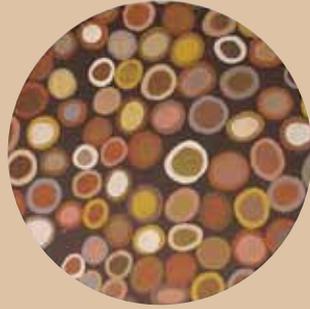


Yawoorroong
Miriuwung
Gajerrong
Yirrgeb
Noong
Dawang
Aboriginal Corporation

Annual Report 2010–11



‘This is stony country—when I walk across this country where the creeks and the floodwaters have been there are lots of rocks and little stones. Lots of these stones are beautiful coloured ones. We call them gerany.’

Phyllis Ningamarra, traditional owner and artist of the MG Corporation logo

‘This [original] painting also tells another story. It is a corroboree story given to the artist by her father describing the boundary of the stony Miriwoong country as well as a representation of her traditional country at WoorrooWoorrem. The artist walked this country when she was a child learning culture from her parents. As this story was given to the artist she passes it on to her children and grandchildren.’¹

Yawoorroong Miriuwung Gajerrong Yirrgb Noong Dawang Aboriginal Corporation

Annual Report 2010–11

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Overview





Phyllis Ningamarra with her great granddaughter Ashley Smith enjoying the corroboree night during the Ord Valley Muster. Waringarri Arts, 16 May 2011.
Photo by Travis Hayto, Outer Bounds Photography

MG Corporation's Role

As the leading indigenous organisation in the East Kimberley, MG Corporation receives and manages the entitlements and benefits transferred under the Ord Final Agreement (OFA) to the Miriuwung and Gajerrong people¹ (MG people), the native title holders over their traditional country in the East Kimberley.

The OFA provides a broad package of measures to create a platform for future partnerships between the MG people, the Government of Western Australia, industry and developers, for the benefit of the wider community and the East Kimberley Region.

Using the provisions of the OFA and MG Corporation's Aboriginal Development Package, our mission is to build a strong economic and social base for the MG people while protecting and enhancing MG culture and heritage.

Through its various Trusts, the Corporation pursues initiatives to guide its growth, development and economic wealth. At the same time, MG Corporation supports and facilitates improvements in community health, housing, education, employment and wellbeing in partnership with State and Federal governments, non-government and community agencies, and industry.

With their support, MG Corporation strives to make sound investments and grow its capacity and workforce to deliver positive outcomes for MG people.

1. Recent linguistic study has settled the correct spelling of *Miriuwung/Gajerrong* as *Miriwoong/Gajirwoong*. For reasons of consistency with the OFA and the Corporation's registration, the report employs the former spelling. MG Corporation will in the next reporting period make an application to officially correct the spelling of its registered name.

Our vision



Achieving a healthy, wealthy and culturally strong MG community.



Photo by Travis Hayto, Outer Bounds Photography

Theme areas

COMMUNITY: the way we want to live together

To promote a healthy and supportive community and deliver culturally appropriate services and facilities that are available and accessible to all residents and members.

BUILT ENVIRONMENT: shaping our surroundings

To plan for the future development of the community and its members in ways which actively value the culture and the character of our community and provide access for all.

NATURAL ENVIRONMENT: it begins with each of us

To ensure that the natural environment is protected for future generations and managed in a culturally sensitive and appropriate manner.

ECONOMY: creating our future

To facilitate a vibrant local economy that enjoys sustainable business development and investment through a skilled and diverse workforce.

ORGANISATION: developing our capacity

To strengthen the capacity of MG Corporation and the MG people to serve and contribute to meeting the needs of the community and members and deliver positive outcomes in partnership with the community, business and government bodies.

Our mission

To build a strong economic and social base for the MG people that protects and enhances MG culture and heritage using the provisions of the Ord Final Agreement. This involves meeting the needs and aspirations of the members by delivering strong leadership together with strategic planning to develop infrastructure and investments that will deliver improved services and facilities.

Our values

A strong community

The MG Corporation will strengthen the capacity and resilience of its community through partnerships with community, business, government and non-government sector groups in pursuing positive social, economic and environmental outcomes.

Excellence

The MG Board and staff will strive for innovation, continuous improvement and long-term success in management and leadership practices, strategic planning and the performance of new technology and systems.

Accountability

The Corporation is accountable to its members and will conduct its affairs openly, in consultation with its community and with integrity and honesty, while striving for the highest level of democratic governance and administration.

Fairness and equity

MG Corporation recognises and values the needs of different sectors and groups within its community and works to ensure everyone's needs and priorities are considered and addressed in a fair and timely manner.

Strategic priorities 2007–12

ORGANISATIONAL

Develop a strong and sustainable MG Corporation.

ECONOMIC

Develop the economic wealth of MG Corporation through the Trusts.

SOCIAL

Support and facilitate improvements in MG community through partnerships.

CULTURAL

Protect and enhance MG culture and heritage.

Chairperson's Message



A group of Garralyel (elders) performing traditional songs: Peggy Griffiths (bottom left), Ronnie Carlton and Button Jones. Waringarri Arts, 16 May 2011. Photo by Travis Hayto, Outer Bounds Photography



MG Corporation Chairperson Teddy Carlton (right), with WA Premier Colin Barnett (centre) and Minister Brendon Grylls, at a ceremony to mark the commencement of civil works on the Ord-East Kimberley Expansion Project, May 2010

We celebrated the fifth anniversary of the signing of the OFA in October 2010. This marked the half-way-point in the first chapter of MG Corporation operations, as defined and provided for in the OFA. It is a good time to take stock. The agreement between the local Miriuwung and Gajerrong traditional owners and the Western Australian Government was negotiated in a spirit of partnership. Under the agreement, the Government gave assurances to transfer land to MG Corporation so that MG people will have the opportunity to pursue employment options and build community income for the long-term.

The delays in implementing Phase Two of the Ord-East Kimberley Expansion Project, now two years behind schedule, are placing serious pressure on MG Corporation's ability to meet its targets for economic self-sustainability by 2015. Both land acquisition and development—and associated income-generating opportunities for MG Corporation—have been set back. The effective denial of income is an unresolved issue. To overcome this, MG Corporation will have to work hard with its various partners within the relatively short time remaining before the termination of financial support provided under the OFA.

The Corporation is focused and energized to deal with this task, and to maintain and expand the range of services it provides to the MG community. The arrival in August 2010 of our new Chief Executive, Franklin Gaffney, has provided a strong impetus to the work performed by staff throughout MG Corporation. I am confident that Franklin, and the team he is building, will continue to effectively support the Board and all the decision-making bodies within MG as they strive to make the right choices for the future.

We are, of course, a deeply community-based organisation and we rely heavily on the support and guidance of our elders, the Garralyel, and the broader MG community. The elders' support for culture to strengthen our young people's sense of identity is vital, and the work they do on heritage clearances plays a key role in opening the way for new opportunities in the East Kimberley. We are proud

too of the work the MG rangers do in looking after country in the conservation and park areas.

The Corporation's Aboriginal Development Package (ADP), which provides support to MG people through employment, education and training opportunities, has begun to hit its stride this year. MG people are working on the Ord-East Kimberley Expansion Project through both the Moonamang Joint Venture and other private companies, in and around Kununurra. The ADP's Wet Season Training Program was a successful innovation that further helped both MG and other Aboriginal people in the region to prepare for, and secure, work placements. The program can be continued and developed in future wet seasons, otherwise considered as "downtime".

This year has also seen the arrival to work with MG Corporation of Many Rivers who provided advice and support to several new, small-scale business ventures, being started by MG people. We have also expanded the scope of our support for education for MG kids and adults, from pre-kindy to tertiary levels.

On behalf of MG Corporation, I would like to express our thanks to the many government agencies and partners with whom we have cooperated through the year. We will rely on their continuing support and understanding as we take on the challenges ahead.

Ted Carlton
Chairperson

Chief Executive's Report

MG Corporation made steady progress over the past financial year through strong leadership, improved performance and by creating a clear pathway for the Corporation to grow, well into the future. We are now financially stronger and have greater prospects of achieving the Corporation's vision. Our improvement is due to the decisions we made to forge new partnerships and make the most of existing and new opportunities arising from developments in the East Kimberley, and the implementation of the OFA.

These achievements are a credit to the employees who work for the Corporation and our partners, for their commitment.

Our plan for the future

The Corporation's task of building a strong economic and social base for MG people that protects and enhances their culture and heritage using the provisions of the OFA was reaffirmed following the two-day strategic planning workshop in April this year.

Working towards this we focused on five short-term priorities: operational delivery; prudent financial management; refining our growth path; revisiting our governance arrangements; and strengthening partnerships with government while building new ones with the private and philanthropic sectors.

We made significant progress in almost all of these areas.

The focus on operational delivery helped us improve the services we provide to MG people. We took steps to correct some weaknesses in our financial position and, as a result, our balance sheet is stronger. We grew organically, reflecting confidence in our business model.

We also looked to the future with greater confidence by creating new opportunities. In February, the MG Development Trust approved in-principle the partnership with Tropical Forestry Services that will see the establishment of MG Farms. In another significant decision at the end of the financial year, the MG Board approved in-principle the establishment of MG Services, an amalgamation of our employment team funded under the OFA's Aboriginal Development Package and the Moonamang Joint Venture's (MJV) Indigenous Community Development Team.

Key achievements

In a year of considerable progress across the MG Group, several projects stand out:

- Independently assessed *Wet Seasons Training Program* saw significant attitudinal changes among participants towards engagement in the labour market. Twenty-nine indigenous people gained employment; the majority of them moved off welfare.
- Employment support services were delivered to over 65 indigenous people working on the Ord-East Kimberley Expansion Project and in town.
- MG people started up three new enterprises with our financial and practical assistance in tourism, catering and fencing contracting; an existing labour-hire company was expanded.
- Tendering and ongoing negotiations to upgrade essential services and build ten new community houses on our Community Living Areas will improve living conditions, reduce overcrowding and help young MG people realise their potential.
- Entering into co-tenant arrangements with Gelganyem Trust saw the tendering and negotiations for the construction of a joint administrative building. The new building will create a stronger visual presence and provide for improved services and a pleasant meeting space for East Kimberley traditional owners (TOs) that both organisations represent. It will also provide a better working environment for staff and achieve savings in the provision of corporate services.

Strong framework for sustainable development

Whatever we do, sustainable development underpins our vision. Our approach for future development is based on fair, consistent and transparent decision-making. This gives MG people, our partners, governments and the general community confidence that we will explore and develop opportunities made available to us in a way that will benefit MG people and the people of the East Kimberley for the long-term.

The commercialisation and strategic development of opportunities following the signing of the OFA

are not without difficulties. While delays beyond the Corporation's control have hampered our development, expectations need to be managed and the MG people's traditional customs and practices need to be respected and incorporated where appropriate into 'whitefella' arrangements. These factors can lead to tensions but with effective management and patience, new opportunities will emerge. Through proactive leadership, and by building confidence with MG people and relationships with our partners and all our stakeholders, we can turn this area of challenge and complexity into a source of pride and a beacon for other native title organisations to follow.

Well-placed to face the future

With the improvement in our financial position and the establishment of MG Services, we will be in a better position to enter into partnerships to increase our business portfolio while at the same time providing employment opportunities for MG people. Additionally, MG Services will be exploring opportunities to engage locally with existing job service providers to take advantage of the employment opportunities in the East Kimberley.

Education is the key

The significant financial and practical assistance we provide to primary, high school and university MG students lays the foundation for capacities that are fundamental to economic, social and cultural participation of MG people.

Improving education outcomes remains a vital challenge. We are actively studying innovative approaches to education, such as the Cape York Aboriginal Australian Academy, with a view to developing a project suited to the needs of the MG community in which we can engage government, non-government organisations, the private sector and philanthropic partners.

“I just want to thank you for granting me this scholarship as it has made available to me a multitude of opportunities.”

Kirsty McLean, MG student at the University of Western Australia and the 2011 recipient of the East Kimberley Aboriginal Achievement Award for Outstanding Individual Academic Achievement.



To build upon the agricultural opportunities that are opening up as a result of the Ord-East Kimberley Expansion Project, we will also engage consultants to conduct a feasibility study to determine the viability of an East Kimberley Agriculture Academy, at Research Station. The Agricultural Academy would provide ongoing training and support to indigenous people keen to work in the expanding agricultural sector in the East Kimberley.

People who make it all happen

We are fortunate to have staff at MG Corporation with a diverse range of skills and talents and access to staff made available through our partners, despite the shortage of suitable skills and experience in Kununurra.

It is our policy to provide the maximum opportunities for our MG employees to develop their work skills, and to progressively raise the proportion of MG staff employed by the Corporation. We continually strive to offer all our staff stimulating and rewarding opportunities to develop personally and professionally by participating in Miriwung language classes, experiencing MG culture and through formal training opportunities.

We recognise that our ambitious plans make our recruitment challenge substantial. We are reviewing the structure of our remuneration packages and improving the working environment in a concerted effort to make MG Corporation an attractive and satisfying place to work.

I take this opportunity to thank the MG people, my leadership team and all our employees, and partners; it has been a year of improved performance and momentum, and a true team-effort. I look forward to building on this success next year.

Franklin Gaffney
Chief Executive

Performance Snapshot

| Strategic Priority 1 ORGANISATIONAL: Develop a strong and sustainable MG Corporation | | |
|--|---|--|
| Outcome | What we promised | What we delivered |
| Maintain clear roles & responsibilities for Boards, Trusts and PBC's | Agendas and Board papers reflect the agreed responsibilities | <ul style="list-style-type: none"> Board Governance Charter developed Information packages for all directors on roles and responsibilities of directors on Board, Trusts and PBCs developed and distributed Introductory and refresher governance training offered to all directors New Board templates created to assist with informed decision-making Executive Corporate Support Officer engaged to support the work of the Board, Trusts and PBCs |
| Finalise appointment of CEO | The new CEO is able to achieve the performance expectations of the Board, Trusts and PBC | <p>Franklin Gaffney appointed as CEO. Franklin brings extensive native title experience from his previous roles as Director, Corporate Services & Public Affairs and Acting CEO/Registrar, at the National Native Title Tribunal. He also has over ten years of private legal experience in senior positions, in Australia and Europe.</p> <p>Reports to Board, Trusts, PBCs and Dawang Council against key performance indicators; leads and oversees the management of the Corporation's operations.</p> |
| Establish systems to monitor and maintain compliance with OFA rules, MG Corporation Rules and C(ATSI) Act | Board receives regular reporting of the results of compliance monitoring | <ul style="list-style-type: none"> Unqualified external Audit Report received with no legal or regulatory concerns identified. MG Corporation appointed as co-chairperson to the Western Australian Government's Ord Steering Implementation Committee and chair of the Aboriginal Development Package Implementation Committee Regular reporting to the Board by executive staff and partner organisations All regulatory and compliance requirements met on time |
| Establish systems to monitor and maintain compliance with approved financial and HR management & training policies | Regular review of policies Establish self-assessment processes to monitor compliance | <ul style="list-style-type: none"> Financial procedures updated and all-staff training provided Review of all HR policies commenced Position descriptions reviewed or re-drafted to reflect roles, responsibilities and key accountabilities New contracts of employment drafted and implemented Performance management system established Greater emphasis on staff development with all staff attending cultural awareness workshops and executive members attending managerial training |
| Improve systems and procedures to distribute information to stakeholders | Improve transfer of information to staff, business partners and members. | <ul style="list-style-type: none"> Regular all-staff and executive team meetings initiated Quarterly Dawang Council meetings convened Bi-monthly MG Newsletter established and distributed electronically, through the Kimberley Echo newspaper, by hand and regular community announcements on radio Regular distribution of fact sheets emphasising services and programs for MG community New mgcorp.com.au website created |
| Establish "right-sized" property and equipment assets | <p>Progress proposals for improved office facilities.</p> <p>Review and modify vehicle fleet and plant equipment.</p> | <ul style="list-style-type: none"> Current office reconfigured to facilitate better working environment Asset Register created and continually updated |

Strategic Priority 2

ECONOMIC: Develop the economic wealth of MG Corp through the Trusts

| Outcome | What we promised | What we delivered |
|---|--|---|
| Strengthen role of Economic Development Unit in assisting the Development Trust to progress commercially viable projects | <p>Allocate increased staffing resources to EDU</p> <p>Provide management and secretariat support to Trusts</p> | <ul style="list-style-type: none"> Shareholders Agreement negotiated with Tropical Forestry Services Eco-tourism opportunities currently assessed in conservation areas Development opportunities arising from Ord-East Kimberley Expansion Project currently assessed; leasing industrial lands New, independent director on Trusts engaged to provide greater expertise Consultant engaged to develop a philanthropy strategy; prospectus being developed Economic Development Unit restructured Consultant engaged to advise on agricultural development opportunities Executive Corporate Support Officer and secondees engaged to support Trusts |
| Support functioning of the Community Foundation Trust (CFT) and Land Trust | <p>Administer distribution policy decisions of CFT</p> <p>Provide management and secretariat support</p> | <ul style="list-style-type: none"> CFT funds distributed in accordance with Trust policy and guidelines to the satisfaction of the CFT Trustees Community Layout Plans finalised and approved by Land Trust and Board Tenders and negotiating contracts for community infrastructure upgrades and building of community housing on priority community living areas prepared |
| Establish employment support, business development and cultural enhancement programs through the Aboriginal Development Package | <p>Positions filled</p> <p>Develop partnerships arrangements that align with strategic objectives</p> <p>Policies and procedures established and implemented</p> <p>Progress and evaluation reports demonstrate that ADP funding is achieving expectations</p> | <ul style="list-style-type: none"> Existing positions filled and new positions created New partnerships with Moonamang Joint Venture and Many Rivers established Three new MG businesses created, including the 2011 East Kimberley Aboriginal Business of the Year, for Marlz Catering. Employment support services provided to 65 MG people who commenced employment. New programs delivered: driver training, tertiary scholarships, Wet Seasons training and employment subsidy scheme for apprenticeships. Independent evaluation report into Wet Seasons training program conducted by Social Compass – finding that expectations were exceeded New electronic case management system developed and implemented and associated training provided |
| Manage land held by MG Corp for the purpose of transferring to land Trust | Properties incur minimum holding rates | <ul style="list-style-type: none"> Exemptions applied for and obtained for some properties |

Strategic Priority 3

SOCIAL: Support and facilitate improvements in MG community through partnerships

| Outcome | What we promised | What we delivered |
|--|---|---|
| Contribute to improvement in MG community well-being | Demonstration that programs are achieving success | <ul style="list-style-type: none"> \$882,819 income generated in excess of budget Pindan Community Centre upgraded Building contract for new joint administration building in partnership with Gelganyem Trust designed, tendered and negotiated; building has commenced Educational assistance programs revitalised; one recipient awarded the 2011 East Kimberley Aboriginal Achievement Award for Individual Outstanding Academic Performance Community Layout Plans for priority community living areas being finalised with the Department of Planning and MG OES MG entrepreneurial spirit revitalised with establishment of three new business |

| | | |
|--|---|--|
| Maintain achieve participation on OES Management Committee | Reporting prepared for OES Management Committee demonstrate success | <ul style="list-style-type: none"> • Education and Grants Officer appointed • Education grants and scholarship oversubscribed and individual students achieving outstanding results • Reporting in compliance with grant agreements |
| Improve work practices with Land and Waters team | Compliance inspections confirm that approved procedures are implemented | <ul style="list-style-type: none"> • Occupational health and safety, and the handling and storage of chemicals procedures established and implemented • Certificate II in Conservation and Land Management gained by most staff; Certificate III studies commenced • Commercial land management contracts successfully completed, generating a reputation for reliability and effectiveness |

Strategic Priority 4
CULTURAL: Protect and enhance MG culture and heritage

| Outcome | What we promised | What we delivered |
|--|--|---|
| Create opportunities to strengthen MG culture and heritage through the MG Parks Council and Northern Australia Indigenous Land and Sea Management Alliance (NAILSMA) | Demonstrate participation and report on programs success | <ul style="list-style-type: none"> • Draft Joint Management Plan for 6 conversation areas is being finalised with the Department of Environment and Conversation (DEC) and Parks Council • Certificate of Excellence for leadership, service and commitment for having made a major contribution to the recognition of MG culture awarded to MG Rangers • Eco-tourism opportunities are being developed DEC and Department of Tourism WA • NAILSMA workshops attended |
| Identify funding sources to contribute to cultural and heritage strengthening | Funding sources identified and funding is achieved. Reports demonstrate that success is achieved | <ul style="list-style-type: none"> • Consultant engaged and philanthropic strategy prepared. Potential donors identified and prospectus is being developed • Funding secured for cultural purposes • Providing support for heritage assessments • Administration of vehicles for cultural activities |
| Actively support NAIDOC Week and Harmony Day events | MG heritage and culture is evident in the events | <ul style="list-style-type: none"> • NAIDOC celebrations project-managed and financial and non-financial contributions from community and government secured |
| Actively support the work of the Mirima Language and Cultural Centre | Our contribution is recognised by the Language and Cultural Centre | <ul style="list-style-type: none"> • Financial support for Language and Cultural Centre programs, such as the Seasonal Online Calender, provided • Language and Cultural Centre facilities used where possible • Staff attend Cultural awareness training delivered by Language and Cultural Centre staff |



Marlene Carlton (left), recipient of the 2011 East Kimberley Aboriginal Business of the Year award for her catering business, Marlz Catering. At the award ceremony with Natalie Carlton, 2011.

Company Secretary Report

As a corporation registered under the Office of the Registrar of Indigenous Corporations (ORIC), MG Corporation must meet certain reporting requirements under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act)*. The main obligation of the Company Secretary under the CATSI Act is to ensure communication is passed to directors and to lodge an annual general report, audited financial report and directors' report by 31 December.

Board of directors

The MG Corporation Board provides executive direction and strategies for the organisation to pursue during the Board's term of office.

The Board is made up of five MG directors elected bi-annually. The current MG directors are Ted Carlton, Chairperson; Edna O'Malley, Deputy Chairperson; and Helen Gerrard. Two vacant positions for MG directors were reviewed during the year. The Board also has two independent, non-executive directors: Iain Summers and Michele Allan.

A biographical note on each Board director is available on p. 56, in the Financial Report section.

Governance activities

MG Corporation's priority of achieving high standards of corporate governance was reflected in the selection and appointment of several new directors across the Corporation; governance training for existing and incoming directors; and, an inclusive strategic planning process.

An initial call for nominations for vacant director positions took place in October 2010. Following an extensive series of induction and information sessions, 28 nominations were received for a total of nine vacancies across MG Corporation. Four new directors were appointed in February 2011 after an interview process with the Dawang Council. A second call for nominations was placed in May to fill the remaining five vacant positions and a total of eight nominations received. Interviews will be held in the new financial period. A new independent director, Ian McPherson, was appointed in March to sit on the Development Trust, Dawang Land Trust and Community Foundation Trust.

A key priority for the organisation is the ongoing training and up-skilling of directors. During the year, existing and newly appointed directors attended computer training and an introductory course on corporate governance delivered by ORIC. Options for the next level of training are currently being investigated through ORIC and the Australian Institute of Company Directors.

Several younger MG directors took the opportunity to accompany experienced directors and the Chief Executive to interstate conferences as observers to further develop their skills as future leaders within the Corporation and the MG community. A highlight was an invitation for the Chairperson of the Community Foundation Trust, Ephrem Kennedy to participate in Jawun's *Inaugural Emerging Leaders Tour*.

In recognition of the unique governance arrangements that MG Corporation follows, which are both traditionally and legislatively based, staff participated in cultural awareness workshops throughout the year, to gain a better understanding of the MG people's customs and practices.

Kelly Edwards

Company Secretary and Executive Corporate Support Officer





Corporate Developments

Strategic planning

The Corporation conducted a lively and productive Strategic Planning Workshop in April, with the participation of MG and independent directors, senior community members, the leadership of key collaborators and stakeholders in the Corporation's work and senior Corporation staff.

The workshop was facilitated over three days by consultants Jane Elix and Tony Kelly. At the conclusion of the Workshop the Corporation had identified seven objectives, of which three were subsequently classed as priority objectives. These three major objectives or priority goals will guide the Corporation's work in 2012–15:

- *Priority Goal 1:* MG Corporation makes enough money to be strong and wealthy
- *Priority Goal 2:* MG Corporation is looking after MG land and culture for MG people
- *Priority Goal 3:* MG Corporation trains and supports MG people into and in jobs in the community, business and government.

New headquarters building

Much work has gone into completing the design to budget and selecting and contracting a builder for the new headquarters building which the Corporation will share with our sister organisation, the Gelganyem Trust.

The building, funded in part through the East Kimberley Development Package, will be a much-needed presence in the Kununurra townscape and a symbol of MG's long-term role and vision. In addition to offices and meeting rooms it will contain a range of facilities, including a special secure archival room for the storage and protection of MG cultural materials. The archival room will be available to the community on the basis of strict cultural protocols.

Ground was broken at the site on Chestnut Street in June, and we are looking forward to taking up occupancy by the middle of 2012.

Communications strategy

MG Corporation is determined to represent the MG people strongly and effectively, so they can play their full part in community and regional affairs. To that end it is critical that people outside the organisation have a good understanding of the scope and direction of the Corporation's work and responsibilities.

This year we have made a concerted effort to lift our profile through the publication of regular newsletters, and their distribution widely in Kununurra and beyond, and through a continuing updating and upgrade of the corporate website.

Staff turnover and recruitment

Despite the dedication of our MG employees, attracting and retaining staff remains a challenge for the Corporation.

The Corporation's staff lack many of the benefits taken for granted by both public and private sector employees in Kununurra, especially subsidised housing (the existence of which inflates the commercial rents MG staff must pay). We have devoted some time this year to exploring with corporate supporters a range of enhanced salary and other conditions, which it may be possible to introduce to ease the monetary disadvantage faced by staff.

The housing issue remains a difficult obstacle. We will continue to seek ways to resolve it that do not conflict with the Corporation's overriding priority focus on using its resources to deliver paths to a better life for the MG community.

Community Foundation Trust

Throughout the year, the MG Community Foundation Trustees (CFT) continued to receive reports from the Chief Executive on the 2010 distribution of the CFT funds. Applying the CFT's 2010 Distribution Policy and Guidelines, the Chief Executive and staff attended over 40 meetings with the Dawangs to explain the Trustees' policy and guidelines and oversee the decision-making process for each Dawang.

Dawangs had an opportunity to use their individual contributions to purchase white goods, garden equipment, pay outstanding community utility charges, contribute to the purchase of community vehicles, or invest their contribution in the interest bearing accounts. With the exception of one Dawang, which has yet to meet, the funds have been distributed in accordance with the Trustees' instructions.

We acknowledge the vital contribution of Aurora Project and Jawun secondees in assisting with the development and implementation the CFT's 2010 Distribution Policy and Guidelines.

The Trustees continued to use Macquarie Private Wealth to manage investment assets. Under instruction from the Trustees, Macquarie manages a conservative portfolio that holds a combination of cash, bonds and shares. Across the year, the

investment assets earned a nine percent return or more than \$600,000. This was a good outcome in a year where expectations for a strong global recovery didn't eventuate and the high debt levels of European countries were again heavily scrutinised.

Australian investment markets also faced a number of challenges, most particularly a rising Australian currency, rising interest rates, and weakening consumer activity. The Australian economy did however benefit from higher commodity prices.

The Trustees are pleased with the results for the financial year. The investments in cash and bonds helped provide a high level of income during a period of volatile equity markets. The Trustees remain cautious in their expectations for the new financial year and as a result have recently adjusted the portfolio to make it more conservative than before.

Dawang Land Trust

Throughout the year, the MG Dawang Land Trust continued to work with the Department of Planning and the Kimberley Development Commission to finalise community layout plans for each of the priority 'A' community living areas.

These plans were completed and are being used to assist the Corporation's current project to provide housing on the priority 'A' community living areas.

The Trust finalised, and lodged with the Government of Western Australia, all documentation associated with the transfer of titles for the community living areas to the Land Trust. At the time of reporting, the transfer of titles has not been finalised.

The Trustees would like to extend their appreciation to Julie Melbourne, the Corporation's previous legal advisor, for all the work she has done throughout her time with the Corporation, and specifically the Land Trust.

Development Trust and the Economic Development Unit



MG Corporation CEO Franklin Gaffney (second-left, then clockwise) with Minister Brendon Grylls, Stuart Dyson, MJV, and Peter Stubbs, Department of Regional Development and Lands on the channel construction site, October 2010

Following consultation with the Development Trust and Board, the Economic Development Unit was restructured to facilitate the engagement of consultants with specific skill-sets to advise the Trustees and directors on potential economic development opportunities arising from the OFA and the Ord-East Kimberley Expansion Project.

AgKnowledge Consultancy continued to provide invaluable advice to the trustees on the negotiations with Tropical Forestry Services to establish the new joint venture entity, MG Farms. A Shareholders Agreement has been drafted and discussions with the Western Australian Government about implementing its obligations under the OFA, including land tenure and lot selection issues, are ongoing.

MG Farms implementation has been put on hold due to the continuing delays in the release of the farmlands from the Ord-East Kimberley Expansion Project. This is unfortunate as the ongoing delays frustrate MG Corporation's and the Trust's ability to generate much-needed income and deliver on MG people's aspirations to engage in the growing agricultural economy in the East Kimberley.

The Economic Development Unit also investigated new avenues for investment and partnerships by engaging *Greenstone Group* to advise on possible philanthropic opportunities. Following

Greenstone's advice, a philanthropic strategy was developed and approved by the Board. Its implementation has commenced with the drafting of an investment prospectus. The Corporation will lead the philanthropic push to channel investment opportunities to its partners within the MG community so that they can continue their excellent work for, and on behalf of, MG people. Subject to funding, the corporation will engage a Philanthropy Manager next year to progress this initiative.

New economic opportunities were also identified on the industrial sites that have been idle since 2006. Recently, the Corporation entered into a lease with the Department of Main Roads for its Bandicoot site. The Kentia Way site was cleared and fenced and development opportunities will continue to be explored next year.

The Economic Development Unit and Trustees acknowledge the generous support provided by secondees placed by Jawun during the year.

ADP Team



Arthur Hester learning to use the planer, watched on by Harold Wilson and course instructor Jim Watson. Wet Season Training Program 2010

Under the OFA, the Western Australian Government as the developer of the Ord-East Kimberley Expansion Project was required to provide an Aboriginal Development Package (ADP) to maximise Aboriginal participation in the project. The ADP negotiated under the current expansion provides resources for employment, training and business development opportunities.

Moonamang Joint Venture

MG Corporation's ADP Team has been working in partnership with Moonamang Joint Venture's Indigenous and Community Development (ICDP) team to provide employment support to workers on the Ord Expansion, and other town-based employment. The two teams are co-located at the Konkerberry site. They share resources and create synergies in programs designed to ensure that MG people get the greatest possible benefit from the projects being undertaken.

Training and Support Fund

The Training and Support Fund is the largest of the ADP funding centres with a variety of programs. A sample of these programs illustrates the ADP's activities in developing MG people for employment:

- *Driver Licensing:* over the last year the drivers license program has enabled three people to get their driving license and assisted 70 people to obtain their learner's permit.
- *MG Tertiary Scholarships:* this fund provides scholarships for up to \$20,000 a year in living allowances and \$5,000 in expenses for MG people enrolled to study a university degree or bridging program. Over the year there were several expressions of interest received for university study and two scholarships were approved.
- *Wet Season Training:* the program offered 30 short courses over the 2010/11 wet season. Courses were provided in a number of different areas including personal development, leadership, construction, numeracy and literacy, hospitality, small engine maintenance and welding.

Almost 190 people undertook one or more of the training options provided through the *Wet Season Training Program*. Twenty-nine moved into employment on completing their chosen training.

There were varying motivations behind enrolling in the courses, but in the main, it was to learn new skills or to find employment. An independent review of the program stated that the biggest difference the program had made was to change the way participants thought about themselves and to enhance their confidence and self-esteem. This is an important step forward and will be built upon in subsequent programs.

Employment Support

The ADP team provided employment support to 65 MG people in 2010–11. Mentoring support included assisting with job applications, interviews and support to attend training. We also assisted people with police-checks, work clothing and safety equipment to help them start work.

The ADP and ICDP now have a purpose-built case management database to assist in the delivery of employment support services to MG people according to their individual circumstances. The database also monitors an individual's progress and tracks outcomes of ADP-supported programs.

Employment Subsidy Scheme

In the reporting period, MG Corporation implemented a new employment subsidy scheme as a way of investing in apprenticeships for MG people. Under the scheme, the Corporation makes top-up payments to allow apprentice wages to be more competitive with unskilled labour rates. The aim is up-skill individuals for the long-term by making apprenticeships more attractive for MG apprentices and their employers.

Business Capital Fund

The Business Capital Fund provides funding to assist eligible MG businesses to obtain capital through grants or loan support and guaranteed overdraft facilities. In 2010–11 the fund assisted three MG businesses. The Business Advice Fund also supported these businesses in accounting, legal and planning advice.

Many Rivers Partnership

Many Rivers Microfinance is another strategic partnership for the ADP project. The partnership was developed to provide assistance with business advice, development and micro loans for MG businesses. Many Rivers brings a wealth of experience and knowledge for people wishing to get into business and is now providing support for 13 existing and potential MG businesses.

The engagement of Many Rivers has enhanced the ability of the ADP business support funds to assist new and existing MG businesses.

Land and Water Rangers Team



Yawoorroong
Miriuwung
Gajerrong
Yirrgeb
Noong
Dawang
Aboriginal Corporation

LOOKING AFTER COUNTRY



MG LAND AND WATER RANGERS:

gaining skills to manage fire on
MG country, for MG people.

“ I thank the boys for keeping the place safe and I would like it to happen every year, after the Wet. ”

Ben Ward Senior, Cockatoo Springs community, East Kimberley



Nathan Connor, DEC District Fire Coordinator, Adrian McKenzie, NT Parks and Wildlife with MG Rangers Michael Ward and Stephen Davies during fire-control training at Cockatoo Springs community. May 2011

During the year the Land and Water Rangers team made progress against their key objectives: improving work practices, constructing a united and stable team, building a reputation for reliability and increasing their capability to provide commercial land management services.

Key achievements

With no turnover of team members during the year, the team operated with a more consistent capacity. Our work practices improved as we established and implemented a range of procedures such as those dealing with occupational health and safety, and the handling and storage of chemicals.

The team also achieved a significant improvement in skill development as most staff gained their Certificate II in Conservation and Land Management and moved

into their Certificate III studies. Additional training, both formal and informal, was also completed in water quality and fire management. The training will contribute to the team's ability to offer commercial land management services.

A number of commercial land management contracts were successfully completed generating over \$26,000 worth of income. The team's reputation for reliability and effectiveness is growing as a result of these successful contracts.

Our Partners' Performance Reports

Jeremy McGinty doing rubber vine
control work on Reserve 31165



MG Ord Enhancement Scheme



New lawns, landscaping and building improvements: a safer and more attractive environment for children at the Pindan Community Centre, home of the Stepping Stones' Pre-Kindy Program. June 2011

The MG Ord Enhancement Scheme (OES) was established under the OFA in 2006. With State government funding of \$11.195 million to be administered in partnership with the MG traditional owners, the purpose of MG OES is to address the recommendations of the *Aboriginal Social and Economic Impact Assessment Report (ASEIA Report)*, put together by the Kimberley Land Council in 2004. The ASEIA Report analysed the previously unassessed impacts on the MG people of the establishment of the Ord River irrigation scheme.

New MG OES Projects

Pindan Stepping Stones

Many MG children are disengaged from the education system and struggle to reconnect once absent for long periods of time. MG OES, working with local schools and service providers, has attempted to create pathways back into mainstream education for MG children.

MG OES is also focused on ensuring the early years of an MG child's education journey are a positive experience. The Stepping Stones early learning program provides a solid foundation for MG children preparing to enter into mainstream education at the kindergarten and preschool entry level.

The program is achieving positive results with up to 40 children in attendance over four days a week. Early

evaluation suggests that children attending Stepping Stones in 2010 have successfully transitioned into mainstream schooling in 2011.

MG OES funded MG Corporation to refurbish the Pindan Community Centre to ensure it meets the needs of current and future projects.

Parental and Community Engagement (PaCE) and St Joseph's Family Liaison Officer

In partnership with MG OES, Wunan Foundation and St Joseph's Catholic Primary School have embarked on programs designed to provide MG families with the strategies and resources to actively participate in their children's education. The two programs aim to increase community understanding of the education system in order to contribute towards improved school attendance.

Wunan's PaCE program seeks to support families in the Kununurra area and specifically those families severely disengaged from the education system. The program employs a Coordinator and two MG Education Advocates.

St Joseph's Primary School employs a Family Liaison Officer to work with MG students to achieve better education outcomes by supporting school attendance. The Family Liaison Officer advises the teaching staff on culture and community context so they can provide culturally secure educational foundations for MG children.

Miriwoong Language Survival

The ASEIA report notes the strength of traditional culture despite the "social upheaval and erosion of cultural capital" that MG people have endured. ASEIA recommended supporting existing projects such as the Mirima Dawang Woollab-gerring Language and Culture Centre (MDWg) as well as the need to support initiatives by MG people in reconnecting with, or strengthening traditional culture.

Similar to other Australian Aboriginal languages, Miriwoong is listed as severely to critically endangered and only a small number of people over the age of 60 still speak Miriwoong fluently. Through the MDWg, MG OES is funding the *Masters and Apprentices Program* aimed at supporting the intergenerational transfer of the Miriwoong language.

The program links fluent Miriwoong speakers with younger community members who are keen to expand their knowledge and understanding of their language.

Ongoing MG OES Work

MG OES continues to provide support to significant local initiatives such as Joodoogeb-be-gerring Werlemen (teenage girls' school re-engagement), the Clontarf East Kimberley Football Academy, Save the Children's MG Youth Worker Project, MG Corporation's Many Rivers partnership and the Ord Valley Aboriginal Health Service's MG Healthy Lifestyles and Foetal Alcohol Spectrum Disorder programs. MG OES also provided education assistance grants to support the continuing attendance of 135 MG students at 16 schools in Western Australia and the Northern Territory.

MG OES also continues to advocate better service delivery for MG people through a range of policy and service delivery forums, including the East Kimberley Youth Service Providers Network, the Early Years Network and the StandBy Response Steering Committee.

Small Grants

In 2010–11, MG OES provided small grants to the following initiatives:

- St Joseph's Primary School Year Seven Trip to Perth; and
- MG Corporation's Ord Final Agreement Fifth Anniversary celebrations.

Kimberley Development Commission

In the reporting period, MG Corporation successfully secured \$5 million of Royalties for Regions money to develop housing. A further \$1 million has been committed through the MG OES to enable a \$6 million project that will ultimately see ten new homes constructed on Miriwoong Gajerrong community living areas (CLAs). It is estimated that \$1.5 million of the total funds will be used to connect the houses to essential services.

This is a bold project aimed at allowing MG ownership of housing and giving MG people an opportunity to lead the charge for improved living conditions on the CLAs. Under an agreement with the Government of Western Australia, the houses will be managed and maintained by a third party property manager. The property manager will be contracted to collect rents whilst ownership of land and the housing stock remains with MG people.

This community-housing model developed in partnership with the Kimberley Development

Commission will help the Corporation build and sustain housing on traditional lands.

MG Corporation's Development Trust comprehensively assessed builder and design options, taking into account environmental conditions and the lifestyle of community members. Local building firm, Ecoefficient Homes, will commence construction in late 2011.

It is expected that all homes will be occupied by the middle of 2012.



Yoorrooyang Dawang Regional Parks

Co-Chairs' Report

It has been a busy year for both the Yoorrooyang Dawang Regional Park Council (YDRPC) and MG Ranger team. We have been working hard to finalise the Management Plan and implement our works program in the Yoorrooyang Dawang Regional Parks (YDRP).

Much of the work being undertaken in the YDRPs will include new signage and infrastructure such as toilets, picnic tables and car parks to support and enhance visitor experiences to our country. We look forward to further progressing tourism development opportunities and cultural mapping of our country to support future management from a cultural perspective.

Our land and our culture is central to who we are and must be considered in everything we do. We would like to take the opportunity to thank the other members of the Park Council, Dawang Groups, Department of Environment and Conservation (DEC) staff and MG Rangers, and MG Corporation for all their valuable support.

Priorities

- Finalise and implement the Yoorrooyang Dawang Regional Parks (YDRP) Management Plan
- Implement recreation concept plans and associated capital works program
- Develop a weed management strategy across the YDRPs
- Develop and implement wildfire mitigation and suppression plans for the YDRPs
- Train existing MG Rangers to assume permanent positions for long-term management of the New Conservation Areas (NCA)
- Continue to build capacity within the MG Ranger team to assume additional management and leadership responsibility
- Support existing community relation programs relating to YDRP management

- Naturebank project
- YDRP cultural mapping project.

Planning

The Yoorrooyang Dawang Regional Parks Draft Management Plan was released for public comment from March to May 2011. The YDRPC and DEC will review the submissions in early October and make recommendations on any changes to the draft management plan, with the view to finalise the management plan in early 2012. This will pave the way for the implementation of MG aspirations, including proposed relevant capital works for the YDRPs.

MG Ranger Program

Employment and training

Four MG Rangers graduated from their Certificate II in Conservation and Land Management (CALM) at a ceremony held in Perth in May. Rangers were presented with their graduation certificates by the Minister for Environment, Bill Marmion and the DEC Director General, Keiran McNamara. For MG Ranger, Leslie Moore, the ceremony held extra significance as he received the DEC Kwabalitch Award. *Kwabalitch* is a Nyoongar word that means 'excellent' or 'good'. The award is presented to the DEC Aboriginal trainee who has demonstrated an admirable level of tenacity, perseverance and dedication to their studies. The ceremony was also attended by representatives from the YDRPC.

It is anticipated that most of the MG Ranger team will have completed their Certificate III in CALM by early 2012. Subject to performance, completion of their training and securing a recurrent budget beyond 30 June 2013, the trainees will be offered permanent employment and play a key role in the management of the YDRPs.

MG rangers with their graduation certificates, presented by Bill Marmion, Minister for Environment. (From left): Keiran McNamara (DEC Director General), Chris Retsas (MG Ranger), Harry Curtain, Michael Birch (Co-Chair Park Council), Bill Marmion (Minister for Environment), Douglas Gerrard (Reserve 31165 Ranger), Merle Carter (Park Council), Sylvia Simon, Leslie Moore (MG Ranger) and Pamela Simon (Park Council).

The rangers have been involved in a range of projects and programs which have earned them a good reputation in both their quality of work and completing projects. This work was acknowledged in May when the MG Ranger team was awarded a DEC Certificate of Excellence for their leadership, service and commitment, and for having made a major contribution to the recognition of Aboriginal culture within DEC.

The rangers undertook further specialised training in firefighting, feral animal management and recreational site planning.

Government Regional Officers Housing (GROH) accommodation is being offered to trainees based on their attendance and demonstrated work-commitment.

School-based trainees

Two school-based trainees commenced working with the MG Ranger team during the reporting period. Trainees will spend two days a week at work learning the skills required to be a MG Ranger as well as working towards completing their Certificate II in CALM.

Restructure of the Parks Program

As a result of the increasing capability of the MG Ranger team, the program was restructured in early 2011 to improve career advancement opportunities. A new position has been created under the restructure to be filled by the rangers on a rotational basis. The incumbent will coordinate the day-to-day operations of the team.

Park operations

Park boundary signage

Boundary signs have been prepared and ordered for each park. DEC is awaiting the final confirmation of the formal name change for each park. Once this is finalised, signs will be installed along roads and other entry points into each of the YDRPs.

Day-use site development

Construction of the day-use site has commenced at Molly Springs. The MG Ranger team has installed bollards to define the car park. The next stage of construction is for the track and car park surface to be upgraded. Once this is done the rest of the bollards will be installed and facilities such as BBQ, picnic tables and toilets, will be developed. The next site to be developed will be Black Rock Falls with work expected to commence early in 2012.

DEC is working with Dawang representatives and the Mirima Language Centre to identify the correct Miriwung or Gajerrong names for these day-use sites. The sites will then be sign-posted with the appropriate name. Visitor risk signage will be installed at the day-use sites once the final layout of each site has been completed.

Fauna surveys

The MG Ranger team, along with other DEC staff, has continued fauna surveys on the YDRPs. The MG Ranger team has conducted two fauna surveys independently on the Ngamoowalem Conservation



MG Ranger Andy Reid explaining the fauna survey set-up to Nancy Dilyia and Phyllis Ningamara. Darram Conservation Park, September 2010

Park this year demonstrating its ever-improving capability. YDRPC members, including relevant Dawawang (senior community members), have had the opportunity to participate in the surveys.

Community relations

A number of community relations activities have been undertaken during the reporting period through the Bush Ranger program and local school visits. These activities have included interpretive walks through the Ngamoowalem Conservation Park, bush survival training with Bob Cooper and building nest boxes for Gouldian Finches.

Tourism development opportunities

In 2009, the YDRPC and DEC began exploring tourism development opportunities on the YDRPs. Two locations within the Ngamoowalem Conservation Park—Spring and Skeleton Creeks—were identified as potential Naturebank sites. Naturebank is a WA Government initiative that aims to prepare sites to develop quality and environmentally sensitive tourist accommodation experiences in the State's national parks.

On 16 and 17 June 2011, the YDRPC along with representatives from the MG Corp Board, DEC and Tourism WA participated in the Naturebank Business Workshop. The purpose of this workshop was to identify an appropriate development and business model for a Naturebank project on the YDRPs.

To date, a preliminary heritage clearance has been conducted of both sites, as has a flora clearance. Fauna surveys will be conducted at both sites during September 2011. The YDRPC will be making a submission the MG Board to further progress the project.

Cultural mapping

The Park Council identified cultural resource management as a high priority initiative during the planning process, along with the need to develop cultural resource management tools. Initial discussions with Ecotrust Australia and MG Corporation occurred to gain a broader understanding of the benefits and applications to support cultural resource management of the YDRPs. It is hoped that this project can further assist the YDRPC and MG Rangers to better protect significant sites within the parks and extend rangers' knowledge of country and how to manage it for future generations.



(From left): Vincent Kennedy, MG Ranger, with Luke Bentley, A/MG Joint Management Coordinator at DEC, and Franklin Gaffney, MG Corporation CEO, discussing the proposal to develop a Naturebank site at Spring Creek, Ngamoowalem Conservation Park, June 2011

Reserve 31165



There were some significant achievements in the management of Reserve 31165 during 2010–11. Project management responsibility for the \$1.5m *Working on Country* project was successfully taken on by MG Corporation as the Department of Water stepped back from day-to-day management responsibilities. The Joint Management Committee met four times during the year and continues to oversee both the trainee ranger program and implementation of the interim management plan, as well as fulfill its role as the Reserve management Authority.

Trainee ranger program

The Reserve 31165 trainee rangers, along with the MG Rangers, received a joint award for excellence from the Department of Environment and Conservation (DEC). Douglas Gerrard the trainee ranger for Mandangala Dawang also received an individual award for excellence.

Douglas Gerard helps DEC nature conservation staff to relocate stranded wallabies from Lake Argyle



In a major accomplishment this year, the trainee rangers were able to plan, organise and undertake some of their on-country work trips unsupervised. This work was, at times, performed in partnership with staff from DEC and other organisations. The trainee rangers completed a vital role in the relocation of 350 wallabies stranded by rising waters on islands in Lake Argyle.

Another example of their ability to work independently was their involvement in controlling a number of newly discovered infestations of the noxious weed Rubbervine (*Cryptostegia grandiflora*). The trainee rangers completed a number of trips to control the rubber vine, working closely with staff from the Department of Agriculture and Food WA and Ord Land and Water. This control work will need to be ongoing for a number of years to completely remove these infestations.

Douglas Gerard with uncle Harry Curtain shows his individual award for excellence



Save the Children



Local kids at a wet season camp organised by Save the Children. Molly Springs, January 2011

MG Youth Worker Project

In partnership with MG Corporation, the MG Youth Worker Project was established to engage vulnerable youth in the Kununurra area, and reduce their street presence and contact with the juvenile justice system.

We have a strong team of local indigenous youth workers responsible for designing and implementing our youth program. About 60 per cent of our youth team staff are either MG, or closely related to MG through family connections. They are engaged in regular training to further skills and gain knowledge such as recent courses on first aid, mental health and suicide prevention, driving, and respectful relationships.

Key activities

Over the past year, this program has expanded significantly to provide a greater variety of different activities for at-risk youth, aged seven to eighteen. These activities include:

- Waringarri Chilling Space, an evening drop-in centre held five nights per week
- Kids Rock, engaging young men through music and song writing
- Young Women's Night and Glam Girls, held to educate and engage young women in life-skills
- School engagement and participation support
- Learners and drivers license attainment support
- A range of sporting sessions including indoor soccer, basketball, athletics, dance and rugby
- Regular discos
- An afternoon youth lounge
- Regular daytrips for fishing and swimming; and
- Back-to-country camps.

Our youth team has built strong relationships with local, at-risk youth, including acting as reliable and positive role models. Our comprehensive range of activities and team of dedicated staff contribute to MG youth keeping connected with their community and developing greater hopes and aspirations for their future.

Ord State Implementation Committee

The Ord State Implementation Committee (OSIC) was established by West Australian Government to oversee the implementation of the OFA.

OSIC is comprised of representatives from Western Australian Government agencies with responsibilities under the OFA, and MG Corporation.

OSIC held two meetings in the reporting period. A review of projects that have been implemented, or are in the final stages of implementation, was completed in May 2011, which enabled a discussion of outstanding matters that are provided for in the OFA.

The Department of Water advised that it had discharged all of its commitments under the Agreement. The Department of Environment and Conservation continues to implement conservation-related obligations, including ranger training, signage and conservation joint management objectives. The Department of Regional Development and Lands is working with LandCorp and the MG Corporation to

facilitate the transfer of farmland as provided for in the OFA, as well as assisting in the implementation of the ADP.

The issue of MG employment in Western Australian Government agencies in Kununurra was also considered by OSIC.

To this end, the Department of Indigenous Affairs and the Public Sector Commission's *Aboriginal Employment and Career Development Governance Group* will work with the Aboriginal Development Package Implementation Committee to achieve positive results in Aboriginal representation in the public sector workforce, consistent with the objectives of MG Corporation's ADP. That work will be reported to OSIC.



Moonamang Joint Venture

In partnership with MG Corporation, Moonamang Joint Venture (MJV)'s focus during the year has been to maximise employment and business opportunities for MG people. We set a minimum target of employing 20 indigenous people on the MJV construction project, with a stretch target of 25 people and game-breaking of 30.

This commitment to making the most of opportunities from the Ord-East Kimberley Expansion Project has resulted in positive results for MG people participating in the project.

Indigenous employees have accounted for over 27 per cent of total man-days on the project with 15 per cent of total man-days attributed to MG employees. Indigenous employee numbers peaked at 62, in September 2010.

The success in employing MG people on the project can be attributed to MJV's commitment and that of the employment support officers in the Indigenous and Community Development (ICDP) Team who work with the local community to meet their employment aspirations.

In addition to employment support, three indigenous businesses have been employed directly to supply services to the project. Gerdan Tours continue to provide transport services for workers in addition to operating their tourism business.

The ICDP team has been working closely with MG Corporation's Aboriginal Development Package (ADP) team to achieve these results. Both teams are

co-located to ensure they provide consistent and efficient services for MG people. The two teams have implemented a comprehensive case management database system to deliver more proactive assistance for MG people.

Programs implemented by the ADP and ICDP teams are focused on achieving the following priorities: increasing indigenous economic participation; addressing social barriers to indigenous participation; and ensuring the project builds the confidence and supports the achievements of indigenous workers.

MJV remains committed to assisting indigenous people and businesses benefit from opportunities available in the broader East Kimberley, beyond the project. During the 2010–11 wet season, 11 employees working on the project took part in the MOU with the Shire of Wyndham-East Kimberley that provided employment opportunities throughout construction downtime.

Looking to 2012, MJV is committed to working with MG Corporation to assist in establishing a commercial opportunity for the Corporation and all MG people.

Many Rivers

Many Rivers Microfinance Limited (Many Rivers) is a not-for-profit microenterprise development organisation that exists to help Indigenous and other Australians to establish and develop micro and small businesses through business support and small loans.

Measuring success

We measure success by comparing our client's situation before and after a loan considering four factors:

- Income is being generated by the business
- An income-generating asset is owned by the business
- The business is continuing after the loan is repaid
- The client regards the business as their job.

Our goal is that at least half of our clients positively achieve all four measures. This is currently being achieved.

Partnership with MG Corp

Many Rivers entered into a partnership with MG Corporation in early 2011 to provide small business support to MG people aspiring to run their own business. We commenced with two field officers based in Kununurra.

Many Rivers works with MG Corporation to identify and support people with a desire to establish and develop their own business by providing access to business planning support and loans from Westpac Bank. Many Rivers also works with the MG Corporation's Aboriginal Development Package to support MG people with their business.

Our target is to support ten new businesses in the first full year of operation.

Between March–June 2011, Many Rivers' field officers have assisted three people to start small businesses in the East Kimberley:

MANY RIVERS CLIENT BUSINESSES ESTABLISHED / EXPANDED

| | |
|---|---|
| Microfinance loan provided | 2 |
| Non-financial support provided | 1 |
| Total businesses established / expanded | 3 |

Types of businesses established:

Contract fencing and mustering, Catering; and Transport and tours.

All of these businesses have commenced or expanded trading a good, or a service, and have achieved income for their businesses through Many Rivers' support.

Our team has established a strong client pipeline with 24 other clients, of whom thirteen are MG people.

MANY RIVERS MICROFINANCE EAST KIMBERLEY CLIENT PIPELINE

| | |
|--------------------------|----|
| Meetings | 18 |
| Business planning | 5 |
| Current loan application | 1 |
| Client declined for loan | 0 |
| Total | 24 |

Many Rivers looks forward to working with MG Corporation in 2011–12 to support more MG people start their own businesses in the region.

Jawun

Jawun is a small not-for-profit organisation that leverages the capabilities of corporate and philanthropic Australia to support innovative programs of change in indigenous communities. Embracing the most challenging social issue in Australia, our mission is to help “Indigenous people build the capabilities to choose a life they have reason to value.” We do this by facilitating corporate and philanthropic partnerships that enable indigenous organisations to achieve their own goals. In the last year, \$6.2 million of in-kind support has been applied throughout the organisation’s four regions across the nation.

In the reporting period, the corporate partners that Jawun brought to MG Corporation–Westfarmers and National Australia Bank (NAB)–completed nine standard (five-week) secondments.

Listed below is an outline of each of the projects Jawun secondees worked on during the year in three focus areas.

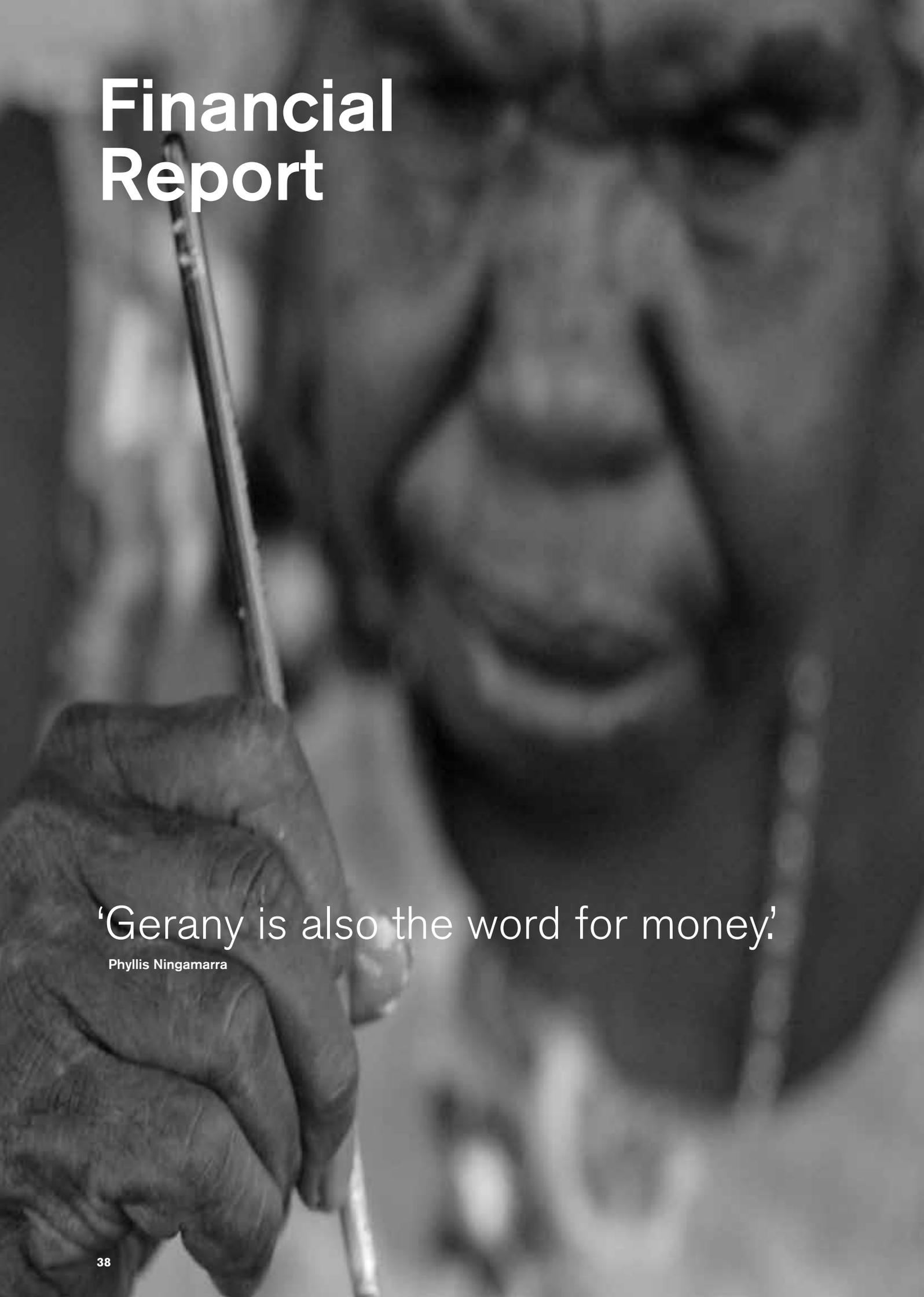
Jawun looks forward to continuing to develop its partnership with the MG Corporation over the coming years so that it can achieve its mission. To this end, work is also being done to ensure that secondee projects become increasingly aligned to a strategic framework of change.

| Employment | | |
|--|--|-------------------|
| Key Activities (Jul–Dec 2010) | Outcomes to Date | Corporate Partner |
| <p>Development of a case management program for MG Employment Services</p> <p>The project’s objective was to put in place a case management program for the delivery of services to MG people to enable them to more fully participate in employment and training opportunities arising from the Ord-East Kimberley Expansion Project.</p> <p>The project placed specific focus on establishing case management guidelines and related processes, as well as case management and service delivery training.</p> | <ul style="list-style-type: none"> • Employment support/case management process developed. • Joint employment application form for Moonamang JV and MG Corporation developed. • Summary of content required for the client management database developed. • Proposal for a new organisational structure for the ADP team and a role-purpose statement for the MG field officers developed. • Individual development program template created. | NAB |

| Building Indigenous Organisational Capability | | |
|---|--|-------------------|
| Key Activities (Jul–Dec 2010) | Outcomes to Date | Corporate Partner |
| <p>Trust Policy Development</p> <p>The MG Community Foundation Trust (CFT) approved a special distribution to each of the 16 recognised Dawang groups. For the funds to be released by the CFT, a framework and communication plan regarding this distribution must be in place.</p> | <ul style="list-style-type: none"> • CFT-approved process to deliver disbursement to Dawangs with distinct accountabilities and timeframes • Risks and mitigating strategies identified • Supporting documentation developed for ease of delivery • Dawang members better identified for future records of the Corporation • Buying power negotiated with retailers for supply of goods and services • Better teamwork developed among staff at the Corporation. | NAB |

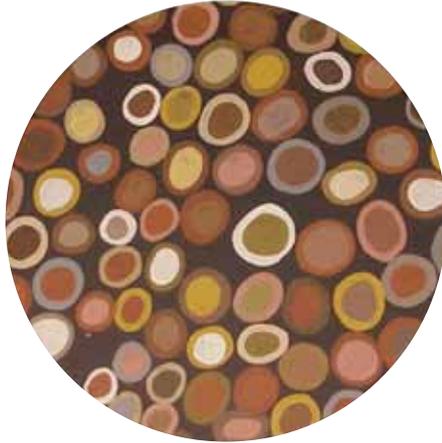
| Economic & Business Development | | |
|--|---|--------------------------|
| Key Activities (Jul–Dec 2010) | Outcomes to Date | Corporate Partner |
| <p>Corporate website upgrade The project's key objective was to redevelop the Corporation's old website and enhance its user-friendliness and communication role in presenting to the public the Corporation's projects, needs and priorities.</p> | <ul style="list-style-type: none"> • New website designed, tested and launched • Updated and expanded means for projecting MG goals to the wider public | NAB x 1 Wesfarmers x1 |
| Key Activities (Jan–Jun 2011) | Outcomes to Date | Corporate Partner |
| <p>Philanthropy prospectus preparation The content is confidential.</p> | Outcomes achieved | NAB |
| <p>Development of methodology The content is confidential.</p> | Outcomes achieved | NAB |
| Key Activities (Jul–Dec 2010) | Outcomes to Date | Corporate Partner |
| <p>Agricultural Land Development Under the OFA, MG Corporation is granted a first preference to acquire up to 12.5 per cent of Weaber Plains agricultural land Farmlands.</p> <p>In the absence of capital, the Corporation called for expressions of interest to assist it to develop and operate its preferred selection of agricultural land in the area.</p> <p>Two secondees have worked on this on-going project during the reporting period. The land release is planned for October 2011.</p> | <ul style="list-style-type: none"> • Analysis of received EOI and scenario-testing to determine what is achievable from MG and EOI respondent perspectives • Financial models for future use by MG staff/consultants • Draft MOU and confidentiality agreements • Support for negotiations and alternative models | NAB x 2 |
| <p>Residential/Commercial Land Development Under the OFA, MG Corporation has acquired both residential and commercial land. This project aimed to understand what land was held, what it could be used for and how it could be developed to meet the aims and objectives of the Corporation. Further consideration by the Corporation is needed to develop such projects.</p> | <ul style="list-style-type: none"> • Land and zoning catalogued • Options developed in relation to buildings or other development concepts • Cash-flow modelling completed • Business case developed and presented to the Board | Wesfarmers |

Financial Report



‘Gerany is also the word for money.’

Phyllis Ningamarra



**Yawoorroong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation
(MG Corporation ICN 4597)**

Financial Statements 30 June 2011

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Consolidated Statement of Comprehensive Income for the year ended 30th June 2011

| | Note | Consolidated Group | | Parent Entity | |
|---|------|--------------------|------------------|-------------------|------------------|
| | | 2011 \$ | 2010 \$ | 2011 \$ | 2010 \$ |
| Income | | | | | |
| Revenue from government grants and other grants | 2 | 9,758,053 | 4,643,333 | 8,625,727 | 3,643,333 |
| Contributed assets | | - | 420,000 | - | - |
| Interest received | | 332,105 | 176,148 | 129,171 | 68,967 |
| Dividends received | | 402,300 | 170,277 | - | - |
| Landcorp funds received | | 243,445 | 871,914 | 243,445 | 871,914 |
| Other revenue | | 1,338,065 | 606,124 | 1,011,748 | 550,131 |
| Total Income | | 12,073,968 | 6,887,796 | 10,010,091 | 5,134,345 |
| Expenses | | | | | |
| Net loss/(profit) on investments | | 24,593 | (390,376) | - | - |
| Employee benefits expense | | 1,900,803 | 1,451,122 | 1,900,803 | 1,450,447 |
| Depreciation and amortisation | | 87,627 | 70,936 | 87,627 | 70,936 |
| Finance costs | | 89,407 | 97,255 | 8,262 | 13,283 |
| Consultants | | 815,200 | 384,995 | 815,200 | 376,824 |
| Independent Directors fees | | 137,473 | 92,676 | 137,473 | 81,638 |
| Operational Expenses | | 1,429,706 | 1,107,179 | 1,137,328 | 1,103,315 |
| Rental property expenses | | 155,532 | 54,610 | 155,532 | 54,610 |
| ADP training and support expenditure | | 483,810 | - | 483,810 | - |
| Governance | | 173,420 | 160,564 | 173,420 | 159,479 |
| Total Expenses | | 5,297,571 | 3,028,961 | 4,899,455 | 3,310,532 |
| Surplus before income tax | | 6,776,397 | 3,858,835 | 5,110,636 | 1,823,813 |
| Income tax expense | 4 | - | - | - | - |
| Surplus after income tax | | 6,776,397 | 3,858,835 | 5,110,636 | 1,823,813 |
| Other Comprehensive income | | - | - | - | - |
| Surplus attributable as follows:- | | | | | |
| Transfer to Unexpended Grants | | 3,999,248 | 594,722 | 3,999,248 | 594,722 |
| Transfer to Unexpended Projects | | 677,925 | 402,326 | 677,925 | 402,326 |
| Distribution to beneficiaries | | 10,000 | 140,000 | - | - |
| Surplus to Members' Funds | | 2,089,224 | 2,721,787 | 433,463 | 826,765 |
| | | 6,776,397 | 3,858,835 | 5,110,636 | 1,823,813 |

Statement of Financial Position as at 30th June 2011

| | Note | Consolidated Group | | Parent Entity | |
|--------------------------------------|------|--------------------|-------------------|-------------------|------------------|
| | | 2011 \$ | 2010 \$ | 2011 \$ | 2010 \$ |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | 5 | 5,753,450 | 1,349,334 | 5,686,337 | 1,182,861 |
| Trade and other receivables | 6 | 674,757 | 641,730 | 492,065 | 611,653 |
| Financial assets | 7 | 8,348,682 | 6,878,943 | - | - |
| Other current assets | 8 | 82,714 | 4,135 | 82,714 | 4,135 |
| Total Current Assets | | 14,859,603 | 8,874,142 | 6,261,116 | 1,798,649 |
| Non-Current Assets | | | | | |
| Trade and other receivables | 6 | - | - | 27,941 | 27,941 |
| Property, plant and equipment | 9 | 4,998,391 | 5,173,071 | 4,578,390 | 4,753,070 |
| Total Non-Current Assets | | 4,998,391 | 5,173,071 | 4,606,331 | 4,781,011 |
| TOTAL ASSETS | | 19,857,994 | 14,047,213 | 10,867,447 | 6,579,660 |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Trade and other payables | 10 | 1,281,453 | 898,959 | 1,276,423 | 761,163 |
| Borrowings | 11 | 23,694 | 21,321 | 23,694 | 21,321 |
| Unexpended Grants | 12 | 3,999,247 | 594,722 | 3,999,247 | 594,722 |
| Total Current Liabilities | | 5,304,394 | 1,515,002 | 5,299,364 | 1,377,206 |
| Non-Current Liabilities | | | | | |
| Borrowings | | 24,798 | 92,633 | 24,798 | 92,633 |
| Unexpended Grants | | - | 1,066,082 | - | 1,066,082 |
| Total Non-Current Liabilities | | 24,798 | 1,158,715 | 24,798 | 1,158,715 |
| TOTAL LIABILITIES | | 5,329,192 | 2,673,717 | 5,324,162 | 2,535,921 |
| NET ASSETS | | 14,528,802 | 11,373,496 | 5,543,285 | 4,043,740 |
| EQUITY | | | | | |
| Retained Earnings | | 13,462,720 | 11,373,496 | 4,477,203 | 4,043,740 |
| Year 1 OFA reserve | | 1,066,082 | - | 1,066,082 | - |
| TOTAL EQUITY | | 14,528,802 | 11,373,496 | 5,543,285 | 4,043,740 |

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the year ended 30th June 2011

| | Consolidated Group | | Parent Entity | |
|---|-------------------------|--------------------------|-------------------------|--------------------------|
| | Retained Earnings \$ | Year 1 OFA Reserve \$ | Retained Earnings \$ | Year 1 OFA Reserve \$ |
| Balance at 1 July 2009 | 8,651,709 | - | 3,216,975 | - |
| Surplus attributable to the entity | 826,765 | - | 826,765 | - |
| Surplus attributable to MG Community Foundation | 1,475,022 | - | - | - |
| Surplus attributable to MG Dawang Land Trust | 420,000 | - | - | - |
| Surplus attributable to MG Developments Trust | - | - | - | - |
| | 2,721,787 | - | 826,765 | - |
| Balance at 30 June 2010 | 11,373,496 | - | 4,043,740 | - |
| Surplus attributable to the entity | 433,463 | - | 433,463 | - |
| Surplus attributable to MG Community Foundation | 1,655,761 | - | - | - |
| Surplus attributable to MG Dawang Land Trust | - | - | - | - |
| Surplus attributable to MG Developments Trust | - | - | - | - |
| Year 1 OFA transfer (i) | - | 1,066,082 | - | 1,066,082 |
| | 2,089,224 | 1,066,082 | 433,463 | 1,066,082 |
| Balance at 30 June 2011 | 13,462,720 | 1,066,082 | 4,477,203 | 1,066,082 |

(i) After confirmation from OFA funding agency, year 1 funds previously held as unexpended grants have now been transferred to an equity reserve

The accompanying notes form part of these financial statements.

Cash Flow Statement for the year ended 30th June 2011

| | Note | Consolidated Group | | Parent Entity | |
|---|------|--------------------|-------------|---------------|-------------|
| | | 2011 | 2010 | 2011 | 2010 |
| | | \$ | \$ | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | 13 | | | | |
| Receipts from customers | | 15,422,155 | 6,448,675 | 14,116,128 | 5,475,087 |
| Payments to suppliers and employees | | (10,180,526) | (5,000,492) | (9,755,149) | (4,975,207) |
| Interest received | | 132,637 | 72,419 | 129,171 | 68,967 |
| Interest paid | | 8,262 | (4,885) | (8,262) | (13,283) |
| Net cash provided by operating activities | | 5,382,528 | 1,515,717 | 4,481,887 | 555,564 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Payment for property, plant & equipment | | 87,053 | (405,045) | 87,053 | (405,046) |
| Payment for investments | | (1,000,000) | (1,000,000) | - | - |
| Net cash provided by investing activities | | (912,947) | (1,405,045) | 87,053 | (405,046) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Proceeds from borrowings | | - | 180,000 | - | 180,000 |
| Repayments of borrowings | | (65,464) | (105,674) | (65,464) | (105,674) |
| Net cash provided by financing activities | | (65,464) | 74,326 | (65,464) | 74,326 |
| Net increase in cash held | | 4,404,116 | 184,998 | 4,503,476 | 224,844 |
| Cash at beginning of financial year | | 1,349,334 | 1,164,336 | 1,182,861 | 958,017 |
| Cash at end of financial year | | 5,753,450 | 1,349,334 | 5,686,337 | 1,182,861 |

The accompanying notes form part of these financial statements.

1. Statement of significant accounting policies

The financial report includes the consolidated financial statements and notes of MG Corporation and controlled entities MG Community Foundation Trust, MG Dawang Land Trust and MG Developments Trust, and the separate financial statements and notes of MG Corporation as an individual entity ('parent entity').

Basis of Preparation

MG Corporation and controlled entity has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July 2009.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards reduced disclosure requirements of the Australian Accounting Standards Board and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by MG Corporation at the end of the reporting period. A controlled entity is any entity over which MG Corporation has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 16 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests' interest in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(b) Income tax

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

(c) Inventories

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair values as indicated, less, where applicable, accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In the periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the land and buildings' carrying amount is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in other comprehensive income. Decreases that offset previous increases of the same asset are charged against revaluation surpluses directly in other comprehensive income; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation is recognised in the statement of comprehensive income.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset

| | |
|-----------------------|-----------------|
| Land & buildings - | not depreciated |
| Motor Vehicles - | 20% |
| Office equipment - | 33% |
| Plant and equipment - | 20% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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 the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(f) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to the statement of comprehensive income immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method;
- less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of comprehensive income.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

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

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(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 and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of comprehensive income.

(g) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(h) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(i) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

(k) Revenue

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Dividend revenue is recognised when the right to receive a dividend has been established.

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

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

(l) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within [insert number] days of recognition of the liability.

(m) 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 Taxation 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.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

(n) Contributions

The Corporation receives non-reciprocal contributions from the government and other parties for no or normal value. These contributions are recognised at the fair value on the date of acquisition upon which time an asset is taken up in the balance sheet and revenue in the income statement.

(o) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(p) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report 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.

Key estimates – Impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(q) Economic Dependence

The Entity is dependent on the grants from Government for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the Government Departments will not continue to support the entity.

2. Income tax

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

3. Key management personnel compensation

| | Consolidated Group | | Parent Entity | |
|---------------------------------------|--------------------|---------|---------------|---------|
| | 2011 | 2010 | 2011 | 2010 |
| | \$ | \$ | \$ | \$ |
| Total short term benefit compensation | 411,570 | 706,899 | 411,570 | 706,899 |
| Post employment benefit compensation | 26,563 | 27,292 | 26,563 | 27,292 |
| | 438,133 | 734,191 | 438,133 | 734,191 |

4. Related parties

During the year a business entity controlled by Teddy Carlton, a director, received the sum of \$31,731.30 by way of a grant to assist in the establishment of a business, Mijing Contracting.

5. Cash and cash equivalents

| | Consolidated Group | | Parent Entity | |
|--------------|--------------------|-----------|---------------|-----------|
| | 2011 | 2010 | 2011 | 2010 |
| | \$ | \$ | \$ | \$ |
| Cash at bank | 5,753,450 | 1,349,334 | 5,686,337 | 1,182,861 |
| | 5,753,450 | 1,349,334 | 5,686,337 | 1,182,861 |

Cash at Bank is a "restricted asset" in that amounts representing unexpended grants and funds held in trust may only be applied for the purposes specified in conditions of grants.

6. Trade & other receivables

| | Consolidated Group | | Parent Entity | |
|--|--------------------|----------|---------------|----------|
| | 2011 | 2010 | 2011 | 2010 |
| | \$ | \$ | \$ | \$ |
| Current | | | | |
| Trade receivables | 425,404 | 221,540 | 176,194 | 221,540 |
| Amount receivable from MG Community Foundation | - | - | - | 24,825 |
| Packsaddle and river farm lots owing | 249,210 | 150,000 | 249,210 | 150,000 |
| Landcorp funds owing | - | 153,182 | - | 153,182 |
| Other sundry debtors | 25,143 | 127,008 | 91,661 | 72,106 |
| Prov. for impairment of trade receivables and sundry debtors | (25,000) | (10,000) | (25,000) | (10,000) |
| | 674,757 | 641,730 | 492,065 | 611,653 |
| Non-Current | | | | |
| Amount receivable from MG Dawang Land Trust | - | - | 17,576 | 17,576 |
| Amount receivable from Developments Trust | - | - | 10,365 | 10,365 |
| | - | - | 27,941 | 27,941 |

6. Trade & other receivables (continued)**a. Provision for impairment of receivables**

Current trade receivables are generally on 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items.

| | Note | Consolidated Group | | Parent Entity | |
|--|------|--------------------|---------|---------------|---------|
| | | 2011 | 2010 | 2011 | 2010 |
| | | \$ | \$ | \$ | \$ |
| b. Financial assets classified as loans and receivables | | | | | |
| Trade and other receivables: | | | | | |
| - Current | | 674,757 | 641,730 | 492,065 | 611,653 |
| - Non Current | | - | - | 27,941 | 27,941 |
| Financial assets | 15 | 674,757 | 641,730 | 520,006 | 639,594 |

7. Other financial assets

| | | Consolidated Group | | Parent Entity | |
|--|--|--------------------|-----------|---------------|------|
| | | 2011 | 2010 | 2011 | 2010 |
| | | \$ | \$ | \$ | \$ |
| Available for sale financial assets (i) | | 8,348,682 | 6,878,943 | - | - |
| a. Available for sale financial assets comprise: | | | | | |
| Listed investments, managed by Macquarie bank, at fair value: | | | | | |
| - Australian & international equities, fixed interest securities, property, cash at market value | | 8,348,682 | 6,878,943 | - | - |
| Total available for sale financial assets | | 8,348,682 | 6,878,943 | - | - |

(i) This is per market valuation at 30 June 2011. The market value at the date of this report, 1 September is \$7,982,947 excluding an additional \$1,00,000 contribution since 1 July 2010. Readers should appraise themselves of the current fair value of the share portfolio before relying on these financial reports for making decisions.

8. Other assets

| | | Consolidated Group | | Parent Entity | |
|--------------------|--|--------------------|-------|---------------|-------|
| | | 2011 | 2010 | 2011 | 2010 |
| | | \$ | \$ | \$ | \$ |
| Current | | | | | |
| Pre-paid insurance | | 82,714 | 4,135 | 82,714 | 4,135 |

9. Property, plant & equipment

| | Consolidated Group | | Parent Entity | |
|---|--------------------|------------|---------------|------------|
| | 2011 \$ | 2010 \$ | 2011 \$ | 2010 \$ |
| FREEHOLD LAND AND BUILDINGS | | | | |
| Freehold land and buildings | | | | |
| At fair value (i), (ii), (iii), (iv) | 4,790,910 | 4,912,001 | 4,370,909 | 4,492,000 |
| less: accumulated depreciation | - | - | - | - |
| | 4,790,910 | 4,912,001 | 4,370,909 | 4,492,000 |
| PLANT & EQUIPMENT | | | | |
| Motor Vehicles – at cost | 346,071 | 318,501 | 346,071 | 318,501 |
| less: accumulated depreciation | (154,349) | (85,135) | (154,349) | (85,135) |
| Total vehicles, net | 191,722 | 233,366 | 191,722 | 233,366 |
| Furniture, plant & equipment – at cost | 89,450 | 82,982 | 89,450 | 82,982 |
| less: accumulated depreciation | (73,691) | (55,278) | (73,691) | (55,278) |
| Total furniture & equipment, net | 15,759 | 27,704 | 15,759 | 27,704 |
| Total property, equipment & vehicles, net | 4,998,391 | 5,173,071 | 4,578,390 | 4,753,070 |

- (i) Included in freehold land and buildings are properties at 6 Eucalyptus Close and 17 Woollybutt Place that were purchased with “Balance Payments”. At 30 June 2011 the fair value of 5 Eucalyptus Close was \$560,000 and the fair value of 17 Woollybutt Place was \$500,000. The total fair value of these properties is \$1,060,000. The total balance payments to be met in year 10 is \$1,066,082. Any shortfall will be met from reserves.
- (ii) Included in Freehold land and buildings are Lots 994, 995 and 996 known as “Yardungarrl”. These blocks belong to the MG Dawang Land Trust. An external valuation of these areas has not been performed. In the absence of such a valuation, they have been recorded at \$1
- (iii) Included in Freehold land is a property at 15 Pindan Avenue Kununurra. This block is conditional tenure land. The Minister’s consent is required before the lot can be transferred. The Minister’s consent is required to encumber the block.
- (iv) During the year, 3 lots held by the corporation were exchanged for 2 other lots. The lots exchanged were 172 Siris Street, 185 Corkwood Crt and Lot 228 Ghostgum St. These 3 lots were exchanged for Lot 7 Lirata Pass and 50% of Lot 8 Lirata Pass (also known as Lot 8 Bluegrass Ave). It is proposed that the new lots will be the site of the new joint MG/GT office building.

MG Corporation has an equitable interest in blocks in the Landcorp estate. Landcorp is withholding 5% of each block sold. The amounts withheld are either paid in cash or are accumulated and paid by way of land transfer to equal value.

As party to the Ord Final Agreement, MG Corporation is required to arrange for any commercial projects, including related assets and liabilities, to be conducted in the MG Developments Trust. MG Corporation currently holds title to various commercial lots of land and has recorded certain assets and liabilities associated with these projects, that may be transferred to MG Developments Trust. Until these negotiations are completed, these assets remain on the balance sheet of MG Corporation. The assets to be transferred may include, but are not limited to:

- Vacant land at Lot 3000 Bandicoot Drive
- Vacant Land at Lot 108 (#6) Kentia Way

9. Property, plant & equipment (continued)**Movement in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant & equipment between the beginning and the end of the current financial year:

| | Land & Buildings | Motor Vehicles | Furniture, Plant & Equipment | Total |
|--------------------------------------|------------------|----------------|------------------------------|-----------|
| Consolidated Group | | | | |
| 2010 | | | | |
| Balance at the beginning of the year | 4,147,001 | 116,421 | 34,039 | 4,297,461 |
| Additions at cost | 1,023,500 | 164,223 | 17,323 | 1,205,046 |
| Contributed assets | - | - | - | - |
| Revaluation decrement | (258,500) | - | - | (258,500) |
| Depreciation expense | - | (47,278) | (23,658) | (70,936) |
| Carrying amount at the end of year | 4,912,001 | 233,366 | 27,704 | 5,173,071 |
| 2011 | | | | |
| Balance at the beginning of the year | 4,912,001 | 233,366 | 27,704 | 5,173,071 |
| Additions at cost | 490,909 | 27,570 | 6,468 | 524,947 |
| Disposals at cost | (612,000) | - | - | (612,000) |
| Contributed assets | - | - | - | - |
| Revaluation decrement | - | - | - | - |
| Depreciation expense | - | (69,214) | (18,413) | (87,627) |
| Carrying amount at the end of year | 4,790,910 | 191,722 | 15,759 | 4,998,391 |
| Parent Entity | | | | |
| 2010 | | | | |
| Balance at the beginning of the year | 4,147,000 | 116,421 | 34,039 | 4,297,460 |
| Additions at cost | 603,500 | 164,223 | 17,323 | 785,046 |
| Contributed assets | - | - | - | - |
| Revaluation decrement | (258,500) | - | - | (258,500) |
| Depreciation expense | - | (47,278) | (23,658) | (70,936) |
| Carrying amount at the end of year | 4,492,000 | 233,366 | 27,704 | 4,753,070 |
| 2011 | | | | |
| Balance at the beginning of the year | 4,492,000 | 233,366 | 27,704 | 4,753,070 |
| Additions at cost | 490,909 | 27,570 | 6,468 | 524,947 |
| Disposals at cost | (612,000) | - | - | (612,000) |
| Contributed assets | - | - | - | - |
| Revaluation decrement | - | - | - | - |
| Depreciation expense | - | (69,214) | (18,413) | (87,627) |
| Carrying amount at the end of year | 4,370,909 | 191,722 | 15,759 | 4,578,390 |

10. Trade and other payables

| | Consolidated Group | | Parent Entity | |
|--|---------------------------|----------------|----------------------|----------------|
| | 2011 | 2010 | 2011 | 2010 |
| | \$ | \$ | \$ | \$ |
| Current | | | | |
| Trade payables | 156,833 | 110,060 | 156,832 | 110,060 |
| Other current payables | 212,990 | 54,763 | 215,461 | 56,967 |
| Employee benefits | 57,748 | 41,810 | 57,748 | 41,810 |
| Distributions payable | 25,957 | 140,000 | 18,457 | - |
| Project funds carried forward - Packsaddle river farm lot | 644,763 | 150,000 | 644,763 | 150,000 |
| Project funds carried forward - unspent funds held by DEC | 126,635 | - | 126,635 | - |
| Project funds carried forward - other sundry amounts | 56,527 | 402,326 | 56,527 | 402,326 |
| | 1,281,453 | 898,959 | 1,276,423 | 761,163 |
| a. Financial liabilities at amortised cost classified as trade and other payables | | | | |
| Trade and other payables: | | | | |
| - Current | 1,281,453 | 898,959 | 1,276,423 | 761,163 |
| - Non Current | - | - | - | - |
| | 1,281,453 | 898,959 | 1,276,423 | 761,163 |
| Less annual leave entitlements | (57,748) | (41,810) | (57,748) | (41,810) |
| Financial liabilities as trade and other payables | 1,223,705 | 857,149 | 1,218,675 | 719,353 |

11. Borrowings

| | Consolidated Group | | Parent Entity | |
|-------------------------|---------------------------|----------------|----------------------|----------------|
| | 2011 | 2010 | 2011 | 2010 |
| | \$ | \$ | \$ | \$ |
| CURRENT | | | | |
| Westpac loan | 23,694 | 21,321 | 23,694 | 21,321 |
| NON CURRENT | | | | |
| Westpac loan | 24,798 | 92,633 | 24,798 | 92,633 |
| TOTAL BORROWINGS | 48,492 | 113,954 | 48,492 | 113,954 |

The bank loan is secured by a registered first mortgage over the property at 34 Ironwood Drive, Kununurra.

12. Schedule of grant funds

| | B/Fwd 2010 | Release 2011 | Expend 2011 | C/Fwd 2011 |
|---|----------------|------------------|------------------|------------------|
| Office Native Title 2009/10 Administration funds | - | 750,000 | 750,000 | - |
| Office Native Title 2009/10 EDU funds | - | 250,000 | 192,135 | 57,865 |
| Office Native Title - Non Executive Directors x 2 | 66,399 | 114,000 | 110,123 | 70,276 |
| ICC Youth Worker | 169,049 | 424,487 | 395,612 | 197,924 |
| Regional Development & Lands - ADP Funds | 9,597 | 3,534,454 | 1,757,174 | 1,786,877 |
| RDL - Wet Season Training Program | - | 393,400 | 263,322 | 130,078 |
| Kimberley Development Commission - Housing project | 25,000 | - | - | 25,000 |
| NAIDOC 2011 | - | 28,000 | 3,936 | 24,064 |
| Office Indigenous Affairs - EK Land Development Funds | 52,000 | - | - | 52,000 |
| DOW - Land & Water C/fwd | 59,085 | - | 46,048 | 13,037 |
| DOW - Land & Water 2010-11 | - | 226,080 | 159,106 | 66,974 |
| DOW - Accommodation | 164,000 | - | 20,559 | 143,441 |
| DOW - Working on Country (WoC) | - | 33,000 | 33,000 | - |
| Dept. Sustainability Env. Water, Pop & Comm - WoC | - | 468,053 | 221,325 | 246,728 |
| Dept. Agriculture - Fire Management | - | 150,000 | 103,166 | 46,834 |
| DOW - OFA | - | 9,110 | 1,160 | 7,950 |
| OES - Educational Grants Officer | - | 100,000 | 46,024 | 53,976 |
| OES - Educational Grants | - | 100,000 | 60,958 | 39,042 |
| OES - Many Rivers secondment | - | 125,000 | 82,500 | 42,500 |
| Dept. State Development - Shared Offices with GT | - | 1,125,000 | 193,429 | 931,571 |
| Lotterywest - Cars and Phone system | - | 5,921 | 5,921 | - |
| ICC - Governance Workshop | - | 40,000 | 40,000 | - |
| Kimberley Development Commission - Pindan Centre | 15,579 | 154,500 | 106,969 | 63,110 |
| Kimberley Development Commission - Int. Women's' Day | 769 | - | 769 | - |
| NAIDOC 2010 | 31,337 | - | 31,337 | - |
| DIA - Harmony Day | 1,907 | - | 1,907 | - |
| Totals | 594,722 | 8,031,005 | 4,626,480 | 3,999,247 |

13. Cash flow information

| | Consolidated Group | | Parent Entity | |
|---|--------------------|------------------|------------------|----------------|
| | 2011 \$ | 2010 \$ | 2011 \$ | 2010 \$ |
| Reconciliation of Cash Flow from Operations with Profit after Income Tax | | | | |
| Operating surplus | 2,089,224 | 2,721,787 | 433,463 | 826,765 |
| <i>Cash flows excluded from profit attributable to operating activities</i> | | | | |
| Non-cash flows in profit | | | | |
| - Depreciation | 87,627 | 70,936 | 87,627 | 70,936 |
| - Non cash financial asset items | (469,739) | (572,012) | - | - |
| - Contributed assets | - | (420,000) | - | - |
| - Non cash Landcorp Contribution | - | (380,000) | - | (380,000) |
| - Impairment of property, plant & equipment | - | 258,500 | - | 258,500 |
| - Impairment of receivables | 15,000 | 10,000 | 15,000 | 10,000 |
| Changes in assets and liabilities | | | | |
| - (Increase)/decrease in trade and term debtors | (48,027) | 94,060 | 104,588 | 176,467 |
| - (Increase)/decrease in other current assets | (78,580) | 1,455 | (78,579) | 1,455 |
| - Increase in trade and other payables | 382,497 | (319,668) | 515,263 | (459,218) |
| - Increase/(decrease) in unexpended grants | 3,404,525 | 50,659 | 3,404,525 | 50,659 |
| Cash flow from operating activities | 5,382,528 | 1,515,717 | 4,481,887 | 555,564 |

14. Capital commitments

The corporation has entered into a contract for design and construction of an office building with an estimate costs of \$4.7M including incidental costs. Funding has been negotiated to the value of \$4.5M leaving a shortfall of approximately \$200K to be obtained from other sources. If further funding is not obtained, the corporation will be required to meet this commitment from its own funds.

15. Financial risk management

a) Financial Risk Management Policies

The group's financial instruments consist mainly of deposits with banks, funds held on investment with Macquarie bank, accounts receivable and payable and loans to and from subsidiaries. The group does not have any derivative instruments at 30 June 2011.

The totals of each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting these policies to financial statements are as follows:

| | Note | Consolidated Group | | Parent Entity | |
|--|------|--------------------|------------|---------------|------------|
| | | 2011 \$ | 2010 \$ | 2011 \$ | 2010 \$ |
| Financial assets | | | | | |
| Cash and cash equivalents | 5 | 5,753,450 | 1,349,334 | 5,686,337 | 1,182,861 |
| Loans and receivables | 6 | 674,757 | 641,730 | 520,006 | 639,594 |
| Available-for-sale financial assets | | | | | |
| - Managed funds with Macquarie bank | 7 | 8,348,682 | 6,878,943 | - | - |
| | | 14,776,889 | 8,870,007 | 6,206,343 | 1,822,455 |
| Financial liabilities | | | | | |
| Financial liabilities at amortised cost: | | | | | |
| - Trade and other payables | 10 | 1,223,705 | 857,149 | 1,218,675 | 719,353 |
| - Borrowings | 11 | 48,492 | 113,954 | 48,492 | 113,954 |
| | | 1,272,197 | 971,103 | 1,267,167 | 833,307 |

16. Corporation details

The registered office of the corporation is:

Yawoorrong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation
10 Coolibah Drive
Kununurra WA 6743

The principal place of business is:

Yawoorrong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation
10 Coolibah Drive
Kununurra WA 6743

17. Miriuwung and Gajerrong PBC#1 and PBC#4, and MG Corporation trust

MG Corporation has incurred legal, consulting and other administrative costs on behalf of Miriuwung and Gajerrong #1 (native title prescribed body corporate) Aboriginal Corporation, Miriuwung and Gajerrong #4 (native title prescribed body corporate) Aboriginal Corporation, MG Community Foundation Trust, MG Developments Trust and MG Dawang Land Trust. These costs have not been recovered.

18. Economic entity concept

These financial reports combine the transactions of MG Corporation [this is called the 'Parent Entity'] and its three related Trusts. The Trusts are MG Community Foundation, MG Developments Trust and MG Dawang Land Trust. When all these are added together we arrive at the 'Consolidated Group'. However, in this combination, we also remove all transactions between the entities. So the 'Consolidated Group' is the net result.

Your directors present this report on Yawoorroong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation for the financial year ended 30 June 2011.

Directors

The names of each person who has been a director during the year and to the date of this report are:

- Teddy Carlton—Chairperson (attended 11 of 12 meetings)
- Edna O'Malley—Deputy Chairperson (attended 12 of 12 meetings)
- Helen Gerrard—(attended 11 of 12 meetings)
- Michele Allan—(attended 9 of 12 meetings)
- Iain Summers—(attended 12 of 12 meetings)

Directors Qualifications - Current Directors

Teddy Carlton

Bachelor of Applied Science (Curtin University Perth).

Teddy has participated in a number of workshops and courses, including Aboriginal Health Training Needs, Alcohol & Other Drugs Working with Young People, ATSIC – Decision making, Residential Family Program, and 1990 Winter Addiction Studies School Workshop 1: Counselling the Addiction Behaviours. He has experience in community development, in building self-esteem and motivating MG people towards self-help, and in planning, organizing and leading. He is a qualified alcohol counsellor and also has experience in education and training in social dependency areas. In 2011 Teddy has recently established Mijing Contracting, a pastoral contracting business on MG country. He is the chairperson for the MG Corporation Board and the Dawang Council. He is a support person for the Garralyel group (senior elders Traditional Owners). He has consultation responsibilities to the State government on behalf of the MG people, as well as being a representative for the MG people on the Shire level.

Edna O'Malley

Edna has been a member of Warringarri for over 20 years and is the chairperson for Molly Springs community. She is a carer for 5 DCP children, and actively works towards keeping kids with family members. Edna has responsibilities with the ADP Implementation Committee and Community Reference Group. She is also a director for the KLC, OES and MG Corporation Boards; she is the vice-chairperson of the MG Corporation Board.

Helen Gerrard

Business Studies (Harthills College Perth), Associate Degree Community Management (Curtin University Perth).

Helen has experience as a secretary for the Trade Union Perth and for the Central Aboriginal Congress, as an Aboriginal resource officer for the Department of Community Services and as a senior refuge worker for Gawooleng Yawoodeng Aboriginal Corporation. She has been a Committee member for Warringarri Aboriginal Corporation, EKAMS and Gawooleng Yawoodeng Aboriginal Corporation in the past, as well as a governing committee and management committee member for MG Corporation. She is currently the chairperson for the Ord Expansion Scheme (OES), as well as a director for the MG Development Trust and the MG Community Foundation Trust. She also has responsibilities with Women's Interest, ADP Leadership Team and ADP Implementation Committee.

Iain Summers (State appointed Independent director)

B Comm, LLB(Hons), Grad Dip Management Psychology, FCA, FCPA, FAICD, FAIM

Iain has experience as a practicing chartered accountant, and as Northern Territory Auditor-General.

He now provides advice and training in corporate governance. He is a member of a number of Boards in the community services sector and chairs a number of Risk and Audit Committees in the government and community services sectors.

Michele Allan (State appointed independent director)

BAppSc(Biomedical) UTS, MMgmt(Tec)Melb, MCommLaw Deakin, DBA RMIT, FAIFST, FAICD

Michele has had experience in executive roles in food multi-nations in the areas of manufacturing, quality assurance systems implementation, innovation, risk and sustainability. Those companies include Amcor, Bonlac Foods, Kraft Foods, ICI Australia, Nestle and Johnson and Johnson. Michele currently is a Non-Executive Director with William Angliss Institute (Chair of the Board); CRC Hearing; Go Grains Health and Nutrition (Chair of the Board); Food Standards Australia and New Zealand; Bircher Cropping Group; Grape and Wine Research and Development Corporation; Advisor to Bread Solutions Board and Chair of the Victorian Branch of the Australian Institute of Food Science and Technology. She chairs the Audit and Risk Committee for Food Standards Australia and New Zealand and Remuneration and Appointment Committee for William Angliss.

Company Secretary

The following person held the position of entity secretary at the end of the financial year: Kelly-Anne Edwards. Kelly-Anne has worked with the corporation for the past year. Kelly has extensive administration experience and is currently employed as the Executive Corporate Support Officer.

Principal Activities

The corporation's principal activities during the year were the delivery of support services under the Ord Final Agreement. There were no significant changes in the nature of those activities during the year.

Operating Results

The operations of the corporation resulted in a net surplus to members funds of \$433,463. There were no significant changes in the corporation's state of affairs during the year.

Review of Operations

A review of operations of the entity during the financial year indicated that the additional funding received for the Aboriginal Development Package, for the share office construction and for Working on Country funding resulted in an increase in revenue of \$4.9M. These projects also resulted in an increase in expenses of \$1.6M and increase in unexpended grants of \$3.4M. The reduction in Landcorp sales income resulted in a reduced surplus when compared to 2010.

Distribution to members

There have been no distributions paid, recommended or declared to members during the year.

After Balance Date Events

The directors are not aware of any matter or circumstance that has arisen since the end of the year that has significantly affected, or may significantly affect:

- (i) the corporation's operations in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the corporation's state of affairs in future financial years;

Future Developments

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

The entity expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

Environmental Issues

The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity apart from the standard Directors indemnity insurance policy.

Proceedings on Behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings. The entity was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2011 has been received.

Signed in accordance with a resolution of the Board of Directors.



TED CARLSON

9 September 2011

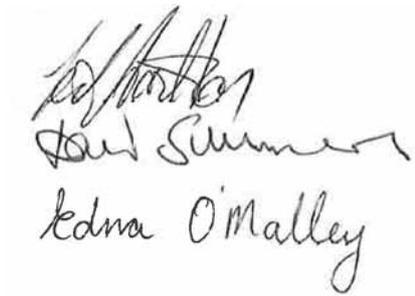
Director's Declaration

The directors of the Corporation declare that:

1. the financial statements and notes, as set out on pages 1 to 19, are in accordance with the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and:
 - a. comply with the Accounting Standards described in Note 1 to the financial statements; and
 - b. give a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. in the directors' 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 Board of Directors.

Signed in accordance with a resolution of the Board of Directors.



Edna O'Malley
Paul Sumner
Edna O'Malley

Dated 9 September 2011

Pincini Burgess

**Chartered Accountants
Registered Tax Agents**



*PO Box 332
Mirboo North VIC 3871*

**Ph: (03) 5668 2120
Fax: (08) 6210 1722**

YAWOORROONG MIRIUWUNG GAJERRONG YIRRGEB NOONG DAWANG ABORIGINAL CORPORATION

Compilation report to Yawoorroong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation

We have compiled the accompanying general purpose financial statements of Yawoorroong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation which comprise the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes. These have been prepared in accordance with the financial reporting framework described in Note 1 to the financial statements..

The Responsibility of the Board of Directors

The board of Directors is solely responsible for the information contained in the general purpose financial statements and has determined that the basis of accounting adopted is appropriate to meet the needs of the Board for the purpose of complying with the corporation's constitution.

Our Responsibility

On the basis of information provided by the directors we have compiled the accompanying general purpose financial statements in accordance with the financial reporting framework and APES315 : Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. We have not performed an audit or review and accordingly assurance is expressed.

The general purpose financial statements were compiled exclusively for the benefit of the committee of management. We do not accept responsibility to any other person for the contents of the general purpose financial statements.

Jodie Pincini – Pincini Burgess

Partner

Dated this 9th day of September 2011

Partner: Mark Burgess CA
Email: mburgess@wn.com.au

Partner: Jodie Pincini CA
Email: Jodie.Pincini@westnet.com.au



**Chartered
Accountants**

**YAWOORROONG MIRIUWUNG GAJERRONG YIRRGEB NOONG DAWANG ABORIGINAL CORPORATION
[ICN 4597]**

SECTION 339-50 OF *CORPORATIONS [ABORIGINAL AND TORRES STRAIT ISLANDER] ACT 2006*

To the Directors,

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

R N Richards
Fong Richards CPAs
PO Box 4009, Albany, WA 6330

Dated: 14th June 2011

FONG RICHARDS
Certified Practising Accountants

Ron Richards - Office
Box 328, Ravensthorpe 6346
Tel: 08 9838 1777
Facs: 08 9264 8280

Alison Fong - Office
PO Box 588, Broome 6725
Tel: 08 9192 1782
Facs: 08 9264 8215

YAWOOROONG MIRIUWUNG GAJERRONG YIRRGEB NOONG DAWANG ABORIGINAL CORPORATION
ICN 4597
INDEPENDENT AUDITOR'S REPORT
2011

To the members of Yawooroong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation,

Report on the financial report

We have audited the accompanying financial report of Yawooroong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation for the year ended 30th June 2011. The financial report is comprised of: Income Statement; Balance Sheet; Statement of Recognised Income and Expenses; Cash Flow Statement; Notations; Statements of Grant Expenditure; Directors Report; General Report.

The responsibility of the Directors for the financial report

The Directors of the entity 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 financial reporting requirements of the Constitution 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 judgement, 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 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 responsibilities under the Constitution. 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. 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 (Aboriginal and Torres Strait Islander) Act 2006*. We confirm that the independence declaration required by the *Corporations (Aboriginal and Torres*

Strait Islander) Act 2006, provided to the directors, would be in the same terms if provided to the directors as at the date of this auditor's report.

Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of Yawooroong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation for the year ended 30th June 2011 that is likely to be included on a website. The Corporation's Directors are responsible for the integrity of Yawooroong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation's website. We have not been engaged to report on the integrity of a website. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to the website from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this website.

Going concern

The financial statements are prepared on the basis that the Corporation is a going concern. This is dependent on compliance with the terms of the Ord Final Agreement. Clause 24 of the Ord Final Agreement provides for the suspension of payments in the event of certain specified defaults.

Auditor's opinion

In our opinion, the financial report of Yawooroong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation as at 30th June 2011, and its related entities being MG Community Foundation, MG Developments Trust, MG Dawang Land Trust is in accordance with *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, including:

- i. giving a true and fair view of the corporation's financial position as at 30 June 2011 and of their performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations (Aboriginal and Torres Strait Islander) Regulations*.

Report on other legal and regulatory requirements

Ord Final Agreement

Pursuant to the audit requirements set out in clause 23 of the Ord Final Agreement, in our opinion, for the Contribution Period Financial Year,

- i. Clause 22.6 requires that unexpended moneys and interest from the First Payment Period be invested in an "interest bearing trust account". Unexpended First Payment Period monies have been invested in real estate residential properties. This arrangement has been approved by the Office of Native Title.
- ii. Clause 22.10 [dealing with compliance with Administration Budgets and EDU Budgets] has been complied with in all material respects.
- iii. Clause 22.11 [dealing with moneys not expended during the Contribution Period Financial Year] has been complied with.



Ronald Norman Richards
Fong Richards CPA's
Registered Company Auditor [13374]
21st September 2011

Corporation Contact Details

Yawoorroong
Miriuwung
Gajerrong
Yirrgb
Noong
Dawang
Aboriginal Corporation

(MG Corp)
ABN 79 270 210 553

PO BOX 2110
Kununurra WA 6743
Phone: 9166 4800
Fax: 9169 2509

BANKERS
Westpac Banking Corporation
BROOME WA 6725

AUDITORS
Fong Richards CPA's
Box 328
RAVENSTHORPE WA 6346

Incorporated under the
*Corporations (Aboriginal and
Torres Strait Islanders) Act 2006*

BOARD OF DIRECTORS

Ted Carlton *(Chairperson)*

Edna O'Malley *(Deputy
Chairperson)*

Helen Gerrard

Iain Summers

Michele Allan

DAWANG COUNCIL MEMBERS

Dolly Thompson *Balaburr*

Stephanie Boombi *Bigainybeng*

David Ward *Bilbidjing*

Annette Chunama *Djanaiwan*

Dora Griffiths *Djandami*

Lola Taylor *Dulbung*

Lucilla Martin *Dun Dun*

Tanya Hill *Kalamunda*

Bernadette Simon Hall
Mandangala

Marlene Carlton *Nyawanyawam*

Ephrem Kennedy *Tjigilmiri*

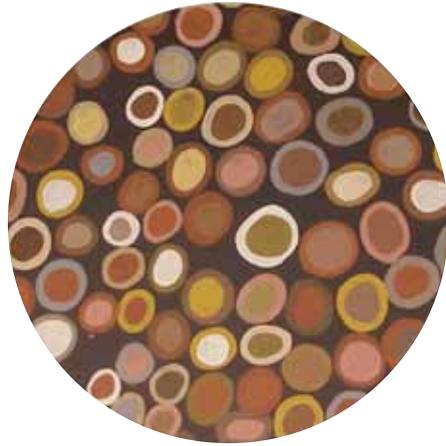
Donna Birch *Wadainybeng*

Georgina Wilson *Wirram*

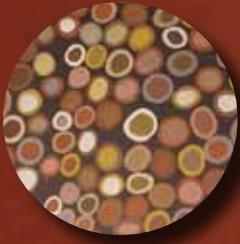
Erica Ward *Yardungarll*

Ms C Hapke *Yirralalem*

Charlie Cann (proxy) *Yunurr/
Yalangga*



**Yawoorroong Miriuwung Gajerrong Yirgeb Noong Dawang Aboriginal Corporation
(MG Corporation ICN 4597)**



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Miriuwung
Gajerrong
Yirrgeb
Noong
Dawang
Aboriginal Corporation**

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