,918           |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      | <b>52,590</b>    | <b>59,918</b>    |
| <b>TOTAL ASSETS</b>                  |      | <b>4,302,244</b> | <b>4,195,526</b> |
| <b>CURRENT LIABILITIES</b>           |      |                  |                  |
| Payables                             | 9    | 353,708          | 389,067          |
| Provisions current                   | 10   | 134,932          | 67,218           |
| Unearned revenue                     | 11   | 1,945,332        | 989,197          |
| Other                                | 12   | 9,359            | 9,359            |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <b>2,443,331</b> | <b>1,454,841</b> |
| <b>NON-CURRENT LIABILITIES</b>       |      |                  |                  |
| Provisions non current               | 10   | 18,408           | 10,298           |
| Unearned revenue                     | 11   | 224,118          | 1,359,852        |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |      | <b>242,526</b>   | <b>1,370,150</b> |
| <b>TOTAL LIABILITIES</b>             |      | <b>2,685,857</b> | <b>2,824,991</b> |
| <b>NET ASSETS</b>                    |      | <b>1,616,387</b> | <b>1,370,535</b> |
| <b>EQUITY</b>                        |      |                  |                  |
| Reserves                             |      | 1,616,387        | 1,370,535        |
| <b>TOTAL EQUITY</b>                  |      | <b>1,616,387</b> | <b>1,370,535</b> |

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



# STATEMENT OF CHANGES IN EQUITY

Australian Rural Leadership Foundation Limited  
Statement of changes in equity  
For the year ended 30 June 2018

|                                   | Commitments Reserve <sup>1</sup><br>\$ | General Reserve <sup>2</sup><br>\$ | Development Funds Reserve <sup>3</sup><br>\$ | Endowment Funds Reserve <sup>4</sup><br>\$ | Retained Surplus<br>\$ | Total            |
|-----------------------------------|--|------------------------------------|--|--|------------------------|------------------|
| <b>Balance at 1 July 2016</b>     | 450,000                                | 200,000                            | 439,072                                      | 34,220                                     | -                      | 1,123,292        |
| <b>Comprehensive income</b>       |  |                                    |  |  |                        |                  |
| Surplus/(Deficit) for the year    | -                                      | -                                  | -  | -  | 247,243                | 247,243          |
| <b>Total comprehensive income</b> | -                                      | -                                  | -  | -  | 247,243                | 247,243          |
| <b>Other transfers</b>            |  |                                    |  |  |                        |                  |
| Transfers (to) from reserves      | -                                      | 236,206                            | 4,628  | 6,409                                      | (247,243)              | -                |
| <b>Total other transfers</b>      | -                                      | 236,206                            | 4,628  | 6,409                                      | (247,243)              | -                |
| <b>Balance at 30 June 2017</b>    | <b>450,000</b>                         | <b>436,206</b>                     | <b>443,700</b>                               | <b>40,629</b>                              | <b>-</b>               | <b>1,370,535</b> |
| <b>Comprehensive income</b>       |  |                                    |  |  |                        |                  |
| Surplus/(Deficit) for the year    | -                                      | -                                  | -  | -  | 245,852                | 245,852          |
| <b>Total comprehensive income</b> | -                                      | -                                  | -  | -  | 245,852                | 245,852          |
| <b>Other transfers</b>            |  |                                    |  |  |                        |                  |
| Transfers (to)/ from reserves     | -                                      | 236,541                            | -  | 9,311                                      | (245,852)              | -                |
| <b>Total other transfers</b>      | -                                      | 236,541                            | -  | 9,311                                      | (245,852)              | -                |
| <b>Balance at 30 June 2018</b>    | <b>450,000</b>                         | <b>672,747</b>                     | <b>443,700</b>                               | <b>49,940</b>                              | <b>-</b>               | <b>1,616,387</b> |

<sup>1</sup> The Commitments Reserve represents the estimated funds to complete courses in progress and other contractual obligations entered into by the Foundation.

<sup>2</sup> The General Reserve represents the estimated funds necessary to cover closure costs including staff entitlements should the Foundation need to cease operations.

<sup>3</sup> The Development Funds Reserve represents the balance of members' funds available for discretionary activities of the Foundation.

<sup>4</sup> The Endowment Funds Reserve represents donations received from fellows, board, staff and other donors to fund ARLF scholarships.

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

# STATEMENT OF CASH FLOWS

Australian Rural Leadership Foundation Limited  
Statement of cash flows  
For the year ended 30 June 2018

|  | 2018                             | 2017                    |
|--|----------------------------------|-------------------------|
| Note   | \$                               | \$                      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>          |                                  |                         |
| Course fees and sponsorships received                | 2,522,469                        | 2,242,841               |
| Interest received                                    | 63,809                           | 83,145                  |
| Other receipts                                       | 203,816                          | 146,564                 |
| Payments for operations and conduct of courses       | <u>(3,307,513)</u>               | <u>(2,754,725)</u>      |
| <b>Net cash used in operating activities</b>         | <b>16(b)</b> <u>(517,419)</u>    | <u>(282,175)</u>        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>          |                                  |                         |
| Purchases of furniture and equipment                 | (14,657)                         | (55,909)                |
| Proceeds from maturity of term deposits & debentures | 1,503,173                        | 200,000                 |
| Purchases of term deposits                           | <u>(1,506,342)</u>               | <u>(203,403)</u>        |
| <b>Net cash used in investing activities</b>         | <u>(17,826)</u>                  | <u>(59,312)</u>         |
| Net movement in cash and cash equivalents            | (535,245)                        | (341,487)               |
| Cash at beginning of financial year                  | <u>1,808,571</u>                 | <u>2,150,058</u>        |
| <b>Cash at end of financial year</b>                 | <b>4</b> <u><u>1,273,326</u></u> | <u><u>1,808,571</u></u> |

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

# NOTES TO THE FINANCIAL STATEMENTS

Australian Rural Leadership Foundation Limited  
Notes to the financial statements  
30 June 2018

## Note 1. Summary of significant accounting policies

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

### a. New or amended Accounting Standards and Interpretations adopted

The Foundation has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### b. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below 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.

### c. Critical accounting judgements, estimates and assumptions

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates and judgements assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Foundation.

#### *Key judgement – Deferral of revenue and revenue recognition*

##### i) Australian Rural Leadership Program

Payments made prior to the commencement of a course and course scholarships are deferred and recognised as income received in advance when received. On commencement of a course, outstanding scholarships are recognised as course receivables and unearned revenue. Revenue is then recognised progressively as course expenses are incurred over the completion of each course.

##### ii) Short Courses

Payments made prior to the commencement of a course and course scholarships are deferred and recognised as income received in advance when received. On commencement of a course, outstanding fees are recognised as course receivables and unearned revenue. Revenue is then recognised progressively as course expenses are incurred over the completion of each course.

##### iii) Grant Revenue

Grants are recognised as revenue in the year received or receivable to the extent of expenditure during the year for the purpose of the grant. Grant monies that have been received or are receivable but have not been expended at balance date, including interest thereon where required under the terms of the grant, are recognised as Unexpended grants in Unearned Revenue.

### d. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in these financial statements.

### e. Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**Note 2: Revenue**

*Operating activities:*

|                                    |                         |                         |
|------------------------------------|-------------------------|-------------------------|
| Course revenues                    | 3,385,617               | 2,812,487               |
| Donations                          | 8,890                   | 5,955                   |
| Network membership fees and events | 194,926                 | 140,609                 |
| Interest                           | 63,809                  | 83,145                  |
| Total Revenue                      | <u><u>3,653,242</u></u> | <u><u>3,042,196</u></u> |

**Accounting policy**

**Course liabilities and assets, revenues and expenses**

Unearned revenue - Courses

Prior to the commencement of a course, course scholarships are deferred and recognised as income received in advance when received. On commencement of a course, outstanding scholarships are recognised as course receivables and unearned revenue when invoiced. Course scholarships are generally invoiced on commencement of the course however in some instances scholarships are progressively invoiced in instalments over the term of the course. Course fees are set at a level necessary to meet the direct course costs and to contribute to the core administrative costs associated with the course. Consequently, course revenue is progressively recognised in the statement of profit or loss and other comprehensive income as follows:(i) for course costs, revenue is recognised for direct course costs incurred in respect of sessions; and(ii) for the contribution to core administrative costs, progressively over the term of the course (including the selection period prior to the commencement of a course) in accordance with the stage of completion of each course.

Prepaid Course Costs

Direct course costs incurred prior to the commencement of a course are recognised as prepaid course costs (other current assets).

Provision for Course Make-Up Costs

A provision is recognised by transfer from course unearned revenue (note 11) to provision for course make-ups (note 10) for the estimated direct course costs associated with a missed session where a participant is unable to attend a course session and is eligible to attend a future course session in order to complete the course curriculum.

Course revenues and expenses are recognised in the statement of profit or loss and other comprehensive income progressively over the period of the course as detailed above.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to financial assets.

Reciprocal grants are recognised as revenue in the year received or receivable to the extent of expenditure during the year or the purpose of the grant. The balance of grants unspent at year end are recognised as a liability.

Non-reciprocal contributions are recognised as revenue in the year received or receivable.

Network membership fees are recognised when billed which is generally in four instalments over the term of a course.

Network events income and expenses are recognised as revenue and expense when the event is held.

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

**Note 3: Surplus for the Year**

**(a) Expenses**

|   |               |               |
|---|---------------|---------------|
| Depreciation and amortisation of non-current assets | <u>21,985</u> | <u>16,885</u> |
| Rental expense on operating leases:                 |               |               |
| Minimum lease payments                              | <u>62,121</u> | <u>53,780</u> |

**(b) Course revenues**

|  |                         |                         |
|--|-------------------------|-------------------------|
| Australian Rural Leadership Program (ARLP) | 1,771,759               | 1,517,785               |
| Short Courses                              | <u>1,613,858</u>        | <u>1,294,702</u>        |
|  | <u><u>3,385,617</u></u> | <u><u>2,812,487</u></u> |

**(c) Course costs**

|  |                         |                         |
|--|-------------------------|-------------------------|
| Australian Rural Leadership Program (ARLP) | 831,164                 | 751,067                 |
| Short Courses                              | <u>1,200,045</u>        | <u>893,562</u>          |
|  | <u><u>2,031,209</u></u> | <u><u>1,644,629</u></u> |

**Note 4: Cash and cash equivalents**

|                                |                  |                  |
|--------------------------------|------------------|------------------|
| Cash on hand and at bank       | 1,050,686        | 1,070,396        |
| Units in cash management trust | 222,640          | 738,175          |
|                                | <u>1,273,326</u> | <u>1,808,571</u> |

**Accounting policy**

Cash and cash equivalents include cash on hand and in banks, in deposits at call and investments in money market instruments convertible to cash within 45 days.

**Note 5: Receivables**

Australian Rural Leadership Program:

|  |                |                |
|--|----------------|----------------|
| Scholarships and membership fees for Course 23 | -              | 7,120          |
| Scholarships and membership fees for Course 24 | 80,220         | 60,500         |
| Scholarships and membership fees for Course 25 | 301,400        | -              |
| Scholarships and membership fees for Course 26 | 55,000         | -              |
| Scholarships and membership fees for Course 27 | 55,000         | -              |
| Scholarships and membership fees for Course 28 | 55,000         | -              |
| Gala sponsorship                               | 60,850         | 33,000         |
| Milparanga                                     | 71,170         | -              |
| Other Course Receivables:                      |                |                |
| Short Courses                                  | 135,171        | 3,625          |
|  | <u>813,811</u> | <u>104,245</u> |
| Other receivables                              | 166            | 24,150         |
| Interest Receivable                            | 23,220         | 25,253         |
|  | <u>837,197</u> | <u>153,648</u> |

Current receivables are receivable within 30 days. \$84,620 of receivables were overdue by 90 days or more under approved payment plans or other arrangements (2017: \$6,025). All receivables have been assessed for impairment and no allowance for impairment was considered necessary at 30 June 2018 (2017: Allowance for impairment was \$Nil).

**Accounting policy**

Other receivables are recognised at amortised cost, less any provision for impairment.

**Note 6: Investments**

|                     |                  |                  |
|---------------------|------------------|------------------|
| Fixed term deposits | <u>1,888,576</u> | <u>1,885,407</u> |
|---------------------|------------------|------------------|

**Accounting policy**

Financial instruments are initially measured at fair value on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below. All financial instruments are classified as 'Held to Maturity' and are recognised at amortised cost.

**Note 7: Other current assets**

|                                     |                |                |
|-------------------------------------|----------------|----------------|
| Prepaid ARLP and short course costs | 31,035         | 206,358        |
| Prepaid insurance                   | 219,520        | 49,030         |
| Prepaid other expenses              | -              | 32,594         |
|                                     | <u>250,555</u> | <u>287,982</u> |

**Note 8: Property, plant and equipment**

|  |               |               |
|--|---------------|---------------|
| Furniture, plant and equipment – at cost | 141,686       | 127,029       |
| Accumulated depreciation                 | (89,096)      | (67,111)      |
|  | <u>52,590</u> | <u>59,918</u> |

(a) Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current and previous financial years

Furniture,  
plant and  
equipment

|                                       |               |
|---------------------------------------|---------------|
| Opening Balance                       | 59,918        |
| Additions                             | 14,657        |
| Depreciation and amortisation expense | (21,985)      |
| Closing Balance                       | <u>52,590</u> |

**Accounting Policy**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation. The carrying amount of property, plant and equipment is reviewed annually by the Foundation to ensure it is not in excess of the remaining service potential of these assets.

Depreciation is charged at the following rates:

|                                |                  |
|--------------------------------|------------------|
| Furniture, Plant and Equipment | 5 - 10 years     |
| Computer hardware and software | 3 - 4 years, and |
| Office Renovations             | 5 years          |

Impairment

At each reporting date, the Foundation reviews the carrying values of its tangible 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 to sell and value in use, is compared to the asset's carrying value. As a not-for-profit entity, value in use for the Foundation, according to AASB 136 Impairment of Assets, is depreciated replacement cost. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income. No impairment indicators were present at 30 June 2018.

**Note 9: Payables**

Unsecured liabilities:

|                                |                |                |
|--------------------------------|----------------|----------------|
| Creditors and accrued expenses | 187,006        | 322,745        |
| GST payable                    | 166,702        | 66,322         |
|                                | <u>353,708</u> | <u>389,067</u> |

**Accounting Policy**

These amounts represent liabilities for goods and services provided to the Foundation prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Note 10: Provisions**

CURRENT

|                                       |                |               |
|---------------------------------------|----------------|---------------|
| Employee benefits: annual leave       | 61,292         | 47,984        |
| Employee benefits: long service leave | 1,956          | 254           |
| Course make-up costs                  | 27,684         | 18,980        |
| Staff bonuses                         | 44,000         | -             |
| <b>Total Current Provisions</b>       | <b>134,932</b> | <b>67,218</b> |

NON-CURRENT

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| Employee benefits: long service leave | 18,408        | 10,298        |
| <b>Total Non-Current Provisions</b>   | <b>18,408</b> | <b>10,298</b> |

(a) Movement in Provisions

Provision for Course Make-Up Costs

|  |               |               |
|--|---------------|---------------|
| Opening Balance  | 18,980        | 83,146        |
| plus: Amounts transferred from courses for missed sessions | 27,684        | 7,216         |
| less: Amounts transferred to courses for make-up sessions  | (18,980)      | (71,382)      |
| <b>Closing balance</b>                                     | <b>27,684</b> | <b>18,980</b> |

(b) Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual 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 company 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 company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their 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.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave vesting is based upon historical data. The measurement and recognition criteria are discussed on the following page.

**Accounting Policy**

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 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.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The Company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are 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. Provision is made for the Company's obligation for other long-term employee benefits, which 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 obligations is recognised in profit or loss classified under employee benefits expense.

**Note 10: Provisions (Continued)**

The Company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Company 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 liabilities.

Retirement benefit obligations

*Defined contribution superannuation benefits*

All employees of the Company receive defined contribution superannuation entitlements, for which the Company pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employee's defined contributions entitlements are recognised as an expense when they become payable. The Company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Company's statement of financial position.

Provision for Course Make-Up Costs

A provision is recognised by transfer from course unearned revenue (note 11) to provision for course make-ups (note 10) for the estimated direct course costs associated with a missed session where a participant is unable to attend a course session and is eligible to attend a future course session in order to complete the course curriculum.

**Note 11: Unearned revenue**

CURRENT

|                                |                  |                |
|--------------------------------|------------------|----------------|
| Core Course revenue            | 1,245,313        | 167,295        |
| Other Grants and short courses | 700,019          | 821,902        |
| Total Current Unearned revenue | <u>1,945,332</u> | <u>989,197</u> |

NON-CURRENT

|                                    |                |                  |
|------------------------------------|----------------|------------------|
| Core Course revenue                | 224,118        | 1,359,852        |
| Total Non-Current Unearned revenue | <u>224,118</u> | <u>1,359,852</u> |

**Note 12: Other Current Liabilities**

|                                    |              |              |
|------------------------------------|--------------|--------------|
| Program Participant's Welfare Fund | <u>9,359</u> | <u>9,359</u> |
|------------------------------------|--------------|--------------|

The Participant's Welfare Fund has been established to provide financial assistance to those participants of the Foundation's programs who have difficulty in meeting some of the financial costs of the program.



**Australian Rural Leadership Foundation Limited**  
**Notes to the financial statements**  
**30 June 2018**

**Note 13: Related Party Disclosures**

**(a) Details of Key Management Personnel**

Names and positions held of key management personnel in office at any time during the financial year are:

(i) Directors of Australian Rural Leadership Foundation Limited

Mr L McDonald -Retired 17 November 2017

Mr R Hadler

Ms A Staines

Mr R Dulhunty

Mr I Crook

Dr A Carr

Mr M Carroll (Chairperson)

Mr R Sawers

Ms M Fletcher - Elected 17 November 2017

(ii) Executives

Mr M Linnegar (CE)

Ms P Woodhill

Mr Charlie Morrice

Ms Michelle Wickson

**(b) Compensation of Key Management Personnel**

|                    | Short-term<br>benefits<br>\$ | Post-<br>employment<br>benefits<br>\$ | Other long-term<br>benefits<br>\$ | Total<br>\$ |
|--------------------|------------------------------|---------------------------------------|-----------------------------------|-------------|
| <b>2018</b>        |                              |                                       |                                   |             |
| Total Compensation | 645,188                      | 61,293                                | -                                 | 706,481     |
| <b>2017</b>        |                              |                                       |                                   |             |
| Total Compensation | 476,605                      | 49,286                                | -                                 | 525,891     |

**(c) Transactions with Director related entities**

| Name of entity                                    | Current year transactions and balances (including GST)                                       |
|---|--|
| Geoffrey Gardiner Dairy Foundation <sup>(1)</sup> | Scholarships Revenue - Course 23 (\$55,000)<br>Scholarships Revenue - Course 24 (\$55,000)   |
| The Australia Council for the Arts <sup>(2)</sup> | Scholarships Revenue - Course 23 (\$110,000)<br>Scholarships Revenue - Course 24 (\$55,000)  |
| M.I Murren Trust <sup>(3)</sup>                   | Contract services (expense) - Regional Dialogues (\$11,783)                                  |
| Fullsky <sup>(4)</sup>                            | Contract services (expense) - Regional Dialogues (\$16,640)                                  |
| Australian Meat Processor Corporation             | Project Income - Agribusiness 2018 (\$52,800)<br>Scholarships Revenue - Course 24 (\$55,000) |

<sup>1</sup> Related entity of Mr Michael Carroll - Former Chair of Finance & Investment Committee <sup>2,3,4</sup> Related entity of Mr L McDonald - Consultant

<sup>5</sup> Related entity of Ms Melissa Fletcher - Deputy Chair

Australian Rural Leadership Foundation Limited  
Notes to the financial statements  
30 June 2018

**Note 14: Commitments**

The Foundation is committed to the following expenditure in respect of a contractual commitments receivable or payable.

|                   | 2018<br>\$<br>Receivable | 2018<br>\$<br>Payable | 2018<br>\$<br>Receivable/<br>(Payable) |
|-------------------|--------------------------|-----------------------|--|
| Within one year:  |                          |                       |  |
| ARLP              | -                        | 2,416                 | 2,416                                  |
| Short courses     | 1,145,608                | 60,222                | 1,205,830                              |
| Other             | -                        | 80,381                | 80,381                                 |
|                   | <u>1,145,608</u>         | <u>143,019</u>        | <u>1,288,627</u>                       |
| Within 1-5 years: |                          |                       |  |
| ARLP              | 200,000                  | -                     | 200,000                                |
| Short courses     | 393,000                  | -                     | 393,000                                |
| Other             | -                        | 24,480                | 24,480                                 |
|                   | <u>593,000</u>           | <u>24,480</u>         | <u>617,480</u>                         |
| Total for 2018    | <u><u>1,738,608</u></u>  | <u><u>167,499</u></u> | <u><u>1,906,107</u></u>                |

**Note 15: Company details**

The Foundation is a public company limited by guarantee. If the Foundation is wound up, the constitution states that each member and each member who ceased to be a member in the preceding year is required to contribute a maximum of \$10 each towards meeting any outstanding's and obligations of the Foundation. At 30 June 2018 the number of members was 769 (2017: 729).

The registered office and principal place of business of the company is: 1st Floor, Forest Industries House, 24 Napier Close, Deakin ACT 2600.

|  | 2018<br>\$              | 2017<br>\$              |
|--|-------------------------|-------------------------|
| <b>Note 16: Cash flow information</b>  |                         |                         |
| <b><i>Reconciliation of net cash relating to operating activities to net surplus</i></b> |                         |                         |
| Surplus (deficit) for the year   | 245,852                 | 247,243                 |
| Non-cash flows in operating surplus:   |                         |                         |
| Depreciation and amortisation  | (21,985)                | (16,885)                |
| Changes in assets and liabilities:   |                         |                         |
| (Increase)/Decrease in trade and other receivables                                       | (683,549)               | 328,405                 |
| (Increase)/Decrease in other current assets  | 37,427                  | (135,985)               |
| Increase/(Decrease) in trade and other payables  | (35,359)                | 108,522                 |
| Increase/(Decrease) in unearned revenue  | (135,629)               | (728,296)               |
| Increase/(Decrease) in provisions  | 75,824                  | (85,179)                |
| Net cash received from operating activities  | <u><u>(517,419)</u></u> | <u><u>(282,175)</u></u> |

**Note 17: Subsequent Events**

The Directors are not aware of any matter or circumstance that has arisen since the balance date that has significantly affected the state of affairs of the Foundation.

**Note 18: Financial Risk Management**

The Foundation's principal financial instruments comprise cash at bank, receivables, investments and accounts payable. These financial instruments arise from the operations of the Foundation.

The carrying amount 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:

|   |                  |                  |
|---|------------------|------------------|
| Financial Assets                        |                  |                  |
| Cash and cash equivalents               | 1,273,326        | 1,808,571        |
| Fixed term deposits                     | 1,888,576        | 1,885,407        |
| Receivables                             | 813,811          | 104,245          |
| Total Financial Assets                  | <u>3,975,713</u> | <u>3,798,223</u> |
| Financial Liabilities                   |                  |                  |
| Financial liabilities at amortised cost |                  |                  |
| Payables                                | 353,708          | 389,067          |
| Total Financial Liabilities             | <u>353,708</u>   | <u>389,067</u>   |