



GUMALA
Aboriginal
Corporation

ICN 2744

Annual Report 2013





This annual report provides a comprehensive overview of the consolidated financial (independently audited) and operative position of Gumala Aboriginal Corporation and Gumala Enterprises for the Financial Year ended 30 June 2013.

The annual report also integrates a snapshot of Gumala's forward plans.

An electronic copy of this annual report is available for download via GAC's corporate website:

www.gumala.com.au

A hard copy is available by visiting our Tom Price or Perth offices or by calling GAC on 1800 486 252 (1800 GUMALA).





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PERFORMANCE HIGHLIGHTS

OPERATIONAL

- Increase in Gumala Aboriginal Corporation's (GAC's) annual operating budget from \$2 million in 2008 to a total budget of over \$23 million in 2013-14, enabling GAC to provide a significantly wider range of programs and projects for our Traditional Owners. This has coincided with improved service delivery of these programs and projects during the 2013 Financial Year, spanning Health & Well-Being, Business Development, Education & Training, Community Development and Lore & Culture.

MEMBER SERVICES FUNDING

- \$9.2 million worth of funding initiatives (Member Services programs and Community Development programs and projects), spanning six Income Utilisation Categories (Health & Well-Being, Education, Community Development, Culture, Business Development and Other).
- \$1 million of extraordinary financial relief payments to Gumala Beneficiaries (December 2012).

MEMBER SERVICES DELIVERY

- Extended operating hours implemented.
- Dedicated after-hours emergency service implemented.
- Member application process re-engineering, resulting in reduced processing times.
- Implementation of monthly business reporting, enabling benchmarking of performance.
- Paperless processing, resulting in efficiency improvements.
- Dedicated support for Traditional Owner businesses through GAC's Business Development programs.

- Development of and Trustee approval of the Art and Crafts program to support the artistic and cultural pursuits of Gumala Members.
- Over \$4 million in support from GAC's Health & Well-Being programs. Public recognition of GAC's highly successful Ear Health Campaign.
- Investment in appropriate technologies (including Gumala Information System upgrades) to maximise service delivery and apply reduced pressure on operational costs.

EDUCATION

- Downwards pressure on education-related administration following 31 education agreements (including 21 in the 2013 Financial Year) to facilitate group invoicing for student support payments.
- GAC Education support received by 866 Gumala students during the Financial Year (compared to approximately 200 students in 2009).
- A doubling in the number of Year 12 graduates.
- Traineeship expenditure of \$278,000, an increase of 225 per cent on the previous Financial Year.
- Launch of the Early Childhood Assistance program.

COMMUNITY DEVELOPMENT

- Approximately \$1.5 million in funding, across Community Development projects and programs. In addition, over \$600,000 of committed funds have been allocated for community maintenance, upgrades and other works at homeland communities.
- Commencement of strategic training and employment initiatives in homeland communities.

- Design and construction of a bespoke Community Centre at Youngaleena homeland community.
- Continued delivery of Community Maintenance and Support, Community Capital Works and Lore Camp Upgrades.
- Design of a cultural amphitheatre and student accommodation at Karijini Eco Retreat.
- Development of and Trustee approval of the Housing Assistance program, to provide a continuum of housing support for the prevention of homelessness.

STAKEHOLDER ENGAGEMENT

- Implementation of an integrated Stakeholder Engagement Plan, incorporating a Stakeholder Engagement Framework.
- GAC received and generated external funding to the value of \$900,000, an increase of 48 per cent on the previous Financial Year.

HUMAN RESOURCES

- Development of the Tom Price office as a Training, Field Services & Employment Hub.
- Implementation of GAC's Traditional Owner Capacity Building Strategy, resulting in new employment opportunities for Gumala Members.
- Staff turnover ratio decrease of 18 per cent.
- Initiatives to support the mental and physical health of GAC's employees.

CORPORATE RECOGNITION

- Unprecedented recognition at an official corporate level across Technology, Financial Reporting, Health, Community Service, Education and Community Radio.

FINANCIAL

- Unqualified Independent Audit Report. The unqualified audit signifies that the Consolidated Financial Statements of Gumala Aboriginal Corporation (GAC) is in accordance with the Corporations (Aboriginal and Torres Strait Islanders) Act 2006, giving a true and fair view of GAC's consolidated financial position as at 30 June 2013 and of GAC's performance for the Financial Year ending 30 June 2013. The unqualified audit also signifies full compliance with Australian Accounting Standards.

GOVERNANCE

- The development and implementation of over 60 governance policies and procedures that form the "tools" of GAC's risk management and compliance framework.
- Full compliance issued in October 2012 by the Federal Government Regulator, the Office of the Registrar of Indigenous Corporations (ORIC).

INDEPENDENT REVIEWS

- Gumala Enterprises (GEPL) Review
- General Gumala Foundation (GGF) Review
- Yandi Land Use Agreement (YLUA) Review

OUR BUSINESS ARM (GEPL)

- Gumala Enterprises secured a 23-month Services Contract valued at \$12 million for the Yandicoogina Sustaining Project, providing an incredible opportunity to generate ongoing employment for GAC Members.
- The GEPL Board made its first profit distribution of \$400,000 to the General Gumala Foundation and declared a \$400,000 loan repayment to GAC.

ABOUT GUMALA

Serving the Banyjima, Innawonga & Nyiyaparli people of the Pilbara region of Western Australia

WHO WE ARE

Gumala Aboriginal Corporation (GAC / Gumala) is one of Australia's leading Indigenous organisations, serving the Banyjima, Innawonga and Nyiyaparli people of the Pilbara region in Western Australia. Driven by innovation, Gumala is delivering ground-breaking programs across core areas that include Health, Education, Lore & Culture, Training & Employment and Business Development. Gumala is also engaged in a range of Community Development projects and services. Gumala's unique and transformational approach to poverty alleviation in a socially complex environment is enabling economic, social and community developmental solutions for Traditional Owners.

WHY WE EXIST

In 1996, our three language groups joined forces to negotiate with Hamersley Iron Pty Ltd, a wholly-owned subsidiary of Rio Tinto. The mining company wanted to develop an iron ore mine on a footprint that intersected Innawonga, Banyjima and Nyiyaparli traditional land. The result was the Yandi Land Use Agreement (YLUA), signed in 1997, and the Yandicoogina (Yandi) mine development. Gumala Aboriginal Corporation is the Manager of the General Gumala Foundation, which is a Charitable Trust. The word Gumala means 'all together' in Banyjima language.

HOW WE ARE INCORPORATED

Gumala is incorporated under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act). The CATSI Act is administered by the Office of the Registrar of Indigenous Corporations (ORIC), an independent statutory office holder that supports and regulates the corporations that are incorporated under the CATSI Act.

WHAT OUR MISSION IS

Our mission is to alleviate poverty through proactive measures to achieve economic, social and community development while promoting and protecting the cultural values of the Traditional Owners. Gumala is seeking to maximise opportunities and benefits for Traditional Owners and expand investment in sustainable long term poverty alleviation strategies.





CHAIRMAN'S REPORT

Gumala Aboriginal Corporation (GAC) has continued our growth during a busy and productive year. The Board of 12 directors from the three language groups worked hard together to prepare GAC for the next level.

Good governance has been a major focus with directors undertaking professional development and being supported by a team of dedicated advisors to ensure that our organisation maintains high standards. This has been reflected in the development and implementation of over 60 governance policies and procedures that form the "tools" of GAC's risk management and compliance framework.

There were three important reviews that the Board addressed during the year:

- (i) *Gumala Enterprises Pty Ltd (GEPL) Review (1st Review)*
- (ii) *General Gumala Foundation (GGF) Review (2nd Review)*
- (iii) *Yandi Land Use Agreement (YLUA) Review (3rd Review)*

On the first review, following an independent report prepared by Ernst & Young Consultants, the Board made a strategic decision to take "control" of its business arm, Gumala Enterprises Pty Ltd (GEPL), in order to pursue further commercial opportunities within an integrated structure aligned to the parent company, GAC. We added further responsibilities onto our Chief Executive Officer and appointed him the Managing Director of GEPL. As a result, for the first time, GEPL's audited financial statements have now been consolidated into GAC's Annual Report.

On the second review, the Board took the opportunity to raise the issue of another "merger" attempt with GIPL, Trustee of the General Gumala Foundation (GGF) as part of seeking greater self-determination, cost synergies and more efficient decision making

within what is a complex structure between GAC, GIPL and GEPL. While this remains a "work in progress", the decision by both Boards to find common understanding to continue to implement clause 4.8 of the GGF ("the self-determination clause"), was reflected in the General Gumala Foundation Review and its findings that GAC and GIPL work together to improve the financial sustainability of the GGF as well as to increase capacity building measures for our Members - the Traditional Owners comprising the Banyjima, Innawonga and Nyiyaparli peoples.

On the third review, the Board, together with Rio Tinto, appointed the Hon. Fred Chaney and the Hon. Paul Lennon to again carry out a five year review of the operations of what is recognised as Australia's first major land use agreement (YLUA) following the historic Mabo court decision. The 26 recommendations are in the process of being reviewed and focus on three areas: *Capacity Building for the Traditional Owners, Financial Sustainability of the GGF, and the GAC and GIPL Boards working together in a more "strategic" manner.*

I want to record my appreciation and thanks to each and every director for their support, contribution and diligence during this year, which has allowed the Board to fulfil its responsibilities of directing management to run the affairs of the organisation in accordance with our strategic plan and annual operational objectives.

Finally, on a personal level, it has been an honour to serve our Members. I am proud of what we have been able to contribute during this year. Upon my retirement from the Board at the AGM, I look forward to being able to continue to serve our Traditional Owners in a different capacity.

Best wishes,

Stephen Peterson
Chairman



GAC DIRECTORS

GAC DIRECTORS : 1 JULY 2012 TO 30 JUNE 2013

Gumala Aboriginal Corporation (GAC) wishes to acknowledge and thank those GAC Directors who served on the GAC Board during the 2013 Financial Year:

BANYJIMA

Archie Tucker
David MacLean
Karen Tommy
Shane Derschow
Slim Parker

NYIYAPARLI

David Stock
Keith Hall
Natalie Parker
Stephen Peterson
Susan Bung

INNAWONGA

Cecil Parker
Doreen James
Nicholas Cook
Roy Tommy
Stuart Ingie Snr



CHIEF EXECUTIVE OFFICER'S REPORT

Gumala Aboriginal Corporation (GAC) is a proud Indigenous organisation committed to serving the three language groups who own one of Australia's largest Indigenous not-for-profits. At GAC, the rapid expansion of Members' programs has been designed to cater to the needs of our growing and diverse membership who remain primarily in the Pilbara region of Western Australia but who have families living in other parts of Australia's largest State.

As you read through this year's Annual Report I hope the audited (unqualified) financials will highlight the many positives as a result of receiving compensation monies from the historic Yandi Land Use Agreement (YLUA) achieved between the Traditional Owners and Rio Tinto's subsidiary (Hamersley Iron Pty Ltd) 16 years ago. In many ways the YLUA can be seen as the first major "self-determination" agreement reached with a major mining company following the High Court decision recognising native title rights in this country. The YLUA is a private contractual agreement and does not rely on government funds.

Our central goal to alleviate poverty for our Traditional Owners remains the core of our mission. We face many difficulties including the need to accept that transformational change is an aspiration that requires having a high risk appetite to effect positive change. What do I mean by this? Put differently, the role of the Chief Executive Officer and the team of professionals (now exceeding 70 staff in both our Tom Price

and Perth offices) who serve the Traditional Owners requires an acceptance that providing benefits to GAC's 1200+ adult members and their children is fraught with political risks and social complexity.

While Native Title has become part of Australia's land law, there remains robust discussion within our membership on how the benefits provided in the YLUA should be distributed between different families. GAC has never sought to disguise this "tension" and accepts that this an inevitable consequence due to Native Title. The challenge however is managing expectations and seeking to work with all families and their representatives, in accordance with Aboriginal custom and practise, to enable GAC to develop an international best practice model.

As a result, the CEO's role, at times, requires an obligation to give special consideration to individual Members on a case-by-case basis to advance the poverty alleviation objects as outlined in the Yandi Land Use Agreement, Rule Book (Constitution) and General Gumala Foundation (GGF) Trust Deed. While applying CEO discretion, as it is commonly known, invites potential criticism, I have always believed during my six years at GAC that acting in the best interests of our organisation requires a paradigm shift in thinking and not being risk averse. My team and I do not make any apology for being committed to expeditiously distributing

millions of compensation monies directly to those who are the beneficiaries, our Members. For example, it is of significance for our Traditional Owners that we have managed to increase the annual operating budget from \$2 million in 2008 to a total budget of over \$23 million in 2013-14 to provide Health & Well-Being, Business Development, Education & Training, Community Development, Culture and other grants for the membership. This would not have been achieved had paternalistic thinking and bureaucratic practices been the organisational culture and modus operandi.

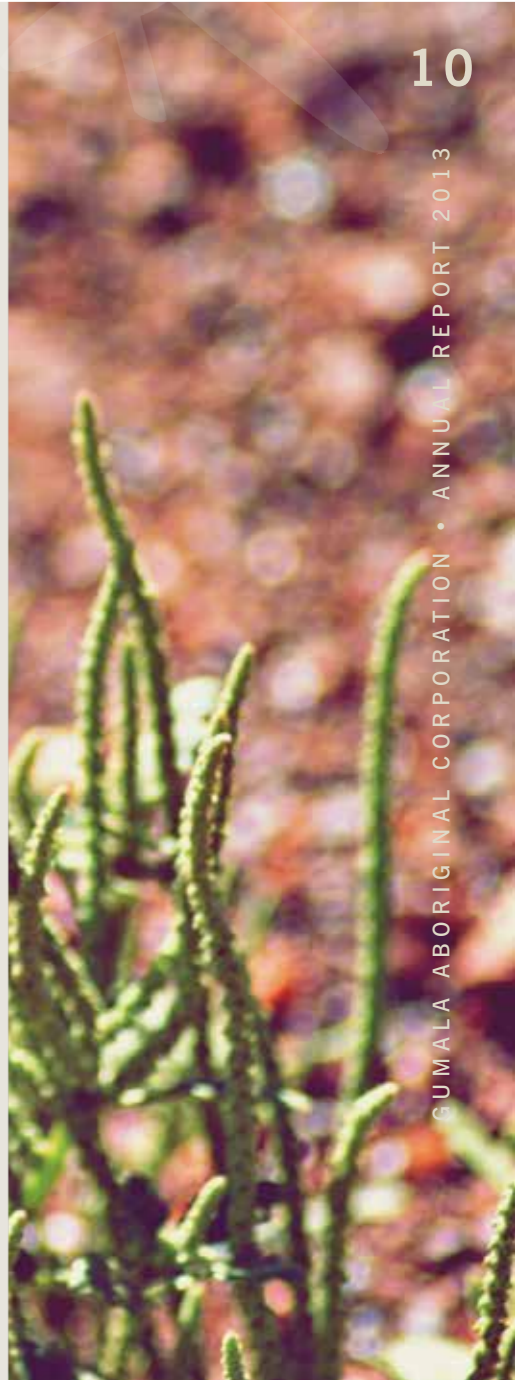
Notwithstanding, GAC is required to adhere to Good Governance and the significant compliance and control costs that have been incurred, especially the \$1 million in regulatory costs. This is causing GAC to look at more cost-effective ways to manage *risk* while maintaining effective controls and systems to satisfy a range of key stakeholders including the Trustee of the General Gumala Foundation (GGF); Gumala Investments Pty Ltd (GIPL) and the Federal Regulator, the Office of the Registrar of Indigenous Corporations (ORIC). Inevitably, this raises the question of how much of each dollar should be spent on operational (non-grants) costs? To date, no external or internal reviews have identified a working best practice model that is applicable to a private Aboriginal organisation receiving contractual compensation monies. This should not be seen in a negative light but rather as a tremendous opportunity to *instigate, experiment and explore* with ideas that are different and innovative.

GAC will continue to act boldly, think "outside the square" and pursue its vision to alleviate poverty for our Traditional Owners with a sense of zeal. We are proud of our achievements and it remains an honour and privilege to serve the Banyjima, Innawonga and Nyiyaparli people.

On a final note, no one could occupy this role and handle the daily pressures without the strength and support of the Chairman, Directors and Elders. I wish to record my deep appreciation for the continued trust and confidence in management and I wish the retiring Chairman and other Directors a successful post-Board future!

Warm regards,

Steve Mav
Chief Executive Officer





GUMALA ENTERPRISES CHAIRMAN'S REPORT



Financial Highlights

Despite the recent uncertainty and construction slow down in the Pilbara resource sector that has seen a number of contracting companies depart the market, Gumala Enterprises Pty Ltd, as the Trustee for the Gumala Enterprises Trust (GEPL), has delivered an acceptable result, broadly in line with expectations. We declared a Net Profit of \$3.47 million. Cash and cash equivalents increased by 5.6% from the previous year, with a 30 June 2013 balance of \$2.6 million. In times of challenging market conditions, cash is vital and a true measure of business performance.

I am delighted to confirm GEPL has delivered its first ever cash distribution of \$800,000 to its beneficiaries. This distribution was paid in two parts. \$400,000 was paid to GIPL in September 2013 and \$400,000 will be paid to GAC as a loan repayment in 2013. This is a historic achievement in the development of GEPL as a sustainable business. It is now a focus of the company to continue to develop its business model so that cash distributions can be made on an ongoing basis.

Current Business

Contracting revenue and margins have softened, requiring the management and operations team to continue to drive operational efficiencies. GEPL must continue to reduce costs where possible and become more efficient to improve our competitiveness and lift our margins and profitability. The integration of GAC and

GEPL presents opportunities for greater efficiency, continued reduction in overheads and most importantly develops closer links with the overall objectives of Gumala. We must also focus on expanding our client base and diversifying our services.

Our focus on securing the Yandicoogina long-term maintenance contract was proven successful during last year with the signing of a \$12 million maintenance contract. These works are expected to continue until mid 2015. Our strategy of focusing on maintenance contracts and diversifying our business is important so we are not dependent on construction contracts tied to mine expansion.

Our contracting business achieved a turnover of \$21 million but did not achieve budget in this challenging period, mainly due to the significant RTIO slowdowns and delays in awarding new project work. The contracting business did deliver a profit of \$323,000 in line with the reforecast conducted at the time of the Ernst & Young Review.

A management focus on retiring old unreliable plant and securing improved commercial arrangements with preferred plant suppliers is expected to improve our capability and ensure we are competitive and flexible in the current market with minimal capital expense.

In an effort to diversify the business, the previous board approved the \$1 million purchase of two new Volvo Prime movers and floats. We continue to closely monitor the utilisation and profitability of this equipment. To date the results are positive with paid utilisation of 71%.

Our ESS Gumala Joint Venture share of profit was \$2.1 million. It is the intention of GEPL to become more directly involved in the operation of this venture. Traditional Owners are to be appointed as alternate directors with an intention to becoming GEPL's nominated directors over the course of the next twelve months when business familiarisation and licensing requirements have been satisfied.

Karijini Eco Retreat (KER), operated under a management agreement, incurred a loss of \$128,000 - however this was approximately \$100,000 better than expected. The power and water upgrade works are now completed and expected to significantly lower operational costs in 2014. Great opportunities for Member employment will be available when improved staff accommodation to complement the amphitheatre development and student accommodation are completed. GEPL must rise to the challenge of making Karijini both profitable, and a showpiece of Traditional Owner culture and career development.

Corporate Governance and Alignment with Members' Objectives

Members expect us to demonstrate what we are doing in the areas of Corporate Governance, Board Diversity, and providing employment opportunities for Members. I am 100% committed to continuously improving the diversity of the Board and the employee base of the Company. Diversity of background, gender, age and ethnicity enriches perspectives, enhancing the performance of the Board. It will improve collaboration and productivity across the Company. I am encouraged by progress made since the integration of GAC and GEPL, however there is much more to be achieved. In line with our aligned objectives GEPL is working very closely with GAC to provide significantly increased employment opportunities for Members.

The CEO of GAC, Steve Mav has been appointed as the GEPL Managing Director. Steve has a strong understanding of the membership and their desire for contribution to a successful GEPL business. Steve will contribute cultural alignment guidance and direction in line with the Gumala vision to alleviate poverty. GEPL must make a real contribution and must continue to improve in this area. The number of Members involved in our business will increase by GEPL offering apprenticeships, traineeships and cadet roles through to management opportunities and training. Specific targets are being developed for 2014 and beyond.

Future Outlook

Despite the tough conditions, GEPL is in good shape. We have a sound balance sheet, good cash flow and a committed team to deliver on our objectives. Our reputation with clients, business partners and suppliers continues to improve.

Our strategy remains focused on operational excellence, diversification of our services and client base, and providing training and employment opportunities for Members.

I am setting the challenges for GEPL very high. I have a belief that GEPL can be the best business performer in whatever field it decides to operate. I do not want to accept second best, or a steady state of "good enough".

I look forward to working with everyone associated with Gumala.

John Lillywhite
Chairman



GUMALA INVESTMENTS CHAIRPERSON'S REPORT

The 2013 Financial Year has been another remarkable period of activity at GIPL acting as Trustee for the General Gumala Foundation. In the past twelve months we have continued to make improvements to the organisation and during the year a number of important items on our agenda are near completion or ongoing.

I am particularly pleased to report the continuing increase of the investment holdings which have grown from \$71,644,950 in 2012 to \$90,697,000 as at 30 June 2013, which is a tremendous achievement in what has been a tough and uncertain economic climate.

We have reviewed our Investment Policy and Procedures to further improve performance and to ensure that our investment allocations include growth and sufficient diversity to protect the Future Fund Investment for Beneficiaries.

GIPL has committed substantial funds towards the South Hedland Housing Project and although there have been delays in the design and approval of the 10 planned houses, GIPL continues to work closely with GAC to ensure this important project is completed.

The Review of the General Gumala Foundation's Traditional Owner Register is a priority for GIPL and will provide the most accurate Traditional Owner Register in the history of the Yandi Land Use Agreement. This is taking an enormous amount of effort and the Board appreciates the assistance provided by the Traditional Owner Elders Advisory Committee, Dr. Guy Wright of Big Island Research Pty. Ltd. and his team and the work undertaken by our Office Manager, Cheryl Thomas.

The Review of the operation of the Foundation and the Trust Deed commenced in April 2012 and involved consultation with Beneficiaries and the Trustee in towns across the Pilbara, in Geraldton and Perth. The Review was completed in August 2013.

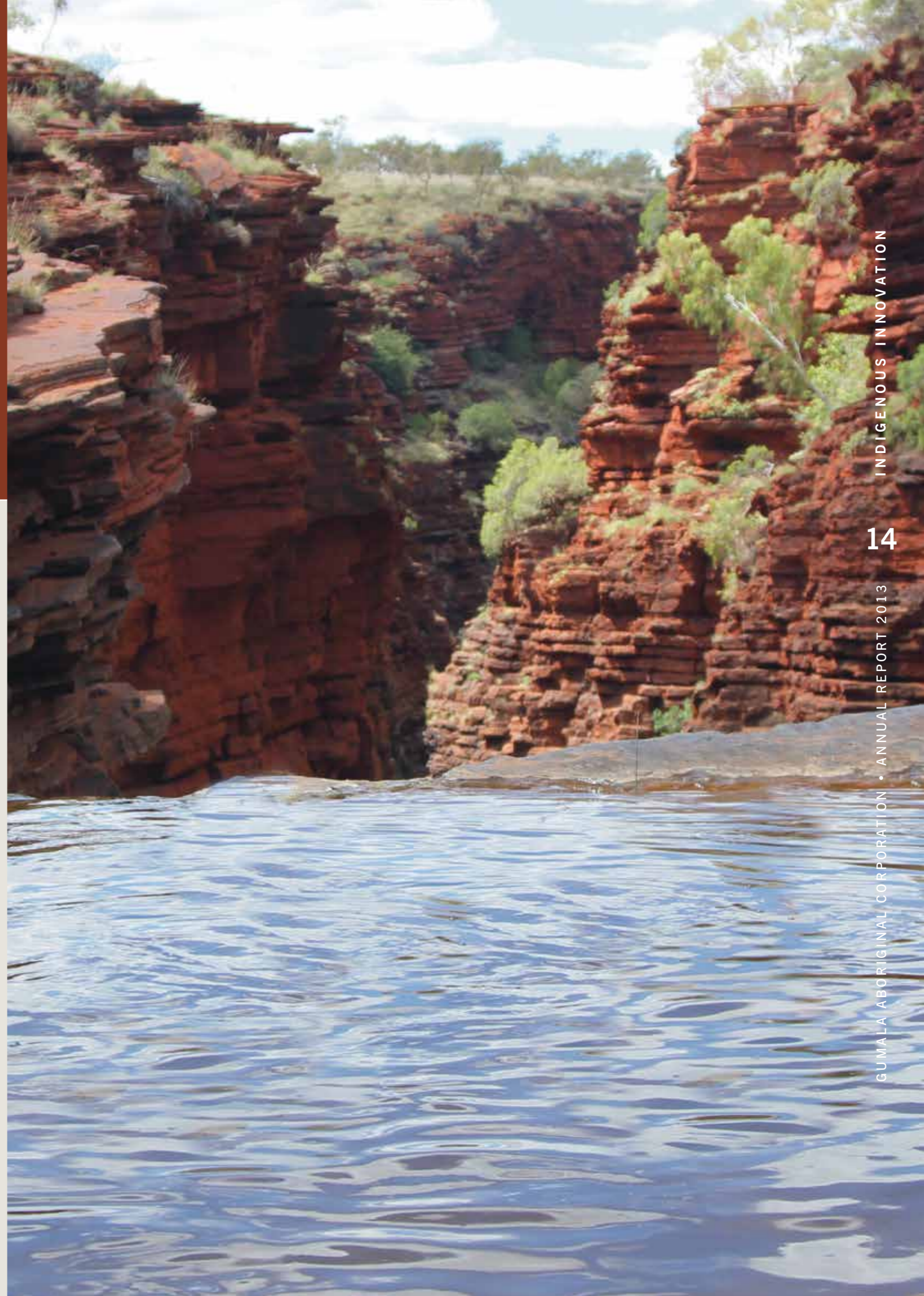
The report of the Review is planned to be very comprehensive, covering all aspects of the work of the Trustee over the past five years. It will provide information gathered from our discussions with you as well as providing recommendations for any changes to the Trust Deed and measures for improvement going forward.

The GIPL Board continues to work in a consultative and collaborative manner with the Manager, GAC, and plans to seek more opportunities to meet to discuss the important challenges and issues we face - from which we can learn and grow together.

I wish to thank you all for your support, patience and advice as we undertook these critical tasks during the year. It has been a pleasure working with the GAC Chair, Stephen Peterson and GAC Board representatives and staff. It was also a highlight for GIPL Board members to be able to meet with you to discuss Foundation issues during the year when we undertook the consultation meetings.

Please visit www.gumalatrust.com to gain further information about GIPL – who we are, what we do, frequently asked questions, Beneficiaries information, latest news and contact details. The GIPL Board looks forward to further consultation with you, when the Review of the Foundation is completed (which it has been) and we have consulted with the Manager as required under the Trust Deed.

Dianne Guise
Chairperson





STAKEHOLDER ENGAGEMENT

STAKEHOLDER ENGAGEMENT PLAN

During the 2013 Financial Year, Gumala Aboriginal Corporation (GAC) developed and commenced the implementation of an integrated Stakeholder Engagement Plan, incorporating a Stakeholder Engagement Framework.

The key objectives of the Stakeholder Engagement Plan are:

- to strengthen GAC's relationships with existing stakeholders
- to cultivate GAC's relationships with new stakeholders
- to diversify GAC's income streams and maximise the benefits that we can provide to our Traditional Owners in the core areas of Health, Education, Housing, Lore & Culture and Business Development.

These objectives are consistent with GAC's over-arching aim of alleviating poverty among the Traditional Owners we represent, as well as enabling pathways for self-determination.

Gumala's Stakeholder Engagement Plan focuses on the following strategic goals:

- Articulating a compelling case for support
- Investing in a properly resourced and professional workplace to enable Gumala to achieve its external funding / partnership goals

- Engaging with stakeholders in a consistent and strategic manner to bolster affiliation, engagement and support
- Increasing external income for Gumala, especially by concentrating on major benefactors, industry and government partners
- Building a donor-centric model of stakeholder engagement that values the importance of our partners and the objectives we can achieve together.

STAKEHOLDER ENGAGEMENT FRAMEWORK

GAC's Stakeholder Engagement Framework seeks to align stakeholders, government, industry and the philanthropic sector with GAC in order to facilitate transformational change. Such stakeholder alignment also manifests in positive outcomes in the context of alleviating poverty through proactive measures to achieve economic, social and community development while promoting and protecting cultural values of the Traditional Owners.

As a not-for-profit Aboriginal organisation, GAC is beginning to focus on philanthropy as a part of the company's overall fundraising strategy at local, national and international levels.

GAC also seeks to identify additional streams of support and, to this end, aims to develop opportunities for industry support and sponsorship. Other opportunities for government support will be actively pursued, such as Indigenous Housing, Education, Health, Art and Sport funding streams.

| KEY STAKEHOLDER | NATURE OF RELATIONSHIP |
|---|---|
| Rio Tinto Iron Ore | The Yandi Land Use Agreement; Work Start training and employment programs; Yandi Sustaining Project Traditional Owner Consultations (monitoring of significant earthworks being undertaken at the Yandicoogina mine); Quarterly Monitoring and Liaison meetings with the GAC Board. |
| Dept of Education Western Australia | GAC provides funding assistance to GAC's Traditional Owners, with the funding paid directly to the 200-plus educational and training organisations that GAC works with. |
| Healthabitat | Housing for Health partnership. |
| Dept of Education Western Australia and Tom Price Primary School | Partnership agreement signed in December 2012 between GAC, the Dept of Education and the Tom Price Primary School for the 3A Early Childhood Project. |
| The University of Melbourne | Gumala's 3A Early Childhood Centre ("3A") came to fruition as a result of the partnership between GAC and The University of Melbourne's Graduate School of Education in order to establish the 3A education program. |
| Compass Group | ESS, a division of the Compass Group, is a joint venture partner of GAC's business arm, Gumala Enterprises (GEPL). The joint venture brand, ESS Gumala, is one of the leading catering and support services companies to the mining sector in the Pilbara. |
| The Western Australian Department of Environment and Conservation (DEC) | Manages Karijini National Park (which is located on Gumala's Traditional Owners' land) in co-operation with Gumala. |
| Shire of Ashburton | NAIDOC Week in Tom Price. Gumala shared the lead organiser responsibilities. |
| Hospitality Group | Hospitality Group's subsidiary, Ecomodation, manages Karijini Eco Retreat (which is owned by Gumala). |
| Indigenous Business Australia (IBA) | Provision of business development support, mentoring and workshops for Gumala Members. |
| IBN Corporation | GAC is working with IBN to maximise benefits for beneficiaries of both organisations. |
| The Tom Price Enrichment Centre | Gumala is a proud supporter of the centre, with many Gumala children attending the centre on a regular basis. |
| West Pilbara Communities for Children | The 3A Early Childhood project. |
| The WA Football Commission | Donation of football paraphernalia to Youngaleena and Wakuthuni Communities. |
| DEEWR (PaCE) | Funding to support two new 3A learning centres. |
| Indigenous Land Corporation (ILC) | Funding support for the Youngaleena Community Centre project associated costs. |
| WA State Govt Community Grants Scheme (Waste Authority) | Funding support for the Youngaleena Community Centre. |
| Royalties for Regions program – WA State Govt | Funding support for the Karijini Eco Retreat's soon to be constructed cultural amphitheatre and accommodation facility. |
| Many Rivers | Provision of business development support, mentoring and workshops for Gumala Members. |

KEY DOCUMENT GUIDE

The following Gumala Aboriginal Corporation (GAC) documents can be found on GAC's website:
www.gumala.com.au/documents

GAC 2012 – 2015 Strategic Plan

Comprises key business objectives and associated strategies of the CEO Division, Member Services Division and Support Services Division.

Board Charter

Sets out an overview of: Board composition, structure and process; the relationship and interaction between the Board and Management; and the authority delegated by the Board to Management and Board Committees.

Directors' Code of Conduct

Encompasses responsibilities; requirements prescribed by law; requirements to ensure effective Board processes; professional behaviour and conduct; and agreement to abide by Directors' Code of Conduct.

Member Services Program Guidelines

Details the Guidelines for GAC's Member Services Programs. These Guidelines conform with the General Gumala Foundation (GGF) Trust Deed and the GAC Rule Book.

Member Services Charter

Covers GAC's commitment to Member Services; GAC's Service Standards; and GAC's Expectations of the Membership.

Internal Dispute Resolution Policy & Procedures

Promotes clear, open and accountable handling of disputes between: GAC Members; GAC Members and Directors; GAC Directors; or GAC and other parties. The document also outlines the processes and responsibilities for dealing with disputes.

Complaints Policy & Procedures

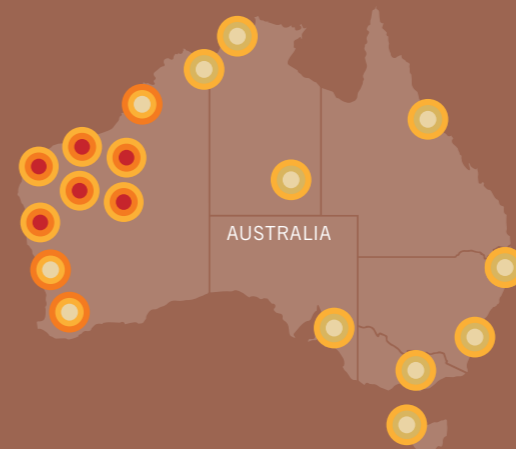
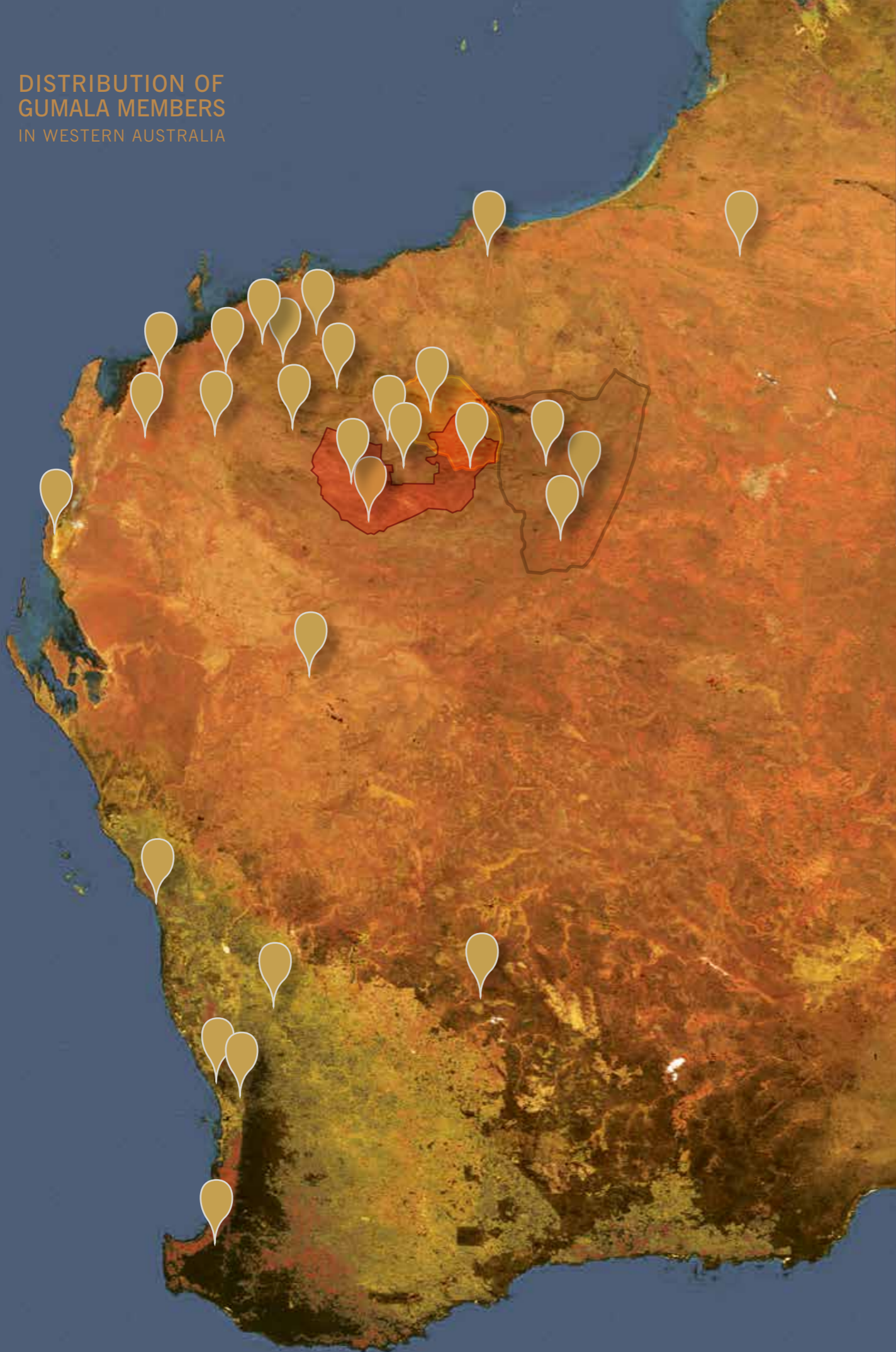
Aims to promote clear, open and accountable handling of complaints. It outlines the processes and responsibilities for dealing with complaints including monitoring and reporting on the progress of a complaint and responses.

Yandi Land Use Agreement (YULA) Review 2013

The Hon. Fred Chaney and the Hon. Paul Lennon carried out a five year review of the operations of what is recognised as Australia's first major land use agreement.



DISTRIBUTION OF GUMALA MEMBERS IN WESTERN AUSTRALIA



GUMALA MEMBERSHIP AUSTRALIA WIDE

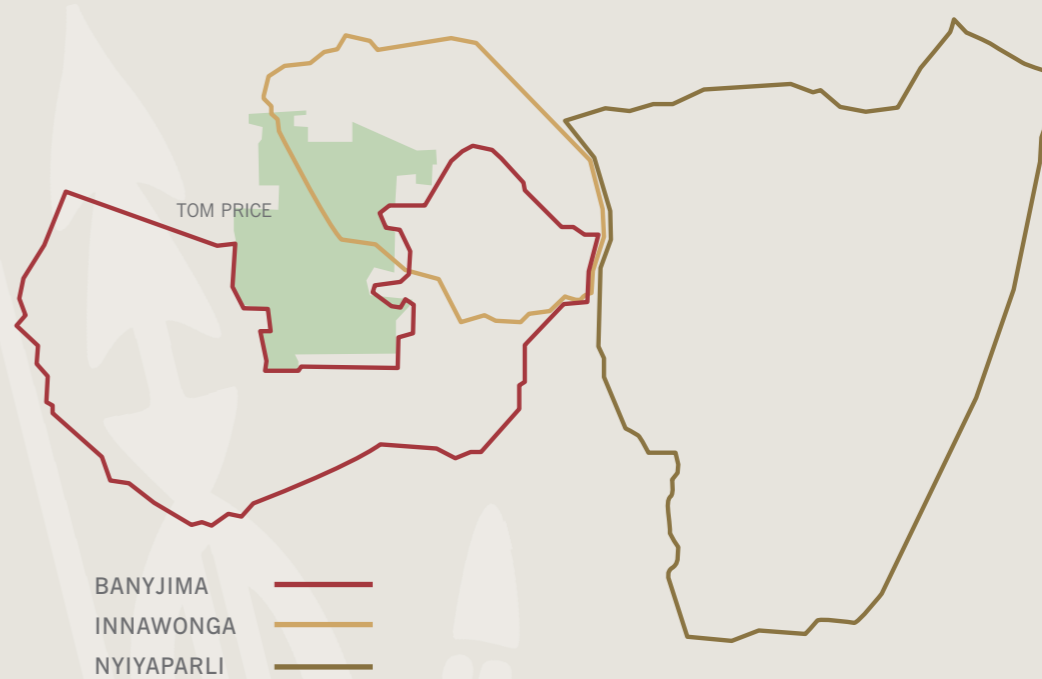
- HIGHEST DENSITY OF GUMALA MEMBERS
- LOWER DENSITY OF GUMALA MEMBERS
- LEAST DENSITY OF GUMALA MEMBERS

Approximately two-thirds of the Gumala membership live in the Pilbara region and over 90% of the membership live in Western Australia.

GUMALA MEMBERSHIP

Gumala Aboriginal Corporation's 1200-plus Members are Banyjima, Innawonga and Nyiyaparli Traditional Owners. Their homeland is located in the Pilbara region of Western Australia. The Banyjima, Innawonga and Nyiyaparli peoples are custodians of the Banyjima, Innawonga and Nyiyaparli languages respectively.

TRADITIONAL OWNER LAND (BY LANGUAGE GROUP)



MEMBER SERVICES OVERVIEW

GAC currently operates 28 Member Services programs, which are directly benefiting our Traditional Owners, in line with GAC's core mandate of implementing poverty alleviation strategies.

Optimised service delivery through Member Services processing innovations, extended hours of operation, investment in technology and new program initiatives.

Approximately \$9.2 million was spent by Gumala Aboriginal Corporation (GAC) during the 2013 Financial Year on the following six Income Utilisation Categories (IUCs): Health & Well-Being, Education, Community Development, Culture, Business Development and Other.

This includes a range of Member Services programs (\$7.7 million) and Community Development Programs and Projects (\$1.5 million).

The highest proportion of funds was spent within the Health & Well-Being IUC (44%), followed by 19% on Education and 16% on Community Development.

NEW PROGRAMS

At the start of the 2013 Financial Year, two new Member Services programs were launched: the Early Childhood Assistance program and the Country Week Participation program.

During the 2013 Financial Year, GAC also provided Business Development support to Members. On 1 July 2013, GAC introduced the Housing Assistance program and Art and Crafts program.

GAC currently operates a total of 28 Member Services programs, which are directly benefiting the Traditional Owners, in line with GAC's core mandate of implementing poverty alleviation strategies. GAC operated 21 and 18 Member Service programs during the 2012 and 2011 Financial Years respectively.

IMPLEMENTATION OF IMPROVED INFORMATION SYSTEM FUNCTIONALITIES & DOCUMENT MANAGEMENT

The Gumala Information System (GIS) is a custom built information system used to process Members' applications and manage interactions with the Membership. This system is also the central data collection point for the storage and management of confidential Membership information. During the 2013 Financial Year, ongoing works were undertaken to further develop GIS. As part of the GIS upgrades, new functionalities have been implemented, notably including the ability to SMS Gumala Members, the ability to contact suppliers directly from GIS, improved document management and increased capacity to capture Membership workforce related information.

GAC is investing in information technology to future-proof the organisation. It is expected that these ongoing information technology innovations will help reduce the costs involved in processing applications and allow GAC to capture valuable information about the Membership.

The business intelligence data from GIS will be integral in ensuring that GAC can make decisions to better meet the needs of the Membership into the future.

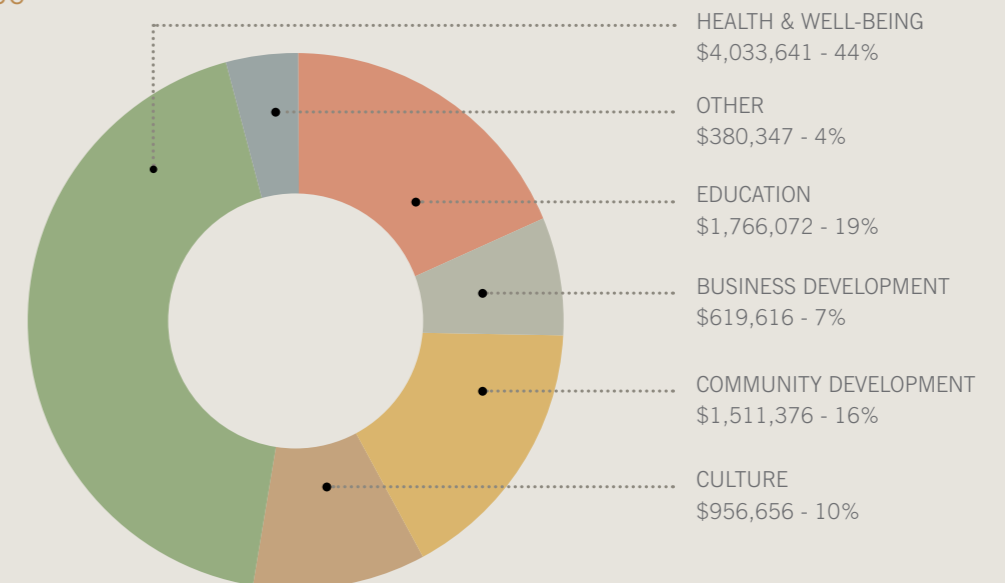
IMPROVED MEMBER SOLUTIONS TEAM (MST) EFFICIENCIES

In order to increase the efficiency of the MST, a roster system was introduced in the 2013 Financial Year. In effect, the 'processing hours' of operation of the MST were extended, which has resulted in increased efficiencies in the processing of Members' applications.

MEMBER SERVICES DELIVERY

- Extended operating hours implemented.
- Dedicated after-hours emergency service implemented.
- Member application process re-engineering, resulting in reduced processing times.
- Implementation of monthly business reporting, enabling benchmarking of performance.
- Paperless processing, resulting in efficiency improvements.
- Investment in appropriate technologies (including Gumala Information System upgrades) to maximise service delivery and apply reduced pressure on operational costs.

MEMBER BENEFITS BY IUC





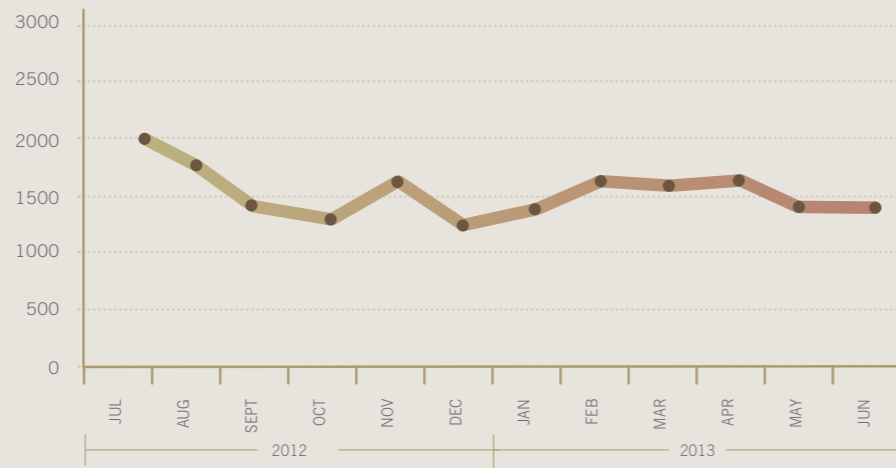
2013 Financial Year Member Solution Statistics

- Approximately 19,500 applications processed.
- Approximately 79,800 calls received.
- Approximately 3,900 office “walk-ins” in Perth and Tom Price.

TRANSACTIONS (MEMBER SOLUTIONS TEAM)

Every month the Member Solutions Team completed between 1200 and 2000 transactions for Members. The highest numbers of transactions were processed in July 2012.

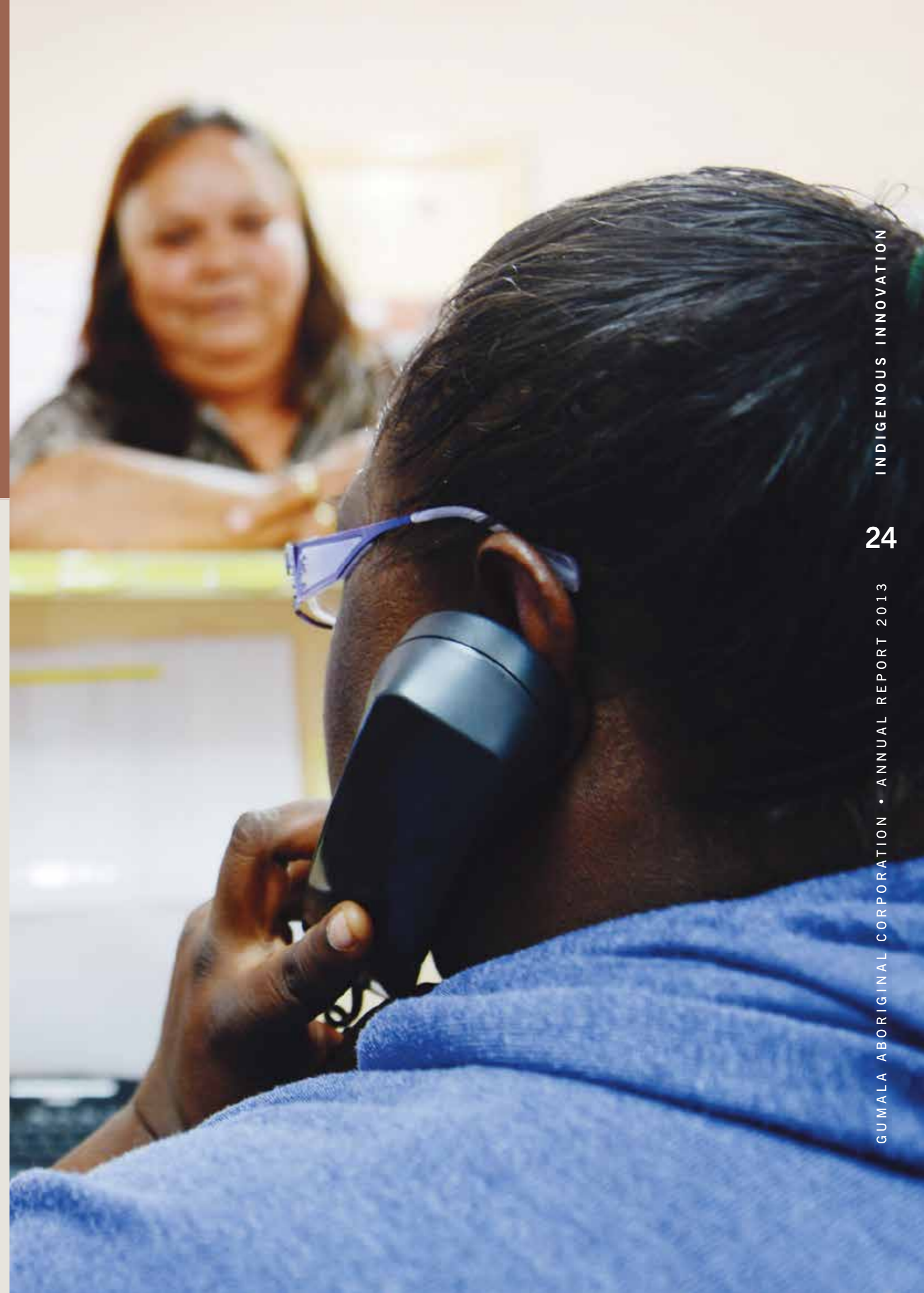
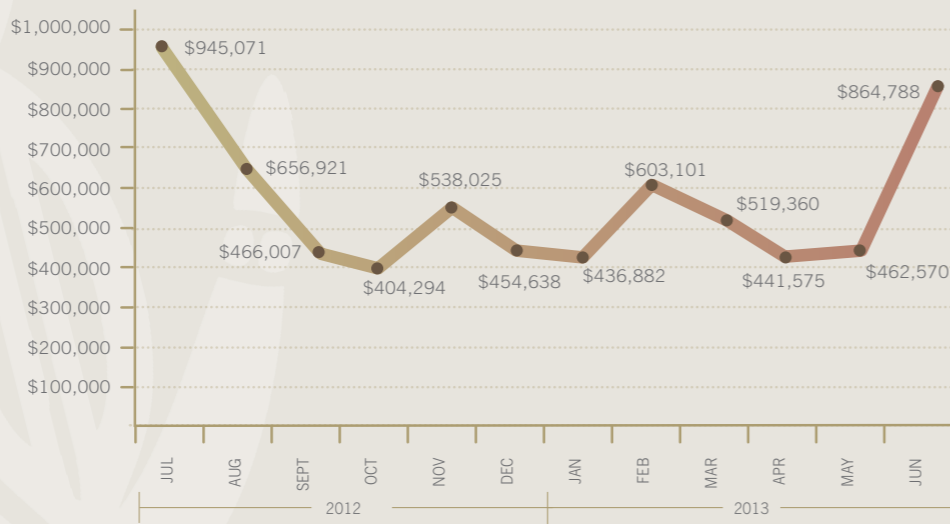
NUMBER OF TRANSACTIONS PER MONTH



EXPENDITURE PER MONTH

The level of expenditure on programs was greatest in the months of July 2012 and June 2013.

EXPENDITURE PER MONTH





EDUCATION



12 per cent increase in the number of Gumala registered students. Increased efficiencies and reduced administrative costs resulting from agreements secured with Western Australian schools.

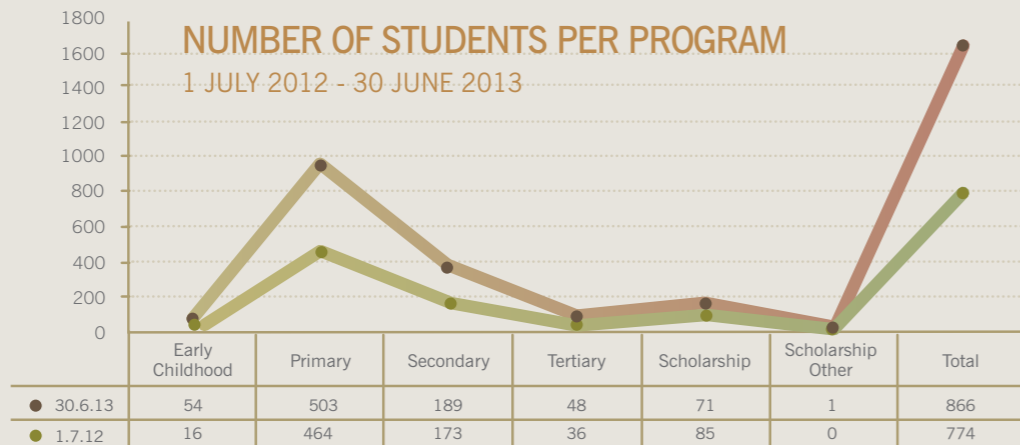
KEY TARGET FOR THE 2013 FINANCIAL YEAR

The key priority of GAC's Education Unit during the 2013 Financial Year was to increase the number of registered Gumala students accessing Education support programs. GAC's Education Unit successfully met these key targets, with the overall number of registered Gumala students increasing from 774 on 1 July 2012 to 866 on 30 June 2013 (an overall increase of 12%).

The Early Childhood program, which was introduced in 2012, supported the early childhood education of 54 Gumala children as at 30 June 2013.

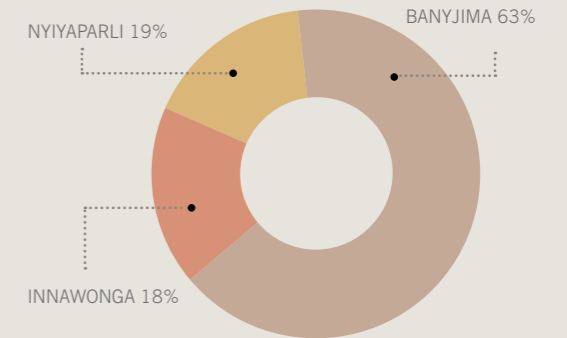
This program provides support for children from birth to five years old, including purchasing educational material, day-care costs and clothing. Since the 2014 Financial Year commenced, student registration numbers have continued to steadily rise for this program.

As a result of GAC's proactive capacity in securing agreements at primary and secondary schools throughout Western Australia, the number of registered Gumala students studying at primary and secondary schools increased throughout the 2013 Financial Year. This trend has continued into the 2014 Financial Year.

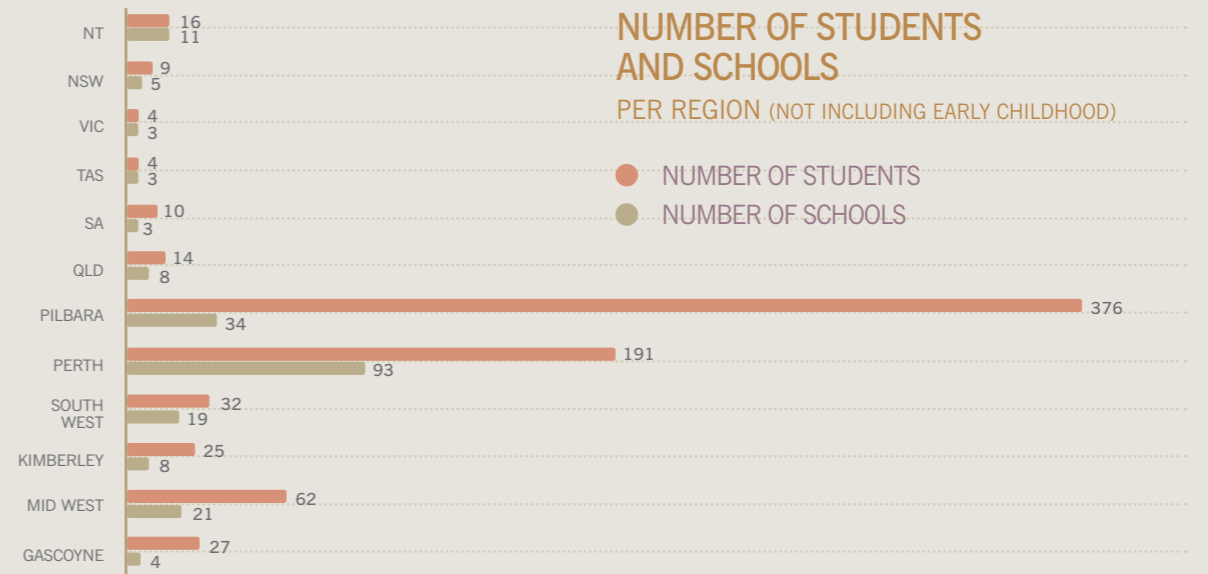


As more schools become aware of the education support that GAC provides, the schools themselves have begun assisting by identifying Gumala students and working with parents to register their children with GAC. During the 2013 Financial Year, the Education team increased the number of schools on agreement by 20 additional schools. A demonstrated indication of the success of this strategy is that schools without agreements with GAC are now contacting GAC and requesting agreements.

PERCENTAGE OF STUDENTS PER LANGUAGE GROUP



NUMBER OF STUDENTS AND SCHOOLS PER REGION (NOT INCLUDING EARLY CHILDHOOD)





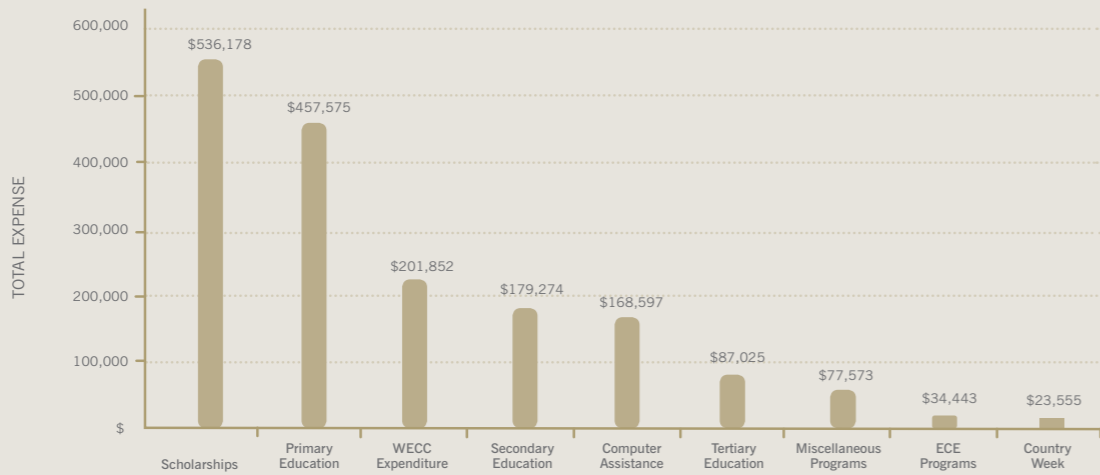
Constant innovation ensures that GAC is enabling the optimum provision of services to its Members' children and facilitating pathways for Gumala students to access a quality education.

EXPENDITURE ON EDUCATION PROGRAMS

Approximately 19% (\$1.76 million) of GAC's Member Services expenditure was spent on Education programs, compared to 17% during the 2012 Financial Year. Increased expenditure was particularly prevalent for the Primary Education program, which was in part due to increases in (i) registrations and (ii) school agreements.

As a result of (i) and (ii), an increase in students accessing funds to provide for their educational needs (including books, uniforms, stationery and lunches) occurred during the 2013 Financial Year. With overall student numbers across all education sectors continuing to increase year on year at GAC, it is anticipated that total education expenditure will increase in the 2014 Financial Year.

IUC: EDUCATION EXPENDITURE

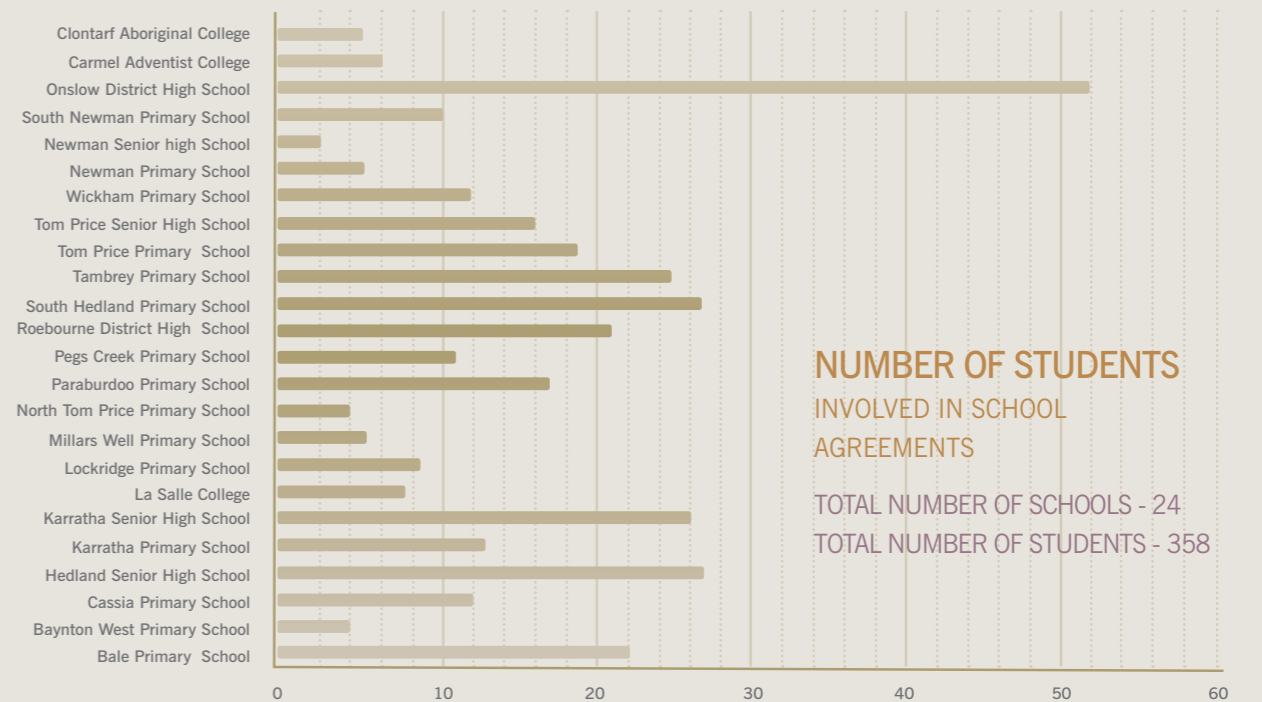


KEY TARGET: TO OPTIMISE PROCESSING EFFICIENCIES

A key target at Gumala is to streamline the application process across all GAC Education programs and ensure all eligible students have educational support from GAC, whilst minimising the administrative impact on the Member Solutions Team. GAC Education has been working directly

with schools across Western Australia to simplify the administrative process involved in students receiving GAC support. These innovations are ensuring that GAC is enabling the optimum provision of services to its Members' children (in relation to their educational needs) and facilitating pathways for Gumala students to access a good education, whilst receiving other important associated benefits such as books and healthy lunches.

The school agreements allow GAC to provide the students' funding assistance directly to the schools. The GAC Education team visits each school to provide core information regarding Gumala's Education programs (including the administrative procedures). The GAC Education team also discusses with the schools the importance of tracking student locations, given that students sometimes move schools (due to transiency).



NUMBER OF STUDENTS INVOLVED IN SCHOOL AGREEMENTS

TOTAL NUMBER OF SCHOOLS - 24
TOTAL NUMBER OF STUDENTS - 358



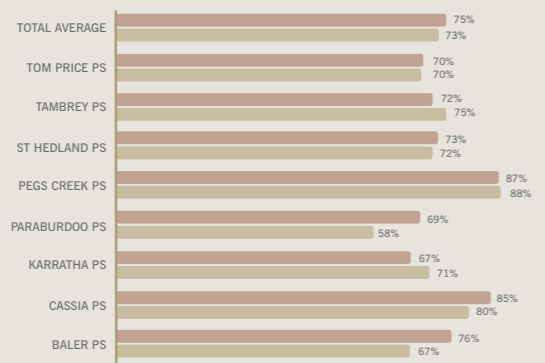
Nicarla Barney, mother of Gumala children Koby Carey and 3A student Kosta Carey:

“Kosta loves his (3A) school. He never used to like books and now he likes reading books. He is very good with books and painting. He’s learnt a lot of respect. It has been good for him and he has learnt a lot.”

KEY TARGET: OPTIMISED ATTENDANCE LEVELS

An increase in student attendance (of registered Gumala students) at primary and secondary schools occurred during the 2013 Financial Year. Gumala Education has been working with schools to increase attendance through the Gumala Attendance Initiative. In order for a school to be eligible for the initiative, it must have a relatively high population of Gumala students. The Gumala Education team liaises with each school to design an attendance reward scheme that will work best for both the school and Gumala students. As part of the agreement, schools provide attendance data to GAC each semester. This allows GAC to monitor each student’s attendance and location (due to transiency). Gumala Education is working to increase each student’s attendance to 80% minimum each term.

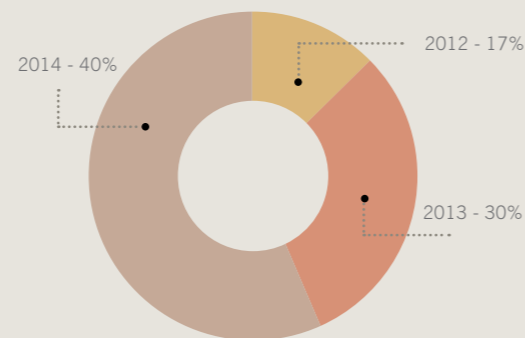
STUDENT ATTENDANCE PER TERM (2013)
(SCHOOLS ON ATTENDANCE GRANTS)



YEAR 12 COMPLETION TARGETS

GAC’s Education team is proactively working to increase the number of students who complete Year 12 through GAC’s Education programs’ support and the attendance initiative. The percentage of students graduating from Year 12 almost doubled during the 2013 Financial Year (when compared to the prior financial year). It is anticipated that the percentage of Year 12 graduates in 2014 will grow significantly, based on current enrolments.

PERCENTAGE OF STUDENTS TO FINISH YEAR 12 HIGH SCHOOL



Note: the above figures refer to school years (not financial years). The 2013 figure is based on currently registered Year 12 students, who will be graduating in 2013. The 2014 figure is an estimate based on the number of registered Year 11 students in 2013 (who are expected to be Year 12 graduates in 2014).

GUMALA’S 3A EARLY CHILDHOOD PROJECT

A key priority of Gumala Education that has been achieved is the development of a successful model for the delivery of an early childhood learning program to address a pre-identified early childhood educational gap and provide a platform for developing relationships with formal schooling. Further to this, an additional Gumala Education priority has been to develop a model for the delivery of early childhood learning programs throughout the Pilbara.

In the 2013 Financial Year, Gumala’s 3A Early Childhood Project (“3A”), located in Wakuthuni (one of Gumala’s traditional homeland communities), has continued to consolidate and build upon the foundations previously established. All three elements of the Abecedarian Approach - Conversational Reading, Learning Games and Enriched Care Giving - have been fully established, with the 3A teachers devising innovative recording and programming methods which will be able to be utilised in future 3A centres.

In early 2013, Gumala surveyed Wakuthuni parents to find out how they

felt the program was progressing and to identify any areas of improvement. As a result of this, Gumala has implemented a number of initiatives. For example, baby furniture was purchased for the centre, which now enables mothers with young babies to attend the centre.

3A attendance has continued to increase, with GAC introducing a twice weekly bus service from Tom Price to Wakuthuni to allow children and their parents to attend the learning program.

3A continues to receive the support of GAC’s strategic 3A partner, The University of Melbourne. In April GAC hosted The University of Melbourne’s Professor Collette Tayler and Jane Page, who presented 3A training to a number of participants, including three Traditional Owners.

3A is based on The University of Melbourne’s “Abecedarian Approach”. GAC was the first organisation in WA to implement the Abecedarian Approach in an early learning centre.

3A was showcased at the 2013 Tom Price Nameless Festival, a major community festival held in Tom Price each year. In the weeks beforehand, parents, teachers and children created the decorations for the 3A float. During

the excitement of the street parade itself, the 3A float promoted the importance of reading (with the rain clouds showcasing the “see”, “show” and “say” activities from conversational reading).

The success of 3A was highlighted during the Financial Year by GAC successfully securing the hosting of a workshop session at the 2013 National Secretariat of National Aboriginal and Islander Child Care Conference.

GAC and The University of Melbourne presented to a large number of delegates (national and international), resulting in much interest in the project.

3A Early Childhood Centre expansion plans:

December 2013: New centres in Youngaleena and Paraburdoo.

December 2014: New centres in 3 additional Pilbara towns/communities.



KARRI WALKER

Law, The University of Melbourne
Law School

GUMALA SCHOLARSHIP STUDENT

“As a young Aboriginal woman who is striving to be successful in terms of both my career path and also being a role model to others, Gumala’s support through their Scholarship program is helping Gumala students like me to achieve their educational goals.”

GUMALA SCHOLARSHIPS

GUMALA SCHOLARSHIPS

Gumala is committed to assisting Members and their children in achieving their career goals. Gumala currently provides scholarship support to over 80 students, who are pursuing high quality educational, sporting or arts opportunities. Scholarship assistance provided by Gumala includes study opportunities such as attending boarding school, university studies, seminars and conventions, as well as research opportunities. There are a broad number of career pathways that GAC’s Traditional Owners are pursuing, and Gumala is committed to supporting their pursuits.

IVETTE (LOUISE) PARKER

Year 12, St Hilda’s Anglican School for Girls, Perth
GUMALA SCHOLARSHIP STUDENT

Louise has been boarding at St Hilda’s since Year 9. In Year 11 she joined the INSTEP Program, where she completed Certificate II in Customer Contact and workplace learning. She is currently studying a Certificate II in Community Service at Challenger Institute of Technology, which encompasses community service industry fields such as Youth Work, Disability Services and Aged Care.

In addition to two years’ work experience at David Wirrpanda Foundation, Louise has participated in the Mums and Bubs Program, the P242 (Plan 2day 4 2morrow) Employment Program and the Deadly Sista Girlz Program.

“I have mainly been involved in the Deadly Sista Girlz Program, which empowers young Aboriginal and Torres Strait Islander girls to make informed decisions about their personal health and well-being to lead a positive and healthy lifestyle. I have enjoyed being a role model to girls in this program, getting to know them and watching them benefit from the program.”



LISA MARIE RODD

IF Foundation’s Leadership Program
GUMALA SCHOLARSHIP STUDENT

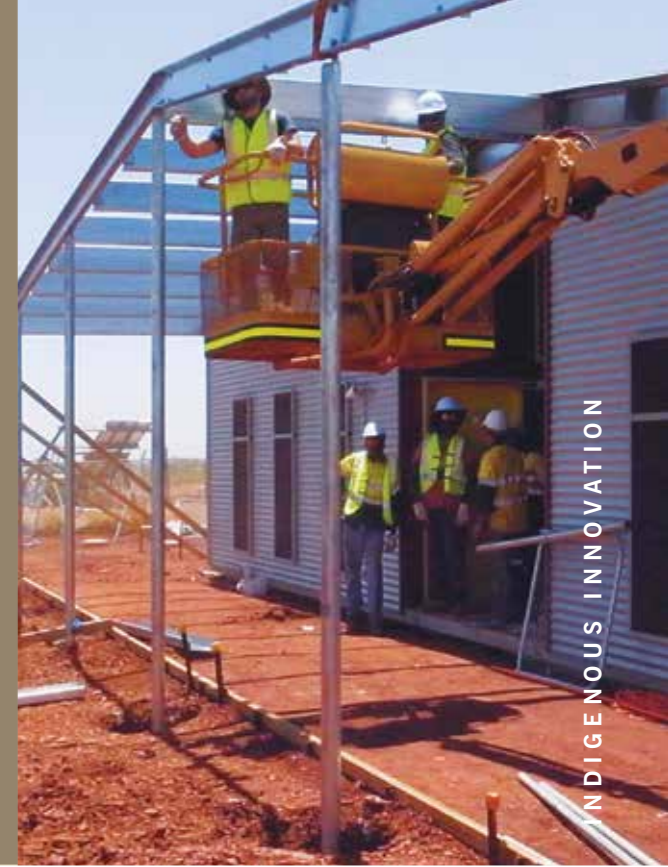
Gumala’s Scholarship program enabled Lisa to participate as a model in New York Fashion Week through the IF Foundation’s Leadership Program, which teaches and mentors young Indigenous women to become young community leaders and role models.

“It is good that Gumala supports various goals and dreams Members wish to achieve after school with the help of scholarships for different pathways they want to take. Young Members should know that whatever aspirations in life you have, you can make it happen. You just need to follow them, work hard, don’t give up, have passion, have respect and believe in yourself.”

COMMUNITY DEVELOPMENT

As part of an integrated Community Development Strategy, all of Gumala's capital works projects are examined for the potential to engage Traditional Owners throughout the life-cycle of the projects. In effect, these capital works projects are a key plank in underpinning the capacity-building of our homeland communities.

Approximately \$1.5 million in funding, across Community Development Projects and Programs. In addition, over \$600,000 of committed funds has been allocated for community maintenance, upgrades and other works at Gumala's homeland communities. These funds are for solar power, electrical power, water supplies, ablution facilities and other works.



Capacity-building through the employment of technically skilled senior staff.

Strategic initiatives resulting in employment and training opportunities for Traditional Owners in homeland communities.

GAC's Community Development team drives the organisation's wide range of Community Development projects, spanning a number of community assistance and support initiatives, as well as housing and infrastructure, maintenance works, homeland movement support and a community bus service. In the 2013 Financial Year the team strengthened its resourcing capacity, with significant and broad professional experience in architecture, procurement, construction, project management and legal administration.

HOMELAND MOVEMENT

Throughout the 2013 Financial Year, GAC continued to implement supportive measures for Gumala Members who live on traditional country. Led by Gumala's Community Development team, this support includes Community Maintenance, Community Assistance, Community Housing Maintenance, Community Capital Works and Lore Camp Upgrades.

During the 2013 Financial Year, GAC purchased four new tipper trucks for use on maintenance work around the communities of Wakuthuni, Bellary Springs, Youngaleena and Wirrilimarra. These new assets have given the communities the ability to undertake a range of maintenance activities on the homeland communities and lore grounds.

TRAINING AND EMPLOYMENT

GAC's reinvigorated focus on training and employment opportunities for Traditional Owners living in homeland communities emerged during the 2013 Financial Year and accelerated during the start of the 2014 Financial Year. This has involved Traditional Owners undertaking a variety of roles related to essential services upgrades and infrastructure projects within Gumala's homeland communities. Contractors and GAC's Community Development staff have been mentoring Traditional Owners working in the construction and maintenance of sheds, solar systems, fencing projects, machinery operation, plumbing and basic essential services. GAC has coordinated TAFE training for Traditional Owners in fields such as 'Working at Heights' and 'Elevated Work Platform Operation'.

COMMUNITY PROJECTS: YOUNGAELEENA

The current phase of GAC's delivery of homeland infrastructure, the Youngaleena Community Centre, is scheduled for completion in late 2013. During

the 2013 Financial Year, GAC's Community Development team worked closely with the Youngaleena community regarding the design phase of the multi-purpose community centre. The centre will provide a space to house School of the Air lessons, a 3A Early Childhood Centre, as well as other functional community uses.

The Youngaleena Community Centre is a project that has engaged the entire community, providing Traditional Owners with opportunities to participate in all phases of the project including earthworks, building labour, landscaping and horticulture.

The Youngaleena Community Centre follows on from the successful design and construction of:

- the Bellary Springs Community Centre in the 2012 Financial Year
- Gumala's 3A Early Childhood Centre at Wakuthuni in the 2011 Financial Year

Both of those whole-of-community infrastructure projects were made possible thanks to GAC's innovative partnership with the University of Melbourne and external funding assistance (including Rio Tinto and Lotterywest for the Bellary Springs Community Centre project).

COMMUNITY DEVELOPMENT PROJECTS EXPENDITURE



GAC'S PILBARA HOUSING STRATEGY

The objective of GAC's ambitious Pilbara Housing Strategy is to provide affordable housing options to Gumala Members, from rental opportunities to ownership opportunities that lead to wealth creation and self-determination.

LAND TENURE

GAC is currently in the process of assisting our Traditional Owners in resolving a land tenure issue regarding the expiration of pastoral leases in 2015 that is at risk of impacting on their homeland communities. GAC acknowledges that this has remained an outstanding issue for some time and is a high priority for resolution by the GAC Board and Management. Concerted efforts have been directed to expeditiously addressing this issue.

To that end, GAC has been working closely with Rio Tinto and Yamatji Marlpa Aboriginal Corporation to develop a strategic action plan. It is anticipated that by working together, significant progress will be made on this issue during the next Financial Year.

FUTURE DIRECTION

Presented in the spirit of partnership and cooperation, GAC has provided Rio Tinto with a blueprint proposal to deliver a Traditional Owner Precinct in Tom Price. Under the proposal, this precinct would accommodate facilities for a Cultural Centre, which is in line with the proposed location for such a facility as per the Tom Price Master Plan. GAC's new Head Office would be located at the end of the axis through the central business area of Tom Price. A new Gumala Radio studio, exhibition spaces and eating areas, meeting rooms, an

Aboriginal Health Service and Training Annexe would all be located in the precinct, together with mixed accommodation for trainees, respite and long term elderly accommodation. This transformational development would celebrate a rich and unique Traditional Owner history in the Tom Price region. GAC's vision for this development offers an opportunity to create a precinct with a strong Aboriginal identity in Tom Price, while making a significant contribution to the wider community.

SOUTH HEDLAND HOUSING PROJECT

The South Hedland Housing Project represents Stage One of GAC's Pilbara Housing Strategy. The delivery of ten Gumala homes in South Hedland is programmed for completion in mid-2014. The successful tenderer for delivery of this project is Fleetwood Pty Ltd and a construction contract is due to be signed prior to the end of 2013. All dwellings have received planning approval and building licences are expected to be received in November 2013.

The design of the ten dwellings, which will be a mix of 3 and 4 bedroom houses, meet requirements set-out in the Indigenous Housing Guide. All houses will be accessible for the elderly and/or adaptable for people with limited mobility. The South Hedland homes will be located in the Demarchi Estate. Landscaping and external works will be completed at each residence prior to tenanting.

GAC recognises that input from Members regarding the design of the houses is essential. For this reason, Members were invited to participate in consultation workshops held in Tom Price and Port Hedland during the first quarter of the 2013 Financial Year. Each consultation event enabled Gumala's Community Development team to capture Members' feedback and ideas with regard to the project.

PILBARA HOUSING STRATEGY STAGE 2

The next stage of Gumala's Pilbara Housing Strategy will be to construct dwellings on the seven lots of Gumala-owned land in Tom Price. In addition, Gumala is considering purchasing a further five vacant serviced lots in South Hedland which have been offered to Gumala at the cost-of-development price. These lots will further GAC's capacity to broaden its housing stock and provide some affordable and appropriate housing for Traditional Owners.

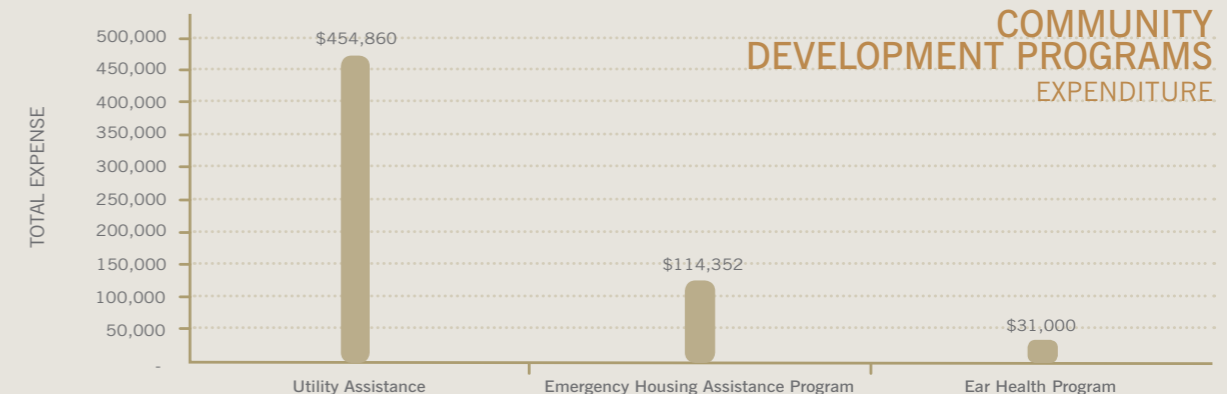
TOM PRICE ELDERLY COMPLEX

GAC is currently awaiting advice from government regarding a funding application before this project can be progressed. If successful, the Regional Development Australia Fund (Round 5B) funding will assist with the high cost of delivery of the Tom Price Elderly Complex.

HOUSING ALLOCATION POLICY

GAC has engaged consultants who have prepared a draft Housing Allocation Policy. A consultation process will be undertaken during the 2014 Financial Year to assess the merits of this policy with regard to matching Gumala housing stock with a register of Traditional Owners in need of housing in the Pilbara. GAC plans to investigate the possibility of partnering with IBN Aboriginal Corporation to deliver a strategy for housing allocation across both corporations that is fair and reasonable.

COMMUNITY DEVELOPMENT PROGRAMS EXPENDITURE





LORE CAMP UPGRADE PROGRAM

GAC continues to provide Lore assistance to Traditional Owners through the maintenance and improvements to Lore Camp infrastructure at Lore Camps in the Pilbara. This includes operational costs such as waste management, power generation and water supply. GAC always seeks out every possible opportunity to employ Traditional Owners in carrying out these works.

GAC carried out several Lore Camp upgrades in time for Lore in the summer of 2012, including: electrical and plumbing works (Cane River); reticulation water system, fencing around the generator and windmill, as well as general repairs (Wakuthuni).

In line with GAC's commitment to partner with stakeholders (where possible) to assist in the optimisation of service delivery, GAC may seek to partner with IBN Aboriginal Corporation in the future in order to share Lore Camp upgrade costs.



.....
GAC carried out several Lore Camp upgrades in time for Lore in the summer of 2012.
.....

KARIJINI ECO RETREAT

New works are programmed for completion at the Karijini Eco Retreat (KER) early in 2014, including a cultural amphitheatre, student and staff accommodation facilities and ablution facilities. These new facilities and infrastructure will be designed and project-managed by GAC.

This project will come to fruition thanks to the matched funding through the Royalties for Regions program. The new facilities and infrastructure will broaden the market for KER tourism and further business, employment and training opportunities for Traditional Owners.

KER is located at Karijini National Park, which is Gumala's flagship natural asset located in our Traditional Owners' homeland.





KATIE PIGRAM

*Niyaparli Traditional Owner
Successful catering business: Nuff4Feed Catering*

Funding assistance provided via Gumala's Business Development programs

Katie's catering business provides a high quality service for local Indigenous businesses in Broome. She also caters for several local primary schools, local events, and during NAIDOC Week celebrations she donates food to schools.

"Being a 100 percent Indigenous owned business gives me a distinctive competitive advantage as no other Indigenous person offers similar catering services. I never thought I would start my own business. I was a bit nervous but don't worry too much because things always have a way of working."

BUSINESS DEVELOPMENT

Dedicated support for Traditional Owner Businesses

Gumala Aboriginal Corporation (GAC) has provided Business Development support for Members since 2012. Since 1 January 2013, a dedicated Business Development budget has enabled GAC to ramp up its funding support under the current Business Development model.

GAC spent \$620,000 on the Business Development Income Utilisation Category (IUC) during the 2013 Financial Year. This figure is expected to grow during the 2014 Financial Year.

Key objective

The key objective of Gumala's Business Development support is to assist Gumala Members to engage in long term sustainable self-employment through ownership of successful business ventures or enterprises. Gumala's current programs under the Business Development Income Utilisation Category (IUC) consist of: Business Research, Feasibility & Training Grant (New Business); Business Planning & Professional Services Grant (New Business); Business Working Capital Grant (New & Existing Businesses); Business Related Travel Grant (Existing Businesses); Business Professional Services Grant (Existing Businesses); and Country WA Vehicle Repair & Maintenance.

Overall targets

- To increase the number of sustainable businesses (long term goal).
- To broaden both the awareness of Gumala's Business Development programs and the promotion of our Members' businesses (including in publications such as *Gumala News* magazine and GAC's corporate website).

Key Performance Deliverables achieved during the 2013 Financial Year

- Consistent incremental quarterly increases in enquiries from Gumala Members regarding GAC's Business Development programs. This success is largely a result of (i) a successful awareness campaign directed at the Gumala Membership and (ii) word of mouth amongst the Gumala Membership.
- Increasing Membership attendance figures at business development workshops. These workshops provide access to financial information and options and referrals to other sources of government, industry and professional assistance. This also gives Members access to Enterprise Action Plans, in order to assist Members in devising strategies and setting timelines for action to enable long-term self-employment sustainability.

- As a result of GAC's Business Development funding programs and support, there has been a significant increase in feedback and correspondence from satisfied Gumala Members explaining the progress and development of their businesses, as well as an appreciation of GAC's support in moving their businesses forward.
- A growing body of case evidence of Members developing their businesses and progressing to the next level in terms of self-employment goals. In some cases, these businesses have been able to employ additional Gumala Members.

Strategic Support via Business Review Assistance and Mentoring

Each Business Development application includes a comprehensive Business Review (which is a top-to-bottom analysis of the Gumala Member's business), as well as coordination with Gumala's business partners to carry out an on-site review of the business.

Gumala's business partners spend one to two days on-site, gathering information and developing a comprehensive view of: the core strengths and weaknesses of the business; strategic business issues; critical areas for business improvement; and potential pathways for growth. These Business Reviews, incorporating business objectives, direction and strategies, continue to be developed and enhanced.

Mentoring by highly skilled and experienced Business Advisers is also

included at no charge to Members. Gumala's Business Development team also provides mentoring services, utilising their industry experience and diagnostic tools at their disposal.

Forward vision

In the short to medium term future, Gumala is exploring the option of providing its Members with Business Incubator Hub support. A business incubator is a facility that supports small business ventures that are either in start-up or early growth modes.

MICHAEL DANN *Banyjima Traditional Owner*

Launched an online e-learning cultural awareness training website "Ripple Learning"

Obtained Business Development funding assistance from Gumala for the initial set up of the website, which includes cultural awareness presentations delivered by various Traditional Owners through narration from across the three language groups (Banyjima, Innawonga and Niyaparli) and is specific to the Pilbara region of Western Australia.

"I have worked in the mining industry for a number of years and I have seen how much of a need there is for an online Cultural Awareness package and to actually be able to evaluate the viewer's learning progression of the course. I can see that the website will be desirable for companies to buy into a package that delivers cross cultural awareness that has been created by a Traditional Owner from each of the language groups (Banyjima, Innawonga and Niyaparli)."





HEALTH & WELL-BEING



Gumala Aboriginal Corporation (GAC) distributed \$4.4 million through the 'Health & Well-Being' and 'Other' Income Utilisation Categories (IUCs) during the 2013 Financial Year, compared to \$4.3 million during the 2012 Financial Year.

Gumala's flagship program from the Health & Well-Being IUC is the Healthy Living program, which remains GAC's most popularly accessed program. GAC is aware that each Member has varying healthy living requirements. Therefore, the guidelines relating to the Healthy Living program are constantly being revised and improved to take into account the varying individual healthy living needs of Members.



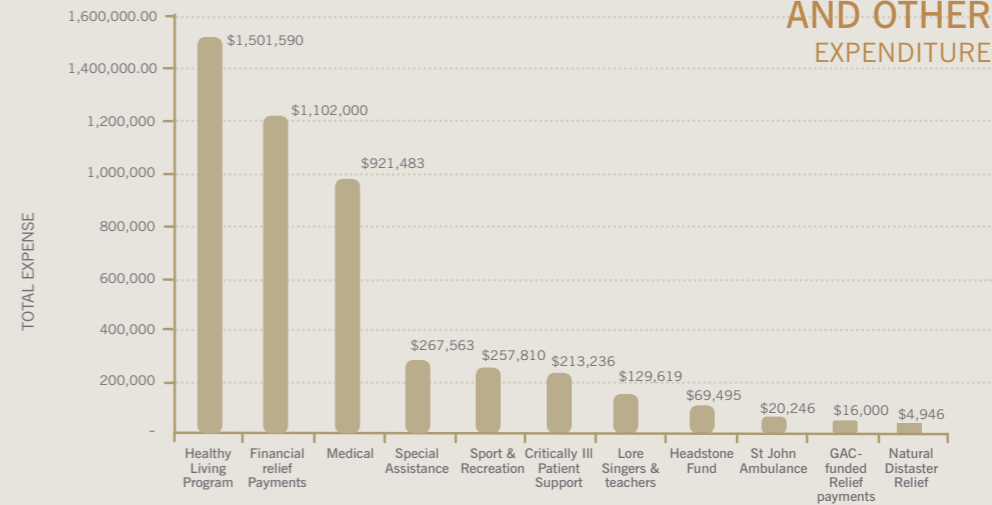
Hence funding opportunities under this program span a variety of expense items such as food, white goods, utility bills and travel costs.

In the 2013 Financial Year, GAC Members began using the Medical program much more broadly compared to prior years. In past years, the Medical program was typically used for assistance with medical costs, dental costs, optical costs, prescriptions and medications. In the 2013 Financial Year, a broad range of other health services such as podiatry, physiotherapy and counselling services began to increase in popularity amongst the membership.

A contributing factor to this broadened use of the program was a good health awareness campaign undertaken by GAC.

The Critically Ill Patient Support program provides travel and accommodation assistance to Gumala Members, their children, or kinship family who are visiting or supporting critically ill relatives. This program is in response to the support Traditional Owners need during times of critical illness, particularly in situations where travel from traditional country to the city is required in order to be with critically ill loved ones.

IUC: HEALTH & WELL-BEING AND OTHER EXPENDITURE



CULTURE



Gumala Aboriginal Corporation (GAC) provided funding support for Traditional Owners during the 2013 Financial Year through the following core Culture programs:

- Funeral Travel Assistance Program
- Funeral Program
- Lore & Culture Travel Assistance Program
- Lore & Culture Family Assistance Program

On 1 July 2013, GAC introduced an additional program under the 'Culture' Income Utilisation Category. The new program - the Art and Crafts program - provides Gumala Members with support for the practice of visual and performing arts.

LORE TIME

GAC continues to support Traditional Owners during Lore Time through the Lore & Culture Travel Assistance program and the Lore & Culture Family Assistance program.

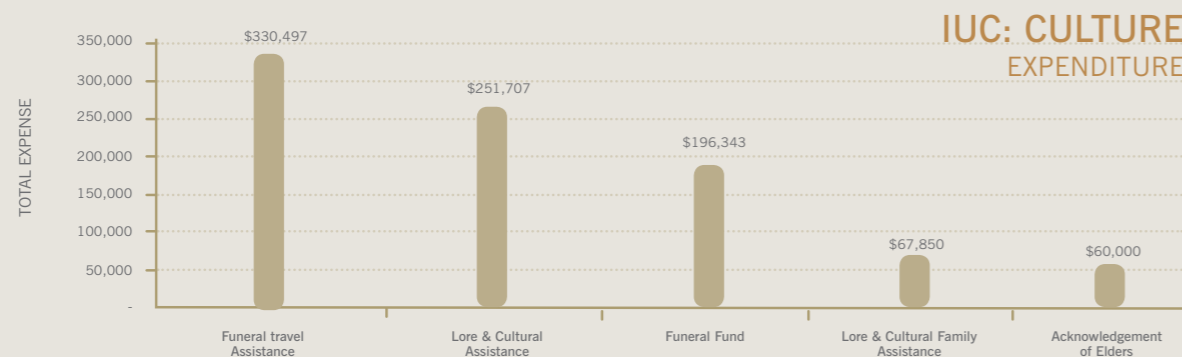
In addition to these programs, GAC's Community

Development budget enables support for traditional Lore. The Community Development team liaises with traditional Lore men and subsequently plans and implements important capital works and maintenance at traditional Lore camps located in the following Pilbara locations: Bellary Springs, Wakuthuni, Youngaleena, Cane River, Wirrilimarra and Youngaleena.

CULTURAL AWARENESS TRAINING

GAC wishes to acknowledge and thank Traditional Owners who prepared and delivered Cultural Awareness Training programs to GAC staff during the 2013 Financial Year:

- Stuart Ingie Snr
- Dawn Hicks
- Darren Injje
- Ronwyn James
- Ronnelle Hicks





“Improved remote access to GAC systems for remote and travelling staff and directors”



TECHNOLOGY

Maximising efficiencies and decreasing operational expenditure by investment in technology.

- Remote Desktop Servers commissioned to allow for improved remote access to GAC systems for remote and travelling staff and directors.
- Significant server infrastructure upgrades in GAC's Perth Administrative Office to support staffing levels and related activities in the Tom Price Head Office.
- Increased internal IT capabilities in parallel with the growth of the organisation.
- A significant network upgrade, creating a dedicated communications and data link between the Tom Price Office and the Perth Office.
- Successful IT transition of Gumala Investments Pty Ltd (GIPL) staff (whose office is located in the same building as GAC in Perth), including relocation of the GIPL server infrastructure and provision of facilities and amenities.
- Comprehensive recording of assets and services onto the GAC assets and services register.
- Corporate website innovations and upgrades including: responsive website design, ensuring optimisation of hand held device navigation and viewing; rebranding launches such as the “Jobs & Training”, “Gumala Radio” and “News” platforms; and launches of new features such as “Traditional Owner Stories”.





Gumala Aboriginal Corporation is committed to the well-being and professional development of its employees, as part of optimising our service delivery to our Members.

HUMAN RESOURCES



Increased delivery of Traditional Owner Employment and Training Opportunities.

Initiatives to create a workplace culture that better meets the needs of the Traditional Owners while providing appropriate support to GAC staff.

The Human Resources (HR) unit plays a critical role at Gumala Aboriginal Corporation (GAC), which seeks to attract and retain employees who have the skills and professionalism that support the organisation in achieving its strategic objectives.

As such, GAC's HR key objective over the 2013 Financial Year was to develop and implement Human Resource policies that support GAC to become an 'Employer of Choice'.

HR has sought to establish best practice HR frameworks for the recruitment, management and retention of staff; and to promote and build a positive workplace culture.

There are a number of strategies that have been introduced and refined to support the professional development of staff and build their competency. Central to this is the performance review process, which is promoted as a constructive and productive opportunity for both Managers and employees.

The Performance Review is carried out consistently throughout the organisation, allowing for all staff to engage in an opportunity to identify achievements and areas in need of improvement, while ensuring alignment of duties and responsibilities with the overall strategic objectives of the organisation.

TRAINING

GAC supported its employees to develop their skills and professionalism throughout the 2013 Financial Year, including professional development training in Building Partnerships, Aboriginal Employment & Economic Development, and Industrial Relations. General staff training included Excel courses and training aimed at improving customer service, as well as First Aid Training. In addition, all staff have access to the Lynda.com online learning program, which offers a wide range of training courses. Some more senior staff have been afforded the opportunity to undertake Executive and Management training.

STAFFING AND ORGANISATIONAL SHIFTS

HR regards the 2013 Financial Year as a year of positive growth in staffing. A number of new positions were created and there were several promotions.

At the start of the 2014 Financial Year, there were several more significant changes. The Member Solutions Team (MST) was restructured, with the Member Solutions and Training Manager roles being divided. This division of responsibilities further supports

GAC's determination to support the training and development of our Traditional Owners. Two MST Team Leader positions were filled by internal applicants, demonstrating the quality of the staff that we currently have working at GAC, while offering career advancement to our employees.

In addition, the Education Manager and Community Development Manager were promoted to the positions of General Manager Education and General Manager Community Development Manager respectively. These promotions were reflective of the importance of the work of the Education and Community Development units of GAC.

VALUES IN THE WORKPLACE

GAC has a multicultural workforce that achieves high performance standards to meet the needs of our growing membership. Underpinning this are the GAC values, which are promoted in order to ensure staff identify with the organisation and its strategic objectives.

The GAC values are now incorporated in the Employee Handbook and are promoted by way of posters and updates in the internal staff newsletter, *The Grapevine*. The values are: Indigenous Governance and Culture; Integrity; Stewardship; Initiative; Teamwork; and Accountability.

EMPLOYEE ENGAGEMENT

In April 2013 the position of Executive Manager: People and Culture was created. This served to evidence the organisation's recognition and appreciation of the value of the people who are the employees of GAC, and with it the need to develop an inclusive culture – one where employees believe they are heard and valued. It also reflects the emphasis on creating a workplace culture that better meets the needs of the Traditional Owners while providing appropriate support to "our committed staff."

One of the first initiatives undertaken with this focus was to conduct a Staff Survey aimed at identifying the understanding that staff have of GAC's strategic focus, the relationship with key stakeholders and the role of GAC as an employer. As a result of the survey, GAC has commenced implementing the following measures:

- Provide more training opportunities, including regular Cultural Awareness training.
- Host an employee strategic planning workshop.
- Conduct campaigns to improve membership awareness and promote self-sufficiency.
- Consider flexible work options and staff reward and recognition as a means of making GAC an attractive employer.



HUMAN RESOURCES



TRADITIONAL OWNER EMPLOYMENT AND TRAINING COMMITMENT

Providing training and employment opportunities for Gumala Members is a major focus of our organisation in 2014.

On 30 June 2013, the GAC workforce (including Directors) totalled 96 (65% female, 35% male), compared to 70 (including Directors) at the end of the 2012 Financial year – a 37% increase.

A total of 26 Indigenous Australians (including Directors) formed part of the GAC workforce during the 2013 Financial Year. That figure is likely to climb significantly during the 2014 Financial Year due to: the launch of GAC's Traditional Owner Capacity Building Strategy; GAC's new Tom Price Training & Development Hub; and GAC's Training and Development Strategy.

These initiatives began to pay dividends at the start of the 2014 Financial Year, with the creation of several new employment positions to Traditional Owners, as well as casual training and employment opportunities for community development projects at Gumala's homeland communities.

The majority of GAC staff are below the age of 40, with the MSO staff aged mainly in the 20-25 age group. One quarter of GAC's total workforce (24 out of 96 staff) are aged 30 or younger. The total staff turnover ratio decreased

by 18% in the 2013 Financial Year when compared to the previous Financial Year.

STAFF WELLNESS

In line with the performance objective of providing a safe and healthy workplace culture, a staff survey was conducted in October 2012 to identify staff concerns and corrective action required in terms of health and safety. As a result, corrective actions that have been taken include: training courses for first aid officers and fire wardens; Signage throughout the Tom Price and Perth offices notifying staff about the emergency contact officers; Orientation session for all new employees, where health, safety and work station ergonomics are addressed.

HR has also introduced initiatives to support the mental and physical health of employees. In May 2013, a 12-week training program was introduced to support physical fitness among employees, with the ultimate goal being participation in the Perth City to Surf in August 2013. Fourteen participants entered in the various categories.

Other initiatives include the provision of fresh fruit and the promotion of health and well-being campaigns such as R u OK Day on 12 September; and Act, Belong, Commit. This is underpinned by the provision of an Employee Assistance Provider, available to all staff and their immediate family.

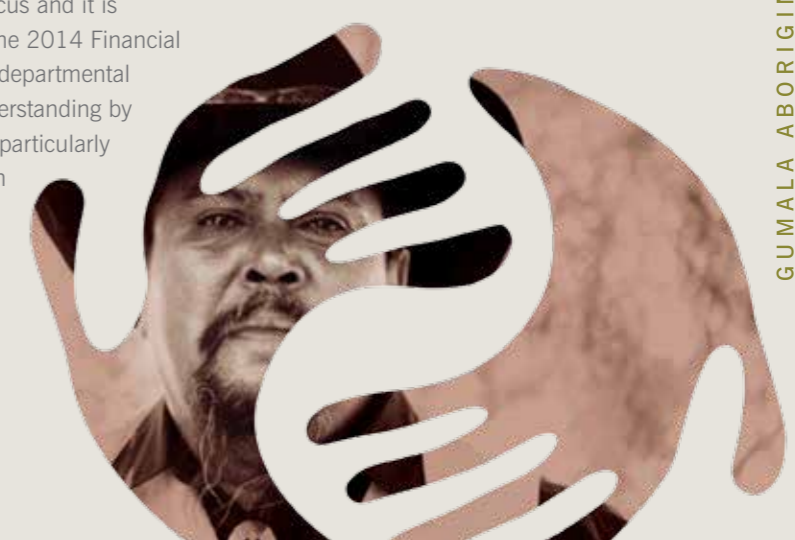
HR GOALS FOR THE 2014 FINANCIAL YEAR

In the year ahead, one of the areas of focus for the HR unit will be on developing and maintaining a sense of corporate belonging and commitment to the workplace. This will be achieved through a number of strategies, including fostering a positive workplace culture, aligning individual performance to organisational direction; and building organisational capability through workforce planning and development.

A number of actions have already been initiated towards achieving these objectives, and they include inter-departmental consultation and collaboration to identify staff training needs and offer career pathways. It is hoped that the introduction of an HR Management System will assist in the provision of accurate reports so that trends are more readily identified particularly as these relate to unplanned absenteeism.

Communication remains a key focus and it is intended that over the course of the 2014 Financial Year there will be increased inter-departmental communication and a sound understanding by all units of the HR requirements, particularly as they relate to attraction, retention and development of staff.

Gumala remains fully committed to providing training and employment opportunities for Gumala Members.



TRAINING AND CAPACITY BUILDING STRATEGY

Gumala Aboriginal Corporation's (GAC's) Training and Capacity Building Strategy provides a clear vision for GAC to focus its efforts in the areas of training and workforce development for the Traditional Owners that the organisation serves.

The overarching aim of the strategy is to provide training and workforce development opportunities for Gumala Members so that they are better equipped to achieve their professional goals. The strategy focuses on pathways to support Members' training and employment objectives and to ensure that their development and the application of their skills allow them to be successful in the workplace. The goal is to make better connections between employers, service and training providers and the Gumala membership, in order to build capacity to enable Members to participate effectively in the workforce.

Acquiring the appropriate skills will evidently increase employment opportunities amongst the membership. It is therefore crucial that initiatives are in place at GAC to ensure that Members receive support from GAC in order to acquire and upgrade skills.

INITIATIVES

1. Facilitate connection and coordination between Gumala Members seeking training opportunities and service providers. This will enable Members to obtain ease of access to quality employment and training services, particularly at a regional level.
2. Provide transitional support to Members through Mentoring. Relationship-based mentoring has been identified as a critical ingredient in helping Members to make successful transitions to sustained employment.
3. Assist Members to overcome major individual and institutional barriers to their participation in the workforce. It is recognised that Members with significant personal barriers remain at high risk of disengaging, particularly as they transition in and out of education, training and the workforce. The aim is to capitalise on partnerships and connections between service providers, the membership and their communities, and employers and help Members to overcome these barriers.
4. Raise awareness of Indigenous training opportunities and promote role models. Improved communication channels will be set in place with the Communities.
5. Development of the Tom Price Training & Development Hub (located at GAC's head office in Tom Price). The vision for the Hub is to empower Members through training and skills development. The goal to delivering positive training outcomes for Members is underpinned by strong relationships which need to be developed and nurtured, offering career advancement to our employees.

Ronwyn James, Heritage Service Manager. Ronnelle Hicks, Support Manager to the CEO.

During the 2013 Financial Year, Ronwyn and Ronnelle were GAC Trainee Managers.

Ronwyn (GAC's longest serving employee, with over 10 years of loyal service): "We have set the bar for other Members to take on this traineeship, and at the end of it I also want to be a mentor to our future Trainee Managers." Ronnelle: "I hope to be an ambassador for the training scheme and to be a mentor to others based on my experience and the challenges I have faced in my training career path."



Gumala Radio

"Bringing Our Communities Together"

| | |
|--|----------|
| Tom Price | 106.5 FM |
| Paraburdoo | 102.9 FM |
| Wakuthuni | 104.9 FM |
| Youngaleena | 102.1 FM |
| Bellary Springs | 101.7 FM |
| Roebourne | 102.9 FM |
| Onslow | 102.7 FM |
| Live online streaming: | |
| www.gumala.com.au/gumalaradio | |

GUMALA RADIO

During 2013 Gumala Aboriginal Corporation's community radio station, Gumala Radio, bolstered its position as one of the Pilbara's leading Indigenous community radio stations.

Established in 2002, Gumala Radio is a fully-licensed community radio station transmitting to Pilbara towns and remote Indigenous communities in the Pilbara region of Western Australia.

A key indicator of Gumala Radio's growth during the financial year was the growth in its engagement with the local community. Running parallel to this growth was a rise in the awareness and popularity of the Gumala Radio brand, under the umbrella of its new slogan "Bringing Our Communities Together".

The centrepiece of this community engagement growth was the increased number (and success of) Gumala Radio's live outdoor community broadcasts (an average of one per month during the 2013 Financial Year) and the corresponding growth in physical audience numbers at those events.

Gumala Radio's live outdoor community broadcasts coincided with (and were a

successful component of) important community events, including NAIDOC Week in Tom Price and Paraburdoo, the Tom Price NAIDOC concert, and Onslow's biannual Passion of the Pilbara. Gumala Radio was also awarded the winner of the 2013 Nameless Festival Business Float at Tom Price's annual Nameless Festival.

PROGRAMMING INNOVATIONS

Gumala Radio continued to expand and innovate its programming during the 2013 Financial Year, with a key focus on developing more local content. This local content 'drive' will continue to gather momentum in the 2014 Financial Year. Gumala Radio's 'innovate' agenda includes: working with Elders, Gumala Members and local children in the community (including interviewing them and recording their stories for broadcasting); and sourcing programs from supporting radio stations including: concerts and AFL matches via the National Indigenous Radio Service (NIRS) and Pilbara and Kimberley Aboriginal Media (PAKAM) network and current affairs programs from The Wire, NIRS Weekly, Newsline Radio and Wangka Maya Language program.

HEALTH AWARENESS CAMPAIGNS

Gumala Radio became heavily involved in health awareness campaigns during the 2013 Financial Year.

This included the National Indigenous Ear Health Campaign. Gumala Radio engaged in various other awareness campaigns including: Participation in the Leukaemia Foundation World's Greatest Shave, in which Gumala Radio Broadcaster Tadam Lockyer raised almost \$4000 for the Leukaemia Foundation; a wide-ranging suicide prevention interview with Tom Price Youth Centre Manager Marian Hearn; and the launch of a monthly Q&A Health Talk program (featuring the women's health nurse of the Tom Price Nintirri Neighbourhood Centre).

Gumala Radio also broadcasts monthly content from the Community Broadcasting Association (CBA) as part of its national suicide prevention and medical health awareness project developed with the support of the Department of health and Ageing.

HIGH PROFILE INTERVIEWS

Adding to the station's success, Gumala Radio was able to secure and broadcast interviews with high profile stars including boxing champion Danny Green, musicians Reece Mastin and Stephen Pilgram, Women of Soul, Gardening Australia's Joshua Byrne and local politicians.

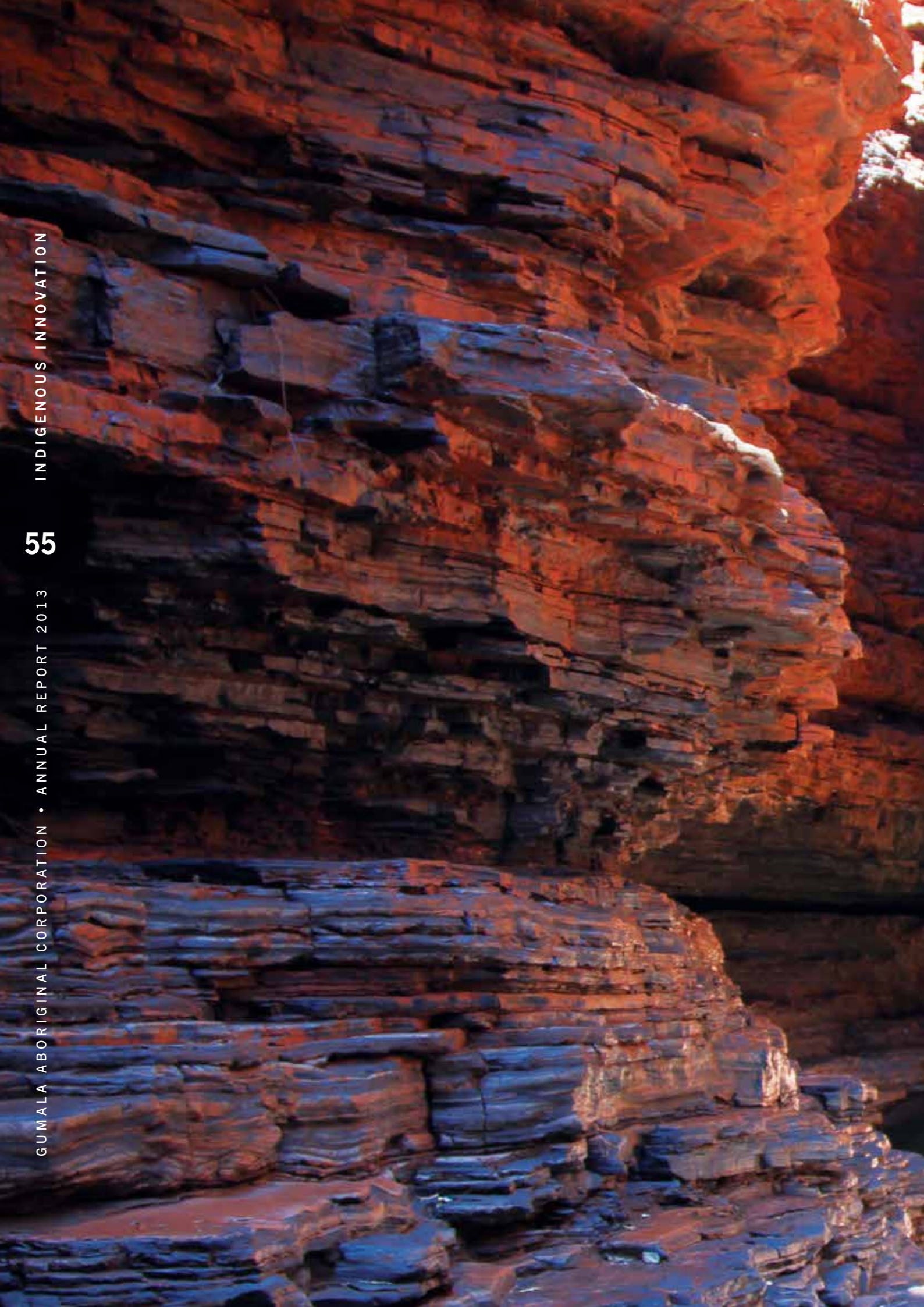
ONLINE PROFILE

Gumala Radio also ramped up its online presence, with a revamped Gumala Radio website www.gumala.com.au/gumalaradio

Content on the website was enriched to include the following web pages: Online Streaming; Community Wire; Community Interactions; Talk About; Gumala Radio Blog; What's New; About Gumala Radio; and the Photolog.

EQUIPMENT UPGRADES

Gumala Radio is moving towards important technical equipment upgrades, including new domestic satellite receivers which are set to be installed at the following sites during the 2014 Financial Year: Tom Price, Mount Nameless, Mount Misery, Karijini Eco Retreat, Karijini Rangers HQ, Wakuthuni, Bellary Springs, Youngaleena, Roebourne and Onslow. Replacement satellite dishes are also scheduled to be installed at Wakuthuni, Karijini Rangers HQ and Bellary Springs. Gumala Radio also hopes to install transmitters at other communities in the Pilbara region in order to broaden its radio coverage.



CORPORATE RECOGNITION

Gumala Aboriginal Corporation (GAC) has recently experienced a period of unprecedented recognition at an official industry level across Technology, Financial Reporting, Health, Community, Education and Community Radio.

TECHNOLOGY

Gumala Aboriginal Corporation and NEC Australia were announced Merit Recipients in the Society Domain-Community Category for the Customer Relationship Management (CRM) project at the 22nd WAIITTA 2013 awards.

The Finalist Merit award is for an entry that is within 95 percent of the winning entry at both State and National levels at the 22nd WAIITTA 2013 awards.

FINANCIAL REPORTING

Bronze award for Distinguished Achievement in Reporting in the category of Community and Welfare for Gumala Aboriginal Corporation's 2012 Annual Report - The Australasian Reporting Awards (ARA).

HEALTH

Gumala Aboriginal Corporation's Ear Health Campaign was nominated for the Department of Aboriginal Affairs Indigenous Service Award as part of the 2012 Regional Achievement and Community Awards.

The Ear Health Campaign was also nominated for the Prime Super Community of the Year Award as part of the 2012 Regional Achievement and Community Awards.

EDUCATION SERVICE

Representatives from both Gumala Aboriginal Corporation and The University of Melbourne were invited to deliver a 3A Approach Keynote presentation to the 5th Secretariat of National Aboriginal and Islander Child Care (SNAICC) conference.

COMMUNITY RADIO

Award for Best Innovation in Online Presence for the Gumala Radio website Radio Stream at the 15th National Indigenous Remote Media Festival. Gumala Radio was invited to deliver an Ear Health Campaign presentation at The Australian Indigenous Communications Association's (AICA) annual conference.

COMMUNITY

Semi-Finalist in the Department of Aboriginal Affairs Indigenous Service Award at the Regional Achievement and Community Awards Gala – GAC Support Manager Ronnelle Hicks.



COMMUNITY ENGAGEMENT



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Gumala Aboriginal Corporation (GAC) believes that active engagement with towns and communities in the Pilbara region of Western Australia is an important component of the organisation's commitment to corporate responsibility.

GAC frequently participated in community engagement events during the 2013 Financial Year, which enabled the fostering of open community relationships and harnessed power of responsible community leadership. Some of those events were:

EAR HEALTH RADIO CAMPAIGN

Gumala was actively involved in the National Indigenous Ear Health Campaign funded by the Department of Health and Ageing called "Care for Kids". The campaign aimed to raise awareness of Otitis Media (OM) and loss of hearing in Aboriginal and Torres Strait Islander communities. As part of the campaign Gumala Radio visited GAC's homeland communities, where ear health sessions were conducted by community nurses. The Gumala Ear Health team also visited schools within the Shire of Ashburton and brought in both primary and secondary students from local schools and pre-recorded ear health messages, which were broadcast on Gumala Radio throughout the campaign.

NAIDOC WEEK

Gumala was a key organiser of NAIDOC Week events in 2012 and 2013 in Tom Price, including the Welcome To Country, Opening Ceremony, NAIDOC Cultural Expo and NAIDOC Concert.

WAKUTHUNI OPEN DAY

Wakuthuni homeland community hosted a successful Information and Open Day at Wakuthuni in May 2013. The key objective of the Information and Open Day was to strengthen and improve community safety while developing

collaborative relationships between government, non-government agencies and the homeland community. The day provided stakeholders with the opportunity to develop and collaborate relationships with each other and the Wakuthuni community and informed community members about the relationship and roles of each stakeholder.

GUMALA RADIO COMMUNITY BROADCASTS

Gumala Radio performed a number of live outdoor community broadcasts in Tom Price, Gumala's homeland communities and at the Passion of the Pilbara Festival in Onslow.

NAMELESS FESTIVAL

GAC showcased two vibrant floats into the Nameless Jarndunmunha Festival parade in Tom Price. Gumala Radio was awarded first place in the Business Float Category for its 12 metre Warlu Way snake. The snake was created by GAC staff with the help of local children.

Gumala was a prominent participant in the Tom Price Nameless Festival. Gumala Radio's award-winning festival float represented an opportunity for Gumala Radio to reinforce its brand recognition. Gumala's 3A Early Childhood Centre at Wakuthuni paraded their creative float, which showcased the importance of reading. Rain clouds on the side of the float demonstrated the "See, Show, Say" activities from conversational reading used in the 3A program.

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CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013



Directors' Report

Our Directors present their report, together with the consolidated financial statements of the Corporation, for the financial year ended 30 June 2013.

| Director | Position on GAC Board | Term of Office |
|------------------|---|---|
| Stephen Peterson | Chairman and Nyiyaparli Representative | Elected 13 December 2009, Re-elected 31 March 2012 - current (Chairman from 25 June 2012 - current) |
| Stuart Ingie Snr | Deputy Chair and Innawonga Representative | Elected 13 December 2009, Re-elected 31 March 2012 - current |
| David MacLean | Secretary and Banyjima Representative | Elected 31 March 2012 – current |
| Karen Tommy | Banyjima Representative | Elected 25 June 2011 to 31 March 2012 Elected 24 November 2012 – current |
| Shane Derschow | Banyjima Representative | Elected 31 March 2012 – current |
| Slim Parker | Banyjima Representative | Elected 31 March 2012 – current |
| Archie Tucker | Former Banyjima Representative | 2 November 2011 – 25 December 2012 |
| Nicholas Cook | Innawonga Representative | Elected 31 March 2012 – current |
| Cecil Parker | Innawonga Representative | Elected 31 March 2012 – current |
| Roy Tommy | Innawonga Representative | Elected 24 November 2012 – current |
| Doreen James | Former Innawonga Representative | Appointed 28 September 2011 – 25 December 2012 |
| Keith Hall | Former Chairman and Nyiyaparli Representative | Elected 25 June 2011, Re-elected 31 March 2012 - current (Chairman to 25 June 2012) |
| Natalie Parker | Nyiyaparli Representative | Elected 31 March 2012 – current |
| Susan Bung | Nyiyaparli Representative | Elected 24 November 2012 - current |
| David Stock | Former Nyiyaparli Representative | Appointed 28 September 2011 – 25 December 2012 |

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Directors' Report | Continued

Directors' Report | Continued

Consolidation

During the year a review of the organisational structure and accounting treatments adopted was performed in response to the upcoming introduction of AASB 10 which provides further clarification surrounding the treatment of entities involved in agency and principle arrangements. Following this review and on the receipt of technical accounting and legal advice, management concluded it appropriate to adopt a policy of consolidating a number of entities given the additional clarification provided by AASB 10. The entities now being included in the consolidated financials are Gumala Enterprises Pty Ltd (GEPL) and by virtue of the clarified principle arrangement in place the Gumala Enterprises Trust is also included in these consolidated financial statements. Further details regarding this change in policy and the details of the entities involved is set out in the notes to the financial statements and the change has been applied throughout the balances and results reported in these financials on the basis of this arrangement having always existed.

Operating Results

Commentary on the operating results for Gumala Aboriginal Corporation (GAC) and for the Gumala Enterprises Trust (GET) is presented below.

Gumala Aboriginal Corporation (Parent Entity)

The operating surplus for the 2013 financial year is \$4,838,657 (\$840,856 in 2012). The surplus is analysed as follows:

| | |
|---|--------------------|
| - Karijini Eco Retreat Revaluation (KER) | \$2,743,275 |
| - GET Loan Recovery | \$1,119,991 |
| - Assets Capitalised from 2012/13 GGF Funds | \$1,527,638 |
| - Depreciation | (\$630,229) |
| - Remaining Surplus | \$77,982 |
| | <u>\$4,838,657</u> |

The "Karijini Eco Retreat Revaluation" and "GET Loan Recovery" accounts for \$3,863,266 (80%) of the 2013 surplus. It is important to note that the Karijini Eco Retreat Revaluation is a notional, non cash item treated as revenue under generally accepted accounting principles. \$1,527,638 of expenditure has also been capitalised under the same generally accepted accounting principles. It is pertinent to note that the \$1,527,638 capitalised consists of:

- \$535,652 spent on Lore camp upgrades and capital works in the communities;
- \$697,089 spent on the Karijini Eco Retreat; and
- \$294,897 spent on service delivery / operational assets.

Unexpended funding received from the General Gumala Foundation will be placed in a "Contingency Fund" which GAC may access in later years. More information can be found on the "Contingency Fund" in note 20.

Key Highlights

Approximately \$8 million provided from direct grants to the membership. This included a Financial Relief Payment totalling \$1,012,000 made during the financial year to 1,012 Traditional Owners to help alleviate financial hardship.

Capital expenditure (actual and committed) spent on community development projects exceeded \$1 million.

Traineeship expenditure has increased to \$278,440 (2012: \$85,605), an increase of 225%. A total of 5 Traditional Owners were employed as Trainees during the 2013 Financial Year and traineeship expenditure is used to support these Traditional Owners working at GAC and GET.

Externally generated funding: GAC received and generated external funding of \$ 898,013 (2012: \$ 607,425) an increase of 48%. This has been through a strategic focus by GAC Management to continue to seek additional sources of revenue in order to fund the expansion of its community based projects and programmes.

Gumala Enterprises Trust (GET)

The net profit for the 2013 financial year is \$3,479,539 (2012: \$3,088,306). It is pertinent to note, however, that \$1,308,785 of this profit relates to General Gumala Foundation Loan Forgiveness recorded as revenue in accordance with generally accepted accounting principles. This demonstrates that Gumala Enterprise Trust over the last two years has been able to turn the business around and continue to build a sustainable, ethical and respected business that is committed to economic independence.

Key highlights include:

- GAC and Gumala Enterprises integration commenced and saw Gumala Enterprise relocating its Kewdale office to the GAC Administration office in East Perth;
- Gumala Enterprises secured a 23 month services contract worth \$12m with RTIO Yandicoogina Sustaining Project. This contract is a significant achievement for GEPL and provides an incredible opportunity to generate ongoing employment opportunities for the Banyjima, Nyiyaparti and Innawonga people;
- Gumala Enterprises secured a 3 month miscellaneous earthworks contract worth \$5m with RTIO at its Western Turner Brockman mine;
- The Gumala Enterprises Board made its first profit distribution of \$400,000 to the General Gumala Foundation and declared a \$400,000 loan repayment to GAC;
- Gumala Enterprises achieved certification for AS/NZS ISO 4801:2001, occupational health and safety management systems by external auditors, Davis Langdon Certification Services.

Significant Changes in State of Affairs

During the 2013 financial year, GAC actively involved itself in the management of Gumala Enterprises. The CEO of GAC, Steve Mav was appointed the Managing Director of GEPL.

Directors' Report | Continued

Directors' Report | Continued

Principle Activities

The principle activities of the Consolidated Entity during the Financial Year included:

- Programs, Projects and Services to Members
- Bulk earthworks;
- Mine site catering;
- Labour hire;
- Hospitality;
- Logistics;
- Project Management.

Other Items

After Balance Date Events

Gumala Tourism Pty Ltd was deregistered on the 5th of September 2013.

Other than noted in the preceding paragraph or referred to in note 21, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Corporation, the results of those operations or the state of affairs of the Corporation in future financial years.

Future Developments

Likely developments in the operations of the Corporation and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Corporation.

Environmental Issues

The Corporation acknowledges the importance of environmental regulations and is aware of its responsibilities in this area. The Corporation is not required to report on any specific issues relating to this area, nor has it received any correspondence from any regulatory body to that effect. Gumala Enterprises Pty Ltd ATF Gumala Enterprises Trust continues to have an excellent track record and no environmental issues occurred during the financial year.

Meetings of Directors

| Director's Name | Attended | Eligible to Attend |
|------------------|----------|--------------------|
| Stephen Peterson | 13 | 13 |
| Stuart Ingie Snr | 11 | 13 |
| David MacLean | 12 | 13 |
| Karen Tommy | 7 | 7 |
| Shane Derschow | 5 | 13 |
| Slim Parker | 6 | 13 |
| Archie Tucker | 6 | 6 |
| Nicholas Cook | 10 | 13 |
| Cecil Parker | 3 | 13 |
| Roy Tommy | 6 | 7 |
| Doreen James | 4 | 6 |
| Warren Ingie | 9 | 14 |
| Keith Hall | 6 | 13 |
| Natalie Parker | 8 | 13 |
| Susan Bung | 5 | 7 |
| David Stock | 3 | 6 |

Board Committee Meetings

Parent Entity: Gumala Aboriginal Corporation

There are six committees in a number of key areas to assist with the Board in fulfilling its responsibilities. The GAC Chairman, Mr Stephen Peterson, is an ex-officio member of all GAC Board Committees.

1. Audit and Risk

The role of the Audit and Risk Committee is to oversee GAC's financial governance, risk, and internal control framework so as to ensure that the Corporation:

- Sustains effective and efficient operations;
- Maintains the integrity of financial and non-financial information;
- Protects its assets; and
- Complies with applicable laws, standards, policies and procedures, contracts and best practice, including the fulfillment of its external accountability responsibilities.

Directors' Report | Continued

To fulfil this role, the Audit and Risk Committee discharges the following duties, responsibilities and functions:

- Financial Reporting;
- Internal Control Structure;
- Risk Management Systems;
- Internal Audit Function; and
- External Audit Function.

The Audit and Risk Committee currently consists of the following six GAC Directors: Roy Tommy (Chair), Susan Bung, Keith Hall, David MacLean, Cecil Parker and Natalie Parker. The GAC Chief Executive Officer and Chief Financial Officer may also attend the meeting of the Audit and Risk Committee. GAC's external and internal auditors may also be invited to meetings of the Audit and Risk Committee.

2. Conduct and Ethics Committee

The role of the Conduct and Ethics Committee is to ensure that matters, complaints or allegations involving a member or members of the Board of Directors of GAC, the Chief Executive Officer, or members of the Executive Management Team (EMT) of GAC are fairly and effectively addressed.

The objectives of the Committee are to:

- Consider, assess, make enquires, investigate, refer for further investigation and/or refer to alternative dispute resolution; and
- Make recommendations to the Board; on matters, complaints or allegations referred to the Committee.

To fulfill this role, the Conduct and Ethics Committee will have regard to any relevant GAC policies and procedures and will, at its discretion, develop its own procedures that it believes are appropriate in a given circumstance for the expeditious and fair disposition of a matter referred, subject to the provisions of the Conduct and Ethics Committee.

The Conduct and Ethics Committee currently consists of the following three GAC Directors: David MacLean (Chair), Natalie Parker and Stephen Peterson. The Committee may also chose to invite an independent mediator and/or arbitrator, or GAC lawyer to assist their consideration of a conduct or ethics matter.

3. Lore and Culture Committee

The Lore and Culture Committee is responsible for managing the following matters:

- Decide membership applications for GAC in accordance with the requirements set out in Rule 5.2.4 of the GAC Rule Book;
- Cancel GAC memberships in accordance with the requirements set out in Rule 5.7 of the GAC Rule Book;
- Prepare and maintain the list of elders that constitutes the membership of the "Council of Elders";
- Act as a decision making body to advise GAC management on issues relating to Lore & Culture;
- Make important decisions into all aspects of Lore & Culture activities that would not ordinarily be culturally appropriate to be undertaken by GAC management;
- Act as a dispute resolution body when matters are referred to it by the GAC Board or by GAC management; and

Directors' Report | Continued

- Issue cultural directives and determinations to GAC management through the Committee Chairman on cultural matters that impact on the lifestyle and wellbeing of those members that practice traditional lore and custom.

The Lore and Culture Committee consists of twelve elders (both male and female) appointed by the GAC Board Chairman, in consultation with recognised elders. These twelve elders are able to nominate a proxy to represent them on the occasions that they cannot attend a meeting. A maximum of twelve elders plus the Chairman will attend a Committee meeting at any time.

The current members of the Lore and Culture Committee are: Gordon Yuline, David Stock, Brian Tucker, Bonny Tucker, Alec Tucker, Eric Parker, Trevor Edwin Dhu, Margaret Parker, Stuart Ingie Snr, Nicholas Cook, David Cox, Doreen James and Stephen Peterson (GAC Chairman).

4. Member Services Committee

The role of the Member Services Committee is to ensure that GAC meets the needs of its members through the provision of programs and services that relieve poverty, sickness, suffering, destitution, misfortune and homelessness. To this end, programs, guidelines and policies will be referred to the Committee for consideration and the Committee will:

- Review and recommend to the Board identified amendments to current members' programs, whilst maintaining the principles of self-management, economic independence and self-determination of the Banyjima, Innawonga and Nyiyaparli peoples;
- Review and monitor the implementation of new programs to ensure the Corporation's programs are aligned with the GAC Rule Book;
- Ensure that the Board and management have available to them sufficient information and advice to facilitate informed decision making regarding current programs, new programs and program amendments; and
- Ensure the implementation of additional programs and services as identified by the Committee addresses the immediate and long term economic, environmental, and social, health and cultural benefits and needs of the Banyjima, Innawonga and Nyiyaparli Traditional Owners and Beneficiaries.

The Member Services Committee currently consists of the following five GAC Directors: Karen Tommy (Chair), Stuart Ingie Snr, Nicholas Cook, Slim Parker and Keith Hall.

5. Office Bearers Committee

The role of the Office Bearers Committee is to handle all matters relating to urgent or time sensitive business that the Chairman or Chief Executive Officer brings before the Committee that needs to be handled before the next scheduled board meeting, including but not limited to the following:

- Ensuring the Corporation responds, as required, to urgent requests from the regulator, the Office of the Registrar for Indigenous Corporations;
- Ensuring the Corporation responds as required to urgent requests from the Trustee, Gumala Investments Pty Ltd ATF General Gumala Foundation;
- Ensuring the Corporation responds as required to urgent requests from other Government agencies;
- Ensuring that the Corporation responds as required to legal procedures and matters; and
- Ensuring that the Corporation lodges funding documentation as required for Commonwealth, State and philanthropic grant applications.

Directors' Report | Continued

The Committee consists of the three Directors occupying the office bearers positions at the time, currently these are Stephen Peterson (Chairman), Stuart Ingie Snr (Deputy Chairman) and David MacLean (Secretary).

6. Remuneration and Human Resources Committee

The role of the Remuneration and Human Resource Committee is to:

- Review and approve contract terms and remuneration arrangements for the Chief Executive Officer;
- Review and approve, subject to any requirement to obtain membership approval, the remuneration arrangements for the Chair and Directors of the Board, including fees, travel and other entitlements;
- Ensure the Corporation's remuneration structures are fair, aligned with the long-term interests of the Corporation, and sufficient to attract and retain skilled managers and staff;
- Ensure that the Board and management have available to them sufficient information and independent advice to facilitate informed decision making regarding remuneration;
- Review and monitor executive succession planning; and
- Ensure the implementation of employment strategies and succession planning which support the Corporation's aspirations for Aboriginal capability development and eventual capacity for Members to self-manage the Corporation.

The GAC Board Chairman (Director Stephen Peterson) is the Chair of the Remuneration and HR Committee. The other three Directors who are members of the Committee are Natalie Parker, Roy Tommy and David MacLean.

In accordance with Rule 8.11.1 of the GAC Rule Book, GAC Board Committees cease to exist on the date of the GAC Annual General Meeting. GAC held its 2012 AGM on 24 November 2012. The GAC Board established six new committees at its Board Meeting held in Perth on 13 December 2012 and established the Health Committee at its Board Meeting held in Perth on 11 September 2013.

The Board Committee Meetings held during the financial year and the attendance of Directors at each, including Directors/Members who attended as invitees at specific meetings, were as follows:

Directors' Report | Continued

| Name of Director or Member | Lore and Culture Committee (Aug 2012 - Oct 2012) | | Member Services Committee (Jul 2012 - Jun 2013) | | Office Bearers Committee (Jul 2012 - May 2013) | | Remuneration and HR Committee (Jul 2012 - Feb 2013) | | Audit and Risk Committee (Sep 2012 - June 2013) | |
|----------------------------|--|---------------------------|---|---------------------------|--|---------------------------|---|---------------------------|---|---------------------------|
| | Number Attended | Number eligible to attend | Number Attended | Number eligible to attend | Number Attended | Number eligible to attend | Number Attended | Number eligible to attend | Number Attended | Number eligible to attend |
| Susan Bung | - | - | - | - | - | - | - | - | 1 | 4 |
| Nicholas Cook | 1 | 2 | 2 | 7 | - | - | - | - | - | - |
| David Cox | 1 | 2 | - | - | - | - | - | - | - | - |
| Shane Derschow | - | - | 2 | 3 | - | - | - | - | - | - |
| Trevor-Edwin Dhu | 2 | 2 | - | - | - | - | - | - | - | - |
| Keith Hall | - | - | 1 | 4 | - | - | - | - | 2 | 4 |
| Dawn Hicks | 1 | 1 | - | - | - | - | - | - | - | - |
| Stuart Ingie Snr | 1 | 2 | 1 | 4 | 9 | 13 | - | - | - | - |
| Doreen James | 2 | 2 | 1 | 3 | - | - | 8 | 9 | 1 | 3 |
| David MacLean | - | - | - | - | 11 | 13 | 2 | 2 | 7 | 7 |
| Cecil Parker | - | - | - | - | - | - | - | - | 4 | 7 |
| Eric Parker | 2 | 2 | - | - | - | - | - | - | - | - |
| Natalie Parker | - | - | 2 | 3 | - | - | 2 | 2 | 5 | 7 |
| Slim Parker | - | - | 0 | 4 | - | - | 5 | 9 | 0 | 3 |
| Stephen Peterson | 2 | 2 | 3 | 7 | 13 | 13 | 11 | 11 | 3 | 3 |
| David Stock | 2 | 2 | - | - | - | - | - | - | - | - |
| Karen Tommy | - | - | 4 | 4 | - | - | - | - | - | - |
| Roy Tommy | - | - | - | - | - | - | 2 | 2 | 4 | 4 |
| Alec Tucker | 1 | 2 | - | - | - | - | - | - | - | - |
| Archie Tucker | 1 | 2 | - | - | - | - | 9 | 9 | 3 | 3 |
| Bonny Tucker | 2 | 2 | - | - | - | - | - | - | - | - |
| Brian Tucker | 1 | 2 | - | - | - | - | - | - | - | - |
| Gordon Yuline | 2 | 2 | - | - | - | - | - | - | - | - |

No meetings of the Conduct and Ethics Committee were held in the 2012 – 13 Financial Year.

Directors' Report | Continued

Directors' Report | Continued

Key Management Personnel Compensation

The aggregate compensation made to Directors and other members of key management personnel is set out below:

| | Parent | | Consolidated | |
|--------------------------|------------------|------------------|------------------|------------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$ | \$ | \$ | \$ |
| Directors | 525,239 | 436,389 | 798,324 | 554,145 |
| Key Management Personnel | 908,553 | 684,974 | 1,517,028 | 1,003,224 |
| Total | 1,433,792 | 1,121,363 | 2,315,352 | 1,557,369 |

Consolidated Key Management Personnel

| Name | Title |
|-------------------|--|
| Steve Mav | Chief Executive Officer GAC / Managing Director GEPL |
| Daryl Smith | General Manager GEPL |
| Jose Castillo | Commercial Manager GEPL |
| Theo Gouskos | Chief Operating Officer GAC |
| Dharmesh Kewalram | Acting Chief Financial Officer GAC |
| Kerryn Coggin | Executive Manager to Chairman and CEO GAC |
| Laureen Floyd | Executive Manager – People and Culture GAC |
| Anthony Ryan | General Manager Operations GAC |

Remuneration Band

| | 2013 | 2012 |
|--------------|------|------|
| \$ 0 – 100K | 2 | 2 |
| \$100 – 200K | 3 | 1 |
| \$200 – 300K | 1 | 2 |
| \$300 – 400K | 2 | 1 |

Indemnifying Officers or Auditors

During the Financial Year the Corporation has paid a premium in respect of insuring Directors and officers of the Corporation. The terms of the premium paid are commercial in confidence and therefore have not been disclosed.

Proceedings on behalf of the Corporation

There are no current or outstanding proceedings against the Corporation. No person has applied for leave of court to bring proceedings on behalf of the Corporation or intervene in any proceedings to which the Corporation is a party for the purpose of taking responsibility on behalf of the Corporation for all or any part of those proceedings. The Corporation was not a party to any such proceedings during the year and up to the signing of this report.

Options

The Corporation does not have any options to declare at the date of this report.

Auditor's Independence Declaration

A copy of the Auditors independence declaration is attached.

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



Director: _____

Chairman – Stephen Peterson

Dated this 25th day of October 2013

Auditor's Independence Declaration



Perth Office
30 Keymer Street, Belmont WA 6104
PO Box 1202, Cloverdale WA 6985
T (08) 6274 6400 • F (08) 9475 0596
www.byfields.com.au

Gumala Aboriginal Corporation
ABN 93 807 596 843

Auditors Independence Declaration - Gumala Aboriginal Corporation

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there have been:

- i) no contraventions of the auditors independence requirements as set out in the Corporations (Aboriginal Torres Strait Islanders) Act 2006 in relation to the audit : and
- ii) no contravention of any applicable code of professional conduct in relation to the audit.

This declaration is in relation to Gumala Aboriginal Corporation

BYFIELDS
Accountant and Financial Advisers

DALE JAMES WOODRUFF
Director

Dated at Perth, Western Australia this 28th day of October 2013

Consolidated Statement of Comprehensive Income

| Note | Parent | | Consolidated | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$ | \$ | \$ | \$ |
| Income | | | | |
| Rendering of Contract Services | - | - | 21,009,993 | 18,611,347 |
| Karijini Accommodation Revenue | - | - | 1,288,233 | 1,202,856 |
| Karijini Food and Beverage Income | - | - | 878,536 | 662,577 |
| Cost of Sales | | | | |
| Contracting Services Cost of Sales | - | - | (17,291,019) | (13,432,754) |
| Karijini Cost of Sales | - | - | (583,409) | (438,577) |
| Gross Profit | | | 5,302,334 | 6,605,449 |
| Funding from General Gumala Foundation | 19,071,685 | 17,320,390 | 19,071,685 | 17,320,390 |
| Other Income | 3 4,826,020 | 1,661,158 | 5,804,995 | 1,850,816 |
| Share of profit from joint venture | - | - | 2,098,496 | 2,653,262 |
| Total Income | 23,897,705 | 18,981,548 | 32,277,510 | 28,429,917 |
| Expenses | | | | |
| Employee Benefits Expense | 5,477,113 | 5,042,418 | 8,424,693 | 7,710,643 |
| Cost of Annual General Meetings | 229,034 | 239,802 | 229,034 | 239,802 |
| Depreciation | 630,229 | 473,746 | 1,549,519 | 1,489,429 |
| Financial Relief Payment | 1,012,000 | - | 1,012,000 | - |
| Membership Assistance Programs | 6,909,907 | 7,159,762 | 6,909,907 | 7,159,762 |
| Radio Broadcasting | 109,378 | 116,191 | 109,378 | 116,191 |
| Traineeship | 278,440 | 85,605 | 278,440 | 85,605 |
| Lore & Culture | 219,126 | 318,034 | 219,126 | 318,034 |
| Projects | 424,082 | 1,022,636 | 424,082 | 1,022,636 |
| Community Assistance Programs | 556,360 | 884,731 | 556,360 | 884,731 |
| Finance costs | - | 8 | 17,480 | 8 |
| Marketing & advertising expenses | - | - | 99,718 | 109,537 |
| Occupancy costs | 106,428 | 12,880 | 1,054,656 | 1,314,520 |
| Other expenses | 4 3,106,950 | 2,784,879 | 4,194,911 | 4,049,857 |
| Total Expenses | 19,059,047 | 18,140,692 | 25,079,304 | 24,500,755 |
| Surplus / (Deficit) before Income Tax | 4,838,657 | 840,856 | 7,198,206 | 3,929,162 |
| Income Tax | - | - | - | - |
| Surplus / (Deficit) for the year | 4,838,657 | 840,856 | 7,198,206 | 3,929,162 |
| Surplus / (Deficit) is attributable to: | | | | |
| Gumala Aboriginal Corporation | - | - | 3,718,667 | 840,856 |
| Non-controlling interest | - | - | 3,479,539 | 3,088,306 |
| | - | - | 7,198,206 | 3,929,162 |

Statement of Financial Position

| Note | Parent | | |
|--------------------------------------|------------|-------------------|------------------|
| | 2013 \$ | 2012 \$ | |
| Assets | | | |
| Current Assets | | | |
| Cash and Cash equivalents | 5 | 4,989,287 | 1,476,491 |
| Trade and Other receivables | 6 | 1,431,935 | 2,251,710 |
| Other Receivables (Current) | | - | - |
| Inventory and Work in Progress | | - | - |
| Other assets | 8 | 185,174 | 132,137 |
| Total Current Assets | | 6,606,396 | 3,860,338 |
| Non-current Assets | | | |
| Investments | 9 | 54 | 54 |
| Receivables | 6 | 634,658 | 1,643,137 |
| Property, Plant and Equipment | 10 | 839,667 | 869,403 |
| Investment Property | 11 | 4,676,850 | 1,236,487 |
| Other Investments | | - | - |
| Projects | 12 | 1,980,991 | 1,759,060 |
| Total non-current Assets | | 8,132,220 | 5,508,141 |
| Total Assets | | 14,738,616 | 9,368,479 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and Other Payables | 13 | 1,943,894 | 2,294,772 |
| Short Term Provisions | 14 | 314,929 | 212,040 |
| Other Liabilities | 15 | 2,511,387 | 95,000 |
| Total Current Liabilities | | 4,770,210 | 2,601,812 |
| Non-Current Liabilities | | | |
| Long Term Provisions | 14 | 82,938 | 76,719 |
| Amounts owing to Related Parties | | - | - |
| Other Payables | | - | - |
| Total Non-Current Liabilities | | 82,938 | 76,719 |
| Total Liabilities | | 4,853,148 | 2,678,531 |
| Net Assets | | 9,885,468 | 6,689,948 |
| Equity | | | |
| Retained Earnings | 16 | 4,603,733 | 3,716,887 |
| Expenditure Contingency Fund | 16 | - | 1,603,159 |
| External Funds Reserve | 16 | 2,538,461 | 1,329,924 |
| Asset Revaluation Reserve | 16 | 2,743,274 | - |
| Committed Funds Reserve | 16 | - | 39,978 |
| Total Equity | | 9,885,468 | 6,689,948 |

Consolidated Statement of Financial Position

| Note | Consolidated | | | |
|--------------------------------------|--------------|-------------------|-------------------|-------------------|
| | 2013 \$ | 2012 \$ | 2011 \$ | |
| Assets | | | | |
| Current Assets | | | | |
| Cash and Cash equivalents | 5 | 7,592,607 | 3,940,836 | 6,221,387 |
| Trade and Other receivables | 6 | 3,002,710 | 5,453,192 | 10,163,737 |
| Other Receivables (Current) | | 29,272 | 105,360 | - |
| Inventory and Work in Progress | 7 | 2,034,095 | 1,307,716 | 112,908 |
| Other assets | 8 | 226,531 | 191,938 | 122,385 |
| Total Current Assets | | 12,885,215 | 10,999,042 | 16,620,418 |
| Non-current Assets | | | | |
| Investments | 9 | 3,067,748 | 2,277,556 | 1,743,317 |
| Receivables | 6 | - | 1,643,137 | - |
| Property, Plant and Equipment | 10 | 3,525,472 | 3,310,988 | 3,825,808 |
| Investment Property | 11 | 4,676,850 | 1,236,487 | 1,236,775 |
| Other Investments | | 2,455,049 | 1,019,090 | 562,429 |
| Projects | 12 | 1,980,991 | 1,759,060 | 1,410,447 |
| Total non-current Assets | | 15,706,110 | 11,246,318 | 8,778,776 |
| Total Assets | | 28,591,325 | 22,245,360 | 25,399,193 |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Trade and Other Payables | 13 | 3,984,075 | 4,874,915 | 6,121,819 |
| Short Term Provisions | 14 | 537,127 | 493,850 | 407,076 |
| Other Liabilities | 15 | 2,605,269 | 177,510 | 8,096,317 |
| Total Current Liabilities | | 7,126,471 | 5,546,275 | 14,625,212 |
| Non-Current Liabilities | | | | |
| Long Term Provisions | 14 | 196,781 | 187,654 | 143,599 |
| Amounts owing to Related Parties | | 400,000 | 4,002,476 | 4,550,211 |
| Other Liabilities | 15 | 319,709 | - | - |
| Total Non-Current Liabilities | | 916,490 | 4,190,130 | 4,693,810 |
| Total Liabilities | | 8,042,961 | 9,736,405 | 19,319,023 |
| Net Assets | | 20,548,364 | 12,508,955 | 6,080,170 |
| Equity | | | | |
| Retained Earnings | 16 | 4,603,733 | 5,956,866 | 5,462,911 |
| Expenditure Contingency Fund | 16 | - | 1,603,159 | - |
| External Funds Reserve | 16 | 2,538,461 | 1,329,924 | - |
| Asset Revaluation Reserve | 16 | 2,743,274 | - | - |
| Committed Funds Reserve | 16 | - | 39,978 | - |
| Non-controlling interest | | 10,662,896 | 3,579,028 | 617,259 |
| Total Equity | | 20,548,364 | 12,508,955 | 6,080,170 |

Statement of Changes in Equity

Parent 2013

| | Retained Earnings | Contingency Fund | External Funds Surplus Reserve | Committed Funds Reserve | Asset Revaluation Reserve | Total |
|--|-------------------|------------------|--------------------------------|-------------------------|---------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance as at 1 July 2012 | 3,716,887 | 1,603,159 | 1,329,924 | 39,978 | - | 6,689,948 |
| Surplus / (Deficit) for the year | 4,838,657 | - | - | - | - | 4,838,657 |
| Transferred to reserve in current year | (3,951,811) | - | 1,208,537 | - | 2,743,274 | - |
| Reversal of reserve | - | (1,603,159) | - | (39,978) | - | (1,643,137) |
| Balance as at 30 June 2013 | 4,603,733 | - | 2,538,461 | - | 2,743,274 | 9,885,468 |

Parent 2012

| | Retained Earnings | Contingency Fund | External Funds Surplus Reserve | Committed Funds Reserve | Asset Revaluation Reserve | Total |
|--|-------------------|------------------|--------------------------------|-------------------------|---------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2011 | 3,222,932 | - | - | - | - | 3,222,932 |
| Surplus / (Deficit) for the year | 840,856 | - | - | - | - | 840,856 |
| Transferred to reserve in current year | (346,901) | 1,603,159 | 346,901 | 39,978 | - | 1,643,137 |
| Transferred to reserve relating to prior years | - | - | 983,023 | - | - | 983,023 |
| Balance as at 30 June 2012 | 3,716,887 | 1,603,159 | 1,329,924 | 39,978 | - | 6,689,948 |

Consolidated Statement of Changes in Equity

Consolidated 2013

| | Retained Earnings | Contingency Fund | External Funds Surplus Reserve | Committed Funds Reserve | Asset Revaluation Reserve | Non-controlling interest | Total |
|--|-------------------|------------------|--------------------------------|-------------------------|---------------------------|--------------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance as at 1 July 2012 | 5,956,866 | 1,603,159 | 1,329,924 | 39,978 | - | 3,579,028 | 12,508,955 |
| Surplus / (Deficit) for the year | 3,718,667 | - | - | - | - | 3,479,539 | 7,198,206 |
| Transferred to reserve in current year | (3,951,811) | - | 1,208,537 | - | 2,743,274 | - | - |
| Loans Forgiven | - | - | - | - | - | 3,540,682 | 3,540,682 |
| Profit Distribution | - | - | - | - | - | (400,000) | (400,000) |
| Period adjustments | - | - | - | - | - | 463,647 | 463,647 |
| Inter – entity | (1,119,989) | - | - | - | - | - | (1,119,989) |
| Consolidation adjustment | - | - | - | - | - | - | - |
| Reversal of reserve | - | (1,603,159) | - | (39,978) | - | - | (1,643,137) |
| Balance as at 30 June 2013 | 4,603,733 | - | 2,538,461 | - | 2,743,274 | 10,662,896 | 20,548,364 |

Consolidated 2012

| | Retained Earnings | Contingency Fund | External Funds Surplus Reserve | Committed Funds Reserve | Asset Revaluation Reserve | Non-controlling interest | Total |
|--|-------------------|------------------|--------------------------------|-------------------------|---------------------------|--------------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance as at 1 July 2011 | 5,462,911 | - | - | - | - | 617,259 | 6,080,170 |
| Surplus / (Deficit) for the year | 840,856 | - | - | - | - | 3,088,306 | 3,929,162 |
| Period adjustments | - | - | - | - | - | (126,537) | (126,537) |
| Transferred to reserve in current year | (346,901) | 1,603,159 | 346,901 | 39,978 | - | - | 1,643,137 |
| Transfers to reserve relating to prior years | - | - | 983,023 | - | - | - | 983,023 |
| Balance as at 30 June 2012 | 5,956,866 | 1,603,159 | 1,329,924 | 39,978 | - | 3,579,028 | 12,508,955 |

Consolidated Statement of Cash Flows

| | Note | Parent | | Consolidated | |
|--|------|--------------------|--------------------|--------------------|--------------------|
| | | 2013 | 2012 | 2013 | 2012 |
| | | \$ | \$ | \$ | \$ |
| Cash Flows From Operating Activities | | | | | |
| Receipts from Customers | | 23,543,311 | 20,009,317 | 51,671,209 | 43,521,312 |
| Payments to Suppliers and Employees | | (18,751,573) | (22,167,010) | (45,739,191) | (45,905,797) |
| Interest Received | | 206,623 | 110,761 | 288,617 | 189,056 |
| Interest Paid | | - | (8) | (17,479) | (7) |
| Tax Paid | | - | - | (15,162) | (3,252) |
| Net Cash Provided by (used in) Operating Activities | 17 | 4,998,361 | (2,046,940) | 6,187,994 | (2,198,688) |
| Cash Flows From Investing Activities | | | | | |
| Proceeds from Sale of Plant and Equipment | | 42,073 | - | 1,011,410 | 130,335 |
| Purchase of Property, Plant and Equipment | | (294,897) | (614,240) | (2,014,236) | (787,339) |
| Purchase of Projects | | (535,652) | (539,268) | (535,652) | (539,268) |
| Purchase of Investment Property | | (697,089) | - | (697,089) | - |
| Distribution from Joint Ventures | | - | - | 1,308,304 | 1,597,570 |
| Funding of Bank Guarantee | | - | - | (1,435,960) | (456,660) |
| Net Cash Provided by (used in) Investing Activities | | (1,485,565) | (1,153,508) | (2,363,223) | (55,362) |
| Cash Flows From Financing Activities | | | | | |
| Funding from Related Parties | | - | - | (173,000) | (26,500) |
| Net Cash Provided by (used in) Investing Activities | | - | - | (173,000) | (26,500) |
| Other Activities | | | | | |
| Net increase (decrease) in Cash Held | | 3,512,796 | (3,200,448) | 3,651,771 | (2,280,550) |
| Cash and Cash Equivalents at Beginning of Financial Year | | 1,476,491 | 4,676,939 | 3,940,836 | 6,221,386 |
| Cash and Cash Equivalents at End of Financial Year | 5 | 4,989,287 | 1,476,491 | 7,592,607 | 3,940,836 |

Notes to the Consolidated Financial Statements

The consolidated financial statements incorporate GAC and its subsidiaries for the period. The subsidiary entities included in these financial statements are Gumala Enterprises Pty Ltd and the Gumala Enterprises Trust.

1. Summary of Significant Accounting Policies

(a) Basis of Preparation

This financial report is a general purpose report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the Corporations (Aboriginal and Torres Strait Islanders) Act 2006.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

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

(b) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. With the exception of AASB 10, the Corporation has decided against early adoption of these standards.

(c) Revenue and Other Income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Related party grant income

Funding is provided by GIPL as the trustee for the General Gumala Foundation based on budgeted expenditure for the delivery of benefits to members and other projects. Income from the Gumala Investments Pty Ltd is recognised in line with the related expenditure and budgeted period. Any funding which is not utilised in the budgeted period is either returned to General Gumala Foundation to set aside in a contingency fund or held by GAC if already committed to a project.

Heritage Surveys

Revenue is generated by provision of land surveys by Traditional Owners; revenue is recognised following provision of the service to the customer.

Interest

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Notes to the Consolidated Financial Statements | Continued

Government grants

Grants are recognised at the fair value where there is reasonable assurance that the grant will be received and all attaching conditions have been complied with.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

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

(d) Interests in Subsidiaries

The interest in Gumala Aboriginal Corporation's owned subsidiaries, Gumala Enterprises Pty Ltd and the Gumala Enterprises Trust are consolidated in the financial statements on the basis that control by Gumala Aboriginal Corporation has existed through the period. Refer to Note 9 for details.

(e) Contracting Revenue

Contracts have different terms based on the scope of works, deliverables and complexity of the engagement, the terms of which frequently require judgments and estimates in recognising revenue. There are many types of contracts including time-and-materials contracts, fixed-price contracts and contracts with features of both of these contract types. A rigorous review process is undertaken prior to signing such contracts.

Revenues from contracts are recognised using the percentage-of-completion method of accounting, which involves calculating the percentage of services provided during the reporting period compared with the total estimated services to be provided over the duration of the contract. This method is followed where reasonably dependable estimates of revenues and costs can be made. Estimates of total contract revenues and costs are continuously monitored during the term of the contract, and recorded revenues and costs are subject to revision as the contract progresses.

(f) Provision of Services and Accommodation

Revenue is recognised in the income statement when services are delivered and accommodation is provided.

(g) Rent Received

Rent received is as a result of income earned on a rental property. The rent received is recognised in the income statement when earned.

(h) Distribution from the Joint Venture

The income statement reflects GET's share of joint venture profits generated to the reporting date and a corresponding increase in the value of the investment.

(i) Income Tax

No income tax has been charged as the Corporation is exempt from paying income tax.

Notes to the Consolidated Financial Statements | Continued

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(k) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax 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. The GST component of investing and financing activities, which are recoverable from or payable to the taxation authority are classified as operating cash flows.

(l) 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.

(m) Property, Plant and Equipment

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

Plant and Equipment

Plant and equipment are measured on the cost basis less 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 asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Corporation commencing from the time the asset is held ready for use.

Notes to the Consolidated Financial Statements | Continued

Notes to the Consolidated Financial Statements | Continued

The estimated useful lives used for each class of depreciable assets are:

Class of Fixed Asset

| | |
|----------------------------------|-----------------|
| • Motor vehicles | 12.50% - 20% |
| • Buildings | 6.67% |
| • Computer Software | 20.00% - 40.00% |
| • Plant, Furniture and Equipment | 5.00% - 20.00% |

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 income statement. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(n) Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which is based on periodic, but at least triennial, valuations by external independent valuers, adjusted if necessary for any difference in the nature, location or condition of the specific asset at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

Where an investment property is acquired at no cost or for nominal cost, its cost is deemed to be its fair value as at the date of acquisition.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of an investment property is recognised in profit or loss in the year of disposal.

(o) Impairment of Assets

At each reporting date, the Corporation assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. 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 income statement. Where it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(p) 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 Corporation during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(q) Provisions

Provisions are recognised when the Corporation 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.

(r) Employee Benefits

Provision is made for the Corporation'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 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 satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(s) 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 the equivalent to the date that the Corporation commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either of 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

Notes to the Consolidated Financial Statements | Continued

- d. the maturity amount calculated using the effective interest method; and
- e. 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 profit or loss. The Corporation does not designate any interest 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 either 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. (All other loans and receivables are 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 Corporation'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. (All other investments are classified as current assets.)

If during the period the Corporation sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and 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 suitable to be 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 mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets)

Notes to the Consolidated Financial Statements | Continued

(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 fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

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

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires 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 expired. 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 profit or loss.

(t) **Leases**

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

(u) **Inventory and Work in Progress**

Inventories are measured at the lower of cost and net realisable value. An ongoing review is conducted in order to ascertain whether items are obsolete or damaged, and it is so determined, the carrying amount of the item is written down to its net realisable value.

Work in progress relates to activities in progress at the balance sheet date which are not at a stage where invoicing can be performed. The costs associated to the project are reflected as work in progress and will be invoiced within 12 months of the year end.

(v) **Principles of Consolidation**

(i) **Subsidiaries**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of GAC as at 30 June 2013 and the results of all subsidiaries for the year then ended. GAC and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights.

Notes to the Consolidated Financial Statements | Continued

Subsidiaries are fully consolidated from the date on which control was established to the group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

2. Operating Segments

The Corporation operates predominately in one geographical location being Western Australia with the focus of service delivery and benefits to its members as well as contracting services and the provision of accommodation. The segmental revenue and related cost of sales is deducted on the face of the Consolidated Statement of Comprehensive Income.

3. Other Income

| | Parent | | Consolidated | |
|---------------------------|------------------|------------------|------------------|------------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$ | \$ | \$ | \$ |
| Interest Received | 206,623 | 110,761 | 288,616 | 189,056 |
| Reimbursements | - | 851,175 | - | 851,175 |
| Other Grants Received | 201,000 | 579,894 | 201,000 | 579,894 |
| Sale of Assets | 64,741 | - | 772,929 | 111,038 |
| Rent Received | - | - | - | 325 |
| Doubtful Debts Recovered | 1,119,991 | - | - | - |
| Impairment Loss Reversed | 2,743,274 | - | 2,743,274 | - |
| Other | 490,391 | 119,328 | 1,799,175 | 119,328 |
| Total Other Income | 4,826,020 | 1,661,158 | 5,804,995 | 1,850,816 |

Notes to the Consolidated Financial Statements | Continued

4. Other Expenses

| | Parent | | Consolidated | |
|--|------------------|------------------|------------------|------------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$ | \$ | \$ | \$ |
| <i>IT & Communication Expenses</i> | 218,212 | 200,405 | 218,212 | 200,405 |
| <i>Insurance</i> | 150,238 | 108,273 | 150,238 | 108,273 |
| <i>Community Consultations</i> | 101,471 | - | 101,471 | - |
| <i>Bank Charges</i> | 7,646 | - | 17,862 | 35,837 |
| <i>Bad Debt Provision/ (recovery)</i> | (2,868) | - | 88,308 | 18,847 |
| <i>Postage and Stationery</i> | 151,792 | 113,308 | 207,659 | 162,477 |
| <i>Motor and Travel Expenses</i> | 530,777 | 360,275 | 777,467 | 660,372 |
| <i>Legal Fees</i> | 113,505 | 259,100 | 115,951 | 259,981 |
| <i>Karjini debt settlement</i> | - | - | 66,888 | - |
| <i>Consultants</i> | 84,663 | 114,470 | 108,384 | 114,470 |
| <i>Management Fees – Karjini</i> | - | - | 56,111 | 54,903 |
| <i>Other</i> | 1,751,514 | 1,629,048 | 2,286,360 | 2,434,292 |
| Total Other Expenses | 3,106,950 | 2,784,879 | 4,194,911 | 4,049,857 |

5. Cash and Cash Equivalents

| | Parent | | Consolidated | | |
|--|------------------|------------------|------------------|------------------|------------------|
| | 2013 | 2012 | 2013 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ | \$ |
| Cash on hand | 425 | 510 | 425 | 1,010 | 2,020 |
| Cash at bank | 4,988,862 | 1,475,981 | 7,592,182 | 3,939,826 | 6,219,367 |
| Total Cash and Cash Equivalents | 4,989,287 | 1,476,491 | 7,592,607 | 3,940,836 | 6,221,387 |

Cash at bank earns interest at floating rates based on daily bank rates.

Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as depicted above.

Notes to the Consolidated Financial Statements | Continued

Notes to the Consolidated Financial Statements | Continued

6. Trade and Other Receivables

| | Note | Parent | | Consolidated | | 2011 \$ |
|--|------|------------------|------------------|------------------|------------------|-------------------|
| | | 2013 \$ | 2012 \$ | 2013 \$ | 2012 \$ | |
| Current | | | | | | |
| Trade Receivables | | 599,434 | 2,243,409 | 2,584,166 | 5,485,149 | 10,198,140 |
| Provision for doubtful debts | | (2,323) | - | (42,581) | (40,258) | (40,258) |
| Other Related Parties | a) | 542,836 | 2,239,981 | 63,505 | - | - |
| Provision for Non Recovery of Loan | a) | - | (2,239,981) | - | - | - |
| Other Receivables | | 291,988 | 8,301 | 397,620 | 8,301 | 5,855 |
| Total Current Trade and other Receivables | | 1,431,935 | 2,251,710 | 3,002,710 | 5,453,192 | 10,163,737 |
| Non - current | | | | | | |
| Receivables | | 634,658 | 1,643,137 | - | 1,643,137 | - |
| Total Non - current Receivables | | 634,658 | 1,643,137 | - | 1,643,137 | - |

(a) Loans to Other Related Parties

It was resolved to forgive 50% of the debt owed from Gumala Enterprises Pty Ltd ATF Gumala Enterprises Trust to GAC with the remaining 50% of the debt to be paid over a 10 year term effective 30 June, 2013. The remaining debt is non-interest bearing and will not require security.

(b) Provision for Impairment of Receivables

Trade receivables are non-interest bearing and are generally on 30-60 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. No impairment loss has been recognised for the financial year. Each entity has been in direct contact with the relevant debtor and is satisfied that payment will be received in full.

Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

(c) Credit Risk

With the exception of trade receivables due to Gumala Enterprises from Hamersley Iron Pty Ltd (subsidiary of Rio Tinto), the Corporation has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 6.

(d) Financial Assets Classified as Loans and Receivables

| | Parent | | Consolidated | | 2011 \$ |
|------------------------------------|----------------|------------------|------------------|------------------|-------------------|
| | 2013 \$ | 2012 \$ | 2013 \$ | 2012 \$ | |
| Trade and Other Receivables | | | | | |
| Total Current | 599,434 | 2,243,409 | 2,584,166 | 5,485,149 | 10,198,140 |
| Total Other Receivables | 599,434 | 2,243,409 | 2,584,166 | 5,485,149 | 10,198,140 |

7. Inventories and Work in Progress

| | Parent | | Consolidated | | 2011 \$ |
|---|------------|------------|------------------|------------------|----------------|
| | 2013 \$ | 2012 \$ | 2013 \$ | 2012 \$ | |
| Inventories and Work in Progress | | | | | |
| Total Current | - | - | 2,034,095 | 1,307,716 | 112,908 |
| Total Inventories and Work in Progress | - | - | 2,034,095 | 1,307,716 | 112,908 |

8. Other Assets

| | Parent | | Consolidated | | 2011 \$ |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| | 2013 \$ | 2012 \$ | 2013 \$ | 2012 \$ | |
| Current | | | | | |
| Prepayments | 132,471 | 90,234 | 132,470 | 146,278 | 116,805 |
| Bonds and Refundable Deposits | 52,703 | 41,903 | 94,061 | 45,660 | 5,580 |
| Total Other Assets | 185,174 | 132,137 | 226,531 | 191,938 | 122,385 |

Notes to the Consolidated Financial Statements | Continued

Notes to the Consolidated Financial Statements | Continued

9. Investments in Subsidiaries at Cost

| | Parent | | Consolidated | | |
|----------------------------------|------------|------------|------------------|------------------|------------------|
| | 2013 \$ | 2012 \$ | 2013 \$ | 2012 \$ | 2011 \$ |
| Gumala Enterprises Pty Ltd | 2 | 2 | - | 0 | 0 |
| Gumala Investments Pty Ltd | 1 | 1 | 1 | 1 | 1 |
| Gumala Advisory Pty Ltd | 49 | 49 | 49 | 49 | 49 |
| Gumala Tourism Pty Ltd | 2 | 2 | 2 | 2 | 2 |
| ESS Gumala Pty Ltd | - | - | 3,067,696 | 2,277,504 | 1,743,265 |
| Total Investments at Cost | 54 | 54 | 3,067,748 | 2,277,556 | 1,743,317 |

Change in accounting policy for consolidation of subsidiary entities.

The financial report has been prepared on the basis of a retrospective application of a voluntary change in accounting policy relating to the consolidation of GAC's subsidiary entities.

During the year a review of the organisational structure and accounting treatments adopted was performed in response to the upcoming introduction of AASB 10 which provides further clarification surrounding the treatment of entities involved in agency and principle arrangements. Following this review and on the receipt of technical accounting and legal advice, management concluded it appropriate to adopt a policy of consolidating a number of entities given the additional clarification provided by AASB 10. The entities now being included in the consolidated financials are Gumala Enterprises Pty Ltd and by virtue of the clarified principle arrangement in place the Gumala Enterprises Trust is also included in these consolidated financial statements.

Following detailed consideration by management the decision to consolidate the balances and results of these subsidiaries for the whole period was taken and the accounting policy in this area changed.

The new accounting policy has been applied on the basis that these subsidiary entities have always been consolidated and disclosed in these financial statements across all of the balances and transactions presented on this basis.

10. Property, Plant and Equipment

| | Parent | | Consolidated | | |
|---|----------------|----------------|------------------|------------------|------------------|
| | 2013 \$ | 2012 \$ | 2013 \$ | 2012 \$ | 2011 \$ |
| Plant, Furniture and Equipment | | | | | |
| At Cost | 1,011,137 | 930,971 | 8,899,355 | 7,989,158 | 7,680,020 |
| Accumulated Depreciation | (750,673) | (591,636) | (6,268,554) | (5,562,126) | (4,507,335) |
| Total Plant, Furniture and Equipment | 260,464 | 339,335 | 2,630,801 | 2,427,032 | 3,172,685 |
| Motor Vehicles | | | | | |
| At Cost | 543,344 | 575,649 | 690,063 | 722,366 | 458,983 |
| Accumulated Depreciation | (350,366) | (387,368) | (448,988) | (467,650) | (315,523) |
| Total Motor Vehicles | 192,978 | 188,281 | 241,075 | 254,716 | 143,460 |
| Computer Software | | | | | |
| At Cost | 561,284 | 445,533 | 561,284 | 445,533 | 215,343 |
| Accumulated Depreciation | (175,059) | (103,746) | (175,059) | (103,746) | (28,259) |
| Total Computer Software | 386,225 | 341,787 | 386,225 | 341,787 | 187,084 |
| Buildings | | | | | |
| At Cost | - | - | 506,409 | 467,613 | 467,613 |
| Accumulated Depreciation | - | - | (239,038) | (180,160) | (145,034) |
| Total Buildings | - | - | 267,371 | 287,453 | 322,579 |
| Total Property, Plant and Equipment | 839,667 | 869,403 | 3,525,472 | 3,310,988 | 3,825,808 |

Movements in Carrying Amounts

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

| | Parent | | Total | |
|---|------------------------------------|----------------------|-------------------------|----------------|
| | Plant, Furniture & Equipment \$ | Motor Vehicles \$ | Computer Software \$ | Total \$ |
| Balance at the beginning of year | 339,335 | 188,281 | 341,787 | 869,403 |
| Additions | 81,736 | 97,410 | 115,751 | 294,897 |
| Disposals - written down value | (1,175) | (7,622) | - | (8,797) |
| Depreciation expense | (159,429) | (85,091) | (71,316) | (315,836) |
| Carrying amount as at 30 June 2013 | 260,467 | 192,978 | 386,222 | 839,667 |

Notes to the Consolidated Financial Statements | Continued

Notes to the Consolidated Financial Statements | Continued

Consolidated 2013

| | Plant, Furniture & Equipment \$ | Motor Vehicles \$ | Computer Software \$ | Buildings \$ | Total \$ |
|---|--|-------------------------|----------------------------|-----------------|------------------|
| Balance at the beginning of year | 2,427,032 | 254,716 | 341,787 | 287,453 | 3,310,988 |
| Additions | 1,762,279 | 97,410 | 115,751 | 38,796 | 2,014,236 |
| Disposals - written down value | (557,005) | (7,622) | - | - | (564,627) |
| Depreciation expense | (1,001,505) | (103,429) | (71,313) | (58,878) | (1,235,125) |
| Carrying amount as at 30 June 2013 | 2,630,802 | 241,075 | 386,225 | 267,371 | 3,525,472 |

Consolidated 2012

| | Plant, Furniture & Equipment \$ | Motor Vehicles \$ | Computer Software \$ | Buildings \$ | Total \$ |
|---|--|-------------------------|----------------------------|-----------------|------------------|
| Balance at the beginning of year | 4,987,652 | 162,636 | 187,084 | 322,579 | 5,659,951 |
| Additions | 438,280 | 175,525 | 230,190 | - | 843,995 |
| Disposals - written down value | (46,747) | (15,114) | - | - | (61,861) |
| Depreciation expense | (2,952,153) | (68,331) | (75,487) | (35,126) | (3,131,097) |
| Carrying amount as at 30 June 2012 | 2,427,032 | 254,716 | 341,787 | 287,453 | 3,310,988 |

11. Investment Property

| | Parent | | Consolidated | | |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| | 2013 \$ | 2012 \$ | 2013 \$ | 2012 \$ | 2011 \$ |
| Balance at beginning of year | 1,236,487 | 1,236,775 | 1,236,487 | 1,236,775 | 1,237,767 |
| Additions | 697,089 | - | 697,089 | - | - |
| Fair value adjustments | 2,743,274 | (288) | 2,743,274 | (288) | (992) |
| Balance at end of year | 4,676,850 | 1,236,487 | 4,676,850 | 1,236,487 | 1,236,775 |

The fair value model is applied to all investment property. Investment properties are independently revalued periodically. Values are based on an active liquid market and are performed by a registered independent valuer.

12. Projects

| | Parent | | Consolidated | | |
|--------------------------|------------------|------------------|------------------|------------------|------------------|
| | 2013 \$ | 2012 \$ | 2013 \$ | 2012 \$ | 2011 \$ |
| Costs | 2,295,385 | 2,055,311 | 2,295,385 | 2,055,311 | 1,533,854 |
| Accumulated Depreciation | (314,394) | (296,251) | (314,394) | (296,251) | (123,407) |
| Total Projects | 1,980,991 | 1,759,060 | 1,980,991 | 1,759,060 | 1,410,447 |

The amount capitalised in relation to projects, reflects the fixed assets that have been purchased for community development. These include, but are not limited to: Wirrillimarra Housing Project, facilities and equipment in relation to the Lore Camps, building of the Wakathuni Early Childhood Centre and other community development and infrastructure work.

(a) Reconciliation Detailed Table

| | Parent | | Consolidated | | |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| | 2013 \$ | 2012 \$ | 2013 \$ | 2012 \$ | 2011 \$ |
| Balance at beginning of year | 1,759,733 | 1,410,447 | 1,759,733 | 1,410,447 | 292,826 |
| Additions | 535,652 | 539,268 | 535,652 | 539,268 | 1,241,028 |
| Disposals - written down value | - | (16,056) | - | (16,056) | - |
| Depreciation | (314,394) | (174,599) | (314,394) | (174,599) | (123,407) |
| Closing Balance | 1,980,991 | 1,759,060 | 1,980,991 | 1,759,060 | 1,410,447 |

13. Trade and Other Payables

| | Parent | | Consolidated | | |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
| | 2013 | 2012 | 2013 | 2012 | 2011 |
| Current | | | | | |
| Trade Payables | 1,553,964 | 1,384,535 | 2,627,634 | 3,271,891 | 5,172,496 |
| Accrued Expenses | 285,445 | 776,650 | 862,083 | 1,096,230 | 181,852 |
| PAYG Liabilities | 69,398 | - | 180,871 | 188,797 | 165,959 |
| GST Liabilities | - | - | - | 9,868 | 91,729 |
| Other Payables | 35,087 | 133,587 | 313,487 | 308,129 | 509,782 |
| Total Trade and Other Payables | 1,943,894 | 2,294,772 | 3,984,075 | 4,874,916 | 6,121,819 |

Notes to the Consolidated Financial Statements | Continued

Notes to the Consolidated Financial Statements | Continued

(a) Financial Liabilities as Amortised Cost Classified as Trade and Other Payables

| | Parent | | Consolidated | | |
|--|------------------|------------------|------------------|------------------|------------------|
| | 2013 | 2012 | 2013 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ | \$ |
| Trade and Other Payables | | | | | |
| Total Current | 1,943,894 | 2,294,772 | 3,984,075 | 4,874,916 | 6,121,819 |
| Financial Liabilities as Trade and Other Payables | 1,943,894 | 2,294,772 | 3,984,075 | 4,874,916 | 6,121,819 |

14. Provisions

| | Parent | | Consolidated | | |
|---|----------------|----------------|----------------|----------------|----------------|
| | 2013 | 2012 | 2013 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ | \$ |
| Current | | | | | |
| Employee Benefits – Annual and Sick Leave | 245,029 | 182,431 | 467,227 | 464,241 | 407,076 |
| Employee Benefits – Long Service Leave | 69,900 | 29,609 | 69,900 | 29,609 | - |
| Total Employee Benefits | 314,929 | 212,040 | 537,127 | 493,850 | 407,076 |

| | Parent | | Consolidated | | |
|--|---------------|---------------|----------------|----------------|----------------|
| | 2013 | 2012 | 2013 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ | \$ |
| Non - Current | | | | | |
| Employee Benefits – Long Service Leave | 82,938 | 76,719 | 196,781 | 187,654 | 143,599 |
| Total Employee Benefits | 82,938 | 76,719 | 196,781 | 187,654 | 143,599 |

15. Other Liabilities

| | Parent | | Consolidated | | |
|--------------------------------|------------------|---------------|------------------|----------------|------------------|
| | 2013 | 2012 | 2013 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ | \$ |
| General Gumala Foundation | 1,849,387 | - | 1,849,388 | - | - |
| Unexpended Projects Funding | 662,000 | 95,000 | 662,000 | 95,000 | 8,096,317 |
| Insurance Liability | - | - | 93,881 | 59,944 | - |
| Short Term Leases Liability | - | - | - | 22,566 | - |
| Total Other Liabilities | 2,511,387 | 95,000 | 2,605,269 | 177,510 | 8,096,317 |

16. Equity

| | Parent | | Consolidated | | |
|------------------------------|------------------|------------------|-------------------|-------------------|------------------|
| | 2013 | 2012 | 2013 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ | \$ |
| Retained Earnings | 4,603,733 | 3,716,887 | 4,603,733 | 5,956,866 | 5,462,911 |
| Expenditure Contingency Fund | - | 1,603,159 | - | 1,603,159 | - |
| External Funds Reserve | 2,538,461 | 1,329,924 | 2,538,461 | 1,329,924 | - |
| Asset Revaluation Reserve | 2,743,274 | - | 2,743,274 | - | - |
| Committed Funds Reserve | - | 39,978 | - | 39,978 | - |
| Minority Interest | - | - | 10,662,896 | 3,579,028 | 617,259 |
| Total Equity | 9,885,468 | 6,689,948 | 20,548,364 | 12,508,955 | 6,080,170 |

External Funds Surplus Reserve

The external funds reserve represents funding and related expenditure that GAC has received and incurred respectively, from sources other than General Gumala Foundation. The transfer to a separate reserve of these funds, on an annual basis, provides clear delineation between General Gumala Foundation funding and external funding.

Asset Revaluation

The Asset Revaluation Reserve represents the increase in fair value of the Karijini Eco Retreat as at 30 June 2013. A valuation was conducted by professional qualified valuers, AssetVal Pty Ltd of the buildings and plant and equipment of Karijini Eco Retreat owned by GAC.

Notes to the Consolidated Financial Statements | Continued

Notes to the Consolidated Financial Statements | Continued

17. Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit after Income Tax

| | Parent | | Consolidated | |
|--|------------------|--------------------|------------------|--------------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$ | \$ | \$ | \$ |
| Profit for the year | 4,838,657 | 840,856 | 7,198,206 | 3,929,162 |
| Cash Flow Excluded from Profit Attributable to Operating Activities | | | | |
| Non-Cash Flows in Profit | | | | |
| Depreciation | 630,229 | 473,746 | 1,549,519 | 1,489,429 |
| Net (gain) / Loss on Disposal of PPE | - | 35,513 | - | 35,513 |
| Provision for Doubtful Debts | (1,119,991) | - | (1,028,815) | 18,847 |
| Impairment Loss Reversed | (2,743,274) | - | (2,743,274) | - |
| Current Portion of Inter-Company Loan | 479,332 | - | 479,332 | - |
| Intercompany Management Fees | - | - | 56,111 | 54,902 |
| Funding Received from Related Parties | - | - | (72,231) | (362,482) |
| Share of Profit from Joint Venture | - | - | (2,098,496) | (2,653,262) |
| Changes in Assets and Liabilities | | | | |
| (Increase) / Decrease in trade and term receivables | 819,774 | 3,939,299 | 2,070,060 | 5,692,031 |
| (Increase) / Decrease in prepayments and deposits | (53,037) | (87,514) | (64,137) | (174,913) |
| (Increase) / Decrease in Inventories | - | - | (726,379) | (1,194,808) |
| (Increase) / Decrease in trade payables and accruals | (350,878) | 613,317 | (1,157,842) | (1,624,592) |
| (Increase) / Decrease in in provisions | 109,108 | 138,923 | 52,404 | 130,828 |
| (Increase) / Decrease in other liabilities | 2,416,389 | (8,001,080) | 2,701,484 | (7,539,343) |
| (Increase) / Decrease in Other | (27,949) | - | (27,949) | - |
| Cashflow from Operations | 4,998,361 | (2,046,940) | 6,187,994 | (2,198,688) |

18. Auditors Remuneration

| | Parent | | Consolidated | |
|------------------------------------|---------------|---------------|----------------|---------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$ | \$ | \$ | \$ |
| Byfields - Audit | 35,000 | 35,000 | 108,000 | 73,500 |
| - Accounting Assistance | - | - | 4,500 | 2,500 |
| Total Auditors Remuneration | 35,000 | 35,000 | 112,500 | 76,000 |

Remuneration includes fees in relation to the auditing and reviewing of the financial statements.

19. Capital and Leasing Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

| | Parent | | Consolidated | |
|---|----------------|----------------|----------------|----------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$ | \$ | \$ | \$ |
| Payable - minimum lease payments greater than 12 months | 275,518 | 242,861 | 275,518 | 265,427 |
| Total Lease Commitments | 275,518 | 242,861 | 275,518 | 265,427 |

The Corporation has entered into commercial leases for rental properties. There are no restrictions placed upon the lessee by entering into these leases.

20. Contingent Liabilities and Contingent Assets

There were no contingent liabilities in existence at the end of the current financial year.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of GAC. Contingent assets are assessed continually and if they become certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements in the period that the change from "probable" to "certain" occurs.

GAC and General Gumala Foundation have set up a contingency fund which consists of funds that GAC may draw upon in future income years to fund projects outside of the operational budget. Accessing these funds is contingent on approval from GIPL who may approve requests on a case by case basis. The amount in the contingency fund is therefore treated as a contingent asset under AASB 137.

Notes to the Consolidated Financial Statements | Continued

The composition of the contingency fund can be summarised in the table below:

| Contingency Fund | \$ |
|--|-------------------|
| Back payment from RTIO, less General Gumala Foundation investment allocation | 5,208,000 |
| Less Financial Relief Payment funding in 2012/13 FY | 1,012,000 |
| Difference between GAC and GIPL income Estimation 2011/12 FY | 1,699,199 |
| Difference between GAC and GIPL income Estimation 2012/13 FY | 1,699,199 |
| Amount returned to GIPL in August 2011 | 3,287,334 |
| Less amount returned by GIPL to GAC on 11 December 2012 | (983,023) |
| Unexpended funds returned to GIPL 2011/12 | 1,603,159 |
| Unexpended funds returned to GIPL 2012/13 | 1,650,388 |
| Contingency Fund Available | 13,152,256 |

21. Events After the End of the Reporting Period

Gumala Tourism Pty Ltd was deregistered on the 5th of September 2013.

Other than noted in the preceding paragraph no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Corporation, the results of those operations or the state of affairs of the Corporation in future financial years.

22. Economic Dependency

Whilst the Corporation is exploring additional sources of funding, it currently relies almost exclusively on the continued financial support via grant funding from the General Gumala Foundation. The 2013/14 budget has been approved by the General Gumala Foundation Board, and GAC have budgeted its expenditure based on the approved funding.

23. Corporation Details

The registered office and principle place of business of the Corporation is:

Gumala Aboriginal Corporation
1 Stadium Road
Tom Price
WA 6751

The administration office of the Corporation is:

Gumala Aboriginal Corporation
Level 1, 165 Adelaide Terrace
East Perth
WA 6004

Directors' Declaration

The Directors of the Corporation declare that:

- The consolidated financial statements and accompanying notes are in accordance with the Corporations (Aboriginal and Torres Strait Islanders) Act 2006 and:
 - comply with Accounting Standards; and
 - give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended 30 June 2013.
- 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: _____

Chairman – Stephen Peterson

Dated this 25th day of October 2013



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**Gumala Aboriginal Corporation
ABN 93 807 596 843**

Independent Audit Report to the members of Gumala Aboriginal Corporation

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Gumala Aboriginal Corporation (the corporation), which comprises the consolidated statement of financial position as at 30 June 2013, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Director's Responsibility for the Consolidated Financial Statements

The Directors of the corporation are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations (Aboriginal and Torres Strait Islanders) Act 2006*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the consolidated financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the corporation's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations (Aboriginal and Torres Strait Islanders) Act 2006*.

Auditor's Opinion

In our opinion, the consolidated financial statements of Gumala Aboriginal Corporation is in accordance with the *Corporations (Aboriginal and Torres Strait Islanders) Act 2006* including:

- i) giving a true and fair view of the entity's consolidated financial position as at 30 June 2013 and of their performance for the year ended on that date; and
- ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations).

BYFIELDS
Accountant and Financial Advisors

DALE JAMES WOODRUFF
Director

Dated at Perth, Western Australia this 28th day of October 2013



GUMALA
Aboriginal
Corporation
ICN 274

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