



**LEAD** Loddon Murray

# Annual Report 2019





# Chair's Report

As I write this report, our region, our Country and the World is working its way through the Covid19



Emergency, one of the most significant, disruptive and widely-impacting events of our lifetimes.

Events such as this – unprecedented in scope and impact – underscore the importance of our resilience – communities and personal – and of the role that leadership plays in taking us along a journey of uncertainty, with the confidence and optimism that we can get to the other side of it, and that we'll be OK.

Without having any advance knowledge of what was coming this year, we do know that change is a constant in our lives, and so our focus has always been to ensure that the people who are our communities, have the knowledge and skills to identify and lead the changes that will collectively make our region stronger, more adaptable, resilient and sustainable.

With this foremost in our minds, "Be the change!" was not only the theme for our highly successful regional leadership summit in May but, also a theme that led our organisation, team, participants, and graduates throughout 2019.

Being the change drove the board's thinking for the new strategic plan which was launched earlier in this year. The new plan is titled "Strategy for SELF DETERMINATION" identifies LEAD Loddon Murray's focus, priorities and vision for our ongoing commitment to our communities across three time horizons through to 2030.

This important work allowed the team to build on stakeholder relationships and needs, and to the development of two new program offerings, Power to the People & ADAPT Regional Climate Leadership.



Participants in all of our programs have learned so much more about themselves and their communities, and with this knowledge and building of skills and networks through the programs they participated in, have become change agents, and delivered highly valuable projects to their own communities that made a difference.

The board of management welcomed 4 new graduate members – Megan Kreutzer, Barry Floyd, Stephen Dickons & Samantha Hilliard, who along with existing members made huge contributions to leading the organisation forward.

The staff team enjoyed consistency in 2019 and this enabled them to be the change by developing new ideas, program design and delivery methods and ways to work together to yield efficient outcomes. The depth of the relationships and understanding between team members has also provided the confidence and space that has been critical to responding to the rapid and significant changes required by Covid19. I thank Leah, Lisa, Jude and Mel for their commitment, creativity and excellence in ensuring that LEAD Loddon Murray continues to anticipate and respond to our communities.

Our partners and supporters are actively involved in making all of our programs a success each year, none less than the Loddon Murray Community Leadership Program. Their partnership and support is highly valued by every participant and staff member. We wish to thank all of our

partners and supporters for their ongoing commitment to developing community leaders and sustainable communities across our region.

LEAD Loddon Murray are thrilled to be offering four annual programs into the future, reiterating the tremendous success of the LMCLP, and the desire by others to build on their skills and networks to make a difference and be the change for the future.

Thank you to all Board members for their support, commitment and contribution to the organisation throughout this year, and for your unwavering optimism for the future of our region.

Margaret Mead said, "Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has." I think of her words when I see some of the great projects undertaken by our program participants, and I get excited by what our communities might become as our emerging leaders continue to develop and Be The Change.

ROB STEPHENSON, CHAIR



Board Members Sandra Hamilton and Moustafa Al-Rawi with LEAD team members Mel Mann, Lisa Renato, Leah Sertori and Jude Hannah.



Leah Sertori with 2019 Sam Bell Memorial Scholarship Recipient Bec Maskell.



Sharlene Crage and Jason Hensley LMCLP 2016 with Leah Sertori at the 2019 LMCLP Launch

# Treasurer's Report

LEAD Loddon Murray achieved a modest profit in 2019, due to excellent management and expanded program offerings.



The Board of Management has provided oversight of the organisation's financial sustainability, performance and responsibilities. The organisation's accounts have been independently audited by AFS and a full financial report is included.

The key points to note in relation to the financial performance in 2019 include:

- Our total revenue in 2019 was \$571,631 with a total expenditure of \$541,946, resulting in a surplus of \$29,685. This was an excellent result compared to the 2018 deficit of \$26,215.
- Our bank balances at December 31 came to a total of \$227,734.
- Our equity has increased from \$54,202 as at 31 December 2018 to \$81,976 in December 2019.
- The financial position of the organisation throughout 2019 remained strong and cashflow was managed to ensure we met our obligations when they were due.

Financial policies were reviewed as required and a number of new accounting standards were identified for introduction in 2020. The success of 2019, was a consolidation of the effort in previous years to improve business systems and increase capacity to diversify program offerings.

The Board of Management continues to monitor financial performance and will closely manage the potential funding risks associated with State Government Grants. The work of the Board of Management and the Management Team has improved financial sustainability through diversification of funding streams.

MEGAN KREUTZER, TREASURER

# Executive Officer's Report

Our Graduates strengthen community cohesion, resilience and the capacity to deliver intentional, grassroots change.

The 24 Graduates of the Loddon Murray Community Leadership Program in 2019 lead with passion and purpose. They are clear about who they are, know their own values inside out and have practiced the art of deep listening. The characteristics we all want to see in leaders, those of collaboration, humility, connectedness, transparency and service shine through in our 2019 Graduates. We can see those characteristics in the ways in

which they supported each other's learning and service to community throughout the year.

In 2019 LEAD Loddon Murray built on our legacy of strengthening grassroots community leaders through the LMCLP in four new leadership programs. We supported emerging leaders in Central Goldfields Shire through Leading Excellence Maryborough. We launched Power to the People: Growing Leaders for a Sustainable Bendigo Region and ADAPT Regional Climate Leadership and hosted two LOUD Leadership Retreats to amplify the voices of LGBTI People.

In 2019 our organisation and network invested in the skills, networks and knowledge of over one hundred program participants. The ripple effect from 113 community projects across eleven local government areas contributes to inclusive, welcoming, vibrant communities where people can thrive. Our small, dedicated team of four, supported more than one hundred individual learning journeys in 2019- in a tremendous act of service and passion for purpose.

The impact of our Graduates leading change in their communities is strengthened through LEAD Loddon Murray's network. In 2019, our 'Be the Change' Summit connected emerging and established leaders across generations, cultures and geographic boundaries. Participants worked with globally recognised leaders on resilience, adaptation to our changing climate and building community capacity.

Good work in community attracts investment from a broad range of partners. In 2019, LEAD Loddon Murray delivered an operating surplus of \$29,685 which helps our financial sustainability.

2020 is shaping up to be a very tough year for communities the world over. Those with local leaders who really listen to people, help them make sense of major change and find ways to reduce their anxiety together will be better places to live. We're going to need to find new ways of working together to support community recovery from COVID and grassroots community development and leadership will be key.

LEAH SERTORI, EXECUTIVE OFFICER

# We develop leaders

## ADAPT Regional Climate Leadership Program

The impact of climate change for the Loddon Mallee will be determined by the capacity of local communities to adapt to a changed set of conditions. Local leadership is key in helping people understand and translate climate science to inform decision making.

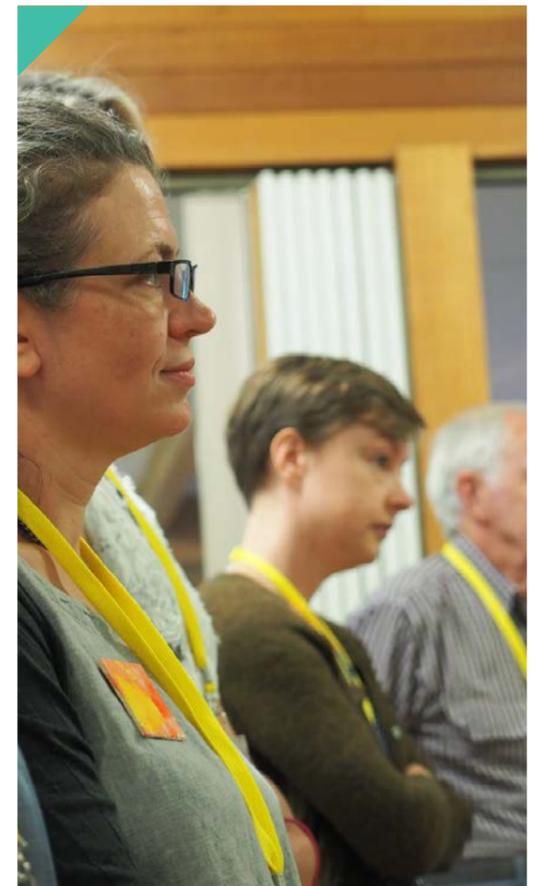
The ADAPT Regional Climate Leadership program is funded by the Department of Environment, Land, Water and Planning and delivered by LEAD Loddon Murray. We're working with 26 participants from Mildura to Macedon, encompassing eleven local government areas. Our purpose is to equip community leaders to support adaptive measures in their communities. Participants have access to scientists and the latest data from CSIRO on the forecast impact for our region. Our participants each work on a community project, supporting adaptive capacity in their own backyard as a way of practicing the new processes to support communication, engagement and resilience developed in their program year.

We work with some of the most effective global influencers on action to adapt to our changing climate and apply our knowledge to influence local change.

Participants are involved in building collaborative partnerships across the region to inform decision making at a policy level. Participant's work in the ADAPT Program directly informs the Victorian Government's Climate Adaptation Strategy, currently in development and led by DELWP. The first cohort of ADAPT Regional Climate Leadership Program Graduates will complete their program year in October 2020 by presenting the outcomes of their work in community to policy makers, business, industry and community leaders at ADAPT's Regional Climate Summit.



The inaugural ADAPT Regional Climate Leadership cohort in Swan Hill.



# Leading Excellence Maryborough

2019 brought to fruition the second cohort of Leading Excellence Maryborough, adding a further 29 graduates to the Central Goldfields community.

The program was launched in late February and was followed by an opening weekend retreat at Boomerang Ranch near Daylesford. This provided participants uninterrupted time to build relationships and trust within the group. Bob & Heather McNaught delivered their dynamic personality profiling session as part of this retreat.

Over the course of the 12 program days that were facilitated participants explored the skills and abilities of their peers and community. Participants gained a strong understanding of project planning, through developing a charter for their own community project, and seeing it into the planning and implementation phase. A couple of successful projects for 2019 were the Maryborough Park Run, Social Badminton and Motivational Dinners.

A highlight each year is the site visits to local business and the opportunity to hear from and talk to local business owners, this year we were lucky enough to visit True Foods manufacturing plant, Dunolly Bakery and GELC.

In 2019 we introduced a Civic Masterclass and invited other local people to attend a two-day seminar with Ruth McGowan OAM. Ruth is the author of 'Get Elected' and provided valuable insight and strategies for running for local council, campaigning and what is involved in being a councillor. Local councillors David Petsrma, Janet Pearce & Yvonne Wrigglesworth also shared their experiences during a panel session focused on the joys and challenges of local council.

Kimberly Furness facilitated a practical communication workshop, which included participants having a professional head shot taken, writing a biography, understanding social media tools such as LinkedIn and gaining insight into the local community media outlets. They heard from Gold FM general manager Dan Leddin and Maryborough Advertiser editor Mike Rossi.

Participants also had the opportunity to refine their public speaking and presentation skills when they pitched their community project ideas to members from the Committee for Maryborough. Prior to the pitches participants heard from two rural advocacy groups about how to get your message heard and influencing without authority.

The year was rounded out with strengthening the factual history of disadvantage in the Central Goldfields shire and what it means to lead a socially just community, including hearing from local leaders who are already shifting the narrative. The cohort joined the LMCLP group for a day with Gilbert Rochecouste from Village Well, who talked about the 'illegal acts of love' and the importance of community. The group investigated what place making looks like in their own communities and beyond.

Participants built up their public speaking and presentation skills again at graduation, as well as their event management and organisation.

Graduation was held at the Maryborough Highlands Society and it was attended by almost 100 people from within the community.

The honourable Maree Edwards, member for Bendigo West and the honourable Louise Staley, member for Rippon were in attendance and were impressed by all the cohort had achieved through out their leadership journey.

Supporters and partners of the program from the Central Goldfields Shire, Maryborough Education Centre, True Foods, Edlyn Foods, Sonac, and the Committee for Maryborough were in awe of what this group had achieved.

The third year of Leading Excellence Maryborough is already underway with a diverse group of emerging leaders tackling their leadership journey. LEAD Loddon Murray is excited to deliver a third cohort of graduates to the Central Goldfields shire in time for the October local council elections.



2020 participant Narelle Greenwood and 2019 graduate Hartaj Dhanju collaborate in Maryborough



## FEEDBACK FROM ATTENDEES

“You see people who care about our community, who previously did not know how to do that. Now they see the need and are able to develop that need to make real change”

DAVID SUTTON

“The pockets of mobilisation that are happening within the community – new residents’ events and park run. These community projects are making a difference”

SANDRA HAMILTON

“Those within our team who have technical expertise have been given an opportunity to expand their network and build on their soft skills”

LUCY ROFFEY

# Loddon Murray Community Leadership Program

We embarked on our 22nd year of the Loddon Murray Community Leadership Program with 24 enthusiastic and excited participants. A tremendous and diverse cross section of individuals hailing from 10 shires within the Loddon Murray Region. Our 2019 cohort were a delightful mix of both genders and ages ranging from 21 to 60 years of age.

The 2019 LMCLP kicked off in February with our first official launch at the Newbridge Recreation Reserve located in the Loddon Shire where they were officially welcomed by our partners, sponsors, ministers, family and friends. During the evening they were also briefed on the coming years events and themes that would be covered.

Without a doubt the Opening Retreat in Echuca at Billabong Ranch which followed hot on the heels of the Opening Launch is a profound and life changing experience for most of our participants. A time to get better acquainted with their fellow participants and begin the deep dive on understand self to better serve their communities. Participants worked diligently on their goals for the year, and collectively on their values, mission



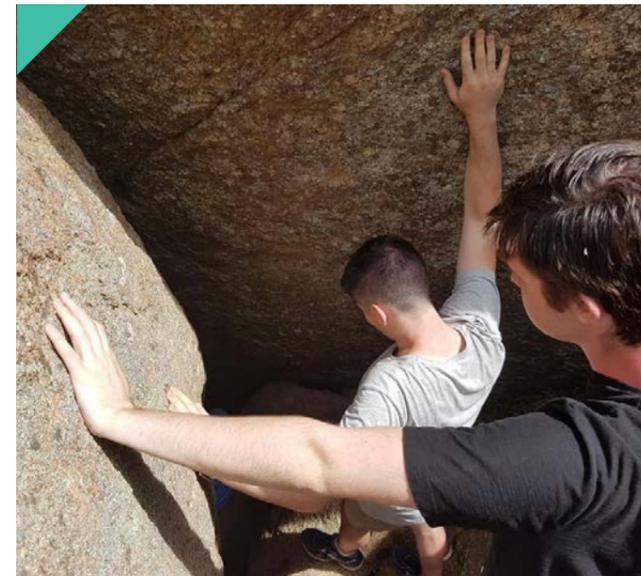
LMCLP participants support each other to tackle challenges

and guiding principles for their time in the program and beyond.

This bonding weekend has traditionally been key in setting the tone for the remainder of their leadership journey. As many participants would attest to, it is the conversations that happen in the in between spaces that are the magical moments you cannot design or plan for.

As the year unfolded we saw our group emerge as leaders who care deeply for their communities, drinking up the knowledge from an incredible line up of presenters, leaders, speakers, graduates of the program, panelists, local, state and federal ministers to name but a few. The program is in itself incredible as the participants get experience first hand Community Leaders in their own backyards, doing great work for their communities.

It is not just the amazing experience of visiting Parliament and speaking to ministers, visiting the Australian Institute of Aboriginal and Torres Strait Islanders, Murray Darling Basin



Authority and The Australian War Memorial but the small rural townships where grass root leadership is necessary for their survival. Touching both extremes of leadership in action.

The themes and objectives that were covered in the leadership program were: understanding our region, self and communities needs, authentic and service lead leadership styles, overcoming fear of public speaking, construction and design of a Community Project, collaborative planning for an advocacy paper to present to the politicians in Canberra, first hand accounts of the creation of vibrant, sustainable, inclusive, engaged and healthy communities, guidance from others who have experience first hand of the rewards and perils of community leadership.

Through out the year it is imperative that the group come together at mid year and final year retreat to reflect on the learnings and wisdom that the participants gained and how



they would be able to put those into practice. Finally a time to set sail on their own leadership paths.

In addition to all the wonderful personal stories shared with each other, the tears, and laughter, the group emerged with their community projects in hand ready to step up and ask others as they were asked - "if not you, who and if not now when?"

This program offers knowledge that could never be learnt in a formal learning environment, but face to face generosity of our regional and rural communities that embraced us at every visit. Supportive sponsorship of our partners that make this all possible. I tip my hat to those who step up and say "I will".

Our 2019ers were a dynamic, generous and willing group of emerging leaders who took this opportunity seriously and stepped up to the plate to evolve into leaders that they had hoped they would be-come at the beginning of the year.

# LOUD Leadership Retreats

LEAD Loddon Murray facilitated two leadership retreats for emerging LGBTIQ+ leaders within the Loddon Murray region in 2019.

The first LOUD Leadership Retreat was hosted at Bellinzona in Hepburn Springs.

The Retreat attracted 20 aspiring and emerging leaders within the LGBTI community to participate.

Participants came from a range of geographic areas, across the Loddon Murray region and represented cross sections of the LGBTIQ+ community, age, gender and community interests. LOUD Board members volunteered their time for the whole weekend to serve as mentors to participants.

The Retreat was designed and delivered to increase participants leadership skills development. It also increased participants knowledge of community capacity building, whilst providing a safe space to learn from elders and leaders within the LGBTI community. The Retreat achieved these goals by starting Day One with a formal Welcome to Country by Harley Dunolly-Lee, LGBTI Dja Dja Wurrung Person; Forming a Group Agreement with a focus on psychological safety at the beginning of the Retreat; Providing self-reflection time for journaling, prompting participants to ask what leadership to me is and what inspires me to lead; Presenting various leadership styles, and activities for reflection on your own leadership style; Discussing what sort of advocacy are you interested or involved in; Hearing from community elder Noel Hourigan, viewing his documentary 'Untold History' to give participants an historical understanding of the community; Engaging in conversation with Ro Allen, Commissioner for Gender & Sexuality.

Day Two saw the cohort hear about 'Grass roots Organising' with Wil Stracke and how community campaigning can see action; Providing more insight into leadership styles, specifically 'Influencing without Authority' and how to do this effectively; Understanding LOUD the organisation and how you can get involved and what LOUD will do to amplify the voices of LGBTI people. Finally, facilitators lead participants to further develop their goals, leadership roles or aspirations, what they have learnt, develop further their ideas on where to from here and develop a measurable milestone for each of their projects.

The feedback from the retreat was resoundingly positive, with many asking if there will be further retreats, they can tell their friends, family and colleagues about.

The second retreat was held on the 2nd & 3rd November, attracting a further 15 participants to attend. Based on feedback from participants in the first retreat, the second was hosted at The Julianna in Bendigo. Some small changes were made to the program design, including having one core facilitator.

Some of the outcomes of the retreat include:

- Three participants applied to join the Board of LOUD.
- Four people volunteered to support the Rainbow Eagles at La Trobe.
- One Graduate of the first retreat, who spoke at the second, has been employed as a facilitator for Headspace sessions- an outcome he said he could not have achieved without completing the LOUD Retreat.



The inaugural LOUD leadership retreat cohort in Hepburn Springs



## FEEDBACK FROM PARTICIPANTS

“My own confidence and behaviour have shifted in a positive way, this has resulted in me gaining work within the LGBTI community”

“I am now able to work more strategically, with a stronger sense of cohesion within the community”

“By developing my governance and leadership skills, I have been more effective for LOUD and other community organisation which I am involved”

“My role in LOUD has broadened my networks both within the LGBTI and outside of it. I am able to use my network to support and achieve the strategic goals for LOUD and myself on a personal level”

“The workshops and training have aided our strategic direction and enabled some goals to be achieved, I feel capable to provide insight and opinion so LOUD can return recommendations to government, so concrete outcome can be adopted”



Participants from Power to the People joined local leaders to discuss sustainability



# Power to the People:

Growing Leaders for a Sustainable Bendigo Region

Founded in September 2019, Power to the People supports five teams of participants in action learning sets to address a complex, systemic problem related to sustainability.

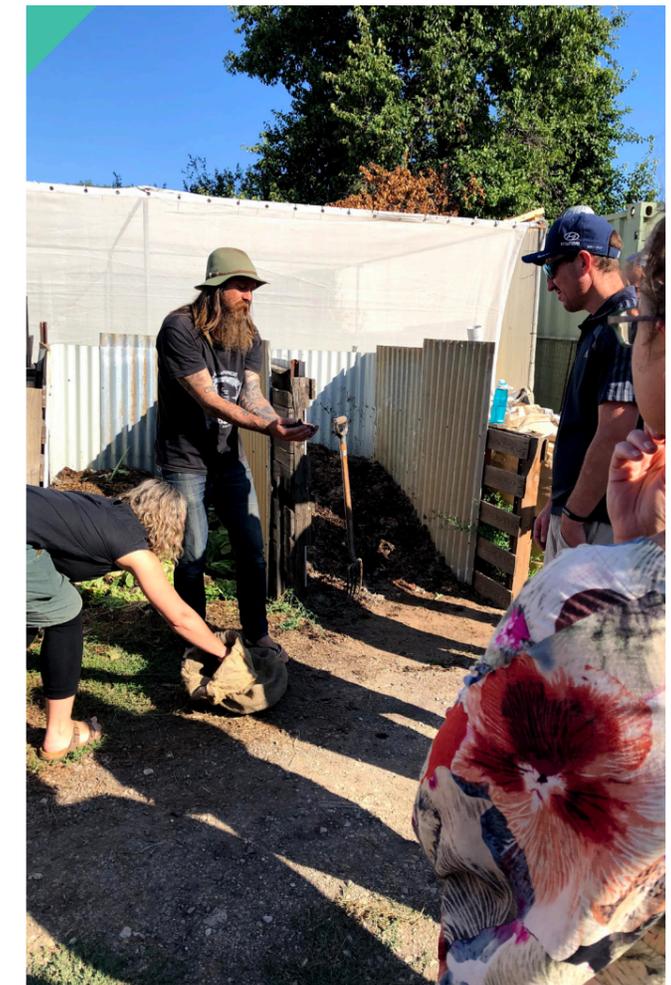
In 2019, the action learning teams were formed they focus on:

- Achieving zero commercial waste to landfill in Greater Bendigo by 2022.
- Introducing urban cooling measures in Bendigo's Central Business District.
- Increasing local and organic food production, encouraging people to grow their own food.
- Regenerating Spring Creek, restoring the area to its natural state.
- Exploring ways of building teams across organisations to better address wicked problems through collaboration.

Power to the People is informed by the One Planet Principles for Sustainable Living.

The objectives of Power to the People include engaging and energizing emerging leaders; strengthening local thought leadership; incubating community and commercial solutions for sustainability; developing new partnerships; raising community consciousness about how we tackle wicked problems and enabling succession management in leading for sustainability.

Power to the People is funded by public and private supporters including the City of Greater Bendigo, Coliban Water, North Central Catchment Management Authority, Public Transport Victoria, Victorian Department of Environment, Land Water and Planning, Mandalay Resources, Fosterville Gold, Bendigo and Adelaide Bank and Bendigo Telco.



# We build capacity

## Combined Program Day

60 people gathered in Newstead on Friday the 20th September.

Including cohorts of LMCLP & Leading Excellence Maryborough, along with partners, board members and graduates to partake in another inspiring and motivating workshop with Gilbert Rochecouste from The Village Well.

The focus in 2019 was on shifting the narrative to one of a regenerative story within small communities, followed by a focus on how individuals could re-connect, re-new, re-invent and re-activate within their own patches to make a difference.

The day concluded with a walking tour of Newstead itself, hosted by members from the community group Newstead 2021, whose purpose is to support the implementation of projects that benefit the Newstead community.



Gilbert Rochecouste founder of the Village Well talks reactivation.



Vanessa Parker learns how to run a local council election campaign from Ruth McGowan OAM



## Get Elected workshop

Ruth McGowan OAM is an experienced senior leader with significant expertise in local government, state and federal elections.

Ruth worked alongside her sister Cathy McGowan (Independent Member for Indi in the Australian Parliament) during Cathy's campaign.

Ruth facilitated a two-day session with 30 local leaders to discuss and explore civic leadership. This included how to build and run a successful campaign to get on local council. How to structure a campaign. Why it is important to have a plan for your election campaign and what to expect in the early days if successful. How to deal with challenging stakeholders throughout the campaign process.

Ruth shared her thoughts on why serving as a Local Government Councillor matters and the value that can be achieved for communities.

She discussed why we should consider running; we should consider the 4 steps in the decision-making process, and discussed some of the "what ifs?"

She deep dived with attendees into the four pillars which allow a shire to excel, they are:

- Economy
- Well governed
- Environment
- Cohesive community

Ruth broke down the wards within the Central Goldfields shire and the number of councillors for each, this was helpful as many attendees did not realise this affected where they would be a candidate.

Ruth also gave attendees the real- deal on how being a councillor works. The job of a local councillor should be considered to be a part-time job with briefings up to 4 hours, monthly meetings, evening meetings and listening posts each week. She mentioned it was important to set boundaries so constituents wouldn't be able to access you each and every minute of the day and night.

Panel Conversation included Karen Douglas, Administrator with Central Goldfields Shire and former Mayor of Northern Grampians Shire, Garry Higgins former Councillor Central Goldfields Shire and Ruth McGowan.

Panellists provided authentic insight into the joys and challenges of serving for local council, they also shared their personal history, stories and their passion for local government.



Past and present board members show their support for the event.



Executive Officer, Leah Sertori shares her vision for the Loddon Murray region.



Yvonne Wrigglesworth, LMCLP 2013 hosts the evening.

# Vision of the Region Dinner

The Vision of the Region dinner explored three eminent leaders' visions for the Loddon Murray Region, around the themes of people, environment and economy.

One hundred and twenty people joined us to hear from our keynote speakers Professor Kate Auty the Commissioner for Sustainability and the Environment, Assoc Professor Philip Tune, Bendigo Health and Nathan Carkeek, Regional Executive / Commercial Banking/ Agribusiness at ANZ.

Speakers shared their thoughts and insights into what next big things should be on the agenda for regional Victoria.

Assoc Prof Philip Tune focussed on the fact that people are the backbone and life of our region, the heart and soul that makes our communities so great. With health and well-being being hugely important for the future of our region, Philip shared his insights into how we ensure strong, connected, healthy, communities across the region.

Professor Kate Auty shared her passionate wisdom about climate change and our environment, how we rise to the challenges ahead? As well as outlining the goals we should be aiming for to ensure vibrant and sustainable regional communities into the future.

Nathan Carkeek spoke about the key indicators of a thriving community, what drives our economy? Sharing ideas about prosperous regional communities and the key areas should be at the forefront of our future economic development?

The Vision of the Region dinner inspired, challenged people's thinking and explored possibilities for our region around the themes of people, environment and economy.

## QUOTES

“I found value in both the speakers and the networking opportunity. The format of the speakers was spot on, each giving some direction and understanding to their field of expertise and also valuable motivation and inspiration to keep going, keep trying to make a difference. The networking opportunity allowed me to speak with people who are ahead of me on their community leadership journey, this allows me to check and reset my rudder as well as gain valuable perspectives”

“Interesting and diverse group of speakers which led to great learning's in leadership and Change Management”

“Presentations and table conversation were both valuable”

“Loved the speakers and the time for networking was great”.

## PARTNERS

The summit and Vision of the region dinner were supported by event partners.



# We facilitate conversation



# LMCLP Partners Lunch

The Loddon Murray Community Leadership Program (LMCLP) Partners Lunch provided a tremendous opportunity for LEAD Loddon Murray to show our gratitude for the support of our Program Partners as well as offering our Partners an opportunity to shape the Loddon Murray Community Leadership Program's focus and learning outcomes in 2020.

The LMCLP has been running for 22 consecutive years, proudly developing leadership skills, capacity and networks across our region with more than 460 graduates contributing to their local communities and wider region. Over that time the organisation and the programs on offer have developed and transformed to ensure they are meeting the needs of our communities and industries.

Hosted by one of our long-term partners Coliban Water, the lunch also provided an opportunity for partners to hear from our graduates and other program partners. In particular, to explore how to improve participants sharing more of their journey with Partners.

LMCLP Graduates Megan Kreutzer (2012), Paolo Righetti (2014) and Wayne Bell (2017) shared their story about their LMCLP experience.

The lunch was hugely beneficial in assisting the LEAD team to inform priorities, relationship goals between participants and partners and opportunities for LEAD to better serve partners, as part of our LMCLP Partner network.



# LEM Partners Round Table

On the 23rd of November 2019, representatives from the Leading Excellence Maryborough partner organisations met to discuss the benefits the program has provided the Central Goldfields community in 2018 and 2019.

The discussion included reviewing the draft design for the 2020 workshop series and changes to the delivery model based on participant feedback in the previous two years.

Partners of Leading Excellence Maryborough include Central Goldfields Shire, Committee for Maryborough, Go Goldfields, True Foods, Edlyn Foods, Maryborough Education Centre, Sonac, Maryborough & District Health Service.

These conversations identified the benefits Leading Excellence Maryborough has afforded the community, such as:

- "there are now pockets of mobilisation that are happening such as, the new residents' events and Park Run are making a difference"
- "From an employers' perspective it gives an opportunity for younger employees to contribute to the community, they come back enriched and invigorated. Their movement within the community is enriching others too - this has increased opportunities for everyone - Festival of Ideas and personal development"
- "For our amazing mid-level emerging leaders, it gives them an opportunity to broaden their networks and they made the leap to senior leadership roles"
- "Across business & community, there is a feeling of more connectedness as a result of Leading Excellence Maryborough. We have aspiring candidates for the next election"

Partners and leaders from within the community discussed and identified objectives and goals, that lead to new topics that would add value to participants experience, as well as the partner organisations and community, topic such as:

- De-mystify the role of a Councillor.
- Gender equity and inclusivity.
- Managing domestic load vs. leadership in community.
- Managing workload vs. making an investment of time.
- Governance 101 & financial literacy for committee and board members.

# Be the Change! - Regional Leaders Summit

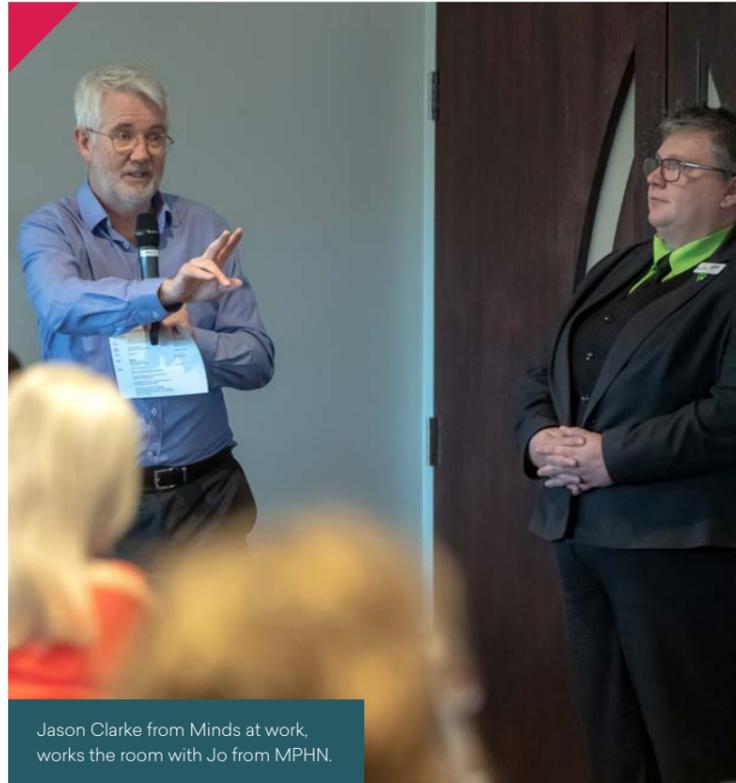
The 2019 Regional Leadership Summit was an outstanding success with one hundred and ten people attending the day.

The diverse mix of people added tremendous value to the day with different perspectives and insights added to the table discussion and invaluable networking over the breaks. Delegates included Loddon Murray Community Leadership Program and Leading Excellence Maryborough Program participants, graduates, sponsors/ stakeholders and other interested community members. It was particularly exciting that 9 were young people, secondary school age, 7 people that are involved in the dairy industry and more than half of the delegates were from our smaller regional communities.

Ten scholarship places were awarded to young people (4), people in the dairy industry (4) and people in our smaller regional communities (2) areas who otherwise could not afford to participate which helped to reduce barriers and strengthen networks across the region.

The event was hugely inspiring and successful in fostering connections between emerging and established community leaders from rural and regional towns, engaging leaders in a dialogue about influencing community to achieve change and providing insight and practical strategies and tools around the themes of change, influence and advocacy to assist leaders to master their approach and have greater influence when making the case for change.

Keynote sessions included Jason Clarke from Minds at Work focussing on the Art of change, Carol Fox from Carol Fox & Co looking at influencing people and Becc Brooker, youth worker provided insights into effective advocacy.



Jason Clarke from Minds at work, works the room with Jo from MPH.

Our keynote sessions were reinforced by our inspiring local leaders Harriet O'Shea Carre and Milou Albrecht, whose work as founders of the youth strikes for climate action have had a huge impact, Jo Rasmussen from Murray Primary Health Network sharing her work around mental health stigma and Khayshie Tilak-Ramesh, the City of Greater Bendigo Youth Mayor looking at shifting the mindsets around multiculturalism.

Feedback from delegates highlighted that the key insights and practical tips gained from the day included:

- Importance of using networks and collaboration rather than competing for resources and attention
- Understanding your own power and sphere of influence
- Importance of staying in control of yourself
- Never give up on change
- Live it, be the change, lead by example
- Talk to the passionate, be yourself, reframe self-talk
- Be authentic in your approach
- Share the knowledge within the community
- Don't be afraid of failure and mistakes
- Ordinary people can be change makers
- Look at the big picture before zooming in
- How key language is – internal and external
- Understand why people don't want to change
- Small change can have big collective impact
- Focus on your behaviour, not that of others
- Purpose, possibilities and reality model
- Tips on how to bring people along for change
- Changing the way we interact with others makes a difference
- Power of leading by example and self-change

## QUOTES

“What a unique and valuable collection of speakers focusing on Change, Influence and Advocacy, I had the privilege of being exposed to. Each individual provided skills, new approaches to learning, thinking and doing. Real life examples that were thought provoking, sometimes challenging and always valuable. The information shared with us can be adapted to benefit our own communities, workplaces and lives. So impressed with the honesty, experience, humour and courage of all the speakers. I'm still processing everything I learned and value the opportunity to attend”

PAULA COLLARD, DELEGATE

“The summit was a refreshing breath of air with wide reaching benefits to all who attended. The breadth of topics covered and the vast range of guest speakers was a pleasure to witness. From the youthful enthusiasm of our younger generation and their passion for the environment, to the brushing up of communication skills”

SANDRA TOMICHEL, DELEGATE

“Phenomenal line up of presentations. The time to discuss and process the information after each session was particularly beneficial. Fantastically motivating speakers – with purpose and real ideas for action and effectiveness”

ATTENDEE

“Incredibly inspiring speakers, with a diverse range of stories and some practical ideas to put into action”

ATTENDEE

“Informed inspiring speakers, loved the diversity of the speakers and the foreword thinking nature and the delivery of young people”

ATTENDEE



## PARTNERS

The summit and Vision of the region dinner were supported by event partners.



# Accountability

## Board Members' Profiles



**MOUSTAFA AL-RAWI, LMCLP 2017**

Moustafa is an Iraqi refugee who migrated to Australia (Sydney then settling in Bendigo) in 1999. Moustafa's experience as a refugee benefits organisation by ensuring they value inclusive leadership. Moustafa is especially skilled at bringing communities and organisations together, irrespective of ethnic or religious backgrounds and has a warm, fair and inviting manner. He was a key contributor to Greater Bendigo Cultural Diversity and Inclusion Plan 2016–2019. His passion is ethnic diversity; to ensure the region has equality and fair outcomes for all citizens. Moustafa played, and will continue to play, a key role in changing the narrative in Bendigo regarding perceptions of migrants and Muslims. Moustafa is a Board member of LEAD Loddon Murray and member of Victorian Multicultural Commission's Regional Advisory Councils (RAC). Moustafa work as IT iteration manager at Bendigo bank and work part time as a lecturer at La Trobe University Bendigo.



**STEPHEN DICKONS, LMCLP 2015**

Stephen is no stranger to LEAD Loddon Murray after successfully graduating from the Leadership Program in 2015 and being actively involved with the organisation thereafter. Being a big believer in community and actively supporting a local community group at the Church on the Hill in Quarry Hill, Bendigo. Stephen's involvement has led on from his LMCLP project of a community kitchen, to then raising funds and delivering numerous community projects which also included leading a team from his workplace, at Veolia, in demolishing an old toilet block and then delivering new toilet facilities with disabled access for the community. This was a great success, for everyone involved, which merged Corporate and Community together as one.

Stephen's varied background in Engineering and Project Management and his passion for the community, provides the perfect foundation of leadership and governance to the role on the LEAD Loddon Murray Board.



**BARRY FLOYD, LMCLP 2018**

I have worked at Coliban Region Water Corporation (Coliban Water) for the past 12 years in strategic and statutory land use planning for water management. The development of partnerships for Natural Resource Management of water and land use have also been an important aspect of my role. I am active in the community as president of the Bendigo Mountain Bike Club and member of the Bike Bendigo Committee. I also the deputy chair of the Goldfields Track committee and a member of the Spring Gully Recreation reserve committee. As a participant in the 2018 Loddon Murray Community Leadership Program I am a keen supporter of community participation through my work place role and personal activity. It is important to me that though our roles in community we create Respectfulness, Equality and Passion to create a better environment in which we live and grow. The recognition of the first peoples of this land and the importance of acknowledgment of past and present actions that have harmed the cultural way of life that has existed here for many years prior to the current cultural form is vital to our communities moving forward together. This is a fundamental personal motivation to my community participation.

I have been on the LEAD Loddon Murray Board for the past 12 months.



**SANDRA HAMILTON, INDEPENDENT MEMBER**

Sandra is passionate about improving outcomes for children and young people in regional communities. She has vast experience in project management having worked for both State and Local governments in areas of education and health. Her current role is Manager Social Inclusion in the Central Goldfields Shire Council where she has been working for the past 7 years. She is particularly interested in achieving and measuring impact of social change in communities.

Sandra is acknowledged as a public innovator having completed the Harwood Institute for Public Innovation course (2017), and holds a Masters of Youth Health, Education and Management (2008). She is lecturing in Education at La Trobe University. Her skills in community engagement and shared measurement enable her to make valuable contributions to the growth of LEAD Loddon Murray.



**SAMANTHA HILLIARD, LMCLP 2018**

Samantha Hilliard is an Education Development Advisor for Sunraysia Institute of TAFE based in the regional town of Swan Hill in the Northern part of the Loddon Murray. Samantha has sixteen years' experience in Vocational Education and Training, is a TAFE fellow and 2018 LMCLP graduate who is passionate about accessible and dynamic education and leadership in regional areas. Her experience in these areas has been invaluable to the board over the past twelve months.

Samantha has taught Production farming and Agribusiness, specialising in chemical application and business planning for farms. Samantha is currently a committee member for Sustainable Living in the Mallee, the Swan Hill Lions club and is a past member of the Swan Hill Rural City Council Agribusiness Advisory Group.

Samantha enjoys travelling and experiencing different lifestyles, cultures, history, art and landscapes across the world. Through her travels Samantha has been able to network and connect with people to promote her passion to nurture the acceptance of diversity, eliminate stereotyping, and engage with individuals who may feel alone and isolated in our communities.

Samantha also has an interest in sustainability. Through the Lions club she runs the Recycle for Sight program which recycles approximately 500 pairs of glasses in the district each year. Samantha also runs the communications for Sustainable Living in the Mallee, promoting the groups events and anything to do with sustainability within the region.



**BRENTON JOHNSON, LMCLP 2014 (VICE CHAIR)**

Brenton is the founder and owner of Uptake Digital, a specialist IT services provider and President of Synergize Hub Inc, where his business is based. Brenton passionate about business and its ability to solve problems on a global level.

Brenton educates and engages emerging leaders in understanding the role technology plays in facilitating transformational change for communities. Brenton's industry background includes education, information technology and marketing. His business specializes in technology for Financial Planners and Not for Profits.

Brenton's skills in technology, digital marketing and strategy enable him to make valuable contributions to the growth and diversification of LEAD Loddon Murray.

Brenton has been a member of the LEAD Loddon Murray board since 2016, and currently holds the role of Vice Chair.



**MEGAN KREUTZER, LMCLP 2012 (TREASURER)**

I am a 2012 graduate of the Loddon Murray Community Leadership Program. I currently hold the position of Treasurer at LEAD Loddon Murray. As a Board Member, I enjoy the collaboration, leadership and enthusiasm of what a community organisation can achieve. The presence of a strong governance structure in the organisation has it well placed for the challenges of the future. I have previously held Board positions with Bendigo Sustainability Group (Treasurer) and Women's Health Loddon Mallee, and I am currently member of the City of Greater Bendigo's Community Grants Assessment Panel.

I hold a Bachelor of Science, a Master of Environmental Management, Master of Business Administration and formal qualifications in Energy Management, Project Management and Community Engagement. In my employment, I am responsible for the promotion, encouragement and implementation of business innovation across Coliban Water and leading energy and carbon management for a zero-carbon future.

I live in Lockwood with my family and numerous animals, and I am passionate about creating a sustainable lifestyle and a better future for my community.



**ROBERT STEPHENSON, INDEPENDENT MEMBER (CHAIR)**

FRSA FCPA MAICD

Rob originally comes from Bridgewater-on-Loddon, and holds a Bachelor of Business (Accounting) from the Bendigo College of Advanced Education (now La Trobe University).

Rob is a strong advocate for the power of education to transform the lives of individuals and the trajectory of their families, and believes that continuing to learn is important for leaders to build their effectiveness and competency in communities. He believes that progress, adaptability and resilience of communities is strongly linked to the leadership skills of their members; is energised by the creativity and enthusiasm that participants in programs bring; and is excited by the positive change that they will continue to lead.

There are many opportunities for economic and social development in regional Victoria, and it is important that our communities have people with the skills to identify them and help to empower the communities to achieve those goals. The future will not be the same as the past, and it is vital that we approach it with optimism, and confidence that we can get the important things done.

In previous roles, Rob has studied and been involved in the development of Leadership Development Programs for university students, and participated in the inaugural Emerging Pacific Leaders' Dialogue in 2006.

Rob is a Fellow of CPA Australia and a Member of the Australian Institute of Company Directors. In 2015 he was admitted as a Fellow of the Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA).

# Financial Statements

For the Year Ended 31 December 2019

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## Lead Loddon Murray Inc. Committee's Report

Your committee present their report on the association for the year ended 31 December 2019.

### Committee Members

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

Robert Stephenson (Chair)	Brenton Johnson (Deputy Chair)
Megan Kreutzer (Treasurer) (Appointed: April 2019)	Adam Place (Leave of Absence: October to current)
Moustafa Al-Rawi	Sandra Hamilton
Barry Floyd (Appointed: April 2019)	Samantha Hilliard (Appointed: April 2019)
Stephen Dickons (Appointed: April 2019)	Scott McLarty (Resigned: April 2019)
Annette Kortenhuis (Resigned: April 2019)	Anita Dickons (Resigned: April 2019)
Rosanne Kava (Resigned: July 2019)	

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

### Principal Activities

The principle activities of the association during the course of the year were to develop leaders for vibrant and sustainable communities across central and north-west Victoria by engaging, encouraging, and empowering members of the community in leadership roles.

### Operating Result

The profit of the association for the year ended 31 December 2019 after provision for income tax was \$29,685.

### Significant Changes in the State of Affairs

In the opinion of the committee there were no significant changes in the state of affairs of the association that occurred during the year under review not otherwise disclosed in this report or the financial report.

### Events Subsequent to the End of the Reporting Period

There are no matters or circumstances that have arisen since the end of the year that have significantly affected or may significantly affect the operations of the association, the results of those operations or the state of affairs of the association, in future years.

Chair



Robert Stephenson

Treasurer



Megan Kreutzer

Dated this 4th day of March 2020

## Lead Loddon Murray Inc. Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
Revenue	2	571,631	518,814
Salaries and employee benefits expense		(270,333)	(287,174)
Depreciation expense	3	(23,525)	(1,211)
Project costs	3	(172,923)	(163,266)
Advertising and promotional costs		(3,228)	(27,714)
Administration and occupancy costs		(71,937)	(65,664)
<b>Surplus / (Deficit) before income tax expense</b>		<b>29,685</b>	<b>(26,215)</b>
Income tax expense	1c	-	-
<b>Surplus / (Deficit) after income tax expense</b>		<b>29,685</b>	<b>(26,215)</b>
Other comprehensive income		-	-
<b>Total comprehensive income attributable to members of the entity</b>		<b>29,685</b>	<b>(26,215)</b>

The accompanying notes form part of these financial statements.

## Lead Loddon Murray Inc. Statement of Financial Position

As at 31 December 2019

	Note	2019 \$	2018 \$
<b>Current assets</b>			
Cash and cash equivalents	4	227,734	196,393
Accounts receivable and other debtors	5	115,104	4,778
Other assets	6	27,194	4,127
<b>Total current assets</b>		<b>370,032</b>	<b>205,298</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	3,105	1,201
Right-of-use assets	9	30,934	-
<b>Total non-current assets</b>		<b>34,039</b>	<b>1,201</b>
<b>Total assets</b>		<b>404,071</b>	<b>206,499</b>
<b>Current liabilities</b>			
Accounts payable and other payables	11	45,346	29,629
Other liabilities	12	221,676	97,325
Lease liabilities	13	26,133	-
Provisions	14	16,880	23,016
<b>Total current liabilities</b>		<b>310,035</b>	<b>149,970</b>
<b>Non-current liabilities</b>			
Lease liabilities	13	7,491	-
Provisions	14	4,569	2,327
<b>Total non-current liabilities</b>		<b>12,060</b>	<b>2,327</b>
<b>Total liabilities</b>		<b>322,095</b>	<b>152,297</b>
<b>Net assets</b>		<b>81,976</b>	<b>54,202</b>
<b>Equity</b>			
Retained surplus		81,976	54,202
<b>Total equity</b>		<b>81,976</b>	<b>54,202</b>

The accompanying notes form part of these financial statements.

## Lead Loddon Murray Inc. Statement of Changes in Equity

For the Year Ended 31 December 2019

	Retained Surplus \$	Total Equity \$
<b>Balance at 1 January 2018</b>	<b>80,417</b>	<b>80,417</b>
Deficit attributable to the entity	(26,215)	(26,215)
Total other comprehensive income for the year	-	-
<b>Balance at 31 December 2018</b>	<b>54,202</b>	<b>54,202</b>
<b>Balance at 1 January 2019</b>	<b>54,202</b>	<b>54,202</b>
Cumulative adjustment of retrospective restatement	(1,911)	(1,911)
<b>Restated balance at 1 January 2019</b>	<b>52,291</b>	<b>52,291</b>
Surplus attributable to the entity	29,685	29,685
Total other comprehensive income for the year	-	-
<b>Balance at 31 December 2019</b>	<b>81,976</b>	<b>81,976</b>

The accompanying notes form part of these financial statements.

## Lead Loddon Murray Inc. Statement of Cash Flows

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
Receipts from donations, grants, philanthropy and sponsorship		608,045	625,143
Payments to suppliers and employees		(549,688)	(551,985)
Interest received		431	1,556
Interest paid		(2,797)	-
<b>Net cash provided by operating activities</b>	17	<b>55,991</b>	<b>74,714</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(3,865)	(1,469)
<b>Net cash used in investing activities</b>		<b>(3,865)</b>	<b>(1,469)</b>
<b>Cash flows from financing activities</b>			
Payment of principal elements of lease payments		(20,785)	-
<b>Net cash used in financing activities</b>		<b>(20,785)</b>	<b>-</b>
<b>Net increase in cash held</b>		<b>31,341</b>	<b>73,245</b>
Cash and cash equivalents at the beginning of the year		196,393	123,148
<b>Cash and cash equivalents at the end of the year</b>	4(a)	<b>227,734</b>	<b>196,393</b>

The accompanying notes form part of these financial statements.

## Lead Loddon Murray Inc. Notes to the Financial Statements

For the Year Ended 31 December 2019

### Note 1. Summary of Significant Accounting Policies

The financial statements were authorised for issue on 4 March 2020 by the committee.

#### Basis of preparation

Lead Loddon Murray Inc. applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

These general purpose financial statements 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 association 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 the financial statements are presented below and have been consistently applied unless otherwise stated.

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

#### Accounting Policies

##### (a) Revenue

##### Revenue Recognition

The association has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058) using the modified retrospective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 January 2019.

Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and the impact of those changes is disclosed in Note 1(p).

##### In the current reporting period

##### Contributed assets

The association may receive assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the association recognises related amounts being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

The association recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amounts.

##### Grant revenue, donations and bequests

When the association receives grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

# Lead Loddon Murray Inc.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

---

### Note 1. Summary of Significant Accounting Policies

---

#### (a) Revenue (continued)

When both these conditions are satisfied, the association:

- identifies each performance obligation relating to the contract
- recognises a contract liability for its obligations under the contract
- recognises revenue as and when it satisfies its performance obligations, at the time of which services are rendered.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the association:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the association recognises income in profit or loss as and when it satisfies its obligations under the contract.

Payment of operating grants, donations and bequests are typically due either at the inception of the contract, or as and when applicable payment milestones are satisfied, which may occur over the term of the contract. Such contracts do not typically contain a significant financing component. Where such contracts contain variable consideration, the recognition of such consideration is constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur.

#### *Capital grant*

When the association receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The association recognises income in profit or loss as and when the association satisfies its obligations under terms of the grant.

#### *Scholarships and participant fees*

The association receives scholarships from various organisations, and participant fees from students participating in various leadership programs each year. When the association receives these amounts before the program is completed, it recognises a liability for the amount. The association recognises income in profit or loss as and when the association satisfies its obligations under terms of the agreement.

#### *Interest Income*

Interest income is recognised using the effective interest method.

#### *Dividend Income*

The association recognises dividends in profit or loss only when the association's right to receive payment of the dividend is established.

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

# Lead Loddon Murray Inc.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

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### Note 1. Summary of Significant Accounting Policies

---

#### (a) Revenue (continued)

##### **In the comparative reporting period**

Non-reciprocal grant revenue was recognised in profit or loss when the association obtained control of the grant and it was probable that the economic benefits gained from the grant would flow to the association and the amount of the grant could be measured reliably.

If conditions were attached to the grant which must be satisfied before the association was eligible to receive the contribution, the recognition of the grant as revenue was deferred until those conditions were satisfied.

When grant revenue was received whereby the association incurred an obligation to deliver economic value directly back to the contributor, this was considered a reciprocal transaction and the grant revenue was recognised in the Statement of Financial Position as a liability until the service had been delivered to the contributor; otherwise, the grant was recognised as income on receipt.

The association received non-reciprocal contributions of assets from the government and other parties for no or nominal value.

These assets were recognised at fair value on the date of acquisition in the Statement of Financial Position, with a corresponding amount of income recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Donations and bequests were recognised as revenue when received.

Scholarships and participant fees were recognised as revenue in the year in which the amounts related.

Interest revenue was recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue was recognised when the right to receive a dividend had been established. Rental income from operating leases was recognised on a straight-line basis over the term of the relevant leases.

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

#### (b) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from donations, grants, philanthropy and sponsorship, or payments to suppliers.

#### (c) Income tax

The association is exempt from paying income tax under section 50-45 of the *Income Tax Assessment Act 1997* and subsequently has not been charged any income tax expense.

#### (d) Cash and cash equivalents

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

# Lead Loddon Murray Inc.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### Note 1. Summary of Significant Accounting Policies (continued)

#### (e) Trade and other receivables

Trade and other receivables include amounts from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to note 1(h) for further discussions on the determination of impairment losses.

#### (f) Property, plant and equipment

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

##### Plant and equipment

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

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

##### Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Furniture and equipment	25% to 50%
Computer equipment	50%

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

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

# Lead Loddon Murray Inc.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### Note 1. Summary of Significant Accounting Policies (continued)

#### (g) Leases

##### Lease recognition

The association has applied AASB 16: Leases using the modified retrospective method of initially applying AASB 16 as an adjustment to the opening balance of equity at 1 January 2019.

Therefore, the comparative information has not been restated and continues to be presented under AASB 117: Leases. The details of accounting policies under AASB 117 are disclosed separately since they are different from those under AASB 16, and the impact of those changes is disclosed in Note 1(p).

##### In the current reporting period

###### *The association as lessee*

At inception of a contract, the association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the association where the association is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets (ie fair value less than \$5,000 - \$10,000) are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at lease commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the association uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments
- variable lease payments that depend on an index or rate are measured at the last known lease payment amount
- lease payments under extension options, if the lessee is reasonably certain to exercise the options

The association is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

For leases that have significantly below-market terms and conditions principally to enable the association to further its objectives (commonly known as peppercorn/concessionary leases), the association has adopted the temporary relief under AASB 2018-8 and measures the right-of-use assets at cost on initial recognition.

# Lead Loddon Murray Inc.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (g) Leases (continued)

Each of the association's lease arrangements are for use in the production of supply of goods or services, or for administrative purposes.

#### In the comparative reporting period

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, were transferred to the association were classified as finance leases.

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

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

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

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

#### (h) Financial instruments

The association's financial instruments consist mainly of deposits with banks, receivables and payables.

#### *Recognition, initial measurement and derecognition*

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

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

#### *Classification and subsequent measurement*

##### (i) Financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable). For the purpose of subsequent measurement, financial assets are classified into amortised costs. The association does not use hedging instruments.

Classifications are determined by both:

- the business model for managing the financial assets
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade debtors which is presented within other expenses.

# Lead Loddon Murray Inc.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (h) Financial instruments (continued)

Financial assets are measured at amortised cost if the assets meet the following conditions:

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The association's cash and cash equivalents and trade and other receivables fall into this category of financial instruments.

#### *Impairment of financial assets*

The association makes use of the simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. The association uses its historical experience, external indicators and forward looking information to calculate the expected credit losses.

##### (ii) Financial liabilities

The association's financial liabilities include trade and other payables and borrowings. Financial liabilities are initially measured at fair value and where applicable, are adjusted for transaction costs unless the association designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities designated at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognised in profit or loss. The association does not utilise derivative financial instruments.

All interest related charged and, if applicable, changes in an instruments fair value that are reported in profit or loss are included within finance costs or finance income.

#### (i) Impairment of assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

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

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

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

#### (j) Accounts payable and other payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

# Lead Loddon Murray Inc.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (k) Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### (l) Employee Provisions

##### *Short-term employee benefits*

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

The association'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*

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

The association's obligations for long-term employee benefits are presented as non-current provisions in its Statement of Financial Position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

#### (m) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the association retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third Statement of Financial Position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

#### (n) Economic Dependence

The association is dependent upon the ongoing receipt of State Government grants to ensure the ongoing continuance of its programs. This funding, which has been provided since 2012, has been granted with a contract term of four years, with the current funding agreement expiring in December 2020. The committee has no reason to believe that this financial support will not continue.

# Lead Loddon Murray Inc.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (o) Critical accounting estimates and judgements

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

##### **Key estimates**

##### *Impairment*

The association assesses impairment at each reporting period by evaluating the conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amount of the relevant assets are reassessed using the value-in-use calculation which incorporates various key assumptions.

##### *Useful lives of property, plant and equipment*

The association reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

##### **Key judgements**

##### *Identifying performance obligations under AASB 15*

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/-type, cost/-value, quantity and the period of transfer related to the goods or services promised.

##### *Determination and timing of revenue under AASB 15*

For each revenue stream, the association applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation.

- Loddon Murray Community Leadership Program
  - The output method is used to recognise revenue once the performance obligations are delivered to each customer at a point in time.
  - The performance obligation is met once the program has been delivered to the customer.
- Power to the People
  - The output method is used to recognise revenue once the performance obligations are delivered to each customer over time.
  - The six performance obligations are met once the Power to the People program is designed, recruitment takes place and four program intensives are delivered.
- Regional Leaders Congress
  - The output method is used to recognise revenue once the performance obligations are delivered to each customer at a point in time.
  - The performance obligations are met once the Regional Leaders Congress has been held.

# Lead Loddon Murray Inc.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (o) Critical accounting estimates and judgements (continued)

- LGBTI Leaders
  - The output method is used to recognise revenue once the performance obligations are delivered to each customer over time.
  - The nine performance obligations are met once a two day workshop is held, a five year strategy and annual action plans are developed, the website is built, the leadership program is designed, the 2019 leadership program is delivered, marketing resources are produced, advertising is scheduled, the 2020 leadership program is delivered and a financial sustainability strategy is created.
- Leading Excellence Maryborough
  - The output method is used to recognise revenue once the performance obligations are delivered to each customer over time.
  - The performance obligation is met once the program has been delivered to the customer.
- ADAPT Community Leaders
  - The output method is used to recognise revenue once the performance obligations are delivered to each customer over time.
  - The three performance obligations are met once the suite of activities, programs and projects is designed, and two program intensives are delivered.

#### *Lease terms and options to extend under AASB 16*

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the association will make.

- If there are significant penalties to terminate (or not to extend), the association is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the association is typically reasonably certain to extend (or not terminate).
- Otherwise, the association considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

As at 31 December 2019, potential future cash outflows of \$21,308 (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

# Lead Loddon Murray Inc.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (p) Critical accounting estimates and judgements (continued)

##### *Borrowing rate under AASB 16*

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the association's leases, the association's incremental borrowing rate is used, being the rate that the association would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the association:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- makes adjustments specific to the lease, eg term, country, currency and security.

The associations weighted average incremental borrowing rate as at 1 January 2019 was 6.2%.

##### *Employee benefits*

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services.

As the association expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the association believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

#### (p) New and amending accounting policies adopted during the reporting period

##### **Initial application of AASB 16 leases**

##### *Initial application*

The association has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 January 2019. In accordance with AASB 16, the comparatives for the 2018 reporting period have not been restated.

Prior to 1 January 2019, leases of property, plant and equipment were classified as either finance leases or operating leases. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. As a result, finance leases which were previously disclosed as property, plant and equipment have been reclassified to right-of-use assets upon adoption.

The association has recognised a lease liability and right-of-use asset for all leases (with the exception of short-term and low-value leases) recognised as operating leases under AASB 117: Leases where the association is the lessee.

The lease liabilities are measured at the present value of the lease payments. The association's incremental borrowing rate as at 1 January 2019 was used to discount the lease payments.

The right-of-use assets for the building and equipment was measured at its carrying amount as if AASB 16 had been applied since the commencement date, but discounted using the association's weighted average incremental borrowing rate on 1 January 2019.

# Lead Loddon Murray Inc.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### Note 1. Summary of Significant Accounting Policies (continued)

#### (p) New and amending accounting policies adopted during the reporting period (continued)

##### Practical expedients applied

The following practical expedients have been used by the association in applying AASB 16 for the first time:

- the use of hindsight to determine lease terms on contracts that have options to extend or terminate
- applying AASB 16 to leases previously identified as leases under AASB 117 and Interpretation 4: *Determining whether an arrangement contains a lease* without reassessing whether they are, or contain, a lease at the date of initial application.
- not applying AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4.

##### Measurement of lease liabilities at 1 January 2019

The association measured lease liabilities at 1 January 2019 as follows:

Description	2019 \$
Operating lease commitments disclosed as at 31 December 2018	20,475
Discounted using the lessee's incremental borrowing rate at the date of initial application	(2,641)
Discounted operating lease commitments as at 1 January 2019	17,834
Add:	
- adjustments as a result of a different treatment of extension and termination options	36,827
Less:	
- remeasurement adjustments	(252)
Lease liability recognised as at 1 January 2019	54,409
Of which are:	
- current lease liabilities	20,785
- non-current lease liabilities	33,624
	54,409

The difference of \$36,575 between the lease liability as at 1 January 2019 (\$54,409) and the discounted operating lease commitments as at 31 December 2018 (\$17,834) comprises the liability of \$36,827 added due to the option to extend contracts being assessed differently under the new Standard and the liability of \$252 deducted due to remeasurement adjustments.

The association's weighted average incremental borrowing rate on 1 January 2019 applied to the lease liabilities was 6.2%. The difference between the undiscounted amount of operating lease commitments at 31 December 2018 of \$20,475 and the discounted operating lease commitments as at 1 January 2019 of \$17,834 was \$2,641, which is due to discounting the operating lease commitments at the association's incremental borrowing rate.

# Lead Loddon Murray Inc.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### Note 1. Summary of Significant Accounting Policies (continued)

#### (p) New and amended accounting policies adopted during the reporting period (continued)

##### Measurement of right-of-use assets at 1 January 2019

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

Description	2019 \$
Right-of-use assets:	
- At cost	70,547
- Less accumulated depreciation	(18,049)
	52,498
Lease liabilities:	
- Minimum lease payments	(59,316)
- Less future finance charges	4,907
	(54,409)
Net adjustment recorded to retained earnings on 1 January 2019	(1,911)
<i>Impact on the Statement of Financial Position for the year ended 31 December 2019</i>	
<b>Right-of-use assets:</b>	
Initial recognition on adoption	70,547
Add:	
- additional right-of-use assets recognised	-
Less:	
- accumulated depreciation on adoption	(18,049)
- depreciation expense	(21,564)
Right-of-use assets as at 31 December 2019	30,934
<b>Lease liabilities:</b>	
Initial minimum lease payments recognition on adoption	(59,316)
Add:	
- lease repayments	20,785
- future finance charges on adoption	4,907
Lease liabilities as at 31 December 2019	(33,624)

# Lead Loddon Murray Inc.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

	2019
Note 1. Summary of Significant Accounting Policies (continued)	\$
<b>(p) New and amended accounting policies adopted during the reporting period (continued)</b>	
<i>Impact on the Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2019</i>	
<b>Revenue and expenditure:</b>	
Decrease in operating lease expense	23,583
Increase in borrowing costs on lease liabilities	(2,797)
Increase in right-of-use asset depreciation expense	(21,564)
<b>Surplus:</b>	
Decrease in surplus before income tax expense	(778)
Decrease in current income tax expense	-
Decrease in surplus after income tax expense	(778)

### Initial application of AASB 15 and AASB 1058

#### Initial application

The association has applied AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-Profit Entities* using the modified retrospective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 January 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: *Revenue* and AASB 1004: *Contributions*.

#### Practical expedients applied

The association has elected to apply AASB 15 only to contracts that are not complete contracts at the date of initial application, being 1 January 2019. Not complete contracts are those:

- where all goods/services have not been transferred; or
- where revenue has not previously all been recognised.

#### Impact of adoption at 1 January 2019

There was no material impact on adoption at 1 January 2019 as prior to adoption the association has recognised grant revenue in the period in which relevant obligations were satisfied.

### (q) Going concern

The association receives annual funding of \$200,000 from Regional Development Victoria. The current funding agreement expires on 31 December 2020. In May 2019 the Victorian Government signalled a risk that financial support of this program could be terminated and the government's initial position was to terminate financial support for community leadership programs (CLPs) at the end of 2019. CLP's successfully advocated for a reprieve and were granted an additional twelve months. There is therefore material uncertainty that funding will continue beyond the year ended 31 December 2020 and this will not be known until the Victorian Government Budget is handed down in May 2020.

# Lead Loddon Murray Inc.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### Note 1. Summary of Significant Accounting Policies (continued)

#### (q) Going concern (continued)

A compounding risk is the unprecedented bushfire season recently experienced. The full financial impact of the fires is still emerging and it is currently unknown what impact this will have on the Victorian Government Budget. Bushfire recovery activities are funded under Regional Development Victoria and the Department of Environment, Land, Water and Planning, LEAD Loddon Murray Inc.'s two largest funding partners. There may therefore be competing priorities that impact future funding.

The directors have considered the factors above in making their assessment of going concern and have noted should uncertainty relating to this funding exist beyond May 2020, a recast budget will be developed for the organisation for 2021 under an 'austerity model', potentially reducing the program by two thirds and concentrating delivery in regional centres rather than travelling to small rural communities, Melbourne and Canberra. The directors will also develop a model to increase corporate and philanthropic contributions to support the continuity of LEAD Loddon Murray Inc.

The directors are also taking steps to delegate operational aspects of the Executive Officer's role to ensure there is adequate capacity for the EO to prepare a compelling bid for ongoing funding, should the Victorian Government continue to provide financial support for CLPs.

The directors therefore have a reasonable expectation that the association has adequate resources to continue in operational existence for the foreseeable future and as such, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

# Lead Loddon Murray Inc.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

Note 2.	Revenue		\$	\$
	Revenue from contracts with customers	2(a)	365,663	-
	Revenue based on AASB 118 and AASB 1004	2(a)	-	288,180
	Other sources of revenue	2(b)	205,968	230,634
			<u>571,631</u>	<u>518,814</u>
<b>(a)</b>	<b>Disaggregated revenue</b>			
	The association has disaggregated revenue into various categories in the following table.			
	The revenue is disaggregated by the association's programs and timing of revenue recognition.			
	<b>Programs</b>			
	Loddon Murray Community Leadership Program		134,733	150,904
	Power to the People		57,663	-
	ADAPT Community Leaders		37,200	-
	Regional Leaders Congress		25,890	-
	LGBTI Leaders		58,160	23,738
	Leading Excellence Maryborough		52,017	64,583
	Building Better Regions 21 Year Birthday		-	18,635
	Women of the Community Retreat		-	30,320
	Total program revenue		<u>365,663</u>	<u>288,180</u>
<b>(b)</b>	<b>Other sources of revenue</b>			
	Department of Economic Development, Jobs, Transport and Resources funding		200,000	200,000
	Interest income		431	2,405
	Other income		5,537	28,229
	Total other sources of revenue		<u>205,968</u>	<u>230,634</u>
<b>Note 3.</b>	<b>Expenditure</b>			
	Depreciation expense:			
	- Computer equipment		1,961	1,211
	- Right of use assets		21,564	-
			<u>23,525</u>	<u>1,211</u>
	Project costs:			
	- Community Leadership program		74,519	102,792
	- LGBTI Leadership program		34,643	7,788
	- Leading Excellence Maryborough program		22,674	33,023
	- Women of Community program		-	18,351
	- Other community projects and events		41,087	1,312
			<u>172,923</u>	<u>163,266</u>

# Lead Loddon Murray Inc.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

	2019	2018
	\$	\$
<b>Note 4. Cash and Cash Equivalents</b>		
<i>CURRENT</i>		
Cash at bank	227,734	74,837
Short-term investments - bank deposits	-	121,556
	<u>227,734</u>	<u>196,393</u>
<b>(a) Reconciliation of Cash and Cash Equivalents</b>		
Cash and cash equivalents at the end of the year as shown in the statement of cash flows are reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	<u>227,734</u>	<u>196,393</u>
<b>Note 5. Trade and other receivables</b>		
<i>CURRENT</i>		
Accounts receivable	115,104	4,978
Provision for expected credit losses	-	(200)
	<u>115,104</u>	<u>4,778</u>
<b>Note 6. Other Assets</b>		
<i>CURRENT</i>		
Prepaid expenses and other assets	<u>27,194</u>	<u>4,127</u>
<b>Note 7. Property, Plant and Equipment</b>		
<i>NON-CURRENT</i>		
<i>Furniture and equipment</i>		
At cost	3,200	3,200
Accumulated depreciation	(3,200)	(3,200)
	<u>-</u>	<u>-</u>
<i>Computer equipment</i>		
At cost	11,037	7,172
Accumulated depreciation	(7,932)	(5,971)
	<u>3,105</u>	<u>1,201</u>
Total property, plant and equipment	<u>3,105</u>	<u>1,201</u>

## Lead Loddon Murray Inc. Notes to the Financial Statements

For the Year Ended 31 December 2019

### Note 8. Property, Plant and Equipment

#### Movements in Carrying Amounts

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

	Furniture and equipment \$	Computer equipment \$	Total \$
Balance at 1 January 2018	-	943	943
Additions at cost	-	1,469	1,469
Disposals	-	-	-
Depreciation expense	-	(1,211)	(1,211)
Balance at 1 January 2019	-	1,201	1,201
Additions at cost	-	3,865	3,865
Disposals	-	-	-
Depreciation expense	-	(1,961)	(1,961)
Carrying amount at 31 December 2019	-	3,105	3,105

### Note 9. Right-of-use assets

The association's lease portfolio includes equipment and buildings. The lease terms for each type of lease arrangement are:

Class of lease	Lease term
Equipment	5 years
Building	3 years

#### Options to extend or terminate

The options to extend or terminate are contained in the association's property leases. There were no extension options for the equipment lease. These clauses provide the association opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the association. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

#### (a) AASB 16 related amounts recognised in the balance sheet

##### Right-of-use assets

	2019 \$
Leased building	55,238
Accumulated depreciation	(33,757)
	21,481
Leased equipment	15,309
Accumulated depreciation	(5,856)
	9,453
	30,934

## Lead Loddon Murray Inc. Notes to the Financial Statements

For the Year Ended 31 December 2019

### Note 10. Right-of-use assets

#### Movements in carrying amounts

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

	Leased building \$	Leased equipment \$	Total \$
Recognised on initial application of AASB 16	39,894	12,604	52,498
Opening balance transferred from property, plant and equipment on initial application of AASB 16	-	-	-
Addition to right-of-use asset	-	-	-
Depreciation expense	(18,413)	(3,151)	(21,564)
Carrying amount at the end of the year	21,481	9,453	30,934

#### (b) AASB 16 related amounts recognised in the statement of profit or loss

	2019 \$
Depreciation charge related to right-of-use assets	21,564
Interest expense on lease liabilities	2,797
	24,361

### Note 11. Accounts Payable and Other Payables

	2019 \$	2018 \$
<i>CURRENT</i>		
Accounts payable and other payables	26,830	17,148
Accrued expenses	18,516	12,481
Total accounts payable and other payables	45,346	29,629

### Note 12. Other liabilities

	2019 \$	2018 \$
<i>CURRENT</i>		
Grants and scholarships in advance	-	97,325
Contract liability	221,676	-
Total other liabilities	221,676	97,325

#### (a) Contract liabilities

Balance at the beginning of the year	-	-
Reclassified from grants and scholarships in advance on initial application of AASB 15	97,325	-
Additions:		
- Grants for which performance obligations will only be satisfied in subsequent years	124,351	-
Closing balance at the end of the year	221,676	-

If grants are enforceable and have sufficiently specific performance obligations in accordance with AASB 15, the amount received at that point in time is recognised as a contract liability until the performance obligations have been satisfied.

## Lead Loddon Murray Inc. Notes to the Financial Statements

For the Year Ended 31 December 2019

	2019	2018
	\$	\$
<b>Note 13. Lease liabilities</b>		
<i>CURRENT</i>		
Lease liability	27,634	-
Unexpired interest	(1,501)	-
	26,133	-
<i>NON-CURRENT</i>		
Lease liability	8,100	-
Unexpired interest	(609)	-
	7,491	-
Total lease liabilities	33,624	-

- The lease for the premises, which commenced in 2018, is a three year lease. Payments are required monthly in advance. The lease includes optional terms.
- The lease for the photocopier, which commenced in 2018, is a five year lease. The lease is financed by De Lage Landen Pty Limited, with payments required monthly in advance. The lease does not include optional terms or purchase options.

	2019	2018
	\$	\$
<b>Note 14. Provisions</b>		
<i>CURRENT</i>		
Employee benefits - annual leave	16,880	21,049
Long service leave entitlements	-	-
Scholarships	-	1,967
	16,880	23,016
<i>NON-CURRENT</i>		
Long service leave entitlements	4,569	2,327
Total provisions	21,449	25,343
<b>(a) Analysis of employee provisions</b>		
Balance at the beginning of the year	23,376	7,101
Additional provisions raised during the year	14,327	21,125
Amounts used	(16,254)	(4,850)
Closing balance at the end of the year	21,449	23,376

### Provision for employee benefits

Employee provisions represent 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 association 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 association does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

## Lead Loddon Murray Inc. Notes to the Financial Statements

For the Year Ended 31 December 2019

### Note 15. Provisions

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 being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(l).

### Note 16. Capital and Leasing Commitments

Following the association's adoption of AASB 16: *Leases* on 1 January 2019, the association no longer distinguishes its lease arrangements between operating and finance leases.

The association's lease commitments, which are captured under AASB 16, are disclosed at Note 1(p) and Note 11.

Lease commitments measured under either previous Accounting Standards or those commitments which may meet an exemption under AASB 16, including their relevant commitments, are disclosed as follows:

#### (a) Operating lease and licence commitments

Operating leases and licences which were contracted for but were not capitalised in the financial statements:

- not later than 12 months
- between 12 months and 5 years
- greater than 5 years

	2019	2018
	\$	\$
- not later than 12 months	-	8,475
- between 12 months and 5 years	-	12,000
- greater than 5 years	-	-
	-	20,475

The lease for the premises, which commenced in 2018, is a three year lease. Payments are required monthly in advance. The lease includes optional terms.

The lease for the photocopier, which commenced in 2018, is a five year lease. The lease is financed by De Lage Landen Pty Limited, with payments required monthly in advance. The lease does not include optional terms or purchase options.

#### (c) Capital expenditure commitments

No capital expenditure commitments were contracted for at year end.

## Lead Loddon Murray Inc. Annual Statements Give True and Fair View of Financial Position of Incorporated Association

We, Robert Stephenson and Megan Kreutzer, being members of the committee of LEAD Loddon Murray Inc., certify that:

The statements attached to this certificate give a true and fair view of the financial position and performance of LEAD Loddon Murray Inc. during and at the end of the financial year of the association ending on 31 December 2019.

Chair



Robert Stephenson

Treasurer



Megan Kreutzer

Dated this 4th day of March 2020

# LEAD

Loddon Murray

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## Loddon Murray Community Leadership Partners



## Leading Excellence Maryborough Partners



## ADAPT Regional Climate Leadership Partner



## Power to the People Partners

