



Australian
Rural Leadership
Foundation

ANNUAL REPORT 2016-2017





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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

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CHAIR'S REPORT

MICHAEL CARROLL

The past year has seen the Australian Rural Leadership Foundation (the Foundation) grow in strength as an organisation, as we continue to implement our strategy to enhance its financial sustainability. The Foundation has recorded a surplus for the first time in seven years, and we will continue to provide direction to see the organisation grow further, whilst still delivering programs of outstanding quality.

At the AGM in November 2016, Andrea Staines, Rick Sawers, Ian Crook and myself, were appointed for three years as members of the Board of Directors. At the meeting, we also farewelled Professor Snow Barlow from the Board of Directors. Snow's commitment to the Foundation has been continual, since serving as a founding Board member in 1992-1996, and returning as a Governor member in 2010. On behalf of the Board, I thank Snow for his immense contribution to the Foundation.

As an organisation dedicated to the greater good of rural, regional and remote Australia, we understand that people are the backbone of this country. To be strong leaders, these people need opportunities to develop. Development isn't training. It comes from giving people experiences to reflect on themselves and others, so they can develop to become intuitive leaders who will be able to influence and have an impact within regional Australia.

As a Board, we have a big responsibility to ensure that the strategies and direction of the Foundation are in keeping with our vision:

Outstanding regional and rural leadership.

The Foundation delivered nine programs over the year, including the flagship Australian Rural Leadership Program (ARLP) and continues to grow its 1,000 plus alumni.

We also commenced the delivery of the new National Aboriginal and Torres Strait Islander Leaders Program (NATSILP) which is funded by the Australian Government, and is proving to be a powerful program.

The success of our second Agribusiness Leadership Program and the new Sheepmeat Industry Leadership Program, see us continuing to make an impact within the agricultural sector, which again clearly aligns with our vision.

As a Board, we are dedicated to increasing awareness of the Foundation and its work in developing leaders, through creating advocates. This year we appointed four new Patrons to represent and promote the Foundation and its values.

Australia's Governor-General, His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd) became the Patron-in-Chief of the Foundation, taking over from the former Governor General, Major General Sir Michael Jeffery AC AO (Mil) CVO MC (Retd). In addition to the Patron-in-Chief, Mr Tim Fairfax AC and Mr Andrew Robb AO, and Professor Colleen Hayward AM were all appointed as Patrons of the Foundation.



Our financial position for this year is positive, and I thank our Chief Executive, Matt Linnegar and the Foundation staff for the prudent deployment of the funds entrusted to us. The Audit and Risk Committee and the Board are comfortable the Foundation is aligning itself with its strategic objectives, operating within our means and managing other risks. Our auditors returned an unqualified audit again this year.

The Foundation has made significant financial gains to assist in developing leaders for the greater good of rural, regional and remote Australia.

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

CHIEF EXECUTIVE'S REPORT

MATT LINNEGAR

2016-2017 was the second year of a three-year strategy for the Foundation. The focus over the past year has been to consolidate gains made in the 2015-2016 year and continued growth in priority areas. The Foundation's ability to support the greater good of rural, regional and remote Australia is dependent upon the quality and diversity of our leadership development programs, relationships with our network of Fellows, partners, staff and supporters, and the capacity to reinvest in the organisation.

The ARLF team has worked hard on these aspects over the past year and I am pleased with the progress made. Importantly, and for the first time in several years, the Foundation achieved a budget surplus that will now be reinvested in our programs and our people.

The work of the Foundation would not be possible without our partners. We have welcomed a range of new partners over recent years which has in turn broadened our reach into different sectors that make up our regions. We highly value these relationships, be they one year or more than 20 years. Changes in the broader environment, be they economic, social, political or otherwise, continue to challenge collective investment in leadership development. I would like to acknowledge our partners' continued investment despite these headwinds.

Our partners and others more broadly invest in leadership for a host of reasons. At a time when investment in people is under increased scrutiny, it is timely to reflect on what 25 years of experience has demonstrated to us. That supporting the development of a leader is to support a better society, from teams and organisations to communities states and nations. In other words, an investment in leadership is an investment in the greater good.

The past year has also seen the launch of our new Alumni Portal. The portal allows Fellows and other members of our network to reach out to each other directly and as such, enhance the ability of our network of graduates to impact positively on the greater good. As always, I have enjoyed time spent with our graduates be that in their support of the work of the Foundation or leading change in their own contexts.

The most significant development over the past year has been the launch of our new National Aboriginal and Torres Strait Leaders Program (NATSILP). The creation of NATSILP drew directly from our existing network of Aboriginal and Torres Strait Islander graduates. Australian Rural Leadership Program (ARLP) Course 16 graduate Scott Gorringe is the Director of the program and a reference group made up of Aboriginal and Torres Strait Islander graduates provides advice directly to Scott and the program.

I would like to recognise the Australian Government Department of Prime Minister and Cabinet and the Minister for Indigenous Affairs for their support of the program. Four individual programs over the 2016-2017 and 2017-2018 years have been funded with the Dubbo program complete, and the Shepparton and Cairns programs completing session one. The Darwin/Kalkarindji programs will take place in August 2017 and the second session of the Shepparton and Cairns programs in September 2017. Each program was named in honour of a significant Aboriginal or Torres Strait Islander leader – Pearl Gibbs (Dubbo), Sir Doug Nicholls (Shepparton), Pat O'Shane (Cairns) and Vincent Lingiari (Kalkarindji).



Another important new development was the creation of the Sheepmeat Industry Leadership Program, in partnership with the Sheepmeat Council of Australia and Meat and Livestock Australia. This bespoke program is focused on the development of leaders contributing to the greater good of the industry and the communities in which they live. The inaugural program was a real success and the second program will get underway in 2017-2018.

This year also saw a host of changes and adjustments to our iconic ARLF. This action followed the completion of a review starting from our philosophy right through to our curricula, programs and evaluation framework. Whilst we will continue to challenge what we do through the latest national and international thinking on leadership, the core Foundation philosophy remains true over 25 years. Course 23 of the ARLF is the first cohort to commence under the revised program with further adjustments made to the incoming Course 24. Congratulations also to Course 22 with participants graduating in September 2016 in Perth, WA.

I would like to thank our small but highly enterprising ARLF team for their work over the past year and their continued willingness to go above and beyond. I would like to recognise the contribution of Jenny Andrew whom many in our network are familiar given her time with and service to the Foundation, and Kahlia Hoard who left the Foundation during the course of the year. I wish them all the very best for the future. A warm welcome to new team members Monique Brouwer, Matilda Ferguson, Scott Gorringe, Naomi Browne and Charlie Morrice, and trust that they enjoy being part of an organisation that has played a part in the development of over 1,000 leaders for the greater good.

HIGHLIGHTS FOR 2016-2017



OUR BOARD

FAREWELL TO SNOW BARLOW

Professor Snow Barlow retired from the Board of Directors at the Annual General Meeting (AGM) on 16 November 2016. Snow played an integral role in the Foundation's establishment and served as a Board member from 1992 until 1996. He returned as a Governor member again in 2010. The Board of Directors and the Foundation thank Snow for his immense contribution.

BOARD APPOINTMENTS

At the AGM, Andrea Staines, Rick Sawers, Michael Carroll and Ian Crook were appointed for three years as members of the Board of Directors.

NEW PATRONS

In 2016-2017, the Board appointed four new patrons, whose values and commitment to leadership in rural, regional and remote Australia is in keeping with the Foundation's mission.

At the AGM in November 2016, Australia's Governor-General, His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd) became the Patron-in-Chief of the Foundation. Sir Peter Cosgrove succeeded former Governor General, Major General Sir Michael Jeffery AC AO (Mil) CVO MC (Retd), who served as ARLF patron for the past seven years.

In addition to the Patron-in-Chief, three new patrons were announced in February 2017. The patrons are:

- Mr Tim Fairfax AC
- Mr Andrew Robb AO
- Professor Colleen Hayward AM

The four patrons will represent and promote the Foundation and its values.



OVERVIEW OF ALL PROGRAMS



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

Experience

Reflect

Develop

Influence



The above diagram displays the Foundation's program model of providing leaders with challenging experiences, time for reflection, opportunities for development and the drive to influence and have an impact in rural, regional and remote Australia. This year the Foundation delivered nine leadership programs for 174 participants, some of these programs will conclude in 2017-2018.

Programs	Participants
Australian Rural Leadership Program Course 22	30
Australian Rural Leadership Program Course 23	32
Australian Agribusiness Leadership Program	16
Training Rural Australians In Leadership Program	12
National Aboriginal and Torres Strait Islander Leadership Program	39
Torres Strait Women's Leadership Program	10
Torres Strait Young Leaders Program	6
Sheepmeat Industry Leadership Program	14
Rice Industry Leadership Development Program	15
Total number of participants	174

AUSTRALIAN RURAL LEADERSHIP PROGRAM (ARLP) - COURSE 22



The graduation dinner of ARLP Course 22 took place in Perth, WA on 22 September 2016. The evening commenced with an ARLP past-participant panel discussion facilitated by Leigh Radford from ABC Rural. The panel highlighted the value of the ARLP in shaping courageous, ethical and influential leaders, and the tremendous contribution of the Foundation’s partners and sponsors.

The master of ceremonies on the night was Leigh Radford, Head of Rural and National Programs ABC Regional. On the night, he was presented with an Honorary Fellowship, which is the highest honour that can be bestowed on a person by the Australian Rural Leadership Foundation. The Foundation recognised his work of almost 30 years in sharing the stories of rural and regional industries and communities.

The dinner also featured a thought provoking John Allwright Memorial Address by Glen Kelly, Chief Executive Officer at the National Native Title Council. Glen shared his experiences as Chief Negotiator in the Noongar Native Title Settlement and his story was an exceptional example of leadership through adversity.

Before receiving their graduation certificates, the participants of Course 22 entertained with a wonderful presentation which consisted of a video, personal reflections and the symbolic gesture of handing over the paddle to Course 23.

“ ARLP has awakened and strengthened the leader within and given me the tools to make positive change in my community, ”

Regina Turner, from Hammond Island in the Torres Strait





Throughout the year, Course 23 undertook four sessions of leadership development in different locations across Australia and in Indonesia. In August 2016, they commenced their journey forging relationships whilst undertaking a challenging experiential component of the program in Darwin, NT and in the Kimberley, WA.

In February 2017, the group came together again in Melbourne to further examine themselves and their leadership skills, and to engage in media training. The case study component took the group to northeast Victoria in May 2017, where they delved into community and regional leadership, advocacy and social entrepreneurship.

In May 2017, the cohort along with a few participants from prior courses, spent two weeks experiencing Java and Sumatra, Indonesia from a leadership development perspective. The ARLP participants interacted with various community groups, businesses and individuals to gain knowledge and develop an understanding of the challenges and strengths of Indonesian leadership.

“ During the ARLP, we've been exposed to a diverse range of leadership experiences over the past nine months within Australia. Now we are being asked to extend this learning to an international context within a very different culture to our own. ”

Rebecca Lomman, St George in QLD



“ I found the week, not only inspiring but incredible to see actual leadership in action and making true impacts in rural and regional Australia in Victoria. I am excited about sharing my experiences to further my leadership, particularly in New England and North West New South Wales. ”

Edwina Sharrock, Tamworth in NSW

AGRIBUSINESS LEADERSHIP PROGRAM



Sixteen leaders undertook the Foundation's Agribusiness Leadership Program which took place over two face-to-face sessions in Victoria and NSW.

During the first session, the group travelled to the Gippsland region to engage in the experiential component of the program. They were challenged to examine their own leadership capacity and ability to develop relationships through various experiences.

In June, the group met in Sydney and undertook further leadership development through visiting other organisations, hearing leadership stories and collaborating on their group initiative.

“ I finished the week with an expanded mind, an awesome new network and some real things to put into action immediately. ”

Dionne Walsh, NT Department of Primary Industries and Resources

The cohort presented the inspiring initiative at their graduation dinner to the Hon Luke Hartsuyker MP, Assistant Minister to the Deputy Prime Minister and other industry leaders. Their initiative focused on ways to encourage youth, particularly science, technology, mathematics and engineering graduates into the agribusiness sector.

“ This program has really reinvigorated my leadership journey. It deepened the awareness I have of myself and who I am. It certainly deepened my awareness of the influence and the impact we can make as a team. And of the program itself, the biggest gift is the network that comes from being involved. ”

Grayson Killen, Syngenta

TRAINING RURAL AUSTRALIANS IN LEADERSHIP (TRAIL)



Twelve emerging leaders from throughout Australia graduated from the TRAIL program in Canberra on 2 May 2017.

During the program the graduates expanded their leadership skills through understanding more about themselves and others, through experiencing leadership in context and by developing relationships to form a network of supportive leaders.

“ The highlight of the program has been the panel and hearing different views from a highly effective community. The panel had the right mix of people divulging their leadership strengths. ”

Adam Knapp, Queensland Farmers Federation

The program included a challenging four-day outdoor leadership experience in the mountains outside of Canberra. Participants also travelled to Young, NSW to hear from local business, regional and community leaders.

NATIONAL ABORIGINAL AND TORRES STRAIT ISLANDER LEADERSHIP PROGRAM (NATSILP)



In 2017, the Foundation commenced the first NATSILP. This initiative is supported and funded by the Australian Government. The program develops and prepares Aboriginal and/or Torres Strait Islander people to engage in powerful and different conversations.

It takes participants for a walk in the footsteps of remarkable Aboriginal and Torres Strait Islander leaders. The participants learn from their stories and each other, to support their leadership aspirations.

This pilot program features four programs being delivered across Australia throughout 2017. NATSILP was designed by Indigenous people, including members of the Foundation’s alumni. Thank you to Waverley Stanley, Leann Wilson, Torres Webb, Charlie Kaddy, Lisa Lui, Melissa Fletcher, Ragina Rogers, Michelle Deshong, Scott Gorringe, Vonda Moar-Malone and Rohan Corpus for your contribution.



GIBBS PROGRAM

Eleven Aboriginal and Torres Strait Islander leaders graduated in Dubbo, NSW on 11 May 2017 from the first program.

The participants travelled to Dubbo to walk in Pearl Gibbs’ footsteps, learning her story, then sharing stories and learning from each other.

Participants were also involved in a variety of leadership workshops facilitated by alumni and other contributors.

NICHOLLS AND O’SHANE PROGRAMS

The second program commenced in Shepparton, Victoria at the end of May 2017. Fifteen participants undertook the program which recognised the leadership of Sir Douglas Ralph Nicholls.

Thirteen participants travelled to Cairns, QLD in June 2017. This third program was in recognition of Patricia June “Pat” O’Shane AM. Participants of both programs will come together in Canberra, ACT in September 2017. They will undertake their second session of leadership development and celebrate at their combined graduation dinner.

The fourth program will take place in Darwin and Kalkarindji, NT in August 2017 and is in recognition of Vincent Lingiari AM.

TORRES STRAIT LEADERSHIP PROGRAMS



This year, the Foundation delivered two tailored programs as a collaborative project with the Torres Strait Regional Authority. The Torres Strait Women's Leadership Program and the Torres Strait Young Leaders Program.

TORRES STRAIT WOMEN'S LEADERSHIP PROGRAM

Ten women leaders of the Torres Strait graduated from the Torres Strait Women's Leadership Program in Canberra in October 2016.

This program, specifically for Torres Strait Islander and Aboriginal women in the Torres Strait Region, aims to develop their capacity for leadership and increasing the number of women in decision making roles.

Michelle Deshong, ARLF Fellow, led the program and her contribution is greatly appreciated.

TORRES STRAIT YOUNG LEADERS PROGRAM

In March 2017, six aspiring young leaders graduated from the Torres Strait Young Leaders Program in Canberra.

The objectives of the program were to develop a range of personal and leadership skills, and to increase preparedness for future involvement in leadership roles.

The young leaders gained new perspectives and experiences within politics, history and culture, and gained confidence in their leadership abilities.

SHEEPMET INDUSTRY LEADERSHIP PROGRAM

In 2017, the Foundation delivered the Sheepmeat Industry Leadership Program for the Sheepmeat Council of Australia. The Foundation worked with the Council to tailor a leadership program specifically for their industry.

The program was delivered over two sessions in Victoria and the ACT. Fourteen participants graduated from the course which succeeded in enhancing their leadership skills, building confidence and understanding in governance and policy, and developing new networks and friendships.

RICE INDUSTRY LEADERSHIP DEVELOPMENT PROGRAM

On 21 July 2016, the second and final session of the Rice Industry Leadership Development Program was delivered in Deniliquin, NSW by the Foundation.

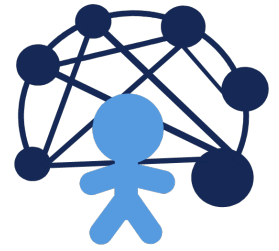
The program was delivered on behalf of the Rice Growers' Association. Fifteen leaders graduated from the successful program having developed their understanding of self and others, their industry and their ability to lead.

OUR ALUMNI NETWORK - NETWORK PORTAL

In 2017, the Foundation launched the Alumni Portal. The portal is an online directory which allows alumni to communicate and connect with other members of the Foundation's network.

The initiative was the brainchild of Course 21 of the ARLP, who identified a need for independence when communicating and connecting with other members of the alumni network. The Foundation received funding from the Foundation of Rural and Regional Renewal to assist in the development of this online tool.

The alumni of the Foundation continues to grow with well over 1,000 members. This tool in addition to the Foundation's other communication products, including newsletters, emails and social media applications, provides support and communication to the alumni.



OUR TEAM



The Foundation's team has continued to grow in 2016-2017, with now 11 staff. Throughout the year, the team has engaged in various development activities including a retreat to Wee Jasper, NSW. These activities provide opportunities for the Foundation to live its values.

CHIEF EXECUTIVE AND COMPANY SECRETARY

Matt Linnegar

MANAGER: PARTNER RELATIONS

Philippa Woodhill

MANAGER: LEADERSHIP PROGRAMS

Charlie Morrice

PROGRAM DIRECTOR AND FACILITATOR

Scott Gorringe

FACILITATOR: AUSTRALIAN RURAL LEADERSHIP PROGRAM

Graham Smith

COORDINATOR: ENGAGEMENT AND PROGRAMS

Andrea Hogg

COORDINATOR: FINANCE AND GOVERNANCE

Michelle Wickson

PROGRAM LIAISON

Gemma Gordon

COORDINATOR: NETWORK AND COMMUNICATIONS

Monique Brouwer

PROGRAM LIAISON

Matilda Ferguson

PROGRAM LIAISON

Naomi Browne

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.

Organisation Name	Partnership
 AuctionsPlus	Agribusiness Leadership Program 2017
 AUSCOTT LIMITED	ARLP Course 22, 23
 Australian Government Australian Centre for International Agricultural Research	ARLP Course 20
 Australian Government Australia Council for the Arts	ARLP Course 23
 Australian Government Department of Agriculture and Water Resources	ARLP Course 22, 23
 Australian Government Department of Health	ARLP Course 22, 23
 Australian Government Department of Infrastructure and Regional Development	Alumni 'Leader' Finder
 Australian Government Department of the Prime Minister and Cabinet	ARLP Course 23, NATSILP
 Australian Livestock Exporters' Council	TRAIL 2017
 ALFA AUSTRALIAN LOT FEEDERS' ASSOCIATION	ARLP Course 22, 23, TRAIL 2017
 AMPC AUSTRALIAN MEAT PROCESSOR CORPORATION	ARLP Course 22, 23, Agribusiness Leadership Program 2017
 AUSTRALIAN Pork	ARLP Course 22, 23, Agribusiness Leadership Program 2017
 AWI Australian Wool Innovation Limited	ARLP Course 22, 23 ARLF Impact Evaluation
 CPC	Agribusiness Leadership Program 2017
 CBH GROUP	ARLP Course 22, 23 Agribusiness Leadership Program 2017
 COTTON AUSTRALIA	ARLP Course 22, 23
 Australian Government Cotton Research and Development Corporation	ARLP Course 22, 23 TRAIL 2017, ARLF Impact Evaluation
 Elders	Agribusiness Leadership Program 2017
 Fairfax Agricultural Media	ARLP Course 22, 23
 Australian Government Fisheries Research and Development Corporation	ARLP Course 22, 23 ARLF Impact Evaluation
 FRRR Foundation for Rural & Regional Renewal	Alumni 'Leader' Finder (Alumni Portal)

 GRDC GRAINS RESEARCH & DEVELOPMENT CORPORATION	ARLP Course 22, 23	 RURAL INDUSTRIES Research & Development Corporation	ARLP Course 22, 23
 GICA Goat Industry Council of Australia	TRAIL 2017	 SHEEPMEAT COUNCIL OF AUSTRALIA	Sheepmeat Industry Leadership Program 2017
 JAMES COOK UNIVERSITY AUSTRALIA	ARLP Course 22, 23	 SunPork Fresh Processing	Agribusiness Leadership Program 2017
 mla More Life From Australia	ARLP Course 22, 23	 syngenta	Agribusiness Leadership Program 2017
 agribusiness nab	TRAIL 2017 Agribusiness Leadership Program 2017	 thymeraid FOUNDATION	ARLP Course 22, 23
 NSW GOVERNMENT Department of Primary Industries	ARLP Course 23, TRAIL 2017 Agribusiness Leadership Program 2017	 Australian Government TORRES STRAIT REGIONAL AUTHORITY TSRA www.tsra.gov.au	ARLP Course 22, 23, TRAIL 2017, Torres Strait Young Leaders' Program 2017, Torres Strait Women's Leadership Program 2016, ARLP Impact Evaluation
 NSW GOVERNMENT Local Land Services	ARLP Course 23	 VICTORIA State Government	ARLP Course 22, 23
 NORTHERN TERRITORY GOVERNMENT	ARLP Course 22, 23 Agribusiness Leadership Program 2017	 Western Australian Centre for Rural Health	TRAIL 2017
 primesuper surprisingly straightforward	ARLP Course 22, 23	 Westpac	Agribusiness Leadership Program 2017
 QFF QUEENSLAND FARMERS' FEDERATION	TRAIL 2017	 The WILLIAM BUCKLAND FOUNDATION WbF	ARLP Course 22, 23
 Ricegrowers' Association of Australia INC	ARLP Course 22, 23 Rice Industry Leadership Program 2016	 Wine Australia	ARLP Course 22, 23
 Woolworths the fresh food people	ARLP Course 22, 23	 Woolworths the fresh food people	ARLP Course 22, 23

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 and the Geoffrey Gardiner Dairy Foundation. Former board roles include Warrnambool Cheese & Butter, Queensland Sugar, Rural Finance, the Australian Farm Institute and Meat and Livestock Australia.

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.



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.



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 Sydney University and a Masters in Agriculture from the University of Melbourne 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.



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.



MR RICK SAWERS

Rick Sawers joined the Foundation Board in March 2016. He is an experienced senior executive and company director in financial services, trade and leadership sectors, contributing strong business, risk management, strategic, human resource and system capabilities. Rick's experience includes leading domestic and international businesses with ANZ and NAB, and he has been a member of the key executive and governance committees of those companies.

Rick is a Non-Executive Director, and Chairman of the Board Audit Committee for the Export Finance and Insurance Corporation (EFIC), and has previously held the roles of Executive Chairman for the Great Western Bancorporation, USA, Chairman of the Australian Financial Markets Association, (AFMA) and Executive Director of Clydesdale Bank PLC.



MR LOCKIE MCDONALD

ARLP Course 17 graduate Lockie McDonald was elected to the Foundation Board in 2011 as a Fellow Director. Lockie is a community development facilitator and founder of Fullsky providing consulting services to develop rural communities, industries and address issues that affect them. Originally a nurse, he has also worked in community arts and is passionate about collaborating with rural, remote and regional communities to deal with issues surrounding change.



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 from the University of 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 2017.

Directors

The Directors of the Australian Rural Leadership Foundation during the 2016 - 2017 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	Mr Lachlan McDonald
Mr Rick Sawers	Ms Andrea Staines

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 15 (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 2016 - 2017 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 2016-2017:

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>Mr Michael Carroll <i>BAgric MBA AMP FAICD</i> Appointed Special Skills Director and Chairperson 4 March 2016. Appointed First Elected Director 16 November 2016</p>	<p>Mr Robert Hadler <i>BEC (Hons)</i> Appointed special skills Director on 28 June 2013; reappointed special skills Director 18 November 2015</p>
<p>Ms Andrea Staines <i>BEC MBA (Finance)</i> Appointed Special Skills Director 4 March 2016 Appointed First Elected Director 16 November 2016</p>	<p>Mr Rick Sawers Dip Inter Trade MA Appointed Special Skills Director 4 March 2016 Appointed First Elected Director 16 November 2016</p>
<p>Mr Robert Dulhunty Appointed as Director on 18 November 2015</p>	<p>Mr Ian Crook <i>BAGSc MScAgr FARLF GAICD</i> Appointed as Director on 15 November 2013. Appointed First Elected Director 16 November 2016</p>
<p>Dr Anna Carr <i>BA (Hons); MAES, PhD, FARLF, GAICD</i> Elected as Director on 18 November 2015</p>	<p>Mr Lachlan McDonald <i>BA (Eng) RN FARLF</i> Elected as a Director on 8 November 2011; reappointed on 14 November 2014.</p>
<p>Prof Edward (Snow) Barlow <i>B. Rur.Sc (Hons) M.Rur.Sc PhD</i> Elected as Director on 15 November 2010 Reappointed on 15 November 2013 Retired on 16 November 2016</p>	

During the year, the Foundation held four Board meetings and three Audit and Risk Committee meetings. Directors attended meetings as follows:

DIRECTOR	BOARD MEETINGS	AUDIT AND RISK COMMITTEE *	NOMINATIONS COMMITTEE
Mr Michael Carroll	4 (4)	-	-
Prof S Barlow	2 (2)	-	-
Mr L McDonald	2 (4)	-	3(3)
Mr Robert Hadler	4 (4)	-	3(3)
Mr Ian Crook	4 (4)	3 (3)	-
Dr Anna Carr	4 (4)		1(1)
Ms Andrea Staines	4 (4)	3 (3)	-
Mr Rick Sawers	3 (4)	3(3)	1(1)
Mr Robert Dulhunty	4 (4)		3(3)
Mr Alex Ramsey Independent Member *	-	3 (3)	-

Operating Results

The surplus for the financial year was \$247,243 (2016: \$298 deficit).

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 \$5,125.07 excluding GST.

Future Developments and Results

The Foundation will continue to pursue its mission by developing leadership programs that address the need for rural leadership in a rapidly changing global and national environment. The directors are confident that the operations of the Foundation will continue to meet the expectations of the members, the program participants and its 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 2017 the number of members was 729 (2016:682).

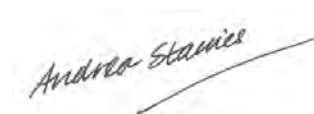
Auditor Independence

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*
Armadale, VIC
DATE: 10th October 2017



Ms Andrea Staines, *Director*

DIRECTOR'S DECLARATION

Australian Rural Leadership Foundation Limited

Directors Declaration

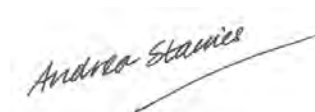
In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and the Corporations Regulations 2001 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 2017 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*
Armadale, VIC
DATE: 10th October 2017



Ms Andrea Staines, *Director*



RSM Australia Partners

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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 2017, 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.

RSM AUSTRALIA PARTNERS

Ged Stenhouse
Partner

Canberra, ACT
Dated: 10th October 2017



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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 2017, 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 2017 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 2017, 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. This description forms part of our auditor's report.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'Ged Stenhouse', written in a cursive style.

Ged Stenhouse
Partner

Canberra, ACT
Dated: 10th October 2017

FINANCIAL STATEMENTS

Australian Rural Leadership Foundation Limited
 Statement of profit and loss and other comprehensive income
 For the year ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue from ordinary activities	2	3,042,196	2,160,213
Course costs	3	(1,644,629)	(1,070,848)
Staffing costs		(886,375)	(861,338)
Core administrative costs		(189,033)	(162,082)
Occupancy costs	3	(53,780)	(60,933)
Capital Fund Raising Campaign		(4,251)	1,240
Depreciation and amortisation	3	(16,885)	(6,550)
Surplus (deficit) before income tax		247,243	(298)
Other comprehensive income		-	-
Surplus (deficit) attributable to members of the Foundation		247,243	(298)

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

Australian Rural Leadership Foundation Limited
Statement of financial position
For the year ended 30 June 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,808,571	2,150,058
Receivables	5	153,648	482,053
Investments	6	1,885,407	1,882,004
Other current assets	7	287,982	151,997
TOTAL CURRENT ASSETS		4,135,608	4,666,112
NON-CURRENT ASSETS			
Property, plant and equipment	8	59,918	20,894
TOTAL NON-CURRENT ASSETS		59,918	20,894
TOTAL ASSETS		4,195,526	4,687,006
CURRENT LIABILITIES			
Payables	9	389,067	280,545
Provisions current	10	67,218	151,803
Unearned revenue	11	989,197	2,394,692
Other	12	9,359	9,359
TOTAL CURRENT LIABILITIES		1,454,841	2,836,399
NON-CURRENT LIABILITIES			
Provisions non current	10	10,298	10,892
Unearned revenue	11	1,359,852	716,423
TOTAL NON-CURRENT LIABILITIES		1,370,150	727,315
TOTAL LIABILITIES		2,824,991	3,563,714
NET ASSETS		1,370,535	1,123,292
EQUITY			
Reserves		1,370,535	1,123,292
TOTAL EQUITY		1,370,535	1,123,292

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

Australian Rural Leadership Foundation Limited
Statement of changes in equity
For the year ended 30 June 2017

	Commitments Reserve ¹ \$	General Reserve ² \$	Development Funds Reserve ³ \$	Endowment Funds Reserve ⁴ \$	Retained Surplus \$	Total
Balance at 1 July 2015	450,000	200,000	443,701	29,889	-	1,123,590
Comprehensive income						
Surplus/(Deficit) for the year	-	-	-	-	(298)	(298)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	(298)	(298)
Other transfers						
Transfers (to) from reserves	-	-	(4,629)	4,331	298	-
Total other transfers	-	-	(4,629)	4,331	298	-
Balance at 30 June 2016	450,000	200,000	439,072	34,220	-	1,123,292
Comprehensive income						
Surplus/(Deficit) for the year	-	-	-	-	247,243	247,243
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	247,243	247,243
Other transfers						
Transfers (to) from reserves	-	236,206	4,628	6,409	(247,243)	-
Total other transfers	-	236,206	4,628	6,409	(247,243)	-
Balance at 30 June 2017	450,000	436,206	443,700	40,629	-	1,370,535

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

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

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

⁴ 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

Australian Rural Leadership Foundation Limited
Statement of cash flows
For the year ended 30 June 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Course fees and sponsorships received	2,242,841	3,502,714
Interest received	83,145	75,463
Other receipts	146,564	149,289
Payments for operations and conduct of courses	<u>(2,754,725)</u>	<u>(2,382,293)</u>
Net cash used in operating activities	16(b) <u>(282,175)</u>	<u>1,345,173</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of furniture and equipment	(55,909)	(6,541)
Proceeds from maturity of term deposits & debentures	200,000	8,871
Purchases of term deposits	<u>(203,403)</u>	<u>(3,630)</u>
Net cash used in investing activities	<u>(59,312)</u>	<u>(1,300)</u>
Net movement in cash and cash equivalents	(341,487)	1,343,873
Cash at beginning of financial year	<u>2,150,058</u>	<u>806,185</u>
Cash at end of financial year	16(a) <u><u>1,808,571</u></u>	<u><u>2,150,058</u></u>

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

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

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.

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	2,812,487	1,942,196
Donations	5,955	2,570
Network membership fees and events	140,609	131,475
Grants	-	15,000
Interest	83,145	68,972
Total Revenue	<u>3,042,196</u>	<u>2,160,213</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).

	2017 \$	2016 \$
Note 3: Surplus for the Year		
(a) Expenses		
Depreciation and amortisation of non-current assets	16,885	6,550
Rental expense on operating leases:		
Minimum lease payments	53,780	60,933
(b) Course revenues		
Australian Rural Leadership Program (ARLP):		
Course 21	-	185,296
Course 22	137,396	734,770
Course 23	1,140,075	253,746
Course 24	240,314	-
Short Courses		
New Business	59,112	-
Wine Future Leaders	-	130,202
TRAIL Blazers	-	106,000
TRAIL	108,000	100,137
Torres Strait Young Leaders Program	39,620	20,449
TSRA Women's Leadership	156,417	129,567
Rice growers' Association	29,300	38,770
Regional Dialogues	-	63,636
Agribusiness	192,000	169,200
Foundation	23,384	-
PMC	488,673	-
Sheepmeat	160,447	-
Other	37,749	10,423
	<u>2,812,487</u>	<u>1,942,196</u>
(c) Course costs		
Australian Rural Leadership Program (ARLP):		
Course 22 expense	86,796	435,143
Course 23 expense	662,039	14,139
Course 24 expense	2,232	-
Short Courses		
New Business expense	58,968	-
Wine Future Leaders expense	-	68,557
TRAIL Blazers expense	-	106,237
TRAIL expense	42,219	65,721
Torres Strait Young Leaders Program expense	20,901	30,449
TSRA Women's Leadership expense	101,183	119,661
Rice growers expense	1,707	16,279
Regional Dialogues expense	39,039	21,121
Agribusiness expense	104,472	94,205
Foundation	72,194	-
PMC	322,381	-
Sheepmeat	93,288	-
Other	42,417	-
	<u>1,649,836</u>	<u>1,070,848</u>

	2017 \$	2016 \$
Note 4: Cash and cash equivalents		
Cash on hand and at bank	1,070,396	1,038,377
Units in cash management trust	738,175	1,111,681
	<u>1,808,571</u>	<u>2,150,058</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 for Course 23	-	288,806
Scholarships for Course 24	55,000	-
Network membership fees for Course 21	-	600
Network membership fees for Course 22	-	24,000
Network membership fees for Course 23	7,120	18,500
Network membership fees for Course 24	5,500	-
Gala sponsorship	33,000	-
Other Course Receivables:		
Short Courses	3,625	86,900
	<u>104,245</u>	<u>418,806</u>
Other receivables	24,150	34,672
Interest Receivable	25,253	28,575
	<u>153,648</u>	<u>482,053</u>

Current receivables are receivable within 30 days. \$6,025 of receivables were overdue by 90 days or more under approved payment plans or other arrangements (2016: \$1,700). All receivables have been assessed for impairment and no allowance for impairment was considered necessary at 30 June 2017 (2016: 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	1,885,407	1,882,004
	<u>1,885,407</u>	<u>1,882,004</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.

	2017 \$	2016 \$
Note 7: Other current assets		
Prepaid ARLP and short course costs	206,358	128,840
Prepaid insurance	49,030	20,277
Prepaid other expenses	32,594	2,880
	287,982	151,997
Note 8: Property, plant and equipment		
Furniture, plant and equipment – at cost	127,029	115,609
Accumulated depreciation	(67,111)	(94,715)
	59,918	20,894
 (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	20,894	
Additions	60,238	
Disposals at written down value	(4,329)	
Depreciation and amortisation expense	(16,885)	
Closing Balance	59,918	

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 2017.

2017
\$

2016
\$

Note 9: Payables

Unsecured liabilities:

Creditors and accrued expenses	322,745	66,763
GST payable	66,322	213,782
	<u>389,067</u>	<u>280,545</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	47,984	56,531
Employee benefits: long service leave	254	12,126
Course make-up costs	18,980	83,146
Total Current Provisions	<u>67,218</u>	<u>151,803</u>

NON-CURRENT

Employee benefits: long service leave	10,298	10,892
Total Non-Current Provisions	<u>10,298</u>	<u>10,892</u>

(a) Movement in Provisions

Provision for Course Make-Up Costs

Opening Balance	83,146	115,913
plus: Amounts transferred from courses for missed sessions	7,216	45,696
less: Amounts transferred to courses for make-up sessions	(71,382)	(78,463)
Closing balance	<u>18,980</u>	<u>83,146</u>

(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.

Note 10: Provisions (continued)

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.

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.

	2017	2016
	\$	\$
Note 11: Unearned revenue		
CURRENT		
Core Course revenue	167,295	1,149,682
Other Grants and short courses	821,902	1,245,010
Total Current Unearned revenue	<u>989,197</u>	<u>2,394,692</u>
NON-CURRENT		
Core Course revenue	<u>1,359,852</u>	<u>716,423</u>
Total Non-Current Unearned revenue	<u>1,359,852</u>	<u>716,423</u>

	2017 \$	2016 \$
Note 12: Other Current Liabilities		
Program Participant's Welfare Fund	9,359	9,359
	<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.

Note 13: Commitments

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

	2017 \$ Receivable	2017 \$ Payable	2017 \$ Receivable/ (Payable)
Within one year:			
ARLP	448,000	(36,058)	411,942
Short courses	379,459	(90,303)	289,156
Other	-	(144,747)	(144,747)
	<u>827,459</u>	<u>(271,108)</u>	<u>556,351</u>
Within 1-5 years:			
ARLP	490,000	(122,819)	367,181
Short courses	45,000	-	45,000
Other	-	(80,957)	(80,957)
	<u>535,000</u>	<u>(203,776)</u>	<u>331,224</u>
Total for 2017	<u>1,362,459</u>	<u>(474,884)</u>	<u>887,575</u>

Note 14: 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 2017 the number of members was 729 (2016: 682).

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

Note 15: 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 M Carroll (Chairperson)	Prof S Barlow
Mr L McDonald	Mr I Crook
Mr R Hadler	Dr A Carr
Ms A Staines	Mr R Sawers
Mr R Dulhunty	

Note 15: Related Party Disclosures (continued)

(a) Details of Key Management Personnel (continued)

(ii) Executives

Mr M Linnegar (CE)

Mr G Smith

Ms P Woodhill

Ms Michelle Wickson

Dr J Andrew

(b) Compensation of Key Management Personnel

	Short-term benefits	Post-employment benefits	Other long- term benefits	Total
2017				
Total Compensation	476,605	49,286	-	525,891
2016				
Total Compensation	585,904	55,660	-	641,564

(c) Transactions with Director related entities

Name of entity	Current year transactions and balances (including GST)
Geoffrey Gardiner Dairy Foundation (1)	Scholarships Revenue - Course 23 (55,000) Scholarships Revenue - Course 24 (55,000)
The Australia Council for the Arts (2)	Scholarships Revenue - Course 23 (110,000) Scholarships Revenue - Course 24 (55,000)

1 Related entity of Mr Michael Carroll - Chair of Finance & Investment Committee

2 related entity of Mr L McDonald - Consultant

	2017 \$	2016 \$
Note 16: Cash flow information		
Reconciliation of net cash relating to operating activities to net surplus		
Surplus (deficit) for the year	247,243	(298)
Non-cash flows in operating surplus:		
Depreciation and amortisation	(16,885)	(6,550)
Changes in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	328,405	4,264
(Increase)/Decrease in other current assets	(135,985)	(68,693)
Increase/(Decrease) in trade and other payables	108,522	140,875
Increase/(Decrease) in Unearned revenue	(728,296)	1,244,221
Increase/(Decrease) in Provisions	(85,179)	18,254
Net cash received from operating activities	<u>(282,175)</u>	<u>1,332,073</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.

2017
\$

2016
\$

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	1,808,571	2,150,058
Fixed term deposits	1,885,407	1,882,004
Receivables	104,245	418,806
Total Financial Assets	<u>3,798,223</u>	<u>4,450,868</u>
Financial Liabilities		
Financial liabilities at amortised cost		
Payables	<u>389,067</u>	<u>280,545</u>
Total Financial Liabilities	<u>389,067</u>	<u>280,545</u>