

SPECIAL ADMINISTRATION – ATLA MEMBERS COMMUNIQUE

Wednesday 29th July 2020

Respecting Culture and Traditions

We acknowledge the continuing culture and traditions of the Adnyamathanha people, your kinship systems and moiety that include Arurru (North Wind) and Mathari (South Wind), and the place of respect and honor held for your Elders.

During the Special Administration period, we have been putting in place some fundamental changes to ATLA's internal structure and processes. These changes have been made, and will continue to be made, whilst consulting with the Adnyamathanha community, and observing and respecting your continuing culture and traditions, and values and beliefs, so that overall, ATLA is better able to serve common law native title holders.

We acknowledge that there are challenges when considering traditional laws and customs which are continuing, and State and Federal enacted laws. However, through the Special Administration process, we have remained focused on how ATLA can better serve Adnyamathanha common law native title holders, what changes are required to achieve consistently better outcomes for the Adnyamathanha community, and what foundations need to be laid for the benefit of future generations.

Through this process, the Special Administrators will seek to develop a best practice governance and corporate structuring model that can be applied to other such native title PBC's across Australia, where good governance, transparency and a philosophy of commitment and service to its members are paramount.

Community Consultation and Engagement

During the initial months of the Special Administration process, we spent considerable time talking to various Adnyamathanha community members and other stakeholders about where we could make improvements to operations, and where necessary, restructure ATLA.

We understand that some members may have preferred to see changes implemented earlier. However, as ATLA was registered on 12 February 2001, and Cramond Pty Ltd on 22 September 2011, there are significant amounts of information to consider and many members and stakeholders to consult before sound decisions could be made. The changes or decisions outlined below are a result of that extensive community and stakeholder consultation process to date.

Amending the Rule Book to improve governance and member transparency

The Special Administrators have spent many months considering the ATLA Rule Book and have proposed a number of key changes in consultation with the Advisory Group and Adnyamathanha community members. Any such changes will require approval from ORIC.

As a first step, the Rule Book will require amending to comply with relevant laws including the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (Cth). Further changes are also required to increase good governance, transparency, and communication with members. We believe that these changes will find the right balance between acknowledging Adnyamathanha customs and traditions with ATLA's mandatory obligations under law.

ADNYAMATHANHA

TRADITIONAL LANDS ASSOCIATION (ABORIGINAL CORPORATION)

We believe that the proposed changes will align ATLA to the model presented by David Evans at the National Native Title Conference 18th June 2015 as set out in **Figure 1** below. We hope to release a special communique which steps through all proposed major Rule Book changes in the coming weeks. We are currently working through proposed key changes that relate to:

1. clear general objects and powers of ATLA;
2. membership procedures including cancellation for misbehavior and obligations around maintaining a register of current and past members;
3. notice for meetings and procedures for proxies;
4. addressing directors' matters including:
 - reducing the number of directors to 12;
 - eligibility of directors;
 - qualifications of directors;
 - appointment of directors;
 - gender balance of directors;
 - requirement for elders and independent directors;
 - terms for directors;
 - more prescriptive duties; and
 - requirement for a conflict of interest register;
5. more detailed finance and record keeping processes;
6. right of access to records by directors;
7. right of access to minutes by members;
8. right to inspect books by members;
9. a new Council of Elders to meet and assist with issues of law and custom, native title, country, heritage, environment, language and identification of members;
10. appointment of auditor; and
11. more detailed reporting obligations.

The Indigenous Board/Council

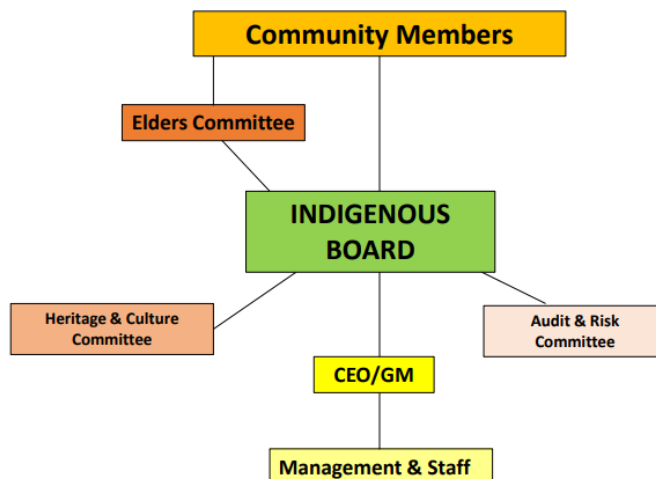


Figure 1

Changes to Company Group Structure

ATLA is an Agent PBC and is required to act in the interests of all Adnyamathanha common law native title holders. It receives funding from Heathgate Resources and Cramond Pty Ltd in order to assist in fulfilling its administrative requirements.

ATLA owns all shares in two companies:

- Yurlu Pty Ltd (Yurlu) – which we have been advised was set up to manage Adnyamathanha interests in Leigh Creek; and
- Cramond Pty Ltd (Cramond) – which has acted as Trustee for the Adnyamathanha Traditional Lands Trust.

We note that when a company is to be registered and its shares owned by a parent company such as ATLA, it is important that all directors of the parent company (in this instance ATLA) are provided with written advice or reasons as to why ATLA management is recommending the establishment of a wholly owned subsidiary (in this instance Yurlu and Cramond). The advice to the Board should clearly set out, amongst other things, what governance and reporting frameworks are in place, in particular reporting obligations from the subsidiary to the parent company, tax considerations, legal and commercial risks, ongoing expenses that the subsidiary is likely to incur, and why it is necessary to set up a subsidiary to deliver services that may otherwise be delivered by the parent company.

In regards to both Yurlu and Cramond, we have not been able to identify the advice given to the ATLA Board that would allow the Board to consider the matters as set out above, or an executed Board resolution that gives authorisation to establish both companies. In any event, Yurlu was registered on 24 November 2017, and at this point, does not hold a bank account. This suggests that Yurlu is non-operational. Accordingly, we have decided to take the action as set out below.

Separately, Cramond has been removed as Trustee of the Adnyamathanha Traditional Lands Trust. Accordingly, once accounts related to Cramond are reviewed, we shall also take the following action:

Actions:

- That Yurlu Pty Ltd be de-registered as soon as practical.
- That Cramond Pty Ltd be de-registered once accounts have been reviewed and audited.

New Trustee for Adnyamathanha Traditional Lands Trust

As previously noted, Cramond was the Trustee of the Adnyamathanha Traditional Lands Trust. Cramond has now been removed as Trustee, and a new company, ATLA 1 Pty Ltd, ACN: 642 432 648 (ATLA 1), has been registered and appointed as Trustee. All shares in ATLA 1 are held by ATLA and the initial Directors are the Special Administrators. Going forward, the Special Administrators intend to make director appointments to ATLA 1 before the end of the Special Administration period.

We are also looking to make changes to the Adnyamathanha Traditional Lands Trust Deed to increase transparency and clarity as to how Trust funds are used.

Actions:

- Cramond has been removed as Trustee of the Adnyamathanha Traditional Lands Trust.
- ATLA 1 has been appointed as new Trustee.
- That the Adnyamathanha Traditional Lands Trust Deed be changed to ensure that there is greater transparency and clarity as to how Trust funds are used.

ADNYAMATHANHA

TRADITIONAL LANDS ASSOCIATION (ABORIGINAL CORPORATION)

New Bookkeeper and Accountant appointed

John Mather of Karwyn Pty Ltd and Matthew Rosenberg of Rosenberg & Co were previously engaged to provide bookkeeping and accounting services to ATLA and Cramond, respectively. We have thanked these providers for their services to ATLA.

We have now engaged Rick Callaghan of Yaran Business Services to provide the bookkeeping and accounting services to ATLA. Rick is a Potaruwutj or Aboriginal man originally from the Tatiara or Padthaway Region of South Australia. He spent nearly 20 years working for the South Australian Government and then commenced a private sector business career in 1995. In late 2000, after 5 years at KPMG, he commenced his own boutique consulting firm called Yaran Business Services Pty Ltd.

Reviews, audits and investigations

1. **William Buck Report** - The Special Administrators have engaged PCI Partners to conduct a review of the key findings in the William Buck Report and to produce a report that addresses those matters to enable the Special Administrators to develop and implement best practices for ATLA, its subsidiaries and any trusts that have been established to benefit Adnyamathanha people.
2. **Forensic Audit** - The Special Administrators have invited two firms to quote on a forensic audit of ATLA, its subsidiaries and any related trusts. We will provide updates on this in due course.
3. **Police Investigation** - The Special Administrators were recently notified by South Australia Police that an investigation has commenced concerning payments made in connection with ATLA and its related entities. The Special Administrators are currently assisting with this ongoing investigation.

Membership details

The ATLA register of members does not appear to be current and requires updating. As such, the Special Administrators request that any updated member details and new member applications be sent to atla@jaramerlegal.com.au or GPO Box 4592 Melbourne VIC 3001. A process for the formal reconciliation of ATLA membership and member details will be implemented when the ALTA Board is appointed.

The Special Administrators thank the ATLA Advisory Group, all Adnyamathanha members, and all stakeholders for your continued support and assistance during the Special Administration period.

Sincerely,

Special Administrators