



Bawinanga Aboriginal Corporation

(special administrators appointed) **ICN 29**

A circular to creditors and suppliers | 4 July 2013

This circular refers to the appointment of the special administrators of the corporation on 31 October 2012 and to previous correspondence. Below is an update on the current status of the special administration process.

Extension of special administration

The Registrar of Indigenous Corporations has extended the period of the special administration to 31 August 2013. The corporation is making good progress, but needs more time to restructure its finances and programs, especially the phasing out of the Community Development Employment Projects (CDEP) program and the implementation of the Remote Jobs and Communities Program (RJCP). The extension will also allow more time to make arrangements to pay the corporation's outstanding creditors.

Government agencies

As creditors may be aware, the corporation receives significant funding from government agencies to fund various aspects of its operations. When the special administrators were appointed, the corporation had substantial liabilities to certain government agencies for unexpended and unaquitted grant funds, making them the largest creditors of the corporation.

Negotiations with most government agencies about this have now been completed and most have agreed to write off their debt provided an acceptable arrangement can be reached with other creditors to continue trade. Given this outcome, the corporation is now in a position to finalise negotiations with its non-government creditors. It is expected that all creditors will receive a substantial proportion of the amounts owed to them.

However, if an acceptable arrangement cannot be reached with the non-government creditors and the corporation is forced into liquidation, some of the government agencies have indicated that they will prove their debts in the liquidation. If this were to occur, the potential return to non-government creditors would be significantly lower.

Creditor claims

A meeting of the corporation members will take place in July 2013 to get approval for the corporation to enter into commercial arrangements to raise funds to pay its creditors. Creditors will be updated on the outcome of the meeting and at that time a proposal will be put forward for creditors to consider, including more information about the timing and amount of the expected payment.

Creditor claims are still being adjudicated. If you have not yet provided details of your claim together with supporting documentation, such as invoices, purchase orders and delivery notes to this office, please do so as soon as possible.



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