

Ngadju Native Title Aboriginal Corporation RNTBC

Under special administration

ICN 8297 | ABN 40 829 460 147

Level 8, 225 St Georges Terrace, Perth WA 6000 | GPO Box 2710, Cloisters Square PO, Perth WA 6850
Phone: (08) 9462 3500 | Fax: (08) 9462 3555 | Web: nntac.org.au | Email: reception@nntac.org.au

NEWSLETTER

Issue 1, November 2019

Dear members and other interested people,

Our names are Jack James and Paula Smith and we are from Palisade Business Consulting in Perth. On 11 November 2019, the Registrar of Indigenous Corporations appointed us special administrators of Ngadju Native Title Aboriginal Corporation RNTBC (Ngadju).

During the special administration, we will keep you informed of progress through regular newsletters and information meetings. All newsletters and meeting notices will be available on the public Register of Indigenous Corporations at oric.gov.au—use the 'Find a corporation' tool, search using Ngadju Native Title. Then follow the link to 'documents'.

WHAT IS SPECIAL ADMINISTRATION?

Special administration is a type of external assistance unique to the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act). Only the Registrar can appoint a special administrator.

The aim of a special administrator is to work with the corporation to fix internal problems and restore it to good health. If that is achieved, the special administrator will appoint a new board of directors and hand back control of the corporation to members.

A special administrator is an independent, suitably qualified person who:

- serves the interests of the corporation and its members
- works to fix problems such as money trouble or poor governance.

A special administrator is responsible for the conduct of the affairs of the corporation and has comprehensive powers under the CATSI Act to do this. A special administrator will:

- secure the corporation's books, assets and bank accounts
- verify the financial position of the corporation and assess its ongoing viability

- communicate and meet with members and other interested parties
- oversee management of the day-to-day activities of the corporation and restore it to good order
- prepare the corporation for return to control by members

The special administrator has control of the corporation's business, property and affairs and can perform any function and exercise any power that the corporation, its officers or members could perform if the corporation were not under special administration:

- carry on any business and manage any property and affairs of the corporation
- terminate or dispose of all or part of any business
- dispose of any property
- engage or discharge employees on behalf of the corporation
- change the corporation's rule book
- admit and remove members
- appoint and remove a contact person
- apply to the court for a winding up order.

There are three stages to a special administration.

| | ACTION | STATUS |
|---|---|-------------|
| 1 | Take control of the assets, including bank accounts; build a complete picture of issues and challenges; and establish a clear plan of action. | In progress |
| 2 | Restore good operational order. | Pending |
| 3 | Prepare the corporation for return to members' control. | Pending |

We are currently in stage one of the special administration. This newsletter will outline some of the progress we have made.

WHY IS NGADJU UNDER SPECIAL ADMINISTRATION?

We have been appointed to work with the corporation to improve its standard of governance. Directors of the corporation are engaged in long-term disputes they haven't been able to resolve. The level and extent of the dysfunction was affecting the conduct of the corporation's affairs

INFORMATION MEETING

We will hold our first information meeting in the second week of December 2019. Because the membership is large and spread over a large geographical area, we will hold the meeting in three locations as follows:

| DATE | TIME | VENUE |
|--------------------------|---------|--|
| Wednesday 11 December | 5pm | Holiday Inn 778/788 Hay St Perth |
| Thursday 12 December | 12 noon | Quality Inn Railway Motel 51 Forrest St Kalgoorlie |
| Friday 13 December | 11am | Norseman Town Hall 88/92 Prinsep St Norseman |

Information meetings are open to all members and other interested parties—except for media. Come along to hear from the special administrators about the work being done and to ask questions. Kevin Vu, a manager from the Office of the Registrar of Indigenous Corporations will attend and answer any questions you may have. A meeting notice is attached.

WHAT HAS HAPPENED SO FAR?

We have made some good progress in this early stage of the special administration.

BANK ACCOUNTS

We have taken control of the corporation's bank accounts and let all staff and suppliers know that from now on all purchases and spending of money must be first approved by the special administrators.

DIRECTORS FEES

Until our appointment, fees were being paid to all directors. As a result of our appointment, all directors have been stood down so their positions are vacant. As such, no directors fees will be paid during the period of the special administration. New directors will be appointed at the end of the special administration.

STAFFING

At this stage, we have not made any changes to the current staffing at the corporation. As part of the special administration, the staffing structure—and other operational matters—will be reviewed.

STAKEHOLDERS

We have informed mining companies, Abbott Trustee Services and other Ngadju stakeholders of our appointment and we will work closely with these bodies throughout the special administration.

ABBOTT TRUSTEE SERVICES

As you know, Abbott Trustee Services (Abbotts) are the trustee of the Ngadju Charitable Trust No. 2 (the trust).

The trust operates independently of the corporation, and has its own advisory committee.

The trust provides funding to Ngadju to assist with meeting its operational costs. That funding is based on a budget prepared by the corporation and approved by Abbotts. Following our appointment, we met with Abbotts to discuss the special administration. We are pleased to advise that the trust will continue to provide funding to the corporation for this financial year based on the same amount approved for 2018–19. We will keep Abbotts fully informed throughout the progress of the special administration.

During the special administration, we will review the budget for the remainder of the financial year and work on a budget for the next. We will discuss both with Abbotts.

We are grateful to Abbotts for their assistance in continuing to provide funding so that operations can continue.

MONEY STORY

A summary of Ngadju's recent financial information is set out below.

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

| Assets and liabilities | 30 Jun 2018 (audited) | 30 Jun 2019 (audited) | 30 Sep 2019 (unaudited) |
|------------------------------|--------------------------|--------------------------|----------------------------|
| Assets | | | |
| Current assets (GLSC Funds)* | - | 1,300,203 | 1,300,203 |
| Current assets (Other) | 835,857 | 612,575 | 826,686 |
| Non-current assets | 544,672 | 395,051 | 374,226 |
| Total assets | 1,380,529 | 2,307,829 | 2,501,115 |
| <i>less</i> | | | |
| Liabilities | | | |
| Current liabilities | 466,744 | 532,692 | 729,254 |
| Non-current liabilities | - | - | - |
| Total liabilities | 466,744 | 532,692 | 729,254 |
| EQUITY | 913,785 | 1,775,137 | 1,771,861 |

INCOME STATEMENT (STATEMENT OF FINANCIAL PERFORMANCE)

| Income and expenses | 30 Jun 2018 (audited) | 30 Jun 2019 (audited) | 30 Sep 2019 (unaudited) |
|----------------------------|--------------------------|--------------------------|----------------------------|
| Income | | | |
| PBC administration | 733,807 | 1,550,000 | 387,500 |
| Heritage services | 499,640 | 632,070 | 285,496 |
| GLSC funds | - | 1,541,218 | - |
| Royalties | 1,091,374 | 1,124,609 | 154,788 |
| Grants & contributions | - | 118,000 | - |
| Reimbursements | 222,539 | 235,741 | 4,547 |
| Other income | 199,718 | 26,169 | - |
| Total income | 2,747,078 | 5,227,807 | 832,331 |
| <i>less</i> | | | |
| Expenses | | | |
| Accounting | 54,910 | 46,775 | 28,150 |
| Auditors | 7,700 | 13,738 | - |
| Consultants | 365,840 | 456,073 | 12,122 |
| Depreciation | 34,395 | 74,263 | 15,810 |
| Directors fees | 276,221 | 487,877 | 95,168 |
| Employee expenses | 626,196 | 1,091,935 | 155,532 |
| Hardware & software | 36,424 | 39,367 | 6,083 |
| Heritage costs | 510,517 | 867,135 | 227,478 |
| Genealogy | - | 22,400 | - |
| Insurance | 17,296 | 31,669 | 6,370 |
| Interest & finance | 3,086 | 1,823 | 230 |
| Law and culture | 8,653 | - | - |
| Legal | 498,183 | 523,045 | 107,614 |
| Meetings | 48,823 | 28,703 | 52,782 |
| Member services | 82,623 | 28,418 | - |
| Motor vehicles | 4,144 | 24,402 | 9,209 |
| Office | 65,112 | 116,849 | 44,143 |
| Programs | - | 21,816 | - |
| Recruitment | 3,420 | 42,069 | 7,852 |
| Travel & accom. | 164,287 | 193,390 | 58,483 |
| Other | 190,014 | 249,706 | 4,196 |
| Total expenses | 2,997,844 | 4,366,455 | 835,607 |
| SURPLUS / (DEFICIT) | (250,766) | 861,352 | (3,276) |

We make the following comments about the money story.

* GLSC FUNDS

These are funds transferred from Goldfields Land & Sea Council Aboriginal Corporation (GLSC). On 3 February 2016 at the Norseman Town Hall the Ngadju people agreed that certain funds held by GLSC would be transferred to the corporation. As a result, in March 2019 approximately \$1,299,092 was transferred into a Ngadju corporation holding account.

Those funds have not been used. As at 30 September 2019, the amount was \$1,301,024 which includes interest earned since the funds were received. We are currently investigating how these funds may be used.

FINANCIAL POSITION AND PERFORMANCE

The corporation incurred a small deficit of \$3276 for the three months ending 30 September 2019. We are currently reviewing the financial performance for October 2019 and November 2019 to identify cost reductions that may be required to maintain operations within the budget approved by the trust.

We are aware of members' requests for a \$1000 attendance fee based on business undertaken at the general meeting on 26 October 2019. Given the corporation's current financial position, it is not possible to pay these amounts without using the GLSC funds referred to above. Accordingly, we are reviewing the documentation and conduct of the meeting to determine the validity of the resolution and the options available for payment if it is determined the amount should be paid. We hope to be in a position to provide members with an update on the matter at the upcoming information meetings.

MAKING DECISIONS AT NGADJU

NATIVE TITLE MATTERS

While a special administration is in progress, the special administrators act as directors. So when we were appointed, all directorships ceased. However, in accordance with the *Native Title Act 1993*, only native title holders can make decisions about native title; neither directors nor special administrators can. So during the special administration, decisions about the traditional lands will continue to be made by the Ngadju native title holders.

COMMITTEE TO NEGOTIATE NATIVE TITLE

Prior to our appointment, a Native Title Negotiation Committee was formed. Its members are currently:

- John Graham
- Rick Dimer
- Sheldon Graham
- Laurence Thomas
- two of the following four people:
Trevor Donaldson, Bronwyn Thompson,
David Graham and Eddie McKenzie.

The purpose of the committee is to negotiate the terms of any proposed agreements with mining companies in respect to the traditional lands. To be clear, the committee cannot make decisions about native title. Once the committee considers it has reached agreement on the terms of any proposed agreement, a consultation meeting of native title holders will be convened to discuss the proposed agreement and decide whether to accept it or seek further amendments.

These are very important matters as they concern traditional lands, and also because such agreements can provide benefits to Ngadju people.

Because the committee was formed before our appointment, we now wish to give all corporation members an opportunity to nominate to be on it. To nominate yourself to be on the Native Title Negotiation Committee, please complete and return the attached nomination form by 13 December 2019.

SPECIAL ADMINISTRATORS' ADVISORY GROUP

The special administrators' advisory group is a temporary body during the special administration. Its purpose is to work with the special administrators on governance, business and corporate matters to help make sound decisions for the welfare and future of the corporation.

At the end of the special administration the special administrator will appoint a new board for the corporation. The advisory group itself will then be dissolved, having completed its purpose.

If you would like to nominate to be on the advisory group, please complete and return the attached nomination form by 13 December 2019.

NEXT STEPS IN THE SPECIAL ADMINISTRATION

OPERATIONS

Our next step is to review operations to see whether any changes need to be made. As part of this, we will (among other things):

- discuss ongoing funding with Abbotts
- review current arrangements for the providing heritage services—managed by Paperbark
- review the staffing structure
- review the budget for the rest of this financial year
- review the purposes for which GLSC funds can be used.

RULE BOOK

Once we have formed the advisory group, we will begin working together to review the rule book.

NATIVE TITLE MATTERS

The Native Title Negotiation Committee will continue to negotiate with the various mining companies. Once these negotiations have progressed sufficiently, a meeting of native title holders will be convened to seek their consent (or otherwise) to enter into agreements.

We hope that such a consultation meeting can be held in March or April 2020. However, this will depend on negotiations over the coming months.

SPECIAL ADMINISTRATORS



Jack James and Paula Smith

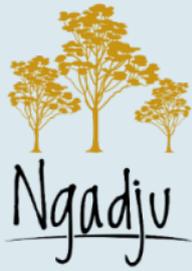
Palisade Business Consulting

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MORE INFORMATION

To find out more about special administrations visit oric.gov.au or call 1800 622 431 (not free from mobiles)



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NOTICE OF INFORMATION MEETING

Members and other interested people are invited to an information meeting

On 11 November 2019, the Registrar of Indigenous Corporations appointed us as special administrators of Ngadju Native Title Aboriginal Corporation RNTBC.

We are holding information meetings in three locations so members and interested people have a chance to find out about the special administration, how it works and its current status. To respect the privacy of those attending, the media will be unable to attend.

Kevin Vu, acting manager, Regulation, Office of the Registrar of Indigenous Corporations, will be present and available to answer questions.

| DATE | TIME | VENUE |
|--------------------------|---------|--|
| Wednesday 11 December | 5pm | Holiday Inn 778/788 Hay St Perth |
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AGENDA

1. **Role** of special administrators
2. **Aim** of the special administration
3. **Progress** to date
4. Ngadju's **money story**
5. **Next steps** in the special administration
6. **Questions**

This is an opportunity for you to discuss the special administration and your corporation's future. Please come along.

Light refreshments will be served at the end of each meeting.

SPECIAL ADMINISTRATORS



Jack James and Paula Smith

Palisade Business Consulting

Phone: (08) 9328 6262

Email: jjames@pbconsult.com.au
psmith@pbconsult.com.au

MORE INFORMATION

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NOMINATION FOR SPECIAL ADMINISTRATORS' ADVISORY GROUP

I, _____
(insert name)

nominate myself for the **special administrators' advisory group**.

RELEVANT BACKGROUND AND EXPERIENCE:

MY CONTACT DETAILS:

Email: _____ Phone: _____

Address: _____

Signed: _____ Date: _____

Please return your completed form to the special administrators by email to
jjames@pbconsult.com.au or **psmith@pbconsult.com.au**

by 13 December 2019



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NOMINATION FOR NATIVE TITLE NEGOTIATION COMMITTEE

I, _____
(insert name)

nominate myself for the **native title negotiation committee**.

I confirm I am a member of the corporation.

RELEVANT BACKGROUND AND EXPERIENCE:

MY CONTACT DETAILS:

Email: _____ Phone: _____

Address: _____

Signed: _____ Date: _____

Please return your completed form to the special administrators by email to
jjames@pbconsult.com.au or **psmith@pbconsult.com.au**

by 13 December 2019