



Bawinanga Aboriginal Corporation

(special administrators appointed) **ICN 29**

Newsletter | Issue 3 | August 2013

Dear members, staff and other interested parties

The July 2013 newsletter provided an overview of stage two of the special administration. This stage is nearing an end and the special administration is now moving into its third and final stage—'preparing the corporation for return to members' control'.

Staffing

In July, Mr Peter Anderson, the corporation's new chief executive officer (CEO) began work at Bawinanga. The acting CEO, Mr David Bond, was able to provide Mr Anderson with a detailed hand-over report.

Mr Anderson continues to familiarise himself with the various issues facing the corporation and is getting up to speed with the corporation's day-to-day operations.

The special administrators and Mr Anderson met on 28 July 2013 to discuss the current status of the special administration and relevant operational issues.

Congratulations to Ms Susan Kelliher who has been appointed as the interim Remote Jobs and Communities Program (RJCP) manager.

Thank you

A special thank you goes to David Bond who has now left the corporation. As many may know, Mr Bond has been involved with the corporation since it was established and has been of great assistance during the special administration.

Funding agencies

On 31 July 2013 a meeting about the progress of the special administration was held in Darwin



with the funding agencies. There was a large representation of government agencies as they have a vested interest in the future of the corporation.

The special administrators provided a comprehensive update which included information on the operational issues facing the corporation, the financial position before the special administration began, and a proposal to address the unsecured creditors' debts. An alternative scenario was also presented in the event that the proposal to creditors was not accepted.

Remote Jobs and Communities Program (RJCP)



As reported in the July newsletter, the corporation was successful in its bid to be the RJCP provider for the Maningrida region. The corporation

is now operating under the RJCP contract and so far there have been no problems changing over to the new program.

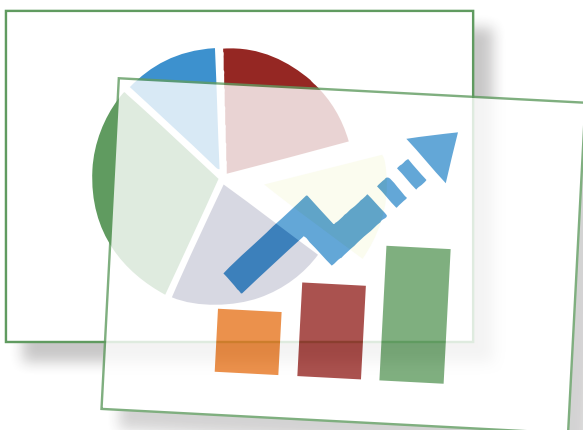
Funding

Consultations continue with various parties about obtaining an injection of funds for Bawinanga. The corporation needs funds to form the basis of a proposal to its outstanding creditors. The proposal is:

- to obtain financial support from the Maningrida Progress Association (MPA) in connection with the supermarket
- to involve a private operator in connection with the road crew and associated equipment, the workshop and fuel depot.

A meeting with the traditional owners was arranged to discuss other suggestions or to see if there could be an alternative proposal.

The special administrators understand the members have concerns about the proposal and want to ensure everybody that no decision will be made without consultation. However, it is important to know that without an injection of funds soon it is likely that the corporation will become insolvent.



The July newsletter mentioned two applications to the Community Development Fund (CDF). One concerned the expansion of the YE-YA tyre service and other was about gaining additional support for the Maningrida art centre. Unfortunately, both applications were unsuccessful, which means other ways to fund the corporation will have to be found.

Meetings

On 30 July 2013 two meetings in Maningrida were held with the advisory group, members and interested people to report on the progress of the special administration. The meetings were also to discuss a range of options to raise funds to pay the corporation's outstanding creditors.

Thank you to everyone who came to the meetings and shared their ideas.

Creditors

Negotiations to reach agreement about the debts with outstanding creditors continue. So far the special administrators have:

- submitted a deferred payment program to the Australian Tax Office to repay the significant debt owed to them
- continued communications with the relevant government funding agencies in the Northern Territory regarding the outstanding grant monies to be written off
- issued a further 'Circular to creditors' on 12 August 2013 that included a settlement offer.

Financial Management Information System (FMIS)

Some months ago the corporation decided to migrate to a new accounting system, MYOB Exo. However, the implementation and execution of the migration did not go well and led to a situation where the corporation could not see its financial and trading position.

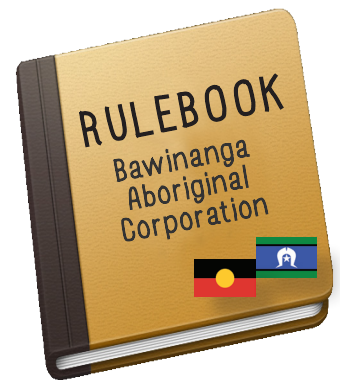
The expectation was that the new system would provide improved reporting functions and allow meaningful and accurate reports to be generated.

As this turned out not to be the case, a decision was taken to abandon MYOB Exo and revert to its predecessor, MYOB Enterprise. This has required a full reconstruction of the accounts for the year ended 30 June 2013. The finance team has almost completed this work, although significant work is still required to complete accurate segment reporting to ensure acquittal reporting capabilities.

The chief financial officer, Ms Helen Day, is working with a team of IT professionals to implement more appropriate and cost-effective IT infrastructure across the corporation.

Rule book

Work on the new rule book continues. As mentioned before, the new rule book will have a strong set of rules that will help prevent some of the past problems and issues happening again. A draft copy of the new rule book is available on the ORIC website at www.oric.gov.au.



More information

A fact sheet produced by the Office of the Registrar of Indigenous Corporations (ORIC), *Special administrations: what members and directors should know*, can be viewed and downloaded at www.oric.gov.au.



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If you would like to speak to someone at the Office of the Registrar of Indigenous Corporations (ORIC) please contact Ruth Jones on freecall 1800 622 431 (not free from mobiles)