



THE  
**GUMALA TRUST**

*a safe pair of hands*

**ANNUAL REPORT 2019-2020**









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## MESSAGE FROM THE CHAIR



**BRENDON GRYLLS**

*Chair, Independent Director*

### **FINALLY OUR VOICE IS HEARD . . .**

As I put pen to paper to write the chairpersons report for the Gumala Investments Pty Ltd annual report I do so with some relief that finally our voices have been heard. On behalf of the Banjima, Yinhawangka and Nyiyaparli beneficiaries, your board has worked hard to press our partners in the Yandi Land Use Agreement (YLUA), Rio Tinto, to understand our concerns with regard to the transparency of land disturbance payments, their volatility based on land disturbance calculations, and the enormous challenges presented to the Gumala Foundation in properly discharging our obligations under the terms of the Trust Deed.

After many disappointing meetings, consultations and reviews where these requests were not supported we have now made progress. An internal review by Rio Tinto, one that we have requested many times, identified substantial areas of disturbance that had not been compensated and finally brought this issue to a head. This miscalculation was assessed by Rio Tinto to be in the order of tens of millions of dollars with interest payable on the 23-years of underpayments totalling millions more. The miscalculation was based on Rio Tinto's internal assessment of what constitutes disturbance of Gumala country, and this assessment is subject to dispute as many disturbances of Gumala country still remain un-compensated. Gumala Aboriginal Corporation is now conducting its own forensic audit of the disturbance impacts to determine if further impacts should be compensated under the YLUA and we have offered GAC our full assistance to support them in this process.

At a time when Rio Tinto and the entire resource sector is reflecting on what the true meaning of traditional owner partnership is, the Gumala Foundation hopes that new leadership at Rio Tinto is determined to lead the sector into a more open era of free, prior, and informed consent.



## COVID-19

The year presented a once-in-a-century challenge to manage the health and safety of our members from the terrible impacts of Covid-19. The GIPL board were very impressed with the way Justin and the GAC team swung into action as soon as the risks were known. We all became proficient at virtual meetings as we discussed the challenges for our members, especially in remote communities that were locked down for their own safety. Emergency payments and support services were quickly established, and for months we closely monitored the situation with a clear mandate to act quickly and in the best interests of our members as issues arose. Thank you to the team at both GAC and GIPL for your above and beyond work in 2020 to assist our members through a very uncertain time. We are relieved that the worst of the Covid-19 pandemic seems to be behind us but with borders re-opening in the lead up to Christmas we must remain alert and ready to act to protect our members and support them where needed.

I was especially proud of the community wide concern and support expressed to the remote indigenous communities of the Pilbara by business, government, and the community. I recall in the early days of the health risks being identified the heightened risk to vulnerable members of our Pilbara community was understood and prioritised. Business was offering assistance and innovation to solve complex problems; the community was aware of the specific risks and supported specific measures to combat them; and local government agencies swung into action swiftly. It is to the credit of all that these measures protected and supported our communities, and we say a huge thank you to the front-line staff that put the common good ahead of their own during this period.

## REVIEW RECOMMENDATIONS AND HOUSING PROJECT

Although Covid-19 drew a lot of the foundation's resources away from the tasks that were prioritised for 2020, your Board has continued to focus on the implementation of the 5-year review recommendations and the priority area of housing for our members. We have now engaged a project team to prioritise the implementation of the review recommendations and to ensure these actions can be well communicated to our members as we continue to prioritise this project in 2021.

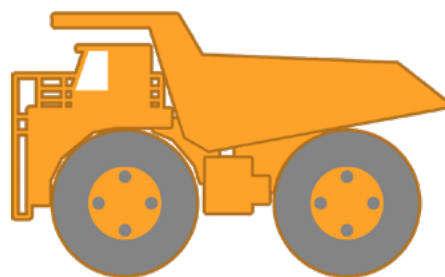
We have made substantial progress on implementing our housing priorities as requested by our members. We have three priority areas of focus, our partnership with the Dept of Communities on the North West Aboriginal Housing Fund, investigating and purchasing additional properties for Gumala Members, and the development of a cultural place to tell the story of Gumala and its members.

Project plans are being developed for the purchase of houses and allocation policy, and we will look to finalise the tenancies of our existing housing stock so they can also be made available to Gumala members with final decisions to be made on the recommendations of the housing committee led by GAC. A Cultural Centre Engagement report has been completed by our team and consultation will be undertaken with our members, with some early feedback being that a centre is needed in the Pilbara as well as at the head office in Perth and we look forward to making further progress on this exciting project in consultation with members.

## INVESTMENTS

2020 has been a year of uncertainty and challenges, and I am happy to report that Gumala Investments Pty Ltd has focused on being a "safe pair of hands" and remains well placed to deliver on the objectives of the trust deed.

Land use payments from Rio Tinto totalled \$32.6 million in FY2020, down slightly from \$36.6 million in FY2019. This is still a payment that is substantially higher than we expect, given that we budgeted for a payment of \$10M for FY2020, and creates challenges in meeting our obligations under the Trust Deed. GIPL would hope that Rio Tinto are open to providing their land use partners with the same forecasting tools that they use to efficiently manage their business, tools that have been withheld from GIPL since the inception of the YLUA.



Investment Income totalled \$4.6 million and rental incomes \$0.7 million for total revenues in FY2020 of \$37.8 million.

Total GIPL operating costs were \$2.52 million, which includes day to day operating costs of \$1.69 million and investment manager and investment property costs of \$831 thousand.



## CHAIR'S REPORT

Total Assets on 30 June 2020 stood at \$156.8 million, and we have seen some improvement in the equities market over the months since then, albeit with continuing uncertainty due to Covid-19 and geopolitical concerns. Thank you to our investment managers Morgan Stanley and Giles Wade who have steered the foundation through tricky territory and we hopefully have more stable times ahead. Your Board was seeking weekly updates from our investment managers as the worst impact on the market from Covid-19 was occurring and this provided us with a level of comfort as the market mirrored community concerns. Our investment managers have kept us fully informed of the national and global impacts of Covid-19 and other financial market risks and while affected we have managed to protect the future fund on behalf of members. Since the end of financial year, we have seen the full recovery of value of the financial investments experienced from Covid-19 impacts on financial markets in March 2020.

The Gumala Foundation Future Fund totalled \$120.3 million at the end of the year including the impact of unrealised losses from the market downturn of \$6.8 million. This is an increase from last years balance of \$115.2 million.

## PROGRAMS

\$19.1 million was allocated to member programs in FY2020 and actual acquittals to members totalled \$11.2 million, which was a significant increase from the \$6.3 million in FY2019. In addition, during the early period of Covid-19, \$2.57 million in Beneficiary emergency cash payments were made. The flexible program was increased which accounted for the expanded program support to members and the Covid-19 emergency fund program totalled \$1500 per member. \$33.9 million is now held by GIPL and available to GAC for member programs in FY 2021, giving GAC greater capacity to respond to the needs of the foundation's members. As of 30 June, the GIPL Board had approved the submitted GAC program budget for 2020/21 totalling \$27.6 million from the available \$33.9 million.

### Member Programs

Flexible Program	\$15,193,149
Funeral Program	\$3,528,958
Culture Program	\$1,500,000
Community Improvement	\$1,200,000
Education Program (Kindy – Year 12)	\$1,125,000
Christmas Gift Cards	\$860,600
55 Plus Support Program	\$450,000
Tertiary Program	\$440,000

Can I congratulate Executive Officer John Raftis and his team of Hima Nyapathi, Stephen Magwenzi, and Sarisa Htay. Your efforts to keep the Gumala Foundation on course during the most uncertain of times has not gone unnoticed. Thank you to Vicki Sly who assisted us with communications throughout 2020 and welcome to Briana Clements who now takes up this role. We also welcome Kylah Morrison who has accepted a short-term contract to focus on the implementation of the YLUA 5-Year Review recommendations and engaging members in the rollout of these priority actions. Thank you to my fellow directors Helen Smith, Roy Tommy, Claire Gesah, Irina Cattalini, and Ian McPherson for your focus and time during 2020. Whilst you were all very busy with your own work and families you set aside the time to prioritise the emergency response to Covid-19 and the weekly meetings we held for a large part of 2020, and our management in partnership with Justin Dhu and his GAC team was most successful.

## THE FUTURE

2021 emerges as a defining year for the Gumala Foundation. After years of claiming that the terms and transparency of the YLUA were not assisting the foundation to deliver the outcomes set down by the trust deed we finally have those concerns on the table. The new Rio Tinto leadership has committed to open and fair engagement with their Traditional Owner partners, and this is the most advanced Gumala has been in the quest for a fairer working relationship with the resource sector in 23 years.

The underpayment of land disturbance compensation will be reviewed by a Gumala-led forensic audit with full and open access to the data from Rio Tinto and a highly skilled audit and negotiating team has been assembled to assist the foundation with the audit and the negotiation. Your board will continue to work hard to grow and protect the future fund, assist GAC with the funding and expansion of member programs, and ensure that we continue to build on the legacy of the elders who negotiated the YLUA in 1997.

Gumala members continue to contribute and achieve great outcomes for their family, community, and the nation and the GIPL board remains committed to assist the delivery of these outcomes in any way possible on behalf of the Banjima, Yinhawangka and Nyiyaparli language groups.



Director: \_\_\_\_\_

Chairperson – Brendon Grylls



# OUR ORGANISATION



Above and Below: Directors and staff from GAC, GIPL, and GEPL met in February 2020 for a joint strategy meeting.

Left: The Gumala Trust team at the end of 2020. Front row: Sarisa Htay, Arleah Simpson, and Hima Nyapathi. Back row: Briana Clements, John Raftis, and Stephen Magwenzi.





## BOARD OF DIRECTORS



**BRENDON GRYLLS**

**Chair, Independent Director**  
**Committees: Audit & Risk (Proxy); Investments**

Brendon Grylls brings a wealth of regional development and north west experience to the Gumala Foundation team. He has a background in small business, farming, and manufacturing, which precede a 16-year term in state parliament. Brendon maintains an ongoing focus on indigenous policy and programs.

He is well known for his advocacy of regional issues, his commitment to expanding indigenous opportunities, and his innovative approach to both public policy and business after his political career.

Brendon is based in Karratha with his family where he runs a small consultancy business focused on developing the businesses and community of the Pilbara and Regional WA. He has been a strong advocate for Indigenous business development in the region.

As Chair of the Gumala Foundation he looks forward to working closely with the traditional owners of the Yinhawangka, Banjima, and Nyiyaparli language groups to honour the objectives of the trust deed.



**IRINA CATTALINI**

**Role: Independent Director**  
**Committees: Audit & Risk, and Investments**

Irina Cattalini is a highly driven and energetic executive, with over fifteen years of experience in community and public services. She is highly regarded for her strategic thinking, exceptional management skills, and personal integrity.

Irina is an accomplished leader of change, with a talent for translating complex policy analysis with clarity and strategic influence, resulting in positive and high-impact outcome.

Prior to her current role as Executive Manager of One Tree Community Services, Irina served as CEO of the WA Council of Social Service. Irina has also served as the Vice President of the Australian Conservation Foundation; a founding Board Member of Reconciliation WA; and on the CEO's for the Gender Equity group.

Irina has a Bachelor of Arts (Political Science) with Honours in International Relations from the University of WA. She also has a Diploma of Business and is an Alumni of Leadership WA. She has been awarded as one of WA Business News 40 under 40, the winner of IPAA's Non-Profit Leader of the Year, and UWA's Strategic Alliance Award.



**IAN MCPHERSON**

**Role: Independent Director**  
**Committees: Investments (Chair)**

Ian graduated from the University of WA with post graduate qualifications in financial planning and has then gone on to work with Australia's leading banking, investment managers, and financial services institutions.

He specializes in advising, consulting, planning, supervising, and managing short- and long-term investment funds for the last 25 years, starting with the billion-dollar Queensland electricity industry employee's Superfund. He held the role of the investment specialist independent director of the MG Community Foundation, Kununurra, between 2011 and 2015.

Ian brings to the role his experience in every investment cycle and skills in managing the external investment managers to maximise the returns for the short, medium, and long-term benefit of the Gumala People.



## CLAIRE GESAH

**Niyaparli Director**

**Committees:** Applications Review; Investments

Claire is a Niyaparli woman, born in Marble Bar. She has worked across many industries in her life, including health, and has a ten-year serving with the police, where she achieved the rank of Senior Constance.

She is currently working to support Indigenous candidates who are seeking employment opportunities in the mining industry.

Claire has held various directorships for Aboriginal Corporations over the past 20 years. She brings this experience and passion to her role in Gumala Investments Pty Ltd, where she has been a Director since November 2019.

Since she was young, Claire has always been passionate about using education and community development as effective ways to accelerate social change. She enjoys supporting the Niyaparli peoples through employment opportunities and is motivated to get more community driven programs and projects started.

In her spare time, Claire enjoys spending time with her family.



## ROY TOMMY

**Role: Yinhawangka Director**

**Committees:** Applications Review, Audit & Risk, and Investments

Roy Tommy (Pitithangu, meaning dry leaf) grew up on Mininer, Mount Vernon, and Pingandy pastoral stations. His Yinhawangka name was given to him in traditional song by his grandmother, Maggie Bimba. His mother was the last fluent speaker of Yinhawangka, and in 1980 commenced recording the language, songs, stories, genealogy, birth and burial places, and the names of Yinhawangka lands.

Pitithangu was a Yinhawangka representative on the YLUA negotiating team, one of the founding 25 members of the Gumala Aboriginal Corporation (GAC), one of its inaugural Governing Committee members, and has served on the boards of GAC and Gumala Enterprises Pty Ltd on a number of occasions.

He is currently working on a project for the preservation of Yinhawangka with assistance from Wangka Maya Language Centre, IBN Corporation, The Yinhawangka Trust, and the Resource Network for Linguistic Diversity.



## HELEN SMITH

**Role: Banjima Director**

**Committees:** Applications Review, Audit & Risk, and Investments

Helen is a local from the Pilbara. She worked as a primary school teacher for several years and was one of the founding members of GAC when it was established following the successful negotiation of the Yandi Land Use Agreement (YLUA) in 1997.

Helen became the Banjima Director on the Board of GAC and worked hard to assist with the development of Gumala's first office in Tom Price. Her commitment to managing governance aligned with culture grew during her long journey over the last 20 years where she worked within the frameworks of committees and boards, including being an inaugural Director of IBN Corporation Pty Ltd when it was established in 2001.

Helen brings to the role her extensive knowledge, experience, and sensitivity in working with the Yinhawangka, Niyaparli, and Banjima people. She understands the challenges of managing trusts and believes in delivering appropriate and effective services in meeting the objectives of the Foundation to alleviate the stress and poverty, and to make a positive difference for the beneficiaries.







# GUMALA INVESTMENTS PTY LTD AS TRUSTEE FOR THE GENERAL GUMALA FOUNDATION

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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Auditor's Independence Declaration
Statement of Profit or Loss and Other Comprehensive Income
Statement of Financial Position
Statement of Changes In Funds
Statement of Cash Flows
Notes to and Forming Part of the Financial Statements
Directors' Declaration
Independent Auditor's Report

### TRUSTEE INFORMATION

ABN 50 336 714 927

### DIRECTORS

Brendon Grylls (Chair)  
Irina Cattalini  
Claire Gesah  
Ian McPherson  
Helen Smith  
Roy Tommy

### COMPANY SECRETARY

John Raftis

### REGISTERED OFFICE

Level 2  
165 Adelaide Terrace  
East Perth WA 6004  
Tel: +61 8 9287 3900  
Fax: +61 8 9325 2660

### AUDITORS

Bentleys Audit & Corporate Pty Ltd  
Level 3, 216 St Georges Terrace  
Perth WA 6000  
Tel: +61 8 9226 4500  
Fax: +61 8 9226 4300

### WEBSITE

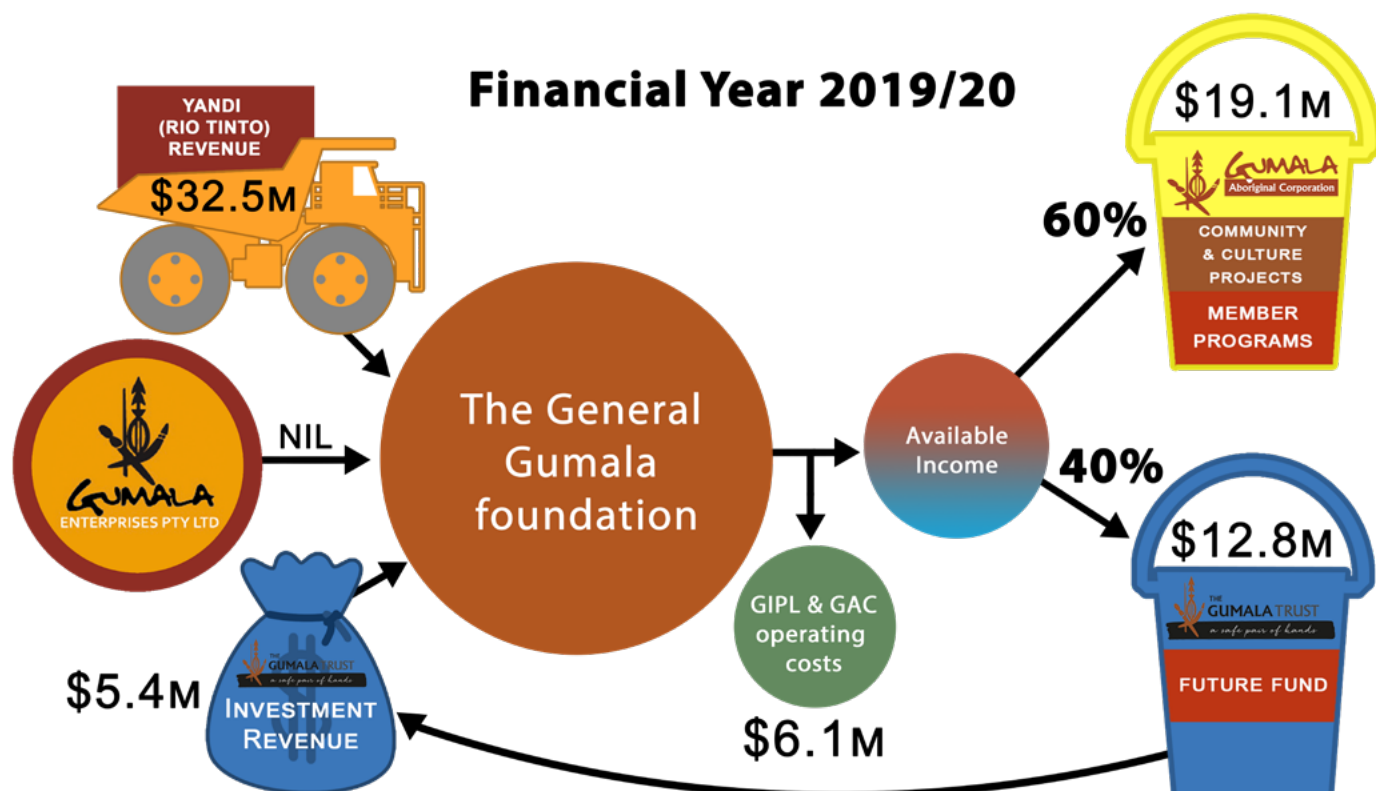
[www.gumalatrust.com](http://www.gumalatrust.com)



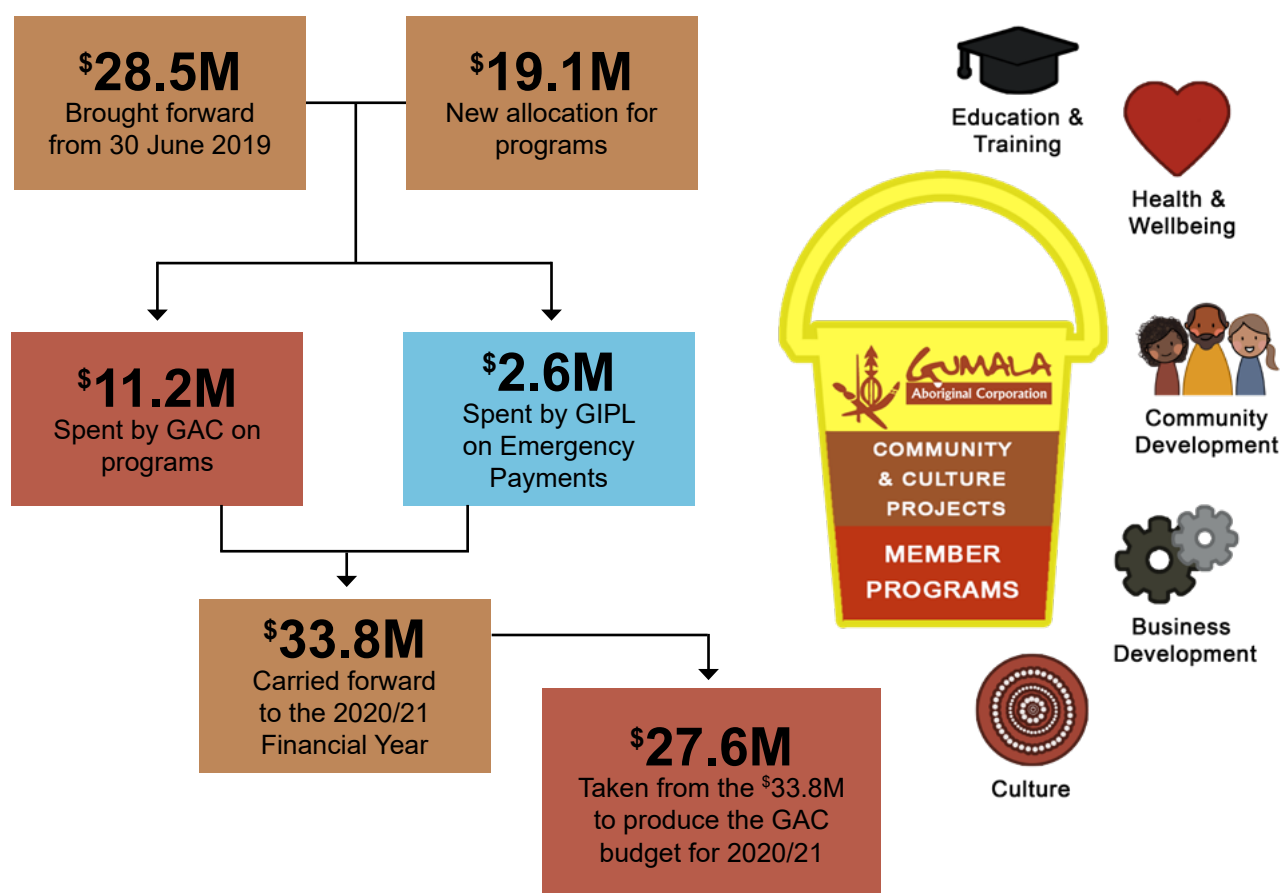


# FINANCIAL OVERVIEW

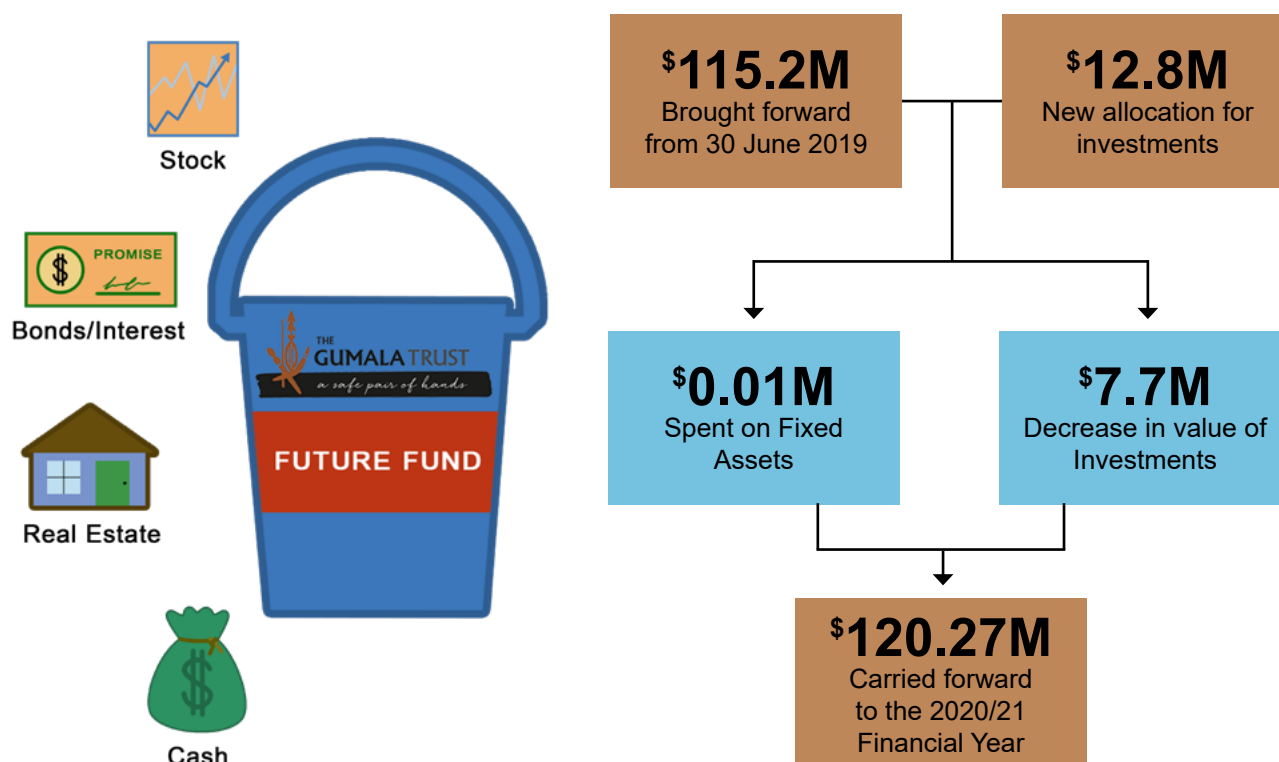
The following graphics represent the financial year of 2019/20, including revenue received, and allocation of funds.



## PROGRAM FUNDING FOR THE FINANCIAL YEAR 2019/20



## FUTURE FUND GROWTH FOR THE FINANCIAL YEAR 2019/20





# DIRECTORS' REPORT

The Directors of the trustee company, Gumala Investments Pty Ltd (GIPL) present their report on the operations of the General Gumala Foundation Trust (GGF) for the financial year ended 30 June 2020.

## DIRECTORS

The Directors of GIPL in office during the year were:

SUMMARY OF DIRECTOR'S TEAM			SUMMARY OF BOARD ATTENDANCE	
	TERM OF OFFICE	POSITION ON GIPL BOARD	NUMBER OF MEETINGS ELIGIBLE TO ATTEND	NUMBER OF MEETINGS ATTENDED
<b>BANJIMA</b>				
Helen Smith	1 July 19 - 30 June 20	Director	20	18
<b>YINHAWANGKA</b>				
Roy Tommy	1 July 19 - 30 June 20	Director	20	16
<b>NYIYAPARLI</b>				
Bradley Hall	1 July 19 - 20 Sep 19	Director	3	1
Claire Gesah	13 Dec 19 - 30 June 20	Director	15	8
<b>INDEPENDENTS</b>				
Brendon Grylls	1 July 19 - 30 June 20	Chairperson**	20	20
Irina Cattalini	1 July 19 - 30 June 20	Director	20	17
Ian Mcpherson	1 July 19 - 30 June 20	Director	20	19

\*\* Mr Grylls was elected Chairperson as of 23 June 2017.

Note: During the financial year there were 20 GIPL Board Meetings, comprising of 10 standard meetings and 10 additional meetings during the Covid-19 impacted period.

## DIRECTORS' REMUNERATION

During the year the Directors of the trustee company were entitled to the following remuneration for their services as Directors.

NAME	REMUNERATION (\$)	ALLOWANCE (\$)	SUPERANNUATION (\$)	TOTAL (\$)	TERM OF OFFICE DURING FINANCIAL YEAR
Brendon Grylls	76,000	720	7,220	83,940	1 July 19 - 30 June 20
Irina Cattalini	40,000	720	3,800	44,520	1 July 19 - 30 June 20
Claire Gesah	21,935	395	2,084	24,414	13 Dec 19 - 30 June 20
Bradley Hall	8,889	160	844	9,839	1 July 19 - 20 Sep 20
Ian McPherson	40,000	720	3,800	44,520	1 July 19 - 30 June 20
Helen Smith	40,000	720	3,800	44,520	1 July 19 - 30 June 20
Roy Tommy	40,000	720	3,800	44,520	1 July 19 - 30 June 20
<b>Total</b>	<b>266,824</b>	<b>4,155</b>	<b>25,348</b>	<b>296,327</b>	

**Note 1:** The Directors did not accept any performance bonus or any other incentives.

**Note 2:** The table refers to actual remuneration entitlements and does not include costs incurred by GIPL for travel related expenses.

## REVIEW OF OPERATIONS

The operating revenue for the Foundation decreased to \$37,826,361 from \$42,904,557 in 2020 due to a combination of Yandi Land Use Agreement ("YLUA") income decreasing to \$32,568,668 (a decrease from \$36,625,298 in 2019) and investment income decreasing to \$4,577,752 (a decrease from \$5,638,159 in 2019). Investment income was largely impacted by the Covid-19 pandemic with dividends and distributions being reduced or deferred by ASX-listed organisations.

The operating costs of the Foundation entities (Gumala Investments Pty Ltd "GIPL" and Gumala Aboriginal Corporation "GAC") continued to be closely monitored to minimise additional costs as member programs were increased from 2019. Excluding the consultation fees and travel allowances paid to members for both GAC and GIPL, the combined operating costs were again fully covered by the investment and rental income. The Trust's financial performance for 2020 has enabled the provision of \$19,129,596 for funding of member programs (2019: \$22,343,602).

The operating surplus for 2020 is \$12,849,515 (2019: \$14,133,297), although total comprehensive delivered a net surplus for the 2020 financial year of \$5,071,167 (2019: \$16,616,347) after factoring in the impacts of unrealised losses on the financial investment portfolio. In terms of operating cash flow, the Trust generated a positive \$27,104,715 in 2020 (2019: \$17,084,728).

Please refer to the audited financial report from Page 12 for details on the financial performance and results for the financial year.

## KEY HIGHLIGHTS

The 2020 financial year saw the YLUA income deliver another year of +\$30M whilst investment revenues suffered an overall decrease of 19% due to the impacts of the Covid-19 pandemic. Funds allocated to run the administrative functions of Gumala Investments ("GIPL") and Gumala Aboriginal Corporation ("GAC") were increased to \$5.08M from \$4.51M in 2019, however it should be noted that this included \$957K (2019: \$684K) of member consultation meeting and travel payments.

Yandi Land Use Agreement compensation decreased by 11% in 2020 to \$32.57M (FY2019: \$36.63M). With the land use payment calculation dominated by the area of land disturbed, and not by volume of ore removed from the ground, the income will rise and fall in line with mine expansion as opposed to mine production.

Investment holdings increased to \$144.66M at 30 June 2020, which is an increase of \$21.41M on the previous figure of \$123.25M as at 30 June 2019. This includes the impact of unrealised losses of \$6.85M on financial investments (2019: gains of \$2.29M)

The Trustee Company's liabilities total \$36.56M, which includes \$33.90M for the funding of future member programs and \$1.43M for the funding of GAC for the June 2020 quarter.

Within these figures are some significant movements, as can be seen in the table below and in Note 15.

	30 JUNE 2020	30 JUNE 2019
Cash and cash equivalents	24,623,300	17,638,271
Investment properties	11,807,500	11,517,500
Financial assets	108,233,005	94,096,211
<b>Total Investments</b>	<b>144,663,805</b>	<b>123,251,982</b>

## CASH POSITION

The cash position of the Trust has increased by \$6.99M in 2020 with an additional \$10.0M increase recognised as financial investments due to the length of the term deposits that hold those funds. Operating cash flow generated a positive \$27.10M to contribute the funds that were added to the cash and investment holdings.

## INVESTMENT PROPERTY

The positive signs for the Pilbara economy continued with rental income increasing during the year as businesses sought accommodation for employees. It is noted that this did not result in a similar increase in property values across the board, although a material increase was experienced for the Tom Price houses due to very limited supply.

Office properties in the Perth CBD continue to be impacted due to high levels of vacancy and as a result the commercial building values decreased again slightly from the prior year. The Trustee is investigating the development of the vacant Ground Floor premise as a cultural centre to help capture and record the history and culture of the three language groups as well as provide an opportunity to promote small member-owned businesses.



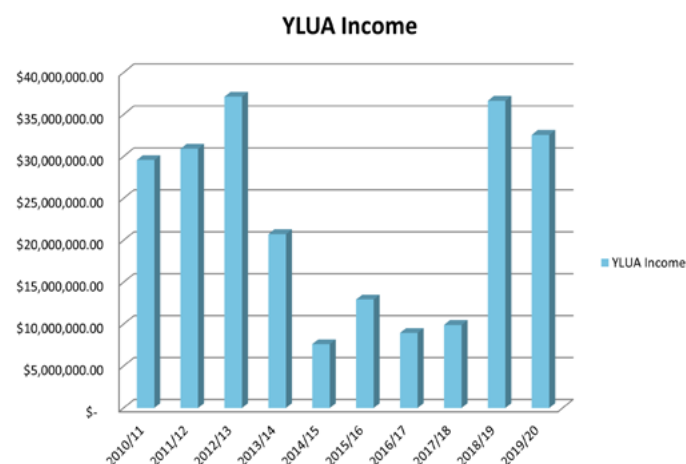
## FINANCIAL STATEMENTS

### TRADE AND RECEIVABLES

The current trade and receivables position of the Trust has decreased by \$9.96M. Trade and receivables include the accrued income, with the primary component being the amount earned from the Yandi Land Use Agreement for the final three months of the year. Other accrued income includes the amount for dividends and distributions from investments that are declared prior to 30 June but paid in the new financial year.

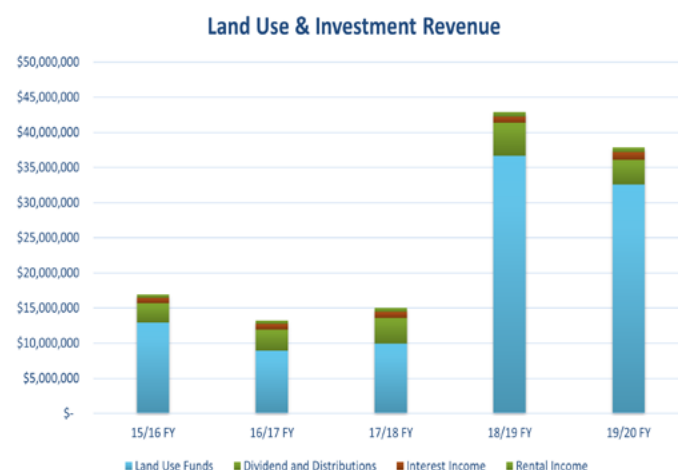
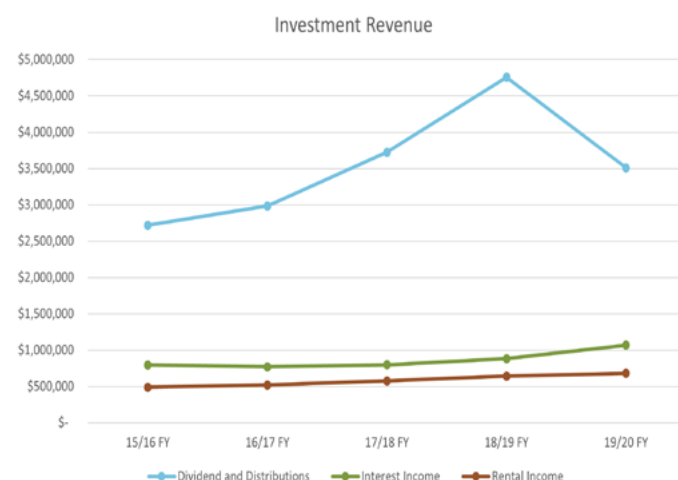
### REVENUES

Revenue from the Yandi Land Use Agreement decreased by 11% in 2020 to \$32.57M from \$36.63M in 2019, with income fluctuating between \$4.24M and \$10.55M for any quarter. This second year of \$30M in land use payments follows four years of YLUA averaging under \$10.0M per year and demonstrates the ongoing issues of inconsistent payments under the YLUA.



Dividend and distribution revenues decreased due to impacts of the Covid-19 pandemic on financial markets, with listed companies and managed funds reducing or deferring dividends and distributions in 2020. The FY2020 returns of \$3.51M were down 26% from the \$4.76M earned in FY2019.

Interest Income was up 21%, due to increased funds invested into both the bond portfolio and term deposits and despite the continuing decrease in interest rates occurring during 2020. Interest income for FY2020 was \$1.07M, up from the \$881K earned in FY2019.



The tenanting out of the residential properties in FY2020 was strong as demand for rentals by businesses for staff accommodation increased throughout the year. Overall, the rent from residential properties in FY2020 increased by 9% to \$569K from \$520K in FY2019. Commercial rent decreased by \$11K due to provision of discounts to tenants during the Covid-19 period whilst the rental rates in older buildings continued to stagnate in the current economy.



## ADMINISTRATION COSTS

GIPL increased its employee benefits costs in 2020 with the addition of a Social Impact Investment Manager to assist with better utilising the Trust assets to deliver social outcomes for beneficiaries and members (FY2020: 716K and FY2019: 632K) and increased the management and administration expenses primarily as a result of the consultation fees and travel expenses paid to Beneficiaries who attended the consultation meeting held prior to the 2019 AGM (2020: \$401K, 2019: \$85K).

Investment property expenses were reduced over the year (FY2020: 466K and FY2019: 507K). Savings continue to be sought through the ongoing review of operational costs and supplier contracts to seek the most efficient use of Trust funds.

## PAYMENTS TO GAC

The GIPL Board recognises the achievements of GAC Executive Officer, Justin Dhu, for continuing to manage the GAC resources well, whilst increasing the delivery of member programs by 77% to \$11.2M from \$6.3M in 2019. GIPL-funded GAC operating costs increased by 5% to \$3.54M from \$3.37M in 2019.

The ongoing costs controls across both entities continue the focus of enabling the increased revenues to be directed into benefits for the members and beneficiaries. Funds to be made available for member benefits from 2020 total \$19.13M (2019: \$22.34M), with an accumulated total of \$33.90M (2019: \$28.54M) being carried forward and made available for member programs budgeted for FY21, approved at \$27.6M, and future years.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

### BOARD AND STAFF CHANGES

In September 2019, the Nyiyaparli Traditional Owner director, Mr Bradley Hall, resigned from his position. GAC, as the Manager of the Foundation, conducted a recruitment process for a new director and, in December 2019, Ms Claire Gesah was appointed to the GIPL Board. There have been no changes to independent directors in the 2020 financial year.

Mr John Raftis continued in his role as Executive Officer for the Trust following his appointment in February 2018.

## PRINCIPAL ACTIVITIES

The principal activities of the GGF are the funding of community projects which benefit Beneficiaries and investment of trust funds as directed by the GGF Trust Deed.

## AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected, or could significantly affect the operations of the Trust, the results of those operations of the Trust or the state of affairs of the Trust in future financial years.

## FUTURE DEVELOPMENTS

In the new financial year, the Trustee will continue the process of completing a review of the Traditional Owner Register as part of the requirements of the Trust Deed. The review is being undertaken in conjunction with GAC and the formation of a Traditional Owner Advisory Committee ("TOAC") and, unfortunately due to the Covid-19 pandemic, the risks associated with holding meetings resulted in delays to the process.

GIPL will continue to review all income into the Foundation while looking to diversify income streams to grow the Future Fund. As Trustee, GIPL is also mindful of the need to provide monies to fund projects and programs that fall within approved Income Utilisation Categories.

The GIPL Board continues to look to further enhance the opportunity to work with GAC to achieve greater self-determination and cost efficiencies for the Foundation.

GIPL supports GAC's strategic approach to foster partnerships with specialist providers to assist the Foundation in service delivery of programs to achieve specific outcomes across the spectrum of approved Income Utilisation Categories.





## RISK MANAGEMENT

### ENVIRONMENTAL RISK MANAGEMENT

GIPL, as GGF Trustee, acknowledges the importance of environmental regulations and is aware of its responsibilities in this area. The Entity 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. Similarly, GIPL has not received any complaints in relation to potential environmental non-compliance issues.

### INTERNAL RISKS

Changes to the Board of Directors may affect organisational direction in a way which would be different to non-Traditional Owner controlled organisations.

### FUNDING RISK

The amount of compensation received from Rio Tinto under the terms of the Yandi Land Use Agreement for the benefit of the Traditional Owners decreased from 2019 but remained at similar levels last seen in 2013. This highlights the volatility of the YLUA income, and the ongoing challenge faced by GIPL and GAC with budgeting operations and programs.

For the Foundation to better manage the risk from income fluctuations the Foundation has implemented an arrears-based program funding arrangement for GAC, which includes all member programs being funded from Foundation available income determined in prior years. The Foundation is aware of the importance of continually monitoring administrative costs to ensure the maximum amount of funds is made available for member programs.

### OTHER EXTERNAL RISKS

Governments, and their policies and procedures, regularly change. On a global level, the political landscape is constantly evolving. Wars and conflicts affect many countries every day and can impact on the global economy which can have a knock-on effect on the Foundation investment income.

## BOARD COMMITTEE MEETINGS

In 2019/20 the following Committees were operational:

- Joint Investments Committee;
- Audit & Risk Committee;
- And Joint Applications Committee

All committees have been reconstituted as Foundation committees with membership comprising directors from both GIPL and GAC. Foundation Charters have been endorsed by both GAC and GIPL Boards in relation to both the Investments and Audit and Risk Committees.

## FOUNDATION INVESTMENTS COMMITTEE

The Investments Committee was established in 2012 to fulfil obligations by The Trustee to consult with The Manager in relation to Investments, as reflected in Clause 8 of the Trust Deed. A primary responsibility of the Foundation Investments Committee is to review the GGF policies relating to the execution of the 'Utilisation of Income' of the Trust, as well as making recommendations to the GIPL Board on matters concerning the implementation of these policies and on matters concerning implementation of the Trustee's endorsed investment strategy. The Investments Committee is an advisory committee to the Board.

## FOUNDATION AUDIT AND RISK COMMITTEE

The Audit and Risk Committee's primary role is to oversee GAC and GIPL's Governance, Risk and Internal Control Framework to ensure the organisation 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 fulfilment of its external accountability responsibilities. The principal responsibilities of the Foundation Audit and Risk Committee are in the areas of Risk Management, Control Framework, Legislative and Regulatory Compliance, Internal Audit and External Audit.

## FOUNDATION APPLICATIONS REVIEW COMMITTEE

The Committee is established as a sub-committee of the GIPL and GAC Boards for reviewing and making recommendations on individual applications for Beneficiary Status under the Trust Deed and Membership Status under the GAC Rule Book respectively. This Committee is the "representative committee" under Clause 12.4 of the GGF Trust Deed, for deeming Traditional Owners, and making recommendations in that regard.

The major responsibilities of the Committee are to:

- Assess all received applications for Beneficiary/ Membership Status in a deliberative, consultative, and good faith manner;
- Make recommendations to the GIPL and GAC Boards about received applications with advice to accept reject, or defer;
- For Directors to provide leadership, advice and lead debate with regards to applications that are the same as their respective language group;
- Provide advice about process, policy and procedures in connection to the Traditional Owner Register and the GAC Register of Members;
- Consult with the Traditional Owners, particularly Elders;
- Manage any risks associated with the application process.

	FOUNDATION INVESTMENTS COMMITTEE		FOUNDATION AUDIT & RISK COMMITTEE		FOUNDATION APPLICATIONS REVIEW COMMITTEE	
	NUMBER OF MEETINGS ELIGIBLE TO ATTEND	NUMBER OF MEETINGS ATTENDED	NUMBER OF MEETINGS ELIGIBLE TO ATTEND	NUMBER OF MEETINGS ATTENDED	NUMBER OF MEETINGS ELIGIBLE TO ATTEND	NUMBER OF MEETINGS ATTENDED
<b>BANJIMA</b>						
Helen Smith	3	3	2	1	6	6
<b>YINHAWANGKA</b>						
Roy Tommy	3	2	2	2	6	4
<b>NYIYAPARLI</b>						
Claire Gesah	1	1	-	1#	3	2
Bradley Hall	1	-	-	-	1	-
<b>INDEPENDENTS</b>						
Brendon Grylls	3	3	-	-	-	-
Irina Cattalini	3	2	2	1	-	-
Ian Mcpherson	3	3	-	-	-	-

#Attended as proxy

## COMPENSATIONS OF KEY MANAGEMENT PERSONNEL

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

	YEAR ENDED 30 JUNE 2019	YEAR ENDED 30 JUNE 2018
Directors	301,621	306,750
Key management Personnel	186,150	186,150
<b>Total</b>	<b>487,771</b>	<b>492,900</b>

## KEY MANAGEMENT PERSONNEL

Key management personnel of The General Gumala Foundation consist of the following:

- John Raftis, GIPL Executive Officer

Note: Mr John Raftis was appointed as Executive Officer in February 2018 following his appointment as Acting Executive Officer in April 2017.

## REMUNERATION BANDS

REMUNERATION BAND (\$)	2019/20	2018/19
0 - 50K	-	-
50 - 100K	-	-
100 - 150k	-	-
150 - 200k	1	1
200 - 250k	-	-
250 - 300k	-	-

## INDEMNIFYING OFFICERS OR AUDITORS

During the Financial Year, the Trustee has paid a premium in respect of insuring Directors and Officers of the Trustee. The terms of the premium paid are commercial-in-confidence and, therefore, have not been disclosed. The Trustee has not entered into any arrangement to indemnify the auditors.

## PROCEEDINGS ON BEHALF OF THE ENTITY

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

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditors Independence Declaration for the financial year ended 30 June 2020 has been received and is included on the following page.

The Director's Report is made in accordance with a resolution of the Board of Directors made pursuant to s298(2) of the Corporations Act 2001:

On behalf of the Board of Directors:

Director:   
Chairperson – Brendon Grylls

Dated this 6th day of November 2020



# AUDITOR'S INDEPENDENCE DECLARATION



Bentleys Audit & Corporate  
(WA) Pty Ltd

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To The Board of Directors

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the audit of the financial statements of Gumala Investments Pty Ltd as Trustee for the General Gumala Foundation for the financial year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

**BENTLEYS**  
Chartered Accountants

**CHRIS NICOLOFF CA**  
Partner

Dated at Perth this 6<sup>th</sup> day of November 2020



A member of Bentleys, a network of independent accounting firms located throughout Australia, New Zealand and China that trade as Bentleys. All members of the Bentleys Network are affiliated only and are separate legal entities and not in Partnership. Liability limited by a scheme approved under Professional Standards Legislation.







# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
<b>REVENUE</b>			
Land Use Funds	2(a)	32,568,668	36,625,298
Investment Income	2(a)	4,577,752	5,638,159
Rental Income	2(a)	679,941	641,100
<b>Total Revenue</b>		<b>37,826,361</b>	<b>42,904,557</b>
<b>Other Income</b>			
Profit on Sale of Property, Plant & Equipment		-	-
Fair value gain on disposal of financial assets		-	-
Other Income		111,034	37,289
<b>Total Other Income</b>		<b>111,034</b>	<b>37,289</b>
<b>Total Revenue and Other Income</b>		<b>37,937,395</b>	<b>42,941,846</b>
<b>EXPENDITURE</b>			
Employee benefits expense	2(b)	715,996	632,272
Management & administration expenses	2(c)	1,191,214	846,594
Investment property expenses and outgoings		465,506	506,731
Depreciation expense	5	6,631	11,419
Amortisation expense	6	144,366	3,881
Impairment of Property, plant & equipment	5	-	-
Loss on disposal of Property, plant & equipment		-	12,239
Impairment/(Gain) of investment properties	7	(107,592)	1,047,500
Loss on disposal of Investment properties		-	30,000
Manager operating costs	2(d)	3,542,163	3,374,311
Member benefit grant funding costs	2(e)	19,129,596	22,343,602
<b>Total Expenditure</b>		<b>25,087,880</b>	<b>28,808,549</b>
<b>INCOME (DEFICIT) FOR THE YEAR</b>		<b>12,849,515</b>	<b>14,133,297</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net unrealised gain/(loss) on financial assets	8	(6,503,714)	2,358,474
Net realised (gain)/loss from previous unrealised gain/(loss) on financial assets		(351,327)	(65,413)
Net realised gain / (loss) on financial assets		(923,307)	189,989
<b>Total Other Comprehensive Income</b>		<b>(7,778,348)</b>	<b>2,483,050</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		<b>5,071,167</b>	<b>16,616,347</b>

This Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	NOTE	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	24,623,300	17,638,271
Trade and other receivables	4	11,833,848	21,789,007
<b>Total Current Assets</b>		<b>36,457,148</b>	<b>39,427,278</b>
<b>Non-Current Assets</b>			
Trade and other receivables	4	-	850,179
Property, plant and equipment	5	19,295	6,555
Intangible assets	6	311,623	335,503
Investment properties	7	11,807,500	11,517,500
Financial assets	8	108,233,005	94,096,211
<b>Total Non-Current Assets</b>		<b>120,371,423</b>	<b>106,805,948</b>
<b>TOTAL ASSETS</b>		<b>156,828,571</b>	<b>146,233,226</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	36,480,308	30,982,993
Provisions	10	67,096	49,789
<b>Total Current Liabilities</b>		<b>36,547,404</b>	<b>31,032,782</b>
<b>Non-Current Liabilities</b>			
Provisions	10	14,937	5,381
<b>Total Non-Current Liabilities</b>		<b>14,937</b>	<b>5,381</b>
<b>TOTAL LIABILITIES</b>		<b>36,562,341</b>	<b>31,038,163</b>
<b>NET ASSETS</b>		<b>120,266,230</b>	<b>115,195,063</b>
<b>Funds</b>			
Member funds		116,628,663	104,702,455
Asset revaluation reserve	11	-	-
Financial assets reserve	11	3,637,567	10,492,608
<b>TOTAL FUNDS</b>		<b>120,266,230</b>	<b>115,195,063</b>

This Statement of Financial Position should be read in conjunction with the accompanying notes.



# STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	MEMBER FUNDS (\$)	ASSET REVALUATION RESERVE (\$)	FINANCIAL ASSETS RESERVE (\$)	TOTAL
<b>30 JUNE 2019 FINANCIAL YEAR</b>					
Balance at 1 July 2018		86,370,597	-	12,208,119	98,578,716
Reclassify equity investments from retained earnings to Fair Value through Other Comprehensive Income (FVOCI) on initial adoption of AASB 9	1(b)	4,008,572	-	(4,008,572)	-
Restated Balance as at 1 July 2018		90,379,169		8,199,547	98,578,716
Net Income		14,133,297	-	-	14,133,297
Other comprehensive income		-	-	2,483,050	2,483,050
Transfer from Financial Assets Reserve on disposal		189,989	-	(189,989)	-
Total comprehensive income for the year		14,323,286	-	2,293,061	16,616,347
<b>BALANCE AT 30 JUNE 2019</b>		<b>104,702,455</b>	<b>-</b>	<b>10,492,608</b>	<b>115,195,063</b>
<b>30 JUNE 2019 FINANCIAL YEAR</b>					
Balance at 1 July 2019		104,702,455	-	10,492,608	115,195,063
Net income		12,849,515	-	-	12,849,515
Other comprehensive income		-	-	(7,778,348)	(7,778,348)
Transfer from Financial Assets Reserve on disposal		(923,307)		923,307	-
Total comprehensive income for the year		11,926,208	-	(6,855,041)	5,071,167
<b>BALANCE AT 30 JUNE 2020</b>		<b>116,628,663</b>	<b>-</b>	<b>3,637,567</b>	<b>120,266,230</b>

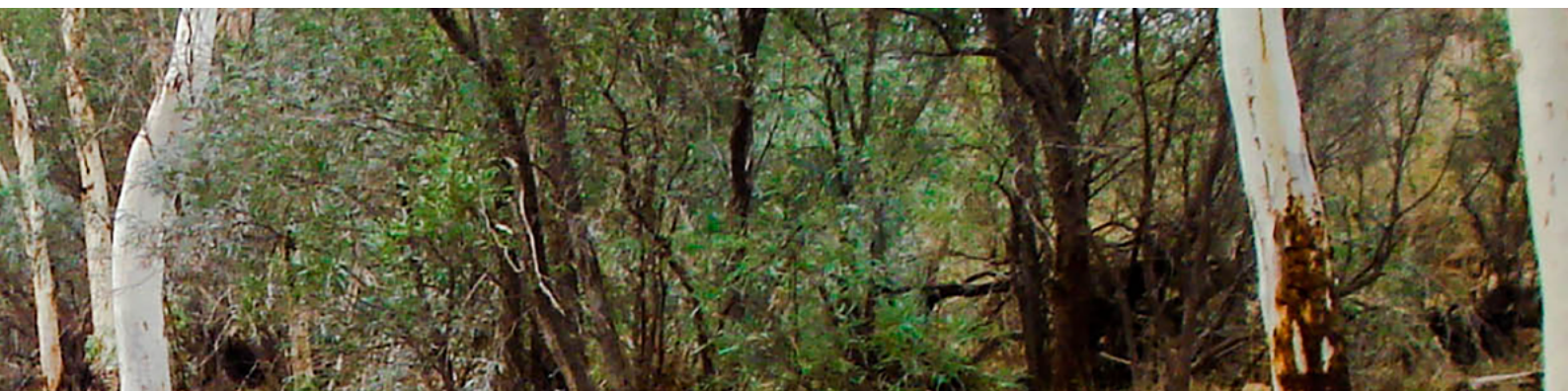
This Statement of Changes in Funds should be read in conjunction with the accompanying notes.



# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
<b>Cash Flows From Operating Activities</b>			
Receipts from:			
Land use YLUA funds		40,052,251	21,892,732
Dividend income		4,357,474	4,232,646
Interest income		990,708	844,183
Rental income		654,243	653,450
Other Income		91,548	37,288
Payments to suppliers and employees		(2,397,879)	(1,309,333)
Payment for grant funding of member benefits		(16,643,630)	(9,266,238)
<b>NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES</b>	<b>12</b>	<b>27,104,715</b>	<b>17,084,728</b>
<b>Cash Flows From Investing Activities</b>			
Proceeds from sale of property, plant, and equipment		-	135,600
Purchase of property, plant, and equipment & software		(144,422)	(193,246)
Purchase of financial assets		(45,442,859)	(22,025,648)
Proceeds from sale of investment property		-	310,000
Proceeds from disposal of financial assets		24,064,266	14,041,969
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(21,523,015)</b>	<b>(7,731,325)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of GHOS loans		3,329	281
Provision of loan to GET		-	(1,500,000)
Repayment of GET loans		1,400,000	200,000
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		<b>1,403,329</b>	<b>(1,299,719)</b>
<b>Net increase / (decrease) in cash held</b>		<b>6,985,029</b>	<b>8,053,684</b>
<b>Cash and cash equivalents at beginning of the financial year</b>		<b>17,638,271</b>	<b>9,584,587</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>3</b>	<b>24,623,300</b>	<b>17,638,271</b>

This Statement of Financial Position should be read in conjunction with the accompanying notes.





# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The financial statements cover the economic entity of Gumala Investments Pty Ltd as trustee for the General Gumala Foundation as a Reporting Trust and is established and domiciled in Australia with its registered office at Level 2, 165 Adelaide Terrace, East Perth, WA 6004.

The financial statements were authorised for issue on 6th November 2020 by the Directors of the trustee company.

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (A) BASIS OF PREPARATION

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board as issued by the International Accounting Standards Board. The Trust is a not for profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

### (B) NEW ACCOUNTING STANDARDS FOR APPLICATION IN CURRENT AND FUTURE PERIODS

In the financial year ended 30 June 2020, the Trust has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2019. The impact of the adoption of these standards is detailed below:

#### **AASB 16 – Leases (effective 1 January 2019)**

AASB 16 primarily affect the accounting by lessees and will result in the recognition of almost all leases on the balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for almost all lease contracts. The accounting by lessors, however, will not significantly change. Given the Trust is not a lessee in any of its operating lease arrangements there has been no impact upon adoption of the standard.

#### ***New Accounting Standards and Interpretations not yet mandatory or early adopted.***

In addition, the AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Trust has taken steps to ensure timely application of these standards. There is no material impact expected from new standards issued but not yet adopted.

### (C) INCOME RECOGNITION

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

#### (I) LAND USE FUNDS

Land use compensation payments from Rio Tinto arising from the Yandi Land Use Agreement (YLUA) are recognised at the time the right to receive payment is established.

#### (II) INTEREST REVENUE

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

#### (III) DIVIDEND AND DISTRIBUTIONS

Dividend revenue from the Financial Assets are recognised at the time the right to the dividends payment is established. Distributions from GET are recognised when they are declared.

#### (IV) RENTAL INCOME

Rent received is as a result of income earned on a rental property. The rent received is recognised on a straight-line basis over the period of the lease term to reflect a constant periodic rate of return on the net investment.

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

## (D) INCOME TAX

The Trust has been registered under the provisions of The Charitable Fundraising Act 1991 and under Subdivision 50-B of the Income Tax Assessment Act 1997, it is an income tax exempt charitable entity.

## (E) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

## (F) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, short term bank deposits with maturities of six months or less. Cash is recognised at its nominal value.

## (G) 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.

The carrying amount of plant and equipment is reviewed annually by key management personnel 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

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives using the straight-line method of depreciation. Depreciation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

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

CLASS OF FIXED ASSET	DEPRECIATION RATE
Buildings	2 -3%
Furniture and Equipment	20 - 40%

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.

## (H) INTANGIBLE ASSETS

Recognition of intangible assets

Acquired computer software and computer licenses are capitalised on the basis of the costs incurred to acquire and install the specific software.

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing.

The following estimated useful lives are applied:

Software:	20 - 40%
-----------	----------

Amortisation has been included within depreciation, amortisation, and impairment of non-financial assets. Subsequent expenditures on the maintenance of computer software are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.



**(I) INVESTMENT PROPERTIES**

Investment properties are properties held to earn rentals and/or for capital appreciation and are accounted for using the fair value model.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are re-valued at a minimum once every 3 years and are included in the statement of financial position at their open market value. These values are supported by market evidence and are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property.

Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in profit or loss within change in fair value of investment property.

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.

**(J) IMPAIRMENT OF ASSETS**

At the end of each reporting period, the Trust assesses whether there is any indication that an asset may be impaired. The assessment will include considering 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 amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Trust estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(K) TRADE AND OTHER PAYABLES**

Trade and other payables represent the liabilities for goods and services received by the Trust that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(L) PROVISIONS**

Provisions are recognised when the Trust 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.

**(M) EMPLOYEE BENEFITS**

Provision is made for the Trust's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Trust's obligations for short-term employee benefits are recognised as a part of current trade and other payables in the statement of financial position.

The Trust's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Trust does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

***Superannuation***

The Trust pays fixed contributions at the statutory rate to defined contribution plans as specified by the choice of the employees. The Trust has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

**(N) FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

## Classification and subsequent measurement

### Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

### Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

## Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

### Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e. the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

### Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.



**Impairment**

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.
- The Group uses the simplified approach to impairment, as applicable under AASB 9: Financial Instruments:

**Simplified approach**

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groups of historical loss experience, etc).

**Recognition of expected credit losses in financial statements**

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income. The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g., loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

**(O) 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.

**(P) ECONOMIC DEPENDENCE**

The Trust is dependent upon the ongoing receipt of land use compensation payments from Rio Tinto arising from the Yandi Land Use Agreement (Y LUA) to ensure the ongoing continuance of its operations. At the date of this report, the Directors of the Trustee has no reason to believe that this financial support will not continue but note that the amount of compensation payable under the Y LUA is dependent on the area of land disturbance at the Yandi mine which can change significantly from period to period.

**(Q) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Trust.

**Key Estimates – Impairment**

The Trust assesses impairment at each reporting date by evaluating conditions specific to the Trust that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

As a result of this impairment assessment, the following has been recorded:

- A gain in value of \$107,592 (2019: \$1,047,500 impairment) has been recorded for the investment properties in the statement of profit or loss and other comprehensive income. Refer to Note 7.

**Key Judgement – Receivables**

The Trust assesses at each reporting date the recoverability of its receivable balances. Where evidence exists that the amount might not be recoverable, the recoverable amount to be recorded is considered.

In the 2015 financial year, based on the financial position of the Gumala Enterprises Trust (“GET”), the Trust provided fully for a debt of \$3,329,302 owing from distributions from the GET. During the 2017 year the GET and the Trust finalised a repayment arrangement with \$1,308,785 being forgiven, the 2015 distribution being amended from \$901,929 to \$28,262, and \$450,000 being paid back in accordance with the agreed schedule.

Due to the demonstration of capacity to repay the debt, the Trust reversed the previously provided-for balance of \$1,146,850 and the full remaining debt of \$696,850 was recognised as fully recoverable. In 2018, 2019 and 2020 GET met their repayment obligations and the remaining debt of \$96,850 is recognised as fully recoverable.

## NOTE 2 (A) REVENUE

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
Land use funds	32,568,668	36,625,298
<b>TOTAL LAND USE FUNDS</b>	<b>32,568,668</b>	<b>36,625,298</b>

The above represents land use compensation payments from Rio Tinto arising from the Yandi Land Use Agreement (YLUA).

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
Investment Income		
Dividend and distributions	3,509,345	4,757,387
Interest income	1,068,407	880,772
<b>TOTAL INVESTMENT INCOME</b>	<b>4,577,752</b>	<b>5,638,159</b>

The above relates to the return of income from term deposits and financial assets. Refer to Note 8.

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
Rental Income		
Rental income – Tom Price and South Hedland Houses	569,348	519,879
Rental income – 165 Adelaide Terrace	110,593	121,221
<b>TOTAL RENTAL INCOME</b>	<b>679,941</b>	<b>641,100</b>

The above relates to the receipt of gross rental income which is derived from investment properties. Refer to Note 7.

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
GET Distribution	-	-
<b>DECLARED DISTRIBUTION FROM GUMALA ENTERPRISES TRUST</b>	<b>-</b>	<b>-</b>

The above represents the profit distribution declared from the Gumala Enterprises Trust for the 2020 and 2019 financial years. There was no distribution for 2020 or 2019.

## NOTE 2(B) EMPLOYEE BENEFITS EXPENSE

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
Wages & Salaries	629,465	564,482
Superannuation	59,667	53,146
Employee benefit provisions	26,864	14,644
<b>TOTAL EMPLOYEE BENEFITS EXPENSE</b>	<b>715,996</b>	<b>632,272</b>

The 'employee benefit provisions' expense accounts for the increase/(decrease) in accrued annual and long service leave entitlements for employees during this period.



**NOTE 2(C) MANAGEMENT AND ADMINISTRATION EXPENSES**

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
Auditors	34,656	30,303
Investment adviser fees	365,681	326,916
Legal fees	36,407	16,473
Consultant fees - Administration	-	-
Other management and administration expenses	353,220	387,902
Member meeting expenses for travel and attendance	401,250	85,000
<b>TOTAL MANAGEMENT AND ADMINISTRATION EXPENSES</b>	<b>1,191,214</b>	<b>846,594</b>

Included above are amounts recorded as expenses to auditors, consultants, lawyers, and investment advisers for the financial year.

**NOTE 2(D) MANAGER OPERATING COST**

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
Manager operating costs	2,986,396	2,775,432
Manager payments to members for meeting travel and attendance costs	555,767	598,879
<b>TOTAL MANAGER OPERATING COSTS</b>	<b>3,542,163</b>	<b>3,374,311</b>

Administration expenses, requested by and paid to the Foundation Manager, Gumala Aboriginal Corporation for the financial year.

**NOTE 2(E) MEMBER GRANT FUNDING EXPENSES**

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
Business Development Grants	100,143	50,048
Community Development Grants	1,838,042	1,443,387
Cultural Purposes Grants	690,497	578,889
Education & Training Grants	915,927	1,029,712
Health & Wellbeing Grants	6,194,021	2,614,117
Other Grant Funding	1,461,557	611,461
Beneficiary Emergency Cash Payments	2,572,507	-
Unassigned Grant Funding	5,356,902	16,015,988
<b>TOTAL MEMBER GRANT FUNDING EXPENSE</b>	<b>19,129,596</b>	<b>22,343,602</b>

Grant funding expenses, requested by and paid to the Foundation Manager, Gumala Aboriginal Corporation for the financial year, emergency cash payments paid to Foundation Beneficiaries, and unassigned grant funding as at 30 June 2020.

**NOTE 3 CASH AND CASH EQUIVALENTS**

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
Current		
Cash at bank	7,123,300	12,138,271
Short-term deposits with banks	17,500,000	5,500,000
<b>TOTAL</b>	<b>24,623,300</b>	<b>17,638,271</b>

Cash at bank earns interest at floating rates based on daily deposit rates. Short term deposits are held with reputable financial institutions and earn interest at market rates.

## NOTE 4 TRADE AND OTHER RECEIVABLES

	NOTE	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
Current			
Trade receivables		75,071	21,104
Distribution receivable from - GET	(a)	96,850	200,000
Loan receivable from - GET	(b)	300,000	750,000
Accrued income		10,470,392	18,840,070
Prepayments		177,098	124,034
Franking credits receivable		714,437	1,853,799
<b>TOTAL</b>		<b>11,833,848</b>	<b>21,789,007</b>
Non-Current			
Gumala Housing Scheme loans receivable		-	3,329
Distribution receivable from - GET	(a)	-	96,850
Loan receivable from - GET	(b)	-	750,000
<b>TOTAL</b>		<b>-</b>	<b>850,179</b>

Current 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.

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.

### Credit Risk

The Trust 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 4.

- In the 2015 financial year, based on the financial position of the Gumala Enterprises Trust ("GET"), the Trust provided fully for a debt of \$3,329,302 owing from prior year profit distributions from the GET. During the 2017 year the GET and the Trust finalised a repayment arrangement, with:
  - \$1,308,785 being forgiven and written off as non-recoverable,
  - the 2015 distribution being amended from \$901,929 to \$28,262, and
  - a repayment plan for the balance of \$1,146,850 at \$50,000 per quarter, with payments to be completed in November 2020. To 30 June 2020, the GET has met all repayments under this arrangement.
- In 2019 the Trust provided a loan of \$1,500,000 to the GET to allow it to provide a security bond on a civil works contract. There is interest applicable of 7.5% with quarterly interest-only payments. A principal payment of \$1,200,000 has been made and the balance of \$300,000 is due in November 2020. The debt is secured against the assets of the GET.

## NOTE 5 PROPERTY, PLANT AND EQUIPMENT

Details of the Trust's property, plant and equipment and their carrying value are as follows:

### (i) Carrying amount as at 30 June

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
Land and buildings	-	-
Office Equipment	100,863	81,492
Accumulated Depreciation	(81,568)	(74,937)
<b>TOTAL</b>	<b>19,295</b>	<b>6,555</b>



**(ii) Movements in carrying amounts**

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

	LAND AND BUILDINGS (\$)	OFFICE EQUIPMENT (\$)	TOTAL (\$)
Balance at 1 July 2018	140,000	22,596	162,596
Additions	-	3,217	3,217
Land and Buildings sold	(140,000)	-	(140,000)
Office Equipment sold	-	(7,839)	(7,839)
Depreciation expense	-	(11,419)	(11,419)
<b>CARRYING AMOUNT AT 30 JUNE 2019</b>	<b>-</b>	<b>6,555</b>	<b>6,555</b>
Additions	-	19,371	19,371
Land and Buildings sold	-	-	-
Office Equipment sold	-	-	-
Depreciation expense	-	(6,631)	(6,631)
<b>CARRYING AMOUNT AT 30 JUNE 2020</b>	<b>-</b>	<b>19,295</b>	<b>19,295</b>

All depreciation charges are included within the depreciation expense in the statement of profit or loss and other comprehensive income.

**NOTE 6 INTANGIBLE ASSETS**

Details of the Trust's intangible assets and their carrying value are as follows:

**(i) Carrying amount as at 30 June**

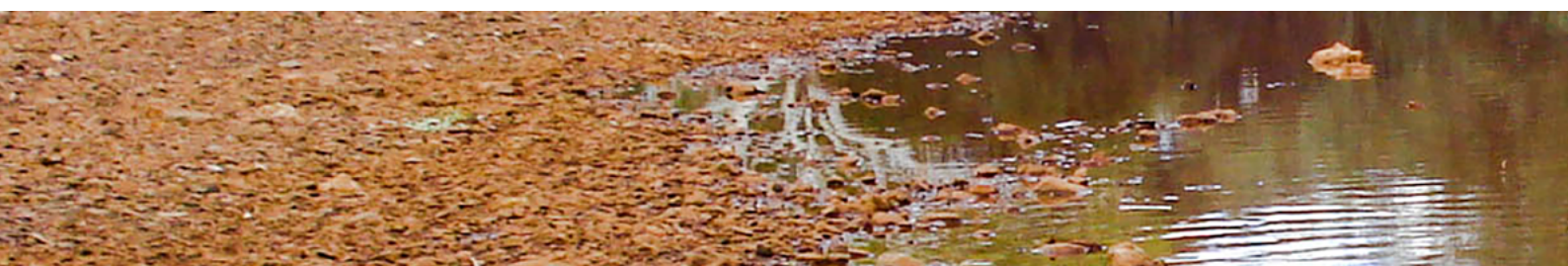
	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
Software	459,870	339,385
Accumulated amortisation	(148,247)	(3,881)
<b>TOTAL</b>	<b>311,623</b>	<b>335,504</b>

**(ii) Movements in carrying amounts**

Movement in the carrying amounts for each class of intangible assets between the beginning and the end of the current financial year.

	SOFTWARE COSTS (\$)	TOTAL (\$)
Balance at 1 July 2018	-	-
Additions	339,385	339,385
Amortisation expense	(3,881)	(3,881)
<b>CARRYING AMOUNT AT 30 JUNE 2019</b>	<b>335,504</b>	<b>335,504</b>
Additions	120,485	120,485
Amortisation expense	(144,366)	(144,366)
<b>CARRYING AMOUNT AT 30 JUNE 2020</b>	<b>311,623</b>	<b>311,623</b>

All amortisation charges are included within the amortisation expense in the statement of profit or loss and other comprehensive income.



## NOTE 7 INVESTMENT PROPERTIES

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
Balance at beginning of the period	11,517,500	12,905,000
Investment properties sold	-	(340,000)
Capital improvements of properties	182,408	-
Fair value adjustments	107,592	(1,047,500)
<b>BALANCE AT END OF THE PERIOD</b>	<b>11,807,500</b>	<b>11,517,500</b>

During the year the investment properties held by the Foundation were formally valued to fair value. This resulted in an overall increase in the current year of \$107,592 (2018: reduction of \$1,047,500) being recognised directly in the profit or loss as the fair values of these properties are below their carrying value.

The property appraisals were performed by external valuation organisations experienced in property valuations and who are unrelated to the GGF.

The methodology used was a comparison to similar sales in each of the regions for similar properties.

Refer to Note 16 for disclosures regarding the fair value measurement of the Trust's investment properties.

## NOTE 8 FINANCIAL INVESTMENTS

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
Financial investments assets comprise:		
Term deposits for periods greater than 90 days, at cost	10,000,000	-
Fixed interest securities, at fair value	38,220,208	28,525,220
Listed equities securities, at fair value	59,862,797	65,420,991
Unlisted equities securities, at cost	150,000	150,000
<b>TOTAL FINANCIAL INVESTMENTS ASSETS</b>	<b>108,233,005</b>	<b>94,096,211</b>

Reconciliation of Financial Investments Assets:

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
Balance at the start of the financial year	94,096,211	84,275,936
Purchases	44,713,867	22,644,735
Disposals	(24,073,359)	(15,182,934)
Revaluation increase/(decrease) through Financial Assets Reserve	(6,503,714)	2,358,474
<b>BALANCE AT 30 JUNE</b>	<b>108,233,005</b>	<b>94,096,211</b>

Financial assets are stated at fair value (Note 16). The equity securities are denominated in AUD and are publicly traded and listed in Australia. The Trust holds a variety of Financial investments which generate a return based on income from those investments and changes in their market value. The change in the values of the investments held from the original cost price is recognised in the Financial Assets Reserve (Note 11) until the investments are physically sold.





## NOTE 9 TRADE AND OTHER PAYABLES

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
Current		
Trade payables	110,902	80,457
Unassigned Member Program Funding	33,897,822	28,540,920
Other payables and accruals	2,471,584	2,361,616
<b>TOTAL</b>	<b>36,480,308</b>	<b>30,982,993</b>

## Reconciliation of Unassigned Member Program Funding

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
Balance at the start of the financial year	28,540,920	12,524,932
Application of Available Funds to Member Programs	19,129,596	22,343,602
Acquittal of Member Program funds to Gumala Aboriginal Corporation	(11,200,187)	(6,327,614)
Beneficiary Emergency Cash Payments	(2,572,507)	-
<b>BALANCE AT 30 JUNE</b>	<b>33,897,822</b>	<b>28,540,920</b>

Unassigned member program funding is the balance of program funding, calculated under the Trust Deed, which is carried forward and available for future member programs. (Refer Note 2(e))

## NOTE 10 PROVISIONS

	EMPLOYEE BENEFITS	
	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
Current		
Annual leave	67,096	49,789
<b>TOTAL CURRENT</b>	<b>67,096</b>	<b>49,789</b>
Non-Current		
Long Service Leave	14,937	5,381
<b>TOTAL NON-CURRENT</b>	<b>14,937</b>	<b>5,381</b>

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Trust does not expect the full amount of annual leave balances classified as current liabilities to be settled within the next 12 months, however these amounts must be classified as current liabilities since the Trust does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion includes the total amount accrued for long service leave entitlements that have not vested as at 30 June 2020 due to employees not having completed the required period of service.

## NOTE 11 RESERVES

*Asset Revaluation Reserve*

This reserve is used to record the increases in fair value of land and buildings above the original cost, and decreases to the extent that such decreases relate to an increase in the value of that class of assets previously recognised in the reserve.

*Analysis of Asset Revaluation Reserve*

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
Balance at 1 July	-	-
Revaluation of land and buildings	-	-
<b>BALANCE AT 30 JUNE</b>	<b>-</b>	<b>-</b>

#### Financial Assets Reserve

This reserve is used to record the increases in fair value of assets-held-for-sale, and decreases to the extent that such decreases relate to an increase in the value of that class of assets previously recognised in the reserve.

#### Analysis of Asset Revaluation Reserve

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
Balance at 1 July	10,492,608	12,208,119
Reclassify equity investments from retained earnings to Fair Value through Other Comprehensive Income (FVOCI) on initial adoption of AASB 9	-	(4,008,572)
Net realised (gain)/loss from previous unrealised gain/(loss on financial assets	(351,327)	(65,413)
Profits/(losses) realised on sale of AFS Investments	(923,307)	189,989
Transfer from Financial Assets reserve on disposal	923,307	(189,989)
Revaluation increment of AFS Investments	(6,503,714)	2,358,474
<b>BALANCE AT 30 JUNE</b>	<b>3,637,567</b>	<b>10,492,608</b>

## NOTE 12 CASH FLOW INFORMATION

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
<b>RECONCILIATION OF SURPLUS/(DEFICIT) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Surplus/(Deficit) for the year	12,849,515	14,133,297
<b>ADD (LESS) NON-CASH ITEMS:</b>		
Depreciation	6,631	11,419
Amortisation	144,366	3,881
(Gain)/loss on disposal of property, plant & equipment assets	-	12,239
(Gain)/loss on disposal of Investment property	-	30,000
Impairment/(Gain) of investment properties	(107,592)	1,047,500
Impairment of Property, Plant & Equipment	-	-
<b>INCREASES AND DECREASES IN OPERATING ASSETS AND LIABILITIES:</b>		
(Increase)/decrease in trade and other receivables	8,136,468	(15,290,157)
Increase/(decrease) in provisions	26,863	14,644
Increase/(decrease) in trade and other payables	6,048,464	17,121,905
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>27,104,715</b>	<b>17,084,728</b>

Note:

There were not any non-cash financing or investing transactions.

There are no restrictions on cash held.

## NOTE 13 AUDITOR'S REMUNERATION

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
<b>FEES PAID OR PAYABLE TO THE AUDITOR, BENTLEYS, FOR:</b>		
Auditing the financial report	30,000	28,000
<b>TOTAL</b>	<b>30,000</b>	<b>28,000</b>

These fees relate to the audit of the financial statements of GIPL.



## NOTE 14 RELATED PARTY TRANSACTIONS

## Related Parties

The Trust's main related parties are as follows:

**A. Key management personnel**

The Directors of Gumala Investments Pty Ltd, being the trustee company of the General Gumala Foundation Trust, have the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, and are considered key management personnel of the trust. Directors during the year are listed on Page 2 in the Directors Report. Other key management personnel (other than Directors) are detailed on Page 9 of the Directors Report.

The totals of remuneration paid to key management personnel (KMP) of the Trust during the year are as follows:

	30 JUNE 2020(\$)	30 JUNE 2019(\$)
Short-term employee benefits	447,518	445,824
Post-employment benefits*	42,119	41,947
<b>TOTAL</b>	<b>489,637</b>	<b>487,771</b>

\*Post-employment benefits comprise contributions paid to defined contribution superannuation plans on behalf of the KMP.

**B. Other Gumala entities**

The Statement of Profit or Loss and Other Comprehensive Income for the General Gumala Foundation includes the following expenses arising from transactions with related entities:

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
<b>GUMALA ABORIGINAL CORPORATION (GAC)</b>		
Expenses from provision of funding and acquisition of services from GAC	14,963,046	9,629,150
Recovery of expenses from GAC	192,088	101,117
<b>GUMALA ENTERPRISES TRUST (GET)</b>		
Interest revenue from provision of loan to GET	86,116	48,700
Recovery of expenses from GET	-	6,755
Expenses from acquisition of services from GET	6,293	7,611

The Balance Sheet for the General Gumala Foundation includes the following assets and liabilities arising from transactions with related entities.

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
<b>GUMALA ABORIGINAL CORPORATION (GAC)</b>		
Accounts Payable	96,350	38,878
Other Payable – Accrued GAC Operating and Member Program expenses	1,429,764	887,964
Accounts Receivable	16,633	-
<b>GUMALA ENTERPRISES TRUST (GET)</b>		
Accrued Income – Interest from loan to GET	3,948	20,960
Distribution Receivable from GET (Current)	96,850	200,000
Distribution Receivable from GET (Non-Current)	-	96,850
Loan Receivable from GET (Current)	300,000	750,000
Loan Receivable from GET (Non-Current)	-	750,000

**C. Other related parties**

Other related parties include close family members of KMP, and entities that are controlled or jointly controlled by those KMP or their close family members, individually or collectively with family members or KMP.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**NOTE 15 FINANCIAL RISK MANAGEMENT****Risk management objectives and policies**

The Trust is exposed to various risks in relation to financial instruments. The Trust's financial instruments consist mainly of deposits with banks, equity securities, accounts receivable and payable, and loans.

The risk management is monitored by the board of directors in consultation with the investment advisors and focuses on actively securing the Trust's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

Given the investment nature of the Trust's operations, the directors of the trustee company do not consider that the trust is exposed to any significant financial risks. Notwithstanding this, the trustee monitors the trust's financial position and liquidity on a monthly basis.

The main risks that the Trust is exposed to are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the Trust is exposed to, how these risks arise, or the trustee's objectives, policies and processes for managing or measuring the risks from the previous period.

The Trust does not actively engage in the trading of financial assets for speculative purposes and does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. The most significant financial risks to which the Group is exposed are described below.

	NOTE	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
<b>CLASSES OF FINANCIAL ASSETS</b>			
<i>Carrying amounts:</i>			
Cash and cash equivalents	3	24,623,300	17,638,271
Trade and other receivables	4	11,833,848	22,639,186
Financial investments	8	108,233,005	94,096,211
<b>TOTAL</b>		<b>144,690,153</b>	<b>134,373,668</b>

The credit risk for cash and cash equivalents and term deposits is considered negligible since the counterparties are reputable banks with high quality external credit ratings. The carrying amounts disclosed above are the Trust's maximum possible credit risk exposure in relation to these instruments.

**Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

The Trust is exposed to two sources of market price risk in fluctuations in interest rates applicable to its financial cash at bank and term deposits assets and fluctuations in the market value of its available-for sale investment assets.

The Trust regularly reviews the performances of the appointed investment managers.

**(i) Interest rate risk**

The Trust is exposed to interest rate risk, which is the risk that a financial instrument's fair value and future cash flow will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The company does not use derivatives to mitigate these exposures.

The Trust adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents on term deposits at interest rates maturing from three to six month rolling periods.

The financial instruments that expose the Trust to interest rate risk are limited to cash and cash equivalents (see Note 3).

**(ii) Other price risk**

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of Financial assets securities held.

The Financial asset securities are typically publicly listed and tradeable on the Australian Stock Exchange.

The Trust is exposed to securities price risk on investments held for medium-to-longer terms. Such risk is managed through diversification of investments across industries and geographic locations. The Board has approved risk and return parameters for investments in Financial investments and receives timely reports from its investment advisors on the performance of the respective investment portfolios.

At the reporting date the market value of Financial asset investments was:

	30 JUNE 2020 (\$)	30 JUNE 2019 (\$)
<b>FINANCIAL ASSETS COMPRISE:</b>		
Term deposits for periods greater than 90 days, at cost	10,000,000	-
Fixed interest securities, at fair value	38,220,208	28,525,220
Listed equities securities, at fair value:	59,862,797	65,420,991
Unlisted equities securities, at cost	150,000	150,000
<b>TOTAL FINANCIAL ASSETS</b>	<b>108,223,005</b>	<b>94,096,211</b>

The Trust has elected to recognise all changes in value of financial assets and all gains or losses on the sale of available-for-sale financial assets in Other Comprehensive Income.

**Sensitivity Analysis**

The following table illustrates sensitivities to the Trust's exposures to changes in interest rates and equity prices of AFS investments. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

	PROFIT (\$)	TRUST FUNDS (\$)
<b>YEAR ENDED 30 JUNE 2020</b>		
+/- 1% in interest rates	71,233	71,233
+/- 10% in equity prices	5,986,280	5,986,280
<b>YEAR ENDED 30 JUNE 2019</b>		
+/- 1% in interest rates	121,383	121,383
+/- 10% in equity prices	6,542,099	6,542,099

These sensitivities assume that the movement in a particular variable is independent of other variables.



The columns for Profit and Equity reflect the same amount due to any increase or decrease in interest rates or investment equity prices impacting the operating surplus and flowing through equally to the Trust Funds.

### Liquidity Risk

Liquidity risk arises from the possibility that the Trust might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Trust manages liquidity risk by monitoring cash flows and ensuring that adequate cash funds are maintained and available to meet its liquidity requirements for 30-day periods at a minimum.

The Trust considers expected cash flows from financial assets in assessing and managing liquidity risk, particularly its cash resources. The Trust's existing cash resources (see Note 3) exceed the current cash outflow requirements.

As at 30 June 2020, the table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Trust does not directly hold any derivative financial liabilities.

		CURRENT		NON-CURRENT	
	CARRYING AMOUNT (\$)	WITHIN 6 MONTHS (\$)	6 TO 12 MONTHS (\$)	1 TO 2 YEARS (\$)	MORE THAN 2 YEARS (\$)
30 June 2020					
Trade and other payables	110,902	110,902	-	-	-
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>110,902</b>	<b>110,902</b>	<b>-</b>	<b>-</b>	<b>-</b>
30 June 2019					
Trade and other payables	80,457	80,457	-	-	-
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>80,457</b>	<b>80,457</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTE 16 FAIR VALUE MEASUREMENTS

### Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The following tables provide the fair values of the Trust's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	NOTE	LEVEL 1 (\$)	LEVEL 2 (\$)	LEVEL 3 (\$)	TOTAL (\$)
30 June 2020					
Financial assets					
Financial investments	8	108,073,005	-	150,000	108,223,005
<b>NET FAIR VALUE</b>		<b>108,073,005</b>	<b>-</b>	<b>150,000</b>	<b>108,223,005</b>
Non-financial assets					
Investment properties	7	-	11,807,500	-	11,807,500
Property, plant and equipment - buildings	5	-	-	-	-
<b>NET FAIR VALUE</b>		<b>-</b>	<b>11,807,500</b>	<b>-</b>	<b>11,807,500</b>
30 June 2019					
Financial assets					
Financial investments	8	93,946,211	-	150,000	94,096,211
<b>NET FAIR VALUE</b>		<b>93,946,211</b>	<b>-</b>	<b>-</b>	<b>94,096,211</b>
Non-financial assets					
Investment properties	7	-	11,517,500	-	11,517,500
Property, plant and equipment - Buildings	5	-	-	-	-
<b>NET FAIR VALUE</b>		<b>-</b>	<b>11,517,500</b>	<b>-</b>	<b>11,517,500</b>

### Valuation techniques

The Trust selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Trust are consistent with one or more of the following valuation approaches:

**Market approach:** valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

**Income approach:** valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Trust gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The fair value of the investment property assets is determined based on appraisals performed by independent, professionally qualified property valuers at least every three years. At the end of each intervening period, the directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies. The fair values of all investment property holdings were valued by third parties and their values adjusted accordingly for 30 June 2020.

## NOTE 17 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Gumala Foundation is a beneficiary of the Gumala Enterprises Trust ("GET") and has loan balances owing from the GET totalling \$396,850, of which security is held for \$300,000. GET is currently undertaking a review of operations due to the impacts of Covid-19 and any potential effects have not been taken into account in these financial statements.

## NOTE 18 EVENTS AFTER THE END OF THE REPORTING PERIOD

In July 2020, Gumala Aboriginal Corporation, the Manager of the General Gumala Foundation, was advised by Rio Tinto that they had identified some discrepancies with the historical payments made under the Yandi Land Use Agreement. The Gumala Aboriginal Corporation continues to engage with Rio Tinto in order to confirm the correct amount due. Given the lack of clarity over the amount of the discrepancy at this time, no amount has been recognised in the 2020 financial statements for the General Gumala Foundation.

## NOTE 19 TRUST DETAILS

The Trust is known as The General Gumala Foundation. The trustee of the General Gumala Foundation is Gumala Investments Pty Ltd (ACN 077 593 581).

The registered office of the trustee and the principal place of business of the General Gumala Foundation is:

Level 2, 165 Adelaide Terrace

East Perth WA 6004


As at 30 June 2020, Gumala Investments Pty Ltd had 4 employees and 6 Directors. The principal activities of the General Gumala Foundation are the funding of benefits to members and investment of trust funds as directed by the Trust Deed.

## DIRECTOR'S DECLARATION OF THE TRUSTEE COMPANY

In accordance with a resolution of the Directors of Gumala Investments Pty Ltd as Trustee for the General Gumala Foundation Trust, the Directors of the Trustee Company declare that:

- the financial statement and notes, as set out on page 12 to 36 present fairly the Trust's financial position as at 30 June 2020 and its performance for the year ended on that date in accordance with Australian Accounting Standards; and
- in the Directors' opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors made pursuant to s295(5) of the Corporations Act 2001:

Director: 

Chairperson – Brendon Grylls

Dated this 6th day of November 2020





# INDEPENDENT AUDITOR'S REPORT

## Independent Auditor's Report

### To the Members of Gumala Investments Pty Ltd as Trustee for the General Gumala Foundation

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Gumala Investments Pty Ltd as Trustee for the General Gumala Foundation ("the Company"), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Company is in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission ("ACNC") Act 2012*, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001* and the *ACNC Regulations 2013*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001*; the *Australian Charities and Not-for-profits Commission ("ACNC") Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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



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## Independent Auditor's Report

To the Members of Gumala Investments Pty Ltd as Trustee for the General Gumala Foundation (Continued)



### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; the *Australian Charities and Not-for-profits Commission ("ACNC") Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

### Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## Independent Auditor's Report

To the Members of Gumala Investments Pty Ltd as Trustee for the General Gumala Foundation (Continued)



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**BENTLEYS**  
Chartered Accountants

**CHRIS NICOLOFF CA**  
Partner

Dated at Perth this 6<sup>th</sup> day of November 2020



# GUMALA FOUNDATION 5-YEAR REVIEW

The following infographic and chart represents the 14 priority recommendations from the fourth General Gumala Foundation 5-year-review carried out in 2018. The recommendations have been divided into four categories for implementation;

- Culture Focus;



- Member Centric;



- Reporting to Members;



- And Governance.



In total there were 32 recommendations from the fourth General Gumala Foundation review. These recommendations were prioritised at joint strategy meetings between GAC, GIPL, and GEPL boards to identify those recommendations that would deliver the desired outcomes for members and operational efficiencies.

Of the 14 prioritised recommendations shown on this infographic. The recommendations are either Delivered & Ongoing, In Progress, or Pending, with details provided in the following table.

Delivered & Ongoing

In Progress

Pending

## GUMALA FOUNDATION 5 YEAR REVIEW PRIORITIES

### CULTURE FOCUS

- 1 Develop a Culture Plan with Traditional Owners, prioritising:
  - Housing
  - Health & Wellbeing
  - Education & Employment
  - Lore & Culture

- 2 Employ Field Services Officers



- 3 Create a Cultural Showcase

### MEMBER CENTRIC

Implement a new member portal and management system, determine principles for being member centric and consolidate websites within limitations of being a charitable organisation



- ✓ More awareness of benefits available
- ✓ Easier access to benefits
- ✓ Better understanding of benefits utilised
- ✓ Better understanding of social impact

### REPORTING TO MEMBERS

- 1 Develop a Foundation Performance Management Visual Dashboard for the Annual Reports and regular member communications



- 2 Develop 2021-2025 Strategic Plan
- 3 Develop Operational Plans for each of the three entities in the General Gumala Foundation (GGF):
  - Gumala Aboriginal Corporation (GAC)
  - Gumala Investment Trust (GIPL)
  - Gumala Enterprises (GEPL)

- 4 Standardise Foundation Reporting

### GOVERNANCE

- 1 Develop board competency program including:
  - cultural awareness training
  - governance training
- 2 Investigate combining the reviews of the Yandi Land Use Agreement (YLUA) & Trust Deed



## PRIORITY RECOMMENDATIONS

## STATUS



**RECOMMENDATION 8 - Develop a Culture Plan in collaboration with Traditional Owners to document the vision, goals and strategies the Members have for their Country.** It should incorporate economic development and industry that the TO's want to develop within their community to grow employment; land management and environment strategies; culture/language preservation strategies, community infrastructure, community well-being and social support needs etc. The Culture Plan could also be developed with other Indigenous support organisations that service Gumala language groups such as IBN, BNTAC and others to divide supporting activities and prevent overlap. The Culture Plan is owned by the members; Gumala drives its implementation.

A proposal for a cultural centre for the ground floor of Gumala's Perth office at 165 Adelaide Terrace as well as potentially on Country is under discussion and will be part of the consultation with beneficiaries at the GIPL AGM in February 2021.

A process to develop a high-level long term (e.g. 10-year) Culture Plan will be discussed at the next Joint Strategy Meeting for the GAC and GIPL Boards.



**RECOMMENDATION 15 - Employ Field Services Officers (~ 1.5 FTE or 3 x 0.5 FTE roles) to enhance the interaction with members on Country;** visiting communities regularly to educate members on their entitlements to benefits and providing social support; as well as enhancing the use of office staff in the community.

GAC is working on the employment of Field Services Officers in the Pilbara with mapping of these job roles and recruitment underway.

**RECOMMENDATION 7 - Develop and agree the principles for being member-centric, to orient each of the three Gumala entities around the members.**

Including:

- Adapting language and documentation to reflect this change
- Entities to self-report on member-centric strategies used as well as the expected and actual results
- Use consistent language that can be understood by all members across all entities
- Create a single member-centric 'graphic' clarifying the purpose of respective Boards in Q1 2019 which:
  - i. Outlines the roles and intent of each entity from a member's perspective
  - ii. Demonstrates the integral, interdependent, and equal role each entity has in respect to the success of the Foundation. Also, educate members on the functions of each General Gumala Foundation entity.

GAC are implementing new software and creating a Member Portal to further simplify benefit delivery and consolidate membership record details.

In 2018, GAC introduced Flexible Programs which have been received well by members.

Member feedback via the 2018 Program Usage Survey resulted in the Funeral Program being separated in 2019 to its own Fixed Program.

GIPL is focusing on delivering greater levels of information about the Trust performance to enable better understanding by Beneficiaries and Members.

GAC & GIPL are working together in response to member feedback for housing support.

The GAC Member Services Team (MST) note suggestions and observations from members regularly of what services should be included in the fixed and flexible Member Programs, respectively.

MST currently have 70% TO employment who are able to make members more comfortable discussing programs and also can advocate for and speak on behalf of what members want and need.



**RECOMMENDATION 31 - Simplify program benefit delivery and minimise the administrative burden on members.**

- Investigate the use of a 'cashless' debit card using similar technology as the "Cashless Debt Card" to reduce the reliance on Purchase Orders and Vouchers. Initially for flexible benefits and expanding to be the method of payment of all benefits
- Provide for negotiated/preferential terms for members at key suppliers, such as discount cards.
- Obtain advice to confirm whether Clause 3.3 (or other related clauses) of the Trust Deed requires members to have direct benefit from the Trust or if indirect benefits still meet the requirement (i.e. if a member is transported by a relative or non-member, does the Trust Deed actively preclude compensating the relative/non-member given the benefit was obtained for the member).

GAC are continually looking to improve benefit delivery. In 2018, they introduced Flexible Programs which have been received well by members.

Member feedback via the 2018 Program Usage Survey resulted in the Funeral Program being separated to its own Fixed Program.

Other steps to speed up the processing time for benefits that have been done, include:

- Electronic vouchers rather than physical cards etc.
- Employing more staff in the Member Services Team
- GAC investigating preferred supplier structure



**RECOMMENDATION 32 - Develop targeted benefits and programs that fundamentally improve the well-being and socio-economic status of the members aligned to the Culture Plan such as:**

- Programs and benefits based on the outcomes and strategies defined in the Culture Plan with emphasis on aligning business development programs with the industries and opportunities the members want to develop in their communities.
- A program targeted at employability or employment readiness that supports members obtaining employment. This could include courses to obtain tickets, licences, or certifications, interview skills, resume building skills etc.
- Targeted health programs and campaigns based on current member health demographics and goals defined in the Culture Plan (e.g. Diabetes, kidney disease, mental health) etc.

Based on Member consultation and member feedback, GAC adjusts member benefits accordingly.

The last full Member Survey was carried out in 2017.

In 2018 a Member Program Survey was carried out.

Housing remains an ongoing focus for members – GAC and GIPL are continuing to progress housing options, including with the WA Government North West Aboriginal Housing Fund (NWAHF). A Member Housing Survey is anticipated for Q1 2021.

The next full Member Survey will be completed in 2021.

The implementation of regular survey data with greater detail will aid in development of future Member Programs, particularly regarding health issues and the locations of required services & support

**RECOMMENDATION 9 - Consolidate external view of the General Gumala Foundation to present a simple aligned view; including a joint website and a simplified consolidated annual report for the Corporation and Trustee to show performance of the Foundation as a whole.**

GAC & GIPL are continuing to work together, with progress made towards a joint website, a central reception area and incoming phone line for the office at 165 Adelaide TCE, East Perth, as well as consolidated financial statements and annual reports. Newsletters now include updates from GAC, GIPL, and GEPL.

**RECOMMENDATION 1 – Develop a Foundation Visual Performance Dashboard that forms the basis of the joint board meetings to track performance of the Foundation as a whole (all three entities).**

Ensure the dashboard incorporates both Targets and Actual performance. Foundation leaders must hold each other to account to meet the intent of the Trust Deed in benefit distribution and their performance KPI's, and the Trustee must fulfil its duty as overseer of effective and efficient governance.

GIPL is developing a Visual Performance Dashboard to track and report performance to beneficiaries and members on a quarterly basis, including reporting on:

- Investment Performance
- Operating Costs
- Member Programs
- Member Consultation
- Outcomes
- Board Performance

**RECOMMENDATION 2 - Incorporate Performance Reporting into Member Communications (such as annual reports and AGM presentations) that include performance targets; and measure actuals against targets instead of comparing performance against a previous period.**

Foundation performance data is being developed as infographics for quarterly reporting to members via the newsletter, website, social platforms, as well as the annual Report and in AGM presentations.

**RECOMMENDATION 11 - Create a visual aid to summarise 5yr review priority recommendations including the intended actions with an explanation of why, and why not, recommendations have either been adopted or rejected.**

Infographic created – see page 47, along with this summary table outlining the status of the 14 priority recommendations.

**RECOMMENDATION 12 - Create a single joint Foundation Strategic Plan for the Trustee, Corporation and Enterprise that embeds the goals of the Country Plan into the strategic activities of the Foundation by:**

- Developing the goals and strategies from the Country Plan into outcomes and strategies that Gumala must complete to contribute to the realisation of the Country Plan
- Incorporating supporting strategies from the current Corporation's Strategic Plan and expand it to cover all three entities
- Incorporating realistic measurable performance targets for both outcomes and strategies
- Committing to be, and act as one Foundation

Joint Strategy Meetings were held in 2019 and 2020. Ongoing Joint Strategy Meetings in 2021 are scheduled to progress a single joint Foundation Strategic Plan with individual Operations Plans for each entity under that.





**RECOMMENDATION 16 - Develop operational plans for all three entities that enhance and diversify income for the Foundation by focusing on additional development opportunities, such as:**

- Further development of grants and sponsorship opportunities such as conservation research, culture/art/language sustainability
- Income generated from potential opportunities arising from the “Culture Plan” such as tourism, language, art exhibitions and centres, which may be a catalyst for independent member businesses
- Further development of opportunities to provide services and programs on behalf of governments (e.g. health care programs, community services)

Awaiting the development of the Foundation Strategic Plan.



**RECOMMENDATION 20 - Create a consolidated Foundation Reporting Standard to ensure consistent reporting into the future that includes the following:**

- The requirement for annual reports and AGM presentations to include performance targets and measure actuals against targets instead of just reporting what happened compared to a previous period;
- That members are provided with a simple consolidated report that they can understand for the Foundation, so members can compare the performance of the Foundation against the following:
  - i. The fair distribution of benefits as per the Trust Deed utilisation category targets;
  - ii. The cost of the Foundation structure as a whole to administer the trust and distribute benefits;
  - iii. Growth of investments and the rate of return over the portfolio as a whole;
  - iv. The performance of each of the Boards in meeting their KPI's;
- That related party payments for the Corporation are transparently reported on an individual basis as per the 2016 Annual Report - incorporating wages/director fees, member benefits, allowances/reimbursements, contracted professional services or loans (instead of aggregating the payments into totals as per current practice).

Consolidated Foundation reporting is being progressed and will be adjusted following further feedback and clarification from the GAC & GIPL Boards after the next Joint Strategy Meeting.



**RECOMMENDATION 14 - Develop a formal TO Board capability program.** The Trustee to become accountable to institute a formal TO board capability program that is instilled into Foundation board governance policies whereby a skills audit is done at each changeover in TO Board Members, and a tailored capability program and schedule of training activities is created for each TO Board Member. Progress of activities against schedule is to be reported at joint board meetings as part of the Foundation Performance Dashboard (Recommendation 1). The program for each TO Board Member should be reviewed annually. A specific outcome should be public speaking, conflict resolution and receiving difficult feedback.

GIPL is working on a Board Governance Training Program to improve the capability of all Directors, with a focus on TO Directors, in consultation with GAC's Executive Officer and Board Directors.



**RECOMMENDATION 24 - Investigate Consolidating YLUA & Trust Deed Reviews for 2023**

Awaiting resolution at next joint strategy meeting to reject this recommendation.

Whilst this suggestion may have some cost benefits, the advantages of having two dedicated and focused reviews outweighs the cost benefits in that there is separate focus on internal Foundation efficiencies and effectiveness, and the performance of Rio Tinto, respectively.









THE  
**GUMALA TRUST**

*a safe pair of hands*

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