



Bawinanga Aboriginal Corporation

(special administrators appointed) **ICN 29**

Newsletter | Issue 1 | December 2012

A newsletter to members and stakeholders

Our names are Stephen Duncan and Peter Lanthois from KordaMentha in Adelaide. We specialise in corporate recovery, turnaround and restructuring.

On 31 October 2012 the Registrar of Indigenous Corporations (the Registrar) appointed us as joint special administrators of the Bawinanga Aboriginal Corporation (BAC) after the directors requested assistance.

This is our first newsletter and we would like to tell you about what you can expect during the special administration.

What is a special administration?

People are often concerned when their corporation is placed under special administration. The term 'special administration' sometimes have a negative meaning for Aboriginal and Torres Strait Islander corporations. A special administration is different from other types of administration—it can help a corporation.

A special administrator is an independent, suitably qualified person appointed by the Registrar—who will work in the best interests of the corporation and members to address problems such as financial difficulties or poor governance. A special administration has three stages:

STAGE 1

Take control of the assets, including bank accounts and find out if the corporation can continue business as usual.

STAGE 2

Restore good operational order.

STAGE 3

Prepare the corporation for return to members' control as soon as possible.

We are currently in stage one of the special administration. This is the most important stage as it determines whether the corporation can continue or not. We are working hard to make sure the corporation has the best chance of continuing to provide services to the people of Maningrida and the surrounding homelands.

What has happened so far?

During our first six weeks as special administrators our team has spent a lot of time with staff and the acting chief executive officer (CEO), Mr David Bond, to determine the financial position and problems at BAC.

In this newsletter we will go into more detail about what this all means.

Bank accounts

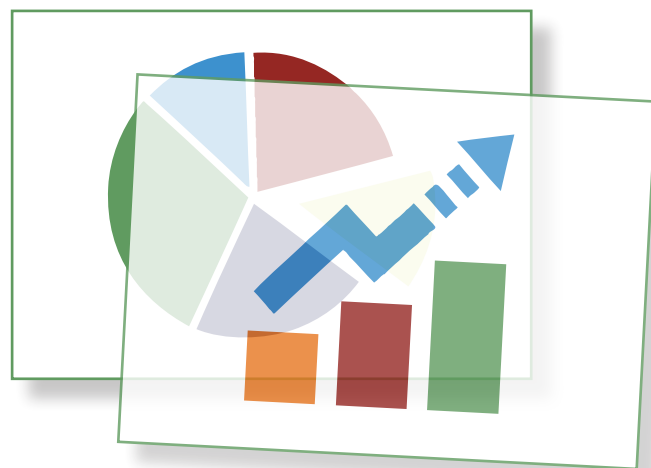
We have taken control of BAC's bank accounts.

This will allow us to easily see what money is coming into the corporation and ensure that money is being allocated according to the terms of the relevant funding agreement.



Financial reports

The corporation's auditors have completed the audit for the financial statements for the year ended 30 June 2012. These documents are available in the public register on the ORIC website.



Funding agencies

We have written to all funding agencies to formally advise them of our appointment as special administrators and to ask for the details and information of the grant funding they provide to BAC.

We have had meetings and discussions with the key funding agencies to discuss the issues that have been identified. The agencies included the:

- Department of Education, Employment and Workplace Relations
- Department of Families, Housing, Community Services and Indigenous Affairs
- Office of the Arts
- Department of Sustainability, Environment, Water, Population and Communities
- Attorney-General's Department

We have also looked at the way in which BAC has managed its grants over the past two or three years. It appears that the corporation has used some grant money for things that were not funded by the funding agencies.

This meant that BAC has not been able to acquit all the grants it has received over this time, and that the corporation might have to pay back that money to the funding agencies. The corporation does not have the money in the bank to pay it back to the funding agencies and we are now talking to them about how to fix this. The corporation's future will depend on the outcome of these talks.

We are now making sure that all grants are used for the purpose approved by the funding agencies.

More work is still needed to find out how the money has been spent by BAC.

Staffing

Since the start of the special administration eight staff members have resigned.

We will continue to work with acting CEO, Mr David Bond, to review the level of staffing at BAC. This will help us to identify which jobs may need to change or cannot be afforded by BAC. We will keep all members and staff informed of any further staffing changes.

Corporate restructure

A corporate restructure of BAC is a high priority during the special administration to return it to a strong financial position and to improve the services for members. More information about the restructure will be available next year.

Information meeting

We held our first information meeting for members and stakeholders on 9 November 2012. The meeting was well attended, with Stephen Duncan and the Registrar of Indigenous Corporations, Anthony Beven, on hand to answer questions.

Advisory group

We have received nominations from 13 people who wish to be members of the advisory group. The advisory group may help us with decisions about:

- membership
- governance
- the rule book of BAC.

We will be finalising the membership of the advisory group in January 2013. We will tell you the names of the advisory group in the next newsletter.

Have a safe and merry Christmas, we look forward to working with you in 2013.

More information

ORIC has a fact sheet on *Special administrations: what members and directors should know*. You can find this information on the ORIC website www.oric.gov.au.

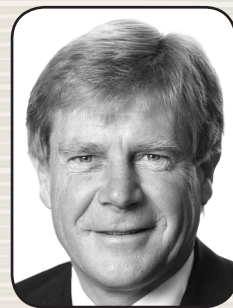


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