

Secret audit exposes flaws in indigenous land council



Australian Indigenous Affairs Minister Nigel Scullion tried to force the NLC to gather its nearly 100 full council members last week. Picture: AAP

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A secret internal audit has sought to expose the shocking state of governance inside one of Australia's most powerful Aboriginal organisations, with incendiary claims about missing funds, biases and serious conflicts of interest.

But a contradictory legal opinion commissioned by the organisation's new managers has described the audit as fundamentally flawed and possibly unlawful, raising questions about a minister's decision to force the organisation to hold a \$250,000 meeting to consider the audit report.

The audit of the Northern Land Council comes amid a savage battle for control of the federal statutory authority that has seen it replace its chief executive twice in three months.

The NLC, which administers most of the Northern Territory's coastline and large areas of its landmass, has been given responsibility for treaty negotiations by the NT government. The federal government wants it to help distribute more than \$1.1 billion in housing funds. It is also negotiating vital access rights for fishers.

The secret report of the NLC's internal audit committee and the 29-page legal opinion prepared by Raelene Webb QC have both now been obtained by *The Australian*.

Federal Indigenous Affairs Minister Nigel Scullion cited the audit in his bid last week to force the NLC to gather its nearly 100 full council members — believed to be the first time a minister has used their powers in that way. “It’s very critical that all big organisations like the NLC are held to the highest standards of accountability,” Senator Scullion said.

Ms Webb wrote in her opinion, commissioned by NLC interim chief executive Jack Ah Kit, that the “deficiencies in the ‘report’ as submitted are such that it could not be given any weight or reasonably relied upon by either the NLC or the minister”.

Mr Ah Kit accused Senator Scullion of wanting “a bit of a war”.

According to the documents, the audit began after the NLC’s outgoing former chief executive Joe Morrison wrote to Senator Scullion a day after being dismissed by the NLC’s executive council in November.

Mr Morrison had, less than a fortnight earlier, given notice to resign amid misconduct allegations and pressure from the executive council to step aside pending an inquiry. He accused the executive council (which had just dismissed him) of having a “serious conflict of interest” over the lease of the NLC’s Darwin headquarters from the Aboriginal Investment Group, a related entity that several of them direct and which the NLC majority owns.

He wrote again in January — after having commenced Fair Work proceedings in December, according to the documents — with further claims involving NLC chairman Samuel Bush-Blanasi and deputy John Christophersen.

The audit report revealed a web of NLC-linked businesses, directors’ fees and loans, some of which it said might not have been repaid. It also said Mr Bush-Blanasi and Mr Christophersen had not recused themselves from decisions about mustering and safari businesses they had ties to.

Ms Webb concluded that the report lacked clarity of purpose and terms of reference, and followed processes so poor as to cast doubt over whether it “breached administrative law requirements of procedural fairness so as to trigger legal error on the part of any decision-maker relying on it”.

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