

Annual Report on the Affairs of the Groote Eylandt Aboriginal Trust for the financial year 2016-2017

This is the second 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.

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 and amendments in 2016 to fix some errors and increase the security of the provisions designed to ensure the future of the Trust.

Your committee for last year and continuing at least until August is:

- Hugh Bradley, Chairperson and independent member
- Bruce Fadelli, independent member
- Meriel Corbett-Weir, independent member
- Betty Herbert, Deputy Chairperson and community member for Umbakumba
- Elvis Bara, community member for Umbakumba
- Wilfred Lalara, community member for Angurugu
- Geraldine Amagula, community member for Angurugu
- Eric Wurramara, community member for Milyakburra
- Lucille Wurramara, community member for Milyakburra

During the financial year 2015-2016 the major task had been to establish a working committee and consolidate the assets and systems. During the current financial year, the Trust has continued the process of consolidation and with our new Manager we are confident that good recordkeeping and financial accounting are in good stead. The year has seen the following actions and achievements:

- 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. The new accountants, BDO, and auditors, Merit Partners have been working well and we have confidence in them. Investment advisors, Morgans, have been professionally managing 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 balances are set out in a brief way at the end of this report.
- 3) The asset base continues to be rationalised so that the accounts now represent a fair basis for assessing the worth of the Trust. There are assets in Darwin that do not meet the committee's requirement for investment and we are hopeful that they can be sold and be added to the preserved funds.
- 4) Your committee has worked with solicitors and counsel to make some necessary amendments to the Trust Deed and Constitution which have resulted in greater security for the future and better management from year to year. A copy of the new Deed and Constitution is available for anyone to inspect. The new documents were approved by the Attorney-General of the Northern Territory as required by the Constitution.
- 5) Royalties continue to be the major income of the Trust and we are advised that they should continue for some years but not permanently. This coming year looks to be better than most and we are keen to be able to make continued grants and facilities available to the people of Groote and Bickerton. We are continuing discussions with the ALC over the right to ongoing royalties in respect of any new mining leases that might be issued for the Eastern and Southern areas. A report on the background facts and a legal opinion have been obtained for that purpose. The issue appears to be that the Traditional Owners of the Eastern and Southern areas are requiring all

funds from the mining of these areas to be paid to them or put into the mining trust set up by your Land Council. The Land Council has been instructed not to allow any royalties to go to GEAT. We are carefully considering the best way for this to be resolved without any undue anxiety being caused.

- 6) The Trust is continuing the litigation against KPMG (the old Trust accountants), Deloitte (the old auditors) and Minter Ellison (the old solicitors). This is costing the Trust a lot of money each year and we are advised that it will be successfully concluded within the next 12 months. The litigation against the professional firms is because they allowed a lot of money to be misspent in the past.
- 7) The market garden continues to be a major cost to the Trust but is better managed and now produces more fruit and vegetables at less cost. Your committee would like to see the garden managed by other organisations on the island. We are presently talking to GEBIE and ALC to see if we can jointly operate a nutrition program which will help improve the health of all.
- 8) Your committee has expanded the bus transport and, with the help of the ALC, also commenced the ferry service to Bickerton Island. This has been a success and, we believe, greatly appreciated by the people of Bickerton Island. The ongoing provision of these services is dependent on the ALC continuing to provide a source of contribution of 50% of the funding.
- 9) The Grants Subcommittee continues to operate entirely from Groote Eylandt and continues to serve families and people in need of care. A summary of expenditure is set out later in this report.
- 10) We agreed with the NT Government last year to assist with the Angurugu sewerage project which the Trust and GEBIE were keen to promote. Works have now commenced. Recent advice would indicate that our promised funds will be able to provide additional improvements over and above those initially proposed.

Summary of Finances

	2017	2016
Income	\$15,381,414	\$9,036,976
Expenses	\$5,290,872	\$5,006,897
Surplus for the year	\$10,090,542	\$4,030,079

The net value of the Trust at 31 March 2017 is \$64,651,506 as compared to \$54,560,964 as at 31 March 2016. Full audited accounts are available for inspection.

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 be spent on charitable projects in any financial year.

This year the committee has set aside the sum of \$5,045,271 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 as at 31 March 2017 was \$49,346,268. *35,335,453.*

Tier 3. Preservation Fund	\$27,065,453
Burns Philp Building	\$6,070,000
Pruen Road property	\$1,800,000
Harry Chan property	\$400,000
TOTAL VALUE:	\$35,335,453

Charitable expenses

	2017	2016
Ceremony	\$56,807	\$61,187
Education and sports	\$24,448	\$13,237
Funeral	\$177,273	\$350,696
Aged care/disabled	\$27,141	\$26,757
Medical	\$39,321	\$55,575
Poverty	\$4,335	\$7,820
Special grants	\$243,576 (i)	\$1,088,681 (ii)
Community events	\$ -	\$1,554
Transport services	\$576,491	\$258,649
Religious	\$6,545	\$ -
Market Garden costs	\$472,675	
Employment and skills training	\$5,086	\$8,598
TOTAL CHARITABLE EXPENSES	\$1,633,698	\$1,872,754

- (i) This includes portion of various other operating expenses (classified as special grants because of their charitable purpose) such as salaries and wages, superannuation, contractor expense, freight expense, motor vehicle repairs expense, general repairs and maintenance, travel and accommodation etc.
- (ii) This includes operating expenses as set out in (i) plus Market Garden operating expenses. Market Garden costs are now recorded separately.

In accordance with clause 23.3 of the 2016 Trust Deed community meetings were held on each of the following dates:

- Angurugu – 7 July 2016
- Umbakumba – 7 July 2016

- Milyakburra – 6 December 2016

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

1

day of

August

2017.



Hugh Bradley

Chairperson



Betty Herbert

Deputy Chairperson