

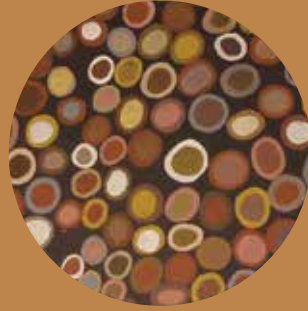
**Yawoorroong  
Miriuwung  
Gajerrong  
Yirrgb  
Noong  
Dawang  
Aboriginal Corporation**



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## **ANNUAL REPORT 2016-17**

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

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

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

Please note: Aboriginal and Torres Strait Islander people should be aware that this report may contain images or names of deceased persons.

© MG people and MG Corporation.

© Artwork by Phyllis Ningamarra. The artist retains the right to use the artwork as she sees fit.

Cover photo: ‘No Ordinary Perch’: Lake Kununurra at sunset.  
Photograph reproduced with the kind permission of Ben Broady.

Yawoorroong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation

# Annual Report 2016–17

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# Overview



**MG Corporation was established in 2006 to receive and manage the benefits transferred under the OFA to the MG people, who are recognised under Australian law as holding native title over large areas in the North of Western Australia's East Kimberley region.**

**The OFA provides a broad package of measures to create a**

**platform for future partnerships between MG people, the State Government, industry and developers for the benefit of the MG community and the wider East Kimberley region.**

**MG Corporation is committed to building a sustainable economic future for MG people beyond the life of the OFA by continuing**

**to work with government and local stakeholders to achieve its commercial objectives.**

**MG Corporation's priority is to leverage economic opportunities to provide increased social benefits to MG people whilst protecting and promoting their culture and heritage.**

# Our Vision

Achieving a healthy, wealthy and culturally strong MG community.





# Theme Areas

## **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, and business and government bodies.

## **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.

# Our Mission

To build a strong economic and social base for the MG people that protects and enhances MG culture and heritage.





# 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 Government Departments to ensure needs are addressed in a planned and timely manner.

# Critical Priorities

## ORGANISATIONAL

Develop a strong, sustainable and economically viable MG Corporation focusing on core business.

## ECONOMIC

Develop economic activities and income streams using the organisation's physical and financial capital through the PBCs, the trusts and other partnerships and initiatives.

## SOCIAL

Support and facilitate improvements in MG community through investment in partnership arrangements with local, State and Federal Governments, non-government organisations, industry and community agencies.

## CULTURAL

Protect and enhance MG culture and heritage.



# Glossary



<b>ADP</b>	Aboriginal Development Package
<b>CEO</b>	Chief Executive Officer
<b>CFT</b>	Community Foundation Trust
<b>Dawang</b>	The country of a local (or estate) group that, together with the other Dawang, comprises the country of the MG people
<b>Dawawang</b>	Members of each Dawang group
<b>Dawang Council</b>	The entity which oversees the operation of MG Corporation and its related entities, comprising one representative from each Dawang group
<b>DLT</b>	Dawang Land Trust
<b>DPaW</b>	Department of Parks and Wildlife
<b>DRD</b>	Department of Regional Development
<b>Garralyel</b>	MG senior elders
<b>GDP</b>	Gross Domestic Product
<b>JMC</b>	Joint Management Committee
<b>KAI</b>	Kimberley Agricultural Investment Pty Ltd
<b>KLC</b>	Kimberley Land Council
<b>KWAC</b>	Kununurra Waringarri Aboriginal Corporation
<b>MG</b>	Miriuwung and Gajerrong
<b>MG Corporation</b>	Yawoorroong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation
<b>MGCBM</b>	MGC Building & Maintenance Pty Ltd
<b>OES</b>	Ord Enhancement Scheme
<b>OFA</b>	Ord Final Agreement
<b>OIC</b>	Ord Irrigation Co-operative
<b>PBC</b>	Prescribed Body Corporate
<b>R31165</b>	Reserve 31165
<b>TFS</b>	Tropical Forestry Services
<b>SWEK</b>	Shire of Wyndham East Kimberley
<b>YDRPC</b>	Yoorrooyang Dawang Regional Parks Council

# Chairperson's Message

**MG** Corporation continues to navigate and explore all necessary means to ensure that we are representing the needs of the MG people by aligning our economic, cultural and social obligations through consistent leadership and decision-making processes. We have taken stock and re-assessed ourselves to understanding the enormity and complexity of our current and realistic positions.

It has been a challenging 12 months, but I believe that significant progress has been made in MG Corporation's operations. I came into office as Chairperson in December 2016, having commenced as an alternate director of MG Corporation in October 2016.

In February 2017 the Board accepted the then CEO Neil Fong's resignation and Phillip Vincent took on an interim CEO position of MG Corporation for a 3 month period commencing in March 2017. In June 2017, CEO Allan Wedderburn commenced with the organisation.

During the financial year the Board took the opportunity to oversee a governance review of MG Corporation. This allowed the Corporation to examine its procedures with the view to bringing them up to best practice standards. During the year the Board also focussed on setting a budget and putting in place an operational plan to ensure that MG Corporation remains financially viable into the future and works efficiently and effectively to meet its goals.



Lawford Benning and Hon. Ben Wyatt in Perth



Lawford Benning at the Ministerial Forum in Darwin

MG Corporation was fortunate in the rounds of Jawun secondees to secure a secondee with special expertise in agricultural economics. He has provided useful advice on the best commercial use that can be made of MG Corporation's current agricultural assets and advise on future options under the OFA.

A Social Task Force has been set up within MG Corporation, chaired by the Deputy Chair. This will be able to provide focus and action in regard to MG Corporation's important social agenda. A Partnerships Coordinator will be appointed in the new reporting period in order to assist the Task Force to develop and maintain partnerships with key stakeholders and funding bodies.

During the year the Board has worked closely with the Dawang Council and the PBCs and I would like to express my thanks to the Dawang Council and PBC members for their enthusiasm and valuable contribution they have made to MG Corporation's activities and direction.

It is imperative for MG Corporation to maintain a positive attitude, working towards building a strong political and professional working relationship with the WA and Federal Governments to ensure that MG Traditional Owners' aspirations are met. MG people have had a long and varied history

of working with government and recognises that now is the time for respectful collaboration in order to achieve mutually beneficial goals.

It is critical that MG people's status as the key decision-making group for the Kununurra area is recognised and respected by both public and private sectors. MG Corporation must establish and maintain key relationships with government and industry alike to ensure that it is sitting at the head of the table, influencing and contributing valuable insights and directions and playing a key role in any decision-making affecting the region. Only once the representative role of the MG Group and its people is recognised can the region benefit from the unique insights and contributions that MG people can make to developing and improving the East Kimberley for existing and future generations.

In closing, on behalf of the MG Corporation members, I would like to extend my deepest gratitude and sincere acknowledgement towards the MG Corporation directors, volunteers and mainly the staff for their consistent support who have contributed to our success through hard work, commitment and dedication. Thank you.

**Lawford Benning**  
Chairperson

# Board Of Directors



**LAWFORD BENNING**  
*Chairperson*

Lawford was appointed as an alternate director in October 2016 and was appointed as Chairperson and full director in December 2016.

Born and raised in Kununurra, Lawford is a well-known member of the local community, having held senior positions with a number of Aboriginal organisations.

In addition to holding the position of Chairperson, Lawford also currently sits on the board of Binarri-binyja Yarrowoo Aboriginal Corporation (Empowered Communities, East Kimberley) and is the Chair of the JMC for Reserve 31165.

Lawford is focused on generating economic development opportunities for MG people and promoting positive education and employment outcomes for MG people through a framework of Indigenous empowerment.



**HELEN GERRARD**  
*Deputy Chairperson*

Helen is the Deputy Chairperson of MG Corporation and is serving her fourth term as an MG director. A passionate advocate for Aboriginal advancement in the East Kimberley, Helen lives at her family community Yirrallalem, about 20 kilometres from Kununurra.

Helen undertook her secondary studies at Applecross Senior High School and went on to complete Business Studies in Perth and an Associate Degree in Community Management through Curtin University in Perth.

Helen has previously held positions with the Trade Union Perth, the Central Aboriginal Congress, the Waringarri Aboriginal Corporation, East Kimberley Aboriginal Medical Services, Department of Community Services and Gawooleng Yawoodeng Aboriginal Corporation. Helen played a key role in establishing an annual silent march in Kununurra to remember lives lost to domestic violence.



**AHMUTH BIN OMAR**  
*Director*

As part of MG Corporation's succession planning, Ahmuth was appointed as an alternate director in March 2015 and participated in his first Board meeting in April 2015.

Ahmuth has successfully made the transition from alternate to full MG director, following a period of on and off the job governance training at MG Corporation.

Ahmuth was educated in Kununurra, Derby, Broome and Darwin and has five children. He is currently employed full time at Wunan Foundation, where he provides a range of money management programs with the aim of providing people with pathways to financial independence.



**DUCK CHULUNG**  
*Director*

Duck was appointed as a director in May 2017. He has previously served a number of terms as a director of MG Corporation.

Duck is a well-known Kununurra businessman and a Gajerrong man who has played a critical role in the Ord East-Kimberley Expansion Project, providing dry and wet plant hire and Aboriginal labour hire services to local contractors.

Born in Wyndham and raised in and around Kununurra, Duck is focused on promoting sustainable training and employment outcomes for MG people.

Duck was awarded Person of the Year in 2011 as part of the East Kimberley Aboriginal Achievement Awards.



**ZAINEL BIN BUSU**  
*Alternate Director*

Zainel was appointed as an alternate director in May 2017.

Born and raised in Kununurra, Zainel completed his secondary education in Kununurra and went on to complete further qualifications in Perth.

Zainel has previously held positions with Gooring Jimbila Contracting and the Argyle Diamond Mine. He has extensive commercial experience, having previously held positions with KAI, Leightons, Mount Gibson Iron and Rio Tinto.

Zainel is committed to promoting economic empowerment and self-sufficiency for the MG community.



**TOM STEPHENS**  
*Independent Director*

Tom Stephens was appointed as an independent director with MG Corporation in May 2017.

Tom has extensive corporate governance experience and currently holds a number of board positions, including as independent director of IBN Corporation Pty Ltd and Western Desert Lands Aboriginal Corporation.

Tom served as a member of parliament from 1982 to 2013, representing the Kimberley and Pilbara regions and awarded an Order of Australia in 2014 in recognition of his contribution to politics and Indigenous affairs.

Having served as the Chairperson of the Select Committee on Native Title Rights, Tom is particularly interested in contributing to positive social and economic outcomes for MG people through the effective management of MG land.

Tom has also been appointed as an independent director for MG Community Foundation Trust, MG Developments Trust, MGCMB and MG Dawang Land Trust.



**SKYE PEART**  
*Alternate Director*

Skye was appointed as an alternate director in October 2016.

Skye is excited about stepping up into the role of alternate director on the Board of MG Corporation and looks forward to learning the ropes.

Skye is a member of the Wirram Dawang and has recently held a full time position with East Kimberley Job Pathways.



**MARGARET MOORE**  
*Alternate Director*

Margaret was appointed as an alternate director of MG Corporation in May 2017.

Margaret is currently the Chair of the YDRPC. She is also currently a director of KWAC.

Margaret has a detailed understanding of the policy context within which MG Corporation operates and is looking forward to contributing to MG Corporation's mission of building a strong economic and social base for MG people that protects and enhances MG culture and heritage.

# Chief Executive Report



The reporting period has seen a significant number of achievements for the organisation, with expansion in its economic and social activities, continuing financial and operational excellence and ongoing investment in MG people and the Corporation's employees.

## ECONOMIC

Several projects throughout the year demonstrate key achievements by MG Corporation in terms of its economic development:

- Negotiation of a Water, Environmental Management and Infrastructure Agreement with KAI to allow tenure at Goomig and work towards acquiring the freehold interest in Lots 15 and 16 at Goomig
- Working with the State Government to allow Cockatoo Sands areas to be released to the market, subject to satisfactory native title negotiations
- Pursuit of sole vesting of Reserve 31165
- Entry into a letter of intent to work with Carey Mining for future civil works
- Successful negotiation of pastoral lease with Consolidated Pastoral Company for the Argyle Downs area within Reserve 31165
- Renewal of lease at Bandicoot Drive for a two year term with the Department of Main Roads
- Working with Quintis to undertake soil testing at Goomig, Ord East Bank and Ord West Bank
- Investigations into waste water reuse scheme and farming of hay for cattle production in the region and investigations into establishing a feed lot on MG land
- Investigation and negotiations to acquire several businesses within the East Kimberley region
- Facilitation of the growth and expansion of MGCMB to improve income and employment opportunities

- Pursuing the right to develop the Ord East Bank in collaboration with OIC with the State Government
- Negotiating with KAI to transfer the benefits arising under the Knox ADP to the Mantinea development
- Continuing to work with the State Government to finalise OFA obligations
- Very positive discussions regarding the proposed Sea Dragon Project that have identified employment and contract opportunities
- Ongoing discussions with both KAI and Quintis for economic opportunities associated with the development of both the Ord West Bank and Mantinea

## SOCIAL

The MG Group continues to support social activity as represented by:

- Establishing the Social Task Force to provide guidance and advice to the MG Corporation board on all social issues
- Distributing available funds from the CFT to individual Dawang groups for charitable purposes
- Undertaking community visits and community layout work to assist community members with planning and municipal services
- Continuing to work with KWAC and the Department of Premier and Cabinet to deliver the OFAT program
- Renewing the lease at Pindan Avenue at a peppercorn rent, allowing local Aboriginal Corporation Gawooleng Yawoodeng to continue to provide a child care facility
- Acquiring the Packsaddle Freehold Area and East Kununurra Freehold Area for community and/or other uses
- Representing MG people regarding the Empowered Communities model and working closely with local stakeholders to implement robust and meaningful social change in the East Kimberley
- Representing the MG community in respect of the Cashless Debit Card
- Continuing to work with DPAW to deliver the Working on Country ranger program at Reserve 31165

## FINANCIAL

Once again, MG Corporation achieved a clean financial audit for the reporting period. It has also outsourced much of its financial activities to local accounting firm Kununurra Accounting Services and, following a resolution at

the last AGM, changed its auditor to national firm LBW Business Wealth Advisors.

With the cessation of administrative funds under the OFA, MG Corporation has been in close discussions with the State Government for continued funding for MG operations until the State obligations under the OFA have been met and these will continue throughout the next reporting period.

## OPERATIONAL

The MG Group continues to enjoy close collaborative relationships with local stakeholders, such as DPaW - as part of the joint management of the New Conservation Areas and the ranger program at Reserve 31165 - and the Department of Water - as part of the joint management of Reserve 31165. I thank Peter Stubbs from the Department of Regional Development and Jeff Gooding from the Kimberley Development Commission in particular for their consistent support and contribution towards the MG Group and MG people.

## MG PEOPLE

Again I express my thanks to the Garralyel, the elders of the community who continue to represent MG people through their law, art and culture.

I extend my appreciation to the Board members for their input and direction to which the organisation operates.

## MG STAFF

This year has seen a number of significant changes at organisational level with Neil Fong leaving his position as CEO with the organisation after a two year term to explore opportunities elsewhere. Phil Vincent was engaged in an acting capacity for three months whilst a robust recruitment process took place to find a replacement CEO and I was pleased to join the MG team in June 2017.

The organisation's staff continue to navigate the complex frameworks within which MG Corporation operates with a resilience to deal with the daily challenges faced. I express my appreciation and respect to all those staff members who work tirelessly and with a sense of humour to achieve MG Corporation's mission, vision and values.



Allan Wedderburn, Chief Executive Officer



Economic development activity within the MG Group is primarily undertaken by the MG Developments Trust in collaboration with the other MG Group entities.

As in previous years, the MG Group has spent the reporting period growing its existing portfolios, investigating commercial prospects regarding its land areas, developing joint venture arrangements with third parties for economic growth and generally capitalising on commercial opportunities in the region.

## EXISTING PORTFOLIO

Property management responsibilities have continued for the organisation throughout the year in respect of premises at Bandicoot Drive, Pindan Avenue, Ironwood Drive, Woollybutt Place, Kentia Way and Eucalyptus Close in Kununurra, all of which are let to third parties for a variety of uses including industrial, commercial and residential. MG Corporation's property portfolio also includes four residential properties in Kurrajong Street, which are let to local Aboriginal working families.

MG Corporation, in collaboration with its joint management partner the Department of Water and the JMC, is also in the process of negotiating the renewal of a number of pastoral leases within Reserve 31165, as well as investigating opportunities for other development uses for that Reserve in the future.

## LAND AND ADP ENTITLEMENTS UNDER THE OFA

In return for the surrender of native title over large parcels of agricultural land in the Ord River Irrigation Area, the OFA grants MG Corporation the right to a proportion of land in those and other areas. The OFA also entitles MG Corporation to negotiate ADPs with parties awarded the right to develop agricultural areas within the Ord River Irrigation Area. ADPs are anticipated to include training and employment outcomes for MG and other Aboriginal people, money for the pursuit of charitable and other social outcomes and equity in the agricultural development by way of joint venture or land ownership.

**Goomig:** Lots 15 and 16 within the Goomig development have been allocated for MG Corporation's use and the OFA entitles MG Corporation to the freehold interest in those lots. Throughout the year, MG Corporation has worked in collaboration with KAI and the State Government to resolve outstanding issues involving environmental compliance and infrastructure management obligations. It is anticipated that these issues will be resolved in 2017/2018 so that the lots may be transferred to MG Corporation and it may commence its agricultural operations in the region, either directly or via a third party farmer.

**Knox:** MG Corporation continues its relationship with KAI via the development of the Western Australian portion of the Knox Plain. As it becomes increasingly likely that KAI

will develop the Mantinea region before exercising its option at Knox, MG Corporation has worked with KAI to transfer the benefits arising under the previously signed Knox ADP to the Mantinea development.

**Mantinea:** Given the likelihood that KAI will develop Mantinea before Knox, MG Corporation has agreed in principle to transfer the benefits of the Knox ADP to the Mantinea development. This will allow MG Corporation to farm Lots 15 and 16 at Goomig more easily, with the bulk of the Knox/Mantinea ADP benefits involving the clearing and developing of that land in readiness for agricultural activity.

**Ord West Bank:** For reasons outside of MG Corporation's control, the negotiation of an ADP for the development of Ord West Bank by Quintis (formerly TFS) has yet to be finalised. MG Corporation will work throughout the 2017/2018 year to resolve any outstanding issues and seek to capitalise on the opportunities arising as a result of that development.

## OTHER AREAS

Throughout the reporting period, MG Corporation has continued to work closely with OIC and the State Government to pursue the opportunity to develop land at **Ord East Bank**.

The MG Group is also looking at ways to use its native title over large areas of **Cockatoo Sands** in order to provide long-term economic and social benefits to MG people.



Ord River irrigation area



MGCBM team at Carbeen Street

**MGCBM** has continued to grow throughout the year, both in scope and in size, and has enjoyed a successful year in business notwithstanding market downturns.

Under new leadership in October 2016, the company has seen a positive shift towards Indigenous apprenticeship training. This is in line with government policy and agenda, resulting in increased opportunities for a sustainable pipeline of work from the State. A great outcome of this has been an increase in MG people employed and trained with MGCBM.

MGCBM's scope has continued to grow throughout the year as the



Corbin Dryden, MGCBM apprentice

company's range of work has expanded to include all aspects of repair, maintenance, building and construction activities. The diversity of its capabilities has enabled the company to keep busy in a challenging construction market. As in previous years, professional services have been provided throughout the year to government agencies such as BMW (Department of Finance), DPaW and the DRD.

In addition to State Government works, MGCBM has gone from strength-to-strength winning several contracts with private industry clients. There has been particular interest in MGCBM's modular building activities at its Kentia way facility, with 8 buildings completed in the 2016/17 reporting period.

The company's biggest achievement for the year was entering the housing construction market, constructing two family sized homes for the Housing Authority on Carbeen Street, Kununurra. The homes were completed ahead of schedule during a significant wet season with an 85% (excellent) satisfaction rating. The development was completed with a verifiable 67% Indigenous employment ratio, with a huge achievement in MG people working on the site from start to the finish.

Entering the housing construction market successfully has placed MGCBM in a desirable position to capture a significant volume of upcoming housing work in



Carbeen Street project

Kununurra. The State Government is investing in this area with a focus on apprenticeships and Indigenous businesses and MGCBM is well placed to take advantage of this wonderful opportunity for local people.

MGCBM has successfully submitted an expression of interest to the North West Aboriginal Housing Fund and was appointed to the North West Urban Construction Builders Panel. Out of 64 applicants, MGCBM was shortlisted with just 14 builders appointed to the panel across the combined Kimberley and Pilbara regions.

The company has exciting opportunities ahead which will lead to more MG people in apprenticeships and sustainable employment. The company looks forward to building on its existing strengths and cementing MGCBM as an industry leader in Indigenous training and construction excellence.

# Tertiary Scholarships



**MG** Corporation congratulates MG tertiary scholarship recipients Kirsty McLean and Jayla Davey Newry, both of whom recently graduated.

Jayla was awarded with an Advanced Diploma of Acting for Contemporary Screen Media from the International Screen Academy in Sydney and is

looking forward to starting her career in the industry.

Kirsty graduated from the University of Western Australia with a Bachelor of Science majoring in Human Biology and Anatomy and Psychological Science. Kirsty intends to commence her postgraduate doctoral degree in

medicine at the start of next year. Kirsty was also recently recognised for her outstanding academic achievements as part of the 2017 East Kimberley Aboriginal Achievement Awards.

MG Corporation congratulates Jayla and Kirsty for their academic achievements and wishes them both all the best for their future endeavours.



Kirsty Mclean at her graduation





Throughout the reporting period, the CFT continued to manage the investment assets of the MG people, overseeing the professional management of the portfolio and authorising distributions for the trust's cultural and charitable objectives.

## PORTFOLIO

As previously, the CFT directors received guidance from Macquarie Wealth Management in respect of the MG investment portfolio.

It was another successful year of investing for the CFT. Even though the portfolio is invested in a conservative manner, the overall result was a gain in excess of \$1.15m. This is a great result and is due to the ongoing strength in investment markets.

Whilst the year was marked by two major political surprises overseas, specifically Brexit and Trump, investment markets were relatively stable.

- Australian and global sharemarkets posted above average gains for the year;
- Cash and Fixed Income markets provided historically low returns; and
- The CFT grew by approximately 7% for the year.

50% of the CFT investments are invested in the more defensive asset

classes such as fixed interest and cash, with 50% on growth assets such as property and shares, with a bias on Australian companies. Within Australian shares, the focus is on high quality companies such as the main banks, BHP Billiton, CSL Limited, Woolworths, Telstra, Transurban and Westfield.

With the portfolio shifting from annual State contributions to distributions, long term growth now requires a more cautious approach. Whilst the market has been stabilising, risks continue to emerge in Australia such as low inflation, low GDP growth and low wage growth. Elsewhere, US and UK politics are restricting economic growth and China's debt burden continues to be a problem.

Macquarie continues to expect positive gains for the CFT portfolio over the next few years, but is equally conscious of investment risks and will look to protect the portfolio if investment market conditions weaken.

The closing portfolio valuation on 30 June 2017 was \$17,619,776.

## DISTRIBUTION

As in the previous reporting period, the CFT directors agreed in June 2017 to distribute 100% of the income of the trust for the 2016/2017 financial year.

In order to balance the long-term social and economic needs of the MG people with the short-term financial requirements of MG Corporation, the CFT directors resolved to split the distribution as follows:

- Continuing its policy of supporting the practise of law and culture by the MG people, the CFT contributed \$15,000 for each of the men's, women's and whaling cultural funds (\$45,000 in total plus administrative expenses).
- For the first time, a distribution of \$300,000 was made by the CFT to MG Corporation in order to cover its operational and administrative costs given that funding has ceased under the OFA.
- Of the remainder,
  - 85% was distributed to MG Corporation for a distribution to the Dawang groups in a supported distribution model; and
  - 15% was distributed to the MG Developments Trust for economic development activities.

## OES

The CFT continues to manage remaining funds from the OES. It is anticipated that the Social Task Force will work in the next reporting period towards using the remaining OES funds to leverage additional resources from third parties for improved social outcomes.



# MG Prescribed Bodies Corporate



The MG PBCs manage MG people's native title rights over their determined areas and protect local Aboriginal heritage. There is a dual role: preserving the past whilst looking to the future.

## FUTURE ACTS

The reporting period has seen a strong performance by the PBCs in considering a significant number of notifications from third parties wishing to conduct activities on MG land. They have responded effectively, transparently and in a timely way to external demands and worked proactively with third-party proponents to create economic and development opportunities.

As in previous years, notifications have been received by the PBCs on matters including exploration and mining, construction programs, Indigenous Land Use Agreements, tenancy applications, clearance of native vegetation, public works and infrastructure, agricultural development and various environmental matters.

Applications have been received from private sector companies such as Canning Petroleum, Fit Events, Goldfields Consolidated, Go Wild Adventure Tours, Gunkirk Holdings, Horizon Power, JAB Industries, JSW Holdings, KAI, Kimberley Diamond Mining Company, Kimberley Metals Group, Ord River Mining, Outback Initiatives, Quintis and Sammy Resources. The MG PBCs have also



Community members discussing Smart water meters

worked collaboratively throughout the year with the public sector via SWEK, the Departments of Agriculture, Lands, Main Roads, NORFORCE, Regional Development, Water and the Water Corporation.

An increasing number of individuals have demonstrated an interest in exploration and mining activity in the region, such as Ian Lowrie and Matthew Perrot, Johan Pas and Tom Kapitany and Georgina Mary Inett Rockett. Applications have also been received from local Aboriginal Corporations such as Wirram Aboriginal Corporation, KWAC and Mirima Dawang Woolab-gerring.

The PBCs continue to work with the Aboriginal Lands Trust, the Department

of Aboriginal Affairs and the Kimberley Land Council to deal with issues of native title in the region.

## ABORIGINAL HERITAGE

The PBCs act on behalf of MG people to protect and preserve their Aboriginal heritage and culture throughout the year.

The PBCs have undertaken a number of heritage impact assessments, clearances and work surveys throughout the reporting period and continue to work diligently to prevent and address any site disturbances within MG country.

## REPRESENTATION

PBC members are aware that the question of who speaks for country is a sensitive one. Issues of country, heritage, law, culture and family groups are always referred to the Garralyel. MG traditional owners are encouraged to speak to the Garralyel regarding any queries or comments they may have in relation to future acts, the preservation of heritage and culture, clearances or work surveys or any activity being undertaken on their country.

## OTHER

The PBCs have a strong reputation in the native title field for their representation of the MG people and their expertise is much sought after. PBC members continue to contribute towards surveys, workshops and papers for entities such as the Australian Institute of Aboriginal and Torres Strait Islander Studies and the Aurora Project.



Participants in Water Corporation clearance



**NATIVE TITLE DETERMINATION**

WAD124/04 Miriuwung Gajerrong #4 (WC04/04)  
 WAD6001/95 Miriuwung Gajerrong #1 (WC94/02)

**NATIVE TITLE DETERMINATION**

**WAD124/04 Miriuwung Gajerrong #4 (WC04/04)**  
**WAD6001/95 Miriuwung Gajerrong #1 (WC94/02)**

**NOTE:** Topographic images should be used as a guide only.

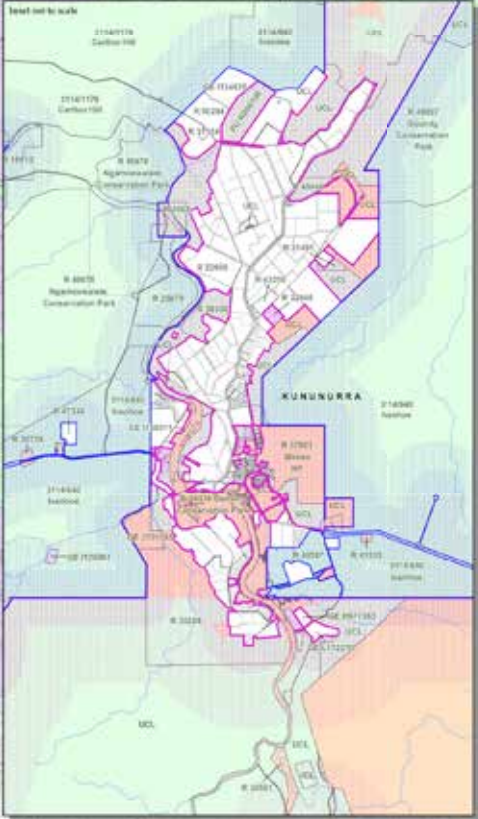
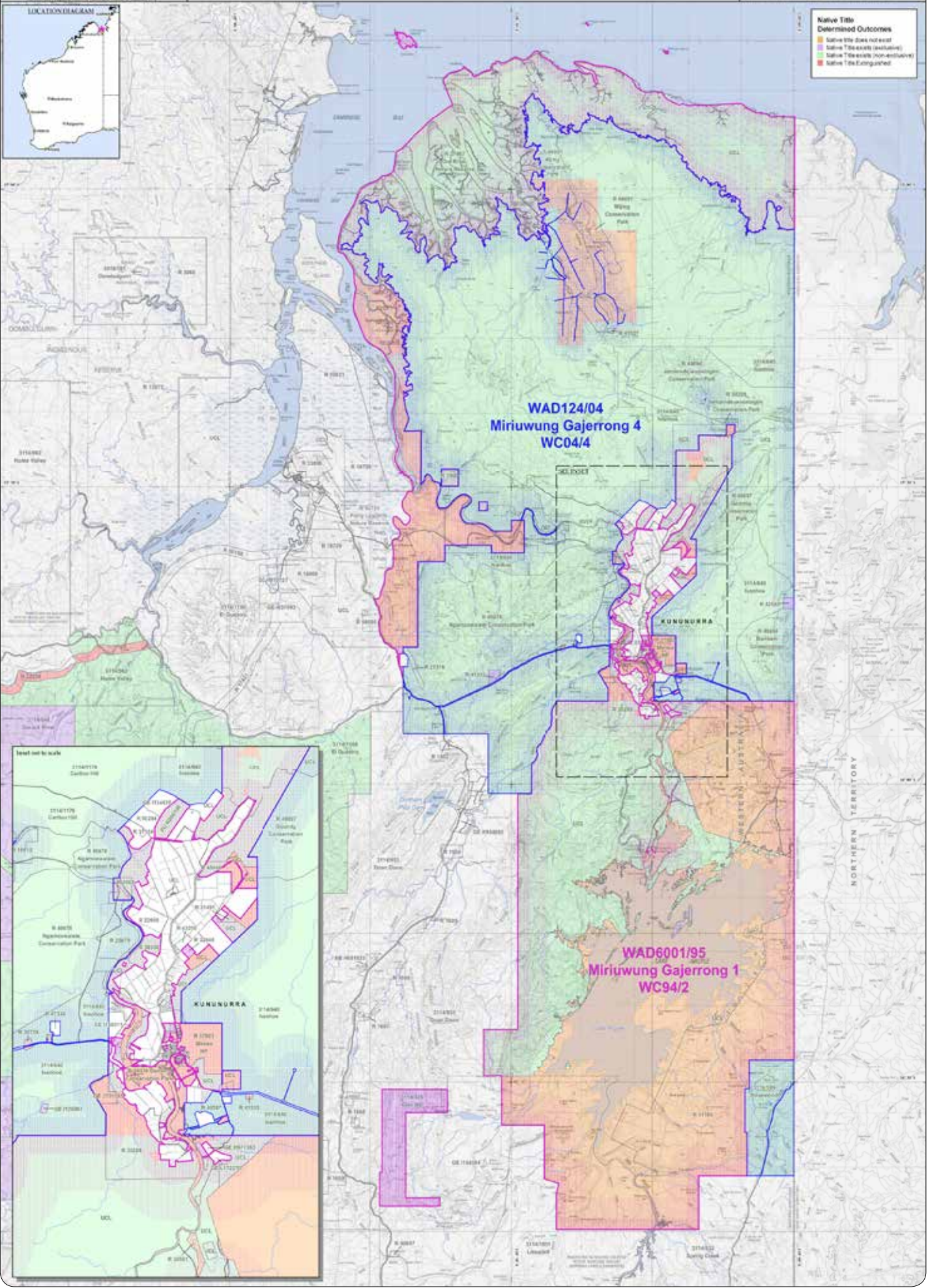
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Miriuwung Gajerrong #4 (WC04/04)
- WAD6001/95 as determined on the 05/12/2003  
Miriuwung Gajerrong #1 (WC94/02)

Topographic images are all Commonwealth of Australia 2001 or earlier data from the Department of Environment and Heritage. The data is not current and is for general information only. The data is not to be used for any purpose other than that for which it was collected. The data is not to be used for any purpose other than that for which it was collected. The data is not to be used for any purpose other than that for which it was collected.



**Native Title Determined Outcomes**

- Native title does not exist
- Native title exists (extensive)
- Native title exists (non-extensive)
- Native title extinguished





The MG rangers have had a very productive year this year with many projects being completed. David Newry (Jnr) and Jeremy Moore both started with the program in June 2017, increasing the size of the ranger team to 8 rangers.

## TRAINING

Clay Peart has finished Certificate II in Conservation and Land Management. Both he and Winston Gerrard have been promoted to Ranger Grade 1 in recognition of their qualifications. Edmund Calwatt and William Simon both completed their Fire Fighter Crew Member training.

## OPERATIONS

### Fire

It was another busy year for both prescribed burning and wild fire incidents. The MG rangers were integral

to the success of the district's fire program. During the prescribed season the rangers were involved in hand burning Darram and Ngamoowalem Conservation Parks, Mirima National Park and Parys Lagoon Nature Reserve.

During the bushfire season the rangers attended numerous fires throughout the district. The rangers were involved with inter-agency efforts around Kununurra, these included fires at Bell Springs and Packsaddle Road. The rangers were also dispatched to Purnululu National Park. The rangers worked hard to protect the Northern end of the park from a fire that was lit on the Great Northern Highway.

### Weed Management

The rangers continued control operations of Bellyache Bush along Old Halls Creek Road. Over one thousand plants were treated in the vicinity of Grotto Creek. The high rainfall events

of the wet season affected access to the site making it harder for the rangers to complete the task.

One of the rangers' newest weed projects is tackling Neems at Mirima National Park and Ngamoowalem Conservation Park. The rangers have been completing follow up work from last year. The rangers have treated approximately twelve hundred plants in Mirima. In Ngamoowalem the rangers have treated two hundred plants but these have all come from gullies around Middle Spring and Black Rock. The rangers walk up the gullies identifying and treating Neems.

### Turtle Survey

Gordon Reid and Wayne Winton were involved in the flat back turtle survey. Located at Turtle Beach, near Cape Domett. The rangers worked two one week shifts. The survey involves measuring and tagging adult turtles

MG rangers at Black Rock



KLC Ranger Forum



Spring Creek barbeque

and counting hatchlings as they emerge from the nest. Tracking devices were also installed on a number of turtles.

### Spring Creek Day Use Site

The rangers designed and built a day use site on the Spring Creek track under the big Boab. The area was sheeted with gravel, a carpark was created and the area was defined with bollards. Two benches and a shade sail were installed. Finally a barbeque was installed and the rangers and Park Council went out to have a barbeque lunch at the new site.

### Ranger Forum

Edmund Calwatt, David Newry (Jnr) and Jeremy Moore attended a Ranger Forum at Pender Bay, Dampier Peninsula. The MG rangers camped with two other ranger groups the li-Anthawirriyarra Sea Ranger Unit and the Nanum Wungthim rangers. During the forum the rangers attended different workshops including trailer repairs, building a wooden bench, plant identification, numeracy and literacy skills and bio-security training. The MG rangers also set up a stall at the Ranger Expo, displaying photos and talking to people about the work they do.

### Language Training

The rangers in conjunction with the Mirima Dawang Woorlab-gerring conducted two language trips. The trips are to facilitate the learning of Miriuwung. Language teachers from Mirima Dawang Woorlab-gerring,

traditional owners and the rangers go for an overnight camp and participate in four language sessions. A focus this year was to name everyday items the rangers used in their day to day work. This provides another opportunity for the rangers to incorporate language into their working lives.



Winston Drip torch

# Reserve 31165 Joint Management Committee



Reserve 31165 covers 125,000 hectares and is bordered on two sides by Lake Argyle. The Reserve is jointly managed by MG Corporation and the Western Australian Department of Water through the JMC. The R31165 ranger program is facilitated by DPaW through a service level agreement with MG Corporation and is funded by the Commonwealth Government through its Working On-Country program.

The R31165 JMC comprises representatives from the Department of Water and each of the four Dawang groups within R31165 namely:

- Bilbildjing
- Yunurr
- No-Name
- Mandangala

During the year a consultant was engaged to review and update the interim Management Plan for R31165.

A new ranger, Ben Ward, joined the team. He has settled in well and has already completed a Certificate III in Conservation and Land Management. A new Operations Officer has also started with the team, Vernon Sadler, who brings with him a wealth of weed and fire experience.

## TRAINING

Peter Curtain and Tristan Jessell have both been working hard to finish their Certificate III in Conservation and Land Management.

The rangers attended accredited crocodile handling training in the Northern Territory. The rangers completed two days of theory and then worked five nights putting their skills into practice. They learned how to handle crocodiles in traps, harpoon and remove crocodiles from the water.

Peter Curtain successfully completed all requirements of the Parks and Wildlife Service firearms training. Peter now holds a corporate firearms licence.

## OPERATIONS

The rangers continued the treatment of Mimosa Pigra on the shores of Lake Argyle. The size of this year's wet season made it difficult to traverse the infestation: the all terrain vehicles the rangers use were constantly getting bogged and it was impossible to get around. Luckily, the height of the lake came up quickly and submerged the infestation. Treatment commenced in June as the lake's level started to subside. The rangers treated over two thousand plants in June.

The other Weed of National Significance on the reserve is Rubber Vine. The rangers continued their work



Crocodile capture



Reserve ranger November 2016

in conjunction with Ord Land and Water and the Department of Regional Development. The rangers completed five one week trips to the infestation and treated over 1,150 plants.

The rangers are now responsible for managing estuarine crocodiles in the Lake Kununurra crocodile control zone. There are six traps which are baited and checked weekly. With the rangers completing their coxswain tickets, they use the vessel Alicroc to complete a weekly patrol and rebait the traps.

The R31165 rangers have been heavily involved in the district's prescribed burning and wildfire management. Both Eugene Parks and Peter Curtain are gang truck crew leaders. The rangers are heavily relied upon to complete prescribed burns and respond to wildfire incidents.

Ben Ward attended the KLC ranger forum at Pender Bay on the Dampier Peninsula. The forum consisted of

different workshops these included; building a wooden bench, numeracy and literacy games, trailer repair, bio-security training. The last event of the forum was a Ranger Expo. Ben used

photos and videos to explain and promote the R31165 rangers work to other rangers and the general public attending the expo.



Wet season gator

# Cultural and Community Land



The OFA grants MG Corporation the right to the freehold interest in a number of cultural and community lands within the Ord River Irrigation Area, including Community Living Areas, the New Conservation Areas and buffer lands around areas of agricultural development.

Cultural and community lands are held by the DLT on behalf of the MG people and are generally subject to strict conditions regarding their use. The DLT also owns other sites of significance for the protection of Aboriginal heritage and culture in the region, such as the Green Swamp Protection Area

## EXISTING PORTFOLIO

Land management responsibilities have continued for the DLT throughout the year in respect of Geeboowama, Goose Hill, Janama Springs, Jimbilum, Munthanmar, Yirrallalem and Yuna Springs Community Living Areas. The DLT also owns the Community Living Areas within the Yardungarrl

boundary which include Alligator Hole, Dingo Springs, Four Mile, Gulberang, Ngunulum, Nulwirriwirri and Woolgerberleng. Given that the DLT receives no financial assistance to manage those areas, its existing management abilities are extremely limited.

Having worked diligently with the State Government over the last few years to overcome barriers to the land acquisitions, the DLT now owns land at Packsaddle Freehold Area and East Kununurra Freehold Area and will need to work with the relevant native title holders to identify opportunities for those areas.

## LAND ENTITLEMENTS UNDER THE OFA

Throughout the year, the DLT has worked closely with the Department of Lands, the Department of Parks and Wildlife and the Department of Premier and Cabinet, as well as MG native title holders, to finalise land transfer

obligations set out in the OFA.

## FUTURE LAND USE

Given MG Corporation's focus on economic development, it has sought to revisit provisions in the OFA regarding cultural and community land which may have other economic uses for the benefit of MG people. The organisation will need to work closely with the MG native title holders to identify areas suitable for development.

The MG Group has also identified the need for appropriate land management strategies, as well as land use and distribution policies, to preserve, protect and promote MG land for future generations whilst recognising the short-term needs of the MG people.

Work will be conducted throughout the next year by the DLT, in collaboration with the other MG relevant entities, to establish a clear set of policy guidelines for the use, management and distribution of MG land holdings.





# Financial Statements 30 June 2017

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# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated Group		Parent Entity	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>Income</b>					
Grants revenue		1,464,446	3,220,995	1,464,446	2,220,995
Interest received		164,946	300,807	151,772	220,844
Dividends received		569,439	590,408	-	-
Change in market valuation of investments		603,059	12,227	-	-
Development income		-	500,000	-	500,000
Construction income		1,635,873	2,275,272	-	-
Distributions		-	-	300,000	-
Fee for Service		161,524	-	267,130	-
Rental income		249,485	134,953	223,413	144,861
Other revenue		242,507	326,866	241,197	285,511
<b>Total Income</b>		<b>5,091,278</b>	<b>7,361,529</b>	<b>2,647,957</b>	<b>3,372,212</b>
<b>Expenses</b>					
ADP training and support expenditure		50,898	98,227	50,898	98,227
Consultants		118,706	294,279	118,706	294,279
Depreciation and amortisation		169,722	193,720	155,889	184,045
Employee benefits expense		1,338,568	1,458,211	1,036,504	1,268,254
Finance costs		235,649	191,407	-	-
Governance expenses		104,987	121,997	102,737	121,997
Operational expenses		2,291,953	2,761,366	1,074,682	856,763
Rental property expenses		77,877	76,456	64,243	76,456
<b>Total Expenses</b>		<b>4,388,359</b>	<b>5,195,664</b>	<b>2,603,659</b>	<b>2,900,022</b>
<b>Surplus before income tax</b>		<b>702,919</b>	<b>2,165,865</b>	<b>44,299</b>	<b>472,190</b>
Income tax expense	2	-	(8,591)	-	-
<b>Surplus after income tax</b>		<b>702,919</b>	<b>2,157,274</b>	<b>44,299</b>	<b>472,190</b>
<b>Other Comprehensive income</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Unrealised gains on available-for-sale financial assets, net of tax		-	59,969	-	-
Gains on property revaluation		-	-	-	-
Other comprehensive income for the year, net of tax		-	59,969	-	-
<b>Total comprehensive income for the year</b>		<b>702,919</b>	<b>2,217,244</b>	<b>44,299</b>	<b>472,190</b>
<b>Total comprehensive income attributable as follows:-</b>					
Distribution to beneficiaries		338,649	490,000	-	-
Surplus to Members' Funds		364,270	1,727,244	44,299	529,894
		<b>702,919</b>	<b>2,217,244</b>	<b>44,299</b>	<b>529,894</b>

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	Consolidated Group		Parent Entity	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	5	7,829,686	8,246,211	6,691,713	7,484,929
Trade and other receivables	6	710,576	339,046	1,177,393	552,337
Financial assets	7	18,430,926	18,020,004	-	-
Other current assets	8	17,947	19,089	6,314	7,250
<b>Total Current Assets</b>		<b>26,989,135</b>	<b>26,624,350</b>	<b>7,875,420</b>	<b>8,044,516</b>
<b>Non-Current Assets</b>					
Trade and other receivables	6	-	-	133,546	124,722
Property, plant and equipment	9	7,722,163	7,834,362	5,515,902	5,625,268
<b>Total Non-Current Assets</b>		<b>7,722,163</b>	<b>7,834,362</b>	<b>5,649,448</b>	<b>5,749,990</b>
<b>TOTAL ASSETS</b>		<b>34,711,298</b>	<b>34,458,712</b>	<b>13,524,868</b>	<b>13,794,506</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and other payables	10	1,371,047	621,070	1,188,266	501,904
Unexpended grants	12	3,316,934	4,178,636	2,253,419	3,253,758
<b>Total Current Liabilities</b>		<b>4,687,981</b>	<b>4,799,706</b>	<b>3,441,685</b>	<b>3,755,662</b>
<b>TOTAL LIABILITIES</b>		<b>4,687,981</b>	<b>4,799,706</b>	<b>3,441,685</b>	<b>3,755,662</b>
<b>NET ASSETS</b>		<b>30,023,317</b>	<b>29,659,006</b>	<b>10,083,183</b>	<b>10,038,844</b>
<b>EQUITY</b>					
Retained Earnings		30,023,317	29,659,006	10,083,183	9,566,655
<b>TOTAL EQUITY</b>		<b>30,023,317</b>	<b>29,659,006</b>	<b>10,083,183</b>	<b>9,566,655</b>

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated Group Retained Earnings \$	Parent Entity Retained Earnings \$
<b>Balance at 1 July 2015</b>	27,931,789	9,566,655
Surplus attributable to the entity	472,190	472,190
Surplus attributable to MG Community Foundation	1,688,460	-
Surplus attributable to MG Dawang Land Trust	-	-
Surplus attributable to MG Developments Trust	-	-
Surplus attributable to MGC Building & Maintenance Co	56,567	-
	2,217,217	10,038,844
Less: Distributions paid to beneficiaries	(490,000)	-
<b>Balance at 30 June 2016</b>	29,659,006	10,038,844
Surplus attributable to the entity	(255,701)	44,299
Surplus attributable to MG Community Foundation	956,584	-
Surplus attributable to MG Dawang Land Trust	(5,931)	-
Surplus attributable to MG Developments Trust	(2,893)	-
Surplus attributable to MGC Building & Maintenance Co	10,860	-
	702,919	44,299
Less: Distributions paid to beneficiaries	(338,608)	-
<b>Balance at 30 June 2017</b>	30,023,317	10,083,143

## CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	966,012	3,899,875	(626,971)	1,588,374
Receipts from government grants	1,464,446	2,104,103	1,464,446	1,104,103
Interest received	161,487	293,849	151,772	214,744
Cash paid to suppliers and employees	(3,687,437)	(6,230,135)	(1,735,941)	(3,762,866)
Income tax paid	(16,294)	(14,825)	-	-
Net cash provided by operating activities	(1,111,785)	52,867	(746,694)	(855,645)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Dividends received	707,389	590,408	-	-
Imputation credits received	132,158	129,992	-	-
Proceeds from disposals of investments	814,464	12,227	-	-
Payments for investments	(616,228)	(2,187,195)	-	(124,722)
Proceeds from sale of property, plant and equipment	-	-	-	-
Payments for property, plant and equipment	(57,522)	(46,601)	(46,522)	(11,169)
Net cash provided by investing activities	980,260	(1,501,170)	(46,522)	(135,891)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Distributions paid	(285,000)	(45,000)	-	-
<b>Net cash provided by financing activities</b>	(285,000)	(45,000)	-	-
<b>Net increase in cash held</b>	(416,525)	(1,493,302)	(793,216)	(991,536)
<b>Cash at beginning of financial year</b>	8,246,211	9,739,513	7,484,929	8,476,465
<b>Cash at end of financial year</b>	7,829,686	8,246,211	6,691,713	7,484,929

The accompanying notes form part of these financial statements.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 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

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 17 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 for the parent entity as it is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. A provision has been made for MGC Building & Maintenance Pty Ltd.

### (c) 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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**

Buildings	5%
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.

### **(d) 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.

### **(e) 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).

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## **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

## **(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

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 60 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.

### **(r) New Accounting Standard for Application in Future Periods**

An assessment of Accounting Standards issues by the AASB that are not yet mandatorily applicable and their potential impact on the entity when adopted in future periods is discussed below

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### *AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).*

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measure of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the entity on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Entity's financial statements, it is impracticable at this stage to provide a reasonable estimate although no impact is expected.

### *AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2019, as deferred by AASB 2015-18: Amendments to Australia Accounting Standards - Effective Date of AASB 15).*

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contact with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customer and potential customers.

The core principle of the Standard is that any entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, ASB 15 provides the following five-step process:

- 1) identify the contract(s) with a customer;
- 2) identify the performance obligations in the contract(s);
- 3) determine the transaction price;
- 4) allocate the transaction price to the performance obligations in the contract(s); and
- 5) recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to the incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the entity's financial statements it is impracticable at this stage to provide a reasonable estimate of such impact.

### *AASB 16 Leases (applicable to annual reporting periods beginning on or after 1 January 2019).*

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Although the directors anticipate that the adoption of AASB 16 will impact the entity's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

## *AASB 1058: Income for Not-For-Profit Entities (applicable to annual reporting periods beginning on or after 1 January 2019).*

When effective, this Standard will replace the current accounting requirement in AASB 1004: Contributions. AASB 1004 continues to be in force, however its scope has now been reduced to only cover issues specific to government departments and contributions to owners in the public sector.

The main changes introduced by the new Standard include:

- the timing of income recognition will depend on whether a transaction gives rise to a performance obligation, liability or contribution by owners;
- specific requirements for grants for construction or acquisition of recognisable non-financial assets;
- a requirement not to identify or recognise separately the donation component in a contract with a customer;
- leased assets will be measured at fair value at the inception of the lease whereas the lease liability will be recognised at present value of peppercorn lease payment amounts.

In terms of transition, the Standard provide a choice of two methods:

- full retrospective application - with restatement of comparative information in each prior period presented;
- partial retrospective application - without restating comparatives.

Although the Board of Director anticipate the adoption of AASB 1058 may have an impact on the Corporation's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

## 2. INCOME TAX

No provision for income tax has been raised for the parent entity as it is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. A provision has been made for MGC Building & Maintenance Pty Ltd.

## 3. KEY MANAGEMENT PERSONNEL COMPENSATION

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
Total short term benefit compensation	240,308	213,915	240,308	213,915
Post employment benefit compensation	-	-	-	-
	240,308	213,915	240,308	213,915

## 4. RELATED PARTIES

During the financial year the following related party transactions occurred:

MG Corporation provided management services to MGC Building & Maintenance Pty Ltd.

MGC Building & Maintenance Pty Ltd did various maintenance and gardening works to MG Corporation properties.

## 5. CASH AND CASH EQUIVALENTS

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Current</b>				
Cash at bank	7,829,686	8,246,211	6,691,714	7,484,929
	7,829,686	8,246,211	6,691,714	7,484,929

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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 6. TRADE & OTHER RECEIVABLES

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Current</b>				
Trade receivables	392,337	245,046	1,078,473	668,185
Other sundry debtors	310,536	269,000	98,919	59,152
Provision for impairment of receivables	-	(175,000)	-	(175,000)
Income tax refundable	7,703	-	-	-
	<b>710,576</b>	<b>339,046</b>	<b>1,177,393</b>	<b>552,337</b>
<b>Non-Current</b>				
Receivables	-	-	133,546	124,722
	-	-	133,546	124,722
<b>a. Provision for impairment of receivables</b>				
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.				
<b>b. Financial assets classified as loans and receivables</b>				
Trade and other receivables:				
- Current	710,576	339,046	1,177,393	552,337
- Non current	-	-	133,546	124,722
Financial assets	<b>710,576</b>	<b>339,046</b>	<b>1,310,939</b>	<b>677,059</b>

## 7. OTHER FINANCIAL ASSETS

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
Available for sale financial assets (i)	18,430,926	18,020,004	-	-
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	18,430,926	18,020,004	-	-
Total available for sale financial assets	<b>18,430,926</b>	<b>18,020,004</b>	<b>-</b>	<b>-</b>

(i) This is per market valuation at 30 June 2017. 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	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Current</b>				
Prepayments	17,947	19,089	6,314	7,250

## 9. PROPERTY, PLANT &amp; EQUIPMENT

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>FREEHOLD LAND AND BUILDINGS</b>				
Freehold land and buildings				
At fair value (i), (ii), (iii), (iv),(v)	7,906,606	7,900,605	5,756,597	5,750,596
less: accumulated depreciation (buildings only)	(312,411)	(200,048)	(312,411)	(200,048)
	7,594,195	7,700,557	5,444,186	5,550,548
<b>PLANT &amp; EQUIPMENT</b>				
Motor Vehicles - at cost	333,664	333,664	295,990	295,990
less: accumulated depreciation	(292,718)	(263,001)	(276,448)	(252,091)
Total vehicles, net	40,946	70,664	19,542	43,899
Furniture, plant & equipment - at cost	231,437	203,693	179,880	163,136
less: accumulated depreciation	(144,416)	(140,552)	(127,706)	(132,315)
Total furniture & equipment, net	87,021	63,141	52,174	30,821
Total property, equipment & vehicles, net	7,722,163	7,834,362	5,515,902	5,625,268

- (i) 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.
- (ii) 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.
- (iii) As party to the Ord Final Agreement, MG Corporation is required to arrange for any commercial projects, including related assets and liabilities, to be conducted in the MG Developments Trust. MG Corporation currently holds title to various commercial lots of land and has recorded certain assets and liabilities associated with these projects, that may be transferred to MG Developments Trust. Until these negotiations are completed, these assets remain on the balance sheet MG Corporation. The assets to be transferred may include, but are not limited to:
- Vacant land at Lot 3000 Bandicoot Drive
  - Shed on Land at Lot 108 (#6) Kentia Way
  - Goomig land at Lots 15 and 16
- (iv) Included in Freehold land and buildings are Lots 994, 995 and 996 known as "Yardungarrl". These blocks belong to the MG Dawang Land Trust. An independent valuation of these areas has not been performed. In the absence of such a valuation, they have been recorded at \$1.
- (v) 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 been recorded in this financial year at \$1

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 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
<b>Consolidated Group</b>				
<b>2016</b>				
Balance at the beginning of the year	7,813,019	106,964	61,497	7,981,480
Additions at cost	-	12,000	34,602	46,602
Disposals and adjustments at written down value	-	4,091	(4,091)	-
Depreciation expense	(112,462)	(52,391)	(28,867)	(193,720)
Carrying amount at the end of year	7,700,557	70,664	63,140	7,834,361
<b>2017</b>				
Balance at the beginning of the year	7,700,557	70,664	63,140	7,834,361
Additions at cost	6,001	-	51,522	57,523
Disposals and adjustments at written down value	-	-	-	-
Depreciation expense	(112,363)	(29,717)	(27,641)	(169,722)
Carrying amount at the end of year	7,594,195	40,947	87,021	7,722,163
<b>Parent Entity</b>				
<b>2016</b>				
Balance at the beginning of the year	5,663,010	90,709	44,425	5,798,144
Additions at cost	-	-	11,169	11,169
Disposals and adjustments at written down value	-	-	-	-
Depreciation expense	(112,462)	(46,810)	(24,774)	(184,045)
Carrying amount at the end of year	5,550,548	43,899	30,820	5,625,268
<b>2017</b>				
Balance at the beginning of the year	5,550,548	43,899	30,820	5,625,267
Additions at cost	6,001	-	40,522	46,523
Disposals and adjustments at written down value	-	-	-	-
Depreciation expense	(112,363)	(24,357)	(19,168)	(155,888)
Carrying amount at the end of year	5,444,186	19,542	52,174	5,515,902

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 10. TRADE AND OTHER PAYABLES

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Current</b>				
Trade payables	391,492	88,320	348,216	50,015
Other current payables	237,544	181,551	147,251	107,409
Employee benefits	80,507	99,047	72,296	92,329
Distributions payable	661,504	252,152	620,504	252,152
	<b>1,371,047</b>	<b>621,070</b>	<b>1,188,266</b>	<b>501,904</b>
<b>a. Financial liabilities at amortised cost classified as trade and other payables</b>				
Trade and other payables:				
- Current	1,371,047	621,070	1,188,266	501,904
- Non Current	-	-	-	-
	<b>1,371,047</b>	<b>621,070</b>	<b>1,188,266</b>	<b>501,904</b>
Less annual leave entitlements	(80,507)	(99,047)	(72,296)	(92,329)
<b>Financial liabilities as trade and other payables</b>	<b>1,290,540</b>	<b>522,023</b>	<b>1,115,970</b>	<b>409,575</b>

## 11. CASH FLOW INFORMATION

	Consolidated Group		Parent Entity	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>				
Surplus after income tax	364,270	1,727,244	44,299	472,190
<i>Cash flows excluded from profit attributable to operating activities</i>				
Non-cash flows in profit				
- Depreciation	169,722	193,720	155,889	184,045
- Net (gain) / loss on disposal of assets	(747,624)	-	-	-
- Net (gain) / loss on sale of investments	-	-	-	-
- Contributed assets	-	-	(8,784)	-
- Impairment of assets	-	-	-	-
Changes in assets and liabilities				
- (Increase)/decrease in trade and term debtors	(371,530)	(12,347)	(625,056)	(444,624)
- (Increase)/decrease in other current assets	1,142	(96)	936	11,743
- Increase in trade and other payables	749,977	77,658	686,362	106,689
- Increase/(decrease) in unexpended grants	(861,702)	(3,550,845)	(1,000,339)	(1,185,688)
Cash flow from operating activities	<b>51,879</b>	<b>(2,312,290)</b>	<b>(746,693)</b>	<b>(855,645)</b>



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 12. SCHEDULE OF GRANT FUNDS

	B/Fwd	Released / Other Income	Expended	C/Fwd
	2016	2017	2017	2017
<b>MG Corporation</b>				
ADP Gooming Funds	2,634,245	93,058	806,423	1,920,880
Dept of Water - Accommodation	80,545	-	15,000	65,545
Dept of Water - Working on Country Rangers	82,135	512,800	426,989	167,946
Education Fund - One Family at a Time	-	250,000	250,000	-
Ngamoowalem Conservation Development	5,653	-	5,653	-
CLA Housing Project	70,953	-	3,031	67,922
Kurrajong Housing Project	46,205	-	15,078	31,127
Stakeholder Engagement Consultancy	-	35,329	35,329	-
<b>Parent Unexpended grants at 30 June 2017</b>	<b>2,919,736</b>	<b>855,858</b>	<b>1,522,174</b>	<b>2,253,420</b>
<b>MG Community Foundation Trust</b>				
OES Unallocated Grant Funds	924,878	138,637	-	1,063,515
	924,878	138,637	-	1,063,515
<b>Consolidated Unexpended grants at 30 June 2017</b>	<b>3,844,614</b>	<b>994,495</b>	<b>1,522,174</b>	<b>3,316,935</b>

## 13. DISTRIBUTIONS HELD BY PARENT ENTITY

	B/Fwd	Released / Other Income	Expended	C/Fwd
Community Foundation Trust	-	4,000	-	4,000
Cultural Funds	20,628	45,000	26,633	38,995
Dawang Distributions	252,152	211,352	236,685	226,818
Development Trust Distributions	313,393	37,297	-	350,690
<b>Distributions held in trust at 30 June 2017</b>	<b>586,173</b>	<b>297,649</b>	<b>263,318</b>	<b>620,503</b>

## 14. COMMITMENTS AND CONTINGENCIES

In the opinion of the Directors, the Corporation did not have any commitments or contingencies at 30 June 2017.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

## 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 2017.

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

	Note	Consolidated Group		Parent Entity	
		2017	2016	2017	2016
		\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	5	7,829,686	8,246,211	6,691,714	7,484,929
Loans and receivables	6	710,576	339,046	1,310,939	677,059
Available-for-sale financial assets					
- Managed funds with Macquarie bank	7	18,430,926	18,020,004	-	-
		26,971,188	26,605,262	8,002,652	8,161,988
<b>Financial liabilities</b>					
Financial liabilities at amortised cost:					
- Trade and other payables	10	1,290,540	522,023	1,115,970	409,575
		1,290,540	522,023	1,115,970	409,575

## 16. CORPORATION DETAILS

The registered office and principal place of business of the corporation is:

Yawoorrong Miriuwung Gajerrong Yirrgab Noong Dawang Aboriginal Corporation  
19 Chestnut Avenue  
Kununurra WA 6743

## 17. MIRIUWUNG AND GAJERRONG PBC#1 AND PBC#4, AND MG CORPORATION RELATED TRUSTS

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'], its three related Trusts being MG Community Foundation, MG Developments Trust and MG Dawang Land Trust and the MGC Building and Maintenance Co, whose sole shareholder is MG Developments 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.

## DIRECTORS' DECLARATION 30TH JUNE 2017

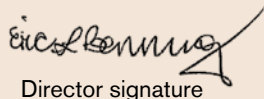
### YAWOORROONG MIRIUWUNG GAJERRONG YIRRGEB NOONG DAWANG ABORIGINAL CORPORATION

DIRECTORS' DECLARATION  
30TH JUNE 2017

The directors of the Corporation declare that:

- (1) The financial statements and notes of The Corporation are in accordance with the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and:
  - a. comply with Australian Accounting Standards Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date.
- (2) in the directors' opinion there are reasonable grounds to believe that the Corporation 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.



Director signature

ERIC BENNING  
Print name

Dated this 28 day of November 2017.



**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE MEMBERS OF YAWOORROONG MIRIUWUNG GAJERRONG YIRRGEB NOONG DAWANG  
ABORIGINAL CORPORATION (MG CORP)**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been no contraventions of the independence requirements of the Accounting Professional and Ethical Standards Board in relation to the audit.

**LBW Chartered Accountants**

**Sripathy Sarma**

**Principal**

Dated this 28<sup>th</sup> day of November 2017



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YAWOORROONG MIRIUWUNG GAJERRONG YIRRGEB NOONG DAWANG ABORIGINAL CORPORATION (MG CORP)

### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report of Yawoorroong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation (MG Corp) (the corporation), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of report Yawoorroong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation (MG Corp) is in accordance the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and *Corporations (Aboriginal and Torres Strait Islander) Act 2006*

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the corporation in accordance with the auditor independence requirements of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, which has been given to the directors of Yawoorroong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation (MG Corp), would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### Responsibilities of the Council for the Financial Report

The directors of the corporation are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the corporation's financial reporting process.



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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the corporation.
- Conclude on the appropriateness of the corporations' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

LBW Chartered Accountants

Sripathy Sarma

Principal

Dated this 28<sup>th</sup> day of November 2017



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# DIRECTOR'S REPORT *CORPORATIONS (ABORIGINAL AND TORRES STRAIT ISLANDER) ACT 2006* FOR THE YEAR ENDED 30 JUNE 2017

## YAWOORROONG MIRIUWUNG GAJERRONG YIRRGEB NOONG DAWANG ABORIGINAL CORPORATION (MG CORPORATION): ICN 4597

### DIRECTORS' REPORT

*Corporations (Aboriginal and Torres Strait Islander) Act 2006*  
For the year ended 30 June 2017

The directors present this report on MG Corporation for the financial year ended 30 June 2017.

#### Directors

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

<b>Name</b>	<b>Position</b>	<b>Number of Meetings Attended</b>
Des Hill	Director (to 2 December 2016) Chair (to 2 December 2016)	Attended 3 of 4 meetings
Lawford Benning	Alternate Director (from 4 October 2016) Director (from 15 November 2016) Chair (from 5 December 2016)	Attended 14 of 14 meetings
Helen Gerrard	Director (for duration of reporting period) Vice Chair (for duration of reporting period)	Attended 14 of 17 meetings
Zainel Bin Busu	Director (to 15 March 2017) Alternate Director (from 9 May 2017)	Attended 6 of 12 meetings (as a full Director)
Donald Chulung	Director (to 15 March 2017 and again from 9 May 2017)	Attended 12 of 15 meetings
Ahmuth Bin Omar	Director (for duration of reporting period)	Attended 15 of 17 meetings
Ted Carlton	Director (from 9 May 2017)	Attended 3 of 3 meetings
Tom Stephens	Independent Director (from 9 May 2017)	Attended 1 of 3 meetings
Daniel Chulung	Alternate Director (to 28 September 2016)	Attended 1 of 3 meetings
Skye Peart	Alternate Director (from 15 November 2016)	Attended 6 of 10 meetings
Margaret Moore	Alternate Director (from 9 May 2017)	Attended 0 of 0 meetings

#### Company Secretary

The role of Company Secretary at MG Corporation has been performed by Jo-Ann Langford throughout the reporting period. Jo-Anne has extensive administration experience and is currently employed as the Executive Officer.

#### Principal Activities

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

#### Operating Results

The operations of the corporation resulted in a net surplus to members of \$44,299, compared to a surplus of \$472,190 in 2016. There were no significant changes in the corporation's state of affairs during the year.

#### Review of Operations

A review of the operations of the entity during the financial year indicated that:

# DIRECTOR'S REPORT *CORPORATIONS (ABORIGINAL AND TORRES STRAIT ISLANDER) ACT 2006* FOR THE YEAR ENDED 30 JUNE 2017

Given the cessation of State funding under the Ord Final Agreement, MG Corporation is reliant on income from rental properties, fee-for-service work and interest payments as well as the use of funds received under Aboriginal Development Packages negotiated with third parties.

The corporation continues to manage and receive grant funding for diverse programs delivering ranger services, education, the development of tourism activities on conservation areas, housing projects and stakeholder engagement.

## **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.

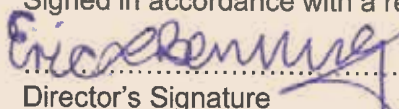
## **Proceedings on behalf of the entity**

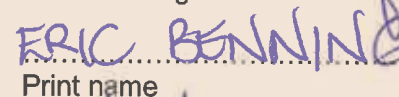
No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings. The entity was not a party to any other such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

## **Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2017 has been received.

Signed in accordance with a resolution of the Board of directors

  
.....  
Director's Signature

  
.....  
Print name

  
.....  
Date



## CORPORATION CONTACT DETAILS

Yawoorroong Miriuwung Gajerrong  
Yirrgeb Noong Dawang Aboriginal  
Corporation (MG Corporation)  
ABN 79 270 210 553

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### Auditors

LBW Business Wealth Advisors  
Melbourne, Victoria  
(03) 9670 4444

### Board of Directors

Lawford Benning (Chairperson)  
Helen Gerrard (Deputy Chairperson)  
Ahmuth Bin Omar  
Donald Chulung  
Zainel Bin Busu (Alternate Director)  
Skye Peart (Alternate Director)  
Margaret Moore (Alternate Director)  
Tom Stephens (Independent Director)

Dawang	Representative	Proxies
Balaburr	Marlene Gundari	Anna Ningamarra Janelle Ningamarra
Bigainybung	Stephanie Boombi	Rita Boombi Jimmy Paddy
Bilbildjing	Myrtle Ward	Rica Ward
Djanaiwan	Rowena Griffiths	Colleen Calwatt
Djandami	Dora Griffiths	Aaron Griffiths Robert Lumai
Dulbung	Gailene Chulung	Marcia Greddon
Dundun	Lucilla Martin	Bernadette Simon Hall
Kalamanda	Tanya Hill	Margaret Moore
Mandangala/Tiltiwam	Bernadette Simon-Hall	Jodie Hall
Nyawanyawam	Natalie/Nicky Carlton	Marlene Carlton Kristara Carlton
Tjigulmirri	David Newry Snr	Joanie Simon Agnes Armstrong
Waidanybung	Clive Morton	
Wirram	Ainslie Meeway	Georgina Wilson
Yardungarrl	Erica Ward	Dennis Ward
Yirralalem	Warren Gerrard	Jason Reid Melissa McLean
Yunurr/Yalangga	Kelly Ann Drill	

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