

Yawoorroong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation

Annual Report 2011–12

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Overview

As a 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 of 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 its Aboriginal Development Package, MG Corporation's mission is to build a strong economic and social base for MG people while protecting and enhancing MG culture and heritage.

Through its various Trusts, MG Corporation pursues initiatives to guide its growth, development and economic wealth. 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.

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

¹ A recent linguistic study has settled the correct spelling of Miriuwung/Gajerrong as Miriwoong/Gajirrabeng. 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 correct the spelling of its registered name.

Our vision

Achieving a healthy, wealthy and culturally strong MG community.



MG Corporation Chairperson Edna O'Malley with children at Molly Springs CLA



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 under the provisions of the Ord Final Agreement (OFA).

Our values

A strong community

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 Corporation Board of directors 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

MG Corporation is accountable to its members and will conduct its affairs openly, in consultation with its community and with integrity and honesty, while reflecting 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 in partnership with volunteers, community agencies and state and commonwealth departments to ensure needs are addressed in a planned and timely manner.

Strategic priorities 2007-2012

Organisational

Develop a strong, effective and sustainable MG Corporation.

Economic

Develop the economic wealth of MG Corporation through the Trusts and support and facilitate the development of community and individual business and employment opportunities provided by the OFA and other partnerships and initiatives.

Social

Support and facilitate the improvement in community health, housing, education, employment and wellbeing in conjunction with the Ord Enhancement Scheme and partnership arrangements with local, state and federal governments, non-government organizations, industry and community agencies.

Cultural

Protect and enhance MG culture and heritage.



Chairperson's message

I would like to begin this message by expressing my thanks to my predecessor as Chairperson, Ted Carlton, who passed the position to me during the current reporting period. Ted did a fine job during his term, and since assuming the role I have been able to build on the contributions he made as Chairperson and continues to make as a director. This message reflects his work as much as it does mine.

The past year has seen some strong positives in the development of MG Corporation as a vehicle to deliver enduring improvements in the lives of MG people. The emergence of MG Services as a highly effective provider of job-readiness and job-placement support for both MG and other indigenous people has made a dramatic impact on indigenous employment levels in our community. MG Services has also been active in supporting the establishment of several new businesses.

MG Corporation has continued to provide support for our students in the crucial area of education, through school grants and tertiary scholarships. The MG community has very few tertiary graduates and we are particularly pleased that in 2012 we are supporting five MG students under the Tertiary Scholarships Scheme established last year.

The substantial expansion of MG Corporation's workforce which has come with the growth of MG Services has imposed a considerable management task on the Corporation. With that in mind it is especially gratifying that MG Corporation was selected as a national finalist for an Indigenous Governance Award offered by Reconciliation Australia in the category of incorporated organizations. To achieve this distinction during a time of rapid expansion and some strategic stress is something the MG Board is very proud of.

As a deeply community-based organization, MG Corporation relies 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 protects the culture and, where appropriate, opens the way for new development 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.

I would like to express the thanks of the MG Board and the MG community to our former CEO Franklin Gaffney, the Manager of MG Services Craig Bonney and all the staff of the Corporation for the dedicated work they do both operationally and to support the Board and all the decision-making bodies within MG Corporation as they strive to make the right choices for the future. Special thanks go to our Corporate Secretary, Kelly Edwards, who works with outstanding commitment to coordinate the heavy program of meetings for the Board and other decision-making bodies, and to support the directors and the executive collectively and individually in their day-to-day arrangements.

I would also like to express our thanks to the Western Australian government and other agencies with which we have cooperated through the year. We will rely on their continuing support and understanding as we take on the challenges ahead.

Edna O'Malley
Chairperson

Chief Executive's report

Over the past year MG Corporation has produced a record set of financial results and expanded its operational and economic development activities. The Corporation now stands on greatly strengthened foundations which will have a positive and long-lasting impact on Miriuwung and Gajerrong people into the future.

Through new ideas and sound leadership, the Corporation successfully tapped into development opportunities in the East Kimberley and made the most of its work successes. One such success story has been MG Services, the Corporation's employment and business support division established in October 2011.

Strategy

We remain committed to our vision of being the leading indigenous organisation in the East Kimberley and achieving a healthy, wealthy and culturally strong MG community. We continue to do this through a strong economic and social base that protects and enhances MG culture and heritage. To aid our strategy over the past year we concentrated on three key drivers: financial and operational excellence; expanding our services and business activities; and investing in our employees and MG people.



Former MG Corporation Chairperson and current Director Teddy Carlton and MG Corporation Chief Executive Franklin Gaffney

Key achievements

Several projects have marked key achievements by MG Corporation:

- Establishment of the Corporation's new MG Services division, which employs over 20 professional staff to support indigenous people into employment and assists with the establishment of new indigenous businesses.
- Placement, through MG Services, of 81 indigenous workers on Phase 2 of the Ord Irrigation Expansion project and 39 indigenous workers in town-based employment. Nearly 50 percent of those employees are MG people, many of whom are moving off welfare.
- Establishment and continued growth of nine indigenous businesses in the catering, fencing, child support and civil construction industries assisted, both financially and through mentoring support, by the Corporation.
- At least \$4 million worth of contracts for MG businesses negotiated by the Corporation with Leightons Contracting and LandCorp, including the establishment of an MG joint venture, and more than \$2 million worth of work contracts for MG Civil Contracting and MG Land and Water Rangers team on the Ord Expansion Project.
- Completion of 10 community houses on 'Priority A' Community Living Areas and upgrade of community infrastructure, delivered on time and below budget. This has improved living conditions, reduced overcrowding and helped communities to become more sustainable. Following this successful project, the Corporation secured additional funding of \$2.3 million for the construction of much needed MG staff housing.
- Completion of the new MG and Gelganyem Trust Administration Building which provides dedicated meeting facilities for traditional owners and a cultural archive storeroom to assist with the protection of MG cultural heritage, as well as an improved working environment for staff.
- Nomination of the Corporation for two awards: Premier's Excellence Award for collaboration with WA Department of Environment and Conservation; and selection as a finalist in Reconciliation Australia's Indigenous Governance Awards for excellence in indigenous governance.

Financial and operational excellence

Our record underlying earnings, mainly driven by our diversification into commercial operations, have put the Corporation in a strong position to navigate the uncertain environment it will face at the conclusion



Reconciliation Australia Indigenous Governance Awards judge Professor Mick Dodson meets the MG Land and Water team.

of the OFA. This focus has demonstrated our commitment to financial and operational excellence whilst pursuing growth opportunities to create long-term, sustainable returns for the Corporation and MG people, consistent with our strategy.

We have witnessed improvements in the implementation of our governance arrangements. This has produced an unqualified financial audit for the second consecutive year. To achieve greater efficiencies, we streamlined our financial management practices, outsourced our expanding payroll and moved to online reporting thus allowing accounting personnel to work off-site.

The MG Community Foundation Trust's portfolio of investments continues to recover after the global financial crisis. It registered growth levels at 8.4 percent while the industry average for similar portfolios stands at 8.03 percent.

Expanding our services and business activities

The establishment of MG Services, improvements in the delivery of heritage services, and the expansion into commercial activities by our Land and Water Rangers team helped us improve the range of services we provide to MG people and the broader community.

Growing from 12 employees in March 2011 to over 45 employees in June 2012, with 70 percent indigenous and 50 percent MG, we have not only improved the effectiveness of our services but also strengthened the organisation's legitimacy among MG people.

The year ahead

During the next 12 months we have as primary objectives continuing advocacy for the implementation of the OFA provisions as they relate to the current WA government's land release process, and exploring

opportunities to expand our representation into the Northern Territory to represent MG people across the border. We will also develop our marketing capabilities to promote the Corporation and MG people's capabilities.

Applying the principle of One Country, One People, One Organisation, we will consult with existing representative bodies in WA and NT, as well as State, Territory and Commonwealth governments to adequately resource our PBCs and provide maximum opportunities for MG people to actively participate in the broader economy wherever they are living.

Our people

As the leading indigenous organisation in the East Kimberley and a national leader in the post-native title environment, we have the opportunity to develop and rely on the skills and experiences of our expanding and dedicated workforce and community. We are committed to engaging with MG people to foster indigenous employment and leadership, to provide them with the best opportunities to learn and develop as leaders, and to mediate where necessary between them and the agencies, institutions and organizations which affect their lives.

I thank the Corporation's employees for the fine contributions they have made during the course of the past year, and express my appreciation to the Board and members for their ongoing support, to the Garralyel (elders) for their guidance, and to our partners for their commitment.

Franklin Gaffney

Chief Executive
21 October 2012

Performance snapshot

| Priority Goal 1 | | |
|--|---|---|
| Outcome | What we promised | What we delivered |
| MG Corporation makes enough money to be strong and wealthy | <p>TFS Joint Venture</p> <ul style="list-style-type: none"> • Agreement signed • MG directors appointed • Commence Implementation Plan | <ul style="list-style-type: none"> • Shareholders Agreement near finalisation, awaiting decision on the Goomig land release process • Proposed directors for MG Farms have been identified but not appointed until the Goomig land release process has been finalised. • Farm design process has commenced. |
| | <p>Development of Business Strategy for available land</p> <ul style="list-style-type: none"> • Agricultural land – different crops / earlier returns | <ul style="list-style-type: none"> • Development strategy prepared for the current and possible future land releases and vacant lands in and around Kununurra. Access to these opportunities are depended on negotiations with Traditional Owners, the Shire of East Kimberley and Wyndham and the Western Australian government. |
| | <p>Land & Waters</p> <ul style="list-style-type: none"> • 5 commercial contracts | <ul style="list-style-type: none"> • Fee-for-service contracts secured: <ul style="list-style-type: none"> - LandCorp – 4 different scopes - WannaWork - Ord Irrigation - Advent Energy - MG Women's Shelter – Mistletoe Street • Fee-for-service arrangements will be incorporated into the Environment Management Entity which will manage the 'buffer' area surrounding the Goomig land release. |
| | <p>Leasing</p> <ul style="list-style-type: none"> • Bandicoot site | <ul style="list-style-type: none"> • Bandicoot site lease to the Department of Main Roads on 2 year lease with 2, one year options. |
| | <p>Moonamang Joint Venture</p> <ul style="list-style-type: none"> • \$2m service contracts available to MG | <ul style="list-style-type: none"> • Secured at least \$4m worth of contracts and joint venture arrangements for MG businesses and at least \$2m worth of contracts for MG Corporation. Establishing MG Civil Contracting business (joint venture between MG Development Trust and Charles Hull Contracting) and other appropriate businesses for 2013 operations on the Ord Irrigation Expansion Project. |
| | <p>Explore contracting ventures with MG businesses</p> | <ul style="list-style-type: none"> • Leveraging off the \$4m worth of contracts and the joint venture arrangements for MG businesses, 8 MG businesses have been supported and / or established to capture economic opportunities flowing from the Ord Phase 2 Expansion. These businesses deliver services including, catering, people transport (buses), fencing, concreting, fencing and plant/operator hire. |
| | <p>Pindan</p> <ul style="list-style-type: none"> • Feasibility for childcare fee service | <ul style="list-style-type: none"> • MG Corporation has signed a Memorandum of Understanding with Wunan and Save the Children in respect of the management of the proposed new Family and Childcare centre to be built in Kununurra. Tenders are currently being evaluated. MG OES has provided additional funding to Pindan childcare centre to assist capacity building exercises. |

Priority Goal 2

| Outcome | What we promised | What we delivered |
|---|--|--|
| MG Corporation is looking after MG land and culture for MG people | Appointment of Lawyer and Administrative Support / Field Officer | <ul style="list-style-type: none"> Following securing additional funding, a lawyer was appointed in September 2011 and a Legal and Executive Support Officer was subsequently appointed. |
| | Work with Department of Environment and Conservation to seek recurrent funding | <ul style="list-style-type: none"> Accountability and Funding Review for the Yoorrooyang Dawawng Regional Parks completed and currently with the DEC Director General. |
| | Signage / Welcome / Permits <ul style="list-style-type: none"> Branding | <ul style="list-style-type: none"> Boundary signage installation almost completed for the YDRP conservation areas. Embedded consistent corporate branding across all publications, signage and apparel (shirts, hats, towels etc). |

Priority Goal 3

| Outcome | What we promised | What we delivered |
|---|--|---|
| MG Corporation trains and supports MG people into and in jobs in the community, business and government | ADP Implementation Plan <ul style="list-style-type: none"> Facilitation Advocacy Case Management Increased effectiveness of education support programs | <ul style="list-style-type: none"> MG Services established in September 2011 and meeting its own imposed targets with over 104 local Aboriginal people engaged in both town based (34 people) and Ord Phase 2 Expansion (70 people). 64 of these people are recognized as MG people. School grants extended down to kindy to improve overall school outcomes (longer-term impact). Tertiary scholarships – now 5 active and with satisfactory progress. Independent consultant engaged to perform mid-term review of the ADP. |
| | Leveraging other resources to achieve greater effectiveness <ul style="list-style-type: none"> Many Rivers Individual business | <ul style="list-style-type: none"> Funding and contracts secured for 7 MG owned businesses: DMW-CAMS Pty Ltd; Gerdan Pty Ltd; Jangala Civil Pty Ltd; Marlz Catering; Wannawork; Zenas Concreting, and Mijing Contracting. |
| | Development and implementation of database | <ul style="list-style-type: none"> The Client Management Database (CMD) has been installed successfully. All staff who interact / utilise the CMD are trained in its use. |
| | Key recruitments | <ul style="list-style-type: none"> MG Services Manager, Manager Business Support, Communications and Community Engagement Coordinator. |
| | Ongoing MG training plan – rather than seasonal | <ul style="list-style-type: none"> All MG people employed on the Ord Phase 2 Expansion project are trained and up-skilled during the duration of their employment April - December. All MG clients of MG Services are invited to participate in various training programs from the period January – April. MG Corporation is providing on the job training for a month to office trainees to provide them with office skills that will enable them to gain a position elsewhere. |

Subsidiary Goal 4

| Outcome | What we delivered |
|----------------------------|--|
| MG Corporation is a leader | <ul style="list-style-type: none">• Recognised as the leading indigenous organisation in the East Kimberley and one of the largest (both financially and staffing levels) in Australia.• Shortlisted to one of 5 finalists in the 2012 Reconciliation Australia Indigenous Governance Awards in Category A: Outstanding examples of Indigenous governance in Indigenous incorporated organisations.• Finalist in the 2012 Premier's Awards under the category of Improving Indigenous Outcomes for the joint management initiative between the Yoorrooyang Dawang Regional Parks Council, MG Corporation and the Department of Conservation.• Lead local agency for NAIDOC. |

Subsidiary Goal 5

| Outcome | What we delivered |
|--|--|
| The majority of MG staff at all levels are MG people | <ul style="list-style-type: none">• 45 employees; 29 are Aboriginal. 22 are MG; 7 are from other areas. Therefore, 48% of all employees are MG; 64% of all employees are Aboriginal. |

Subsidiary Goal 6

| Outcome | What we delivered |
|---|---|
| MG Corporation is project managing the building of houses for MG people | <ul style="list-style-type: none">• Completion of 10 houses for on Priority 'A' Community Living Areas – delivered on time and below budget.• Secured in excess of \$2m for staff housing on vacant MG Dawang Land Trust blocks. |

Subsidiary Goal 7

| Outcome | What we delivered |
|--|--|
| MG Corporation director positions are filled with responsible and strong leaders | <ul style="list-style-type: none">• Director training and assessment strengthened through representation and attendance at: AICD Company Directors Course for Indigenous Leaders; Jawun's Inaugural Emerging Leaders Tour; Native Title Registered Body Corporate Leadership Development Workshop; ORIC Introduction to Governance, and Understanding and Managing Native Title for PBCs.• Board has managed transition to new leadership while retaining talent.• Only two outstanding vacancies exist across organisation boards, trusts and committees. |



Miriuwung dancers perform at the Barramundi Concert, 2012

Company Secretary's report

MG Corporation, as a corporation registered under the Office of the Registrar of Indigenous Corporations (ORIC), must meet certain reporting requirements under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act). One of the main responsibilities of the Company Secretary under the CATSI Act and Constitution concerns communication and ensuring that all communications received are passed on to the directors of the relevant Corporation within 14 days, and ensuring compliance in the lodgment of an Annual General Report, Audited Financial Report and Directors' Report.

MG Corporation has quite a unique governance structure and there are complex rules setting out the decision making processes for the Corporation. The MG Board, Dawang Council and Garralyel all hold decision making and advisory functions in relation to specific matters as set out in the Rule Book.

The Company Secretary maintains a close working relationship with the CEO and directors across the organisation in the preparation and distribution of meeting agendas and notices; timely drafting and circulation of minutes; co-ordinating annual general meeting requirements and maintaining the Company Register.

Director appointments

To maintain a strong level of corporate governance within MG Corporation, every effort is made to ensure that the MG Board and Trusts maintain a full complement of directors. A nomination and appointment process continued throughout the year and the following appointments were made:

MG Board - Ted Carlton, Helen Gerrard and Edna O'Malley were re-appointed for second terms, and Ephrem Kennedy came on board as a newly elected MG director. Independent director Iain Summers was re-appointed for a second term and Michelle Narustrang joined the Board as a newly appointed independent director replacing Michele Allan. Merle Carter was appointed as an alternate director and there remained one unfilled MG director position throughout the year.

Community Foundation Trust – Ephrem Kennedy and Helen Gerrard were re-appointed for second terms and Bernadette Simon-Hall continued her term as MG director. Jeff Gooding was re-appointed as the state independent director.

Development Trust – Merle Carter was reappointed

for a second term and Natalie Carlton joined the Trust as a newly appointed MG director. There remained one unfilled MG director position throughout the year.

Dawang Land Trust

– Carol Hapke was reappointed for a second term and Joan Simon and Agnes Armstrong were new MG director appointments during the year.

Ian McPherson continued his term as independent director on the Development Trust, Dawang Land Trust and Community Foundation Trust.

Ironically a new risk for the Corporation is emerging whereby more MG people are being supported and encouraged into the workforce, limiting the pool of potential Dawang Council representatives and directors. Employees of the Corporation are unable to hold Council or director positions. This risk will be mitigated by a nomination and training program to widen the pool of upcoming potential directors into the Corporation.

Training

MG Board director Ephrem Kennedy received a scholarship through the Australian Institute of Company Directors (AICD) to attend the Residential Company Directors Course for Indigenous Business Leaders in Perth. This level of training has become the benchmark qualification for experienced directors across the organisation and discussions were held with AICD throughout the year to look at opportunities for conducting a local residential program. Newly appointed and potential directors receive introductory governance training through ORIC.

Additionally, throughout the year Bernadette Simon-Hall and Priscilla Hill attended a FaHCSIA leadership development workshop. The upskilling and identification of potential leaders into the organisation remains a high priority.

Kelly Edwards

Company Secretary and Executive Corporate Support Officer



MG Corporation Company Secretary Kelly Edwards

Corporate report



New MG/GT administration building in Kununurra

MG/GT Administration Building

The shared MG Corporation and Gelganyem Trust administration building provides a visual demonstration of MG Corporation's vibrant and long-term presence in Kununurra. Staff re-located to the new building in mid-August. The MG Services office building has also been given a significant upgrade to accommodate the new division.

Staff have welcomed the new work space as the building offers improved privacy and boasts several designated meeting rooms for engagement with stakeholders. Of particular note is the versatile layout of the conference room, in which seating arrangements can be altered depending on the number of people attending meetings and also to cater to cultural requirements.



The Wannawork team undertaking landscaping works at the new MG-GT administration building

There is also a secure archive room for the storage and protection of MG cultural materials, which are made available to community members on the basis of strict cultural protocols.

MG-owned businesses were engaged to undertake external works. Zena has concreted and paved the front of the building while Wannawork provided the landscaping. Both these elements have added to the overall design by assisting with the blending of the colours of the building into the local environment.

External Art: Block wood carvings were created at Waringarri Arts by numerous artists. Each block is unique, they are of varying sizes and wood types which adds to the integrity of the overall design. The individually carved blocks have been positioned within five different frames. These have then been mounted to the wall above the entrance walkway into the building. Waringarri Arts manager Cathy Cummins said this artistic endeavour had an inclusive approach, which allowed established artists to contribute, along with those whose works are less well-known.

Records management

A newly-implemented records management system ensures that both computer folders and hard copy files follow the same naming conventions in accordance with the Australian standard. Following on from the identification of processes and procedures for this project, both the records management and asset management policies were updated. It has also led to the updating of the asset register which now tracks and confirms which MG entity owns which parts of land and where the deed of title is held.

Recruitment, retention and rewards

In June 2011 there were 12 employees at MG Corporation. By June 2012 there were 44. Some of this growth was due to the employing of casual Land and Water Rangers to complete specific fee-for-services works. However, the majority of new employees are on full-time contracts and are working within MG Corporation's MG Services division.

Much of the focus with recruitment has not only been to attract new talent but to also clearly identify opportunities for existing staff to progress and up-skill. Overall, nine members of staff have gained internal promotions. This has assisted with fostering professional development within the local workforce and overall staff retention.



MG Corporation administrative staff Cherry-Lee Veatman (left) and Priscilla Hill

Other staff retention and rewards measures included the annual Christmas party, which was held at the Pump House restaurant, and the staff development day at Home Valley Station. At this event, all staff were invited to attend and partake in activity options such as fishing and horse riding. At lunch vouchers for a one night stay at Emma Gorge were presented to five staff members to thank them for their continued commitment to the Corporation.



MG Corporation hats have proved a hit in the MG community

An updated performance management policy has also been introduced and the Corporate Services Manager is assisting all line managers with this by informing of dates of probation for staff as well as providing individual review forms that focus on the job description and identify clear goals and development opportunities.

Community Foundation Trust

The Community Foundation Trust, throughout the reporting period, distributed \$45,000 from its annual distributable income. Of this amount \$30,000 was allocated for the annual cultural contribution and \$15,000 was donated towards the purchase of artwork for the new administration building.

During the reporting period the Community Foundation Trust directors took a cautious approach to investing, with high allocations to the more conservative investments such as term deposits and bonds. Additionally, the funds received from the Western Australian government were also invested conservatively. These decisions were taken by the directors as a result of market weakness and instability, mostly caused by European debt and the knock-on effect on other parts of the world. The

decisions taken by the directors proved to be the right ones and the Trust avoided much of the weakness of the local and global share market, with the portfolio returns of 8.43% compared to market benchmark for similar portfolios of 8.03%.

Looking back over the last three years the Trust has earned more than \$1.5 million in investment returns, and has commenced the new financial year strongly, up a further \$370,000 at the time of writing.

The Trust directors continue to use Macquarie Bank for investment management and advice and have recently completed a full review of all investment processes and determined a new investment policy for coming years.

Dawang Land Trust

Background

As part of the OFA, the State Government agreed to transfer specific community and conservation lands within the East Kimberley back to the MG people.

The Dawang Land Trust was established in February 2006 for the purposes of holding these areas on trust for MG traditional owners.

The 2011/2012 financial year has proved a successful one for the Dawang Land Trust. Following a period of relative abeyance, the Dawang Land Trust has this year succeeded in becoming an efficient land-management and decision-making body.

Team

The Dawang Land Trust Board comprises three MG directors and one independent director. Having experienced difficulty in recruiting and retaining directors in the past, the Dawang Land Trust now enjoys a full Board with full participation and attendance at Board meetings.

The current Dawang Land Trust Board members are Carol Hapke, Joan Simon and Agnes Armstrong with Rita Boombi as alternate director and Ian McPherson as independent director.

The Trust thanks existing directors for their continuing contribution and welcomes new directors for an auspicious 2012/2013.

Community Living Areas

Following five years of hard work and collaboration between MG staff and the Department of Regional Development and Lands, which administers and manages land on behalf of the State Government,

the Dawang Land Trust is pleased to announce that the following community living areas are now within MG ownership:

- Four Mile;
- Geeboowama;
- Goose Hill;
- Gulberang;
- Janama Springs;
- Jimbilum;
- Munthanmar;
- Ngunulum;
- Woolergerberleng;
- Yirrallalem; and
- Yuna Springs.

McKenna Springs and Wesley Springs are also due to be transferred to the Dawang Land Trust once minor administrative issues have been addressed.

MG Housing

Throughout the year, the Dawang Land Trust has worked closely with the Kimberley Development Commission to provide housing for MG people on Community Living Areas (CLAs). The WA Department of Planning provided community plans.

With Royalties for Regions, together with additional grant funding from the Ord Enhancement Scheme, ten new houses have been constructed on MG CLAs, enabling MG families to relocate back onto country. The houses will be maintained by a third party property manager, who is contracted to collect rents and to complete repairs, whilst ownership of the land and the housing stock remains with the MG people. The project was completed within this reporting period - on time and on budget.

Numerous communities have also benefitted from improvements to essential services and infrastructure in CLAs as a result of the works.

The Dawang Land Trust acknowledges the valuable contribution of the Department of Planning towards the project through its preparation of community layout plans for the CLAs.

Conservation Areas

The Dawang Land Trust has also made significant progress in respect of the transfer of conservation areas to MG. Working in close collaboration with the Department of Environment and Conservation, the Dawang Land Trust has resolved outstanding



Dawang Land Trust Board member Agnes Armstrong

land access queries and addressed a number of joint management issues which have arisen following amendments to the *Conservation and Land Management Act 1984 (WA)*.

It is anticipated the both the freehold transfers of the conservation areas and the joint management agreements for those areas will be finalised in the forthcoming financial year.

What's in store for 2012/2013?

The Dawang Land Trust has a number of projects to manage in the next reporting period:

- Additional Royalties for Regions funding has been

secured for the construction of MG staff housing on two MG-owned blocks on Kurrabung Street. It is anticipated that construction work will commence in 2013 once builder and design options have been submitted by tenderers and a comprehensive assessment of those tenders has been completed.

- A number of diverse proposals have been submitted by third parties in respect of the MG-owned Yardungarrl area. In consultation with Traditional Owners for that area, the Dawang Land Trust will consider proposals and work towards a strategic plan for the sustainable use and management of Yardungarrl, whilst preserving significant cultural and heritage sites.



MG Corporation Deputy Chairperson Helen Gerrard welcomes Reconciliation Australia's Indigenous Governance Awards judging panel member Glenda Humes to country

Development Trust and the Economic Development Unit

The Development Trust Board in the past twelve months has clearly stated its objectives and future development. The Board is pursuing opportunities in a wide range of activities, not all of which are related to the activity of Ord Stage 2 development.

Opportunities that are of interest to the Development Trust include but are not limited to the following;

MG Farms

The finalisation of the MG Farms shareholders agreement, between MG Development Trust and Tropical Forestry Services is nearing completion. The primary reason for the delay in the finalisation of the shareholders agreement is due to the delay in the Ord Irrigation Expansion Project. It is proposed the MG Development Trust will contribute Lots 15 and 16 on Goomig land release and that Tropical Forestry Services will contribute an equivalent amount in development funds, together with in-kind contribution towards employment training.

Following negotiations with the Western Australian government, MG Development Trust's contribution will exceed the 5% of Serviced Farm Lots contribution as provided for in the OFA. MG Development Trust's contribution will be closer to 9% of the original Serviced Farm Lots area.

MG Civil Contracting

Following negotiations on the Ord Irrigation Expansion Project, MG Corporation secured at least \$2m

worth of contracts to assist with establishing MG Corporation businesses. One of the opportunities that is being explored is the development of a joint venture business, to be known as MG Civil Contracting.

Land Development

As part of the OFA MG Corporation has been negotiating with the Western Australian Government regarding several parcels of land.

MG Corporation has a desire to become involved in the land development process. As a result several areas have been identified by MG Corporation as having potential for future development.

One of these areas is the Riverfarm Road area.

As the negotiation for land is linked to the progress of the Ord Stage 2 announcement there have been delays. However, preliminary work has been conducted assessing the feasibility of several land development opportunities in the region.

Other opportunities exist in the potential development of Cockatoo Sands, currently being assessed for suitability for agriculture.

Fuel Distribution/ Service Station

MG Corporation is examining the opportunities to engage in the fuel distribution business. This, if successful, will be a joint venture arrangement with other parties. Negotiations are continuing.



MG Services Manager's report

MG Corporation commenced its MG Services division in October 2011.

Initially, MG Services was assembled to maximise employment, training and business development opportunities that would flow from Phase 2 of the Ord Irrigation Expansion Project. The original MG Services workforce consisted of former Leighton's Indigenous Community Development Program (ICDP) members and MG Corporation's Aboriginal Development Package (ADP) members.

The groups were brought together for several reasons including:

- To operate under one leadership model that reported to the Strategic Alliance and Leadership Team (SALT).
- Maximise employment and business development opportunities
- Streamlining services to increase outputs and reduce overlap
- Efficient provision of complementary services and skills
- Cost effectiveness and sharing of infrastructure and equipment

MG Services was structured into four distinct operating units, each area having its own capacity, activity and targets. Those areas are Client Development, Phase 2 Employment Implementation, Town Based Employment and Business Development and Growth. Each of the four areas is supported by

specialist support areas including administration, training and management. MG Corporation's MG Services team consists of 18 – 20 staff (all but 5 are indigenous), with more than half being MG people.

The specific activities and main targets of each area are as follows:

Client development

Support of MG and other Aboriginal clients to access support, training, case management, counselling, mentoring and administrative support (birth certificates, white cards etc.) to enable people to acquire the skills, information and basic documentation required to undertake or engage in employment. The aims of the client development area is to transition between 7 – 10 people per month into either the Town Based Employment or Phase 2 Implementation Teams.

Phase 2 employment implementation

Coordination of MG and other Aboriginal people into employment opportunities on the Ord phase 2 expansion. This team provides: mentoring on and off the job; liaison with job supervisors to deal with issues, logistical (pick-ups and drop offs) and on-boarding support (medicals, paperwork). The self-imposed target of the Phase 2 Employment Implementation team is 70 people into positions with 65% of them being MG people. This target has been met and exceeded.



Amy Chulung completing white card accreditation at MG Services



Stepping Up program - MG Services

Town-based employment

The town-based employment team is responsible for identifying local and sustainable employment opportunities for clients. They take a proactive approach in engaging with employers and forming strong, mutually beneficial relationships focussed on increasing and maximising local town-based and public sector employment opportunities. The team provides both on and off the job support to clients and plays a critical role in ensuring that relationships with employers are strong. The Town- Based Employment team has achieved its annual target of placing 35 people into employment in only 9 months.

Business development and growth

One of the new initiatives of MG Corporation has been to strengthen its ability to establish, develop and grow MG businesses. To add to the ongoing relationship with Many Rivers Microfinance we engaged a Business Development Co-ordinator to ensure that we could maximise our business engagement and take up opportunities on the Ord Phase 2 Expansion project.

The Business Development Co-ordinator oversees the ADP financial support that we provide to ensure that it is effectively spent. This has been highly successful. We have supported 8 MG businesses to engage and

provide services to the project and in most cases these businesses have included a strong reliance and support for MG workers.

Summary

MG Services, although in existence for less than 12 months has proven to be highly successful. MG Services has proven that through the leadership of the MG Board and CEO, the oversight and reporting framework provided by the Strategic Alliance Leadership Team (SALT), to be a model which is highly effective. The operational leadership provided by senior management within MG Corporation and the ability to “deliver” services on the ground are a shining example of what can be achieved when we are all heading in the same direction.

Our challenge now becomes the period ahead. We need to sustain our efforts and ensure that those people whom we have supported continue along their journeys. We need to ensure that the businesses that we have developed and supported are able to diversify so that they are not solely reliant upon the Ord Phase 2 Expansion.

Craig Bonney
MG Services Manager

MG Prescribed Bodies Corporate

Background

In 2003 and 2006, in two separate claims, the Western Australian courts officially recognized for the first time that MG people have native title rights over land in specific regions of the East Kimberley. The MG Prescribed Bodies Corporate (PBCs) were established in November 2006 to represent MG people, as a group, and to manage their native title rights and interests in those determined areas.

Although there are two PBCs – one to represent each MG determination area – the organisations operate as one, with the same directors and memberships and with Board meetings being held concurrently.

The 2011/2012 financial year marks a significant transition for the PBCs from reactive rights-based organisations to proactive and interactive land management and decision-making bodies.

Team

The PBC Board comprises five MG directors and has throughout the year enjoyed a full Board with full participation and attendance at Board meetings.

The current PBC Board members are Teddy Carlton, Button Jones, Carol Hapke, Joan Simon and Agnes Armstrong. Garralyel extended an open invitation to attend all PBC meetings and Nancy Dilyai, Ronnie Carlton and Kathleen Carlton have become regular participants.

The PBCs thank directors and Garralyel for their continuing contribution and look forward to a propitious 2012/2013.

Future Acts

Under the *Native Title Act* (Cth), the PBCs are entitled to receive notifications from State and Federal Governments and other authorities which propose to grant permits, licenses or other rights to people which may have an impact on MG native title rights. Depending on the interests being applied for, MG traditional owners have various rights to notification, comment, consultation and negotiation in relation to the granting of such permits.

In this financial year, the PBCs have considered a significant number of notifications from third parties wishing to enter and remain on MG land. They have

responded effectively, transparently and in a timely way to the external demands that have been made of them.

- The subject of notifications have included: exploration and mining; infrastructure and construction programs; Indigenous Land Use Agreements; public works and infrastructure; clearance of native vegetation; and various environmental matters.
- Notifications have been received from (amongst others): Advent Energy; Afmeco Mining and Exploration; Clack and others; Department of Agriculture; Department of Housing; Department of Regional Development and Lands; Department of Water; East Kimberley Diamond Corporation; Esperance Minerals; GHL Resources; Guerinoni & Son; HCJB; Horizon Power; JAB Management; JSW Holdings; Kimberley Air; LandCorp; Leighton; MacPhee Resources; Mincor Resources; Stansmore Resources; Top End Energy; Venus Metals; Water Corporation; and Yee-Haa Trail Rides.
- A number of speakers have been invited to join the PBC meetings to introduce their proposals. These include representatives from: Department of Agriculture; Department of Regional Development and Lands; Horizon Power; JSW Holdings; Mincor Resources; Venus Metals; and Water Corporation.



PBC board member Joan Simon

Heritage clearances

The *Aboriginal Heritage Act (WA)* affords MG people additional rights in relation to the protection and preservation of their Aboriginal heritage and culture. It is important to recognise that the Act provides automatic protection for all places and objects in WA that are important to Aboriginal people – the protection exists whether or not native title has been determined.

The PBCs are responsible for considering and determining heritage issues on behalf of MG traditional owners.

- Within the last financial year, over eleven heritage impact assessments have been conducted on behalf of (amongst others): Department of Agriculture; Esperance Minerals; LandCorp; Kimberley Metals; Venus Metals; and Water Corporation.
- During this period, PBC staff and directors have: project managed all clearances successfully; worked closely with anthropologists and archaeologists; established good working relationships with proponents; provided an opportunity for young people to join elders on country; managed gender-specific issues; arranged for MG traditional owners to receive payment on a fee-for-service basis for their knowledge of country; and successfully prevented proponents from disturbing sacred and significant sites.
- The PBCs are aware that the question of who speaks for country is a sensitive one. Issues of country, heritage, law and culture and family groups are always referred to the Garralyel. MG traditional owners are encouraged to contact the PBCs with any queries or comments they may have in relation to the preservation of heritage and culture, heritage assessments or works ongoing in their Dawangs.

Submissions

During the reporting period, the PBCs have made several submissions in response to legislative and policy reforms that could potentially impact on native title rights and interests. These include submissions made to the Department of Indigenous Affairs regarding the proposed amendments to the *Aboriginal Heritage Act* and to the Department of Water in response to its *Ord Surface Water Allocation Plan*.

Community Engagement, Training and Development

The PBCs have this year been asked by the Kimberley Regional Planning Committee to represent

MG interests as part of the Traditional Owners Reference Group (TORG). The TORG comprises representatives from Bardi Jawi, Dambimangari, Karajarri, Ngurrara, Tjurabalan, Yawaru, and Yungngora as well as MG. The group meets regularly to discuss planning issues and to allow traditional owners to participate in the planning process for the Kimberley region.



MG Corporation lawyer
Dominique Reeves

The PBCs have also participated in a number of different training and development programs throughout the year, with MG representatives attending the 2012 National Native Title Conference in Townsville arranged by AIATSIS, the Indigenous Land Management Conference in Perth delivered by Criterion and a recent pilot program in Broome organised by the Aurora Project.

What's in store for 2012/2013?

The PBCs have a number of challenges to tackle in the next reporting period:

- The protection of MG culture and heritage must continue to be a priority.
- Funding opportunities need to be explored to allow the PBCs to become sustainable, effective and self-determining. Support from the Kimberley Land Council is likely to decrease over time and the PBCs will need to manage an increasing workload with the resultant pressure on capacity and resources.
- The PBCs must continue to build on their good work in relation to native title and future act matters: improving procedures to deal with notifications; developing sustainable relationships with long-term investors in the region; ensuring all interested parties are consulted with respect to applications; and continuing to work with government bodies to ensure that native title rights and interests are respected.
- Long-term strategic thinking is to be adopted so that MG land rights can be transferred into land interests, empowering traditional owners to use and manage MG land to realise their social, cultural and economic aspirations.

Land and Water Rangers Unit

Employment

The Land and Water team has significantly increased its local indigenous workforce numbers over the past year with a 12 local Aboriginal rangers employed at different stages.

MG CLA Control Burning

A major highlight for the Land and Water team was the 2012 dry season fire protection program which took place on MG CLAs. The team conducted controlled fuel reduction burns on 15 MG CLAs, reducing risk of wildfire, structure and asset loss and the threat of personal injury to residents.

As a result of the 2012 fire hazard protection work all wild fires were prevented from entering and damaging any MG CLAs. Additionally, the 2012 MG CLA fire management and asset protection works are being showcased as a success story by the Western Australian Natural Resource Management Program. The Western Australian government is noted as saying “we are highly impressed with the

achievements and critical protection work the MG Rangers completed this year”.

Weed Control

The rangers are working with Department of Water (DoW) on managing and enhancing riparian areas on the Ord River, namely around Mud Springs, Goombawami and Munthama CLAs. The specified riparian rehabilitation work includes chemical weed control on Western Australia’s priority weeds - Neem, Rubber bush, Parkansonia, and Belly-Ache bush.

Fee for Service

The team has been expanding its environmental management work capacity into fee-for-service contracts with various commercial industry groups - including Landcorp, Ord Irrigation, and local Indigenous organisations. The works included control burning, scientific surveys, chemical weed control, ecological habitat restoration and landscape maintenance.



Senior MG Land and Water ranger Stephen Davies sharpens the chainsaw



The MG Land and Water team with log hollows which were used to construct Gouldian finch nesting boxes in the Ord Stage 2 buffer zones

Gouldian Finch Ecology Work

The rangers conducted specialised endangered Gouldian Finch habitat recovery work with Landcorp and Monash University researchers. The works were conducted at the Goomig Farm Area - Ord Stage Two development area and at the Wyndham “Save the Gouldian” research centre. The works included:

1. identification of suitable finch tree hollows and chainsaw extraction from Ord Stage 2 development/ clearing and environmental buffer zones
2. specialised nest habitat construction, and
3. reintroduction of the constructed nesting hollows/ boxes in the Ord Stage Two environmental buffer zone.

Professional development training and licensing

Stephen Davies, Andrew Bradshaw and Shane Stevens completed professional development and skill improvement training.



MG Land and Water Ranger Andrew Bradshaw installs a firebreak at Cockatoo Springs CLA

MG Ord Enhancement Scheme

In May 2006 the MG Ord Enhancement Scheme (OES) was established under the OFA as a new State Government program administered in partnership between the State of Western Australia and MG Traditional Owners.

The MG OES management committee comprises seven representatives of MG Corporation and the Chief Executive Officer of the Kimberley Development Commission as the State Representative. Current MG OES Management Committee members are Helen Gerrard (Chairperson), Carol Hapke, Erica Ward, Edna O'Malley, Ephrem Kennedy, Annie Wilson, Myra Chulung and Jeff Gooding.

With leverage funding of \$11.195 million, 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.

In 2011/12, MG OES supported the following new programs:

- Gawooleng Yawoodeng Management Capacity Project
- Miriuwung Gajerrong Cultural Archive
- MG Community Housing Project
- Waringarri Strong Men's Program
- Wunan Indigenous Hip-Hop Program

New MG OES Projects

Gawooleng Yawoodeng Management Capacity

OES has provided support to build the management

capacity of the Gawooleng Yawoodeng Aboriginal Corporation (GY) for the benefit of the MG Community through improved services. GY has established a process that includes stakeholder consultation to create a strategic plan for the services delivered by the organisation. The plan will identify the current and future capacity needs of GY and link these needs with potential avenues to build its capabilities.

OES has also brokered a partnership between GY and Save the Children with the purpose of strengthening the Pindan Stepping Stones program. This process has resulted in a report on GY's Children Services which assists with program planning and delivery and accessing further funding for the service's ongoing sustainability.

Waringarri Strong Men's Program

The MG Ord Enhancement Scheme funds two key activities of the Strong Men's Program that relate to youth engagement and diversion. Firstly, the Back to Country program which funds vehicles and costs associated with arranging trips out bush to link MG elders with MG youth who have been identified as 'at risk'. OES also funds the Waringarri Horsemanship Youth Engagement which trains young MG men to break in wild colts provided by Pastoral Stations.

MG Community Housing Project

OES provided the original funding for this important program which then enabled a \$5 million commitment from the State Government. The OES contribution finances pre-build site works and essential services that paved the way for the construction of ten new



MG Corporation Deputy Chairperson Helen Gerrard and Lee Gerrard at one of the new MG CLA houses



Former MG Corporation Chairman and current Director Teddy Carlton at the new MG/GT administration building

houses on Priority “A” MG Community Living Areas. This ensured that the new houses constructed through the project were provided adequate and quality site preparations and essential services.

Miriuwung Gajerrong Cultural Archive

OES has funded an MG Cultural Archive facility to be built into the Joint MG Corporation and Gelganyem Trust Office building. Cultural items and documentation significant to the MG people and that are currently scattered across Australia will be returned to Kununurra to be stored in this facility. It will be climate controlled and include the use of fire resistant materials and storage cabinets to ensure the protection of cultural items and documents.

Wunan Indigenous Hip-Hop Program

This program provided in-school and after school based Indigenous Hip Hop Program (IHHP) workshops that use hip hop, dance, music, art and media to influence positive change in children, young men and women. Workshops were primarily based on high-energy physical activity (hip hop and dance) as a

vehicle for the dissemination of information relating to community identified issues.

Ongoing MG OES Work

MG OES continues to provide support to significant local initiatives such as Joodoogeb-be-gerring Werlemen, the Clontarf East Kimberley Football Academy, Save the Children’s MG Youth Worker Project, Many Rivers Opportunities and the Ord Valley Aboriginal Health Service’s MG Healthy Lifestyles program.

MG OES is also continuing its role as an advocate for improved service delivery for MG people. MG OES staff and management committee members are involved in a range of policy and service delivery forums including the East Kimberley Working in Partnership Local Coordination Group, Early Years Network, Youth Service Providers Network, East Kimberley Regional Homelessness Plan Group, Alcohol and Other Drugs Management Group and the Suicide Standby Advisory Group.

Many Rivers

Background

Many Rivers Microfinance is a not-for-profit organisation that supports aspiring business owners with microenterprise development support and access to finance in order to see the potential of people and communities realised.

Program model

Many Rivers program has been designed to deliver sustainable outcomes in the communities in which we work. We offer intensive, long-term support to help Indigenous people establish or expand small businesses. We focus on collaboration by working closely with other providers in the community to ensure the best possible outcomes for clients.

Through our unique partnership with Westpac, Many Rivers provides clients with access to loan funds of \$500 to \$20,000 and limited security loans of \$20,000-\$50,000. Our clients progressively move to larger loans as their capacity and business experience develops.

Partnership with MG

Many Rivers' partnership with MG Corporation commenced in 2010 based on our shared vision to achieve positive employment outcomes for Miriwung and Gajerrong people, which is achieved through local enterprise development. We currently have one Field Officer based in Kununurra, who has worked with the community to achieve the following outcomes:

Program Success

Many Rivers' Client Businesses (to date)

| | | |
|------------------------------|-----|---|
| Total Businesses | | |
| Established/Expanded: | 11 | 6 MG Clients |
| Microfinance loans provided: | 9 | \$39,300 |
| Business Continuity: | 85% | Businesses entities currently operating |

Types of business supported

One of Many Rivers' objectives is to increase the diversity and availability of goods and services in regional areas. We have supported business owners across a broad range of sectors in the East Kimberley, including:

- Catering
- Concreting
- Fencing and mustering
- Labour hire
- Out-of-home care services
- Retail (work-wear and tyres)
- Sport and recreation
- Transport and tours

East Kimberley Client Pipeline

| | | |
|-------------------|----|--------------|
| Meetings | 13 | 7 MG Clients |
| Business Planning | 4 | 1 MG Client |
| TOTAL | 17 | 8 MG Clients |

As our clients progress through these stages, we will continue to see the creation of new sustainable businesses and the generation of new employment.

“Many Rivers values the ongoing support of MG Corp. Through this partnership, Many Rivers empowers MG people to move away from welfare dependency and financial exclusion towards financial freedom for themselves and their families, whilst making a contribution to their community. We look forward to strengthening this relationship and providing more MG people with the opportunity of business ownership.”

Leigh Coleman, CEO Many Rivers

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. Park Council elections were held in late 2011 with a number of new members elected to the council. We have been working hard on finalizing the Management Plan and implementing our works program on the Yoorrooyang Dawang Regional Parks (YDRP).

Much of the work being undertaken on 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. In addition we look forward to further progressing tourism development opportunities and ecological mapping of our country to support future management from a cultural perspective.

We have also continued to take steps towards building long term capacity to manage our Country with the first school-based trainees starting with the MG Rangers. This will ensure young MG people have the necessary skills to be employed as rangers once they complete year 12.

Our land and our culture is central to who we are and therefore that 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.

Margaret Moore and Ralph Gerrard

Co-Chairs, Yoorrooyang Dawang Regional Park Council

Current Priorities

- Finalization and implementation of the Yoorrooyang Dawang Regional Parks (YDRP) Management Plan
- Preparation of management agreement for the YDRPs as required under the OFA
- Preparation for YDRPs to be transferred to Freehold Title which will be held by MG Corporation
- Securing funding for the ongoing management of the YDRPs beyond June 2013
- Implementation of recreation concept plans and associated capital works program
- Implementation of a weed management strategy across the YDRPs
- Implementation of wildfire mitigation and suppression plans for the YDRPs
- Training of existing MG Rangers to assume permanent positions for long term management of the YDRPs
- Creation of school-based trainee program
- Continued building of capacity within the MG Ranger team to assume additional management and leadership responsibility
- Supporting existing community relation programs relating to YDRP management
- Naturebank project
- MG Corporation Ecological Mapping Project

Planning

Yoorrooyang Dawang Regional Parks Draft Management Plan and Management Agreement

The Management Plan has been endorsed by the YDRPC and will be forwarded to MG Corporation for approval. The finalisation of the Management Plan will pave the way for the implementation of MG community aspirations, including proposed relevant capital works for the YDRPs.

In conjunction with the finalisation of the management plan the Park Council has been working with MG Corporation and the State on the preparation of the management agreement. The management agreement will be finalized prior to the management plan as is required under the provisions of the Conservation and Land Management Act 1984.

MG Ranger Program

Employment and Training

Three MG Rangers graduated from their Certificate III in Conservation and Land Management (CALM) at a ceremony held in Perth in May.

It is anticipated that most of the MG Rangers, from the initial 2008 intake, will have completed their Certificate III in CALM by early 2013. 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.

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.

Further specialised training has been undertaken by the Rangers including, 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

Keith Boombi has now been working as a school-based trainee with the MG Ranger team over a year now and is continuing to work towards completing his Certificate II in CALM. In addition to working on his certificate studies, Keith has also completed a number of specialist courses including firefighting and quad bike operations.

Full Time Workplace Assessor

As a result of the increased training workload of both Certificate III and IV in CALM, DEC has appointed a fulltime workplace assessor. The creation of this position has assisted Rangers manage their studies.

Park Operations

Park Boundary Signage

Boundary signs have been installed at most park entry points. The boundary signage makes a highly visible entry statement which acknowledges the MG people as joint managers of the parks.

Day Use Site Development

The upgrade of the Molly Springs car park was completed in late 2011. Work will commence soon on the installation of the new hybrid toilet system and interpretative signage for the site. Once this has been completed the Rangers will commence site upgrade work and Middle Springs day use site.

DEC is working with Dawang representatives and the Mirima Language Centre to identify the correct Miriuwang or Gajerrong names for these day use





Andy Reid, Keith Boombi, Morris Simon, Wayne Winton with a completed tyre rack they constructed

sites. The sites will then be signposted 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.

MG Rangers have also played an important role in the construction of a new visitor boardwalk in Mirima National Park. The new boardwalk allows visitors with mobility restrictions to access the park.

Fencing Project

The MG Ranger team has worked closely with a DEC fencing crew to construct a 16km long cattle fence along the eastern bank of the Ord River to prevent cattle damaging crocodile nesting habitat in the Ord River Nature Reserve. The fence was constructed over three weeks in August.

Weed Management

Weed management plans have been finalized for each of the YDRPs. This will ensure that MG Rangers are able to target weeds strategically across the YDRPs. Rangers have undertaken weed control operations at a number of sites targeting species including Belly Ache Bush and Parkinsonia.

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 Park this year demonstrating the ever improving capability of the team. YDRPC members including relevant Dawang have had the opportunity to participate in the surveys.

The Rangers also participated in the turtle survey at Cape Dommet with good numbers of turtles coming up onto the beach. The Rangers also had the opportunity to work with university students studying temperature dependant sex ratios and gain a better understanding of the biology of the flat back turtle.

Community Relations

A number of community relations activities have been undertaken during 2011/12 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 displays at NAIDOC week celebrations, presentations to the Australian Rangelands Conference, presentations to the Dambi Mangari Aboriginal Corporation.

Tourism Development Opportunities

In 2009 the YDRPC and DEC began exploring tourism development opportunities on the YDRPs. Through this process two locations, Spring and

Skeleton Creeks, within the Ngamoowalem Conservation Park were identified as potential Naturebank sites. Naturebank is a WA Government initiative that aims to prepare sites for development of quality 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 (TWA) 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. The YDRPC and the MG Corp Board has both endorsed the proposed business model which focusses on the creation of employment opportunities with any proposed development.

To date a preliminary heritage clearance has been conducted of both sites as has a flora and fauna clearance. A hydrology study of the proposed site is currently being undertaken.

Cultural Mapping

The Park Council identified cultural resource

management as a high priority through the planning process with the need to develop cultural resource management tools. This is being progressed through a successful MG Corp application for a Caring for Our Country grant. It is hoped that this project can further assist the YDRPC and MG rangers better protect significant sites within the parks as well as building on Rangers' knowledge of country and how to manage it for future generations.

There will be a number of outcomes from this project including language maintenance opportunities, future production of information about each Dawang, building an understanding and appreciation of the cultural values of the reserves and the biodiversity within them through a two way learning process.

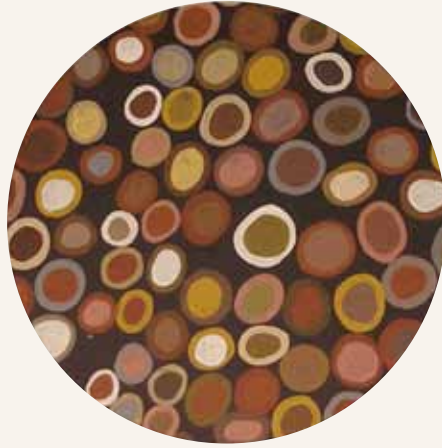
Premier's Awards

The success of the joint management initiative between the YDRPC, MG Corporation and DEC has been acknowledged with the program been named as a finalist in the 2012 Premier's Awards under the category of Improving Indigenous Outcomes. The award acknowledges the delivery of positive outcomes in Indigenous employment and participation and recognizable benefits to indigenous communities.





Garralyel member Button Jones wears his MG Corporation hat with style



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

Financial Statements 30 June 2012

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Consolidated Statement of Comprehensive Income for the year ended 30th June 2012

| | Note | Consolidated Group | | Parent Entity | |
|---|------|--------------------|------------------|------------------|------------------|
| | | 2012 \$ | 2011 \$ | 2012 \$ | 2011 \$ |
| Income | | | | | |
| Revenue from government grants and other grants | | 12,373,226 | 9,758,053 | 11,373,226 | 8,625,727 |
| Unexpended grants c/fwd | | (4,460,329) | (3,999,248) | (4,460,329) | (3,999,248) |
| Unexpended project funds c/fwd | | - | (677,925) | - | (677,925) |
| Interest received | | 328,471 | 332,105 | 233,772 | 129,171 |
| Dividends received | | 307,524 | 402,300 | - | - |
| Landcorp funds received | | 46,996 | 243,445 | 46,996 | 243,445 |
| Other revenue | | 3,152,508 | 1,338,065 | 2,535,563 | 1,011,748 |
| Total Income | | 11,748,395 | 7,396,795 | 9,729,227 | 5,332,918 |
| Expenses | | | | | |
| Net loss/(profit) on investments | | 478,437 | 24,593 | - | - |
| Employee benefits expense | | 3,116,490 | 1,900,803 | 3,116,490 | 1,900,803 |
| Depreciation and amortisation | | 129,439 | 87,627 | 129,439 | 87,627 |
| Finance costs | | 92,829 | 89,407 | 8,262 | 8,262 |
| Consultants | | 1,293,658 | 815,200 | 1,293,658 | 815,200 |
| Independent directors fees | | 159,956 | 137,473 | 159,956 | 137,473 |
| Operational Expenses | | 2,221,424 | 1,429,706 | 1,694,503 | 1,137,328 |
| Rental property expenses | | 58,033 | 155,532 | 58,033 | 155,532 |
| ADP training and support expenditure | | 480,890 | 483,810 | 480,890 | 483,810 |
| Governance | | 143,117 | 173,420 | 143,117 | 173,420 |
| Total Expenses | | 8,174,272 | 5,297,571 | 7,084,346 | 4,899,455 |
| Surplus before income tax | | 3,574,123 | 2,099,224 | 2,644,881 | 433,463 |
| Income tax expense | 2 | - | - | - | - |
| Surplus after income tax | | 3,574,123 | 2,099,224 | 2,644,881 | 433,463 |
| Other Comprehensive income | | - | - | - | - |
| Surplus attributable as follows:- | | | | | |
| Distribution to beneficiaries | | 45,000 | 10,000 | - | - |
| Surplus to Members' Funds | | 3,529,123 | 2,089,224 | 2,644,881 | 433,463 |
| | | 3,574,123 | 2,099,224 | 2,644,881 | 433,463 |

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30th June 2012

| | Note | Consolidated Group | | Parent Entity | |
|--------------------------------------|------|--------------------|-------------------|-------------------|-------------------|
| | | 2012 \$ | 2011 \$ | 2012 \$ | 2011 \$ |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | 5 | 6,116,890 | 5,753,450 | 5,514,649 | 5,686,337 |
| Trade and other receivables | 6 | 1,427,002 | 674,757 | 1,216,662 | 492,065 |
| Financial assets | 7 | 8,639,691 | 8,348,682 | - | - |
| Other current assets | 8 | 12,918 | 82,714 | 12,918 | 82,714 |
| Total Current Assets | | 16,196,500 | 14,859,603 | 6,744,229 | 6,261,116 |
| Non-Current Assets | | | | | |
| Trade and other receivables | 6 | - | - | - | 27,941 |
| Property, plant and equipment | 9 | 6,978,393 | 4,998,391 | 6,558,392 | 4,578,390 |
| Total Non-Current Assets | | 6,978,393 | 4,998,391 | 6,558,392 | 4,606,331 |
| TOTAL ASSETS | | 23,174,894 | 19,857,994 | 13,302,621 | 10,867,447 |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Trade and other payables | 10 | 656,642 | 1,281,453 | 654,124 | 1,276,423 |
| Borrowings | 11 | - | 23,694 | - | 23,694 |
| Unexpended Grants | 12 | 4,460,329 | 3,999,247 | 4,460,329 | 3,999,247 |
| Total Current Liabilities | | 5,116,971 | 5,304,394 | 5,114,453 | 5,299,364 |
| Non-Current Liabilities | | | | | |
| Borrowings | | - | 24,798 | - | 24,798 |
| Unexpended Grants | | - | - | - | - |
| Total Non-Current Liabilities | | - | 24,798 | - | 24,798 |
| TOTAL LIABILITIES | | 5,116,971 | 5,329,192 | 5,114,453 | 5,324,162 |
| NET ASSETS | | 18,057,922 | 14,528,802 | 8,188,167 | 5,543,285 |
| EQUITY | | | | | |
| Retained Earnings | | 16,991,840 | 13,462,720 | 7,122,086 | 4,477,203 |
| Year 1 OFA reserve | | 1,066,082 | 1,066,082 | 1,066,082 | 1,066,082 |
| TOTAL EQUITY | | 18,057,922 | 14,528,802 | 8,188,168 | 5,543,285 |

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the year ended 30th June 2012

| | Consolidated Group | Consolidated Group | Parent Entity | Parent Entity |
|---|-------------------------------|-------------------------------|------------------------------|-------------------------------|
| | Retained Earnings | Year 1 OFA Reserve | Retained Earnings | Year 1 OFA Reserve |
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2010 | 11,373,496 | | 4,043,742 | |
| Surplus attributable to the entity | 433,463 | - | 433,463 | - |
| Surplus attributable to MG Community Foundation | 1,655,758 | - | - | - |
| Surplus attributable to MG Dawang Land Trust | | - | - | - |
| Surplus attributable to MG Developments Trust | - | - | - | - |
| Year 1 OFA Transfer (i) | | 1,066,082 | | 1,066,082 |
| | 2,089,221 | 1,066,082 | 433,463 | 1,066,082 |
| Balance at 30 June 2011 | 13,462,717 | 1,066,082 | 4,477,205 | 1,066,082 |
| Surplus attributable to the entity | 2,644,881 | - | 2,644,881 | - |
| Surplus attributable to MG Community Foundation | 856,302 | - | - | - |
| Surplus attributable to MG Dawang Land Trust | 17,576 | - | - | - |
| Surplus attributable to MG Developments Trust | 10,365 | - | - | - |
| | 3,529,123 | - | 2,644,881 | - |
| Balance at 30 June 2012 | 16,991,840 | 1,066,082 | 7,122,086 | 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 2012

| | Note | Consolidated Group | | Parent Entity | |
|---|------|--------------------|--------------|---------------|-------------|
| | | 2012 \$ | 2011 \$ | 2012 \$ | 2011 \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | 13 | | | | |
| Receipts from customers | | 15,928,886 | 15,422,155 | 9,907,202 | 14,116,128 |
| Payments to suppliers and employees | | (13,171,120) | (10,180,526) | (8,146,463) | (9,755,149) |
| Interest received | | 272,533 | 132,637 | 233,772 | 129,171 |
| Interest paid | | 8,262 | 8,262 | (8,262) | (8,262) |
| Net cash provided by operating activities | | 3,038,561 | 5,382,528 | 1,986,249 | 4,481,888 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Payment for property, plant & equipment | | (2,109,441) | 87,053 | (2,109,441) | 87,053 |
| Payment for investments | | (517,185) | (1,000,000) | - | - |
| Net cash provided by investing activities | | (2,626,626) | (912,947) | (2,109,441) | 87,053 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Proceeds from borrowings | | - | - | - | - |
| Repayments of borrowings | | (48,494) | (65,464) | (48,494) | (65,464) |
| Net cash provided by financing activities | | (48,494) | (65,464) | (48,494) | (65,464) |
| Net increase in cash held | | 363,440 | 4,404,116 | (171,686) | 4,503,476 |
| Cash at beginning of financial year | | 5,753,450 | 1,349,334 | 5,686,337 | 1,182,861 |
| Cash at end of financial year | | 6,116,890 | 5,753,450 | 5,514,651 | 5,686,337 |

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 | |
|---------------------------------------|--------------------|---------|---------------|---------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Total short term benefit compensation | 662,020 | 411,570 | 662,020 | 411,570 |
| Post employment benefit compensation | - | 26,563 | - | 26,563 |
| | 662,020 | 438,133 | 662,020 | 438,133 |

4. Related parties

During the financial year the following related party transactions occurred:

- A business entity controlled by Teddy Carlton, a director, was paid a total of \$10,820.31 for business support, mentoring and wages subsidies.
- Milica Lilic, spouse of the CEO, was paid a total of \$1,815 for the production of the MG Corporation newsletter, production and editing of the 2010/11 Annual Report, Land and Water Rangers poster and corporate stationery for the NAIDOC event.

5. Cash and cash equivalents

| | Consolidated Group | | Parent Entity | |
|--------------|--------------------|-----------|---------------|-----------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Cash at bank | 6,116,890 | 5,753,450 | 5,514,649 | 5,686,337 |
| | 6,116,890 | 5,753,450 | 5,514,649 | 5,686,337 |

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 | |
|--|--------------------|----------|---------------|----------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Current | | | | |
| Trade receivables | 1,068,605 | 425,404 | 819,395 | 176,194 |
| Packsaddle and river farm lots owing | 249,210 | 249,210 | 249,210 | 249,210 |
| Landcorp funds owing | - | - | - | - |
| Other sundry debtors | 134,187 | 25,143 | 173,057 | 91,661 |
| Prov. for impairment of trade receivables and sundry debtors | (25,000) | (25,000) | (25,000) | (25,000) |
| | 1,427,002 | 674,757 | 1,216,662 | 492,065 |
| Non-Current | | | | |
| Amount receivable from MG Dawang Land Trust | - | - | - | 17,576 |
| Amount receivable from Developments Trust | - | - | - | 10,365 |
| | - | - | - | 27,941 |

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 | |
|--|------|--------------------|---------|---------------|---------|
| | | 2012 | 2011 | 2012 | 2011 |
| | | \$ | \$ | \$ | \$ |
| b. Financial assets classified as loans and receivables | | | | | |
| Trade and other receivables: | | | | | |
| - Current | | 1,427,002 | 674,757 | 1,216,662 | 492,065 |
| - Non Current | | - | - | - | 27,941 |
| Financial assets | 15 | 1,427,002 | 674,757 | 1,216,662 | 520,006 |

7. Other financial assets

| | | Consolidated Group | | Parent Entity | |
|--|--|--------------------|-----------|---------------|------|
| | | 2012 | 2011 | 2012 | 2011 |
| | | \$ | \$ | \$ | \$ |
| Available for sale financial assets (i) | | 8,639,691 | 8,348,682 | - | - |
| 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 | | 8,639,691 | 8,348,682 | - | - |
| Total available for sale financial assets | | 8,639,691 | 8,348,682 | - | - |

(i) This is per market valuation at 30 June 2012. 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 | |
|--------------------|--|--------------------|--------|---------------|--------|
| | | 2012 | 2011 | 2012 | 2011 |
| | | \$ | \$ | \$ | \$ |
| CURRENT | | | | | |
| Pre-paid insurance | | 12,918 | 82,714 | 12,918 | 82,714 |

9. Property, plant & equipment

| | | Consolidated Group | | Parent Entity | |
|--|--|--------------------|-----------|---------------|-----------|
| | | 2012 | 2011 | 2012 | 2011 |
| | | \$ | \$ | \$ | \$ |
| FREEHOLD LAND AND BUILDINGS | | | | | |
| Freehold land and buildings | | | | | |
| At fair value (i), (ii), (iii), (iv),(v), (vi),(vii) | | 6,646,595 | 4,790,910 | 6,226,594 | 4,370,909 |
| less: accumulated depreciation | | - | - | - | - |
| | | 6,646,595 | 4,790,910 | 6,226,594 | 4,370,909 |
| PLANT & EQUIPMENT | | | | | |
| Motor Vehicles - at cost | | 500,831 | 346,071 | 500,831 | 346,071 |
| less: accumulated depreciation | | (265,424) | (154,349) | (265,424) | (154,349) |
| Total vehicles, net | | 235,407 | 191,722 | 235,407 | 191,722 |
| Furniture, plant & equipment - at cost | | 188,446 | 89,450 | 188,446 | 89,450 |
| less: accumulated depreciation | | (92,055) | (73,691) | (92,055) | (73,691) |
| Total furniture & equipment, net | | 96,391 | 15,759 | 96,391 | 15,759 |
| Total property, equipment & vehicles, net | | 6,978,393 | 4,998,391 | 6,558,392 | 4,578,390 |

9. Property, plant & equipment (cont.)

- (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 2012 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 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.
- (iii) Included in Freehold land and buildings is the cost to date of the new shared office in Bluegrass Avenue totalling \$2,019,321.
- (iv) 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.
- (v) As party to the OFA, 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 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
- (vi) Included in Freehold land and buildings are Lots 994, 995 and 996 known as "Yardungarri". These blocks belong to the MG Dawang Land Trust. An independent valuation of these areas has not been performed. In the absence of such a valuation, they have been recorded at \$1.
- (vii) Buildings constructed on Community Living Areas, for which title is held by Dawang Land Trust, have also not been independently valued, and therefore values have not been included.

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 | | | | |
| 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 |

2012

| | | | | |
|--------------------------------------|-----------|-----------|----------|-----------|
| Balance at the beginning of the year | 4,790,910 | 191,722 | 15,759 | 4,998,391 |
| Additions at cost | 1,855,685 | 162,031 | 98,996 | 2,116,712 |
| Disposals at cost | | 7,271 | | (7,271) |
| Contributed assets | | | | - |
| Revaluation decrement | | | | - |
| Depreciation expense | | (111,075) | (18,364) | (129,439) |
| Carrying amount at the end of year | 6,646,595 | 235,407 | 96,391 | 6,978,393 |

Parent Entity

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 |

2012

| | | | | |
|--------------------------------------|-----------|-----------|----------|-----------|
| Balance at the beginning of the year | 4,370,909 | 191,722 | 15,759 | 4,578,390 |
| Additions at cost | 1,855,685 | 162,031 | 98,996 | 2,116,712 |
| Disposals at cost | - | (7,271) | - | (7,271) |
| Contributed assets | - | - | - | - |
| Depreciation expense | - | (111,075) | (18,364) | (129,439) |
| Carrying amount at the end of year | 6,226,594 | 235,407 | 96,391 | 6,558,392 |

10. Trade and other payables

| | Consolidated Group | | Parent Entity | |
|--|--------------------|------------|---------------|------------|
| | 2012 \$ | 2011 \$ | 2012 \$ | 2011 \$ |
| Current | | | | |
| Trade payables | 545,304 | 156,833 | 545,298 | 156,832 |
| Other current payables | (14,861) | 212,990 | (9,873) | 215,461 |
| Employee benefits | 107,741 | 57,748 | 107,741 | 57,748 |
| Distributions payable | 18,458 | 25,957 | 10,958 | 18,457 |
| Project funds c/fwd - Packsaddle river farm lot | - | 644,763 | - | 644,763 |
| Project funds c/fwd - unspent funds held by DEC | - | 126,635 | - | 126,635 |
| Project funds c/fwd - other sundry amounts | - | 56,527 | - | 56,527 |
| | 656,642 | 1,281,453 | 654,124 | 1,276,423 |
| a. Financial liabilities at amortised cost classified as trade and other payables | | | | |
| Trade and other payables: | | | | |
| - Current | 656,642 | 1,281,453 | 654,124 | 1,276,423 |
| - Non Current | - | - | - | - |
| | 656,642 | 1,281,453 | 654,124 | 1,276,423 |
| Less annual leave entitlements | (107,741) | (57,748) | (107,741) | (57,748) |
| Financial liabilities as trade and other payables | 548,901 | 1,223,705 | 546,383 | 1,218,675 |

11. Borrowings

| | Consolidated Group | | Parent Entity | |
|-------------------------|--------------------|---------------|---------------|---------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| CURRENT | | | | |
| Westpac loan | - | 23,694 | - | 23,694 |
| NON CURRENT | | | | |
| Westpac loan | - | 24,798 | - | 24,798 |
| TOTAL BORROWINGS | - | 48,492 | - | 48,492 |

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

12. Schedule of grant funds

| | B/Fwd | Release | Expend | C/Fwd |
|---|------------------|------------------|------------------|------------------|
| | 2011 | 2012 | 2012 | 2012 |
| Office Native Title 2010/11 EDU funds | 57,865 | 250,000 | 57,865 | 234,224 |
| Office Native Title - Non Executive directors x 2 | 70,276 | - | 70,276 | - |
| Regional Development & Lands - ADP Funds | 1,786,877 | 2,229,446 | 1,769,506 | 2,185,545 |
| ADP Interest | 39,822 | 39,163 | - | 78,985 |
| ICC Youth Worker | 197,924 | 255,357 | 453,281 | - |
| RDL - Wet Season Training Program | 130,078 | - | 68,786 | 61,292 |
| Kimberley Development Commission - Housing project | 25,000 | - | - | 25,000 |
| NAIDOC 2011 | 24,064 | - | 23,099 | 965 |
| Office Indigenous Affairs - EK Land Development Funds | 52,000 | - | - | 52,000 |
| DOW - Land & Water C/fwd | 13,037 | - | 13,037 | - |
| DOW - Land & Water 2011-12 | 66,974 | 226,080 | 155,059 | 137,995 |
| DOW - Accommodation | 143,441 | - | 52 | 143,389 |
| Dept. Sustainability Env. Water, Pop & Comm - WoC | 246,728 | 486,221 | 621,437 | 111,512 |
| Dept. Agriculture - Fire Management | 46,834 | 100,000 | 133,503 | 13,331 |
| DOW - OFA | 7,950 | - | 10 | 7,960 |
| OES - Educational Grants Officer | 53,976 | 50,000 | 103,976 | - |
| OES - Educational Grants | 39,042 | 100,000 | 87,817 | 51,225 |
| OES - Many Rivers secondment | 42,500 | 125,000 | 167,500 | - |
| Dept. State Development - Shared Offices with GT | 931,571 | 650,000 | 1,522,420 | 59,151 |
| Ngamoowalem Conservation Development | - | 90,000 | - | 90,000 |
| IBA | - | 28,234 | 14,605 | 13,629 |
| Ways of working | - | 103,839 | 103,839 | - |
| Kimberley Development Commission - Pindan Centre | 63,110 | - | 35,943 | 27,167 |
| Native Title Due Diligence | - | 300,000 | 256,278 | 43,722 |
| CLA Housing Project | - | 634,000 | 364,741 | 269,259 |
| CLA Housing Project (Heritage Clearances) | - | 24,448 | 24,448 | - |
| Cultural Funds | - | 61,705 | 23,334 | 38,371 |
| MG/GT Building Cultural Archive | - | 200,000 | - | 200,000 |
| NAIDOC 2012 | - | 39,273 | 19,219 | 20,054 |
| Other Self Generated | - | 35,000 | 35,000 | - |
| Packsaddle | - | 395,553 | - | 395,553 |
| Caring for Country | - | 200,000 | - | 200,000 |
| Totals | 4,039,069 | 6,623,318 | 6,125,010 | 4,460,329 |

13. Cash flow information

| | Consolidated Group | | Parent Entity | |
|---|--------------------|------------------|------------------|------------------|
| | 2012 \$ | 2011 \$ | 2012 \$ | 2011 \$ |
| Reconciliation of Cash Flow from Operations with Profit after Income Tax | | | | |
| Operating surplus | 3,529,123 | 2,089,224 | 2,644,881 | 433,463 |
| <i>Cash flows excluded from profit attributable to operating activities</i> | | | | |
| Non-cash flows in profit | | | | |
| - Depreciation | 129,439 | 87,627 | 129,439 | 87,627 |
| - Non cash financial asset items | 226,176 | (469,739) | - | - |
| - Impairment of receivables | - | 15,000 | - | 15,000 |
| Changes in assets and liabilities | | | | |
| - (Increase)/decrease in trade and term debtors | (752,245) | (48,027) | (696,656) | 104,588 |
| - (Increase)/decrease in other current assets | 69,795 | (78,580) | 69,796 | (78,579) |
| - Increase in trade and other payables | (624,810) | 382,497 | (622,294) | 515,263 |
| - Increase/(decrease) in unexpended grants | 461,082 | 3,404,525 | 461,082 | 3,404,525 |
| Cash flow from operating activities | <u>3,038,562</u> | <u>5,382,527</u> | <u>1,986,249</u> | <u>4,481,887</u> |

14. Capital commitments

The corporation has entered into a contract for design and construction of an office building with an estimate costs of \$4.9M including incidental costs and variations. At the time of writing this report \$823,088 was payable to complete the project. The balance owing will be funded as follows;

| | |
|--|-------------------|
| Owing by GT | \$ 286,933 |
| Grant funding owing | \$ 250,000 |
| Unexpended grant funding MG | \$ 59,151 |
| Cultural Archive Funding MG | \$ 200,000 |
| Total Funds Available | <u>\$ 796,084</u> |
| Project Deficit (half to be recovered from GT) | \$ 27,004 |

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 2012.

The totals of each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounts.

| | Note | Consolidated Group | | Parent Entity | |
|--|------|--------------------|-------------------|------------------|------------------|
| | | 2012 \$ | 2011 \$ | 2012 \$ | 2011 \$ |
| Financial assets | | | | | |
| Cash and cash equivalents | 5 | 6,116,890 | 5,753,450 | 5,514,649 | 5,686,337 |
| Loans and receivables | 6 | 1,427,002 | 674,757 | 1,216,662 | 492,065 |
| Available-for-sale financial assets | | | | | |
| - Managed funds with Macquarie bank | 7 | 8,639,691 | 8,348,682 | - | - |
| | | <u>16,183,583</u> | <u>14,776,889</u> | <u>6,731,311</u> | <u>6,178,402</u> |
| Financial liabilities | | | | | |
| Financial liabilities at amortised cost: | | | | | |
| - Trade and other payables | 10 | 548,901 | 1,223,705 | 546,383 | 1,218,675 |
| - Borrowings | 11 | - | 48,492 | - | 48,492 |
| | | <u>548,901</u> | <u>1,272,197</u> | <u>546,383</u> | <u>1,267,167</u> |

16. Corporation details

The registered office of the corporation is:

Yawoorrong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation
12 Bluegrass Avenue
Kununurra WA 6743

The principal place of business is:

Yawoorrong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation
12 Bluegrass Avenue
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 2012.

Directors

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

- Edna O'Malley – Chairperson (attended 22 of 23 meetings)
- Helen Gerrard - Deputy Chairperson (attended 19 of 23 meetings)
- Teddy Carlton - (attended 23 of 23 meetings)
- Ephrem Kennedy - (attended 16 of 23 meetings)
- Michelle Narustrang - (attended 5 of 5 meetings) (appointed on 17 April 2012)
- Iain Summers – (attended 21 of 23 meetings)
- Michele Allan – (attended 9 of 15) (appointed until 17 March 2012)

Directors Qualifications – Current Directors

Edna O'Malley

Edna has been a member of Waringarri 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 Chairperson of the MG Corporation Board.

Helen Gerrard

Business Studies (Hartills 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 of Waringarri Aboriginal Corporations, EKAMS and Gawooleng Yawoodeng Aboriginal Corporation in the past as well as a governing committee and management committee member for MG Corporation. Helen is currently the Chairperson for the Ord Expansion Scheme (OES) as well as a director for the MG Community Foundation Trust. She also has responsibilities with Women's Interest, ADP Leadership Team and the ADP Implementation Committee.

Teddy Carlton

Bachelor of Applied Science (Curtin University Perth)

Teddy has participated in numerous workshops and courses, including Aboriginal Health Training Needs, Alcohol & Other Drugs Working with Young People, ATSI - 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, planning, organising and leading. He is a qualified alcohol counselor and also has experience in education and training in social dependency areas. In 2011 Teddy established Mijing Contracting which is a pastoral contracting business conducted on MG country. Teddy is Chairperson for PBC #1 and PBC #4. He is a support person for Garralyel group (senior elders Traditional Owners) and has consultation responsibilities to the State government on behalf of the MG people and is a representative for the MG people at Shire level.

Ephrem Kennedy

Ephrem has actively worked for the MG community in Kununurra for many years. Since 2008 he has been Chairperson for the MG Community Foundation Trust and on the management committee for MG Ord Enhancement Scheme. Ephrem is also involved in the Clontarf Foundation Football Academy.

Iain Summers (Board appointed Independent director)

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

Iain has experience as a practicing chartered account, 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 sector

Michelle Narustrang (Board appointed Independent director)

B.Bus, Postgrad Dip Bus (dist), GAICD

Michelle is a seasoned leadership professional. She is currently a director with Global People Partnership, a strategic consultancy working on a regional, national and global stage. Michelle has held directorships in the past with the Regional Development Authority in the Perth region. She has also held the role of People and Organisation Development at MacMahon and leadership roles with Argyle Diamonds, Gumala Investments and Bankwest.

Company Secretary

Kelly- Anne Edwards has held the position of entity secretary since the end of the last financial 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 OFA. 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 \$2,644,881. This is an increase of \$2,211,418 on the 2011 year, due mainly to the receipt of funding for the shared GT/MG building recorded as income and expenditure recorded as property, plant and equipment on the balance sheet. 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 has identified that the entity was successful in establishing the MG Services business unit which involved the merger of the existing Aboriginal Development Package team and Leighton Contractors' Indigenous Community Development Program. MG Services primary role is to source suitable 'work ready' indigenous workers for the Phase 2 works and other town-based employment. It also assists MG people seeking to develop business enterprises.

Distribution to members

Under the entity's Rule Book, members do not have the right to share in the profits of the corporation. 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 result of those operations, or the state of affairs of the entity in future financial years.

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 2012 has been received.

Signed in accordance with a resolution of the Board of directors



EDNA O'MALLEY

Directors's Signature

Print name

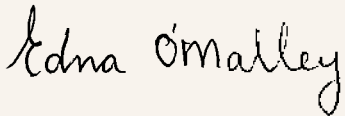
22 October 2012

Yawoorroong Miriuwung Gajerrong Yirrgb Noong Dawang Aboriginal Corporation

The directors of the company declare that:

- 1 the financial statements and notes present fairly the company's financial position as at 30 June 2012 and its performance for the reporting period 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:



Directors's Signature

EDNA O'MALLEY

Print name

22 October 2012

YAWOORROONG MIRIUWUNG GAJERRONG YIRRGEB NOONG DAWANG ABORIGINAL CORPORATION

**Compilation Report To Yawoorrong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation
For the year ended 30 June 2012**

We have compiled the accompanying general purpose financial statements of Yawoorrong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation, which comprise the statement of financial position as at 30 June 2012, the income statement for the period then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The Responsibility of the Directors of Yawoorrong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation

The directors of Yawoorrong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation are solely responsible for the information contained in the general purpose financial statements and have determined that the significant accounting policies adopted as set out in Note 1 to the financial statements are appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the directors of Yawoorrong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation, we have compiled the accompanying general purpose financial statements in accordance with the significant accounting policies adopted as set out in Note 1 to the financial statements and APES 315: 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. No audit or review has been performed and accordingly no assurance is expressed.

The general purpose financial statements were compiled exclusively for the benefit of the directors of Yawoorrong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation. We do not accept responsibility to any other person for the contents of the general purpose financial statements.

Name of Firm: Kununurra Accounting Services Pty Ltd

Address: 12 Coolibah Drive, KUNUNURRA WA 6743

Date: 3 October 2012

Signed:



Jodie Silvester - Director

FONG RICHARDS
Certified Practising Accountants
ABN 31 459 704 800

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PO Box 4009, Albany WA 6330
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E: ron_richards@bigpond.com

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YAWOOROONG MIRIUWUNG GAJERRONG YIRRGEB NOONG DAWANG ABORIGINAL CORPORATION


AUDITOR'S INDEPENDENCE DECLARATION

Under Section 339-50 of the Corporations (Aboriginal and Torres Strait Islander) Act 2006

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012, 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
PO Box 328, Ravensthorpe, WA 6346

Dated: 20th August 2012

FONG RICHARDS
Certified Practising Accountants
ABN 31 459 704 800

Ron Richards - Office
PO Box 4009, Albany WA 6330
M: 0428 106 997
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YAWOOROONG MIRIUWUNG GAJERRONG YIRRGEB NOONG DAWANG ABORIGINAL CORPORATION
ICN 4597
Independent Auditor's Report
2012

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 2012. The financial report is comprised of; Consolidated Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Notes to the Financial Statements, Directors 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 2012 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 2012, 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 2012 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]

5th October 2012

Corporation Contact Details

Yawoorroong Miriuwung Gajerrong Yirrggeb 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

BOARD OF DIRECTORS

Edna O'Malley (Chairperson)
Helen Gerrard (Deputy Chairperson)
Ted Carlton
Iain Summers
Michelle Narustrang

DAWANG COUNCIL MEMBERS

| | |
|-----------------------|---------------------|
| Dolly Thompson | Balaburr |
| Stephanie Boombi | Bigainybeng |
| David Ward | Bilbidjing |
| Annette Chunama | Djanaiwan |
| Dora Griffiths | Djandami |
| Donald Chulung | Dulbung |
| Lucilla Martin | Dundun |
| Tanya Hill | Kalamunda |
| Bernadette Simon-Hall | Mandangala/No- name |
| Natalie Carlton | Nyawanyawam |
| Ephrem Kennedy | Tjigilmiri |
| Ralph Gerrard | Wadainybeng |
| Georgina Wilson | Wirram |
| Ben Ward Jnr | Yardungarrl |
| Mrs C Hapke | Yirralalem |
| Charlie Cann (proxy) | Yunurr/Yalangga |

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