

Groote Eylandt Aboriginal Trust

Annual Report on the Affairs of the Trust for the financial year 2015-2016

This is the first report given by the new committee in respect of its management of the Trust since April 2015. The committee was appointed following a period of management by a Statutory Manager from 2012 to 2015.

The task of the Statutory Manager had been take over control of the Trust and gather together such of its assets that had not been lost and to create a new system of corporate governance. Your committee has now been managing the Trust under the Constitution approved by the people of Groote Eylandt and Bickerton Island on 29 October 2014.

Your committee for last year and continuing is:

Mr Hugh Bradley – Chairperson and Public Officer

Mr Bruce Fadelli – independent committee member

Ms Meriel Corbett-Weir – independent committee member

Mr Wilfred Lalara – community committee member representing Angurugu

Ms Geraldine Amagula – community committee member representing Angurugu

Ms Betty Herbert – Vice Chairperson and community committee member representing Umbakumba

Mr Elvis Bara – community committee member representing Umbakumba

Mr Eric Wurramara – community committee member representing Milyakburra

Ms Lucille Wurramara – community committee member representing Milyakburra

April 2015 and March 2016 has been a period of consolidation and clearing out of the past operating methods of the Trust so as to introduce new methods to meet the requirements of the trust deed. Some of the following actions and achievements are:

1. Regular committee meetings have taken place on Groote Eylandt with day to day management being conducted by the Manager and subcommittees the membership of which is based on qualifications, experience and locality.
2. The committee has established a workable system of management and accounting that is reliable and efficient. New auditors, Merit Partners were appointed, after tender to audit the 2015/16 financial reports prepared by Barry Hanson Chartered Accountant. BDO has been appointed, after tender as the new accountants for 2016/17. The Trust had multiple bank accounts with two banks. These have been rationalised to only three accounts held with the ANZ, which has a branch on Groote Eylandt and has simplified payments. Investment advisors, Morgans have been engaged to

professionally manage the funds which are now clearly identified as to whether they can be spent now on administration and charitable projects or preserved for the future. The IT system has been substantially improved including the development of a website.

3. The asset base has been rationalised and many assets sold and those destroyed or lost have been taken from the asset register so that the accounts now represent a fair basis for assessing the worth of the Trust. The asset rationalisation and division of assets between administration and charitable purposes was approved by the Management Committee.
4. A revised system of managing the real property assets has resulted in improved income. Some of the underperforming assets may be sold in the near future as their rate of return is less than what your committee thinks appropriate.
5. Your committee has been working with solicitors to make some necessary amendments to the Trust Deed and Constitution which will result in greater security for the future and better management from year to year.
6. Royalties are the major income of the Trust and we are advised that they should continue for some years but not permanently. We are presently in discussions with the ALC over the right to ongoing royalties in respect of any new mining leases that might be issued for the Eastern or Southern Areas. A report on the background facts and a legal opinion have been obtained for that purpose.
7. The Trust is engaged in major litigation against professional firms because they allowed a lot of money to be misspent in the past. This is likely to take a long time to resolve.
8. The market garden which has been a major cost to the trust has been better managed and now produces more fruit and vegetables at less cost. Your committee would like to see the other organisations that receive the produce from the garden contribute to the running costs and in the future the garden be managed by other organisations on the island.
9. Your committee has expanded the bus transport system and is now hoping in conjunction with the ALC and Aminjarrinja Enterprises to start the ferry service to Bickerton Island in the near future. The boat has been purchased and is in final survey. The pontoon location for the landing at Bickerton has been finalised.
10. The Grants Subcommittee operates entirely from Groote Eylandt and continues to serve families and people in need of care. A summary of its expenditure is set out later in this report.
11. An expected major item of expenditure this year was to be the Angurugu sewerage project which the Trust and GEBIE were keen to promote has been held up by a lack of funding from the government who were to be a joint partner. We are still waiting for the final approval and funding approval from the Government.

<u>Summary of Finances</u>	2016	2015
<u>Income:</u>	\$9,036,976	\$12,303,239
<u>Expenses:</u>	\$5,006,897	\$12,010,079
<u>Surplus for year:</u>	\$4,030,079	\$293,160
<u>Charitable grants:</u>	\$1,872,754	\$2,671,131

The net value of the trust at 31 March 2016 is \$54,560,964 as compared to \$50,530,885 as at 31 March 2015.

Under the Trust Deed, the committee is required to set aside a minimum of 50% of the net income of the Trust each year for future generations. This has the effect of reducing the funds that can be spent on charitable projects in any financial year. This year the Trustee has set aside the sum of \$3,000,000 into the Preservation Fund. The Preservation Fund is that part of the trust fund that must be preserved for the future. The value of funds and property set aside in the preservation fund was at 31 March 2016 \$32,207,680.

Westpac	\$20,641,905
Colonial	\$2,455,775
Burns Philp	\$6,070,000
Pruen Rd	\$2,500,000
Harry Chan	\$540,000
	\$32,207,680

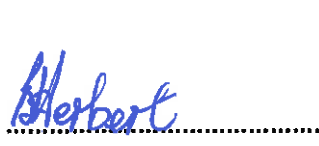
Charitable (grant) expenses	2016	2015
Ceremony	61,187	122,732
Education grant	13,237	39,105
Funeral expenses	350,696	291,760
Handicapped/disabled	26,757	31,220
Medical grant	55,575	72,076
Sports and recreation	-	4,930
Poverty payments	7,820	3,457
Special grants	(1) 1,088,681	1,769,092
Community events	1,554	4,072
Counseling and rehab	-	10,912
Transport services	258,649	308,467
Employment and skills training	8,598	13,308
Total Charitable Expenses	1,872,754	2,671,131

Your committee is committed to continue to manage the Trust in accordance with the terms of the Trust Deed for the short and long term benefit of the people of Groote Eylandt and Bickerton Island.

Dated this 7 day of July 2016



Hugh Bradley
Chairperson



Betty Herbert
Vice Chairperson