




Goulburn Murray Hume Agcare Ltd. Trading as  
**RFCS Victoria Goulburn Murray Hume**

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# **Annual Report 2008-2009**

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**RFCS VICTORIA** – Goulburn Murray Hume is supported by the Australian and Victorian Governments



# Acknowledgements

Goulburn Murray Hume Agcare acknowledges, with thanks, the contribution of the following organisations:

## **Funding bodies**

Department of Agriculture, Fisheries and Forestry (DAFF)

Department of Primary Industries (DPI)

Goulburn Valley Agcare Inc.

Moira Shire Council

## **In-kind support**

Belmores Accounting Service

Campaspe Shire Council

Department of Primary Industries (DPI)

Upper Murray Family Care

Fonterra

Department of Innovation, Industry and Regional Development Victoria



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# Introducing the Board



**STEVE COHEN**  
Chairperson



**ROGER BURTON**  
Board Member  
*(Resigned Nov 08)*



**PETER GRAY**  
Company Secretary



**CHRIS HOWE**  
Board Member



**NERIDA KERR**  
Board Member



**TIM MANNION**  
Board Member



**HELEN MCGOWAN**  
Board Member



**CHRIS THOMAS**  
Board Member



**BRIAN THOMPSON**  
Board Member  
*(Appointed Dec 08)*



**BARBARA STRAND**  
Executive Officer

## From the Board Chair

2008-09 has been another busy year in Rural Financial Counselling as we strive to provide a better service for clients and at the same time create a positive and enjoyable working environment for our staff.

The seasonal challenges of drought and general adverse weather continue to affect the profitability of the farming community and therefore deliver a heavy workload to the service. The effects of the global financial crises have been a further burden on local communities and in particular the dairy farming community.

To ensure we were prepared to meet future need, the Board employed a consultant to review the organisation and report back on any issues which may be restricting our ability to meet the needs of stakeholders. We received a comprehensive report compiled from interviews with all staff and many stakeholders detailing a snapshot of GMH Agcare at the time. This report is now the basis of an ongoing process in which we are developing policies and procedures that will enable us to interact better with one another and with the general community.

Initiatives for 2008-09 have included: developing Board subcommittee structures that allow all people in the organisation to have input into the decision making process; the moving of regular Board meetings around the GMH Agcare region to enable interaction with local stakeholders and the direct input to directors from local Rural Financial Counsellors on the conditions as they see them in their area; and the introduction of a 1300 number as a central contact point.

Our funding bodies, DAFF and DPI, shifted the focus of their funding towards encouraging farmers to take a longer term view of their business using a case management model. To assist with the change to case management, DPI provided funding for a full time position of Rural Financial Counsellor Coordinator whose role is to work with and mentor the Counsellors.

Towards the end of the year we moved into new offices in Wodonga, Numurkah and Kyabram providing staff with better working environments. This also included an upgrade to IT systems allowing better communication in what is a more substantial organisation than we originally contemplated.

In November we invited stakeholders to an information day titled 'The Year in Review' where various presenters showed the audience what GMH Agcare is about. In

February we had a strategic planning day involving all people in the organisation which led to the adoption of a new Strategic Plan in June 2009. During the year our community development program wound down as the funds ran out. We continue to contribute to our local communities in whatever way we can.

In April Kathy Maloney left on 12 months maternity leave and Barbara Strand stepped into the Executive Officer role. It has been a steep learning curve for Barbara but she has been a valuable addition to our team.

We endeavour to have good relations with our fellow Rural Financial Counselling groups and funding bodies and have attended a number of conferences and training sessions during the year.

I would like to thank all those who have contributed to our efforts over the year, particularly directors and staff who are always willing to contribute to the betterment of GMH Agcare and its achievements in the community.

Steve Cohen  
Board Chair

#### **Wodonga Office Opening**



From left: The Hon Joe Helper, Victorian Minister for Agriculture; Steve Cohen, Board Chair, GMH Agcare

# Executive Officer's Report

It has certainly been a challenge to step into Kathy Moloney's shoes, after she left the business in April 2009 to take maternity leave. Since then, it has been full steam ahead in moving forward many of the initiatives that Kathy and the Board had commenced during the earlier part of the year.

One of the major activities during 2008-09 has been the Operational and Business Review, conducted by Scott & Associates Consulting which was completed in September 2008. The review was commissioned by the Board and conducted over a period of approximately three months. The report from Scott & Associates made a number of recommendations which were endorsed by the Board. Many of our activities over the past nine months have been driven by those recommendations, seeking to improve the way the organisation functions and focus on our core business of assisting farmers in need. Our strategic plan has been reviewed and strengthened to reinforce our commitment to our core business, and a Communication Plan has been developed to strengthen our relationships with our key partners and our position within the community.

The organisational structure has been reviewed and now reflects our changed focus, with Linda Marks taking on the role of Office Manager with responsibility for the delivery of administrative services in all of our locations, and Paul Blackshaw taking on the operational management of the Rural Financial Counsellors. Paul's role as Rural Financial Counsellor Coordinator is a new position, wholly funded by the DPI Victoria, and is primarily a role of coordinating, mentoring and supporting the Rural Financial Counsellors. I would like to thank Paul for his support over the past few months as I have familiarised myself with the organisation. Our team has also been strengthened by the addition of two Administrative Assistants, Sue Wyse (who rejoined the organisation after a period of absence) and Jan Robinson. We are sorry to be losing the services of our Finance Officer and Company Secretary Tarin Moar, who is leaving us in July 2009 to begin her family, but we have welcomed her replacement Pam Shephard who is well qualified to take over the finance position.

Coming out of the organisational review, quite a bit of time was also spent undertaking a remuneration review and establishing a new level structure for Rural Financial Counsellors which reflects their level of expertise and experience, their breadth of knowledge, and involvement within the organisation and the community.

During the same period, we saw an increasing emphasis from our funding bodies, DAFF and DPI Victoria, on the need to adopt a more holistic approach to dealing with our clients. To this end, the Federal Government – supported by DPI Victoria and GMH Aicare - have introduced the Enterprise Action Plan (EAP) process as a means of assessing farm businesses, and working with clients to develop long and short term goals, strategies and timelines. Prior to the introduction of this approach, much of our work in recent times has involved assisting farmers to develop their applications for funding assistance. However, with the adoption of the EAP process, our Rural Financial Counsellors are now working with farm businesses to complete a full analysis of the farm business and seek the involvement of other interested parties, such as accountants, farm consultants, general practitioners, financial managers and institutions. Our Rural Financial Counsellors work with farmers to develop options for their future, and assist them to seek out the best available advice.

The implications of this change in approach have been far reaching for GMH Aicare and the way we do business. Our Rural Financial Counsellors have had to undergo training in the new EAP/case management approach, and we have had to look at the way we do business – how do we improve the efficiency of our service to take on the EAP process, and can clients contact us easily, or meet with us at suitable locations within our region. As a result, there has been considerable effort put into upgrading our service locations at Wodonga, Kyabram and Numurkah, and new “outreach” offices have been established at Upper Murray Health & Community Services in Corryong and DPI Cobram. The launch of our new 1300 telephone number (1300 834 775) has also been aimed at making it easier to get in contact with a Rural Financial Counsellor. Administrative efficiencies are also anticipated as a result of the introduction of a new server based computer network as part of our Wodonga office upgrade. Service delivery has also been supported by laptop upgrades, faster modems, and mobile printers.

In recent times, engagement with other Rural Financial Counselling Services has strengthened, and this is particularly so in our relationship with Victorian services. Meetings between the Victorian services and between the Rural Financial Counsel Coordinators are held regularly, with a view to sharing experiences and learning with the new EAP process. One of the key initiatives being undertaken in conjunction with DPI has been the development of a referral database for state wide use.

During the year, we have recruited two new Rural Financial Counsellors at Numurkah – Alan Guest-Smith and Chris Howard (who replaced Liz Mann). By the end of the financial year, we were operating at 6.1 FTE Rural Financial Counsellors across the region. Our Rural Financial Counsellors have participated in a number of professional



development activities during the year, including training in Negotiation Skills, “The Occasional Counsellor”, Mental Health First Aid, and Communication Skills. Additionally, our Counsellors have attended two state training conferences, one in Moama and one in Launceston. Rural Financial Counsellors Tony Shirley and Lindsay Brown, as well as Paul Blackshaw, all completed the Diploma of Community Services (Financial Counselling) during the year.

Finally, I would like to acknowledge the professionalism and dedication of our Rural Financial Counsellors who have been required to work within an extremely challenging environment of drought, global financial crisis, and continuing rural hardship. It has been a privilege to work with them, and indeed all our staff and the Board, and I look forward to the further challenges of the coming year.



Barbara Strand  
Executive Officer

# Organisational Overview

Goulburn Murray Hume Agcare Limited (GMH Agcare) is a Rural Financial Counselling Service based in the Goulburn Murray Hume region. We provide financial counselling to primary producers, fishers and small rural businesses who are experiencing financial hardship and who have limited sources of impartial support to manage the challenges of industry change and adjustment.

## Vision

Our clients are managing change and adjusting successfully to new circumstances. Our services are valued by rural family businesses and the wider community.

## Mission

GMH Agcare works in collaboration with people, governments and organisations providing rural financial counselling and other complementary services that enable eligible rural family businesses to better manage the challenges of change and adjustment.

## Values

Our work is underpinned by GMH Agcare's core values of trust, respect, and effective teamwork through collaboration. We aim to work as a cohesive team providing services that are prompt, respectful, practical, action orientated and responsive to client needs.

## Services

Rural Financial Counselling is a free, confidential and independent service providing information and support in the following areas:

- Help farming families assess and understand their financial positions and to identify options and develop an action plan to move forward
- Help to identify eligibility and apply for Government and other assistance schemes
- Assist with loan and/or refinance options and provide support and mediation including negotiation with creditors and financial institutions
- Facilitate decision making and support farming families through the adjustment process
- Provide information and referrals to relevant professionals and agencies.

## Our region



## Office Locations

### Wodonga

9/22 Stanley Street  
Wodonga VIC 3690

### Kyabram

The Banksia Financial Group  
147 Fenaughty Street  
Kyabram VIC 3620

### Benalla

DPI/DSE Regional Office  
35 Sydney Road  
Benalla VIC 3672

### Numurkah

Numurkah Community Health Service  
2 Katamatite Road  
Numurkah VIC 3636

### Corryong

*(Outreach Office - office attended part-time, by appointment only)*  
Upper Murray Health & Community Services  
20 Kiell Street  
Corryong VIC 3707

### Cobram

*(Outreach Office - office attended part-time, by appointment only)*  
DPI Regional Office  
79-83 Karook St  
Cobram VIC 3643

### ***(Registered Office)***

Belmores Accounting  
50 Belmore Street (PO Box 200)  
Yarrawonga VIC 3730

## Staff Members 2008 - 09

### Management & Administration

**BARBARA STRAND**

*Executive Officer  
Commenced 16 Mar 09*

**KATHY MOLONEY**

*Executive Officer 1 Jul 08 – 15 Mar 09  
(Currently on 12 months maternity leave)*

**TARIN MOAR**

*Finance Officer & Company Secretary*

**PAUL BLACKSHAW**

*Rural Financial Counsellor Coordinator  
Rural Financial Counsellor 1 Jul 08 – 4 Nov 08*

**LINDA MARKS**

*Office Manager  
Administration Officer 1 Jul 08 – 17 May 09*

**JAN ROBINSON**

*Administration Officer  
Commenced 2 Jun 09*

**SUE WYSE**

*Administration Officer  
Commenced 22 Apr 09*

**DONNA MULCAHY**

*Administration Officer  
Resigned 6 Mar 09*

### Community Development

**ROWAN O'HAGAN**

*Community Development Officer  
Apr 08 – Mar 09*

**JULIE DE HENNIN**

*Community Development Officer  
Apr 08 – Nov 08*

### Rural Financial Counsellors

**CARL FRASER - Benalla**

**TONY SHIRLEY – Wodonga**

**CHRIS HOWARD - Numurkah**

*Commenced 7 Jul 08*

**ALAN GUEST-SMITH - Numurkah**

*Commenced 16 Feb 09*

**MARYANNE BLACK - Kyabram**

**LINDSAY BROWN - Kyabram**

**TIM WATSON - Kyabram**

*Commenced 24 Jun 08*

**PAUL BLACKSHAW – Rutherglen**

*1 Jul 08 – 4 Nov 08*

# Year in Review

During 2008-09 GMH Agcare’s strategic focus was on providing a high quality Rural Financial Counselling Service leading to positive outcomes for clients and improving the level of well being within the rural communities we service. At the same time, the organisation focused on its staff through ongoing professional development, induction and mentoring, improved communication and involvement in setting the direction of the organisation, improving work environments and resourcing.

## Key achievements

Actions	Outcomes
Reviewed the Strategic Plan	Set future directions for the organisation.
Developed a Communications Plan	Improved internal and external communications, identified key messages and stakeholders, guided the activities of the organisation, explored values and ways of improving organisational culture.
Underwent an Operational & Business Review	Final report made recommendations for improving governance, organisational structure and culture, policies and procedures, and operational and leadership priorities.
Restructured the Board and Subcommittees	Improved Governance processes and progress towards implementation of recommendations from the review.
Rotated Board meetings and included RFC local representation, and regular staff communications from the Board	Improved internal communications and employee relations, provided opportunities for engagement with stakeholders and networking, and service promotion.
Underwent an organisational restructure	Appointment of a Rural Financial Counsellor Coordinator and Office Manager, improved work flows and internal communication, staff mentoring.
Increased RFC service providers and administrative support in areas of highest need	Improved support for staff in the delivery of financial counselling services that were able to meet the needs of clients.
Implemented a case management model, incorporating the Enterprise Action Plan	More holistic approach to dealing with clients, and EAP provides staff with a tool to assess clients’ businesses and develop goals & actions to move forward.
Reviewed position descriptions for non-RFC staff	Position descriptions match the role, able to determine ideal skills sets and opportunities for challenging staff and developing roles.
Reviewed performance review processes	Ensured compliance with funding requirements, improved data quality and integrity, determined appropriate level of remuneration for staff, development of training plans.

Actions	Outcomes
Reviewed remuneration and salary level structures	Staff are adequately remunerated, salaries reflect level of expertise and experience, as well as knowledge and involvement of staff, provides opportunities for staff development.
Developed induction processes	Formal, integrated induction processes in place, improved employee relations and organisational culture, opportunities for staff mentoring, standardised and structured approaches to work, reduced staff turnover.
New offices: Opened a new office in Wodonga and outreach services at Corowa and Cobram. Relocated to alternate office premises in Kyabram and Numurkah.	Consolidated executive and administrative staff, improved working conditions for staff, reduced client travel time and increased opportunities for clients to access services and meet in our offices.
Acquired a 1300 number	Centralised, low or no cost point of access for clients that is fully manned during business hours, reduced lost calls, reduced advertising and media costs, flexibility with office locations.
Installation of a new IT system and laptop upgrades	Improved communications, work flows and efficiency, increased data security.
Upgraded mobile equipment - mobile phones, modems, printers	Improved work conditions, flexibility/mobile capability, and efficiency of staff. Staff are adequately resourced to provide full client service at any location.
Professional development of staff	Continual development and training of staff enabled the organisation to meet clients needs and adapt to changing requirements of service delivery.  Three RFCs attained their Diploma of Community Services (Financial Counselling) through recognition of prior learning.
Service promotion	Increased recognition of the organisation and services provided, increased referrals.

## Statistics

### RURAL FINANCIAL COUNSELLORS

GMH Agcare had 6.1 FTE Rural Financial Counsellors as at 30 June 2009.

For most of 2008-09 there were 5.2 FTE Rural Financial Counsellors, with 1 new RFC recruited in February 2009 and 2 existing RFCs increasing hours in May 2009. The increase in staff/hours was in response to increased client demand in some areas and industries, as well as the move to case management requiring more intense administration, analysis and reporting for RFCs.

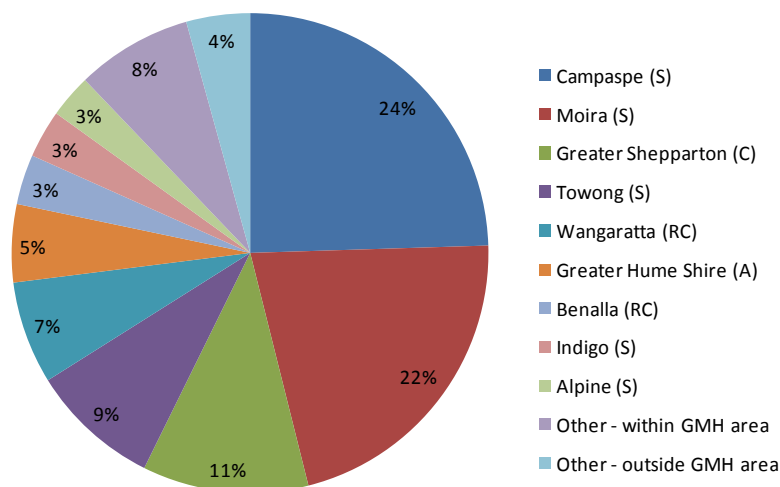
### CLIENTS SUPPORTED

There were 313 new clients for the 08-09 financial year

Total number of clients receiving assistance during the year was 649.

### AREAS SERVICED

Number of clients by Local Government Area



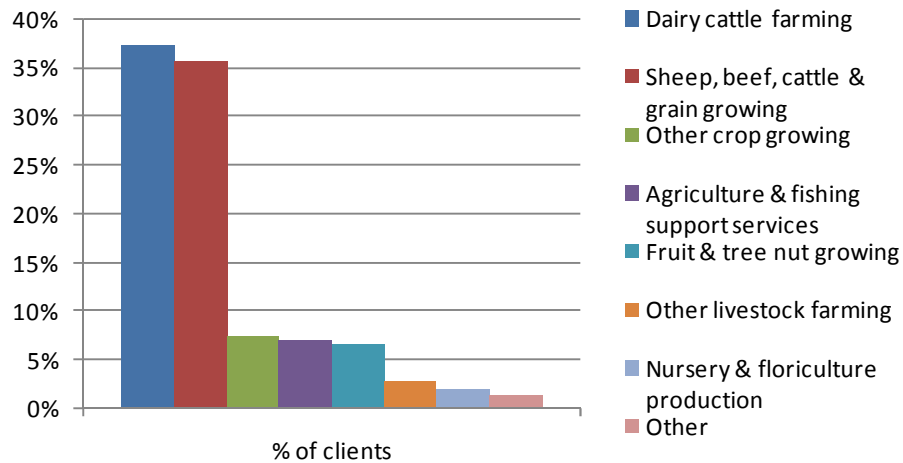
Other LGAs within GMH Agcare serviceable area include: Albury (C), Berrigan (A), Corowa Shire (A), Strathbogie (S), Wodonga (RC)

### INDUSTRIES SERVICED

The 2008-09 financial year saw an 8% increase in beef, sheep and grain growing enterprises seeking assistance from the service, nearly equaling that of dairy farming with:

- 37% of total clients serviced were in the dairy industry
- 36% of total clients serviced were in beef, sheep and grain growing enterprises

### Clients by primary enterprise type



Other includes: Aquaculture, Forrestry & logging, Mushroom & vegetable growing, Poultry farming.

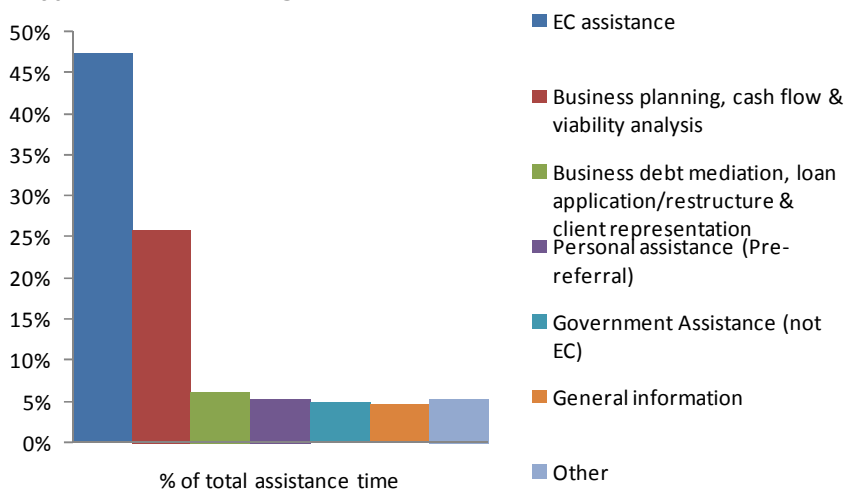
### ASSISTANCE GIVEN

The average hours of assistance given per client was 5.2 (not including travel time). This was an increase from 4.2 in 2007-08 reflecting an increase in complexity of cases and the move to case management. Travel time remained about the same with an average of 1.6 hours travel per client in 2008-09 compared with 1.8 in 2007-08.

The bulk of assistance given was for Exceptional Circumstances (EC) assistance programs and business viability and cash flow analysis with:

- 47% of total client assistance hours (not including client travel) spent supporting farming and small business clients with a range of EC assistance programs.
- 26% of total client assistance hours (not including client travel) involving business planning, cash flow and viability analysis due to increased need for financial analysis of current position and future planning.

### Type of assistance given to clients



Other includes: EAP forms preparation, Succession planning (pre-referral), AAA FarmHelp program, CCAP administration.

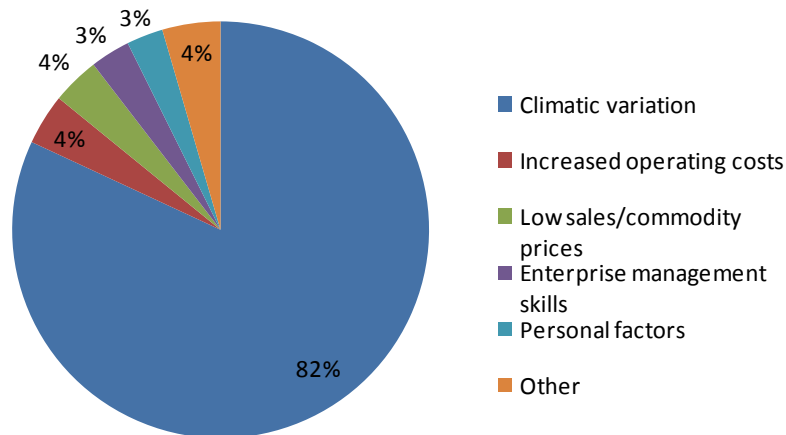


## MAJOR CAUSES OF DIFFICULTY

While there are often multiple issues impacting clients, overwhelmingly the major cause of difficulty recorded\* for clients in the Goulburn Murray Hume region was climatic variation. This is supported by the large proportion of clients seeking EC assistance due to ongoing drought pressures.

\* Major cause of difficulty was recorded for approximately 55 percent of clients.

### Major cause of client difficulty



Other includes: Debt levels, Enterprise size, Financial management skills, and other.

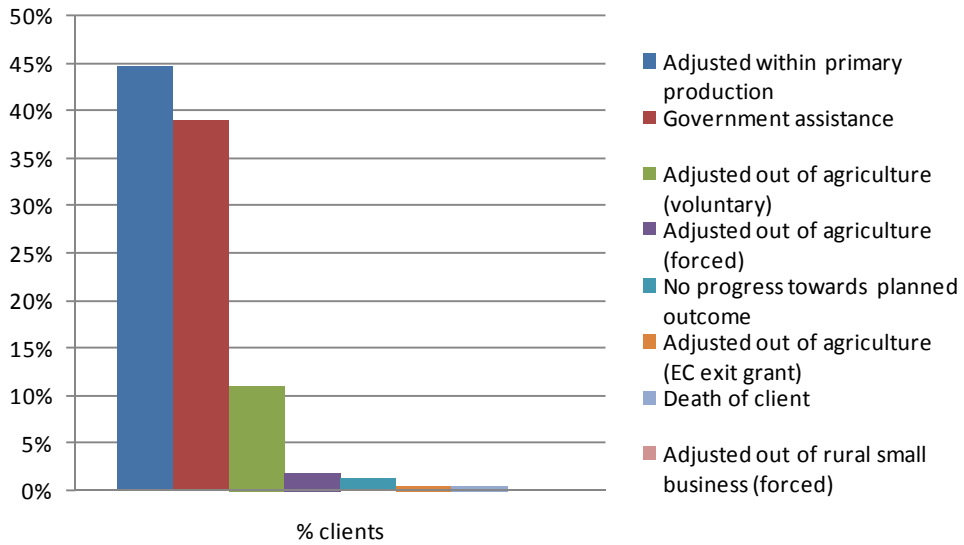
## CLIENT OUTCOMES

With the new case management approach and development of an Enterprise Action Plan, the vast majority of active clients (64 percent) were undergoing assessment or working towards planned outcomes as at 30 June 2009.

Of the remaining clients, where a defined outcome had been reached, the results were largely positive with 45 percent adjusting within primary production either through diversification, improved farm operation and management, improved financial management, or off farm income.

A further 39 percent completed applications or processes for receiving Government assistance in the form of EC or other grants/programs.

### Defined client outcomes\*

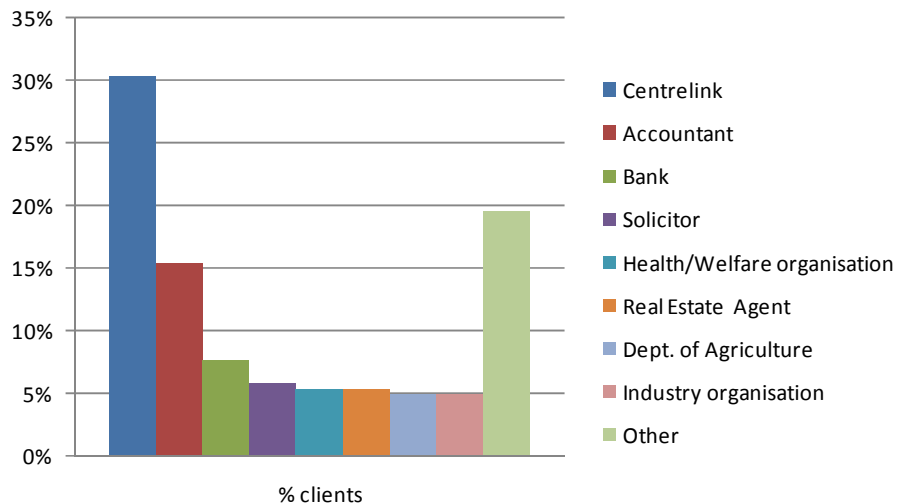


\* Defined clients outcomes only (ie. not including closed clients or those undergoing assessment or working towards planned outcome).

### REFERRALS

GMH Agcare provides a needs-based financial information and referral service that is free, effective, responsive and flexible. During the 2008-09 financial year, 220 clients were referred to other organisations or professionals. Referrals were made to the following:

### Client referrals to other organisations/professionals

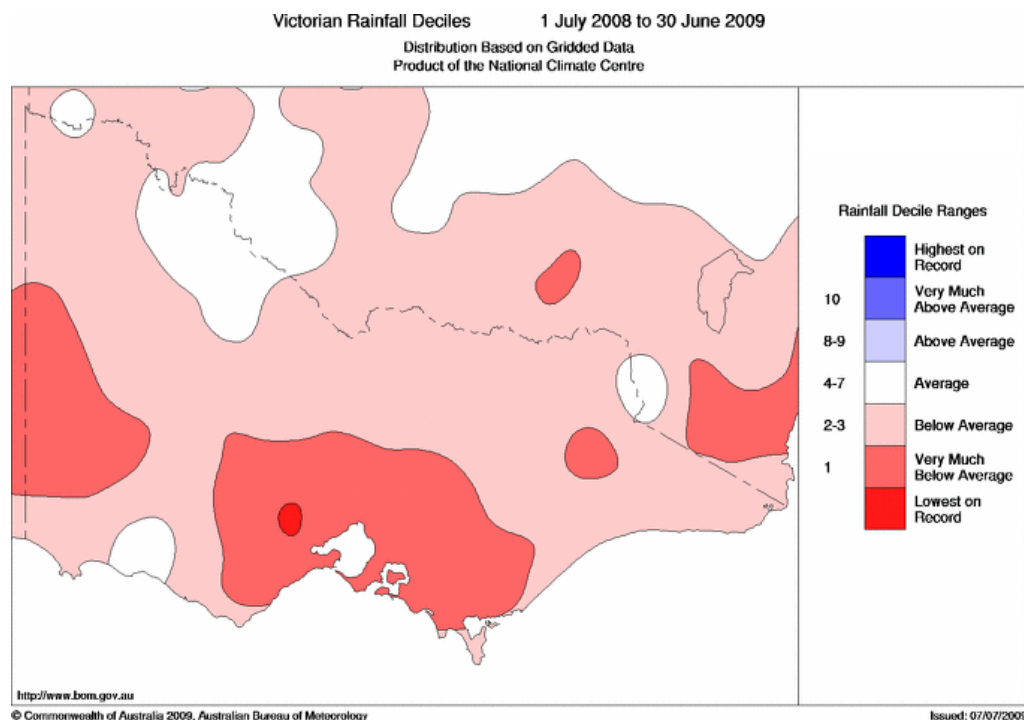


Other includes: Water Authority, Rural Consultant, Training Organisation, Financial Planner/Advisor, Govt Agency (not Centrelink), Stock Agent, Another RFC, Community Group, Doctor, Insolvency Agency.

# Rural Issues and Industry Overview

By Paul Blackshaw, Rural Financial Counsellor Coordinator

The rural communities of the Goulburn Valley and North East Victoria faced another extremely challenging year. Most areas received only decile 2 and 3 rainfall. While this meant below average rainfall, when it fell told a bigger story. Autumn and early winter rain was reasonable, but again the spring rains deserted us. This also led to irrigation allocations of 35% in the Murray System, 33% in the Goulburn and no allocation in the Campaspe, Loddon and Broken systems.



The 2009 growing season has started reasonably well with sufficient rainfall allowing strong establishment of crops and pasture, but the spring is again a concern looking forward. At the time of writing there was no irrigation allocation in any of the irrigation systems in our area.

## Dairy

It was a season of two halves for the dairy industry. Opening prices were good and despite very low water allocations and poor spring rain, things were looking vastly improved. Many dairy farmers in the Upper Murray (Kiewa and Mitta Valleys) were predicting a return to profit, and the irrigated farmers on the Goulburn and Murray systems, while not showing a lot of profit, were able to offset high input costs against good milk prices.

Late last year prices were impacted suddenly by the global financial situation. This was the first mid season price drop in many years. This led to very little cash flow later in the financial year. Low milk prices have continued through to the opening prices of between 24 and 28 cents per litre. There is evidence of severe hardship already, with more to come. Even farmers who are financially and mentally prepared are taking a long look at their future in the industry, while many less viable farmers have already left the industry.

### **Broadacre**

After a good start to the season, spring rainfall was again poor and patchy. For the third year in a row farmers were faced with the agonising decision whether to cut for hay or leave for grain. Both grain and hay yields were significantly down, in most cases well less than half of average. Hay prices were reasonable, but actually marketing and selling hay was not all that easy. Many cropping farmers still had unsold hay left over from the previous year. Grain prices for the much smaller crop were lower than the previous year, but still fairly high. Many farmers, however, held off selling grain at harvest and had to accept lower prices later in the year. For the third year in a row most cropping farmers in our area were facing a significant loss.

Beef cattle farmers in the area performed poorly again this year, despite reasonable prices. Many have destocked, leading to lower input costs, but also lower cash income. Stock water remains an issue. The Upper Murray beef industry continues to be a long term concern with many small farms with questionable viability.

Lamb prices have been strong, but wool prices remain fairly low. Sheep numbers in the area have dropped with many cropping farmers who previously ran sheep as well, not willing to supplementary feed their sheep and destocking.

### **Horticulture**

The orchards around Cobram and Shepparton had another extremely hard year with poor commodity prices compounding low water allocations and high input costs. Many areas were also impacted by early frost damage and/or heat wave conditions with extreme temperatures and hot winds. The processing/canning industry seems to be rationalising growers and many of our clients are poorer performing growers and face losing contracts. The fresh fruit market continues to be a challenge and quite fickle with many growers spending a lot of time maintaining relationships with buyers.

Wine growers in our area (King and Alpine Valleys and Rutherglen) faced another year of low commodity prices coupled with low irrigation availability and high input costs. Prices remained historically low and there was a significant proportion of fruit left unharvested. The ongoing viability of this industry remains in question.

### **Other**

Bushfires devastated Victoria in summer 2009 and our area was not immune. The bushfires around Beechworth, Mudgegonga, Yackandandah and the Kiewa Valley created a range of work for the Rural Financial Counsellors. Some existing clients were affected, some short term clients were assisted and in many cases referred on to appropriate agencies, and some of these affected farmers remain clients.

# Rural Financial Counsellors Report

GMH Agcare services a large part of Victoria, comprising the Goulburn Valley, Murray Valley and North East Victoria. The area comprises two main regions: the irrigated flatter land to the west around Kyabram, Shepparton, Numurkah and Cobram; and the predominately dryland country around Wangaratta, Benalla and Albury-Wodonga stretching to the higher country around Corryong and Myrtleford.

With the Exceptional Circumstances (EC) continuing, the majority of work has been based around assisting clients manage their business through ongoing severe drought. Much work is focused on assisting clients to access government support such as EC Interest Rate Subsidies, Centrelink Income Support, Irrigation Management Grants, Professional Advice and Planning Grants. While this is often the main reason for clients contacting our service, it gives Rural Financial Counsellors entry into their business, allowing them to develop rapport and trust with the client and identify issues with their financial situation, often leading to more in depth work on their business. Much of this work involves budgeting, business planning etc. The introduction of the Enterprise Action Plan has formalised this process.

Work with many clients also involves assisting them with some type of crisis. Increasingly this involves negotiation with a bank, finance company or creditor. In many cases there are also physical or mental health issues, as well as relationship issues, that complicate the problems of the farming family. Rural Financial Counsellors maintain a strong relationship with other service providers such as personal counsellors, social workers, support workers and Centrelink. Clients are referred on to these professionals when appropriate.

The ongoing nature of the drought seems to be having a detrimental impact on the farming community. Counsellors often comment that clients are taking overly pessimistic views, have difficulty making decisions and that morale is declining. This is a constant challenge for the team to effectively assist clients who are in this frame of mind. Counsellors have also noticed that banks are not being as supportive as they previously have been. This has led to an increased need to assist clients with their negotiations with their bank.

Many clients in the irrigated areas are viewing their irrigation entitlement more as another asset or commodity to manage. This has led to increased water trading and its associated complexity. Trading caps however, have restricted the ability of clients to

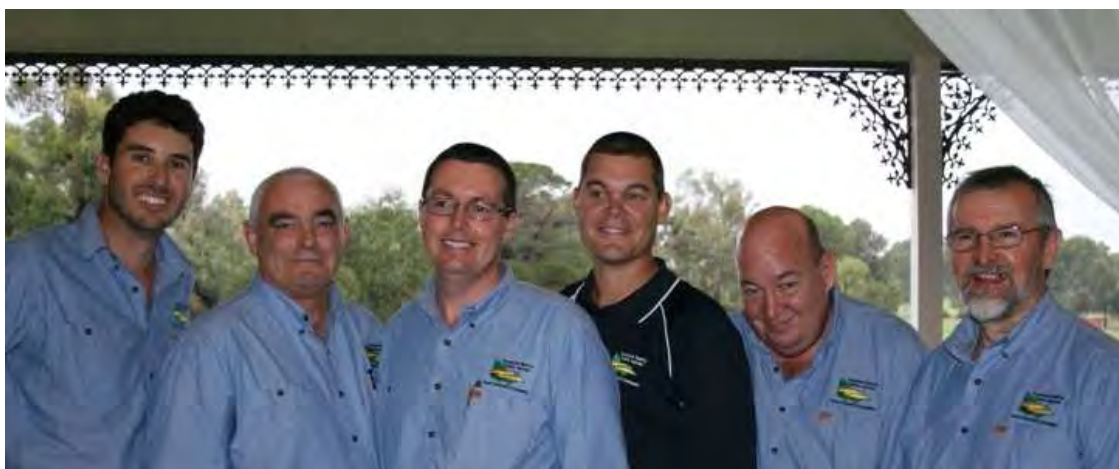
actually sell their entitlement, and many are not aware of this until they enter the market, especially as many view selling their water as a secure fall back position.

It is apparent in our area that, in many cases, off farm income is supporting the farm enterprise. This has increased due to the drought, but remains a significant part of the farm finances. It is more pronounced in rural areas close to our major towns of Albury/Wodonga, Shepparton, Wangaratta and Echuca. This presents a unique challenge to our Counsellors as these farmers may not be eligible for government support as they do not meet the true definition of “a farmer” (according to grant criteria), but still play a big part in rural communities.

At the time of writing this report, the season is currently on a knife edge in the dry land areas. While early winter rain has been reasonable, the trend is toward a drier spring. There is probably sufficient moisture for most crops to be harvested, but a partial recovery is the most optimistic outcome. There is concern over the ongoing viability of some sectors of the beef industry, mainly due to debt levels and lack of scale.

Irrigation allocations have opened at zero and strong early spring rainfall is needed for there to be any meaningful allocation at all. This a major concern for our area, and coupled with the downturn in milk prices, we anticipate many dairy farmers will face serious financial issues.

There is evidence that some clients have adjusted out of agriculture, some having accessed the Exit Grant. Most clients however have adjusted within agriculture either by improving their financial management, altering on farm management, diversification or off farm support/income.



**Rural Financial Counsellors – Nov 08**

From left: Tim Watson, Lindsay Brown, Paul Blackshaw, Chris Howard, Tony Shirley, Carl Fraser

Absent: Maryanne Black, Alan Guest-Smith

# Community Development Program

From April 2008 to March 2009, community member group GV Agcare provided funding for a Community Development program to build on the strengths of the organisation and contribute to capacity building in rural agricultural communities.

The Community Development program focused on: networking with local bankers, agribusiness and service providers; strategic planning and organisational development; compiling a database of programs, services and potential partners; completing a gap analysis of community development needs across the region; and organising the 'Rural Men Connect' Forum.

Community Development Officers Julie de Hennin and Rowan O'Hagan were active in attending local government Drought Committee meetings across the region and contributing to workshops and seminars on topics such as Farming Futures, regional drought research, grief and loss, climate change and changing rural landscapes. The information gained from these activities, along with feedback from the Rural Financial Counsellors, informed the submission by GMH Agcare to the Social Impacts of Drought inquiry held by the Australian Government.

Planning for the 'Rural Men Connect' Forum commenced in August, with seeding funds provided by Upper Hume PCP and directed by a stakeholder steering committee. The 'Rural Men Connect' Forum was held at Latrobe University, Beechworth in March 2009, with over 70 people participating and 20 presentations. Sponsors for the forum were the Border Division of General Practice and the Australian Alpine Valleys Agribusiness Forum.

The Forum was a resounding success, bringing together organisations and individuals with a stake in the wellbeing and future of rural men and adolescents with the practical aims of: creating greater awareness about connecting with rural men; sharing successful experiences in programs and services; developing new skills and practice; and building strong community links and networks.



# Finance Report

GMH Agcare administered just under \$1 million dollars during the 2008-09 financial year. The Australian Commonwealth Government and the Victorian State Government were the main sources of funding for our Rural Financial Counselling Service. In addition to this, GMH Agcare was provided with a considerable amount of in-kind support (approximately \$29,000) which was invaluable to the running of our service during the year.

GMH Agcare employed seven (7) Rural Financial Counsellors on a full-time and part-time basis, equating to 6.1 full time equivalent employees during 2008-09. The core operating expenditure associated with running the organisation was employment costs (including superannuation, leave and workers compensation), motor vehicles and communication costs.

In addition to the core operating expenditure GMH Agcare was successful in obtaining approval to undertake several special projects. Expenditure for special projects totaled approximately \$95,000. Special project expenditure included an operational and business review, remuneration review, communications upgrade, the new Wodonga office refurbishment and additional funds to increase our provision for windup costs. All projects commenced during the year were successfully completed except for the Wodonga office refurbishment which was completed in July 2009.

Audited financial statements for the year ended 30 June 2009 are included in Appendix 1

# Appendix 1 – Audited Financial Statements

**GOULBURN MURRAY HUME AGCARE  
LIMITED**

**ABN 42 120 418 582**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**GOULBURN MURRAY HUME AGCARE LIMITED**  
**ABN 42 120 418 582**

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**GOULBURN MURRAY HUME AGCARE LIMITED**  
**ABN 42 120 418 582**

**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

The directors present their report together with the financial report of Goulburn Murray Hume Agcare Ltd (the Company) for the year ended 30 June 2009 and the auditors report thereon.

**DIRECTORS**

The names and details of the directors of the company in office during the financial year and

Name	Years of service	Occupation
Steve Cohen	3	Dairy Farmer
Roger Burton	3	Beef/sheep Farmer
Peter Gray	3	Certified Practising Accountant
Chris Howe	3	Chartered Accountant
Nerida Kerr	3	Rural Community Development Officer
Tim Manion	3	Mixed Farmer
Helen McGowan	3	Community Lawyer
Chris Thomas	3	Regional Supply Manager

**Directors Meetings**

Directors meetings are currently held every 6 weeks.

**Principal Activities**

The principal activity of the company is to provide rural finance counselling services to farmers & small business in the Goulburn Murray & Hume regions

**Trading Results**

The operating surplus for the 2009 financial year before income tax was \$267,601 (2008 - \$195,799) Income tax was NIL. The operating surplus after extraordinary items was \$227,601 (2008 - \$195,779)

**Review of Operations**

Gross income for the year was \$1,390,048 comprising

(i) Australian government grants	\$887,000
(ii) Victorian state government grants	\$107,000
(iii) Special Australian government grants	\$127,500
(iv) Special Victorian state government grant	\$150,000
(v) Donations & Reimbursements	\$52,776
(vi) Interest Received	\$15,572

**State of affairs**

In the opinion of the Directors there were no significant changes in the state of affairs of the Company during the financial year under review

**Events subsequent to balance date**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company in subsequent years.

**GOULBURN MURRAY HUME AGCARE LIMITED**  
**ABN 42 120 418 582**

**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2008**

**Likely developments**

No material likely developments are foreseen at this time that may affect the Companies operations. Further information about likely developments in the operations of the Company and the expected results of those operations in the future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

**Directors Benefits**

Chris Howe is a director and share holder of ACN 007 062 866 Pty Ltd, trading as Belmores. During the course of the year Belmores, Chartered Accountants, provided accounting and management consultant services to the company. For this service they received payment from the Company of \$3,319 (Excl GST)

No other director received or become entitled to receive a benefit (other than a benefit included to aggregate amount of enrolment received or due and receivable by directors shown in the accounts) by reason of a contract made by the Company of a related corporation with the director or with a firm which he or she is a member or with a company in which he or she has a substantial financial interest

**Indemnification and insurance of Directors and Officers**

During the year, a premium of \$5184 (Excl GST) was paid in respect of a contract insuring Directors and Officers of the Company against liability. The Officers of the Company covered by the insurance contract include the Directors, Executive Officers, Secretary and employees. In accordance with normal commercial practice, disclosure of the total amount of premium payable under, and the nature of liabilities covered by, the insurance contract is prohibited by a confidentiality clause in the contract. The auditor of the Company has not been indemnified

**Dividends**

As the company is a non profit public company limited by guarantee no dividends are paid or payable to members

**Auditors Independence Declaration**

A copy of the Auditors independence declaration as required by section 307C of the Corporations Act is set out on the attached declaration

Signed in accordance with a resolution of the directors



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S Cohen (Chairperson)

Dated at Yarrowonga this 22<sup>nd</sup> day of October 2009

**GOULBURN MURRAY HUME AGCARE LIMITED**  
**ABN 42 120 418 582**

**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
Revenue	2	1,390,048	1,112,919
Employee benefits expense		(730,669)	(593,491)
In kind support expenses		(29,950)	(31,150)
Depreciation and amortisation expenses		(19,862)	(10,616)
Finance costs		(100)	-
Other expenses		<u>(341,866)</u>	<u>(281,883)</u>
<b>Profit before income tax expense</b>		267,601	195,779
		<u>                    </u>	<u>                    </u>
<b>Profit attributable to member of the company</b>		<u><u>267,601</u></u>	<u><u>195,779</u></u>

The accompanying notes form part of these financial statements.

This report should be read in conjunction with the attached compilation report.

**GOULBURN MURRAY HUME AGCARE LIMITED**  
**ABN 42 120 418 582**

**STATEMENT OF CHANGES IN EQUITY**

**AS AT 30 JUNE 2009**

	Share Capital		
	Retained Earnings	General Reserve - Provision for Wind Up	Total
	\$	\$	\$
<b>Balance at 1 July 2007</b>	134,175	-	134,175
Profit attributable to equity shareholders	195,779		195,779
<b>Balance at 30 June 2008</b>	329,954	-	329,954
Profit attributable to equity shareholders	267,601		267,601
Provision for Wind Up	(40,000)		(40,000)
<b>Balance at 30 June 2009</b>	557,554	40,000	597,554

The accompanying notes form part of these financial statements.

This report should be read in conjunction with the attached compilation report.



**GOULBURN MURRAY HUME AGCARE LIMITED**  
**ABN 42 120 418 582**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2009**

	Note	2009 \$	2008 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	631,478	388,768
Trade and other receivables	4	110	-
<b>TOTAL CURRENT ASSETS</b>		<u>631,588</u>	<u>388,768</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	163,000	79,601
<b>TOTAL NON-CURRENT ASSETS</b>		<u>163,000</u>	<u>79,601</u>
<b>TOTAL ASSETS</b>		<u><u>794,588</u></u>	<u><u>468,369</u></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	103,033	77,701
Short-term provisions	7	94,001	60,714
<b>TOTAL CURRENT LIABILITIES</b>		<u>197,034</u>	<u>138,415</u>
<b>TOTAL LIABILITIES</b>		<u><u>197,034</u></u>	<u><u>138,415</u></u>
<b>NET ASSETS</b>		<u><u>597,554</u></u>	<u><u>329,954</u></u>
<b>EQUITY</b>			
Reserves	9	40,000	
Retained profits		557,554	329,954
<b>TOTAL EQUITY</b>		<u><u>597,554</u></u>	<u><u>329,954</u></u>

The accompanying notes form part of these financial statements.

**GOULBURN MURRAY HUME AGCARE LIMITED**  
**ABN 42 120 418 582**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
<b>Cash flows from operating activities</b>			
Receipts from government		1,321,700	848,000
Receipts other		68,347	264,919
Payments to suppliers and employees		<u>(1,069,297)</u>	<u>(910,774)</u>
<b>Net cash provided by operating activities</b>		<u>320,750</u>	<u>202,145</u>
<b>Cash flows from investing activities</b>			
Net increase in receivables		(110)	(37,068)
Purchase of plant & equipment		<u>(103,262)</u>	<u>(72,762)</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(103,372)</u>	<u>(35,694)</u>
<b>Cash flows from financing activities</b>			
Net increase in short term debt		<u>25,331</u>	<u>6,653</u>
<b>Net cash provided by financing activities</b>		<u>25,331</u>	<u>6,653</u>
Net increase in cash held		242,709	173,104
Cash at beginning of financial year		<u>388,768</u>	<u>215,664</u>
Cash at end of financial year		<u><u>631,477</u></u>	<u><u>388,768</u></u>

The accompanying notes form part of these financial statements.

This report should be read in conjunction with the attached compilation report.

**GOULBURN MURRAY HUME AGCARE LIMITED**  
**ABN 42 120 418 582**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views other authoritative pronouncements of the Australian Accounting Standards Board. The financial report is for the entity Goulburn Murray Hume Agcare Limited as an individual entity. Goulburn Murray Hume Agcare Limited is a company limited by guarantee incorporated and domiciled in Australia.

The financial report has been prepared on an accrual basis, with the exception of Goods & Services Tax which has been reported on a cash basis, and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Income Tax**

The company is a not for profit organisation and accordingly is not subject to the provision of the Australian Income Tax Act (1988) and does not account for income taxes as a charge against revenue or bring to account as a liability on the statement of financial position

**(b) Property, Plant and Equipment**

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

**Plant and Equipment**

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by the director to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge.

**(c) Employee Benefits**

**i) Wages and salaries, annual leave and sick leave**

Liabilities for wages and salaries, including non-monetary benefits and annual leave in total are recognised in the provision for employee benefits 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. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

**GOULBURN MURRAY HUME AGCARE LIMITED**  
**ABN 42 120 418 582**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**ii) Long service leave**

The liability for long service leave is recognised in the provision for employee benefits and is measured at the actual dollar value of the accumulated cost, and is shown as a current liability. To comply with DAFF reporting requirements all employee liabilities are brought to account including those with less than five years service.

**(d) Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investment in money market instruments maturing within less than two months and net of bank overdrafts.

**(e) Revenue**

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

1. Revenue from Government Grants is recognised upon receipt of the grant.
2. Revenue from other sources is recognised upon the issuing of an invoice.

**(f) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

**(g) Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term

**(h) Acquisitions of assets**

The purchase method of accounting is used to account for all acquisition of assets. Cost is measured as the fair value of the assets given, plus costs directly attributable to the acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Company's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

**GOULBURN MURRAY HUME AGCARE LIMITED**  
**ABN 42 120 418 582**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**(i) Cash and cash-equivalent assets**

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.

**(j) Impairment of assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

**(k) Receivables**

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Receivables are due for settlement no more than 30 days from the date of recognition.

Collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is considered unnecessary as all funds have been collected since balance dates.

**(l) Investments and other financial assets**

The company classifies its investment in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments at initial recognition and re-evaluates this designation at each reporting date.

**(i) Financial assets at fair value through profit or loss**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there is a possibility it will be sold in the short term and the asset is subject to frequent changes in fair value.

**(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of selling the receivable.

**(iii) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the company's management has the positive intention and ability to hold to maturity.

**GOULBURN MURRAY HUME AGCARE LIMITED**  
**ABN 42 120 418 582**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**(m) Fair value estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

**(n) Infrastructure, property, plant and equipment**

All infrastructure, property, plant and equipment is stated at cost (or deemed cost) less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the prime cost method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Computers & Electronic Equipment	3	Yrs
Office Furniture	10	Yrs
Vehicles	8	Yrs
Other plant and equipment	5	Yrs

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

**(o) Payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**(p) Borrowings**

The company does not have external borrowing and accordingly does not account for any amortisation cost or other adjustment to the carrying amount of liabilities.

**GOULBURN MURRAY HUME AGCARE LIMITED**  
**ABN 42 120 418 582**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**(r) Allocation between current and non-current**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the company's operational cycle. In the case of liabilities where the company does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

**GOULBURN MURRAY HUME AGCARE LIMITED**  
**ABN 42 120 418 582**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
<b>2. REVENUE</b>			
Grant revenue:			
Grants		1,362,390	1,109,250
Other revenue:			
Other Income		12,086	3,619
Interest received	2(a)	15,572	50
<b>Total Revenue</b>		<u>1,390,048</u>	<u>1,112,919</u>
 (a) Interest received from:			
Other corporations		<u>15,572</u>	<u>50</u>
 <b>3. CASH AND CASH EQUIVALENTS</b>			
GMH Agcare A/C 0902		4,476	361,524
GMH Agcare A/C 8271		10,872	27,244
GMH Agcare A/C 8352		107,973	-
GMH Agcare A/C 8360		174,532	-
GMH Agcare A/C 8379		333,625	-
		<u>631,478</u>	<u>388,768</u>
 <b>4. TRADE AND OTHER RECEIVABLES</b>			
<b>CURRENT</b>			
Trade debtors		<u>110</u>	<u>-</u>
 <b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Leasehold improvements		23,346	-
Plant and equipment		<u>11,375</u>	<u>726</u>
Motor vehicles		<u>84,677</u>	<u>59,016</u>
Computer equipment		<u>43,602</u>	<u>19,859</u>
<b>Total plant and equipment</b>		<u>139,654</u>	<u>79,601</u>
 <b>Total property, plant and equipment</b>		<u>163,000</u>	<u>79,601</u>

These notes should be read in conjunction with the attached compilation report.



**GOULBURN MURRAY HUME AGCARE LIMITED**  
**ABN 42 120 418 582**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
<b>6. TRADE AND OTHER PAYABLES</b>			
<b>CURRENT</b>			
Good and services tax		32,257	30,461
Accrued Expense (Superannuation)		14,347	10,425
Trade creditors		56,429	6,815
Prepaid Income		-	30,000
		103,033	77,701
<b>7. PROVISIONS</b>			
Employee Entitlements		94,001	60,714
		94,001	60,714
<b>Analysis of Total Provisions</b>			
Current		94,001	60,714

**8. FINANCIAL RISK MANAGEMENT**

**(a) Net Fair Values**

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

**9. GERNERAL RESERVES**

**Provision for Wind Up**

The provision for wind up costs has been brought to account on the basis of provding for run off insurance of \$4,500 per counsellor for 8 counsellors based on the amount paid by North East Agcare Inc in 2006 and an allowance of \$4,000 for liquidator costs.

These notes should be read in conjunction with the attached compilation report.

# ANNUAL STATEMENT OF FINANCIAL PERFORMANCE (audited)

**Service Name:** RFCS Victoria - Goulburn Murray Hume

	Notes	2008-09 Approved Budget	2008-09 Actuals	2007-08 Actuals
<b>Revenue:</b>				
Aust Govt Grant:				-
Aust Govt Annual Grant		887,000	887,000	386,000
State Govt Annual Grant		107,000	107,000	122,000
Special Grant funding:	2			
Aust/State Govt: eg Bushfire/Drought		-	-	38,000
Aust/State Govt: Senior RFC Co-ordinator			127,500	120,000
Aust/State Govt: eg Bushfire/Drought				92,000
State Govt Drought Counsellor			150,000	90,000
Murray Darling Drought Assistance			-	138,000
2006-07 Accumulated Surplus		159,959		
In-Kind Support	3	20,500	29,950	31,150
Interest			15,572	50
Other Revenue/Sundry	4		73,026	3,619
CDO Income (to be excluded)	18		(50,200)	
<b>Total Revenue:</b>		<b>1,174,459</b>	<b>1,339,848</b>	<b>1,020,819</b>
<b>Expenditure:</b>				
Employment Related Costs	5	600,215	576,168	356,723
Vehicle Expenses	6	183,705	100,758	92,070
Counsellor travel (travel/accomm re counselling)				
Exec Officer Costs (travel/accomm etc)		5,830	6,385	
Counsellor travel (other than counselling)		7,260		
Board Costs (mtg costs/travel/accomm etc)	7	37,218	31,876	20,153
Office Accommodation Costs		46,744	33,405	19,008
Utility Costs (elect, gas etc)			400	
File storage costs			315	
Office expenses (stationary/postage/photocopy etc)	16	22,250	10,875	7,519
Communication Costs (fixed/mobile/internet)		28,428	19,625	13,677
IT costs (equip/software/support)		12,850	14,259	7,309
Audit		5,000	3,850	3,500
Accounting		5,600	3,485	9,747
Bank Charges		701	724	614
Depreciation (excludes vehicles)		6,000	11,581	
Insurance (excludes vehicles)	8	6,400	6,142	5,815
Insurance Workers comp			960	
Legal costs			4,610	
Professional Supervision				
Staff Training (including associated travel/accomm)		16,400	34,845	20,367
Staff recruitment		4,000	4,806	3,511
In-Kind Expense (equals In-Kind Revenue)	3	20,500	29,950	31,150
Special Grant expenses	2	91,080	187,505	310,554
Depreciation (excludes vehicles)			11,583	8,954
Other Expenses/Sundry	9	5,400	79,080	6,469
CDO Expenses (to be excluded)	18		(60,940)	(64,619)
<b>Total Expenditure:</b>		<b>1,105,581</b>	<b>1,112,247</b>	<b>852,521</b>
<b>Surplus/(Deficit):</b>	10	<b>68,878</b>	<b>227,600</b>	<b>168,298</b>

## STATEMENT OF FINANCIAL POSITION (audited)

**Service Name:** RFCS Victoria - Goulburn Murray Hume

	Notes	2008-09 Actuals	2007-08 Actuals
<b>Assets:</b>			
Cash at Bank	11	614,738	361,288
Cash Invested	11		
Debtors	12	110	
Plant and Equipment:			
Plant & Equipment	13	11,375	264,919
Fixtures and fittings	13	23,346	(910,774)
Office equipment	13		
Computers	13	43,600	19,859
Vehicles	13	84,678	59,016
<b>Total Assets:</b>		<b>777,847</b>	<b>(205,692)</b>
<b>Liabilities:</b>			
Employee Liabilities	14	14,347	
Annual Leave Prov.	14	48,120	26,814
LSL Prov.	14	45,882	33,900
Trade Creditors	15	56,429	47,701
Other - Prepaid Income			30,000
GST Liability		32,257	
<b>Total Liabilities:</b>		<b>197,035</b>	<b>138,415</b>
			6,385
<b>Net Assets:</b>		<b>580,812</b>	<b>(344,108)</b>
<b>Equity:</b>			
Unspent government grant contributions			215,664
Reserve - wind-up		40,000	
Reserve - Accumulated Surpluses/(Deficits)		540,812	14,259
Reserve - please specify			3,850
Any other reserve - please specify			3,485
<b>Total Equity</b>		<b>580,812</b>	<b>21,594</b>

## CASHFLOW STATEMENT (audited)

**Service Name:** RFCS Victoria - Goulburn Murray Hume

	Notes	2008-09 Actuals	2007-08 Actuals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Grant receipts		1,271,500	848,000
Interest received		15,572	
Cash donations received			
Other receipts		22,826	264,919
Payments to suppliers and employers (enter as a negative)		<u>(978,407)</u>	<u>(910,774)</u>
NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES		<u>331,491</u>	<u>202,145</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of plant and equipment		0	
Net increase in receivables		-110	37068
Purchase of plant and equipment		<u>-103262</u>	<u>-72762</u>
NET CASH (USED) IN INVESTING ACTIVITIES		<u>-103372</u>	<u>-35694</u>
<b>CASH FLOWS FROM BORROWING ACTIVITIES</b>			
Net increase in short term debt		25,331	6,653
Repayment of borrowings			6,385
NET CASH PROVIDED (USED IN ) FINANCING ACTIVITIES		<u>25,331</u>	<u>13,038</u>
Net increase (decrease) in cash held		253,450	179,489
Cash at the beginning of the financial year		<u>395,153</u>	<u>215,664</u>
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>		<u>648,603</u>	<u>395,153</u>

## Notes to the Accounts (audited)

### Service Name: RFCS Victoria - Goulburn Murray Hume

#### Note 1: Accounting Policies

Only used for audited financial statements.

Audited financial statements should include all the notes as per the budget proforma (including using the same note number). The additional notes required for audited financial statements should be numbered after these "budget note" numbers.

#### Note 2: Special Grant Funding

(Specify source of funding, Aust or State)

	2008-09 Actuals	2007-08 Actuals	
Australian Govt Grant: please specify purpose	-	<b>38,000</b>	<<=====
expended on: eg.,		264,919	
Additional Counsellors salary		(910,774)	
Administration Employment Costs		46,894	
Administration Office Expenses		1,609	
District seminar/forum costs			
Temp office			
Other - please specify			
Other - please specify			
	-	<b>(862,271)</b>	
<b>Australian Govt Grant: Drought Counsellor</b>	<b>127,500</b>	<b>120,000</b>	
expended on: eg.,			
Employment Related costs	-	64,579	
Motor Vehicle Costs	-	20,320	
Office Accommodations Costs	-	17,500	
Office Expenses	-	972	
Training	-	6,385	
IT Setup/Ongoing costs	-	5,042	
Communication costs	-	4,365	
	-	<b>119,163</b>	
<b>Australian Govt Grant: please specify purpose</b>		<b>215,664</b>	
expended on: eg.,			
Employment Related Costs (salary)		24,733	
Motor Vehicle costs		14,259	
Office Expenses		3,850	
District seminar/training		3,485	
Communication costs		1,151	
IT Set/up Ongoing costs			
Other - please specify			
	-	<b>47,478</b>	
<b>State Govt Grant: Drought Councillor</b>	<b>150,000</b>	<b>90,000</b>	
expended on: eg.,			
Employments Related costs (salary)	77,287	9,917	
Motor Vehicle costs	5,643	2,596	
Office Expenses (Admin support)	2,209	31,175	
Communication costs	3,560		
IT Setup Costs	577	591	
Office Accommodation	5,527	759	
Training	556		
	<b>95,359</b>	<b>45,038</b>	

## Notes to the Accounts (audited)

### Service Name: RFCS Victoria - Goulburn Murray Hume

Australian Govt Grant: Senior RFC Co-ordinator	<u>127,500</u>	
expended on:eg.,		
Employment Related costs	59,332	
Motor Vehicle Costs	10,810	
Office Accommodations Costs	10,220	
Office Expenses	1,041	
Training	9,115	
IT Setup/Ongoing costs	723	
Communication costs	905	
	<u>92,146</u>	
Murray Darling Drought Assistance	<u>-</u>	<u>138,000</u>
expended on:eg.,		
Employments Related costs (salary)		34,396
Motor Vehicle costs		7,597
Office Expenses (Admin support)		14,681
Communication costs		2,277
IT Setup Costs		105
Office Accommodation		5,042
Training		3,358
	<u>-</u>	<u>67,456</u>
<b>Total Special Grant Funding Expenses</b>	<u>187,505</u>	<u>(583,136)</u>
<b>Note 3: In-Kind Support</b>	<u>29,950</u>	<u>31,150</u>
Eg, below,		
Local Councils: reduced office rentals	13,200	13,200
DPI - Benalla - reduced rent	11,000	11,000
Belmores yarrowonga - meeting room costs	3,000	3,000
Directors sitting Fees / Travel	2,750	3,750
Staff Training		200
	<u>29,950</u>	<u>31,150</u>
<b>Note 4: Other Revenue</b>	<u>73,026</u>	<u>3,619</u>
Sundry	22,826	
CDO	50,200	
Re-calculation of employee entitlements		3,619
	<u>73,026</u>	<u>3,619</u>
<b>Note 5: Employment Related Costs</b>		
Salary Costs	605,294	541,041
Superannuation	54,289	43,213
Other		
Workers Compensation insurance	2,474	1,153
Motor Vehicle Allowance	17,442	
Annual Leave Prov movement	21,306	8,826
LSL Prov movement	11,982	(13,082)
Less Special Grant Expense	(136,619)	(224,428)
	<u>576,168</u>	<u>356,723</u>

## Notes to the Accounts (audited)

**Service Name: RFCS Victoria - Goulburn Murray Hume**

	<b>2008-09 Actuals</b>	<b>2007-08 Actuals</b>
<b>Note 6: Vehicle Costs:</b>		
Vehicle lease costs	64,570	88,775
Vehicle depreciation	8,281	1,662
Vehicle Fuel	36,752	34,920
Vehicle Rego & Insurance	5,699	3,340
Vehicle Maintenance	1,909	316
Vehicle Other (tyres/windcreens/		(2,076)
Less Special Grant Expenses	(16,453)	(34,867)
Vehicle Changeover (profit/loss)		
	<b><u>100,758</u></b>	<b><u>92,070</u></b>
<b>Note 7: Board Costs</b>		
Meeting Costs	1,359	2,136
Travel/accomm	10,161	4,524
Directors Fees	20,356	13,493
Other - please specify		
	<b><u>31,876</u></b>	<b><u>20,153</u></b>
<b>Note 8: Insurance</b>		
Workers Compensation		205
Directors & Officers Liability	2,592	2,562
Professional Indemnity	2,592	2,320
Other		-
Liability Insurance	958	728
	<b><u>6,142</u></b>	<b><u>5,815</u></b>
<b>Note 9: Other Expenses</b>		
Provision for windup Costs	13(a) 40,000	
Sundry		105
Advertising		809
Freight	44	185
Interest Paid	100	
Legal Costs		2,273
Community Forums	1,000	-
Professional Fees		550
Subscriptions		390
Conference Expenses	3,627	2,055
Filing Fees	40	105
Repairs & Maintenance	558	
Consultancy Fees	33,711	
	<b><u>79,080</u></b>	<b><u>6,472</u></b>
<b>Note 10: Annual Surplus/(Deficit)</b>		
	<b><u>227,600</u></b>	<b><u>168,298</u></b>
	(i)	(ii)
<b>Note 11: Cash and Cash Equivalents</b>		
Account 0902	4,476	361,524
Account 8271	10,872	27,244
Less Portion attributed to CDO	(16,740)	(27,480)
Account 8352	107,973	
Account 8360	174,532	
Account 8379	333,625	
	<b><u>614,738</u></b>	<b><u>361,288</u></b>

## Notes to the Accounts (audited)

### Service Name: RFCS Victoria - Goulburn Murray Hume

#### Note 12 : Debtors

Department of Primary Industries	110	
	<u>110</u>	<u>-</u>

#### Note 13(a): Provision for Wind up costs

Run Off Insurance - 8 Counsellors @ \$4500	36,000
Liquidation costs	4,000
	<u>40,000</u>

#### Note 13 : Plant and Equipment

	<b>2008-09 Actuals</b>	<b>2008-09 Actuals</b>	<b>2008-09 Actuals</b>	<b>2008-09 Actuals</b>
	Fixtures and fittings	Plant & equipment	Computers	Motor vehicles
Balance at the beginning of the year		726	19,859	59,016
Additions	23,394	10,840	35,085	33,943
Depreciation/Amortisation Expense for the year	(48)	(191)	(11,344)	(8,281)
Disposals				
<b>Carrying amount at end of year</b>	<u>23,346</u>	<u>11,375</u>	<u>43,600</u>	<u>84,678</u>
				<b>2008-09 Actuals</b>
				<b>Total</b>
Balance at the beginning of the year				79,601
Additions				103,262
Depreciation/Amortisation Expense for the year				(19,864)
Disposals				-
<b>Carrying amount at end of year</b>				<u>162,999</u>

#### Note 14 : Employee Liabilities

	<b>2008-09 Actuals</b>	<b>2007-08 Actuals</b>
Accrued superannuation	14,347	
Annual Leave Prov.	48,120	26,814
LSL Prov.	45,882	33,900
Other - please specify		
	<u>108,349</u>	<u>60,714</u>

#### Note 15 : Trade Creditors

Trade Creditors	56,429	47,701
	<u>56,429</u>	<u>47,701</u>



## Notes to the Accounts (audited)

### Service Name: RFCS Victoria - Goulburn Murray Hume

#### Note 16 : Office Expenses

Postage	845	1,382
Printing and Stationery	13,281	11,552
Less Special Grant Expenses	(3,250)	(5,415)
	<u>10,876</u>	<u>7,519</u>

#### Note 17 : Office Accomodation Costs

Rent	38,275	41,550
Less Special Grant Expenses	(15,747)	(22,542)
	<u>22,528</u>	<u>19,008</u>

#### Note 18 : CDO Expenses

CDO Income	50,200	
------------	--------	--

Advertising	980	
Bank Fees	9	5
Conference Exp	3,627	
Consultant fees	850	
Computer Expenses - Server		1,650
Computer Expenses - Software		52
Directors Fees		174
Freight & Cartage		17
Motor Vehicle & Fuel	857	2,534
Meeting Expenses	526	167
MV Insurance	557	246
MV - Lease	1,903	7,236
Office Supplies	1,579	1,010
Rent - Premises	4,337	4,537
Sponsorship		700
Staff Recruitment		2,528
Telephone	476	808
Travel and Accommodation		183
Internet	108	421
Staff Amentities		32
Wages & Salaries	38,411	39,533
Mileage	3,374	
Superannuation	3,347	2,786
	<u>60,941</u>	<u>64,619</u>

**GOULBURN MURRAY HUME AGCARE LIMITED**  
**ABN 42 120 418 582**

**DIRECTOR'S DECLARATION**

The director of the company declares that:

1. The attached financial statements and notes presents fairly the company's financial position as at 30 June 2009 and it's performance for the year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements;
2. In the director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the director:

Director

  
\_\_\_\_\_

S Cohen

Dated at Yarrowonga this *22<sup>nd</sup>* day of *October* 2009

**GOULBURN MURRAY HUME AGCARE LIMITED  
ABN 42 120 418 582**

**COMPILATION REPORT  
TO GOULBURN MURRAY HUME AGCARE LIMITED**

**Scope**

On the basis of information provided by the director of Goulburn Murray Hume Agcare Limited we have compiled in accordance with APS 9 'Statement on Compilation of Financial Reports' the general purpose financial report of the company for the year ended 30 June 2009, being the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Notes to the Financial Statements and Director's Declaration.

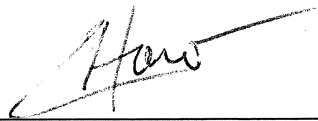
The director is solely responsible for the information contained in the general purpose financial report.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the director provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the company may suffer arising from any negligence on our part. No person should rely on the general purpose financial report without having an audit or review conducted.

The general purpose financial report was prepared exclusively for the benefit of the company. We do not accept responsibility to any other person for the contents of the general purpose financial report.

**Belmores  
50 Belmore Street  
Yarrawonga, VIC, 3730**



**Accountant: Christopher G Howe, ACA, B.Bus(Acc)**

**Yarrawonga**

**30 June 2009**

**GOULBURN MURRAY HUME AGCARE LIMITED  
ABN 42 120 418 582**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER  
SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTOR OF  
GOULBURN MURRAY HUME AGCARE LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.



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**Name of Firm: Kilara Partners**

**Name of Partner: Malcolm Ian McLean**

**Address: 146 Sanger Street  
COROWA NSW 2646**

**Dated this 22<sup>nd</sup> Day of October 2009**

**GOULBURN MURRAY HUME AGCARE LIMITED**  
**ABN 42 120 418 582**

**INDEPENDENT AUDIT REPORT**  
**TO THE MEMBER OF**  
**GOULBURN MURRAY HUME AGCARE LIMITED**

We have audited the accompanying financial report, being a special purpose financial report, of Goulburn Murray Hume Agcare Limited, which comprises the balance sheet as at 30 June 2009, and and the income statement, and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes, directors' declaration and supplementary financial statements.

**Directors' responsibility for the financial report**

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

**GOULBURN MURRAY HUME AGCARE LIMITED  
ABN 42 120 418 582**

**INDEPENDENT AUDIT REPORT  
TO THE MEMBER OF  
GOULBURN MURRAY HUME AGCARE LIMITED**

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

**Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Goulburn Murray Hume Agcare Limited on 9 July 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

**Auditor's opinion**

In our opinion the financial report of Goulburn Murray Hume Agcare Limited is in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.



Name of Firm: Kilara Partners

Name of Partner: Malcolm Ian McLean

Address: 146 Sanger Street  
COROWA NSW 2646

Dated this 22<sup>nd</sup> Day of October 2009





*Providing a free, confidential and local rural financial  
counseling service to primary producers, fishers  
and small rural businesses.*



Goulburn Murray Hume Agcare Ltd. Trading as  
**RFCS Victoria Goulburn Murray Hume**

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