

Case Study

Supporting Darkinjung Local Aboriginal Land Council



Background

Darkinjung Local Aboriginal Land Council (Darkinjung) is the largest private land holder on the Central Coast, owning more than 7000 hectares. Whilst most land councils in NSW are asset rich (predominantly land) they are typically cash poor. The present NSW Land Rights Act states a Local Aboriginal Land Council (LALC) may only sell land deemed not culturally significant. Most communities struggle to reach a consensus on the sale of land, because they feel all land is culturally significant. Darkinjung is in a unique position; in 2001 their members chose to sell a parcel of land to Mirvac for \$42 million. It took immense vision and strength from Darkinjung members to reach this significant decision. The managed cash reserve of \$30 million from the sale has enabled the organisation to explore economic development, and established Darkinjung as one of the leading organisations for the Central Coast Aboriginal community.

However, like many land councils, Darkinjung needed to navigate around a number of challenges. Some of these challenges included: (1) illegal dumping on existing lands; (2) the pressure from local and state governments to 'lock away' lands as conservation corridors; (3) the ongoing tension in achieving consensus around economic versus culturally significant lands, and finally; (4) the complex restrictions governing how proceeds from land dealings can be invested.

Darkinjung CEO Sean Gordon had already mapped out a number of strategies which the Land Council was pursuing, however he was keen to leverage specialist skills and external perspectives to ensure the robustness of Darkinjung's strategies, processes and governance. Furthermore, Sean felt there was potential to share Darkinjung's learnings and approach with other LALCs in the area.

Jawun worked with Darkinjung to assess the work required, and over two years 14 secondees were deployed from Westpac, Commonwealth Bank, the Department of Foreign Affairs and Trade, the Department of Defence, KPMG, and Telstra.

Approach

The issue of illegal dumping is not unique to Darkinjung; LALCs across NSW have to contend with the environmental and financial cost of this practice. The organisation did have security measures in place, however Sean Gordon felt they could be improved upon. Jawun deployed a physical assets security specialist from the Commonwealth Bank reviewed Darkinjung's present systems and made recommendations for a number of improvements to current security arrangements.

Environmental lobbying resulting in lands being 'locked up' is also a common problem land councils contend with. When the North Wyong Structure Plan was released, despite Darkinjung's two years of lobbying, several of their assets had been classed as environmental land only. A team of three Westpac secondees were deployed to develop a strategic response for Darkinjung based on an economic business case, which also articulated the benefits to the Shire if the lands were open to economic development.

The final and perhaps most complex challenge for Darkinjung was pursuing economic development opportunities within the restrictions of the Land Rights Act. Darkinjung had set up a funeral fund with great success. However, Sean Gordon was keen to assess another community development tool – microfinance. A Westpac secondee, with extensive experience in microfinancing in Africa, examined the feasibility and relevance of Darkinjung providing microfinance to the Aboriginal community, as well as reviewing the funeral fund for sustainability.

Furthermore, Sean wanted to completely review Darkinjung's investment strategies to ensure they were being optimised within the restrictive framework of the NSW Land Rights Act. Specifically, Darkinjung were reliant on the operational cash flow from interest earned on \$30 million of cash reserves. A finance professional from Westpac was sourced to work closely with both the Darkinjung CEO and accountant to review their investment strategies.

After undertaking this extensive analysis and review of Darkinjung's approach, Sean saw an opportunity to share Darkinjung's learnings and strategies with other LALCs across NSW. However, before doing that he wanted to ensure that his own staff clearly understood the strategies. A Westpac secondee with an economics background was sourced to develop a comprehensive flowchart, detailing the different components of operating a profitable land council. They also worked to educate the staff internally about this approach.

Darkinjung's systematic approach and strong leadership resulted in community consensus on the historic sale of a parcel of land to Mirvac in 2001. However, the tension and complexity between economic and cultural lands required ongoing, careful management. Darkinjung used technology to map over 7000 registered Aboriginal heritage sites, putting them in a powerful and well-informed position during land negotiations. Sean was keen to share this resource with other LALCs, and a Westpac secondee was sourced to review the effectiveness of the present system and develop a section of the manual relating to technology best practice, cost options and management.

Each of the seven secondees who had worked with Darkinjung contributed to documenting Darkinjung's 'economic development framework'. This was a manual which addressed the various common challenges and opportunities encountered by LALCs and the unique manner in which Darkinjung had navigated a way forward. To finalise the manual, a legal professional from the Department of Foreign Affairs and Trade was sourced to outline the key areas of importance in relation to the legislation.

Outcomes

- The review found that Darkinjung was investing in the best way possible within the restrictive legislation, and there were no other options to manage cash flow other than the existing term deposits used by Darkinjung.
- Secondees recommendations regarding improved security systems at Darkinjung's land and cultural sites to prevent illegal dumping, represented a saving of \$150k per annum.
- A Westpac secondee equipped Darkinjung with the knowledge to expand their business into the area of microfinance.
- The NSW Government removed the environmental caveats over several Darkinjung assets due, in part, to the strong political response to the North Wyong Structure Plan collated by three Westpac secondees.
- An 'economic development framework' and training manual was produced and shared with all 119 other NSW LALCs. Darkinjung has engaged in training numerous LALCs where requested.

According to Sean Gordon, CEO: "It is nice to have someone as an expert in their profession to come in and endorse current strategies we are working towards ... Fresh input is always welcomed, and this resource (Jawun) allowed us to share our learning faster and more thoroughly"

Next steps

As DLALC continues to drive economic and enterprise development in the region, further secondees will be sought to ensure the strategy and direction remain visionary and sustainable. The organisation will continue to work to protect significant sites, while gaining economic advantage through land dealings where appropriate. Collaboration and shared learning are a key focus for the Central Coast Aboriginal Organisations, and Darkinjung will continue to roll out training to accompany its Economic Development Framework and manual to other LALCs in the region.