

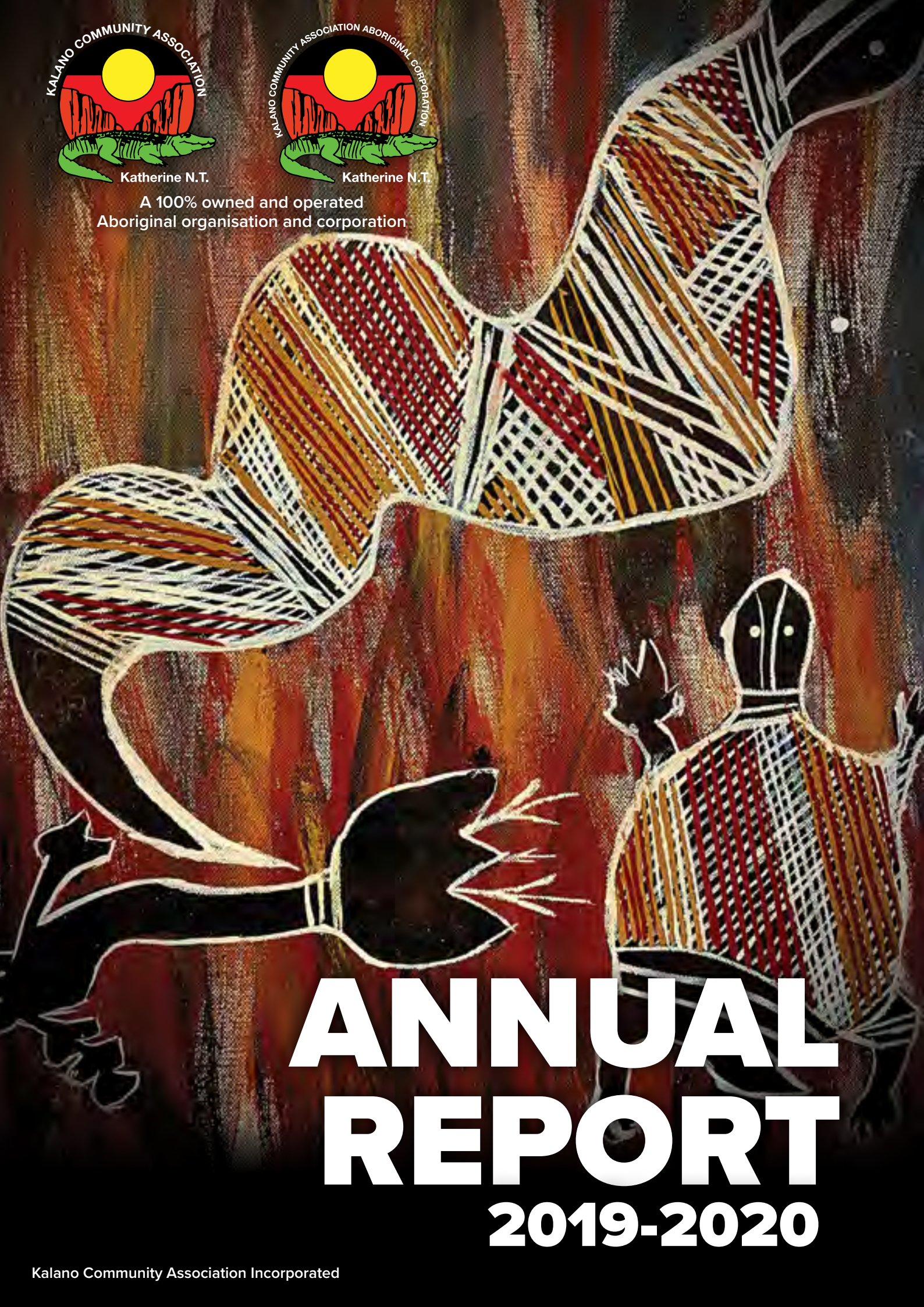


Katherine N.T.



Katherine N.T.

A 100% owned and operated
Aboriginal organisation and corporation



ANNUAL REPORT 2019-2020

CONTENTS

1. INTRODUCTION	3
• Organisational Overview	3
• Programs Delivered by Kalano	4
• Governance	4
• Vision Statement	4
• Mission Statement	4
• Values	5
2. PRESIDENT'S REPORT	6
3. CHIEF EXECUTIVE OFFICER'S REPORT	7
4. DEPUTY CHIEF EXECUTIVE OFFICER REPORT	8
• Housing, Municipal & Essential Services	9
• Community Development Program (CDP)	10
• Assets & Fleet Management	12
• Community Engagement	12
5. KALANO CORPORATE SERVICES	13
6. KALANO COMMUNITY SAFETY & WELLBEING PROGRAMS	14
• Big Rivers Child & Family Centre	14
• Kalano Youth Diversion	17
• Kalano Kinship Carer Program	18
• Kalano Community Night Patrol	19
• Kalano Youth Outreach & Transport Services (KYOTS)	20
• Katherine Community Transport	22
7. KALANO DRUG & ALCOHOL SERVICES	24
• Venndale Rehabilitation Centre	24
• Venndale Transitional After Care (VTAC)	28
8. KALANO SUPPORT SERVICES PROGRAMS	30
• National Disability Insurance Scheme (NDIS)	30
• Commonwealth Home Support Program	32
9. KALANO BUSINESS INCUBATOR	34
10. FINANCIAL REPORTS	36

INTRODUCTION

Organisation Overview

Kalano Community Association Inc. is a local Aboriginal owned and controlled resource organisation that provides social services, economic development, and housing to members in its communities, Katherine, and the surrounding area.

The Association is in the position to represent the views of its members and Council to the wider community, numerous authorities, and governments on a range of issues affecting Aboriginal people, from both cultural and contemporary aspects.

Kalano was incorporated on April 9th, 1975 to provide affordable and appropriate housing to its local Aboriginal community members. In the early 1980s, Kalano Community Association developed Wurlu Wurlinjang - an Aboriginal Medical Service and then an alcohol rehabilitation program delivered from the Rockhole community until the Venndale Rehabilitation facility was established in the early 2000s.

Community members identified the need for culturally integrated medical services and rehabilitation programs as many individuals were not comfortable or successful with the existing program.

Over the past forty-five (45) years, Kalano Community Association has grown and evolved in response to the diverse social, health and economic needs of its various communities and member populations.

Current programs reflect those needs and the changing government funding structures.

On July 1st, 2018, Kalano Community Association Aboriginal Corporation was registered with the Office of the Registrar of Indigenous Corporations (ORIC) in response to an Australian Federal Government mandated requirement for all Indigenous government funded programs.

Kalano Community Association is the owner and sole shareholder of Kalano Community Association Aboriginal Corporation. The programs and services have been divided between the two entities as per Australian Government requirements.

Programs Delivered By Kalano

KALANO COMMUNITY ASSOCIATION

- Housing, Municipal and Essential Services (HMES)
- Community Development Program
- National Disability Insurance Scheme (NDIS)
- Commonwealth Home Support Program (CHSP)
- Kalano Youth Outreach and Transport Service (KYOTS)
- Katherine Community Transport
- Kalano Children and Family Centre
- Youth Diversion
- Kalano Kinship Carer Program



KALANO COMMUNITY ASSOCIATION ABORIGINAL CORPORATION

- Venndale Rehabilitation Centre
- Venndale Transitional Aftercare (VTAC)
- Katherine Individual Support Program (KISP)
- Community Night Patrol
- Community Day Patrol
- Business Incubator



GOVERNANCE

Kalano Community Association Inc. is an Aboriginal community-controlled organisation, governed by Councillors who are elected every two years by members of 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]
- **Town of Katherine** [4 positions]

MISSION STATEMENT

To deliver effective culturally appropriate programs and services that aim to improve and empower the lives of our families, create healthy homes and communities.

Kalano Community Association will:

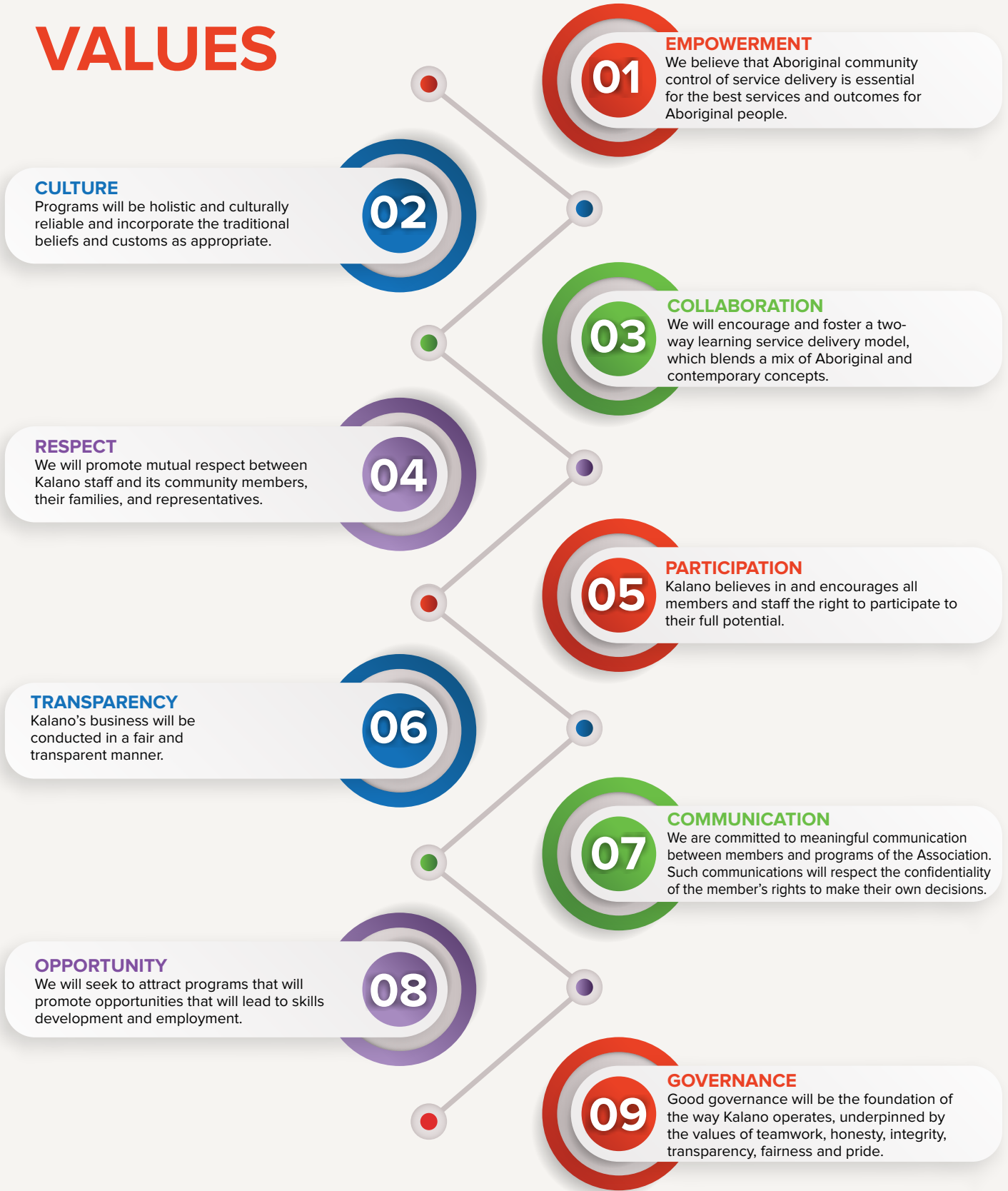
- Work to ensure that its communities will have access to appropriate community services in an equitable and culturally sensitive manner;
- Develop and maintain accountability to its members and funding providers and meet its legal and corporate obligations;
- Look to its own communities for the uptake of employment, development, and work opportunities;
- Engage our members to ensure that the directions the Association takes are in line with our communities expressed aspirations;
- Develop and maintain programs which focus on the social cohesion of its Aboriginal members; and
- Value its members and employees as they strive to address physical, social, emotional, and cultural well-being.

VISION STATEMENT

Aboriginal communities are culturally vibrant, self-sustained, and radiate social well-being.



VALUES



PRESIDENTS REPORT

Rick Fletcher

Let me start this year's report as I have done over the past 13 years by thanking the members for the opportunity to serve the membership of Kalano, for another term as President and formerly as CEO and indicate that the Association continues to govern with its members needs in mind, and a consciousness that the organisation is what we want to make it.

The biggest event to happen to us this year was the Covid-19 Pandemic.

It started in the Wuhan Province in China and has spread across the world, killing hundreds of thousands of people, and making many millions of people sick. Many families have been left without loved ones and without their elders to guide them as they have been hit hardest by the Covid-19 Pandemic.

So, what does that mean for us?

We are fortunate in the Northern Territory to have wide open spaces, hot weather, and a population willing to listen to and work with the Government to keep ourselves safe and help others.

Kalano was able to work with the Northern Territory Government to manage the Paraway Motel as a Bio-Security quarantine facility and provide transport for people to go home through the Return to Country initiatives so they could return home, to the safety of their home communities. The closeness of our nearby, member communities is still at risk should there be a transmission in the township of Katherine and we all must be vigilant to guard against becoming too relaxed about how fortunate we have been so far.

Aside from the health risk that the Covid-19 Pandemic has posed on our community, the Northern Territory, other states in Australia and every country in the world, the Pandemic has had a devastating effect on the economy here in Australia and the World in general.

This has meant that Governments have had to work hard to keep businesses open, people in work and food on the table for many families.

In Australia, the Federal Government has spent more money than ever before to keep people in work through the job keeper program and support of those out of work through the job seeker programs.

The Northern Territory Government and other State Governments have spent money on the different sectors in the economy, trying to make sure servicing people's needs are delivered like health and education, ensuring they stay strong while businesses find enough to keep paying their



employees. The Government has spent far more than taxpayers can pay back and so it will be left to future generations of Australians to meet this challenge.

Again, what does that mean for us?

I think that every Australian will be asking themselves this question at Christmas this year when we sit down to reflect on a year like no other, that any of us have faced before.

From what we can see, the threat will be with us until a vaccine can be found to stomp the disease out, and the threat of new viruses will always be present while people adapt to our ever changing climate and the threat of global conflict around the world.

Back home, we think locally what we need to do to stay safe, think about what we need to keep living the life we have with our families and friends and keep doing the things we love to do. As Members of Kalano, it's important for our organisation to stay strong and that we continue to serve each other in the struggle to attract support resources we need to keep delivering the programs our members need.

We are in a strong financial position and I want to thank Bill, Alan, and their teams for their hard work in this extraordinary year we have had. I also want to thank my fellow Board Members for their hard work, steady hands, and interest in steering Kalano forward this year.

For us, the Covid-19 Pandemic has taught us that we can't fake what we have been granted, we must continue to find the opportunities that are there for us to make our lives better and make the future of our families the best that it can be.

I thank members for the privilege of leading our organisation's in this time of trouble and I hope we continue to take positive steps forward.

CEO REPORT

William (Bill) Headley

This 2019 -2020 Annual Report Marks the 45th year of Kalano Community Association (KCA) and the continued introduction of a number of exciting new programs and services.

Under the of the Registrar of Indigenous Corporations (ORIC), KCA was mandated to register Kalano Community Association Aboriginal Corporation (KCAAC) to control all Federal Government funded programs, which has enforced the implementation of new strategies and adjustments across all programs in both entities. This is the second full year of trading for KCAAC and as a stand-alone entity the trading results are very positive. Combined, both organisations now employ up to one-hundred and fifty (150) full time, part-time and casual employees.

As the Chief Executive Officer (CEO), my focus continues to be on five (5) strategic areas for both members and Council:

1. **Growth**
2. **Quality Assurance/Continuous Improvement**
3. **Corporate Governance**
4. **Personal Accountability**
5. **Community Service**

Since commencing my tenure as the CEO in February 2019 this focus has proven to be the right path for Kalano Community Association as we have continued to grow our programs and improve the service delivery to our Members and the wider Katherine Community for the benefit of all residents of the greater Katherine Region.

This year we have worked hard on our strong working relationship and trust with the Northern Territory Government Department of Chief Minister and the Federal Department of Prime Minister and Cabinet, now known as the National Indigenous Australians Agency.

We also enjoy excellent strong working relationships with many other Territory Government Agencies and whilst they are not named individually in my report, your support and co-operation is most certainly appreciated , and as CEO of Kalano I will do my utmost to respect and value your support and input into the growth of Kalano as a Community and



our very hard working staff, and most deserving of clients for the services that you enable us to deliver.

Last year, I reflected on the advent of the following programs that these relationships have enabled Kalano to undertake (or at the very least) feature prominently in. These programs are, Kalano Youth Outreach and Transport Services (KYOTS), Katherine Community Transport, Business Incubator, Kalano Children and Family Centre, Kalano Kinship Carer Program, and Youth Diversion program. All these programs are really kicking very valuable goals for the greater Katherine Community.

Finally, I wish to acknowledge and thank all Community Members, Council Members, President, Rick Fletcher, Deputy President, Suzi Berto, Deputy Chief Executive Officer, Alan Mole, all the Program Managers and staff for your continued untiring efforts over the past year, often in very difficult, and in some situations, never before experienced circumstances. As I look around the organisation, I continue to see very pleasing examples, where staff have shown great initiative and continued growth to suit the circumstances of our operations. I take this opportunity to encourage all of our staff and you, our Members, to continue to seize these opportunities for continued growth, both professionally and personally.

I leave you with this thought.

It is our personal responsibility to leave the World in a better position than we found it.

DEPUTY CEO

Alan Mole

The 2019-2020 financial year has proven to be another successful and busy year for the Kalano Community Association Inc (KCA) with additional programs now being delivered which are providing further support to our members and residents of the Katherine Community. With the increase of services, this means an increase in staff numbers etc. and we continue to encourage more of our members to submit application for the positions that are advertised.

Kalano Community Association Inc (KCA) and Kalano Community Aboriginal Corporation (KCAAC) funded programs are meeting their requirements under the governments operational and financial guidelines and are continuing to provide a prodigious service to our members and clients.





Housing, Municipal & Essential Services

We have seen a notable change and improvements to our communities with the renovation of the houses and units at Myalli Brumby and as our infrastructure upgrades will continue providing better living conditions. Kalano Housing, Municipal & Essential Services are doing a magnificent job maintaining the community houses and grounds and with the assistance of the CDP Activities Community Beautification Program. With the support of the community members, the Communities will continue to develop.

The Rockhole and Geyulkgan renovations, upgrades, repairs, and maintenance program are ongoing as we continue to lobby government for funding to provide and increase our housing stock.

The NTG Infrastructure and Town Camp Program has now come to an end with all infrastructure and housing renovations now completed. The Kalano Community Association thank the NT Government, local contractors and all stakeholders that were involved in the works for all their support in delivering the program.

In conjunction with the Power and Water Corporation and the Living Water Smart Program, we are still monitoring the water usage on the communities and looking at ways to reduce the water usage.



Community Development Program (CDP)

Kalano Community Association was granted the Lead Contractor's role in June 2019. KCA and RISE will continue to work together in delivering the program until the contract expires in 2022 at which time we will go back into negotiations with the Federal Government for a renewal of the contract. As part of our continued improvement measures, Executive Management have undertaken a review of the CDP program to enhance our goals in managing the CDP in years to come.



Since the COVID-19 restrictions have come into place, beginning February 2020 we have had to reduce our services, and this has had an impact on delivering services and community activities. There is still a lot of uncertainty on when the CDP will be back to full operations, but with the guidance from government we are slowly moving forward and returning to some normality, or as it has been referred to, as "the new normal."







Assets & Fleet Management

Assets and Fleet Management has come under my portfolio whilst we are conducting a program structure review. This is a time-consuming role, and the position needs more time than I can offer, so will need some close monitoring as we continue our structural review. We have completed a valuation on all KCA Houses and Buildings, our Asset base continues to grow as we increase services and acquire new programs.



Community Engagement

The Bi-Monthly Community Engagement Meetings continue to be a good source for passing on information to the KCA Members and for KCA to receive feedback on its programs etc. the meeting also provides the opportunity for the members to discuss issues within their communities.

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

To the Council Members and the Community Members, I thank you all for the efforts, input, and time that you have provided, which, without your continued support the organisation would not be where it is today.

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/KCAAC provide to the communities.

Alan Mole

Deputy Chief Executive Officer.
Kalano Community Association.

KALANO CORPORATE SERVICES

Ryan Cooney

The 2019 – 2020 financial year has been a very busy time for the Corporate Services area. With the departure of Mr Great Makunde and the arrival of myself. Corporate Services has undergone a full revamp in order to maintain compliance and help Kalano improve its corporate functions.

Our Human Resources duties have significantly increased as Kalano welcomed a number of new programs and in turn, a number of new employees in new positions. The combined staffing of both Kalano Community Association Inc and Kalano Community Association Aboriginal Corporation now sits just under 150 employees (a significant increase from the last financial year).

Also in Human Resources, all of our staff personnel files have now been digitalized to ensure that we have a back-up of all files and also to ensure compliance with relevant legislation. We have changed our advertising strategy for recruitment of new positions; it was identified that advertising through the local paper was no longer attracting the type and number of applicants that we were looking for. Kalano now advertises via Facebook, Seek and Instagram, as well as doing a letterbox drop of all vacant positions into the Kalano Community Members mailboxes. Since this change of strategy, Kalano has reached audiences of up to 30,000 people for some jobs and the quality and quantity of applicants has improved significantly.

In regard to compliance, the latter part of this financial year has included a review of our Work Health and Safety requirements, and we are looking at finalising this process in the early part of the new financial year. The Kalano Policy and Procedure portfolio is being reviewed also and new policies have been drafted to fill gaps in this area. Kalano has implemented new



procedures in regards to Vehicle and Machinery maintenance, Work Health and Safety, Continual Improvement, Incident Management, Training and Performance and a number of other areas this financial year to ensure we remain compliant with ORIC, ASIC, ISO and Legislative requirements.

Finally, Kalano continues to uphold its commitment to the ISO 9001 Quality management principles and practices. Both Kalano Community Association Inc and Kalano Community Association Aboriginal Corporation maintained their ISO accreditation for another year. In fact, for the first time in over four years, Kalano received zero non-conformities on this year's audit, which is a huge testament to all those involved in this year's audit!

We still have a long way to go, but I'm looking forward to a strong year ahead with a lot of new and exciting ideas to implement.

Ryan Cooney
Manager of Corporate Services

KALANO COMMUNITY SAFETY & WELLBEING PROGRAMS

Casey Bishop

Firstly, I would like to thank the Kalano Community Association Members, Council, Executive and Staff for making this past year one of the most exciting in my time at Kalano. I am grateful for the work you all do and the opportunities you have provided to me over the last 12 months. The success of the Kalano Services has been and will continue to be a massive team effort. In the year that gave us the “New Normal” we learnt, and we adapted.



Big Rivers Child and Family Centre

Child and Family Centres are designed to take a locally driven approach, reflective of the aspirations of the local community. The NT Department of Education currently operates six existing Child and Family Centres which sit within a different framework. Kalano is the first Aboriginal Controlled Community Organisation to have opened a Child and Family Centre of which there are 10 more planned for opening in the NT, including Borroloola, Kalkarindji and Tennant Creek in our vicinity. So far Kalano is the standard and have consulted on the set up of all I have just listed.

The CFC is ultimately, a safe place for the whole of the community. We had a contractual mandate to address the needs of children 0-5 but quickly realised and with the Support of the Department of Chief Minister it was decided that we needed to support families in their entireties.

Within the CFC we have several “hang out spots” which includes access to free Wi-Fi, televisions, computers, printers, and charger stations. A recent deal brokered with Foodbank also ensures that we have food and hygiene needs available for all clients who access the CFC. There are also several play areas for kids and the harm minimisation approach of CFC being a safe location is what we promote. We encourage families to sit in the CFC rather than out on the street, especially if they have kids with them.





Kalano also facilitates a full week of programs from the CFC so all families know that if they attend, they can participate in something. Now, Monday to Friday we run Drumbeat, Babyfast and Kentish in the mornings and FaFT in the afternoon. One day a week we deliver a healthy cooking class for parents and we also deliver a Kalano based life skills program on Fridays.

The CFC has had a massive impact on the community. Its certainly a service that will enable all who need help, access help. Our job is to broker solutions to the other service providers in town and ensure that people get the help they need. Essentially, it is a process of identifying the issues, making the referrals, and then following up that the solutions were found.

For the 2019 – 2020 financial year, including the intrusion of Covid19 into our lives we saw a total of 2459 people access the Big Rivers Child and Family Centre which was made up of 746 Males, 1048 Females and 665 Kids. We must accept that we were closed for the best part of 3 months which has severely impacted our numbers but even these numbers were beyond our expectation. We had 168 kids participate in events run specifically at the Big Rivers Child and Family Centre and during this period there were 662 separate referrals made to other services in town.







Youth Diversion

Youth Diversion was also given to Kalano to run this year. The program that was previously all run by the YORET's was split into two (2) sections (prevention and cure) Kalano gained the “cure” element of the program dealing with kids who have been caught committing a crime and have been issued a Youth Diversion order to complete rather than a custodial sentence.

We have a current case load of 30 juveniles of which 19 cases are currently active, and we have 3 Youth Diversion Case Managers. During the period of Youth Diversion, a youth will complete an initial assessment, participate in a victim / perpetrator meeting, produce an Apology Letter and Finalisation Interview, all while completing community work hours.

Our amazing team has developed some very fun and unique approaches to the community hours and apology letters. We have an annual contract with Katherine Outback Experience for Girls on Monday and Boys on Tuesday, we are completing a works project with the Katherine Town Council at the Sabu Sing monument and we are attending the YMCA Girls and Boys Programs. In relation to our apology letters we have started to complete these in the shape of Art and song writing.

A good news story to report on is the recent success of 2 of our clients, one you may be very familiar with who is the young lad who currently works at Rod and Rifle. Kalano played a large part in helping him secure this role. We have also recently worked with another Youth who previously had a 0% school attendance and for term 2 he had a 100% attendance record with Katherine Flexible Learning Centre and secured an after school job with Katherine Custom Cabinets and the plan in 18 months when he has finished school is to offer him an apprenticeship with them.



Kalano Kinship Carer Program

Recently Kalano Community Association Incorporated were awarded a contract under the Government initiative of Aboriginal Carers Growing Up Aboriginal Children. Upon the receipt of this program Kalano has changed the name to the “Kalano Kinship Carer Program (KKCP)”

The sole aim of this program is to work with youth identified through our relationship with Territory Families to find suitable kin / culturally appropriate carers for them. We are also required to identify a number of Aboriginal Foster Carers who can also work in respite and short-term care situations. This program is very new and we haven’t received any clients yet. We are expected to launch the program and begin in the first week of August 2020.

Since our 2 Aboriginal Staff commenced they have undergone the Territory Families and Kalano Inductions, participated in ongoing Territory Families Training, Shadowed Territory Family staff and programs as well as visiting Darwin and Alice Springs service providers and participating in the NT Kinship Forum.

Obviously, there are no statistics to report as of now but we look forward to success in the program in the future.

Holistically, the Safety and Wellbeing programs are providing a great wrap around service for youth and adults which essentially means we are providing for families. We now need to perform well in these programs which will be the focus of all staff working in the programs over the next 12 months, working in partnership with the Department of Chief Minister, National Indigenous Australian’s Agency (NIAA) and Territory Families





Community Night Patrol

Community Night Patrol has improved in all shapes and forms in the last 12 months but still has many areas that require improvement. We have made many inroads with Government and I believe we have made our first steps towards making CNP more valuable to the Katherine Community.

The hard work has been done to amend the conditions of our contracts and it is finally a relief to have NIAA allowing a more liberal approach to conditions and allowances of the Program. Initially our job was just to



pick up drunks. Now we have a friendlier approach to help Aboriginal People avoid the Justice System and Primary Health System. There has been a long-time history of being Taxi providers and local businesses taking advantage of Countrymen and now NIAA, in conjunction with Kalano have restructured Community Night Patrol to help anyone who needs transporting out of the CBD area.

The future of Community Night Patrol is to move away from the service appearing like a punitive prevention service to more of a Community Service / Helping Program. This is evident in the decision to move away from the Paddy Wagon style vehicle and into the Commuter Vans in order to eliminate the shame of being 'put in a cage'. NIAA have recently also agreed to purchase us a 10-seater van as well thus enabling Kalano to have 3 of these vehicles that are more approachable and inviting for patronising.

In agreement with NIAA we have also decided to utilise 19-20 underspends to run a Day Patrol that will focus on limiting the number of people in the CBD area during business hours. This will obviously benefit the community as we will be focusing a lot of our work on assisting those in need and returning them to a self-identified safe location before 2pm (or when the bottle shops open) We believe this will prevent many interactions with Police and could reduce Domestic Violence and neglect.

Longer term plans include the connection of Community Patrol closer to other Kalano Programs as well as external programs. It is planned to utilise the Day Patrol to do this.

Kalano Youth Outreach and Transport Service has been a much-welcomed addition to the Kalano Team. It has been operating for over 12 months and there has been a huge element of success with this program. We operate, now, 7 days a week in partnership with The Department of Chief Minister who fund it from Wednesday to Saturday (4 days) and NIAA who fund the service for the remaining 3 days. We operate between the hours of 7pm and 3:30am and are transporting approximately 300 youths per week.

All youth are dropped to self-identified safe locations and we (Kalano) work very closely with Police, Territory Families and Territory Housing to determine the safety of these locations. Police have reported to us that during hours of KYOTS's operations their call outs to the CBD for youth related matters have reduced to around 3 per night in comparison with 12 when KYOTS was not operating.

KYOTS also have very close ties to several service providers around town and have provided stability by way of safe transport options for Youth. We have teamed up with Blue Eagle Fitness / Kickboxing to help transport kids to and from their youth programs on Friday and Saturday Nights and now we are working with the YMCA boys and Girls programs on Monday and Tuesday Nights in the same capacity. We have a great relationship with the Hospital assisting them to transport people leaving the hospital back to their homes during those hours that the hospitals transport is not operating, most times there are children attached to the adults.





Katherine Community Transport

was funded as an add-on service to compliment the Child and Family Centre. In the decision for Kalano to hold the contracts and in line with the Government's Local Decision Making (LDM) Policy a Community Advisory Group (CAG) was established from many other organisations in town and throughout the 360,000 square kilometre Big Rivers Region representing all 26 remote communities and over 100 homelands. It was this group that decided that Kalano were best placed to hold the CFC contract and it was also this group that decided that the best 'add-on' to compliment the CFC would be the Community Transport.





Our goals

for the next 12 months are as follows:

- 01** Grow the services we currently have, to meet the demands and needs of the community.
- 02** Increase Indigenous Employment across all programs by 25%
- 03** Look for Commercial and Economic programs to run in conjunction with or supporting the Safety and Wellbeing Programs.
- 04** Focus on Education of the Public around our services and really achieve results within all the current programs
- 05** Engage the next generation to consider careers with Kalano by working with the schools and school leavers.

I would like to thank the CEO for his direction in the last 12 months, like his predecessors he has been a mentor and constant form of support and development for myself and I am encouraged by his enthusiasm to take on challenges close to my heart also. A special mention must go to all my staff and the staff at Kalano Head office for their support also.

Casey Bishop

Program Manager
Community Safety & Wellbeing Programs

KALANO DRUG & ALCOHOL SERVICES

Sandeep Buttar

Venndale has been delivering a clinical model-based rehabilitation service that is culturally appropriate with 24-hour care to clients. Our holistic case management with one on one sessions as well as group education sessions supports clients in their journey to overcome alcohol & other drugs related harm and the impact on their lives, families, and their communities.

Venndale program includes comprehensive case management, education groups in relation to relapse prevention, self-esteem, life skills, mental health, legal awareness, cultural activities, fishing activities, therapeutic activities such as art therapy. Skills for Employment and Education Program is facilitated by Steps Group Australia at Venndale.

Counselling, primary health, financial literacy, diet and fitness programs, and other information sessions such as No More Family Violence are delivered by external agencies.

In July 2019, clients and staff participated in the celebration of the NAIDOC WEEK promoting “Voice. Treaty. Truth. Let’s work together for a shared future.” Clients participated in the NAIDOC March, volunteered at Australian Red Cross for the preparation of Morning Tea and volunteered at Kalano Family Fun day with setting up, cooking BBQ and packing up along with representing the Venndale Information Booth at the event. In July, there was an information session held by the Advanced Micro Health Group. The founder, Glen Wagner travels around Australia with his family to share information on how plant-based resources contribute to general good health. Clients were pleased with the session as they mentioned how it was good to see people turning to these natural remedies as aboriginal people have done for centuries.







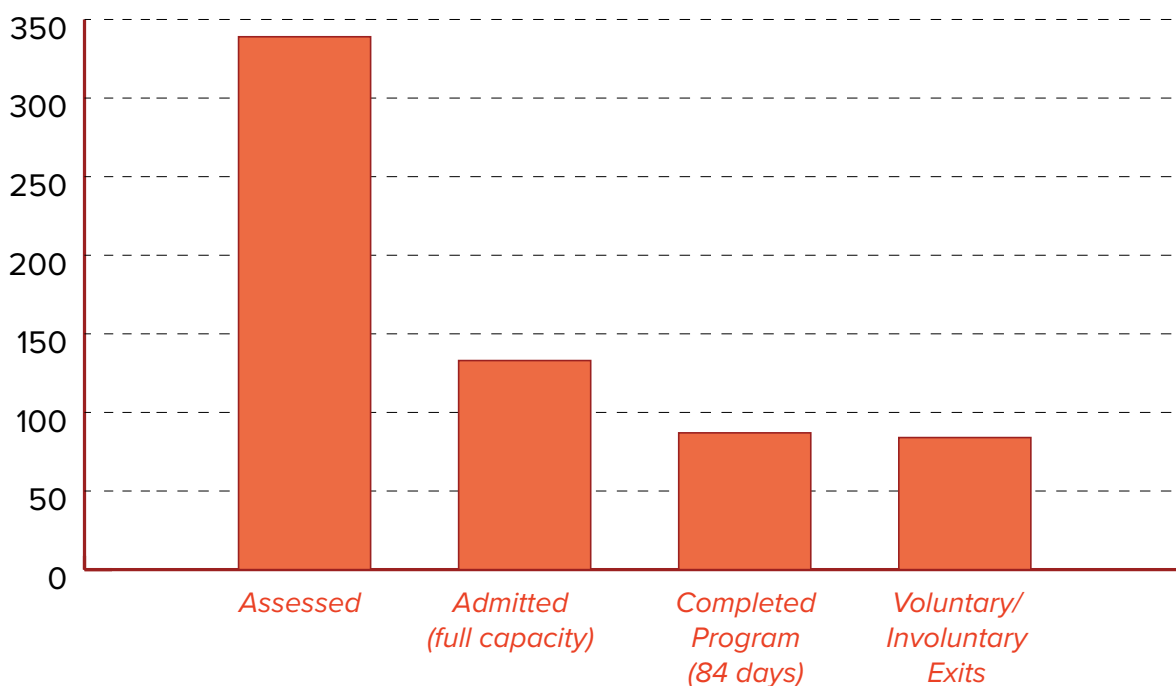
Since August 2019, interested Venndale clients were linked up with the Kalano Business Incubator Program where they consult with the Business Development Officer to discuss about their business ideas and get them started with possible available resources. Since mid-August, Venndale clients are receiving financial literacy sessions with a joint venture of Somerville, Catholic Care and Anglicare NT. Venndale would like to thank Peter Carratt and Paul Walker for organising these sessions with effective and interactive delivery.

Venndale clients have been a part of Tindal Magpies team and they attend footy training every Wednesday. Some of the Venndale clients were involved in an art project with Mission Australia for the Katherine Sobering-



Table 1

VENNDALE STAKEHOLDER ENGAGEMENT 2019 – 2020	
Wurli-Wurlinjang Health Service	Primary health, diabetes, sexual health and fitness program, social emotional wellbeing
Steps Group Australia	Language, Literacy & Numeracy (LLN); Foundation Skills for vocational Pathways (FSK)
NTG Dietician	Nutrition and diet and healthy cooking
Catholic Care NT	Financial literacy and family violence program
Somerville	Financial literacy groups
Anglicare	Financial literacy and financial counselling
Headspace	Youth mental health
Venndale Rehabilitation	Relapse prevention, self-esteem, life skills, mental health, and legal awareness
Community Corrections	Indigenous Family Violence program at Venndale
EASA	Drink Driving education
CFC	Return to country
TeamHealth	Mental health first aid



Up Shelter/ Yarralah. Former Venndale clients, currently staying in the Venndale Transitional After Care (VTAC), are doing paid work at a farm south of Katherine for a few weeks. They are fixing the irrigation system. During this time, VTAC clients also attended the SEE program with STEPS Group Australia at the VTAC premises.

At the beginning of March, Venndale clients participated in the Clean Up Australia Day 2020 where they went around the town streets and parks to clean up and enjoyed a BBQ afterwards organised by the Katherine Town Council. Over the course of two days, at the end of May, Venndale staff and clients had the pleasure of helping at Katherine Gorge (Nitmiluk Tours) under the Working Bee Campaign. Venndale also developed an outbreak management plan for COVID-19 to ensure there were contingencies in place if there was to be an outbreak.

Venndale continues to see an increase in self referrals. Venndale completed 339 assessments this year and 133 clients were admitted to the program with 87 clients completing the 84-day program successfully.

Program and Professional Development

Throughout this financial year, Venndale staff attended several professional development training which include First Aid Training, NTCOSS Conference, Trauma-informed Care Practice, Governance training, Domestic Violence Workshop, Legal Education session, Katherine Mental Health Mapping Service, Signs of Safety, Mindframe training and LoveBites training.

Four Venndale staff have started their Diploma of Community Services and Venndale offers other relevant training as required e.g. Supervision of medication dispensing, updated First Aid training, Suicide Prevention, trauma-informed care practice.

Venndale is aiming to develop and update manuals, digitize programs and group sessions, complete the development of the new Client Management System, develop a staff and client peer review program, and provide ongoing AOD education and training and we continue to work on developing more resources as per the following:

- Develop manuals and education packages for parenting, youth, gambling, cannabis, methamphetamine, work readiness, legal awareness, mental health, Banned Drinker Register.
- Develop well-being sessions based on the PERMA model.
- Complete the National Centre for Education and Training on Addiction (NCETA)/Flinders Ice Training.
- Improve Venndale Exit Support Pack, and client group surveys.
- Advance current AOD modules.
- Relapse Prevention “Changing the Culture”.
- Add session in Life Skills “Hygiene Practice” based on current or any upcoming pandemic
- Introduce the Workers Choices Groups Package where staff with skills and hobbies can run workshops.
- Introduce the School Based Program and Community Level Program where staff and clients can educate youth.
- Facilitate ongoing suicide prevention education and training.
- Deliver Money Business Training by ANZ.
- Increase community engagement, recreational activities (when funding is available), and more practical group sessions (less theory) e.g. farm therapy program

VTAC

The VTAC program provides a semi-controlled environment to prepare clients to reintegrate back into the community. The program’s activities are designed in a way that encourages healthy lifestyle skills, prevent relapse and promote a structure in the client’s day. The main three areas of focus of the program are working with clients to get employment, training and obtain safe and secure housing.

On average, there have been 14 clients staying in the VTAC program throughout the year and the Aftercare coordinator has supported 80 clients during 2019-2020. We are very proud of our clients gaining employment during their stay at VTAC. Following are the highlights for 2019-2020:

- 5** clients successfully gained employment
- 8** clients enrolled in an educational course during the aftercare period
- 3** clients signed up for the business incubation using talents such as Art as a business
- 12** housing applications submitted
- 10** Territory Families/ child protection advocacy/referrals
- 6** clients took up offered Training Opportunity referrals (all client offered opportunity)
- 3** working with Children check applications
- 3** clients enrolled into NT Drink Driving Prevention course (All clients offered opportunity)
- 5** clients referred to a Men’s Cultural Counselling program
- 4** clients referral / advocacy with the Katherine Individual Support Program (KISP)
- 1** clients NDIS referral / Advocacy
- 1** client Wurli Family Partnership Program
- 2** clients AOD support services



Acknowledgement

I would like to thank all staff, clients, our stakeholders, Kalano executive team and the Council for their ongoing support throughout this year. The past few months have been challenging due to COVID-19 but Venndale has continued to operate at limited capacity to ensure our clients don't miss out on essential services. I would like to acknowledge the amazing work the Venndale and VTAC team has done throughout the year, and especially in relation to reducing the risk of COVID-19.

Kind Regards,

Sandeep Buttar

KALANO SUPPORT SERVICES

Anna Martin

NDIS

In February 2020, Kalano’s National Disability Insurance Scheme (NDIS) changed in management and has since undergone its re-registration audit, developed a new client database management system, implemented new procedures, policies and structural changes across all three locations: Katherine, Tennant Creek and Darwin.

Management’s primary focus has been to establish stronger foundations within its three programs: Supported Independent Living (SIL), Support Coordination and Community Access. Through staff training and operational improvements, Kalano is now providing a higher quality of services and evidence-based reporting for its participants.

In March 2020, Kalano NDIS began to implement new safeguards and policies for our participants and staff in response to COVID-19, such as relocating its primary Katherine office at 52 Katherine Terrace (previously shared with the Community Development Program) to 42 Katherine Terrace at the Child and Family Centre to ensure safe social-distancing, and also cancelling all non-essential supports, particularly in the Community Access and Support Coordination programs.





New business opportunities have been identified in Tennant Creek through the implementation of a full-scale Community Access program that is culturally-appropriate and engaging, which has been encouraged by the Office of the Public Guardian in Alice Springs, and the NDIS Provider & Market Relations team as NDIS participants plans are underutilised in the Barkley Region. The implementation of this program is expected to commence in September 2020.

Similarly, new opportunities are on the horizon for Katherine NDIS regarding new group-based activities through strengthening stakeholder and provider relationships.

Council has determined that NDIS is a support services business and will focus on profit/loss. Therefore, Kalano NDIS will continue to refine its operations to reflect this new direction. While it is important to maintain a business focus in Kalano NDIS, it is acknowledged that by providing a high-standard and quality disability supports service we improve our reputation and business growth opportunities.





CHSP

The Commonwealth Home Support Program (CHSP) was highly affected by COVID-19 as its demographic is highly vulnerable as aged care clients in remote Aboriginal communities. Therefore, it has been unable to deliver its regular supports such as domestic assistance and personal care in the homes of elders and due to limitations of biosecurity.

In response to COVID-19, the Australian government invested in the Meals on Wheels (MOW) program to ensure that Australia's most vulnerable people were receiving meals during the global pandemic. As a result, the MOW program has more than tripled in size as it has been enabled to provide additional meals, at no cost, to clients in Remote Communities. This has strengthened the position of Kalano in the CHSP market in the Katherine region as members of remote communities have noted that Kalano's meals are delivered daily Monday-Friday, are fresh and hot, not frozen.

Kalano's CHSP team have taken this time to review their internal operations and are strategizing ways to sign up new MOW clients for their services post-COVID-19 funding.

Anna Martin

Program Manager

Kalano Support Services



KALANO BUSINESS INCUBATOR

David Pitt

In 2019, Kalano Community Association Aboriginal Corporation secured funding through the Prime Minister and Cabinet for a (2) year Business Incubator pilot program. Over the past year Kalano has engaged a Business Development Officer in the Community Development Region 31 (CDP) to create awareness and deliver the program. The Business Incubator supports the development of Indigenous businesses and business ideas in remote communities, including supporting CDP participants to pursue enterprise development as their CDP activity.

The first six (6) months of the program focused on community engagement, creating awareness, training CDP clients, and collaborating with external stakeholders. Over the next six (6) month period, due to COVID-19, the suspension of CDP activities, and limited access to remote communities, the program focused more on the development of two (2) sustainable small businesses in the Katherine region with intense one on one support during an unprecedented time.

The next year will focus on the development and sustainability of more new Indigenous businesses through the incubator program. Our focus is to build on economic development, create more Indigenous employment, and empower the people in our communities to start their own enterprises.



2019 – 2020 Statistics	No.
No. of new businesses established and growing	2
ABN's registered in the period	11
Casual job placements by clients accessing the Incubator	7
Full-time job placements by clients accessing the Incubator	2
No. of individual businesses/organisations that received in-house advisory support	35
No. of individual businesses and organisations that received professional advice	11



Acknowledgement

Thank you to all Kalano staff and executive management for your support delivering the Business Incubator Program. I would also like to thank the National Indigenous Australians Agency (NIAA), stakeholders and clients that have engaged with the program over the course of the first year. We look forward to working with the stakeholders to take this beyond the two-year trial and to making this program permanent and to making a significant difference economically and socially in our wider community.

David Pitt
Business Development Officer

FINANCIAL STATEMENTS

KALANO COMMUNITY ASSOCIATION INCORPORATED AND ITS RELATED ENTITY

**CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

<u>CONTENTS</u>	<u>PAGE</u>
Council Members' Declaration	1
Independent Auditor's Report	2
Consolidated Statement of Profit or Loss & Other Comprehensive Income	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Changes in Equity	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8
Chairperson's Certificate	28

KALANO COMMUNITY ASSOCIATION INCORPORATED AND ITS RELATED ENTITY**Council Members' Declaration
For the year ended 30 June 2020**

The Council present their report, together with the financial statements, on the Consolidated Group (referred to hereafter as the 'Consolidated Group') consisting of Kalano Community Association Inc (referred to hereafter as either 'the Association' or 'the parent entity') and the entity it controlled at the end of, or during, the year ended 30 June 2020.

In the opinion of the Council Members:

- (a) the attached financial statements and notes thereto as set out on pages 4 to 27, 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) Act 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) and the Consolidated Group as at 30 June 2020 and performance of the Association and the Consolidated Group's for the year ended on that date;
- (b) the accounts of the Association and the Consolidated Group have been properly prepared and are in accordance with the books of account of the Association and the Consolidated Group; and
- (c) as at the date of this statement, there are reasonable grounds to believe that the Association and the Consolidated Group 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:

Kathleen Andrews	Timothy Allyson
Rick Fletcher	Heather Mundul
Suzi Berto	Glenn Nuggin
Gabrielle Henry	Jason Brown
Rosslyn Weetra	Anne-Marie McDonald
Melissa Rogers	Marcus Rosas

Principal Activity

The principal activities of the Association and its controlled entity 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 were noted for the financial year.

Operating Results

The surplus of the Consolidated Group for the financial year ended 30 June 2020 amounted to \$5,261,225 (2019: surplus \$1,237,673).

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operation of the Consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in future financial years.

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: 12 November 2020



2020 Services Pty Ltd
 ABN 45 018 267 171
 One One Lawrie & Cook St, 4th
 Fl, Casuarina, Darwin NT 08107
 TEL: 08 8947 2220
 Email: info@lowrysa.com.au

**INDEPENDENT AUDITORS' REPORT
 TO THE MEMBERS OF KALANO COMMUNITY ASSOCIATION INCORPORATED AND ITS RELATED ENTITY**

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, as set out on pages 4 to 27, of Kalano Community Association Incorporated and its related entity (the Consolidated Group) which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, the notes to the financial report including the summary of significant accounting policies and the council members' declaration.

In our opinion, the financial report of the Consolidated Group has been prepared in accordance with the *Northern Territory of Australia Associations Act* and the *Australian Charities and Not-for-profits Commission Act 2012* (the Acts), including:

- (a) giving a true and fair view of the Consolidated Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Required Disclosure Requirements and the financial reporting requirements of the Acts.

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 Consolidated Group 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 Matters

Without modifying our opinion, we draw attention to the following matters:

Dependency on Government Funding

The Consolidated Group relies on funding from the government. The financial report has been prepared on a going concern basis on the expectation that government funding will continue. Without such sources of revenue there is significant uncertainty whether the Consolidated Group 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 report.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Notes 2 to the financial statements which describe the basis of accounting. The financial report has been prepared to assist the Consolidated Group to meet the reporting requirements of the Acts. As a result, the financial report may not be suitable for another purpose.



Responsibilities of the Council Members for the Financial Report

The council members of the Consolidated Group are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and for such internal controls as the council members determine are 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, the council members are responsible for assessing the Consolidated Group's ability to continue as a going concern, and doing, as applicable, matters related to going concerns and using the going concern basis of accounting unless the council members either intend to liquidate the Consolidated Group or to cease operations, or has no realistic alternative but to do so.

Council members are also responsible for overseeing the Consolidated Group'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/and.pdf

This description forms part of our audit report.

LOWRYS ACCOUNTANTS

Colin James, FCA
Registered Company Auditor

Darwin
Date: 12 November 2020

KALANO COMMUNITY ASSOCIATION INCORPORATED AND ITS RELATED ENTITY

**Consolidated Statement of Profit or Loss & Other Comprehensive Income
For the year ended 30 June 2020**

	Note	Consolidated		Parent	
		2020 \$	2019 \$	2020 \$	2019 \$
Revenue					
Administration fees	3(a)	72,568	35,615	72,568	94,415
Grants received	3(b)	9,409,036	7,257,397	5,314,273	3,966,006
Rent received		988,940	1,084,808	689,290	727,055
Sales and operating income	3(c)	2,039,151	1,185,890	2,039,151	1,185,890
Other income	3(d)	4,949,097	3,008,453	4,707,718	3,007,023
Total revenue and other income		17,458,792	12,572,163	12,823,000	8,980,389
Expenses					
Administrative expenses	4(a)	1,877,553	1,363,543	1,142,928	689,653
Bad debts		10,579	24,882	10,579	24,882
Depreciation	4(b)	1,574,202	372,678	1,536,207	368,347
Doubtful debts expense		156,542	155,444	78	61,701
Employee expenses	4(c)	6,642,902	5,045,512	4,360,976	2,810,849
Finance costs - interest on loan		4,169	-	4,169	4,487
Finance costs - leases		17,689	-	17,689	-
Fringe benefits tax		16,818	7,360	16,818	7,360
Housing expenses		245,087	137,867	245,087	137,867
Motor vehicle expenses		168,643	386,894	42,760	206,097
Repairs and maintenance	4(d)	285,759	2,795,365	253,158	2,671,317
Unexpended grants adjustments		209,034	-	209,034	-
Utilities	4(e)	606,026	644,654	481,501	500,355
Other expenses	4(f)	382,562	400,291	245,947	256,237
Total expenses		12,197,567	11,334,490	8,566,931	7,739,152
Surplus for the year		5,261,225	1,237,673	4,256,069	1,241,237
Other comprehensive income for the year					
Revaluation adjustments/(2019 surplus)		(213,464)	16,419,272	(213,464)	16,419,272
Total comprehensive income for the year		5,047,761	17,656,945	4,042,605	17,660,509

The accompanying notes form part of these financial statements.

KALANO COMMUNITY ASSOCIATION INCORPORATED AND ITS RELATED ENTITY

Consolidated Statement of Financial Position
As at 30 June 2020

	Note	Consolidated		Parent	
		2020	2019	2020	2019
		\$	\$	\$	\$
Current Assets					
Cash and cash equivalents	5	13,594,720	11,109,706	10,638,064	8,917,618
Trade and other receivables	7	659,749	895,642	1,136,980	782,593
Prepaid insurance		3,136	-	-	-
Total current assets		<u>14,257,605</u>	<u>12,005,348</u>	<u>11,775,044</u>	<u>9,700,211</u>
Non-Current Assets					
Property, plant and equipment	8	20,062,286	18,941,644	19,674,434	18,915,059
Right-of-use assets	9	883,087	-	739,865	-
Total non-current assets		<u>20,945,373</u>	<u>18,941,644</u>	<u>20,414,299</u>	<u>18,915,059</u>
Total assets		<u>35,202,978</u>	<u>30,946,992</u>	<u>32,189,343</u>	<u>28,615,270</u>
Current Liabilities					
Trade and other payables	10	3,381,753	6,290,135	2,181,904	4,130,879
Provisions	11	588,827	411,354	447,892	264,580
Lease liabilities		493,907	-	454,126	-
Total current liabilities		<u>4,464,487</u>	<u>6,701,489</u>	<u>3,083,922</u>	<u>4,395,459</u>
Non-Current Liabilities					
Lease liabilities		509,251	-	408,632	-
Provisions	11	92,833	78,188	63,577	48,932
Total non-current liabilities		<u>602,084</u>	<u>78,188</u>	<u>472,209</u>	<u>48,932</u>
Total liabilities		<u>5,066,571</u>	<u>6,779,677</u>	<u>3,556,131</u>	<u>4,444,391</u>
Net assets		<u>30,136,407</u>	<u>24,167,315</u>	<u>28,633,212</u>	<u>24,170,879</u>
Members' Funds					
Reserves	2	17,936,848	18,150,312	17,936,848	18,150,312
Retained earnings		12,199,559	6,017,003	10,696,364	6,020,567
Total members' funds		<u>30,136,407</u>	<u>24,167,315</u>	<u>28,633,212</u>	<u>24,170,879</u>

The accompanying notes form part of these financial statements.

KALANO COMMUNITY ASSOCIATION INCORPORATED AND ITS RELATED ENTITY

Consolidated Statement of Changes in Equity
For the year ended 30 June 2020

	Retained Earnings	Consolidated Revaluation Reserve	Total	Retained Earnings	Parent Revaluation Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	4,779,330	1,731,040	6,510,370	4,779,330	1,731,040	6,510,370
Surplus for the year	1,237,673	-	1,237,673	1,241,237	-	1,241,237
Comprehensive income for the year						
Revaluation surplus		16,419,272	16,419,272	-	16,419,272	16,419,272
Balance at 30 June 2019	6,017,003	18,150,312	24,167,315	6,020,567	18,150,312	24,170,879
Cumulative adjustment - AASB 1058	921,331	-	921,331	419,728	-	419,728
Surplus for the year	5,261,225	-	5,261,225	4,256,069	-	4,256,069
Comprehensive income for the year						
Revaluation adjustments	-	(213,464)	(213,464)	-	(213,464)	(213,464)
Balance at 30 June 2020	12,199,559	17,936,848	30,136,407	10,696,364	17,936,848	28,633,212

The accompanying notes form part of these financial statements.

KALANO COMMUNITY ASSOCIATION INCORPORATED AND ITS RELATED ENTITY

Consolidated Statement of Cash Flows
For the year ended 30 June 2020

	Notes	Consolidated		Parent	
		2020 \$	2019 \$	2020 \$	2019 \$
Cash Flows from Operating Activities					
Receipts from funding bodies		9,268,644	10,738,263	3,466,116	5,907,725
Receipts from customers		7,797,313	5,188,898	7,192,229	5,238,527
Payments to suppliers and employees		(11,593,791)	(11,286,110)	(5,828,355)	(8,554,917)
Interest and other costs of finance paid		(1,749)	-	-	-
Interest received		14,010	35,337	13,723	33,902
Net cash provided by operating activities		5,484,427	4,676,388	4,843,713	2,625,237
Cash Flow used in Investing Activities					
Disposal of property, plant & equipment		-	-	-	9,033
Acquisition of property, plant and equipment		(2,766,751)	(349,325)	(2,386,153)	(327,442)
Net cash used in investing activities		(2,766,751)	(349,325)	(2,386,153)	(318,409)
Cash Flow (used in)/from Financing Activities					
Advances to related parties	6(b)	-	-	(525,938)	328,147
Principal repayments - Lease liabilities		(232,662)	-	(211,176)	-
Net cash (used in)/from financing activities		(232,662)	-	(737,114)	328,147
Net increase in cash & cash equivalents		2,485,014	4,327,065	1,720,446	2,634,977
Cash & cash equivalents at beginning of financial year		11,109,706	6,782,641	8,917,618	6,282,641
Cash and cash equivalents at end of the financial year	5	13,594,720	11,109,706	10,638,064	8,917,618

The accompanying notes form part of these financial statements.

KALANO COMMUNITY ASSOCIATION INCORPORATED AND ITS RELATED ENTITY

Notes to the Consolidated Financial Statements
For the year ended 30 June 2020**1. Significant Accounting Policies**

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

(a) New Accounting Standards and Impact on Accounting Policies

The Consolidated Group 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.

AASB 15 Revenue from contracts with customers

The Consolidated Group has adopted AASB 15 Revenue from Contracts with Customers at 1 July 2019 (applicable for reporting periods commencing from 1 July 2019). AASB 15 introduced a 5 step approach to revenue recognition. The core principle is that the Consolidated Group recognises revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the Consolidated Group expects to be entitled in exchange for those goods or services. Far more prescriptive guidance has been added in AASB 15 to deal with specific scenarios.

AASB 1058 Income of Not-for-profit entities

AASB 1058 replaces AASB 1004 Contributions previously applicable to not-for-profit entities. Together with AASB 15, they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers. The requirements of AASB 1058 more closely reflect the economic reality of a not-for-profit entity transactions that are not contracts with customers (as defined in AASB 15). The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation, or contribution by owner related to an asset (such as cash or another asset) received by the Consolidated Group.

The Consolidated Group has adopted AASB 1058 retrospectively with the cumulative effect of initially applying this standard recognised at the date of 1 July 2019, therefore comparative information has not been restated.

The following table represents the impact for each financial statement line item of the adoption of AASB 1058 at the date of the initial application, 1 July 2019.

Statement of profit and loss as at 1 July 2019	AASB 1058	Previous Standard	Increase/ (Decrease)
Revenue	921,331	-	921,331
Total	921,331	-	921,331
Statement of financial position as at 1 July 2019			
Total current liabilities			
Grant liabilities	-	(921,331)	(921,331)
Total Liabilities	-	(921,331)	(921,331)
Equity			
Accumulated surplus	921,331	-	921,331
Total equity	921,331	-	921,331

KALANO COMMUNITY ASSOCIATION INCORPORATED AND ITS RELATED ENTITY

**Notes to the Consolidated Financial Statements
For the year ended 30 June 2020**

(a) New Accounting Standards and Impact on Accounting Policies (continued)

AASB 16 Leases

The Consolidated Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for leases eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating cost) and an interest expense on the recognised lease liabilities (included in finance cost). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Any significant impact on the accounting policies of the Consolidated Group 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 Consolidated Group.

The Consolidated Group weighted average incremental borrowing rate on 1 July 2019 applied to the lease liabilities was 3.535%.

(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 consolidated financial statements are those of the Consolidated Group, comprising the financial statements of Kalano Community Association Incorporated and its related entity Kalano Community Association Aboriginal Corporation (the Consolidated Group).

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 consolidated 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 12 November 2020.

Historical cost convention

The consolidated 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 Consolidated Group 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.

KALANO COMMUNITY ASSOCIATION INCORPORATED AND ITS RELATED ENTITY

**Notes to the Consolidated Financial Statements
For the year ended 30 June 2020**

(b) Basis of preparation (continued)

Critical accounting estimates

The preparation of the consolidated 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 Consolidated Group'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(p).

(c) Revenue

Grants

The Consolidated Group recognises:

- Income immediately in profit or loss for the excess of the initial carrying amount of an asset over the related contributions of the Consolidated Group, increases in liabilities, decreases in assets and revenue;
- Liabilities for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the Consolidated Group to acquire or construct a non-financial asset that is to be controlled by the Consolidated Group) over any related amounts recognised in accordance with the relative standards. The liabilities must be amortised to profit or loss as income when the Consolidated Group satisfies its obligations under the transfer; and
- Volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated.

Operating revenue

The revenue is recognised (net of discounts) when the service is provided and the invoice is generated (i.e. after satisfaction of performance obligation). Net client services revenue is recognised at the estimated net realisable amounts from the third party payers and others for the services rendered, net of estimated retroactive revenue adjustments when the related services are rendered.

Some contracts include variable considerations such as rejection of claims, volume discount and prompt payment discount. Prior to the adoption of AASB 15, management made its best estimate of the retroactive/discount adjustment based on its knowledge and experience about past and current events. Under AASB 15, management estimates variable consideration using the expected value method for rejections and volume discounts and single most likely amount method for prompt payment discount. Management apply one method consistently throughout the contract when estimating the effect of an uncertainty on an amount of variable consideration to which the Consolidated Group will be entitled. In addition, management consider all the information (historical, current and forecast) that is reasonably available to the Consolidated Group and identify a reasonable number of possible consideration amounts.

Revenue from client services are recognised over a period of time.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Consolidated Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Administration fees

Administration fees is recognised in the period to which it relates.

Rental income

Revenue from investment properties is generally recognised in the accounting period in which the services are rendered, using straight-line basis, over the term of the lease contract. Such leases are classified as other than finance lease.

KALANO COMMUNITY ASSOCIATION INCORPORATED AND ITS RELATED ENTITY

**Notes to the Consolidated Financial Statements
For the year ended 30 June 2020**

(d) Leasing

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of cost expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated Group expect to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use asset are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term lease with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(e) Income tax

As the Consolidated Group 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.

(f) 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.

(g) 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.

(h) Trade and other receivables

Trade and other receivables are initially recognised at fair value, and subsequently at amortised cost, using the effective interest rate method less any allowance under the ECL model. Any gain or loss on de-recognition is recognised as profit or loss.

Trade and other receivables with maturities greater than 12 months after the balance sheet date are classified as non-current assets.

KALANO COMMUNITY ASSOCIATION INCORPORATED AND ITS RELATED ENTITY

Notes to the Consolidated Financial Statements
For the year ended 30 June 2020

(h) Trade and other receivables (continued)

Recoverability of trade and other receivables

At each reporting date, the Consolidated Group assesses whether financial assets carried at amortised cost are 'credit-impaired'. A financial asset is 'credit impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial asset have occurred

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of loan and other receivables and are a probability-weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Consolidated Group in accordance with the contract and the cash flows that the Consolidated Group expects to receive).

The Consolidated Group analyses the current observable data as a means to estimate lifetime ECL. The current observable data may include:

- financial difficulties of a counterparty or probability that a counterparty will default on payment or will enter bankruptcy; and
- conditions specific to the asset to which the receivable relates.

Debts that are known to be uncollectable are provided for or written off when identified. The Consolidated Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The entity expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the entity's procedures for recovery of amounts due.

(i) 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 Consolidated Group 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 and diminishing value method. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line and diminishing value 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 gain 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 2020 and 2019 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

KALANO COMMUNITY ASSOCIATION INCORPORATED AND ITS RELATED ENTITY

**Notes to the Consolidated Financial Statements
For the year ended 30 June 2020**

(j) 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.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Group 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.

(l) 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.

(m) Provisions

Provisions are recognised when the Consolidated Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Consolidated Group 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.

(n) 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.

KALANO COMMUNITY ASSOCIATION INCORPORATED AND ITS RELATED ENTITY

**Notes to the Consolidated Financial Statements
For the year ended 30 June 2020**

(o) Goods and Services Tax ('GST')

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.

(p) 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 Consolidated Group 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 Consolidated Group assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Consolidated Group 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(m), 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.

(q) Financial instruments

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

KALANO COMMUNITY ASSOCIATION INCORPORATED AND ITS RELATED ENTITY

**Notes to the Consolidated Financial Statements
For the year ended 30 June 2020**

(q) Financial instruments (continued)

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Consolidated Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Consolidated Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.



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