

McArthur River Mine  
**Community  
Benefits Trust**



**Annual Plan and  
Review 2015-2016**  
25 May 2016

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**Cover illustration:** The painting shown on the cover is by Borroloola artist Allan Baker. Allan is represented by the Waralungku Arts Centre in Borroloola, which is supported by McArthur River Mining. Waralungku Arts represents over 40 different artists from the Gurdanji, Mara, Garrawa and Yanyuwa traditional language groups. Borroloola artists associated with Waralungku have been selected to show their work in the Telstra Indigenous Art Awards and are represented in the collections of major Australian art galleries.

## Executive Summary

This has been another busy year for the MRM Community Benefits Trust with a significant number of grants being supported in the community.

In all, 12 new grants were approved representing a commitment of \$2,021,578.54 (ex GST).

This brings the total supported by the Trust since its establishment in 2007 to 71 programs and \$10,713,298.55 (ex GST) in grants.

The focus areas of the Trust have been well supported this year through the 12 new grants with all areas addressed. Overall, a comparison between the priorities identified by the community in planning for the 2015-16 financial year and the results of grants supported demonstrate the Trust is continuing to directly address the needs and interests of the gulf regional community.

Commitments	Grants
Social and Community development	Major funding provided for the construction of the new crèche in Borroloola to meet current and future child care needs.
Education	Breakfast programs for Borroloola and Kiana Schools Purchase of a 4 x 4 Bus for Borroloola School Funding to support and develop local staff for careers in childcare and early education program delivery. Grant to hold a Careers Expo in Borroloola for school children and the wider community
Art & Culture	Project funding for the protection of Aboriginal art sites in Limmen Park. Collating ancestral knowledge and history in the Robinson River Historical Project
Enterprise and Job Creation	Grant to employ a Cultural Events & arts Engagement Officer and provide mentoring to the role Provision of funding to the Sea Ranger Unit for the purchase of a custom built vessel to enable and expand fee for service provision
Health	Ongoing support of the AFL Program Research grant to Plan for Better Health Outcomes in the Region

From a governance perspective, 2 new Directors were appointed to the 9 person Trustee board. Former NT Chief Minister Highly Paul Henderson was appointed an independent Director for MRM and the other former Cabinet Minister Mike Reed, who is the Independent Director for the NT Government. These changes have brought new perspectives and skills to the Board.

A new direction proposed is in relation to enterprise and job creation. That is, for the Trust to utilise its holding company, McArthur River Mine Community Benefits Limited, to drive future enterprise development objectives. This would overcome the constraint created by the Trust's charitable status in that it cannot support private, profitable enterprise. This is an area of further research and development in 2016.

This report covers the operations of the Trust for the financial year ending 30 June 2016.

As required under the Trust Deed, this Annual Review includes:

- A summary of the Trust's activities
- The financial position of the Trust Fund

- Details of the distributions made by the Trustee for that financial year and the projects to which the distributions relate
- Impact on regional development, new jobs and community infrastructure.

This document also provides a summary of the results of the community consultation undertaken by the Trust Project Officers and details how the Trust will continue to deliver tangible and substantial benefits to the Gulf regional community.

## Trust Foundations

### Objectives

- Facilitate ongoing sustainable development of the community and the region including community capacity building and local business enterprise development
- Create jobs and training opportunities
- Build infrastructure within the community to a level that will facilitate the creation of local jobs, diversity of new enterprise, beneficial social activity and improved health outcomes
- Enhance the positive social and economic impact of McArthur River Mining (MRM)'s mining operations resulting from the open pit mining operations on the community and the region as far as is reasonably practical.

### Charitable purpose

To provide:

- Grants, scholarships, bursaries and other assistance for education, vocational training and enterprise development
- Grants and other assistance for community infrastructure, and community development including the promotion of initiatives in the areas of health, law, arts, sport and culture.

### Commitments

- Employment, training and enterprise development generated both through MRM's mining operations and in the wider Borroloola economy including:
- Fulfilling MRM's target to achieve 20% workforce participation by indigenous people
- The commitment to generate and support the establishment of one new local business per annum to supply a product or service to the mine
- Community-based package of social and economic programs benefiting: enterprise and job creation; environment; education; social and community development; health; culture and art.

### Regional Focus

- Supports a region comprising the communities bounded by Robinson River in the south-east, Sir Edward Pellew Islands in the north, Limmen Bight River in the west and Balbirini Station in the south. The township of Borroloola sits at the heart.

#### Sources:

*Agreement between McArthur River Mining Pty Ltd and Northern Territory of Australia, 7 July 2007; and Trust Deed, between McArthur River Mining Pty Ltd and Northern Territory of Australia and McArthur River Mine Community Benefits Limited (the Trustee), 7 July 2007*

# 1 2015 – 2016 Annual Review

## 1.1 Review of the Community Benefits Trust

A review of the MRM Community Benefits Trust has been conducted with the Northern Territory Government. Community consultation was undertaken by KPMG and the recommendations arising from the review will be assessed by the current Directors at the June Trust Board meeting.

## 1.2 Governance

The Trustee Board comprises nine directors whose roles are to manage the Trustee Company's business and affairs, authorize payments and appoint supporting officers.

There have been 2 changes to the Trustee Board during the year:

1. The appointment of Mike Reed as the NT Government Independent Director
2. The appointment of Paul Henderson as the MRM Independent Director

The Board members during the 2015-16 financial year have been:

- Two directors nominated by MRM
  - o Greg Ashe (Chair)
  - o Paul Henderson
- Two Directors nominated by the Northern Territory Government
  - o John De Koning
  - o Mike Reed
- One Director nominated by Community Members
  - o Stan Allen
- Four Directors representing the four language groups of the Borroloola region
  - o Tony Jack, Garrawa
  - o David Harvey, Yanyuwa
  - o Allan Baker, Gurdanji
  - o Warren Timothy/ Samuel Evans, Mara

Under the Trust Constitution (clause 18.1(b)), there are two opportunities for local representation on the Board:

1. One Director nominated by the Community Members by resolution passed by a simple majority at a Community Members meeting.
2. One Director nominated by each of the four Indigenous Members of the Trust (the four language groups). Nominations to these positions are made by the respective Indigenous Members *"in such manner as it decides is appropriate but provided written evidence of such nomination is provided to the company"*. The custom has been that Directors representing the local Indigenous Members are nominated via MAWA.

## 1.3 Board Meetings

The Trustee Board met 5 times during the financial year, one meeting more than is required under the Constitution.

The Annual General Meeting was held in December 2015 immediately prior to the Board meeting.

### **Attendance at Board Meetings, 2015-16**

Director Role	Director Name	1/10/15	10/12/15	16/02/16	30/03/16	22-23/6/16	Total meetings
Director, MRM (Chair)	Greg Ashe	?	?	?	?		4
Director NT Government (from Oct 15)	Steve Edgington/ John De Koning	?	?	?	?		4
Director Community Representative	Stan Allen	?	?	?	?		4
Director Gurdanji	Allan Baker		?				1
Director Garrawa	Tony Jack	?		?			2
Director Mara	Warren Timothy/ Sam Evans		?	?			2
Director Yanyuwa	David Harvey		?	?	?		3
MRM Independent representative	Paul Henderson		?		?		2
NTG Independent representative	Mike Reed	?		?	?		3
Quorum reached/ not reached		<b>5</b>	<b>7</b>	<b>7</b>	<b>6</b>		

A quorum for a meeting of Directors is 5 with at least one of the Directors forming the quorum having been nominated by each of the Foundation Members.

Under the Constitution, there is no provision for a fixed term for Directors. While there is provision for them to be appointed, resign or removed, their term as Directors is open-ended.

#### **1.4 Communication**

During discussions with community members over the last 12 months, it has become apparent that there is still very little information about Trust activities feeding back to the community. Similarly, the invitation to the community for observers to attend meetings of the Allocations and Investment Committee as a way of participating in the decision-making for the Trust has not been successful.

The Project Officers are known to many people in the community and by project proponents; however, there is a low level of knowledge about Trust activities in the region.

In the past year, the Trust has attempted to improve communication through:

- Quarterly articles in *Memorandum* produced by MRM and distributed locally
- Occasional promotion in the MRM NT News *Community Updates*
- Information provided at the MRM Community Reference Group meetings
- Requests within the Funding Agreements that all grant recipients acknowledge the support of the Trust when they promote their programs.

As communication is a significant part of the role of the elected members, it is clear that all of the Directors should be engaged in capacity building training, to enhance their contribution to the board and to equip them with the skills for effective community liaison between the Trust and the people they represent in the Region.

#### **1.5 Grass roots involvement**

The level of interest amongst community members to participate in programs supported by the Trust has remained unchanged; however, many individuals feel they do not yet have the skills necessary for

receiving or managing grants, and as a result, community-based activity has been directed through three primary organisations – MAWA, Mabunji and Malandari Properties.

It is clear that information sessions for Borroloola people are necessary, to help people understand how to apply for a Trust grant, and to ensure they are familiar with the obligations and requirements they are accountable for if they succeed in securing a grant.

## 1.6 Grants – New programs

### Allocations and Investment Committee

The Allocation and Investments Committee had four meetings relevant to decisions made during the financial year. This includes a meeting in June 2013 as there were 8 submissions that were pending presentation to the Trustee board for consideration as a result of this meeting. These were tabled at the Board meeting of August 2013.

The Committee is comprised of the gulf region based Directors of the Trust, the Project Officers, and the Secretariat as the Northern Territory Government representatives to the Trust.

**The role of the Allocations and Investment Committee is to review grant submissions, discuss their merits and provide a recommendation to the Board on whether to approve or decline the grant. The intent of the Committee is to provide a forum for debate and discussion among the local Directors.**

*Director Attendance at Allocation and Investment meetings*

Director Role	Director Name	date	date	date	date	date	Total meetings
Director Community Representative	Stan Allen	?	?	?	?		4
Director Gurdanji	Allan Baker		?				1
Director Garrawa	Tony Jack	?		?			2
Director Mara	Warren Timothy/ Sam Evans		?	?			2
Director Yanyuwa	David Harvey		?	?	?		3

## 1.7 Current activity

There are currently 15 active projects, representing a commitment of more than \$3.1 million dollars. This brings the total support given to the region by the Trust since 2007 to 71 programs and \$10,713,298.55 (ex GST) in grants.

Focus area	Number of projects
Social & Community Development	2
Health	3
Environment	
Enterprise & job creation	2
Education	5
Culture & art	3
<b>Total</b>	<b>15</b>

The focus area for 2015/16 has been Social & Community Development, with the majority being allocated to the building of the new Mabunji Crèche (48%). Health and Education were also well supported, accounting for 17% and 16% of the grants committed respectively. Enterprise & Job Creation accounted for 14% while Arts and Culture made up 5% of all grants, while Environment had no allocation within this financial year.

## 2 Reports

### 2.1 Key Performance Indicators

The following key performance measures have been identified through the various Trust documents in relation to reporting responsibilities. These indicators will be used to measure the performance of the MRM Community Benefits Trust.

Area	Measures	Score
<b>Governance</b>	Compliance obligations met for MRM investment Obligations for reporting met Obligations for consultation met	Yes Yes No
<b>Investment</b>	Percentage of available funds committed to grant programs >85% Percentage of funding spent on administration costs <5% Spread of grant funding across the region Performance against priorities and needs	Yes  Yes Yes No
<b>Project outcomes</b>	Outcomes of grant investments based on project reports	No