



# ANNUAL REPORT

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# 2016-17

# Table of Contents

3	Message from President
4	Message from CEO
6	Message from Deputy CEO
7	Director of Corporate Services
8	Council
10	Venndale Rehabilitation
15	Community Development Program
18	Housing
19	Essential Services
20	Commonwealth Home Support Program
22	Community Patrol
24	Farm
24	Store
25	Audited Financial Statements

## Thank You

Kalano Community Association Inc. would like to thank our community partners and organisations, including Wurli-Wurlijang Health Service, the North Australian Aboriginal Justice Agency, Jawoyn Association, NT and Federal Government Departments and agencies, and many others for helping keep the circle strong.

# Message from President

Let me start this years report by thanking members for the opportunity to serve as the President of Kalano over the past two years and indicate that the Association continues to govern with members needs in mind, and a consciousness that our organisation is what we make it.

Governance is a central feature of our organisation and our ability to make good decisions relies on being able to communicate our needs to the management and council. In this past two year term of office, the Council took a different approach to how we communicate with members, by holding less Council meetings and more community meetings to allow members the opportunity to tell us more about your needs, the direction the organisation is heading and the ideas you have to contribute innovative ways to keep us providing good services to you.

Our core business has always been community services and we've been able to survive by convincing Government's that we are best placed to provide services to our own members and in so doing, create employment pathways into the workforce and services to our member communities.

We're also tired our hand at economic activities such as the store and the farm, to create additional opportunities to earn extra cash and create more jobs. Sadly, these activities haven't worked and it's time to look critically at bringing these to a close and sourcing other alternatives. After five years of consecutive losses totalling \$2.4 million, we can no longer sustain these activities.

I want to mention our strategic plan and say that this document is important to us in so far as it outlines what our stated goals are, what we want for ourselves and our families and shows those that invest money in us how we are spending their money to achieve good things for our members and the community in general.

This document is becoming more and more important as a sort of report card, so that everyone knows what we're focused on, where we're heading and where we're up to on that journey. These goals are set out in the plan and our AGM is the time we come together to talk about how well we're achieving our goals. You as members, get the chance to assess how well we have performed as Council and Administration against the Strategic Plan.

So, I go back to the Council's approach to have a conversation with members all through the year at community meetings and encourage you to get involved in as many community meetings as you can so that Council and Administration are hearing not only your concerns but also your good ideas of how services can be delivered to the benefit of all.



So, to put this all into perspective, our strategic plan sets out our goals for all to see, it allows the Council and Administration to use the document as a mandate to chase funding for programs we need to achieve our plan and it allows you as members to assess how we're going each year.

The environment we operate in is heavily reliant on Government funding and in recent years we've been receiving funds under the Indigenous Advancement Strategy, or IAS as they call it, amongst other Government funding. This program is a Federal Government one and by the government's own admission it's been an abject failure. Still we must rely on it and it also comes with a condition for us to start a new company if we want to continue receiving funds from IAS particularly for our Venndale Rehab and Community Patrol services.

Today, we'll need to decide how that organisation will be set up.

So, let me come back to the start. It's been a privilege to serve as President, there's still much to do but our organisation is what we make it and I encourage everyone to get involved.

My thanks to Graham, Alan and staff of our organization for their hard work and dedication.

I want to thank my fellow Council members for their support and contribution, we've tackled some tough issues in our two year term of office.

Finally, as always, let me finish my report by paying my respect and offering my sincere condolences to the families who have lost loved ones in our community this year.

**Rick Fletcher**  
Council President

# Message from CEO

Let me start with some of the matters or issues that were with us in 2015-16. As much as I would like to report that several tasks have been completed these are still "works in progress".

The transfer of accounting functions from BDO to the Kalano administrative centre has only partly been implemented. Kalano has appointed an officer to the position of Director - Corporate Services and is currently seeking the engagement of a full time Financial Controller or accountant. Once this position is filled, Kalano will be in a position to implement the outcomes of its staffing structure review which was conducted during the course of the current year.

Debate with the NT Minister for Housing and Community Development continues as Kalano works to benefit from the perceived changes to that Government's policies on public housing as well as seek additional funding to enable Kalano to again be in a position to construct new housing, something that has not been possible for the past 15 plus years.

Towards the end of last year the Kalano Community Association sought approval from the Minister for Aboriginal Affairs (Commonwealth) to waive the requirement to incorporate under Commonwealth legislation. This request was turned down and the matter is expected to go to the Annual General Meeting for consideration. It should also be noted that there is growing commentary coming out of Canberra that funding from the Prime Minister and Cabinet (PM&C) and the ABA will be increasingly directed to those Aboriginal Organisations incorporated under Commonwealth legislation, which includes Office of the Registrar of Indigenous Corporations (ORIC).

At the time of reporting I am happy to advise that negotiations with the Katherine Town Council over the upgrading of our entrance road, McKeddie Road, is to be completed before the rains start. Good news in itself. The Town Council are also keen to be involved in the provision of a concrete pathway into Geyulkan later in 2017-18.

The 2016-17 year saw a number of positive outcomes in relation particularly in our areas of governance and the addressing of social issues.

The Kalano Council now meets every other month as a full Council whilst the opportunity for community based meetings at Kalano's member communities have been held during the alternate months. These meetings are attended by Wurli-Wurli, Katherine police, Centrelink, Clyde Fenton Primary, High School, Truancy Officers, Liaison workers and Anglicare on need basis.

The community meetings now have a range of agenda items and provide the local Kalano Councillors the opportunity to address issues with their membership. These meetings now are also attended by the Police, Wurli Wurlijang and other service providers and special interest groups. Such attendance by these representatives provides a broader base of input in addressing issues not necessarily within the scope of Kalano's administration to decide upon. Such things as animal control, noise levels and control of visitors or untoward behaviour come to mind.

A negotiating Group established between Management, Kalano's program areas (employee representation) and United Voice (Union) was established early in the year to progress the development of a modern Employment Agreement for our Association. By end of year its work was almost complete. At the time of writing I am happy to advise that a draft Agreement is now available and we are almost at the point of taking the draft to the workforce. Without the involvement of the Negotiating Team this would not have been possible. There are still some hurdles to address before Kalano is in a position to formalise an application to the Australian Fair Work Commission for registration.

Outside of those regular funding agencies into Kalano's program areas we are thankful for positive responses from the ABA for a grant to upgrade the toilet/ablution facilities on our oval. Work is expected to commence on this work shortly. A positive response to bids under the NTG's Immediate Work Program for the construction of a community facility at Myalli Brumby and some work to improve electricity supply and connection to the Farm's hydroponic tunnels as well as replace a pump on a general supply bore has been much appreciated.

The operations and resultant costs of Kalano's Shop and Farm projects are highlighted for consideration this year and it is expected that early in 2017-18 a decision will be required on just what level of delivery of service in these areas can be expected to be maintained.



The very high cost of production for a small amount of return (in dollar terms) on the Farm is not able to be maintained. Applications to Government and others have not been successful to date, however we will persevere.

Kalano's outcomes for its Community Development Program have been good and the level of return is certainly a highlight. We are keen to see, with others, a concerted effort by Government to bring in long awaited changes to the program in order to bring back more flexibility to its operations which will be beneficial in employment outcomes for its client base and simplification of its management practices.

The AGM for this year will see the announcement of a new Council and this is cause for me to thank all members of the outgoing Council for their service and input over the last two years. The functions of Council are an important element in the meaning of Community Control and I wish the incoming Council Members just as well for their guidance over the next two years.

My personal thanks to all staff involved with the Kalano Community Association, along with those officers and others from agencies outside of Kalano with whom we have regular dealings for their input and dedication during the year. I am sure you will read elsewhere in this annual report of the good work they have done, perhaps with some frustration as well.

Our thoughts rest also with the family and relations of those dedicated members and elders which have passed on during the year as we recall their commitment and involvement in moving Kalano forward over the years.

Thank you all for the year. I can assure you there will be no letup, particularly as the directions of quality improvement and risk management lead us in the years ahead.

Mum muk,

**Graham Castine**  
CEO

# PROGRESS REPORT

Kalano Community Association is in the progress of creating a new Strategic Plan for future years to 2023 and is focusing on five goals: (1) maintaining healthy and safe communities, (2) social and cultural empowerment, (3) governance and leadership, (4) business development and (5) human resources.



# Message from Deputy CEO

**“Our ability to respond to social issues is critical to our success.”**

The 2016-17 fiscal year has been a very busy time for all staff as Kalano Community Association (KCA) continues to move forward and gain strength as it meets the objectives set by the KCA Council.

As the Deputy CEO, one of my roles is to oversee various programs, working with Managers on strategy and budgets. However, I am convinced that the performance and success of our organisation must not be solely focused or measured by its financial results but our ability to respond to the social issues that face our members.

KCA funded programs are meeting their requirements under the Government operational and financial guidelines and are providing a prodigious service to our members and clients.

All programs are achieving their set goals and continues to deliver a worthy service with some precise outcomes.

Kalano Housing can only achieve the goals set by the members, by members supporting the KCA through the community meetings and insuring that all membered communities are assisting the KCA Housing Department through rental payments, maintaining their homes, reporting and maintenance to the Housing Department and working together to achieve the KCA goals.

The Municipal and Essential Services team are working well in conjunction with the CDP Program and continue to provide the services that are essential to the membered communities.

How is the face of Kalano changing and how can we improve our support for employees?

KCA will continue to assist staff in performing their duties to their full potential and offer training in areas that are deemed necessary and within their position description so that staff are confident is performing their roles and this will lead to better production and outcomes for staff and community programs.

The KCA staff re-structure will contribute to the organisation in moving forward and drive the KCA in streamlining its programs and commercial business to obtain better production and outcomes.

The KCA continues to work with other stakeholders in the Katherine Region, with current MOU with Correctional Services, NT Police Youth Diversion Programs, Wurli Wurlijang, Gudbinji, Catholic Care, Red Cross, Anglicare, etc.

The Community Development Program (CDP) Continues to provide KCA with the generated income that supports the CDP activities and has produce some very good results in obtaining full-time employment for some of the participants.

The new Myalli Brumby Community Sheds are under construction and the CDP participants are learning some valuable skills in building and construction.



The bi-monthly Community Meeting continue to be a good source of passing on information to the KCA Members and for KCA to receive feedback on its operations and issues within the communities.

KCA have furthermore undertaken the service of a Quality Assurance Audit to obtain accreditation with Woolworths PTY LTD – Katherine for the purpose of trading our farm produce and to become a service provider for the NDIS.

ISO 9001:2008 will maintain KCA at our Internarial Standards qualifications.

All three audits went well with a non-conformances qualification. This leaves us to finish some of the work on our continuous improvement plan; working smarter to deliver improved services with appropriately trained staff and resources.

Members will be sure to note that reports from other departments are in the Annual Report and I encourage members to read through those reports to gauge the thoughts of Department Managers and their thinking around the future direction on how we can provide a better service.

To the Council Members, Housing Committee Member and the Community Members, I thank you all for the efforts and the input and time that you have provided to the organisation, for the Kalano Community Association to fully function and to move forward we need your support.

In closing I would like to thank the CEO and all staff for their continued support and the efforts that have gone into delivering the various programs that KCA provide to the communities.

**Alan Mole**  
Deputy CEO

# Kalano welcomes the new Director of Corporate Services

Firstly, I would like to thank everyone at Kalano for welcoming me when I joined in the middle of the financial year in January. I am most grateful to the President, Councillors, CEO, Deputy CEO, all managers and staff for making me feel part of the Kalano journey.

I was brought in to be in charge of the Corporate Services section of Kalano with a clear mandate to review Kalano's administrative functions and improve their efficiency in a changing operating environment. I would like to report that this process is on-going. To date, we have achieved some very important milestones.

Negotiations with our current accountants continue to advance regarding returning some of our outsourced accounting functions to Kalano. We await the engagement of an in-house Financial Controller to be in charge of those functions.

Audit reports from the NT Quality and Safeguarding Framework and the ISO 9001 (2008) identified outcomes that will allow Kalano to improve some of its operating policies, procedures and systems.

A Human Resources Management System is in the process of being implemented, which will centralise Kalano's HR and streamline the recruitment processes. We hope to engage a dedicated Human Resources Officer in the not too distant future.



Kalano has invested in a new Client Management System, which will be used for the recording and maintenance of client records across all services working with clients such as Venndale Rehabilitation, the CHSP, NDIS and CDP.

KCA has launched a new website and is revitalizing its social media platforms to further engage, market and grow awareness of its programs and services for its community members, partners, the Town of Katherine and other stakeholders.

I would therefore like to thank all staff working in the Corporate Services Team for the hard work you put in on a daily basis to make Kalano a better place for all. I wish you the best during the festive season and into the New Year.

I would also like to pay my respects to our Community members that have departed during the year.

**Great Nowa Makunde**  
Director of Corporate Services

## Trending Issues

- 1 Kalano is eagerly awaiting formal announcements from the Commonwealth Government in respect to the future delivery and allocation of CDP providers as June 2018 approaches. Kalano is keen to become a provider in its own right.
- 2 Kalano has successfully passed its Quality and Safeguards Assessment and been given the approval of both the NDIS and the Office of Disability of the NT Government to become a registered NDIS provider.

3 Telstra will be installing the National Broad Band (NBN) Optical Fibre installed in the Myalli Brumby Community and all sections within the KCA Compound. It is expected that the NBN will be available at the end of September, 2017.

4 Kalano has successfully passed its Quality and Safeguards Assessment and been given the approval of both the NDIS and the Office of Disability of the NT Government to become a registered NDIS provider.

5 Kalano team members are working with Keep Moving to ensure that they have access to and know how to operate the best equipment for future NDIS clients.

6 Kalano has developed a new partnership with Innovative Office Furniture, an Aboriginal-owned company to provide skills development, training and increase employment opportunities for community members.

# COUNCIL

## Elected Members

Aboriginal people owning and controlling their own destiny



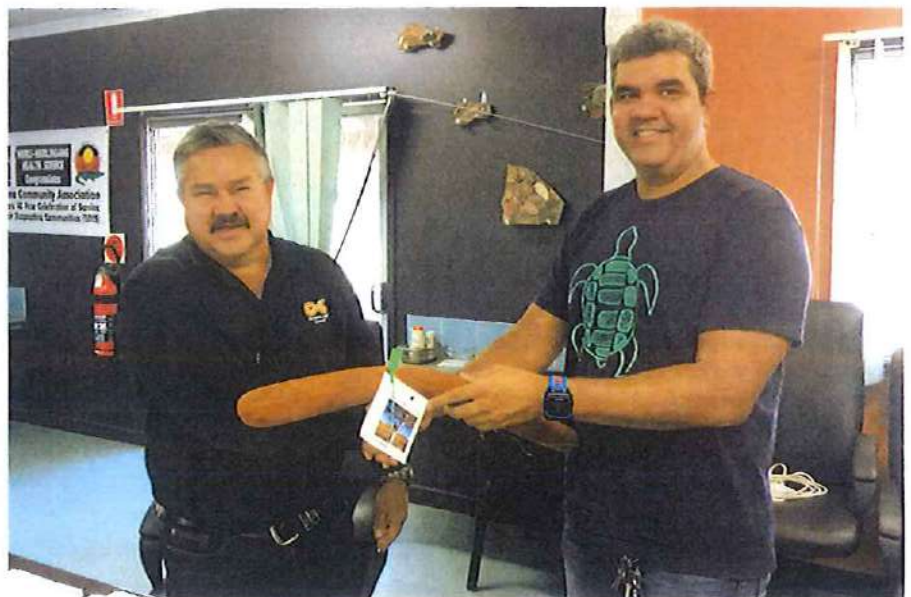
### Governance

Kalano Community Association Inc. is an Aboriginal community-controlled organisation, governed by Councillors who are elected every two years by members in their communities. Annual General Meetings are held to report Association activities to its members.

### Elected Community Representatives:

- Myalli Brumby [4 positions]
- Rockhole [4 positions]
- Geyulkgan [2 positions]
- Jodetluk [2 positions]
- Katherine Town [4 positions]

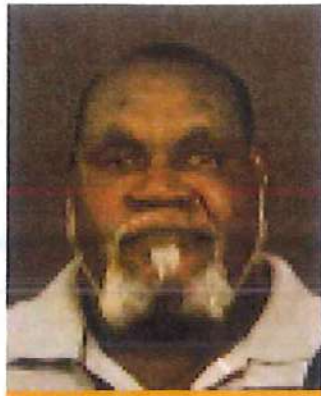
Left photo: Katherine Crocs present Kalano Council a token of appreciation for sponsorship of Imparja Cricket Cup.







Rosslyn Weetra  
Myalli Brumby



Mundy Cleary  
Myalli Brumby



Gary Manbulloo  
Myalli Brumby



Lisa Mumbin  
Myalli Brumby



Noleen Andrews  
Rockhole



Melissa Rogers (VP)  
Rockhole



Marcus Rogers  
Rockhole



Fiona Rogers  
Rockhole



Geyulkgan Representative  
Deceased



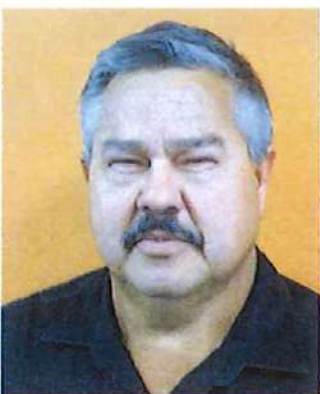
Sebrina Lewis  
Geyulkgan



Ian Woods (Treasurer)  
Jodetluk



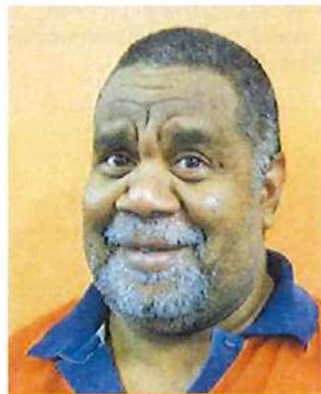
Doreen Fordimail  
Jodetluk



Rick Fletcher (President)  
Katherine Town



Joyce Blitner  
Katherine Town



Marcus Rosas  
Katherine Town



Carol Dowling  
Katherine Town



## Venndale Rehabilitation

Venndale Rehabilitation programs include Relapse Prevention, Case Management, Reintegration, Aftercare and Outreach. In total, its rehabilitation program is 84-days in length, not including Aftercare and Outreach support.

### Department of Community Corrections Responds to Unprecedented Growth

At the end of 2016-17 fiscal year, the Department of Community Corrections responded to Venndale's unprecedented program growth over the past two years by increasing their funding, which will go toward hiring 2 new Case Managers, 1 full-time Transport and Support Worker, and 1 Activities Coordinator. This will help Venndale meet new demands of its programming, improve service delivery and outcomes achieved for clients. Recruitment will commence in the new fiscal year.

### Admitting Only 32% of Applicants

Venndale Rehabilitation is admitting only 32% of referral applications due to limited bed capacity and funding. However, Case Managers continue to exceed expectations with record breaking assessment numbers and exceptionally high program stay-time.

In the next fiscal year, Venndale aims for additional funding for building upgrades and to increase their number of beds as their referral rates continue to increase.

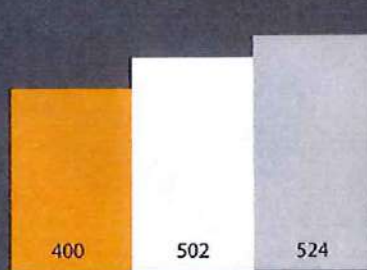


## Admitted (Full Capacity)

### 6-Month Wait List

Due to the limited number of available beds and funding, Venndale's client waiting list has maintained in excess of 50 people with a minimum 6-month wait time.

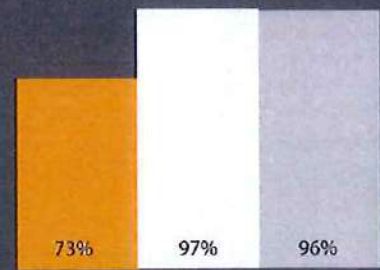
Since last year, Venndale has increased its beds to 170 and has admitted 170 clients, the maximum capacity.



## Number of Clients Assessed

### Case Load Increases by 24% in 2 Years

Venndale Case Managers assessed a total of 524 new clients for the 2016-2017 financial year, indicating a higher demand for its programs and services by 24% in only two years.



## 96% Average Time Stay

### Time Stay Increases 23% in 2 Years

While the case load and demand for placements increase, Venndale continues to maintain exceptional average time-stay standards for their programs.

Venndale reports that 95 of the 170 clients completed all 84 days of this year's program yet the average time that all 170 clients stayed were 80.58 of 84 days - an exceptional statistic.

## Becoming the Best Version of Yourself

Programs facilitate weekly schedules, which are catered to the needs of clients and aim to keep members active. Activities range from lessons in literacy, numeracy, domestic violence and group discussions. Other activities involve different methods of expression (i.e. music) and traditional healing pathways such as yarning circles, bungul dancing, fishing and hunting.



"When I finish the Venndale program, I want to talk to my partner about drinking and going in town so we can stop wasting our money on grog. Maybe talk to a doctor about our health problems and as someone in the community to help us find jobs. Maybe we can get a license, too."

Venndale Client



"I'm proud of [name] for doing the right thing for the baby and staying away from grog. Thanks Venndale for supporting her, getting through it, and giving her some new ways of getting out of trouble with the police. When we get out of here, we are going to give up drinking. I'm going to find a job and support her and the baby, save money, get a house in town and buy things for the baby. She is going to buy a car when she gets her license and visit family out in the bush." Client

## Striving for Excellence

For the first time in 10 years, the majority of Venndale Rehabilitation staff have completed their studies and graduated with a Diploma of Alcohol and Other Drugs with RMIT, Cert 4 in AOD or Cert 4 in Mental Health. All undergraduate staff continue their studies in a minimum of one of these three courses.

"Venndale provided me with professional support and training in Certificate 4 in Mental Health and Alcohol and Other Drugs (AOD), which has allowed me to progress onto the role of an AOD Case Manager and compliment my Diplomas in Community Service, Case Management, and Degrees in Health Science and Nutrition. It's a role I feel privileged in; it allows me to support and walk beside the clients in their journey of rehabilitation.

I see a great future for Venndale resulting from the Organization continuously striving for excellence in providing a high standard of programs in supporting the clients and the wider community."

Zakaria Osman  
AOD Case Manager

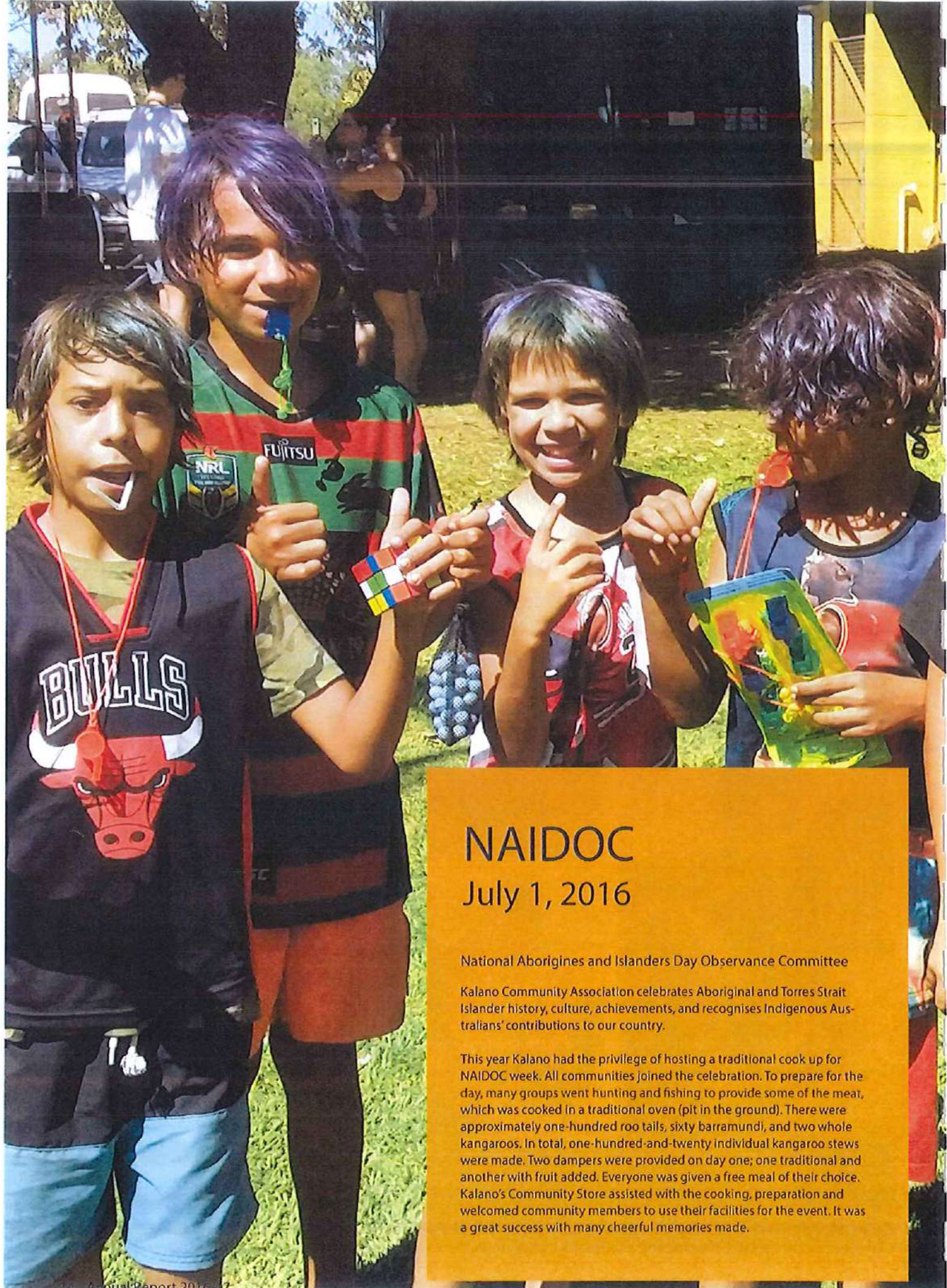


# +13

Venndale Rehabilitation continues to grow its relationship with Charles Darwin University (CDU) and Rural Melbourne Institute of Technology (RMIT) with the intention of equipping all staff with the relevant skills, knowledge and resources to benefit our clients.

Currently, thirteen members of our staff are enrolled in courses to compliment their existing formal education and professional experience.





## NAIDOC

July 1, 2016

National Aborigines and Islanders Day Observance Committee

Kalano Community Association celebrates Aboriginal and Torres Strait Islander history, culture, achievements, and recognises Indigenous Australians' contributions to our country.

This year Kalano had the privilege of hosting a traditional cook up for NAIDOC week. All communities joined the celebration. To prepare for the day, many groups went hunting and fishing to provide some of the meat, which was cooked in a traditional oven (pit in the ground). There were approximately one-hundred roo tails, sixty barramundi, and two whole kangaroos. In total, one-hundred-and-twenty individual kangaroo stews were made. Two dampers were provided on day one; one traditional and another with fruit added. Everyone was given a free meal of their choice. Kalano's Community Store assisted with the cooking, preparation and welcomed community members to use their facilities for the event. It was a great success with many cheerful memories made.



# Community Development Program

## CDP Leader in the Northern Territory

70% Indigenous Workforce with 90% Indigenous Clients

### The Face of Indigenous Recruitment

Kalano has always been an Indigenous owned and controlled organisation. However, it was this fiscal year that the CDP program began to see results through professional recognition and increased referral rates, which was largely due to the quality of their client relationships and commitment to their client's respective employers.

CDP staff pride themselves in understanding the barriers, challenges and requirements that their clients face. They aim to build trust and cater their services to the specific needs of each individual. Because the majority of Kalano's CDP workforce is Indigenous and 90% of its clients are Indigenous, a mutual understanding and comradery exists within the office. At Kalano, every person is a name not a number.

Due to its growing reputation as a leader of CDP in the NT, Karyn Kalamaras, Kalano CDP Manager, has been approached by government stakeholders, other CDP providers in the NT, and companies looking to hire for advise and input regarding programming successes and gaps, barriers facing clients, internal strategies and communications.

### Tindal Project

Human Resources at Tindal were referred to Kalano's CDP for their expertise and professional manner for Indigenous employee recruitment. During 2016-17, CDP has delivered pre-employment training to prepare clients for work on the Tindal Project in Katherine.

Twenty clients have successfully completed the course and are in the process of meeting with contractors to place them into employment.

CDP staff further support clients by providing white card training and licences to minimise barriers to future employment opportunities.

### 2016 KALANO EMPLOYEE PLACEMENTS

MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
8	7	5	11	13	4	4	1	53

### 2017 KALANO EMPLOYEE PLACEMENTS

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	TOTAL	GRAND TOTAL
11	3	9	11	4	1	1	40	93

The activity unit has completed various skills-development projects, including re-developing the CDP compounds at Kalano and Rockhole, a 6-bay carport, walkway cover to Kalano's store, and a multi-purpose facility in the centre of Kalano. Clients are also referred to Essential Services, Housing, and the Mechanics Workshop for other professional training.

#### Shop of Opportunity

Women at CDP have trialed a pop-up "Shop of Opportunity", which sells previously used items, arts and crafts. Funds raised are reinvested into projects that benefit community members such as arts and crafts materials or seeds for gardening.

This project has helped develop literacy, numeracy, organisation, planning and time management skills.

Women involved in the Shop of Opportunity intend to increase their market-reach by finding a suitable location in Katherine Township.



#### Family Fun Day

Kalano's CDP and its partner, RISE, proudly hosted a Family Fun Day.

Activities included face painting, arts, crafts, a blow-up-castle, basketball, tug of war and lunch.

Family Fun Day was joined by the Batchelor Institute of Indigenous Tertiary Education and Centrelink Medicare and child support.





## CASELOAD DYNAMICS

KATHERINE REGION, NT	COMMENCED	PENDING	TOTAL
Katherine	424	59	483
Kalano	172	40	212
Grand Total	596	99	695

## COMPELLABLE AND NON-COMPELLABLE

KATHERINE REGION, NT	NON-COMPELLABLE	COMPELLABLE	TOTAL
Katherine	160	264	424
Kalano	77	95	172
Grand Total	237	359	596

## SUSPENDED AND TRANSFERRED

KATHERINE REGION, NT	COMMENCED	PENDING	TOTAL
Katherine	41	29	70
Kalano	34	0	34
Grand Total	75	29	104

## COMPELLABLE NOT IN AND IN ACTIVITIES

KATHERINE REGION, NT	NO ACTIVITY	YES	TOTAL
Katherine	3	261	264
Kalano	1	94	95
Grand Total	4	355	359

## NON-COMPELLABLE NOT IN AND IN ACTIVITIES

KATHERINE REGION, NT	NO ACTIVITY	YES	TOTAL
Katherine	13	147	160
Kalano	6	71	77
Grand Total	19	218	237

## COMPELLABLE NOT IN AND IN ACTIVITIES

KATHERINE REGION, NT	NO ACTIVITY	YES	TOTAL
Katherine	16	408	424
Kalano	7	165	172
Grand Total	23	573	596

# HOUSING

## Communities

Kalano's programs working together to serve its communities.

### MYALLI BRUMBY

Myalli Brumby is Kalano's largest member community. Located in front of the Association and community store, it has 32 houses and is home to many of Kalano's employees and traditional land owners. Children from Myalli Brumby attend preschools, primary and high schools in the Town of Katherine, where members also shop at Woolworths grocery store, Target and other local shops. Members regularly frequent the nearby river for cultural and recreational activities including fishing and hunting for subsistence purposes. Many are participants of the Local Bombers football and training.

### ROCKHOLE

Rockhole is approximately 13km north-west of Kalano Community Association (15-minute drive) and a 10-minute walk from the river where the community gathers for primarily barramundi fishing. Rockhole is Kalano's second largest member community and has 21 houses. Children take the school bus into town for shopping, social and recreational activities.

### GEYULKGAN

Geylukgan is home to mostly Walpri people. While some have lived here for many years in its 5 houses, many others travel to Geylukgan from their traditional lands for social activities such as football, shopping or medical visits at Kalano's sister health organisation, Wurli-Wurlinjang. Wurli-Wurlinjang is also an Indigenous organization that provides transportation and culturally-appropriate healthcare to all Aboriginal people in Katherine and its environs. Children from Geylukgan also attend schools in the town of Katherine.

### KATHERINE

Kalano's third largest group of community members live in the town of Katherine, a 25-minute walk from Head Office, where there are 15 houses. Members that live in town are supported and informed about community events by Kalano's cultural advisor and Night Patrol.

### JODETLUK

Jodetluk is predominantly comprised of Jawoyn people. It is Kalano's smallest community and is located at the gateway of Nitmuluk Gorge. Jodetluk is also serviced by the Roper Gulf Shire.

15:1



## Northern Territory Indigenous Housing Crisis: Kalano Faces Overcrowding

The total population of the Katherine region is about 24,000 people of which about 60% identify as Indigenous. While Indigenous people and remote communities already face overwhelming challenges in terms of housing, the Katherine regions homelessness population has reached epidemic rates. According to the Australian Bureau of Statistics, Katherine Region has a rate of 1516 people per 10,000 population experiencing homelessness – that's more than twice the NT average rate and 31 times the national average rate. These circumstances increase the demand and pressure on Kalano's community housing and social services.

# ESSENTIAL SERVICES

The Municipal and Essential Services team are working well in conjunction with the CDP Program and continue to provide the services that are essential to our member communities, such as lawn maintenance, landscaping, plumbing, electrical, and general property upkeep.



## 7

Fully renovated homes in Rockhole, including: new paint, fans, smoke detectors, all tiles, kitchen and laundry. Roofs were painted with heat-resistant paint to reduce indoor heat up to 4°C. Each home has been fitted with solar hot water systems.

## 8

Five houses in Myalli Brumby are currently undergoing renovations and three in Katherine town.

## Solutions-Oriented

Many of Kalano's existing homes, which were built 30+ years ago, do not pass modern day safety or structural standards. With the funding provided through rental payments, Kalano Housing, with the assistance of the Kalano Essential Services team, works to provide the necessary upgrades, reporting, and maintenance (e.g. electrical and plumbing) for all 73 homes in its communities.

Housing in the 2016-17 fiscal year was largely focused on renovations and upgrades. It is expected that these renovations will continue into the 2017-18 fiscal year, but with an increased focus on funding opportunities to create additional housing in order to supplement the overcrowding issues. Housing also intends to work more closely with other Kalano programs such as CDP to ensure that each resident has access to adequate services, placing emphasis on engaging youth in homes where most residents are unemployed.



# COMMONWEALTH HOME SUPPORT PROGRAM

## Support to Maintain Living a Fulfilling and Independent Life

Kalano's Home and Community Care under the new title Commonwealth Home Support Program (CHSP) has a mission to provide greater opportunities for aged people in the Katherine region so they can maintain living a fulfilling and independent life; living in their homes and community for as long as possible. CHSP service is designed for people aged 65 years and over, or 50 years and over for Aboriginal and Torres Strait Islander people.

CHSP has maintained its government reporting requirements and has been successful in their NTJP Performance Report and DSS Data Exchange Report. Currently, CHSP has 19 spaces and 9 clients.

The CHSP office is now located at the Aged-Care building, which is operated by Red Cross.

## Collaborating with the Community Store

Working with the kitchen staff at Kalano's Community Store, CHSP has been providing the transportation to personally deliver Meals On Wheels to CHSP clients and other community members, which were not all funded for.

Meals On Wheels has been particularly well received by the aged community members that cannot cook or clean for themselves.

## Personal Care and Domestic Assistance

CHSP team members help with daily household tasks, which may include general cleaning, changing bed linens, laundry, paying bills, providing meals, administering medication, providing transport for shopping or social events, run errands or assist with banking needs.

Personal care includes aid with mobility, showering or bathing, grooming and dressing.



## 2016 SERVICES

SERVICE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL	FUNDED
Personal Care (hrs)	17	16	20	18	35	15	121	97
Transport (trips)	171	162	140	155	181	219	1028	986
Meals (meals)	186	215	217	250	292	363	1523	1390
Domestic Assistance (hrs)	108	119	116	114	163	155	775	736
Social Support (hrs)	33	20	24	22	29	16	144	0
Breakfast (meals)	33	20	24	21	28	20	146	0

## 2017 SERVICES

SERVICE	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL	FUNDED
Personal Care (hrs)	14	13	14.5	16	15.5	25	98	97
Transport (trips)	180	196	164	146	154	136	976	986
Meals (meals)	354	269	258	199	233	189	1502	1390
Domestic Assistance (hrs)	96	116	112	109	92	103	628	736
Social Support (hrs)	18	18	23	22	31	16	128	0
Breakfast (meals)	20	17	20	20	30	16	123	0

**Notes:**

\*CHSP is not funded for social support or providing breakfast. However, Kalano Aged Card is providing breakfast to our CHSP clients.

\*Social support service is provided during other service delivery runs.



# COMMUNITY PATROL

## Keeping Our Communities Safe

Patrol continues to operate five nights a week, Monday to Friday, 3:00pm to 11:30pm. Management performs day shifts to organize vehicles (fuel, maintenance, equipment replacement), work rosters, meet with government and non-government organisations as well as Kalano management to report on daily activities.

Patrol works with other agencies like Police, Mission Australia, Wurli Health Service and the Hospital so we can help people be safe in community and to lessen the impact of alcohol abuse on our families and in communities.



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In six months, Community Patrol contacted 8,167 from a total of 29,118.

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## Pro-Active Response to Changing and Challenging Environments

Kalano's Community Patrol is funded to conduct safety patrols in the Katherine areas of Myalli Brumby, Rockhole, Binjari, town and suburbs. They assist people who need help to get to a safe place (i.e. home, women's shelter, sobering up shelter (SUS) or the police station for protective custody. People who do not want their help are left alone. Many children are taken off the streets of town area and given to family to help them get a good night sleep for school. This is becoming an increasing problem with more and more children walking around town unsupervised by a responsible adult.

Patrol employees are all local Indigenous community members from Myalli Brumby, Rockhole, Binjari and town. All patrol workers are required to have a Certificate 111 in Community Patrol – a course that has been specially developed for this job for the Northern Territory. Two new staff have been enrolled this year. Training includes First Aid so they are able to respond to emergencies before an ambulance arrives. Some patrol staff have also completed training this year for Suicide Assist and Youth Mental Health which are growing problems in community.

As well as our normal duties we are there to help our communities with issues that involve safety of people so remember to contact your patrol workers to discuss these issues. Patrol can help to refer to the best service for problems – like rehab for help with alcohol and drugs. There is a growing emphasis in assisting youth, and young people in particular attend and participate in organized recreational activity.





### JANUARY TO JUNE 2017

TOTAL NUMBER OF PEOPLE ASSISTED	TOTAL
Number of females aged 45 and over	909
Number of females aged 26 to 44 years	301
Number of females aged between 18 to 25 years	1,238
Number of females aged between 13 to 17 years	794
Number of females aged between 0 to 12 years	555
Number of males aged 45 years and over	724
Number of males aged 26 to 44 years	974
Number of males aged 18 to 25 years	1,091
Number of males aged 13 to 17 years	917
Number of males aged between 0 to 12 years	664
Number of people transported to a designated Safe House	127
Children out late unsupervised and taken home to family	5,056
Taking children to school	10-15 per week*

Note:

\*Banned from school bus or trying to miss school.



## FARM

Exploring the Viability of Hydroponic Tunnels and Red Chilli Market

Demand for Kalano tomato's remain strong from its loyal customers, Woolworth's and Nightcliff 5 Star, and three new large customers such as Fresh Obsessions, Morco, and Natures Best Produce. The new Monsanto (semenis) seeds are proving to be very productive and are consistently yielding 35% more tomatoes, are lasting longer as they are more resistant to insect damage, and are larger in size compared to other varieties.

The trial for chilli's have been successful as they can withstand the seasons and require minimal labour, which will supplement tomato income during the wet and dry seasons. Customers are interested in Kalano's chilli's. Chilli's can be planted after the final tomato yeild, saving in field preparation, field irrigation costs, and use leftover fertilizer.

Experts are being consulted and funding explored for the final construction of the hydroponic tunnels, which will be used for tomato's during both seasons, increasing production and profit margins.



## COMMUNITY STORE

Serving Kalano and surrounding communities.

The Kalano Community Store experienced growth this past year as its customer base and catering for Kalano and surrounding communities steadily increases. It hopes to expand its presence into the Town of Katherine in the next year. Store team members provide CHSP meals daily (Meals On Wheels), caters, offers delivery service, prepares takeaway (i.e. sandwiches, salad, dlm sims, chips), and sells white goods, daily groceries (i.e. fresh fruit, vegetables, frozen meat, dairy and juices), furniture, a range of clothing, hardware, smokes and tobacco. Kalano's Store accepts Basic Cards and has an ATM on-site. It's hours are from Monday-Friday 7:00am to 4:00pm and Saturday 8:00am to 12:00pm.





Kalano Community Association Incorporated  
P.O. Box 646; Katherine NT 0851  
Lot 508 McKeddie Rd Katherine, N.T. 0851  
Phone: (08) 89 722 588 Facsimile: (08) 89 710 105

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**KALANO COMMUNITY ASSOCIATION INCORPORATED**

**ABN 17 030 032 930**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2017**

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KALANO COMMUNITY ASSOCIATION INCORPORATED

CONTENTS  
FOR THE YEAR ENDED 30 JUNE 2017

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<u>CONTENTS</u>	<u>PAGE</u>
Council Members' Declaration	1
Independent Auditor's Report	2
Statement of Profit or Loss & Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Chairperson's Certificate	30
Compilation Report	31
Chairperson's Certificate for Commonwealth of Australia Funded Activities	32
Independent Audit Report to Department of Prime Minister & Cabinet (Federal)	33
Detailed Schedules for Activities funded by Department of Prime Minister & Cabinet (Federal)	35
Independent Audit Report to Indigenous Land Corporation (ILC - Federal)	47
Detailed Schedules for Activities funded by Indigenous Land Corporation (ILC - Federal)	49
Independent Audit Report to Department of Health (Federal)	50
Detailed Schedules for Activities funded by Department of Health (Federal)	52
Chairperson's Certificate for Northern Territory of Australia Funded Activities	57
Independent Audit Report to Department of Housing and Community Development (NT)	58
Detailed Schedules for Activities funded by Department of Housing and Community Development (NT)	60
Independent Audit Report to Department of Health (NT)	68
Detailed Schedules for Activities funded by Department of Health (NT)	70
Independent Audit Report to Department of Correctional Services (NT)	74
Detailed Schedules for Activities funded by Department of Correctional Services (NT)	76
Asset Schedules	78

KALANO COMMUNITY ASSOCIATION INCORPORATED

Council Members' Declaration  
For the year ended 30 June 2017

In the opinion of the Council Members,

- (a) the attached financial statements and notes thereto as set out on pages 4 to 29, being general purpose financial statements under the reduced disclosure regime, are in accordance with the Associations Act NT and Australian Charities and Not-for-Profit Commission (ACNC) 2012, including compliance with Australian Accounting Standards - Reduced Disclosure Requirements, and give a true and fair view of the financial position of Kalano Community Association Incorporated (the Association) as at 30 June 2017 and performance of the Association for the year ended on that date;
- (b) the accounts of the Association have been properly prepared and are in accordance with the books of account of the Association; and
- (c) as at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

**Council Members**

The names of the council members throughout the financial year and up to the date of this report are:

Lisa Mumbin  
Carol Dowling  
Ian Woods  
Gary Manbulloo  
Rosslyn Weetra  
Mundy Cleary  
Doreen Fordimail

Marcus Rogers  
Fiona Rogers  
Melissa Rogers  
Sabrina Lewis  
Noeleen Andrews

Joyce Blitner  
Marcus Rosas  
Reggie Kelly  
Rick Fletcher

**Principal Activity**

The principal activities of the Association during the financial year were administering to the health, housing and employment requirements and the overall general well being of the members of the Kalano Community and their families.

**Significant Changes**

No significant changes in the state of affairs of the Association occurred during the financial year.


**Operating Results**

The deficit of the Association for the financial year ended 30 June 2017 amounted to \$494,724 (2016: \$77,128 surplus).

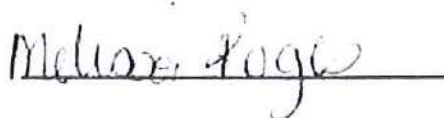
**After Balance Date Events**

This statement is made in accordance with a resolution of the Council Members and is signed for and on behalf of the Council Members by

Council Member



Council Member



Dated: 29 September 2017

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF KALANO COMMUNITY ASSOCIATION INCORPORATED

#### Report on the Audit of the Financial Report

##### Opinion

We have audited the accompanying financial report of Kalano Community Association Incorporated (the Association) which comprises the Council Members' Declaration, the statement of profit or loss and other comprehensive income for the year ended 30 June 2017, the statement of financial position as at 30 June 2017, the statement of changes in equity, the statement of cash flows and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial report of the Association is in accordance with the *Northern Territory of Australia Associations Act* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2017 and its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the financial reporting requirements of the *Northern Territory of Australia Associations Act* and the *Australian Charities and Not-for-profits Commission Act 2012*.

##### Basis for Opinion

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

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

##### Emphasis of Matter

Without qualification to the statement expressed above, attention is drawn to the following matters.

##### *Dependency on Government Funding*

The Association is dependent on operating grants from various government departments. The financial report of the Association has been prepared on a going concern basis on the expectation that such funding will continue. Without such funding there is significant uncertainty whether the Association will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

### *Basis of Accounting and Restriction on Distribution*

Without modifying our opinion, we draw attention to Notes 1 to the financial statements, which describe the basis of accounting. The financial report has been prepared to assist the Kalano Community Association Incorporated to meet the reporting requirements of the *Northern Territory of Australia Associations Act* and the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.

### **Responsibilities of Management and Council Members for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Council members are responsible for overseeing the Association's financial reporting process.

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

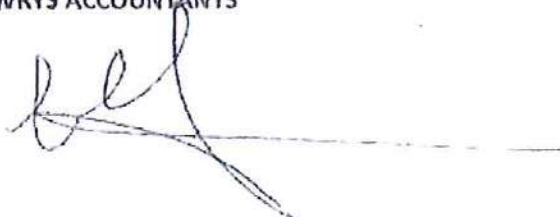
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that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

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

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our audit report.

**LOWRYS ACCOUNTANTS**



Colin James FCA  
Registered Company Auditor

Darwin  
29 September 2017

KALANO COMMUNITY ASSOCIATION INCORPORATED

Statement of Profit or Loss & Other Comprehensive Income  
For the year ended 30 June 2017

	Note	2017 \$	2016 \$
<b>Revenue</b>			
Administration Fees	3(a)	148,717	124,169
Contract Income		61,083	92,557
Grants Received	3(b)	4,579,583	5,995,757
Rent Received		972,531	949,804
Sales and Operating Income	3(c)	724,382	1,042,793
Other Income	3(d)	1,762,605	1,588,427
<b>Total Revenue And Other Income</b>		<u>8,248,901</u>	<u>9,793,507</u>
<b>Expenses</b>			
Administrative Expenses	4(a)	1,064,448	1,714,303
Bad Debts		-	2,500
Depreciation	4(b)	447,709	509,513
Doubtful Debts Expense		128,446	134,912
Employee Expenses	4(c)	4,760,141	4,779,247
Fringe Benefits Tax		12,083	3,486
Housing Expense		186,379	200,109
Motor Vehicle Expense		321,040	370,830
Repairs and Maintenance	4(d)	179,919	272,189
Utilities	4(e)	698,524	723,114
Other Expenses	4(f)	944,936	1,006,176
<b>Total Expenses</b>		<u>8,743,625</u>	<u>9,716,379</u>
<b>Surplus/(Deficit) for the year</b>		(494,724)	77,128
Other comprehensive income for the year		-	-
<b>Total comprehensive income/(loss) for the year</b>		<u>(494,724)</u>	<u>77,128</u>

KALANO COMMUNITY ASSOCIATION INCORPORATED

Statement of Financial Position  
As at 30 June 2017

	Note	2017 \$	2016 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	5	4,313,206	5,285,120
Inventory		73,329	40,421
Trade and Other Receivables	7	282,388	519,249
Total Current Assets		<u>4,668,923</u>	<u>5,844,790</u>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	8	2,560,281	2,684,884
Total Non-Current Assets		<u>2,560,281</u>	<u>2,684,884</u>
Total Assets		<u>7,229,204</u>	<u>8,529,674</u>
<b>Current Liabilities</b>			
Trade & Other Payables	9	1,365,469	2,140,584
Provisions	10	325,268	363,879
Total Current Liabilities		<u>1,690,737</u>	<u>2,504,463</u>
<b>Non-Current Liabilities</b>			
Provisions	10	98,949	90,969
Total Non-Current Liabilities		<u>98,949</u>	<u>90,969</u>
Total Liabilities		<u>1,789,686</u>	<u>2,595,432</u>
Net Assets		<u>5,439,518</u>	<u>5,934,242</u>
<b>Members' Funds</b>			
Reserves	2	1,731,040	1,731,040
Retained Earnings		3,708,478	4,203,202
Total Members' Funds		<u>5,439,518</u>	<u>5,934,242</u>

KALANO COMMUNITY ASSOCIATION INCORPORATED

Statement of Changes in Equity  
For the year ended 30 June 2017

	Retained Earnings	General Reserve	Total
	\$	\$	\$
Balance at 1 July 2015	4,126,074	1,731,040	5,857,114
Surplus for the year	77,128	-	77,128
Comprehensive income for the year	-	-	-
<b>Balance at 30 June 2016</b>	<u><u>4,203,202</u></u>	<u><u>1,731,040</u></u>	<u><u>5,934,242</u></u>
Deficit for the year	(494,724)	-	(494,724)
Comprehensive income for the year	-	-	-
<b>Balance at 30 June 2017</b>	<u><u>3,708,478</u></u>	<u><u>1,731,040</u></u>	<u><u>5,439,518</u></u>



KALANO COMMUNITY ASSOCIATION INCORPORATED

Statement of Cash Flows  
For the year ended 30 June 2017

	Notes	2017 \$	2016 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from funding bodies		4,544,534	5,171,825
Receipts from customers		4,283,149	3,558,064
Payments to suppliers and employees		(9,497,767)	(9,159,163)
Interest received		21,276	48,711
<b>Net cash (used in)/provided by operating activities</b>	<b>6</b>	<b>(648,808)</b>	<b>(380,563)</b>
<b>Cash Flow from Investing Activities</b>			
Acquisition of property, plant and equipment		(323,106)	(127,330)
<b>Net cash used in investing activities</b>		<b>(323,106)</b>	<b>(127,330)</b>
Net (decrease)/increase in cash & cash equivalents		(971,914)	(507,893)
Cash & cash equivalents at beginning of financial year		5,285,120	5,793,013
<b>Cash and cash equivalents at end of the financial year</b>	<b>5</b>	<b>4,313,206</b>	<b>5,285,120</b>

KALANO COMMUNITY ASSOCIATION INCORPORATED

Notes to the Financial Statements  
For the year ended 30 June 2017

**1. Significant Accounting Policies**

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

**(a) New, revised or amending Accounting Standards and Interpretations adopted**

The Association has adopted all of the new, revised or amending Accounting Standards and Interpretations Issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the Association from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Association.

**(b) Basis of preparation**

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, and comply with the requirements of the Associations Act NT and the Australian Charities and Not-for-Profit Commission Act 2012.

The financial statements comprise Kalano Community Association Incorporated financial statements as an individual entity.

The general purpose financial statements have been prepared due to specific grant requirements of Funding Agreements. Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS). The Association's financial statements and notes comply with Australian Accounting Standards - Reduced Disclosure Regime, except for IAS 20 Accounting for Government Grants and Disclosure of Government Assistance (AASB 120 - Australian equivalent). This is because the recognition criteria in AASB 1004 are different from those in AASB 120, which is a compliance requirement for not-for-profit entities.

The financial statements were authorised for issue by the Council Members on 29 September 2017.

Notes to the Financial Statements  
For the year ended 30 June 2017

*Historical cost convention*

The financial statements have been prepared on the basis of historical cost. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the association takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(r).

**(c) Basis of consolidation**

Financial statements of entities controlled by the Association (its subsidiaries) are consolidated where the results of the subsidiary are material to the financial position and performance of the association. Control is achieved where the Association has the power to govern the financial and operating policies of any entity so as to obtain benefits from its activities.

**(d) Investments in associates**

An associate is an entity over which the Association has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Association's share of the profit of loss and other comprehensive income of the associate. When the Association's share of losses of an associate exceeds the Association's interest in that associate (which includes any long-term interests that, in substance, form part of the association's net investment in the associate), the association discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Association has incurred legal or constructive obligations or made payments on behalf of the associate.

KALANO COMMUNITY ASSOCIATION INCORPORATED

Notes to the Financial Statements  
For the year ended 30 June 2017

The requirements of AASB 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Association's investment in an associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with AASB 136 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

Where the Association transacts with an associate, profits and losses resulting from the transactions with the associate are recognised in the financial statements only to the extent of interests in the associate that are not related to the Association.

**(e) Revenue recognition**

Revenue is recognised when it is probable that the economic benefit will flow to the incorporated association and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

*Government grants*

Non-reciprocal Government grants are measured at the fair value of the contribution received or receivable. Income arising from the contribution shall be recognised when the association obtains control of or the right to receive the contribution and it is probable that the economic benefits will flow to the Association and the contribution can be measured reliably

If conditions are attached to the grant which must be satisfied before the Association is eligible to receive the contribution, the recognition of the grant is deferred until those conditions are satisfied and is recognised as a liability in the Statement of financial position until conditions are met.

*Sale of goods*

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

*Interest income*

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Administration fees*

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

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

The Association's policy for recognition of revenue from operating leases is described in note 1(f) below.

Notes to the Financial Statements  
For the year ended 30 June 2017

**(f) Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Association has no finance leases at either 30 June 2017 or 30 June 2016.

*The Association as lessor*

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

*The Association as lessee*

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**(g) Income tax**

As the Association is a public benevolent institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

**(h) Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**(i) Cash and cash equivalents**

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

Notes to the Financial Statements  
For the year ended 30 June 2017

**(j) Trade and other receivables**

Trade and other receivables are recognised at cost or fair value, less any provision for impairment.

**(k) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, as there is no active market that can provide evidence of the fair value of property due to the location of the Association and of its assets. Cost includes expenditure that is directly attributable to the acquisition or construction of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gains or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss,

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following useful lives are used in the calculation of depreciation for the majority of assets for both the 2017 and 2016 years (with some exceptions for specialist equipment which requires accelerated depreciation due to its nature):

Buildings freehold	5 - 40 years	Straight line and diminishing value
Plant and equipment	1.5 - 20 years	Straight line and diminishing value
Motor vehicles	1.5 - 8 years	Straight line and diminishing value

**(l) Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**(m) Trade and other payables**

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

Notes to the Financial Statements  
For the year ended 30 June 2017

**(n) Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability.

**(o) Provisions**

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that the Association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**(p) Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**(q) Goods and Services Tax ('GST') and other similar taxes**

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a net basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Notes to the Financial Statements  
For the year ended 30 June 2017

(r) **Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Estimation of useful lives of assets*

The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Impairment of non-financial assets*

The Association assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

*Employee benefits provision*

As discussed in note 1(n), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.



# Annual Report

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