Federation of Victorian Traditional Owner Corporations

ANNUAL REPORT

2017-2018

FEDERATION OF VICTORIAN TRADITIONAL OWNER CORPORATIONS

Contact details

Federation of Victorian Traditional Owner Corporations
12-14 Leveson Street (PO Box 431)
North Melbourne
Victoria 3051

Telephone: 03 9321 5388
Email: info@fvtoc.com.au

www.fvtoc.com.au
www.facebook.com/fvtoc

Additional Copies

This report can be read and downloaded at www.fvtoc.com.au and we have printed a limited number of copies on recycled paper.

Photography by Matt Shanks.
Cover: Murray River at Mildura.
Page 3: Camp Jungai.
Page 10: Inverloch.

The Federation of Victorian Traditional Owner Corporations acknowledges the Traditional Owners of the land we work on as the First People of this Country.

Table of Contents

Introduction: Our Vision, Purpose and Background

OUR VISION

TRADITIONAL OWNERS STRONG ON COUNTRY AND LEADING THE POLITICAL, ECONOMIC AND CULTURAL LANDSCAPE.

OUR PURPOSE

TO PROVIDE A COLLECTIVE VOICE FOR TRADITIONAL OWNERS TO SELF-DETERMINE THEIR FUTURE.

OUR BACKGROUND

The Federation was registered on 2 August 2013 as a public company limited by guarantee under the *Corporations Act 2001* (Cth) and this shapes our corporate governance and financial reporting practices. The Federation's organisational objectives and governance structure are set out in our constitution. We are a charity registered with the Australian Charities and Not-for-Profit Commission (ACNC), a copy of our constitution is publicly available on the ACNC website. The company is a Public Benevolent Institution.

Report from our Chairperson

This past year has been a significant time of change for the Federation. During 2017-18 we have evolved from being a board supported by a secretariat from Native Title Services Victoria (now First Nations Legal and Research Services) to becoming a fully independent and sustainable peak body organisation committed to the advancement of Traditional Owner groups.

In November 2017, we launched our second strategic plan. This was the culmination of significant and robust discussion on our strategic pathway moving into the future. At our strategic launch, we announced that the Federation's inaugural CEO, Marcus Stewart, would commence on 1 January 2018.

I am immensely proud of the Federation's growth over the past five years. From our network of key individuals, representing Traditional Owner groups, who saw the potential in a state-wide Traditional Owner advocacy body, we have built the Federation (including First Nations Legal and Research Services and Federation Enterprises) into what it is today.

Over the past 12 -18 months the Federation has been developing a stronger focus on generating revenue. The Federation is now in a better financial position and will continue to build and develop its services.

The board acknowledges the challenges for the organisation to balance long term aspirations with short term business objectives. We are a membership driven organisation and therefore we are accountable to our members, not just in terms of compliance and financial performance but in maintaining the values that were agreed upon from the Federation's inception.

Through advocacy, support and the provision of programs, the Federation remains committed to working with our members and supporting all Traditional Owner groups to exercise self-determination within their countries' borders. Furthermore we recognise the importance of working in partnership with government and other stakeholders and have strengthened these integral relationships throughout the past year.

The Federation's subsidiary joint ventures have also contributed to the Federation's sustainability. The early development of Barpa has been solidified and the organisation is now entering a new phase of growth and sustainability with the generation of income and employment. On Country Heritage and Consulting and the most recent joint venture, Koori HR, have also continued to develop and we hope will soon follow in Barpa's footsteps.

On behalf of the board, I would like to thank Matthew Storey and the founding Traditional Owner members and board for their expertise, knowledge and guidance to advance the Federation to where it sits today.

On a personal note, I would like to take this opportunity to thank all past and present Federation members, our NRM Chair and Committee, all of our secretariat, and our stakeholders both Government and community alike for your time, commitment, and support to advance the Federation's standing as the "peak body" for Victorian Traditional Owners.

I look forward to the next phase of the Federation's journey.

Janine Coombs

Janine Coombs
Chairperson

Report from our Chief Executive Officer

The Federation in many ways is a start-up business. Until 2018 it was resourced through the secretariat provided by First Nations Legal and Research Services. This structure served the Federation well for its initial stages. However, in 2017 the board having considered the need to grow the organisation and build its capacity to enhance the advocacy and advisory services and support that it offers its members, restructured the Federation, and since January 2018 the Federation has operated with its own structure and resources.

I was pleased to come on board as Chief Executive, and to play a part in the restructure and to support the board in laying the foundations for the restructured organisation. The first part of 2018 has been about putting a greater emphasis on the way we work through the new structure with a renewed focus on strengthening our activity with Traditional Owners and building partnerships and alignment across departments.

We have also taken the time to shift our emphasis towards a more integrated approach to operational activities – both supporting the work of our members and enhancing the policy outcomes that are achieved through this knowledge and evidence base, enabling the membership and Traditional Owners to be the true drivers of the Federation.

Examples of early success include the work on the cultural fire strategy and Treaty, where we have taken some big steps forward to facilitate and draw together a strong, unified picture of the needs and aspirations at a state-wide level. I am confident that these early successes will continue to grow and evolve as government and Traditional Owner groups start to see the positive outcomes.

While many of our achievements relate to specific policy and program priorities, we have a strong sense that the many small changes are contributing to an overall shift in the way Traditional Owner groups are recognised and are taking up the opportunities for their self-determined development.

A key challenge for the Federation is the security of income streams. During the 2017/18 year we generated contract income of over $1.5m. In the year ahead I have a strong emphasis on further embedding income streams to provide greater stability of income, including a mix of project and operational funding. It is of note that the Federation not only provided and coordinated a range of services, but was able to pay a significant proportion, an estimated $100,000, to Traditional Owner participants and members, in addition to a number of one-off philanthropic grants.

While my initial focus has been on the Federation's advisory and advocacy role, over the coming year further work will be undertaken on the alignment of the subsidiary companies, First Nations Legal and Research Services and Federation Enterprises.

The Federation as a group remains in a strong and stable overall financial position, with a positive outlook. There are challenges for the Federation in the current operating environment, and in particular the significant reduction of Commonwealth funding for First Nations Legal and Research Services. While this reduced the consolidated income of the Federation, it is being managed through reducing the resourcing and staffing compliment. We will continue to adapt and build on our strengths and enhance the revenue that is derived from our value to clients and members.

In moving forward, the Federation will continue to place strong emphasis on self-determination and ensure first and foremost our members are supported, because as we all know, what is good for Traditional Owners is good for Victoria.

Marcus Stewart
CEO

Our Performance – Highlights of the Year

Treaty

Over the last year the Federation has played an active and influential role in Victoria's progress towards treaty. Through coordination of key messages on behalf of our Members and through our representation on the Aboriginal Treaty Working Group, we strongly advocated for Traditional Owners to be at the forefront of treaty and supported the *Advancing the Treaty Process with Aboriginal Victorians Act 2018,* which passed through Parliament in June.

This is the first legislation of its kind in Australia and the Federation will continue to support the process in the interests of Traditional Owners, Aboriginal people and the whole State.

Cultural Fire Strategy

During the past year the Federation, with leadership from the Natural Resource Management Committee, initiated and has been facilitating the development of a cultural fire strategy intended to enable fire practices to be practised on Country again. This is a key highlight for the Federation, as the Strategy is the first of its kind to be developed as a policy document that is directed by key messages from Traditional Owner Elders and knowledge holders. Our focus on a partnership approach has reflected in the funding and shared priorities with the Department of Environment, Land, Water and Planning, Parks Victoria and the Country Fire Authority. Over the coming year we expect the strategy to be completed and key aspects of implementation to begin.

Water

During 2017/18 the Federation took a lead role in giving voice to the interests of Traditional Owners to help shape the opportunities and long term commitments under Action 6.3 (Support Aboriginal access to water for economic development) within the State Water Plan, *Water for Victoria*. This culminated in the Federation working with Traditional Owner groups around the State to develop a two year program of direct project assistance and an overarching state-wide project to enable a Roadmap for further investment that can give effect to the use, development and control of water by Traditional Owners. Over the next two years this work will continue with a view to delivering key outcomes in 2020.

Local Government

In the lead up to the introduction of the Local Government Bill 2018, the Federation negotiated a small but potentially significant inclusion into the Bill to incorporate a specific recognition of Traditional Owners. This reference creates the requirement on Local Governments to consider Traditional Owners distinct from other stakeholders within the municipal community. This will enhance the focus on Local Governments to consult and work with Traditional Owners particularly in planning processes. The Bill was passed in the Legislative Assembly but has yet to pass the Legislative Council.

Stakeholder collaboration

In early 2018, the Federation initiated work to better integrate and connect the work of organisations in support of the Traditional Owner settlements and preparation process. The Federation facilitated discussion across various departments to help direct support and funding to be better targeted, efficient and helpful, particularly for those groups in the early stages of gaining recognition and developing their organisational structures.

Templates Review

The Federation, with impetus from the Taungurung Clans Aboriginal Corporation's negotiation of a settlement and with significant support from First Nations Legal and Research Services, led a two day workshop including participation with many Traditional Owner groups' representatives and the State. The key messages and outcomes of the workshop have resulted in a stronger focus on the way in which the natural resource agreements are formulated and shaped to meet the aspirations of Traditional Owners.

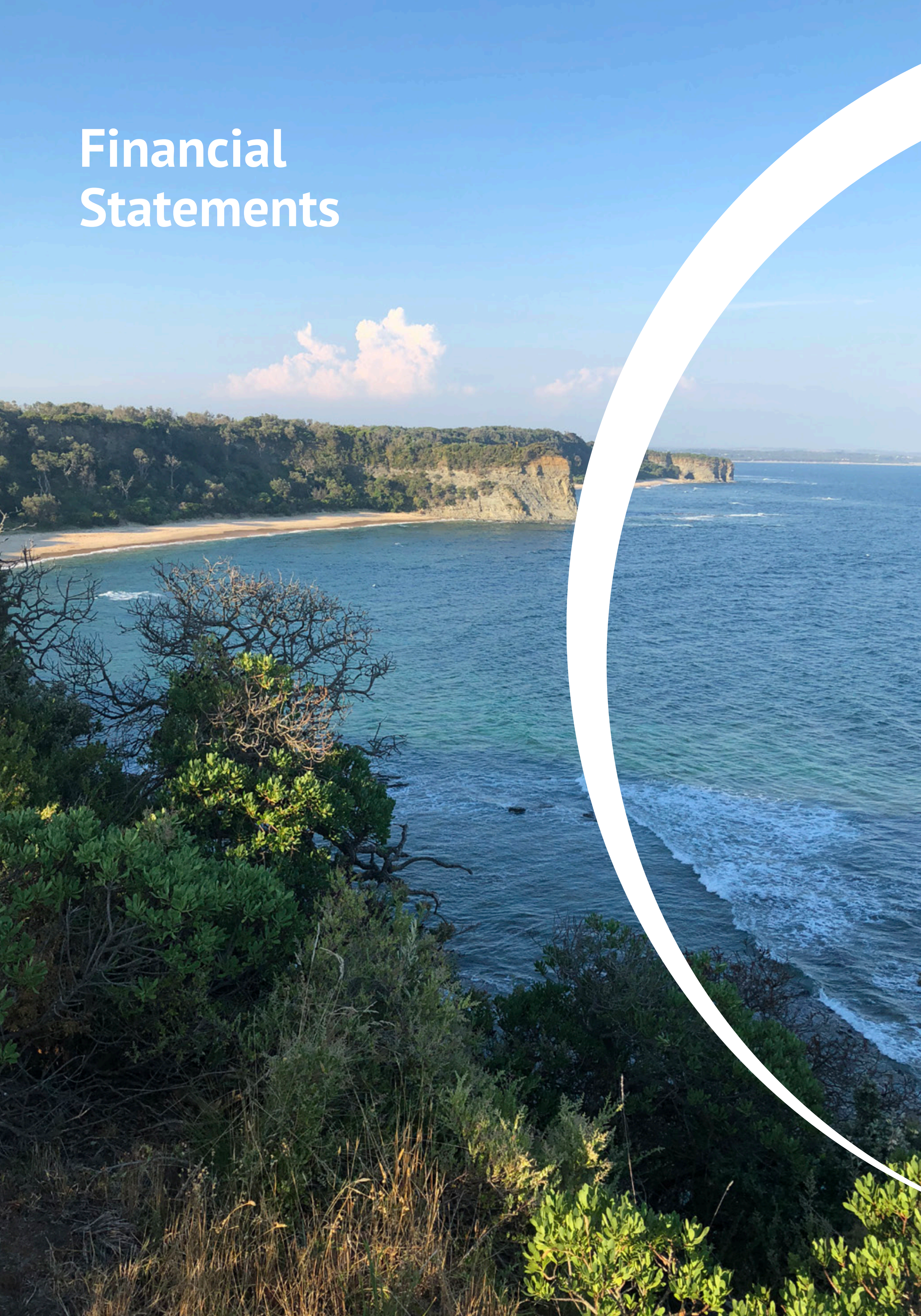
Subsidiaries

The Federation maintains formal reporting relationships with Federation Enterprises and now also with First Nations Legal and Research Services. Over the coming year this will be further developed to ensure a prudent approach to risk management and to maintain the overall strategic direction of the group of companies.

The core focus of Federation Enterprises is on management of its interests in joint venture subsidiaries. Over the 2017/18 year, the Federation has continued to be informed of the progress of Federation Enterprises and the joint ventures. Marcus Stewart, as the Federation CEO and a director, was appointed as the Managing Director of Federation Enterprises. This will enhance the coordination of communications and reporting with the Federation.

From November 2017 the Federation became the sole member of First Nations Legal and Research Services. This is intended to help future-proof the connections between the organisations and embed strong alignment to Traditional Owner interests. However, in July 2018 its Commonwealth funding was reduced, which will be managed carefully over the next two years. This is unlikely to impact on the Federation group, as there will likely be little change in the net income.

Financial Statements



Contents

These financial statements are the consolidated financial statements of the consolidated entity consisting of Federation of Victorian Traditional Owner Corporations Limited and its subsidiaries. A list of subsidiaries is included in note 19. The financial statements are presented in the Australian dollar ($).

The financial statements were authorised for issue by the directors on 14 December 2018. The directors have the power to amend and reissue the financial statements.

Directors' report

Your directors present their report on the consolidated entity consisting of Federation of Victorian Traditional Owner Corporation Limited and the entities it controlled at the end of, or during, the year ended 30 June 2018.

Throughout the report, the consolidated entity is referred to as the group.

Directors

The following persons were directors of Federation of Victorian Traditional Owner Corporation Limited during the whole of the financial year and up to the date of this report:

Janine Coombs	
Graham Atkinson	
Wendy Berick	
Jamie Lowe	
Dylan Clarke	
Matthew Storey	Resigned on 7 December 2017
Marcus Stewart	Resigned on 7 December 2017
Darren Perry	Resigned on 19 January 2018
David Merry	Resigned on 5 March 2018
Thomas Clarke	Resigned on 11 April 2018
Austin Sweeney	Resigned on 18 April 2018
Dan Turnbull	Appointed on 17 May 2018
Adam Magennis	Appointed on 16 December 2017 and resigned on 18 June 2018
Tony Kelly	Appointed on 8 January 2018
Matthew Burns	Appointed on 5 March 2018
Norman Wilson	Appointed on 20 April 2018
Janine Wilson	Appointed on 20 April 2018

Meetings of directors

The numbers of meetings of the group's board of directors and of each board committee held during the year ended 30 June 2018, and the numbers of meetings attended by each director were:

		Full meetings of directors	
Director	**Appointing Member**	**Number eligible to attend**	**Number attended**
Janine Coombs	Barengi Gadjin Land Council Aboriginal Corporation	4	4
Marcus Stewart	Taungurung Clans Aboriginal Corporation	3	2
Graham Atkinson	Dja Dja Wurrung Clans Aboriginal Corporation	4	2
Jamie Lowe	Eastern Maar Aboriginal Corporation	4	3
Norman Wilson	First People of Millewa-Mallee Aboriginal Corporation	1	1
Wendy Berick	Dja Dja Wurrung Clans Aboriginal Corporation	4	3
Thomas Clarke	Eastern Maar Aboriginal Corporation	3	1
Dylan Clarke	Barengi Gadjin Land Council Aboriginal Corporation	2	1
Austin Sweeney	First Nations Legal and Research Services Limited	3	3
Matthew Storey	First Nations Legal and Research Services Limited	3	3
Darren Perry	First People of Millewa-Mallee Aboriginal Corporation	3	0
Adam Magennis	Bunurong Land Council Aboriginal Corporation	3	2
Dan Turnbull	Bunurong Land Council Aboriginal Corporation	3	2
Janine Wilson	First People of Millewa-Mallee Aboriginal Corporation	2	1
Matthew Burns	Taungurung Clans Aboriginal Corporation	1	1
Tony Kelly	First Nations Legal and Research Services Limited	1	1

Principal activities

The group engages with various government agencies to provide services relating to national resource management and economic development, specifically in relation to Traditional Owners interests.

Federation of Victorian Traditional Owner Corporation Limited
Directors' report
30 June 2018
(continued)

Strategies

The purpose of the Federation of Victorian Traditional Owner Corporation Limited under its strategy 2017-2020 is to provide a collective voice for Traditional Owners to self-determine their future. Key strategies are:

• To build a strong state and national profile through good policy and external communications informed through close consultation with members to ensure we speak as one strong voice

• Build relationships and partnerships with public policy makers, ministers and key stakeholders to ensure we are positioned to influence decisions that affect us and advocate for our members' interests through all available mechanisms

• Showcase benefits of aligning Traditional Owner knowledge with science in decisions that affect Country

• Create a best practice model for dealing with data management and intellectual property in culturally appropriate ways.

The principle activities of the Federation of Victorian Traditional Owner Corporation Limited during the financial year were to provide advocacy and advisory services.

Members' liability

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of $1 each towards meeting any outstanding obligations of the company. As at 30 June 2018, the total amount that members of the company are liable to contribute if the company is wound up is $7.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the group during the year.

Event since the end of the financial year

Subsequent to year end, a new two year funding agreement from 2018 to 2020 was signed by First Nations Legal and Research Services Ltd with the Commonwealth of Australia as represented by the Department of Prime Minister and the Cabinet. The funding for the year ended 30 June 2019 is $3,452,000 and for the year ended 30 June 2020 is $3,249,800.

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected the group's operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations

The directors expect that the group will continue to carry out its principal activities as detailed above. There are no other known or likely developments which the directors foresee which they wish to disclose at this time.

Environmental regulation

The group is not affected by any significant environmental regulation in respect of its operations.

Insurance of officers and indemnities

During the year, the group paid a premium which provides indemnity for the directors.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the group, or to intervene in any proceedings to which the group is a party, for the purpose of taking responsibility on behalf of the group for all or part of those proceedings.

Proceedings on behalf of the company (continued)

No proceedings have been brought or intervened in on behalf of the group with leave of the Court under section 237 of the *Corporations Act 2001*.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60 - 40 of the *Australian Charities and Not-for-profit Commission (ACNC) Act 2012* is set out on page 5 and forms part of the Director's report.

This report is made in accordance with a resolution of directors.

Janine Coombs

Janine Coombs
Chairperson

Dan Turnbull
Deputy Chairperson

Melbourne
14 December 2018

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Federation of Victorian Traditional Owner Corporation Limited for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Federation of Victorian Traditional Owner Corporation Limited and the entities it controlled during the period.

David Kennett
Partner
PricewaterhouseCoopers

Melbourne
14 December 2018

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Consolidated statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE 2018

	NOTES	2018 $	2017 $
INCOME			
Revenue from government		4,970,267	4,534,574
Consulting contracts		545,707	-
Interest		7,829	12,982
Other income		239,295	943,935
		5,763,098	5,491,491
EXPENSES			
Employee benefits expense		(3,843,554)	(3,322,823)
Depreciation expense	5	(261,288)	(214,404)
Sponsorship expenses	5	(233,979)	-
Consultants		(230,404)	(227,926)
Leasehold property rental		(202,459)	(192,459)
Other occupancy expenses		(54,235)	(49,199)
Office expenses		(666,192)	(443,076)
Claimant meeting expenses		(389,691)	(154,194)
Motor vehicle expenses		(30,783)	(29,998)
Other expenses		(449,718)	(463,712)
Share of net (loss)/profit of associates accounted for using equity method		(55)	823,754
(Deficit)/surplus before income tax		(599,260)	1,217,454
Income tax expense		-	
(Deficit)/surplus for the year		(599,260)	1,217,454
Other comprehensive income			-
Other comprehensive income for the year, net of tax		-	-
TOTAL COMPREHENSIVE (DEFICIT)/SURPLUS FOR THE YEAR		(599,260)	1,217,454

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

AS AT 30 JUNE 2018

	NOTES	2018 $	2017 $
CURRENT ASSETS			
Cash and cash equivalents	6	2,072,466	2,230,104
Trade and other receivables	7	160,978	619,034
Current tax receivables		-	2,209
TOTAL CURRENT ASSETS		2,233,444	2,851,347
NON-CURRENT ASSETS			
Investments accounted for using the equity method	8	50	55
Property, plant and equipment	9	350,644	472,857
TOTAL NON-CURRENT ASSETS		350,694	472,912
TOTAL ASSETS		2,584,138	3,324,259
CURRENT LIABILITIES			
Trade and other payables	10	370,232	447,762
Provisions	11	598,601	504,155
Deferred income	12	161,746	264,332
TOTAL CURRENT LIABILITIES		1,130,579	1,216,249
NON CURRENT LIABILITIES			
Trade and other payables	10	-	37,143
Provisions	14	85,438	103,486
TOTAL NON CURRENT LIABILITIES		85,438	140,629
TOTAL LIABILITIES		1,216,017	1,356,878
NET ASSETS		1,368,121	1,967,381
EQUITY			
Accumulated surplus	15	1,368,121	1,967,381
TOTAL EQUITY		1,368,121	1,967,381

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

Consolidated statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2018

Attributable to owners of Federation of Victorian Traditional Owner Corporation Limited.

	Accumulated surplus $	Total equity $
Balance at 1 July 2016 - restated	749,927	749,927
Surplus for the year	1,217,454	1,217,454
Total comprehensive surplus for the year	1,217,454	1,217,454
Balance at 30 June 2017	1,967,381	1,967,381
Balance at 1 July 2017	1,967,381	1,967,381
(Deficit) for the year	(599,260)	(599,260)
Total comprehensive (deficit) for the year	(599,260)	(599,260)
Balance at 30 June 2018	1,368,121	1,368,121

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2018

	NOTES	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from course of operations		5,967,978	5,289,613
Payments to suppliers and employees		(6,472,957)	(5,161,406)
		(504,979)	(128,207)
Franking credits received		495,257	-
Interest received		7,829	128,207
Income taxes received		2,209	2,200
Net cash inflow from operating activities		316	143,389
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(157,954)	(124,070)
Payments for investment		-	(55)
Dividends received		-	1,155,599
Net cash (outflow) inflow from investing activities		(157,954)	1,031,474
Cash flows from financing activities			
Net cash inflow (outflow) from financing activities		-	-
Net (decrease) increase in cash and cash equivalents		(157,638)	1,174,863
Cash and cash equivalents at the beginning of the financial year		2,230,104	1,055,241
Cash and cash equivalents at the end of the financial year	6	2,072,466	2,230,104

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

Notes to the consolidated financial statements

30 JUNE 2018

Note 1: Summary of Significant Accounting Policies

This note provides a list of all significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Federation of Victorian Traditional Owner Corporation Limited and its subsidiaries.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Australian Charities and Not-for-Profits Commission Act 2012*. Federation of Victorian Traditional Owner Corporation Limited is a not-for-profit entity for the purpose of preparing the financial statements.

Federation of Victorian Traditional Owner Corporation Limited is a public company limited by guarantee, incorporated and domiciled in Australia.

(i) Compliance with Australian Accounting Standards – Reduced Disclosure Requirements

The consolidated financial statements of the Federation of Victorian Traditional Owner Corporation Limited comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (MSB).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost basis.

(iii) Critical accounting estimates

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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

(b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for business combinations by the group other than for business combinations involving entities or businesses under common control, where predecessor accounting is used (refer to note 1 (f)).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Notes to the consolidated financial statements

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

The investments in subsidiaries are accounted for at cost in the separate financial statements of Federation of Victorian Traditional Owner Corporation Limited.

(ii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 1(g).

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities using the methods outlined below.

Government grants

Government grants are recognised as revenue when the group obtains control over the assets comprising the contributions. Control over granted assets is normally obtained upon their receipt and the timing of commencement of control depends upon the arrangements that exist between the granter and the entity. Where the group considers the grant to be reciprocal in nature, the grant will be treated as deferred income and the grant will be progressively brought to account as revenue in the consolidated statement of comprehensive income over the period.

Services

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

Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(d) Income tax

No provision for income tax has been raised as the group is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997.*

However, the company's subsidiary Federation Enterprises Pty Ltd is a for profit entity and is subject to income tax.

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Federation Enterprises Pty Ltd has unrecognised tax losses of $80,362 (net).

(e) Leases

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases (note 17). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Notes to the consolidated financial statements

(f) Business combinations

The acquisition method of accounting is used to account for business combinations, excluding business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Consideration is measured as the fair value of assets given, shares issued or liabilities incurred assumed at the date of exchange plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are initially measured at their fair values at the acquisition date, irrespective of the extent of minority interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the consolidated statement of comprehensive income, but only after a reassessment of the identification and measurement of the net assets acquired.

Predecessor accounting is adopted to recognise business combinations involving entities or businesses under common control. Assets and liabilities are recognised at their pre-combination carrying amounts from the highest level of common control without fair value uplift. No goodwill arises under predecessor accounting. Any difference between the consideration for the transaction and the carrying value of the net assets is recorded in equity as a separate business combination reserve. Comparative information is restated to reflect the business combination from the commencement of the comparative period.

(g) Impairment of assets

Assets are tested 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

(h) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

(i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

(j) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Class of fixed asset	Depreciation rate
Office fit out	20%
Computers	40%
Plant and equipment	20%
Motor vehicles	20%

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

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 (note 1 (g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the consolidated financial statements

(l) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the year in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting year using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting year of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(m) 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 taxation authority. In this case it is recognised as part of the cost of 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 taxation authority is included with other receivables or payables in the consolidated statement of financial position.

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

(n) Economic dependence

To the extent that the group performs functions prescribed by the *Native Title Act 1993* (Cth) it is dependent on the continued funding of its operations by the federal authority.

(o) Deferred income

The liability for deferred income is the unutilised amounts of grants re-earned on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided on the conditions usually fulfilled within 12 months of receipt of the grant.

(p) Comparatives

Where necessary, comparatives information has been reclassified and repositioned for consistency with current year disclosures.

Note 2: Financial risk management

The entity's activities exposes it to a variety of financial risk; foreign exchange risk, credit risk and liquidity risk. The entity's overall risk management and strategy and framework recognises the unpredictability of financial markets and seeks to minimise the potential adverse effects on the financial performance and future financial security of the entity.

(a) Market risk

Foreign exchange risk

The group receives funding in Australian Dollars (AUD) and all the program commitments are in AUD hence, there is no foreign currency risk.

(b) Credit risk

Impaired trade receivables

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment.

The group considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or delinquency in payments (more than 30 days overdue).

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash. Impairment losses are recognised in profit or loss within other expenses.

Subsequent recoveries of amounts previously written off are credited against other expenses. No impairment has been recognised at 30 June 2018 (2017: $nil).

(c) Liquidity risk

Liquidity risk arises from the financial liabilities of the entity and its ability to meet its obligations to repay these liabilities as and when they fall due. The group manages its liquidity risk by monitoring total cash inflows and outflows expected on a monthly basis and maintaining sufficient cash and liquid investments to meet its operating requirements.

Notes to the consolidated financial statements

Note 3: Revenue

	2018 $	2017 $
FROM CONTINUING OPERATIONS		
Revenue from government	4,970,267	4,534,574
Consulting contracts	545,707	-
Interest	7,829	12,982
Total revenue from continuing operations	5,523,803	4,547,556

Note 4: Other Income

	2018 $	2017 $
Dividends	-	161,516
Franking credits	-	495,257
Other Income	239,295	287,162
	239,295	943,935

Note 5: Expenses

	2018 $	2017 $
EMPLOYEE COSTS		
Wages and salaries	3,499,551	3,025,124
Superannuation	336,076	281,121
Other	7,927	16,578
DEPRECIATION		
Property, plant and equipment	261,288	214,404

Note 6: Current assests – Cash and cash equivalents

	2018 $	2017 $
Cash at bank	2,072,466	2,230,104

The cash at bank includes monies held for third parties of $Nil (2017: $38,505)

Note 7: Current assets – Trade and other receivables

	2018 $	2017 $
Trade receivables	53,916	76,098
Other receivables	63,697	13,703
Prepayments	43,365	33,976
Franking credit receivables	-	495,257
	160,978	619,034

Note 8: Non-current assets – Investments accounted for using the equity method

	2018 $	2017 $
Investment in On Country Heritage and Consulting Pty Ltd	-	55
Investment in Koori HR Pty Ltd	50	-
Investment in Barpa Pty Ltd	-	-
	50	55

Movement of investment in On Country Heritage and Consulting Pty Ltd: As at 30 June 2018, On Country Heritage and Consulting Pty Ltd had a net asset deficiency of $58,880 (the group's share: $32,384) with a net loss after tax of $6,673 (the group's share: $3,670). The share of loss brought to account at 30 June 2018 is $55. Given the equity accounted investment cannot be lower than $nil, no further losses has been brought to account.

	2018 $	2017 $
Movement of investment in Barpa Pty Ltd:		
Investment in Barpa Pty Ltd		
Opening balance	-	170,329
Add: Share of profit (a)	-	823,754
Less: Dividends (b)	-	(994,083)
Closing balance	-	-

(a) The group's share of profit of Barpa Pty Ltd for 30 June 2016 was $207,169. However, given Barpa Pty Ltd was in a negative net asset position of $72,234 at 30 June 2015 (the group's share: $36,839), the group's share of net profit brought to account in the year ended 30 June 2016 was reduced by this amount and was $170,329.

As at 30 June 2018, Barpa Pty Ltd had a net asset deficiency of $641,484 (the group's share: $327,157) with a net loss after tax of $324,786 (the group's share: $165,641).Given the group's equity accounted investment is $nil in the statement of financial position, no share of loss has been brought to account as at 30 June 2018.

(b) Because Barpa Pty Ltd was in a negative net asset position of $316,698 at 30 June 2017 not all of the $1, 155,599 dividend received by the group during the year was recognised as a reduction in the equity accounted investment balance. $994,083 was recognised as a reduction in the equity accounted investment balance and the remaining $161,516 as dividend income in the statement of comprehensive income.

Notes to the consolidated financial statements

Note 9: Non-current assets – Property, plant and equipment

	Office fit out $	Motor vehicles $	Computers $	Total $
NON-CURRENT				
AT 30 JUNE 2017				
Cost	707,921	91,787	529,929	1,329,637
Accumulated depreciation	(407,054)	(19,161)	(430,565)	(856,780)
Net book amount	300,867	72,626	99,364	472,857
YEAR ENDED 30 JUNE 2018				
Opening net book amount	300,867	72,626	99,364	427,857
Additions	-	77,755	80,199	157,954
Disposals	-	(18,879)	-	(18,879)
Depreciation charges	(141,584)	(9,576)	(110,128)	(261,288)
Closing net book amount	159,283	121,926	69,435	350,644
AT 30 JUNE 2018				
Cost	707,921	142,012	610,128	1,460,061
Accumulated depreciation	(548,638)	(20,086)	(540,693)	(1,109,417)
Net book amount	159,283	121,926	69,435	350,644

Note 10: Current liabilities – Trade and other payables

	2018 $	2017 $
Trade payables	224,512	178,840
Sundry creditors and accruals	108,576	186,178
Straight line lease adjustment	37,144	44,329
Payable to other third parties	-	38,505
	370,232	447,762

Note 11: Current liabilities – Provisions

	2018 $	2017 $
Employee benefits	598,601	504,155

Note 12: Current liabilities – Deferred income – unexpended grants

	2018 $	2017 $
Unexpended grants - Federal	150,000	246,406
Unexpended grants - State	11,746	17,926
	161,746	264,332

Note 13: Non-current liabilities – Trade and other payables

	2018 $	2017 $
Straight line lease adjustment	-	37,143

Note 14: Non-current liabilities – Provisions

	2018 $	2017 $
Employee benefits - long service leave	85,438	103,486

Note 15: Accumulated surplus

	2018 $	2017 $
Movements in accumulated surplus were as follows:		
Balance 1 July	1,967,381	749,927
Net (deficit)/surplus for the year	(599,260)	1,217,454
Balance 30 June	1,368,121	1,967,381

Note 16: Contingent liabilities and contingent assets

	2018 $	2017 $
The group had no contingent liabilities at 30 June 2018 (2017: nil).		

Notes to the consolidated financial statements

Note 17: Non-current liabilities – Provisions

(a) Capital commitments

The group had no capital commitments at 30 June 2018 (2017: nil).

(b) Lease commitments: group as lessee

Non-cancellable operating leases

The property lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance. Rental to be increased by 3% on each anniversary of commencement apart for in years in which there is a market review. An option exists to renew the lease at the end of the five-year term for an additional three terms of five years each. The company exercised its first option in FY18 extending the lease to March 2024.

	2018 $	2017 $
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	245,628	236,698
Later than one year but not later than five years	1,270,416	182,849
	1,516,044	419,547

Note 18: Related party transactions

(a) Key management personnel compensation

Total compensation

(b) Transactions with other related parties

During the year consultancy fees were paid to entities controlled by the directors totalling $Nil (2017: $nil).

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

The group also holds money for Wauthurong, Wotjobaluk, Wadi Wamba Barapa (refer to note 6 and 10).

[1] The proportion of ownership interest is equal to the proportion of voting power held.

Notes 19: Interests in other entities

(a) Significant investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described in note 1 (b):

Name of equity	Country of incorporation	Class of shares	Equity Holding[1]	
			2018 %	2017 %
First Nations Legal and Research Services Ltd.	Australia	Ordinary	100	100
Federation Enterprises Pty Ltd	Australia	Ordinary	100	100

(b) Interests in associates and joint ventures

Set out below are the associates and joint ventures of the group as at 30 June 2018. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of equity	Country of incorporation	Class of shares	Equity Holding[1]	
			2018 %	2017 %
Barpa Pty Ltd	Australia	Ordinary	51	51
On Country Heritage and Consulting Pty Ltd	Australia	Ordinary	55	55
Koori HR Pty Ltd	Australia	Ordinary	50	-

Notes 20: Events occurring after the reporting period

Subsequent to year end, a new two year funding agreement from 2018 to 2020 was signed by First Nations Legal and Research Services Ltd with the Commonwealth of Australia as represented by the Department of Prime Minister and the Cabinet. The funding for the year ended 30 June 2019 is $3,452,000 and for the year ended 30 June 2020 is $3,249,800.

No other matters or circumstances have occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the group, the results of those operations or the state of affairs of the group or economic entity in subsequent financial years.

Notes to the consolidated financial statements

Notes 21: Financial assets held on trust

The organisation holds cash on deposit for a number of third parties on trust. These assets are not recognised in the consolidated statement of financial position as in substance they are owned by third parties. The amounts held in trust on behalf of these third parties are as follows:

	2018 $	2017 $
Liability to third parties	542,547	621,363
Represented by:		
Term deposits	572,457	621,363
Net transactions entered into by Native Title Services Victoria on behalf of the third parties	(29,910)	67,753
	542,547	621,363

Included in the $67,753 in 2017 was monies held for the third parties of $38,505 held within the company's bank account (refer to note 6). No such amounts exist in 30 June 2018.

Notes 22: Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2018 $	2017 $
Statement of financial position		
Current assets	1,218,995	1,457,083
Non-current assets	61,137	1
Total assets	1,280,132	1,457,084
Current liabilities	385,403	58,194
Non-current liabilities	31,800	-
Shareholders' equity	417,203	58,194
Retained earnings	862,929	1,398,890
	862,929	1,398,890
(Loss)/profit for the year	(535,961)	1,343,986
Total comprehensive (loss)/ income	(535,961)	1,343,986

(b) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2018 or 30 June 2017.

Federation of Victorian Traditional Owner Corporation Limited
Directors' declaration
30 June 2018

In the directors' opinion:

(a) the financial statements and notes set out on pages 6 to 25 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) complying with Accounting Standards - Reduced Disclosure Requirements, and

(ii) giving a true and fair view of the group's financial position as at 30 June 2018 and of its performance for the financial year ended on that date, and

(b) 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 directors.

Janine Coombs

Janine Coombs
Chairperson

Dan Turnbull
Deputy Chairperson

Melbourne
14 December 2018

26

pwc

Independent auditor's report

To the members of Federation of Victorian Traditional Owner Corporation Limited

Our opinion

In our opinion:

The accompanying financial report of Federation of Victorian Traditional Owner Corporation Limited (the Company) and its controlled entities (together the Group) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2018
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

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

Independence

We are independent of the 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.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

pwc

Independent auditor's report (continued)

To the members of Federation of Victorian Traditional Owner Corporation Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

28

Independent auditor's report (continued)

To the members of Federation of Victorian Traditional Owner Corporation Limited (continued)

Auditor's responsibilities for the audit of the financial report (continued)

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

David Kennett
Partner

Melbourne
14 December 2018

29

AUSTRALIAN MADE | RECYCLED CONTENT | FOREST MANAGEMENT | MANUFACTURED CARBON NEUTRAL | ECO BLEACHING PROCESS | EMS ENVIRONMENTAL MANAGEMENT SYSTEMS | ISO CERTIFICATION

Printed on 300gsm and 135gsm Revive Laser.

Revive Laser Digital is Certified Carbon Neutral by the Department of Climate Change & Energy Efficiency's National Carbon Offset Standard (NCOS), an Australian Government Initiative. Revive Laser Digital 100-140gsm is 100% recycled and FSC Recycled Certified. Revive Laser Digital 300gsm is 70% recycled and is FSC Mix Certified. No bleaching occurs in the recycling process and Revive Laser Digital is manufactured by an ISO 14001 Certified mill. Sales of Revive supports Landcare Australia.

Designed by Fluid – fluid.com.au

Printed by Minuteman Press – mmpmelb.com.au