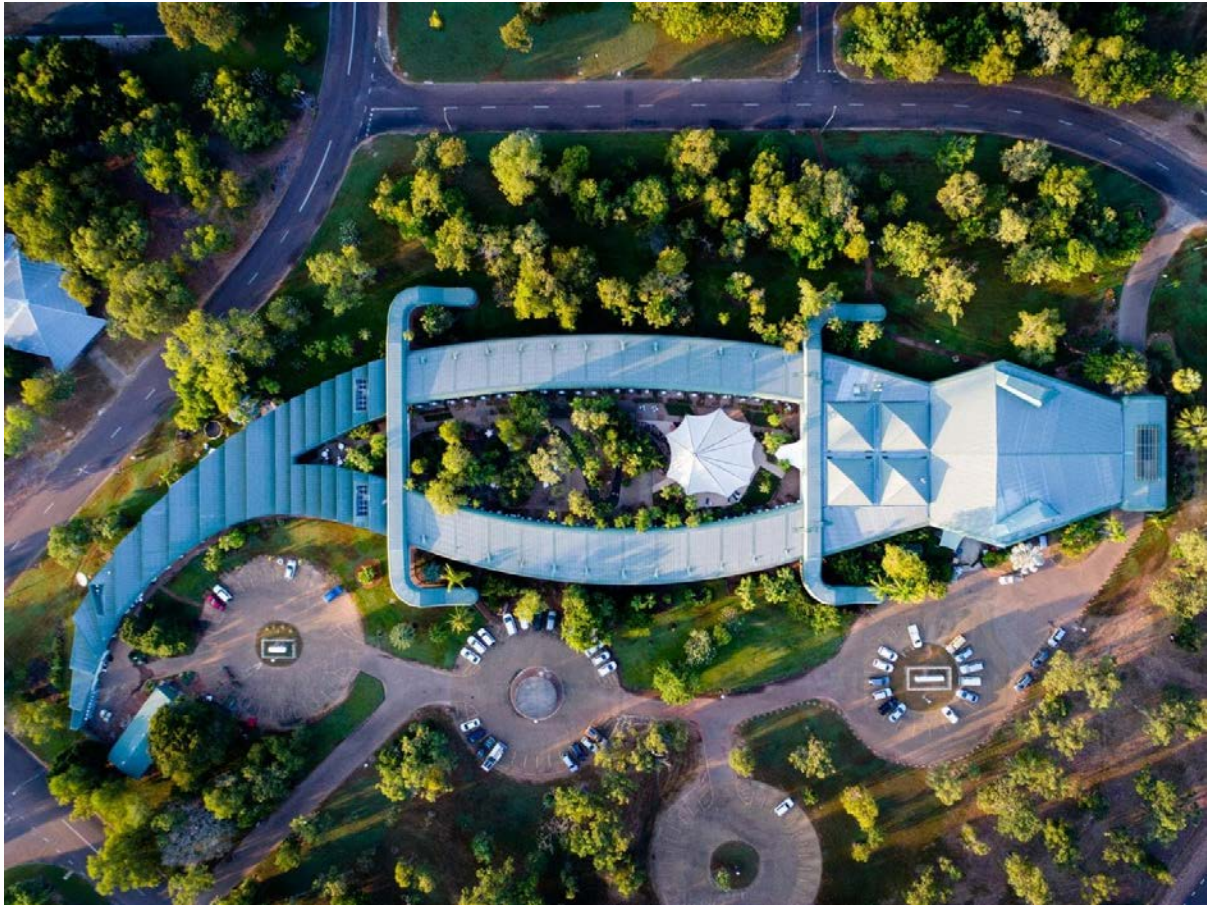


‘Greed’ threatens Kakadu’s millions

Almost half a billion dollars worth of Kakadu investments is likely to fail to deliver the intended benefits amid disputes involving allegedly corrupt Indigenous organisations.

By Amos Aikman



The Gagudju Association controls stakes in Jabiru's crocodile-shaped hotel

March 22, 2021

Almost half a billion dollars worth of investments set to flow into the Kakadu region is likely to fail to deliver their intended benefits if governments don't do more to help resolve bitter disputes involving allegedly corrupt Indigenous organisations.

Two of the World Heritage-listed national park's most important bodies — both of them in charge of valuable assets and large amounts of royalties — are in turmoil over allegations of maladministration, nepotism and the misuse of community money.

Gundjeihmi Aboriginal Corporation represents the Mirrar clan, who are traditional owners of the Ranger uranium mine. It has been under investigation for almost 18 months after a dramatic raid by the Office of the Regulator of Indigenous

Corporations, whose investigators seized over 11,000 documents. A related entity is set to take control of Jabiru at the end of June even though ORIC's investigation is ongoing.

The Gagudju Association, one of the oldest Indigenous organisations in Kakadu, is in turmoil over a push by managers to wind it up and distribute its assets to other entities. Gagudju is a member-based organisation representing several clan groups. It controls stakes in Jabiru's crocodile-shaped hotel, a profitable service station and a lodge at Cooinda, and also collects royalties from the renowned Yellow Water cruise.

The disputes relate to jockeying over resources as the region prepares to transition away from relying on uranium mining and towards tourism, and fears that a privileged few could grab the lion's share while many others remain trapped in grinding poverty.

Canberra and Darwin need such bodies to propel and steer their multimillion-dollar revival plans. But locals say that unless local governance improves, any injection of extra public money will likely not stop the region's main hub, Jabiru, from becoming another dying town or dysfunctional remote community.



Maria Lee, chair of Kakadu National Park's Board of Management, is among those who have been calling for outside help. She says regulators are weak and politicians overly fearful of taking a stance in disputes involving Indigenous groups.

"In the early days of Kakadu, when the old people were alive, it was OK. But when they died, everything went all crazy because people got greedy for money," she said. "Why have we got all these statutory bodies for Aboriginal people if they don't help us."

A litany of Gagudju members' complaints includes claims of vote-rigging, bribery and suspicious payments. The organisation is allegedly dominated by two groups that others say stand to gain the most from management's wind-up plan. Authorities asked to investigate have so far declined.

Feeling helpless

Kakadu is a telling example because if governments, Indigenous groups and other stakeholders cannot co-operate to build a stable economy in a place visited by hundreds of thousands of tourists annually, doubts will only grow elsewhere.

The Australian can reveal that an analysis of Gagudju's financial records shows it distributed the vast majority of the grants handed out between July 2015 and last - October to groups heavily represented on its governance committee.

Committee members and their relatives allegedly shared in hundreds of thousands of dollars worth of cars, cash and loans and got money for school fees and personal items such as furniture, while most other families appear to have got little or nothing.

"Of the roughly 60 family groups making up the members base, only four groups are represented on the committee," the analysis finds. "Of the four family groups on the committee, three groups received the majority of the grant funding."



Gagudju is a member-based organisation representing several clan groups. It collects royalties from the renowned Yellow Water cruise.

Disgruntled families released the analysis to The Australian after federal and Territory politicians told them Gagudju's affairs were for members to resolve. Mai Katona, a Gagudju member, says she and others feel helpless and unsure which way to turn.

"Whenever something's wrong in an Aboriginal community, the authorities want Aboriginal people to sort it out," Ms Katona said. "Sometimes, it's very difficult to sort things out amongst ourselves."

Gagudju boss Claire Thompson said the allegations largely predated her employment but that the organisation strongly rejected any claims it engaged in wrongdoing.

Steve Smith, the boss of Aboriginal Investment Group, which analysed Gagudju's records, says there are "systemic and widespread" problems with regulatory oversight and the governance of Indigenous bodies and that Jabiru is just one example.

"The extent of the allegations facing the two largest Indigenous organisations in Jabiru clearly demonstrate that there is no effective oversight or regulation," he said. "It's time both the federal and territory governments step up and acknowledge these issues and move to implement an immediate parliamentary inquiry or is it going to be more of the same 'business as unusual' in Jabiru."

A former senior investigator with the Australian Competition & Consumer Commission, Smith says the frequency of paid Gagudju meetings increased to almost fortnightly in 2020 from just seven in 2018, but that it is now avoiding holding an annual general meeting at which its governance committee could be removed.

Gundjeihmi Aboriginal Corporation

Job Profit & Loss Statement

July 2015 through June 2016

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Account Name	Year to Date	Acct#
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Expense		
Medical	1,934.19	6-1795
Telecommunications	168.18	6-1836
Travel, Accom, Entertainment	15,932.79	6-1839
Remote Area Allowance	6,482.22	6-3030
Salary Sacrifice	6,390.00	6-3035
Sitting Fees	17,400.00	6-3040
Anniversary Payment	79,923.02	6-3055
Superannuation	30,328.18	6-3065
Wages & Salaries	248,252.63	6-3070
Medical Services	39.50	6-4575
Total Expense	<u>406,850.71</u>	
Other Expense		
	1,077.95	9-4745
	1,174.00	9-4746
Total Other Expense	<u>2,251.95</u>	
Net Profit (Loss)	<u>-409,102.66</u>	

Disparity rejected

The Australian last month revealed that the Office of the Registrar of Indigenous Corporations was investigating Gundjeihmi over claims senior figures conspired to award each other huge pay rises and abused entitlements.

Gundjeihmi paid tens of thousands of dollars in sitting fees to people who were also earning salaries of up to \$237,000 a year, according to documents.

Other documents show one Gundjeihmi member received gross benefits worth over \$400,000 in 2015–16, while other members got payments of about \$13,000 each.



Justin O'Brien, CEO of the Gundjeihmi Aboriginal Corporation

The organisation spent over \$455,000 maintaining an outstation called Whistleduck in that year but less than \$35,000 on another outstation called Mudginbardi, according to the documents. Mudginbardi residents say their outstation has more people and arguably greater need but lacks influence within Gundjeihmi.

None of a suite of five businesses operated by Gundjeihmi between July 2010 to June 2016 turned a profit, according to financial records. Accumulated losses spread across the businesses, which included a newsagency, an art gallery, a cafe and a tackle shop, ranged from about \$34,000 to more than \$350,000 a year.

Further documents suggest Gundjeihmi made and later wrote off thousands of dollars worth of loans to staff. ORIC has strict rules about issuing loans.

Gundjeihmi boss Justin O'Brien has strenuously denied wrongdoing and claimed ORIC's raid was illegal. He did not answer questions but said in an email that Gundjeihmi's information was confidential and should not be published

It would be "factually wrong" to infer that some Gundjeihmi members were paid "more than they should be". He also and disputed the figures about outstations and said it would be incorrect to infer that Gundjeihmi used money unfairly.

Extract from a letter from concerned Gagudju Members

9th November 2019
To Ms Marion Scrymgour CEO
Northern Land Council

Re: Gagudju Association Inc

Dear Marion

We the undersigned Gagudju Association (GAI) members urgently seek the Northern Land Councils intervention to resolve ongoing governance and operational issues within GAI.

On the 18th November 2019 GAI had what was supposed to be an annual general meeting. Numerous members when lining up to vote were advised that they had already voted! These same individuals were confused and later confirmed that they had not signed any document to assign a proxy, yet they were denied their right to vote on committee positions!

The blatant disregard for due process and transparent governance was heavily manipulated from behind the scenes by an external organisation. It was evident for all to see. It was branch stacking on steroids! Members were denied their right to vote and for transparency. It is alleged that this same external organisation even paid attendance fees to some individuals!!!

Rolf Gerritsen, a professor of public policy at Charles Darwin University, says remote governance issues are often rooted in a lack of economic opportunity.

"Poverty of economic opportunity incentivises families to compete to get control of whatever organisations or resources do exist," he said.

Gerritsen believes the sorts of things allowed to happen in indigenous organisations would outrage many mainstream Australians, calling the situation "inverted racism".

Kakadu was established in the 1970s in conjunction with the Ranger uranium mine. Traditional owners effectively got their land rights back in return for allowing mining — by modern standards an extraordinarily raw deal. Ranger royalties were initially handed to Gagudju.

Toby Gangale, the organisation's founding president and a senior traditional owner, "saw his position not as an opportunity to exploit royalties for himself ... but as a position of responsibility to ensure equal sharing and real community benefits".

Gagudju operated businesses and provided services including medical care and education support to local residents.

But by the late 1990s, it was in administration amid claims vast sums were wasted on "white lawyers", consultants and drink.

Gundjeihmi then acquired control of the mining royalties stream. ORIC placed it under examination twice but reported little, last giving Gundjeihmi a relatively clean bill of health in 2017. Two years later, ORIC investigators raided Gundjeihmi over offences allegedly committed by six directors and officeholders between 2012 and 2016.

Gundjeihmi is overseen by ORIC, a federal authority.

Gagudju is regulated under Territory associations laws, which were designed for civic clubs. The system allowed more than \$30m to disappear from an Arnhem Land association before authorities intervened in 2012.

Gundjeihmi Aboriginal Corporation

Job Profit & Loss Statement

July 2012 through June 2013

Page 1

Account Name	Selected Period	Year to Date
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903	Newsagency	
Income		
Sundry Income	36.32	36.32
Interest Received	3.54	3.54
TwoRvers - Post Office	116,782.69	116,782.69
TwoRvers - News Agency	290,160.28	290,160.28
TwoRvers - Lotto	322,870.63	322,870.63
Less: Discounts - Newsagency	-5,522.48	-5,522.48
Total Income	724,330.98	724,330.98
Cost of Sales		
Stock Purchase shops	560,451.48	560,451.48
Total Cost of Sales	560,451.48	560,451.48
Expense		
Accounting Fees	6,750.00	6,750.00
Subs. ,Mem/ships, Publications	384.55	384.55
Bank Charges	1,551.10	1,551.10
Cleaning & Laundry	322.69	322.69
Computer Support & Maintenance	2,151.21	2,151.21
Depreciation Expense	4,309.94	4,309.94
Furniture & Equipment	4,747.86	4,747.86
Elec, Water, Gas & Rubbish	8,737.00	8,737.00
Fees & Levies	51.45	51.45
Freight Charges	1,907.13	1,907.13
Insurance - General	1,484.91	1,484.91
Printing, postage, Stationery	2,658.21	2,658.21
Small P&E office	34.41	34.41
Rent - Business Premises	23,030.73	23,030.73
R & M - Buildings	8,098.50	8,098.50
R & M - Equipment	4,138.69	4,138.69
R&M -Furniture/Fittings	2,006.09	2,006.09
Staff Amenities	489.73	489.73
Telecommunications	1,707.84	1,707.84
MV Fuel & Oil	556.59	556.59
Remote Area Allowance	11,562.87	11,562.87
Salary Sacrifice	4,305.00	4,305.00
Staff Leave Fares	7,500.00	7,500.00
Superannuation	34,856.11	34,856.11
Wages & Salaries	244,817.77	244,817.77
Total Expense	378,160.38	378,160.38
Net Profit (Loss)	-214,280.88	-214,280.88

Accounting standards

Conflicts over Indigenous money put public officials in awkward positions because governments are wary of seeming paternalistic.

An alternative argument favoured by at least some Jabiru locals is that not checking allegedly unethical conduct denies Aboriginal people the accountability mainstream Australians expect.

The Australian has seen dozens of pages of complaints about Gagudju, some signed by more than 20 senior Aboriginal people. Territory Licensing Minister Eva Lawler wrote in January that as long as its actions were legal, there was no provision for intervention. Her agency has not asked for documents from Mr Smith, despite being invited to do so.

More than 25 members of Gagudju wrote to the Northern Land Council in November 2019 calling for “urgent” help to resolve “ongoing governance and operational issues”. The organisation told The Australian it had “a watching brief” on the situation.

ORIC this month met Gundjeihmi members in Jabiru and is understood to have formally interviewed several people in connection with its ongoing investigation. Ironically, if Gagudju members don’t agree to the wind-up plan, the organisation stands to lose its assets regardless due to tenure changes being fast-tracked from Canberra.

“The committee, appreciating this and acting responsibly, has sought to explore possible options for the association,” Ms Thompson said. “Should the membership decide that winding up is indeed the best option, then assets will be distributed in accordance with the members’ decision under the constitution.”

Ministers step back

A spokesman for NT Aboriginal Affairs Minister Selena Uiibo said Gagudju was “compliant” with its obligations under Territory law.

“The members of an association have the ability to determine the course of action they wish their association to take, and have a right to be provided with sufficient information to enable them to make informed decisions,” the spokesman said.

“NT Licensing has previously referred allegations of financial impropriety relating to Gagudju to relevant authorities. No further evidence has been provided ... in relation to those allegations.”

A spokeswoman for Indigenous Australians Minister Ken Wyatt said it would be inappropriate to comment on Gundjeihmi while it remained under investigation and that Gagudju was regulated by the Northern Territory.

“The minister expects all corporations to act in accordance with their rule books and meet all statutory obligations in providing effective and transparent governance in discharging its functions,” the spokeswoman said.

The federal government is reviewing the legislation under which ORIC operates.

Amos Aikman
Northern Correspondent