

RESPONSE TO QUESTIONS ADDRESSED TO RDA (NSW) DIRECTORS

QUESTION	BOARD RESPONSE TO QUESTION																																		
<ul style="list-style-type: none"> Where has the amount of \$377,044.71 referred to as 'other expenses' actually been spent? (in the Audited Accounts 2022) 	<p>The accounts were prepared according to accepted accounting practices. As that question was asked at the AGM, an undertaking was given that a response will be provided to all Centres.</p> <p>The response which was sent to Centres included the following:</p> <table border="1" data-bbox="976 580 1921 1273"> <thead> <tr> <th><u>Expenditure Category</u></th><th><u>Amount</u></th></tr> </thead> <tbody> <tr><td>Grants to Centres</td><td>\$115,386.45</td></tr> <tr><td>Grants handled by RDA (NSW) for Centres</td><td>\$71,363.64</td></tr> <tr><td>Donations paid (to Centres)</td><td>\$16,000.08</td></tr> <tr><td>Insurances</td><td>\$55,355.59</td></tr> <tr><td>Travel & related expenditure</td><td>\$49,694.50</td></tr> <tr><td>Payroll and related costs</td><td>\$77,442.71</td></tr> <tr><td>Professional Fees (audit, bookkeeping, legal)</td><td>\$22,014.51</td></tr> <tr><td>Total Office overheads</td><td>\$22,791.33</td></tr> <tr><td>Box Hill Rental Property expenses</td><td>\$4,763.55</td></tr> <tr><td>Promotional and Marketing</td><td>\$19,848.28</td></tr> <tr><td>Honoraria</td><td>\$5,650.00</td></tr> <tr><td>Bank charges</td><td>\$83.29</td></tr> <tr><td>Rider support</td><td>\$103.27</td></tr> <tr><td>Subscriptions & Memberships</td><td>\$887.35</td></tr> <tr><td>Competitions, catering and related expenses</td><td>\$12,951.15</td></tr> <tr> <td><u>TOTAL EXPENDITURE</u></td><td><u>\$474,335.70</u></td></tr> </tbody> </table> <p>This total includes the other two items (“Payroll and related costs” and “Promotions and Marketing”) which were shown separately in the accounts</p>	<u>Expenditure Category</u>	<u>Amount</u>	Grants to Centres	\$115,386.45	Grants handled by RDA (NSW) for Centres	\$71,363.64	Donations paid (to Centres)	\$16,000.08	Insurances	\$55,355.59	Travel & related expenditure	\$49,694.50	Payroll and related costs	\$77,442.71	Professional Fees (audit, bookkeeping, legal)	\$22,014.51	Total Office overheads	\$22,791.33	Box Hill Rental Property expenses	\$4,763.55	Promotional and Marketing	\$19,848.28	Honoraria	\$5,650.00	Bank charges	\$83.29	Rider support	\$103.27	Subscriptions & Memberships	\$887.35	Competitions, catering and related expenses	\$12,951.15	<u>TOTAL EXPENDITURE</u>	<u>\$474,335.70</u>
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<ul style="list-style-type: none"> Where are RDA funds invested (currently and historically) and who makes the decision as to where they are held? 	<p>The funds are invested as per the accounts as circulated to Centres. The details in the accounts are:</p> <table> <tr> <td colspan="2">ASSETS</td></tr> <tr> <td colspan="2">CURRENT ASSETS</td></tr> <tr> <td>Cash and cash equivalents</td><td>1,968,785.99</td></tr> <tr> <td>Trade and other receivables</td><td>965.08</td></tr> <tr> <td>Loans and advances</td><td>33,950.58</td></tr> <tr> <td>TOTAL CURRENT ASSETS</td><td>2,003,701.65</td></tr> <tr> <td colspan="2">NON-CURRENT ASSETS</td></tr> <tr> <td>Other financial assets</td><td>1,945,296.42</td></tr> <tr> <td>Investment property</td><td>5,663,000.00</td></tr> <tr> <td>TOTAL NON-CURRENT ASSETS</td><td>7,608,296.42</td></tr> <tr> <td>TOTAL ASSETS</td><td>9,611,998.07</td></tr> </table> <p>“Cash and cash equivalents” represent term deposits and various bank accounts.</p> <p>“Other financial assets” represents shareholdings.</p> <p>“Investment property” represents the freehold property which is owned by RDA (NSW) and is used by the following RDA (NSW) Centres:</p> <ul style="list-style-type: none"> Ballina; Box Hill (Tall Timbers); and Raymond Terrace and Lower Hunter. <p>The decisions are, ultimately, those of the Board of RDA (NSW) with assistance and advice from the Finance Committee.</p>	ASSETS		CURRENT ASSETS		Cash and cash equivalents	1,968,785.99	Trade and other receivables	965.08	Loans and advances	33,950.58	TOTAL CURRENT ASSETS	2,003,701.65	NON-CURRENT ASSETS		Other financial assets	1,945,296.42	Investment property	5,663,000.00	TOTAL NON-CURRENT ASSETS	7,608,296.42	TOTAL ASSETS	9,611,998.07
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	The Board and the Finance Committee both have the aim of protecting the assets of RDA (NSW) in the placing of funds under investment.
<ul style="list-style-type: none"> Where and how are profits to be invested or distributed? 	<p>RDA (NSW) is a company limited by guarantee. Accordingly, it has no shareholders and is prohibited from distributing funds by way of dividend or similar process to its members.</p> <p>The company's assets may only be used for the advancement of the objects of RDA (NSW) as stated under its Constitution.</p>
<ul style="list-style-type: none"> When the question regarding the income of \$740k was raised at the AGM, (clearly an error) why wasn't that simply corrected at the AGM? 	<p>As was noted in the reply which was issued to Centres following the AGM, questions were required to be responded to in advance of the AGM to allow for replies to be provided following appropriate research. This request was not followed and questions were raised without notice.</p> <p>As a result, the necessary documentation was not available to answer the question in the detail required and an undertaking was made that a reply will be provided in writing after the AGM. This undertaking was satisfied.</p>
<ul style="list-style-type: none"> Why were there no detailed financial figures available at the AGM? 	<p>As stated above, attendees were required to submit questions in advance of the AGM if attendees wanted questions answered.</p> <p>No questions were raised prior to the AGM and, as a result, it was expected that there would not be any need for documentation to be available.</p>
<ul style="list-style-type: none"> Why does the Annual Report state that RDA is run 'in a business like manner' not as a 'business' when clearly the organisation is a registered business and operates under Australian Business Law? (pg.12) 	<p>RDA (NSW) is a company limited by guarantee under the Corporations Act 2001.</p> <p>The word "business" can have many different implications, depending on what the message is intending to convey. It can mean simply the conduct of an operation or activity, but it can have other meanings depending on the context in which it is used.</p> <p>While a "business" is set up for the purposes of trading at a profit for the benefit of the owners of that business, RDA (NSW), being a charity and a company limited by guarantee, is not within that category.</p>

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	<p>RDA (NSW) is a company limited by guarantee which needs to operate in a business-like manner in order to be able to provide the service to those who have a disability.</p> <p>There is a difference between a company that trades as a business and a company that trades in a business-like manner. The difference is not whether they trade at a profit or a loss, as all would expect to operate at a profit.</p> <p>A company which trades as a business does so for the benefit of its shareholders.</p> <p>A company which operates as a not-for-profit charity trades solely for the purposes of benefiting the charity, and it aims to trade in a business-like manner, to ensure that the benefits of the operation go to the financing of the operations of that business activity, not for the financial benefit of its members.</p>
<ul style="list-style-type: none"> Why does the Annual Report also state that to make this <i>change to being</i> 'a business' there is an estimated cost of \$200k per board role per annum in wages, when the vast majority of the hundreds of Charities and Not For Profit Businesses in Australia run with volunteer board members? (pg.12) <i>e.g. I have been a volunteer Director of a Not for Profit organisation (run by volunteers and paid employees) with a gross annual income of \$2.2M. This Not for Profit was indeed so successful that it donated its profits to local charities.</i> 	<p>With all due respect, the RDA (NSW) directors are volunteers and are not paid. There has been no reference made to the directors (which is what is understood to be meant by the “board role” in your question) being paid.</p> <p>It is presumed, therefore, that the reference is to the statement that was made in the Annual Report.</p> <p>That statement in the Annual Report was made in relation to the wages that would need to be paid to <u>employees</u> who would need to be engaged if the roles that are currently performed by directors on a volunteer basis (that is, without any payment) were performed by paid employees.</p> <p>The \$200,000 cost per employee was advised by a consultancy that provided pro bono advice to RDA (NSW).</p> <p>While you may have been a director of a not for profit entity which had “gross annual income of \$2.2M”, the RDA (NSW) accounts clearly show that RDA (NSW) does not reach anywhere near that figure.</p>

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	<p>RDA (NSW) does not conduct a money-making operation or business. RDA (NSW) only raises enough funds from its members to ensure that costs are covered and there are sufficient extra receipts to cover unforeseen expenses and to allow those who are involved in the operations of RDA (NSW) to be able to advance the interests of the RDA (NSW) in accordance with the aims and objects of RDA (NSW).</p> <p>There are not for profit entities which may not, themselves, be classified as charities, but which have, as their goal, the raising of funds for distribution to charities. Not all “not for profit” entities are, themselves, “charities”.</p>
<ul style="list-style-type: none"> Why is there an intention to buy another property for RDA? (referred to in the annual report pg.12) 	<p>The simple, and logical, answer to your question is “security of tenure”.</p> <p>It is for this reason that, if funds were available, land would be purchased for all Centres. Unfortunately, this is not financially possible. Therefore, RDA (NSW) has to be mindful of the possible strategies which may be implemented.</p> <p>By RDA (NSW) owning the land outright, there is no chance of the landowner evicting a Centre.</p> <p>As previously noted, RDA (NSW) owns three parcels of land on which the following Centres are operating:</p> <ul style="list-style-type: none"> Ballina (to which you belong); Box Hill; and Raymond Terrace and Lower Hunter. <p>The Ballina Centre property was the result of a very generous bequest made to RDA (NSW).</p> <p>Following this bequest being made, the directors of RDA (NSW) moved the Ballina Centre from its location at that time to the new site.</p> <p>The Box Hill property was purchased by RDA (NSW) for the use of the Centre that was, at that time, known as the Kellyville Centre. The funds for the purchase of the Box Hill site came from the proceeds of the sale, by RDA (NSW), of the Kellyville site.</p>

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	<p>The Raymond Terrance and Lower Hunter Centre is located partly on land that was donated to RDA (NSW) by Hunter Water.</p>
<ul style="list-style-type: none"> What is the budget for that purchase? 	<p>Possibly an appropriate response to this is “How long is a piece of string?”.</p> <p>The aim is to save funds to allow for the purchase to be able to be made of a parcel (or parcels) of land that are suitable for the conduct of an RDA (NSW) Centre without RDA (NSW) having to borrow funds or, if funds need to be borrowed, that the borrowing costs and repayments are manageable without increasing the fees to Centres.</p>
<ul style="list-style-type: none"> How does the board intend to raise the funds required to purchase the 'suitable property' ? (referred to in the annual report pg.12) 	<p>A combination of savings, donations, grants, bequests, etc.</p> <p>While it is possible, for example, for RDA (NSW) to undertake the subdivision of the land at Ballina and sell off one or more of the resultant allotments to free up some capital that could be used to purchase a property for the use of another Centre, RDA (NSW) would prefer to not do that.</p>
<ul style="list-style-type: none"> Where might that property be located? 	<p>Wherever there may eventually be a property available at a price that RDA (NSW) can pay without having to borrow funds.</p> <p>If RDA (NSW) borrows funds, the loan will, in effect, need to be repaid by contributions by all Centres.</p> <p>This would not be an equitable arrangement as it will mean that other Centres, which are not located on RDA (NSW)-owned land, having to pay for the purchase of land for another Centre.</p> <p>The directors of RDA (NSW) are prepared to consider a property purchase provided there is a functioning Centre in that locality and that the cost of the land is within the purchase limits of RDA (NSW).</p>

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Relating to other matters raised:	
<p>1. Which grants have been applied for by which centres in 2022?</p>	<p>Centres are informed, by State Office, about grants that come to the attention of State Office and which may be available for applications to be lodged by Centres. It is then the responsibility of Centres as to whether they should consider applying for a particular grant.</p> <p>The only grants being applied for by Centres in respect of which the directors become aware are those which require a company (RDA (NSW)) and its directors to become the auspicing authority (ie, support the grant application).</p> <p>These grants applications are submitted by Centres and it is not considered appropriate for the Board to identify individual Centres that have applied for such grants.</p> <p>The enquirer is free to ask individual Centres if she wants to find out whether they have applied for grants, the details of the grants and whether the Centre was successful. However, it is noted that the Centres do not need to answer such questions to anyone other than the directors of RDA (NSW) and the RDA (NSW) Office Coordinator.</p> <p>Apart from answering such questions to the directors and the Office Coordinator, Centres are not required, or expected, to answer such questions.</p> <p>There are other grants that the directors, through Tracy Lucas, apply for on behalf of RDA (NSW) or, as shown in the accounts for the 2022 year, on behalf of, or for distribution to, Centres.</p>
<p>1. Of these grants, which have been successful?</p>	<p>Refer to the response to the previous question.</p>

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2. Why have there been 3 consecutive AGM's conducted where no questions from the floor were allowed?	<p>With due respect, an examination of the historical records of RDA (NSW) will show that it was not just for the last three AGMs that notice of any questions or topics that Centres wished to raise that prior notice has been required to be given in order for questions or topics to be addressed.</p> <p>At times, the reference was to “questions” and at other times the reference was to “topics”. But notice was required to be submitted prior to the AGM in order for them to be addressed.</p>
3. Have Member Centres (and/or other community Stakeholders) ever been invited to contribute to strategic planning for RDA (NSW)? If not, why not?	<p>Yes. Surveys and questions are issued, information is collected as needed.</p> <p>It needs to be noted that just because the questions being asked or information being sought is not prefaced by words to the effect of “This is a question that will relate to the preparation of a Strategic Plan for RDA (NSW)” does not mean that information is not being sought.</p>
4. How can we access the updated version of the Strategic Plan?	<p>The RDA (NSW) Strategic Plan is available in the RAM as NSW-01.</p> <p>A hard copy of the RAM is provided to each Centre, however Centre Members are able to access an electronic copy of the RAM in the “Members” section of the RDA (NSW) website.</p> <p>The current Strategic Plan covers the years 2022 to 2023 but, as may be expected, is not a “static” document. A questionnaire/survey was issued late last year as part of the mid-term review of the Strategic Plan.</p>
5. Why does the email address ' centres@rdansw.org.au ' constantly stop centre to centre communication, particularly when that communication relates to matters for which centres are hoping to gain support from other centres.	<p>The aim of not the “centres” email address is for ease of dissemination of information by State Office. It was never intended for general use by Centres.</p> <p>Initially, before the restriction was imposed, some Centres were using the address for communication to other Centres, even though it was never intended for this link to be used for this purpose. A “reply to all” sent by a few Centres could result in a disruption to the RDA (NSW) email system.</p>