



Australian Government

Office of the Registrar of Indigenous Corporations

YEARBOOK 2006-07

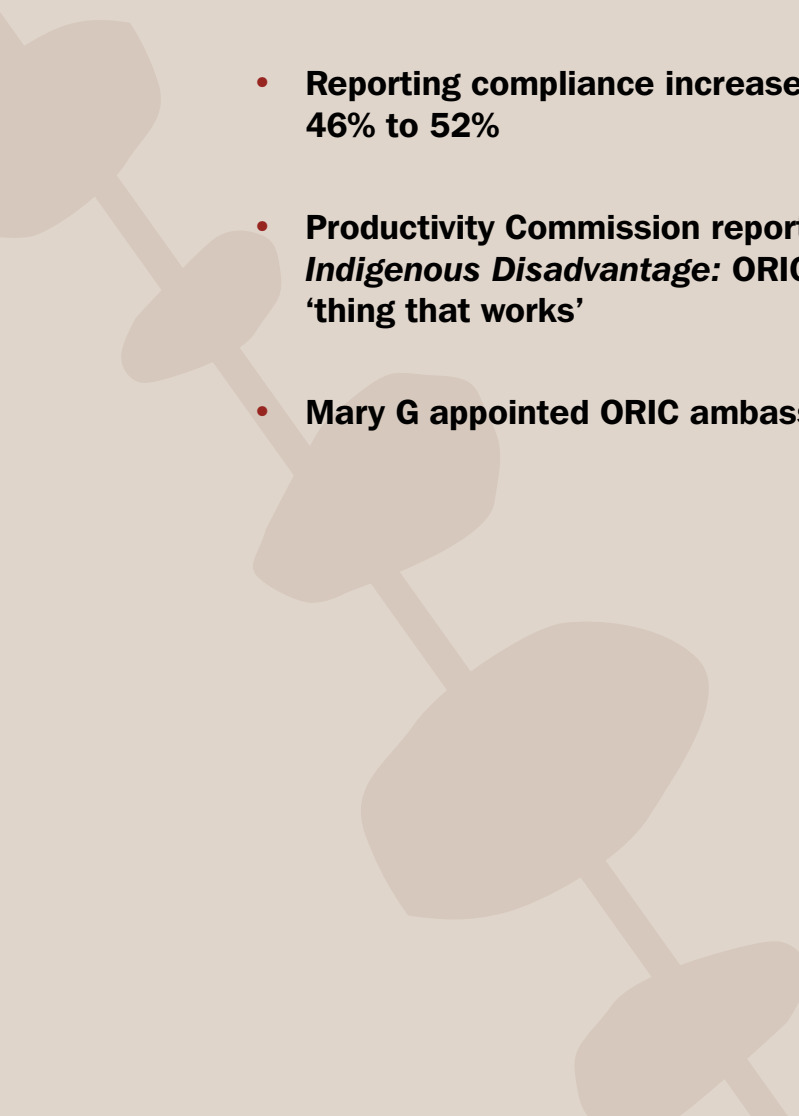
STRONG CORPORATIONS, PEOPLE AND COMMUNITIES

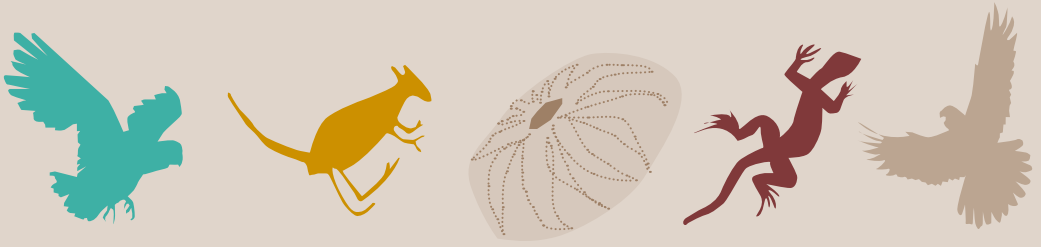




Highlights 2006–07

Aboriginal and Torres Strait Islander people securing strong and viable futures through good governance of their corporations.

- ***Corporations (Aboriginal and Torres Strait Islander) Act 2006* started 1 July 2007**
 - **Reporting compliance increased from 46% to 52%**
 - **Productivity Commission report, *Overcoming Indigenous Disadvantage: ORIC training is a ‘thing that works’***
 - **Mary G appointed ORIC ambassador**
- 



**The CATSI
Act delivers a
modern regulatory
framework for
corporations
registered with
ORIC.**



Mary G, aka Mark Bin Bakar, is a radio presenter, musician and humanitarian. The Mary G Show, airs Wednesday nights, through the National Indigenous Radio Service.

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ISSN 1036-2142

ISBN-13: 978-0-9775979-6-3

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Please be aware that this publication may contain the names and images of deceased people. The Registrar strives to treat Indigenous culture and beliefs with respect. We acknowledge that to some communities, it is distressing and offensive to show images of people who have died.

Produced by ORIC June 2008.



Participant from an ORIC Introduction to corporate governance workshop at Balgo community, Western Australia.

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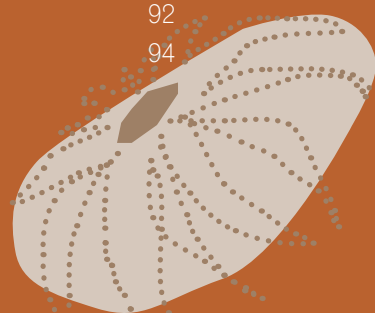
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Year in review



*Participant from an ORIC
information session.*



Laura Beacroft completed her five-year term as the Registrar of Indigenous Corporations on 30 September 2007, and so has written this Registrar's review for 2006–07. Anthony Beven has been the Registrar since October 2007, and thanks Laura for her achievements including passage of the new legislation and putting in place expanded quality prevention services. All of these initiatives are discussed below in Laura's departing review.

The big issue in recent times at ORIC was whether Indigenous corporations needed specialised incorporation legislation or not. Following a thorough and highly consultative independent review commissioned by ORIC (available on our website www.oric.gov.au), parliament resolved this issue when it passed with tripartite support the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* on 18 October 2006. This comprehensive legislation enables a sound base for the 'prudential' or extra care regulation of the Indigenous corporate sector in Australia, while ensuring that the regulation of this important sector is also aligned in key respects with international and national corporate law and practice. As a result of the CATSI Act, the Indigenous corporation sector and bodies that fund it now have a clear and modern legal framework for corporate governance, reporting and behaviour. Implementation is the key task for the new Registrar and the office.

ORATSIC to ORIC

Although during the reporting year 2006–07 this office was known as the Office of the Registrar of Aboriginal and Torres Strait Islander Corporations, it has since been changed to the Office of the Registrar of Indigenous Corporations—or ORIC. It is a much easier and more simple name to remember.

We have therefore used our new name throughout this yearbook.

FaCSIA to FaHCSIA

Also, the Australian Government has added Housing to the list of responsibilities of the previous Department of Families, Community Services and Indigenous Affairs. Therefore it is now known as the Department of Families, Housing, Community Services and Indigenous Affairs—FaHCSIA.

CATSI: New legislation regulates Indigenous corporations

The CATSI Act is a leading example of how to better regulate not-for-profit organisations, some of which are Indigenous corporations. The not-for-profit sector as a whole is characterised by high use of volunteers including volunteer directors, complex tax management linked in part to ‘charity’ status, more stakeholder and funding body dependencies, little funding for administration yet increasing expectations and requirements for accountability to members, beneficiaries of the services and funding bodies. Reviews have commented on the need for more appropriate regulation of the distinctive not-for-profit sector, with an emphasis on improving accountability, transparency and consistency of reporting and legislative regimes without over-burdening the sector with red tape. (Such reviews include *A better framework: reforming not-for-profit regulation* by Sue Woodward in 2004 for the Centre for Corporate Law and Securities Regulation, University of Melbourne and also *Charitable organisations in Australia* by the Industry Commission now Productivity Commission). The CATSI Act achieves this for the 2552 Indigenous corporations incorporated under it (many Indigenous organisations are incorporated under other legislation), most of which are not-for-profit.

CATSI offers modern specialised regulation

Indigenous corporations have been criticised in recent years for poor performance and alleged corruption. Regulating to prevent and take action if necessary against poor or illegal corporate behaviour is every regulator’s job and a worldwide challenge. It is not just an issue for Indigenous corporations. A review of practices of the International Olympic Committee in the lead up to the Sydney Olympics, found that gift giving was widespread and largely unmanaged (‘Gifts of corruption? Ambiguities of obligation in the olympic movement’ by Douglas Booth in 1999, published in *Olympika: The International Journal of Olympic Studies*). The HIH collapse demonstrates the widespread nature of problems with corporate governance, and the Royal Commission’s overall message was that regulators should not be ‘ambulance chasers’. They should be ‘responsive to trends and market movements and must ... attempt to anticipate ... rather than to follow in the wake of a collapse ...’.

The CATSI Act delivers a modern regulatory framework for the 2552 corporations with ORIC, mostly in remote or regional areas of Australia (see map 2). This framework is partly aligned with that of corporations under the *Corporations Act 2001* and partly specialised to respond

to remoteness and other challenges faced by many Indigenous corporations. Also it fills in regulatory gaps that relate to Indigenous corporations—for example, an unscrupulous CEO of an Indigenous corporation (who may be non-Indigenous) now under the CATSI Act has the same duties as directors, in line with what applies in non-Indigenous corporations. Such senior officers can also be disqualified.

ORIC offers specialised regulation services to support the legislation, such as a complaints line, corporate governance training and rule redesign workshops. It also offers support for meetings which can now be conducted by phone or video in Indigenous language, and an advisory opinion service. ORIC actively regulates by a rolling program of good governance audits or examinations and by appointing administrators if necessary.

Indigenous corporations economically important

Some official estimates conclude that conservatively the not-for-profit sector contributes over 3 per cent of GDP and over 6 per cent to employment (see *Not-for-profit motivation in a 'for-profit' company law regime—national baseline data* by Susan Woodward in 2003). The Indigenous corporate sector is a significant contributor to Australia's economy. Indigenous corporations include those that hold a significant proportion of Australia in varying forms of title and are involved in maintaining these important lands and their appropriate land usage. About 20 per cent of Australia's land mass is held by, or on behalf of, Aboriginal and Torres Strait Islander people and corporations and generates increasing income from industries such as art and tourism.

Indigenous corporations deliver on behalf of governments a wide range of essential and other services to both Indigenous and non-Indigenous peoples all around Australia, often in settings and with funding where there is no viable market provider. They own and run many successful small businesses. They trade internationally—art and tourism being key services and items. More recently they have taken up opportunities to participate in global carbon trading schemes.

This participation through Indigenous corporations largely occurs in regional and remote areas, where participants may not speak or write English, and are highly skilled in matters such as land management and art.

CATSI Act responds to root causes of problems faced by Indigenous corporate sector

For a number of reasons, the Indigenous corporate sector can be unstable and crisis regulation is high. For this reason ORIC works very actively in prevention and is also the most active regulator in Australia per incorporation. There are historical reasons for the sector's problems. Many of them are common to all community-run not-for-profit corporations.

For this reason the CATSI Act places great emphasis on re-design of the corporation, especially the rules, and financial accountability through a new reporting regime linked to size and risk (see attachment 4—Corporation size and financial reporting).

A key historical driver for the instability in regional and remote corporations is their de facto role in local government around Australia. For example, ORIC analysed a sample of corporations in the Northern Territory incorporated with ORIC that have a role in delivering essential municipal services. We found that these 27 corporations received a total of \$177.37 million (audited) per year and non-current assets were valued at \$73.90 million (audited), and received this from multiple sources—\$54.72 million was from the two key Commonwealth funding programs for CDEP and municipal services delivery; \$49.36 million was generated by the corporations themselves. About 74 per cent of these corporations are compliant with reporting under ORIC's legislation, and about 50 per cent have had a good governance audit by ORIC in the recent past, with the rest in line for an examination.

The growth of the Indigenous corporate sector today and for the future is largely being driven by the expansion of Indigenous-specific rights, most importantly native title rights. Native title and other land acquisition schemes specific to Indigenous people are generating a demand for an increasing number of unique corporations, in many cases to own large tracts of land of great cultural and national significance.

CATSI Act consistent with race discrimination legislation

Changes consistent with the *Racial Discrimination Act 1975* can be transformational; indeed the Act offers an internationally accepted and lawful best practice framework for transformational change. The CATSI Act's transformation of regulation of Indigenous corporations is built on an adherence to anti-racism law and principles.

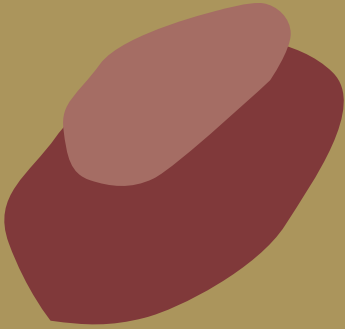
The CATSI Act strikes a sound balance between mainstream and special measures—to provide the best regulation of the Indigenous corporate sector. Where special measures are required the CATSI Act is consistent with Australia’s Race Discrimination Act and in line with international standards. This anti-discrimination legislation offers sound legal guidance on how to craft Indigenous-specific measures that overall benefit Indigenous people. The CATSI Act has been well received by all stakeholders and is progressively being implemented with much cooperation and little controversy due to its adherence to race discrimination law and tests for beneficial special measures.

ORIC’s role in changing policy environments

The transformational changes made by governments impact greatly on the corporations’ and ORIC’s work, particularly the need for ORIC’s crisis responses. The appointment of the administrator to the Mutitjulu Community Aboriginal Corporation when Commonwealth funding was being withdrawn quickly and the resulting litigation is an example of the often difficult work ORIC and any active regulator must do—*Giuseppe v Registrar of Aboriginal Corporations* (2007).

At the heart of these recent transformational changes by governments is the question: should there be mainstreaming of Indigenous-specific initiatives or special measures? In the last five years, a key special measure, ATSIC, was abolished and now mainstream agencies are accountable for improving outcomes for Indigenous people—Commonwealth agencies today have a mix of mainstream and Indigenous-specific programs to achieve this. As a COAG initiative, the independent Productivity Commission has established a well-evidenced reporting framework for measuring improved outcomes, and it regularly reports on performance against this framework in its report *Overcoming Indigenous disadvantage*.

In addition to these high level administrative changes, reviews were conducted of all the key Indigenous-specific Commonwealth and many state/territory funding programs and further changes to ‘normalise’ Indigenous arrangements by government were made. Each of these reviews raised the importance of ensuring effective community and corporate governance for Indigenous people, and effective and independent regulation of entities by regulators such as ORIC. These reviews provided considerable momentum for the changes to ORIC and its legislation that are now in place.



Aims of the Registrar

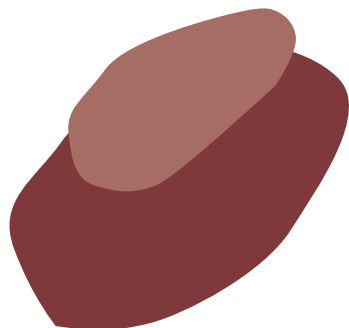


Sunrise near Balgo, August 2007



This yearbook is structured according to the following aims of the Registrar set out in the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

- to facilitate and improve the effectiveness, efficiency, sustainability and accountability of Aboriginal and Torres Strait Islander corporations
- to ensure that information is available as soon as practicable for access by the public.
- to provide certainty:
 - for the members, officers and employees of an Aboriginal and Torres Strait Islander corporation in their dealings with the corporation and with each other, and
 - for persons outside Aboriginal and Torres Strait Islander corporations in their dealings with those corporations
- to take Aboriginal and Torres Strait Islander tradition and circumstances into consideration
- to administer the laws of the Commonwealth that confer functions and powers on the Registrar effectively and with a minimum of procedural requirements





About ORIC



ORIC staff and trainer arrive to deliver an introduction to corporate governance workshop. Left to Right: Rosanne Mirto, Maria Castles, Debora Durnan, and Maggie Kavanagh.



To facilitate and improve the effectiveness, efficiency, sustainability and accountability of Aboriginal and Torres Strait Islander corporations

About ORIC

ORIC's objective

To support the delivery of incorporation, regulation and related services for Indigenous people in accordance with the *Aboriginal Councils and Associations Act 1976* (ACA Act), now replaced by the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act).

We aim to deliver our services in a way that takes account of the special needs, requirements and risks of Indigenous corporations and within the context of Australian and international best practice on sound corporate governance.

Our vision

Aboriginal and Torres Strait Islander people securing strong and viable futures through good governance of their corporations.

Who is the Registrar?

The CATSI Act establishes the Registrar of Aboriginal and Torres Strait Islander Corporations (otherwise known as the Registrar of Indigenous Corporations)—an independent statutory office holder appointed by the Minister for Families, Housing, Community Services and Indigenous Affairs.

Senior staff

The staff of ORIC are part of the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) and report to the Registrar. The Registrar and senior managers oversee the operations of ORIC, set its strategic direction and monitor operational performance. All of the senior staff of ORIC are based in Canberra.



Senior staff



Laura Beacroft
Registrar 2002–07

Laura was the Registrar of Aboriginal Corporations from 2002 to 2007. It is a position that was established to support flexible incorporation of Indigenous groups under the *Aboriginal Councils and Associations Act 1976*. Laura was appointed to the position of Registrar on 1 August 2002. During her tenure, she oversaw the development of the new *Corporations (Aboriginal and Torres Strait Islander) Act 2006* which replaced the ACA Act from 1 July 2007. Laura is a lawyer who has worked in various roles with governments, community and Indigenous sectors over many years, including with Legal Aid, Community Legal Centres and Indigenous Legal Services. She is also co-author of *Indigenous Legal Issues*, with Heather McRae, Garth Nettheim and Luke McNamara.



Toni Matulick
Deputy Registrar
Capacity building branch



Joe Mastrolembo
Deputy Registrar
Registration and regulation branch



Kerrie Nelson
Director
Governance and compliance training



Janet Millar
Director
CATSI communications



Peter Armstrong
Director
Regulation



Jodie Goddard
Director
Business development and support



Caroline Joske
Director
Legislation and policy



Justin Toohey
Chief Information Officer



Therese Colosimo
Director
Registration and support services



Powers of the Registrar

The ACA Act (and from 1 July 2007 the CATSI Act) gives the Registrar powers to intervene in a corporation's affairs, similar to those exercised by the Australian Securities and Investments Commission.

Some of the Registrar's powers require ministerial approval before they can be exercised. As a statutory officer, the Registrar is not under direction for decisions made under the CATSI Act. The Registrar exercises his or her powers and functions according to the CATSI Act, responding to the special needs, requirements and risks of Indigenous corporations. Ultimately, the aim is to build the independence and capacity of Indigenous individuals, groups and corporations.

See attachment 3 for a summary of the Registrar's regulatory powers which changed on 1 July 2007.

The CATSI Act replaces the ACA Act

The ACA Act was reviewed in 2002, and in response to that review new legislation was developed that will better serve Indigenous corporations. The CATSI Act started on 1 July 2007, replacing the ACA Act.

Consistent with the key recommendation of the review, the Act specifies that it is a special incorporation law designed to meet the special needs of some Indigenous people (see attachment 6).

The CATSI Act

The CATSI Act affects all corporations registered with the Office of the Registrar of Indigenous Corporations (ORIC).

It is a 'special measure' for Indigenous people intended to benefit Indigenous people:

- It is a flexible law—most corporations will have less reporting to do once the new law has begun
- It confirms that ORIC will provide support and training to help corporations succeed
- The Registrar can intervene earlier to prevent corporations failing
- It extends directors' duties to senior managers to make sure they act in a corporation's best interest. This offers more protection to directors and members.
- It will set up a new register to record people who are disqualified from managing a corporation.

For more information: www.oric.gov.au

ORIC's corporate direction

As an organisation with a focus on good corporate compliance and governance, we aim to:

- administer the CATSI Act efficiently and effectively
- provide support services for all matters arising out of the administration of the Act
- improve governing committees' awareness and understanding of, and compliance with, their roles and responsibilities under the Act and in their corporations
- promote the accountability of corporations to their members.

The Registrar administers the CATSI Act through the Office of the Registrar of Indigenous Corporations (ORIC)—previously the Office of the Registrar of Aboriginal Corporations before the CATSI Act began on 1 July 2007.

The CATSI Act (and previously the ACA Act) is a regime under which Indigenous organisations can incorporate. It allows some scope for flexible incorporation in line with cultural practices. It also provides for active monitoring and regulation of Indigenous corporations, some of which pose special risks and have special requirements.

ORIC works closely with other regulating bodies and funding agencies, in line with the principle of whole-of-government service delivery, to achieve better results for our clients.

While many Indigenous corporations are incorporated under the Act, others are not and are instead covered by state/territory and other Commonwealth legislation. Although incorporation under the Act is largely voluntary, for some it isn't—for example, the prescribed bodies corporate established through the *Native Title Act 1993*.

Our guiding principles

The following principles guide ORIC's work.

Building sustainability—encouraging corporations to adopt good practices in management and governance that maximise the use of resources and help them achieve their purpose.

Eliminating poverty—commitment to eliminating poverty in Indigenous communities and making sure we include the most disadvantaged and marginalised people in communities in any strategies to build capacity (e.g. women, children, the disabled).

Supporting economic development—recognising that economic development is a foundation for eliminating poverty and improving other social outcomes.

Being accountable—raising awareness that accountability to members, beneficiaries of corporations' services and communities underpins good governance and management practices. Organisations should meet their legal and other requirements in line with expectations of funding agencies, members and the communities they serve.

Managing conflict and disputes—helping organisations to resolve conflicts and develop effective conflict resolution processes. These processes should acknowledge different interests, build capacity and fit within cultural and community contexts.

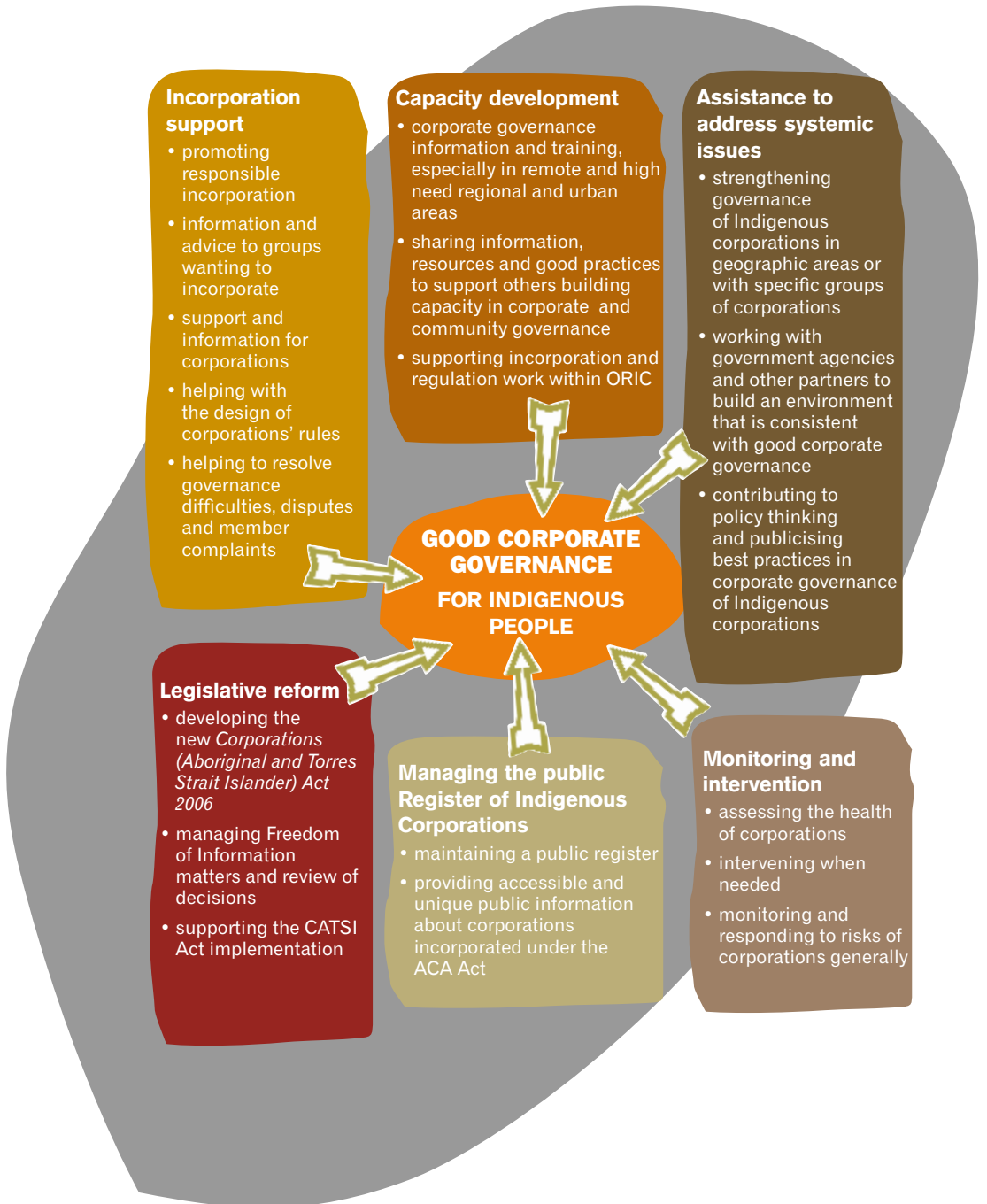
Promoting knowledge management—recognising that access to information, experience and knowledge is an empowering process and making sure any management processes are user friendly and accessible.

Fitting with culture—making sure incorporation models and processes fit with culture in specific communities and localities, and that interactions with Indigenous corporations are relevant to communities and localities.

Being responsive and accessible—tailoring our information and services to the needs of our clients and making sure they are easy to access and use.

Building capability and social assets—developing capacity, knowledge and social assets to help build the sustainability of organisations.

Figure 1: ORIC's key roles—2006–07



How does ORIC fit into the Families, Housing, Community Services and Indigenous Affairs portfolio?

Under FaHCSIA's 2006–07 outcomes, ORIC reports under **Outcome 1: Greater self-reliance and economic, social and community engagement for Indigenous Australians**

Output Group 1.3 Incorporation, regulation and capacity building of Indigenous corporations

Figure 2: Portfolio structure and outcomes



Our clients

Our clients include:

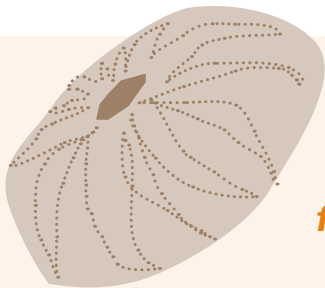
- Aboriginal and Torres Strait Islander individuals, groups and corporations
- people accessing the public Register of Aboriginal and Torres Strait Islander Corporations
- the Minister for Families, Housing, Community Services and Indigenous Affairs, and agencies supporting the minister
- the Australian Government and state and territory governments
- agencies with interests in funds and/or assets controlled by Indigenous corporations
- other agencies regulating the Indigenous corporate sector, for example the Australian Taxation Office, the Australian Securities and Investments Commission, and state and territory incorporating agencies
- Indigenous peak bodies in critical sectors such as medical, housing, land holding and legal.

Our services

ORIC offers a range of support for Indigenous corporations, and responds to their special needs and risks.

Our key services are:

- providing accessible information about corporations incorporated under the ACA Act (and from 1 July 2007 the CATSI Act) on the public Register of Aboriginal and Torres Strait Islander Corporations
- assisting groups that are considering incorporation and supporting them through the process if incorporation proves necessary
- assisting groups once they are incorporated, including support for dispute management, helping with meetings and answering queries about corporate governance
- assisting with concerns or complaints about corporations and taking action when necessary
- delivering training and learning materials to clients
- monitoring compliance of corporations with reporting requirements under the ACA Act and other key requirements such as tax
- examining corporate governance ‘health’
- intervening where necessary
- deregistering where necessary
- referring or conducting matters against individuals and corporations.



***to ensure that information is
available as soon as practicable
for access by the public***

How we communicate

The public register

ORIC maintains the public Register of Aboriginal and Torres Strait Islander Corporations, which lists corporations incorporated under the ACA Act. The public register provides useful and unique information to Indigenous corporations, members of the public and funding agencies.

The information in the public register includes certificates of incorporation, applications for incorporation, rules (constitutions), details of public officers, annual financial statements, exemptions from some reporting requirements, and some documents relating to regulatory action—for example, monitoring, administration, liquidation and deregistration.

A list of all documents held by ORIC for any individual corporation since 1978 is available electronically. These documents are available in hard copy from ORIC and some, including corporations' rules (constitutions), are accessible online. A few corporations have requested that their lists of members not be published electronically, for justifiable reasons.

ORIC has developed an online constitution design tool that will help corporations move to the new CATSI Act, while building the platform for some online lodgment of documents.



How to search our corporations

Homepage (www.oric.gov.au)

The screenshot shows the ORIC homepage. A red callout box highlights the search options. The callout box contains the following text:

For a list of corporations in each state or territory click on below. (Details may take some time to load.)

Corporation quick search

For a list of corporations in each state or territory click on below. (Details may take some time to load.)

NSW VIC ACT SA NT QLD WA TAS

See a list of all corporations in the register

If you know the name of the corporation or part of it, you can search by **corporation name sector**

View Corporations & Corporators (200)

www.oric.gov.au/searches/default.aspx

The screenshot shows the ORIC search results page. It has three main sections:

- By corporation name**: Search for corporation name or part of the name here. (Click here for 200 corporations)
- By Indigenous Corporation Number**: Search for the Indigenous Corporation Number here
- By state or territory**: For a complete listing of corporations by state or territory click on below. (Details may take some time to load)

The 'By state or territory' section has a list of buttons: NSW, VIC, ACT, SA, NT, QLD, WA, TAS, and All.

Corporate publications

Although the Act does not require it, ORIC publishes this yearbook, in addition to contributing to the department's annual report (www.fahcsia.gov.au/annualreport/2007/default.htm).

ORIC has a variety of publications setting out what it does, its corporate plan and its service charter. It also has a suite of fact sheets, newsletters and other materials explaining the new CATSI Act.

These publications, listed on the back page, are available at www.oric.gov.au.

CATSI Act campaign

ORIC has developed a major information campaign about the new CATSI Act. This involves printed materials, such as fact sheets, booklets and posters, as well as a radio campaign featuring Mary G (see below).

The campaign culminated in a launch of the CATSI Act in Darwin in early July 2007 (see case study, p. 22).

Radio campaigns

ORIC runs regular radio campaigns across the National Indigenous Radio Service, to remind corporations of their obligations under the Act—such as when annual returns are due in, when to get their financial statements audited and when to hold annual general meetings.

ORIC has also developed a series of radio commercials using Mary G (aka Mark Bin Bakar), radio presenter and leading Aboriginal spokesperson, to help explain key points about the new CATSI Act.

Hotline—1800 622 431

ORIC provides a personal service to clients. Much initial communication with ORIC is through the toll-free telephone service. In 2006–07 ORIC received 10 800 calls on its free call line. Complaints and disputes are becoming more complex as Indigenous corporations are becoming more complex in their affairs. Many of these require sustained assistance over a long period of time (see attachment 5).

Website

ORIC encourages access to its website. On average 5313 visitors visited the website each month during 2006–07, of these 20 per cent visited more than once. In 2007–08 ORIC is conducting a review of the content and information architecture of its site to improve its usability.

Table 1: Website visitor statistics

Month	Number of visits	Number of visitors	Number of visitors who visited more than once	Percentage of visitors who visited more than once
June 07	9433	5087	942	19%
May 07	10806	5729	1105	19%
Apr 07	8939	4961	927	19%
Mar 07	10234	5821	1063	18%
Feb 07	9219	5280	1006	19%
Jan 07	8806	4687	892	19%
Dec 06	7374	4172	798	19%
Nov 06	10156	5228	1050	20%
Oct 06	9622	5387	1054	20%
Sep 06	10443	5433	1126	21%
Aug 06	9858	5779	1183	20%
July 06	12336	6199	1635	26%
MONTHLY AVERAGE	9768.83	5313.58	1065.08	19.92%

Electronic communication is increasing as the number of corporations with email and Internet access continues to grow. The public Register of Aboriginal and Torres Strait Islander Corporations maintained by ORIC is now partly accessible on the website. This is encouraging higher usage of the site.

The CATSI Act is launched in Darwin

New legislation that will cut red tape for smaller corporations came into being on 1 July 2007.

The *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act) was launched in Darwin on 5 July by the Minister for Community Services, Senator Nigel Scullion.

Also at the launch was Aboriginal radio presenter and musician, Mary G (aka Mark Bin Bakar), who compered the event and treated the crowd to a couple of songs, including a delightful duet with the minister.

The CATSI Act replaces the outdated *Aboriginal Councils and Associations Act 1976* and was a result of extensive consultation and a Senate inquiry.

A two-year transitional period will enable corporations to adapt to the new Act.

The main thing a corporation needs to do over the next two years is review its rules and develop a rule book (refer to page 37 for information about this). In doing so members make important decisions about matters such as who can be members and also whether there can be some non-Indigenous members and directors, such as spouses, adopted children, or experts in a specialised field.

Among the changes, meetings can be held in any language as long as some parts can be translated if required.

To cut red tape, corporations will be classed as small, medium and large, with small corporations having much less reporting than they did previously. Also some corporations that are getting government grants will be able to use the same reports they give to funding bodies to report to ORIC. These reports all go on the unique register available to the public that is maintained by ORIC and widely used (refer to www.oric.gov.au).

Other changes include: the Registrar of Indigenous Corporations can apply to a court to disqualify a person from managing or being a director of a corporation if they have contravened the CATSI Act. These people will be placed on a Register of Disqualified Officers, which will also work in sync with the one managed by the Australian Securities and Investments Commission.

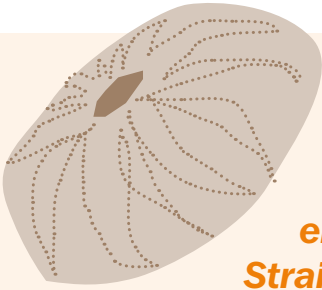
As at 1 July 2007 2552 corporations are registered with ORIC and were automatically transferred to the new Act.

They provide a diverse range of services, including services in health care, power supply and maintenance, managing and receiving trust distributions, arts, media, employment, education and housing.

Most native title corporations and many Indigenous arts centres are incorporated under the Act.

For more information about the new Act, visit www.oric.gov.au





- to provide certainty:**
- for the members, officers and employees of an Aboriginal and Torres Strait Islander corporation in their dealings with the corporation and with each other, and**
 - for persons outside Aboriginal and Torres Strait Islander corporations in their dealings with those corporations**

Relationships

Relationship to FaHCSIA

Following changes announced by the Prime Minister in portfolio arrangements in February 2006 ORIC was moved across to the Department of Families, Community Services and Indigenous Affairs (now the Department of Families, Housing, Community Services and Indigenous Affairs). Funding for ORIC was \$6.531 million for 2006–07, coming within the FaHCSIA appropriation.

With the move to FaHCSIA, the Registrar and ORIC's placement within the department, has been developed consistent with the Uhrig report recommendations (www.finance.gov.au/governancestructures/index.html). This report, conducted by John Uhrig and released by the government in August 2004, recommended a broad template of governance principles and arrangements that the government could extend to statutory authorities and office holders. It sets out measures for ensuring the boundaries of responsibilities are better understood and clarifies the relationship between Australian Government authorities, ministers and portfolio departments.

Relationship to other agencies

ORIC's primary clients are individuals, groups and corporations linked to the ACA Act and also users of the public register maintained by ORIC on Indigenous corporations incorporated under the ACA Act (and from 1 July 2007 the CATSI Act). ORIC builds close working relations with agencies

that have an interest in the funds and/or assets held by corporations. ORIC also works with state and territory government agencies to improve outcomes for Indigenous people across Australia (see figure 3).

In recent years ORIC has developed a relationship with the Australian Securities and Investments Commission (ASIC) and the state/territory incorporation and regulation agencies to foster better coordination of incorporation and regulation services and responses. ORIC and ASIC have agreed in principle to a memorandum of understanding (MOU) during the year, which is yet to be finalised.

ORIC’s focus is on identifying and targeting key systemic issues that undermine the viability of Indigenous corporations and has been building closer relationships with the following agencies for this purpose: the Australian Taxation Office, agencies linked to the Council of Australian Government (COAG) whole-of-government trial sites, individuals and agencies involved in corporate governance training, and state/territory government agencies, particularly in South Australia, Queensland, Northern Territory and Western Australia.

Figure 3: ORIC’s key relationships



Internal relationships

Although not under direction for statutory decisions, the Registrar is subject to performance management and review in departmental administrative matters. The Registrar had a performance agreement before 1 July 2007 as part of an Australian Workplace Agreement under FaHCSIA with a Deputy Secretary. ORIC's focus is on building staff skills and aligning systems and processes with reforms to the ACA Act.

Staffing

In the past five years the staff and budget grew by nearly 4-fold, due to successful budget measures in support of ORIC's quality preventative work and active regulation. Staff and contractors on ORIC's panels continued to work very professionally and in flexible ways to suit Indigenous clients. An exceptional effort was made by everybody to support the passage of the new legislation. Staff retention (6 per cent voluntary separation rate) and diversity (about six Indigenous staff) within the office remained better than most government agencies.

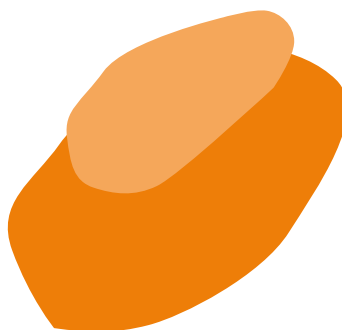
A charter for good service and detailed standards to guide staff and contractors with considerable in-house training ensured that ORIC remained a quality service provider, recognised by the Productivity Commission and others. New systems and processes delivered more client responsive services while allowing for increased productivity by the office. The online register which contains most key documents submitted by corporations to ORIC more than any other initiative has delivered a highly successful tool for everyone, including staff, funding bodies and Indigenous corporations

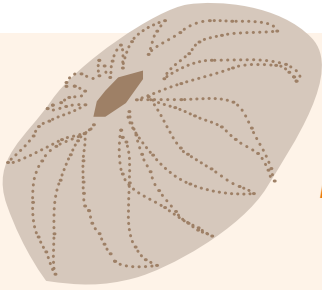
Systems

ORIC's Electronic Register of Indigenous Corporations (ERIC) is in the process of being replaced with a new system—the Electronic Register of Indigenous Corporations under the CATSI Act (ERICCA). ERICCA further aligns with the CATSI Act and ORIC's strategic objectives, including improving services to clients. The new system will: improve key processes completed by ORIC staff in managing CATSI corporations; implement a new online public register to allow the general public access to ORIC's corporation data, including an online Register of Disqualified Persons; and allow corporations to manage the operation of their own affairs.

The first release of the ERICCA system occurred in September 2007.

By mid-2008, the updated system will fully support online processing of the documents that corporations are required to lodge with the Registrar. A related 'rule-book tool' has also been developed to assist corporations with amending their rules under the CATSI Act.





to take Aboriginal and Torres Strait Islander tradition and circumstances into consideration

Overview of Indigenous corporations

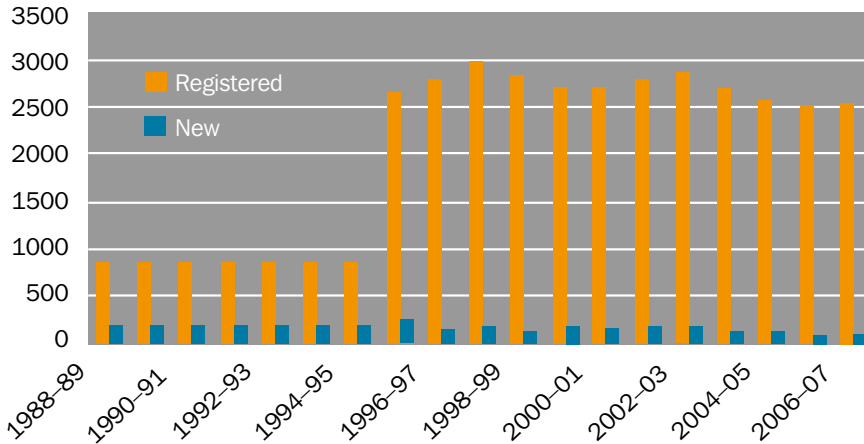
Profile of corporations incorporated with ORIC

At 30 June 2007, 2552 corporations were registered under the ACA Act. These corporations were automatically registered under the CATSI Act from 1 July 2007. This reflects an increase of 0.6 per cent in total corporation numbers, the first time an increase has been recorded since 2002–03. Pre-incorporation services continued to encourage groups to incorporate only when necessary. It is estimated that at least as many Indigenous corporations are incorporated under other legislation. However, some of these corporations may transfer to ORIC, now that the CATSI Act has begun, to gain the benefits of ORIC's support and preventative work.

The functions of Indigenous corporations are diverse, and range from providing services such as health care and power supply to holding land. Many corporations are multifunctional.

Most groups incorporated under the ACA Act (and the CATSI Act thereafter) continue to be located in remote areas and are publicly funded. However, some corporations, such as those linked to mining compensation or to the Indigenous arts industry, generate substantial private income. Many hold significant community assets that were funded publicly and are now held privately by the corporations. See map 2 and table 4 for the number of corporations, by income and assets, according to ORIC's most recent data.

Figure 4: Registered and new corporations, by year, 1988–89 to 2006–07



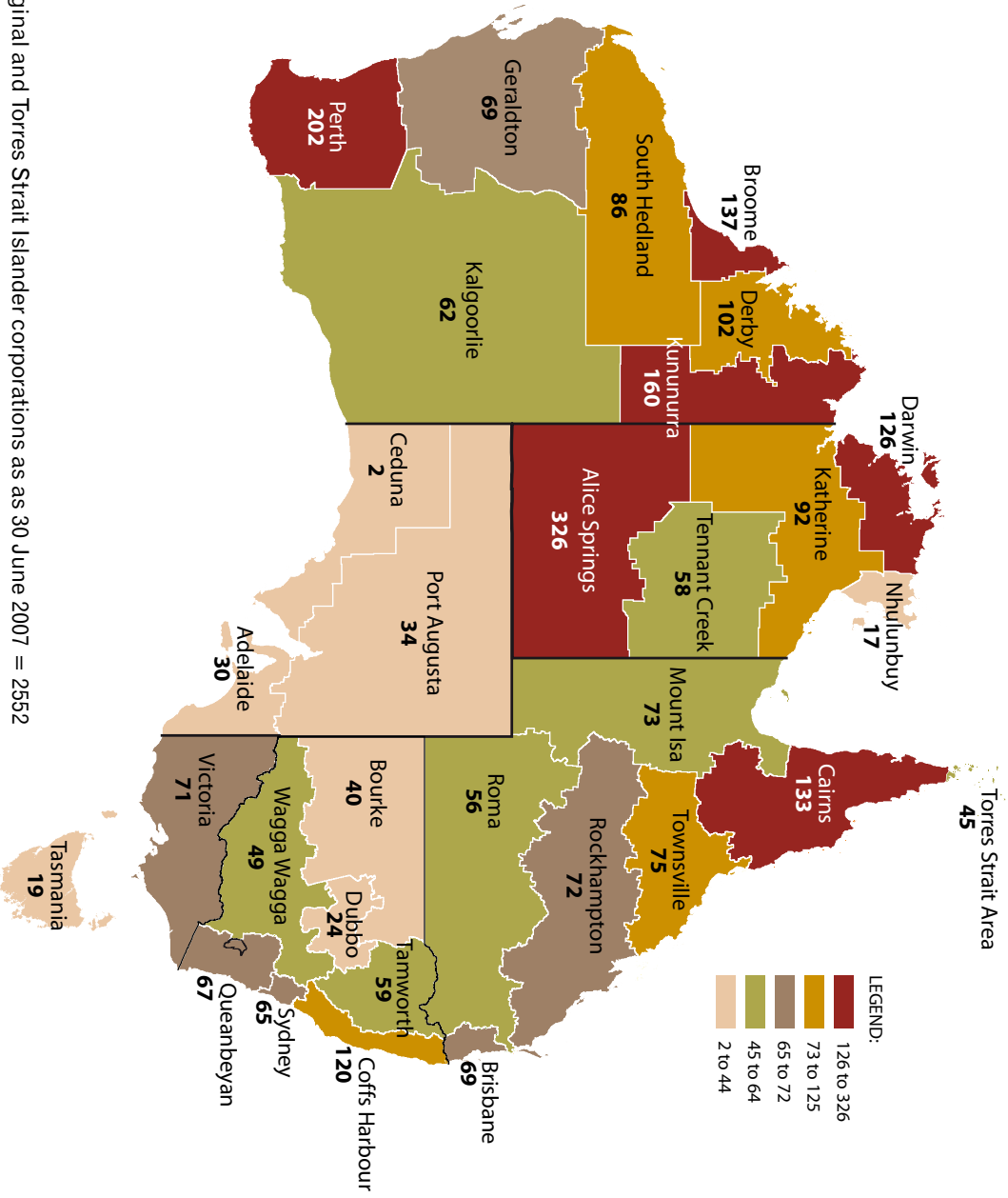
Note: The number of registered corporations is the total number of corporations registered less the total number deregistered.

The breakdown of locations of corporations by Indigenous Coordination Centres (ICCs) is shown in map 1.

Table 2: Registered and new corporations, by year, 1988–89 to 2006–07

	Total number of registered corporations	Total number of new incorporations finalised
1988–89	843	180
1989–90	1024	181
1990–91	1244	220
1991–92	1474	230
1992–93	1772	298
1993–94	2076	304
1994–95	2389	313
1995–96	2654	265
1996–97	2816	162
1997–98	2999	183
1998–99	2853	128
1999–00	2703	183
2000–01	2709	171
2001–02	2783	187
2002–03	2861	183
2003–04	2713	134
2004–05	2585	120
2005–06	2529	102
2006–07	2552	111

Map 1: Location of corporations by ICC region as at 30 June 2007



Total Aboriginal and Torres Strait Islander corporations as at 30 June 2007 = 2552
 (2540 mapped, 12 addresses unknown)

Table 3: Location of registered corporations by ICC regions at 30 June 2007

ICC region	State	Number of corporations	% total
Adelaide	SA	30	1.18%
Alice Springs	NT	326	12.77%
Bourke	WA	40	1.57%
Brisbane	QLD	69	2.70%
Broome	WA	137	5.37%
Cairns	QLD	133	5.21%
Ceduna	SA	2	0.08%
Coffs Harbour	NSW	120	4.70%
Darwin	NT	126	4.94%
Derby	WA	102	4.00%
Dubbo	NSW	24	0.94%
Geraldton	WA	69	2.70%
Kalgoorlie	WA	62	2.43%
Katherine	NT	92	3.61%
Kununurra	WA	160	6.27%
Mount Isa	QLD	73	2.86%
Nhulunbuy	NT	17	0.67%
Perth	WA	202	7.92%
Port Augusta	SA	34	1.33%
Queanbeyan	NSW	67	2.63%
Rockhampton	QLD	72	2.82%
Roma	QLD	56	2.19%
South Hedland	WA	86	3.37%
Sydney	NSW	65	2.55%
Tamworth	NSW	59	2.31%
Tasmania	TAS	19	0.74%
Tennant Creek	NT	58	2.27%
Torres Strait area	TSRA	45	1.76%
Townsville	QLD	75	2.94%
Victoria	VIC	71	2.78%
Wagga Wagga	NSW	49	1.92%
No location		12	0.47%
Total number of corporations		2552	

Income of corporations

Figure 5 and table 4 show the wealth of 590 Indigenous corporations with ORIC where full details of income and assets are known. Those corporations with significant incomes usually also have significant assets. Analysis by ORIC indicates that most corporations under the ACA Act are small to medium in their income, assets and number of employees. However, a growing number are large in that they have substantial income. Also, a number have little income and substantial assets. These findings have implications for many aspects of ORIC's work, especially legislative reform and risk management.

Figure 5: Number of registered corporations by income and assets at 30 June 2006

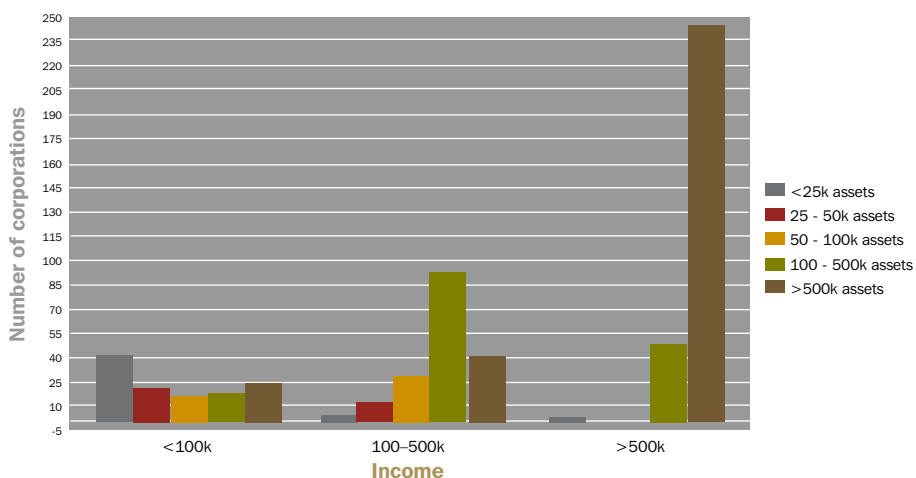


Table 4: Number of corporations by income and assets at 30 June 2007

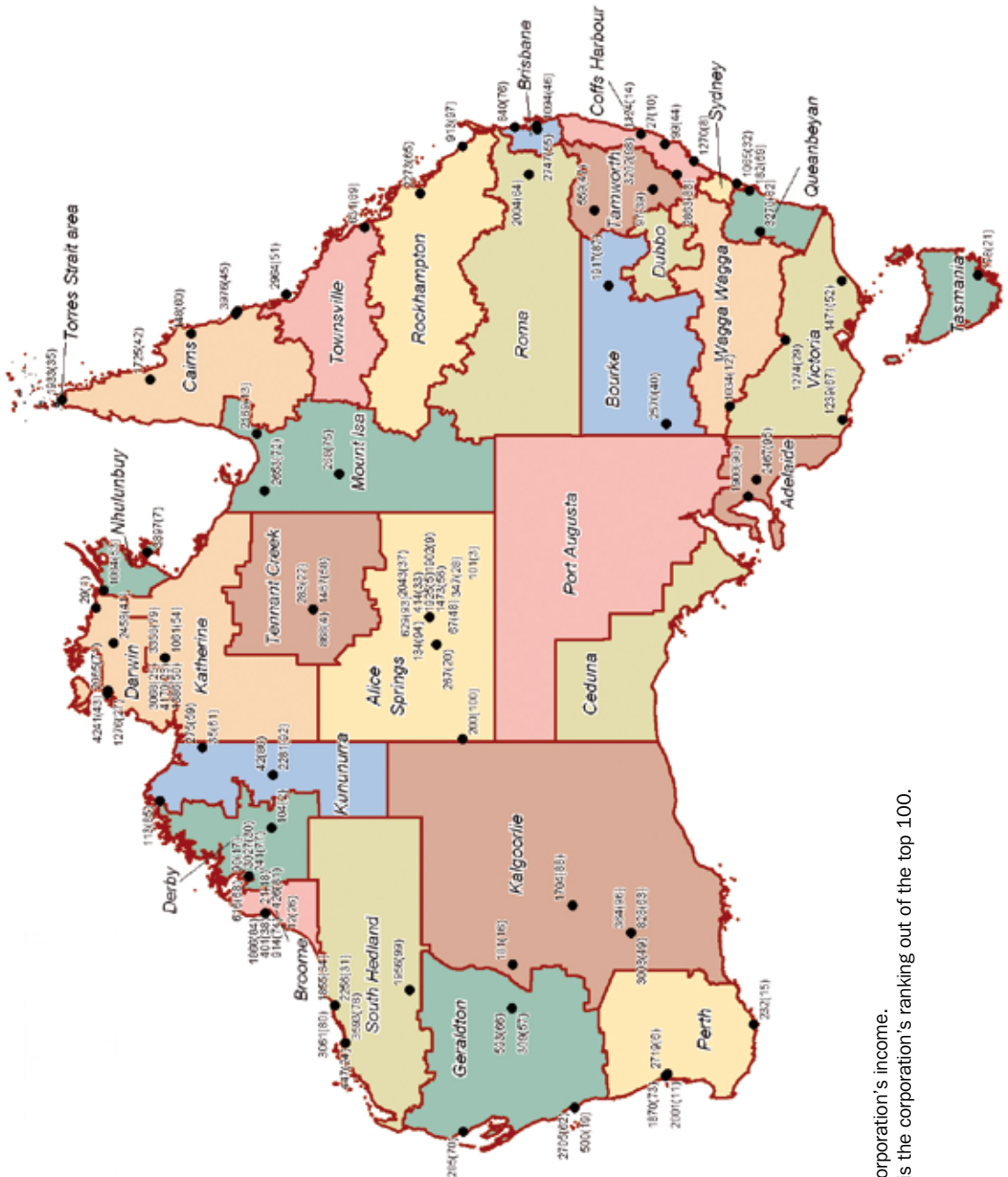
	less than 25k assets	25-50k assets	50-100k assets	100-500k assets	more than 500k assets	Total
less than 100k income	40	20	20	17	25	118
100-500k income	4	12	28	93	41	178
more than 500k income	1	0	0	48	245	294
Total	45	32	44	158	311	590

1. Notes: Income = total grant plus other income

2. Assets = total of current plus non-current assets

Income and assets are for the financial year 1 July 2005 to 30 June 2006 since financial annual returns for 2006-07 are not due until 31 December 2007.

Map 2: Location of biggest 100 corporations by income for 2005–06 and assets as at 30 June 2006



First figure is the corporation's income.
Figure in brackets is the corporation's ranking out of the top 100.



to administer the laws of the Commonwealth that confer functions and powers on the Registrar effectively and with a minimum of procedural requirements

Our performance

Performance of ORIC in a whole-of-government environment

At the highest level ORIC's performance should be measured against its contribution to the Productivity Commission's reporting framework. Sound regulation of the Indigenous corporate sector contributes to all the indicators more or less, but is most relevant to improving the economic participation and development of Indigenous peoples through improved governance capacity and skills.

The Commission recognised ORIC's efforts in working preventatively to prevent corporate failure, specifically the suite of training that ORIC offers and shares with sound training partners, as a 'thing that works':

The Office of the Registrar of Indigenous Corporations (ORIC) has developed a range of corporate governance training programs for Indigenous corporations and their governing committees/boards (box 11.4.2).

The Managing in Two Worlds Governance Training Program aims to strengthen the management capacity of Victorian Aboriginal community organisations and improve service delivery using programs developed by ORIC (box 11.4.2).

See attachment 1 for a full extract.

To further progress ORIC's value in achieving improvement in the Productivity Commission indicators, a map or logic of how ORIC strives to deliver on its ultimate outcome, strong and resilient communities was developed and underpins all of ORIC's work (see attachment 16, ORIC program logic).

Figure 6: Extract from Productivity Commission, *Framework for reporting on Indigenous disadvantage 2006*



ORIC's PBS targets are aligned with the program logic mentioned above. (see attachment 2). ORIC met or exceeded most of the targets. The target for accredited training was not met due to more non-accredited training being delivered to better meet the needs of clients. Examinations were less than the target to allow for the more complex administrations ORIC conducts, which may involve corporations that are members of complex groups, involving many subsidiaries and trusts (see regulation on p. 38). See also the case study on Nyangatjatjara Aboriginal Corporation (NAC) on page 40.

Compliance with reporting is at its highest, 52 per cent (improvement of 30 per cent over five years), and trending consistently upwards due to ORIC's careful analysis of the causes of non-compliance.

Compliance of Indigenous corporations will increase dramatically as legislative changes reduce the red tape burden of over-reporting for small corporations, in line with the Banks Report released in 2006 (*Rethinking regulation—report of the taskforce on reducing regulatory burdens on business*—www.regulationtaskforce.gov.au/__data/assets/pdf_file/0007/69721/regulationtaskforce.pdf). Under the repealed ACA Act every corporation regardless of its funding was required to provide an audited report of their finances which many cannot provide. Under the new legislation many do not need to. Larger corporations will still have to report in line with mainstream reporting requirements (see attachment 4—Corporation size and financial reporting).

ORIC has targeted the 100 largest corporations for reporting compliance and examination and they are 99 per cent compliant with 2006–07 reporting and each has been examined at least once.

Accountability

External scrutiny

Two FOI requests were made under the *Freedom of Information Act 1982* between 1 July 2006 and 30 June 2007. Both were resolved within the statutory timeframe and there were no requests for review.

FOI applications and applications for review of decisions are growing in number and complexity each year, and administrators and liquidators are involved in such actions.

Complaints about ORIC staff and contractors

A complaints system ensures that ORIC responds to issues raised about its staff and consultants. In 2006–07 the Registrar's office received one complaint, in May 2007. This was resolved in December 2007.

Implementation of the CATSI Act

The *Corporations (Aboriginal and Torres Strait Islander) Act 2006* was passed by the Australian Parliament in October 2006. It began on 1 July 2007 replacing the *Aboriginal Councils and Associations Act 1976* and will affect all corporations that are registered with ORIC (see attachment 7 Poster—Steps to the Corporations (Aboriginal and Torres Strait Islander) Act).

A strategy to transfer corporations to the new Act was devised at three levels aimed at their directors, members and officers:

1. raising general awareness
2. lifting functional ability on what needed to be done to transfer to the new legislation,
3. raising technical competence so that they could undertake their own transition.

This was done using specially developed products and tools, including printed materials, radio campaigns, and an online tool for corporations to transition their rule books, the *Rule book etool*.

The targeting strategy to transition corporations initially included: the top 100 corporations (their extra resources giving them a greater ability to transition independently), any corporations undergoing regulation (e.g. examination, administration), corporations targeted for corporate governance training and those requesting individual workshops on specific issues such as dispute resolution, meetings and changing rules.

All corporations must be transitioned to the CATSI Act by 30 June 2009, with the major task being to ensure all corporations' constitutions under the ACA Act are made compliant with the CATSI Act. This work is proceeding during 2007–08.



A corporation's rule book

All corporations must change over from the old law (*Aboriginal Councils and Associations Act 1976*—ACA Act) to the new law—the CATSI Act. This means two things:

One, they will be streamed into large, medium or small, and their reporting will be adjusted accordingly.

For most small corporations, how they report to the Registrar will be much easier.

(For further information about size classifications, see our fact sheet on *Corporation size and financial reporting*, available on the ORIC website: www.oric.gov.au)

Two, they have to change their rules (or constitution) over to the new CATSI rule book. The rule book has several parts: the rules or constitution which are special to that corporation (for example, rules about who can be members), rules in the CATSI Act which can't be changed unless corporations get an exemption (for example, rules about the number of directors being no more than 12) and rules in the Act that the members can accept or change (for example, rules that only Indigenous people can be members or directors).

This will mean corporations will be able to choose rules that suit their special circumstances, while having important rules for good governance set out in the CATSI Act.

ORIC has developed an etool which is available for downloading on its website to help corporations complete their new rule books:

www.oric.gov.au

There is also a printed version of the *Rule book info kit* with helpful tips throughout.

Litigation

In April 2006 the Registrar appointed an administrator to the Nyangatjatjara Aboriginal Corporation under section 71 of the ACA Act. An action was brought in the Federal Court seeking orders against the administrator and against the Registrar. In a judgment delivered in March 2008 those orders were refused.

In July 2006 the Registrar appointed an administrator to the Mutitjulu Community Aboriginal Corporation under section 71 of the ACA Act. In December 2006 a single judge of the Federal Court dismissed an application to have the appointment declared invalid. In June 2007 the Full Court of the Federal Court overturned the December 2006 decision and in July 2007 the appointment of the administrator was set aside.

Regulation of corporations

Estimate	60	Actual	50
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While the target was not met, high risk corporations were examined and action taken as necessary, and a rolling program of examining the larger corporations was continued. In addition, significant other regulation work was conducted including high numbers of administrations. ORIC continued to be one of the most active regulators proportional to the number of corporations it regulates.

Corporations were selected for examination in response to evidenced problems or as part of a program of rolling examinations responding to risk analysis involving criteria such as size, purpose, time since last examination, compliance status and history of member or other complaints. At June 2007:

- 7 (14 per cent) of the 50 examinations were operating well and required no further action
- 14 (28 per cent) of examinations remained under consideration for further action
- 17 (34 per cent) of the examinations initiated during the reporting year, plus a further six carried over from 2005–06, required rectification of less serious matters, involving the issue of a section 60A notice under the ACA Act
- 8 (16 per cent) of the corporations examined in the 2006–07 year plus one other corporation which was not examined have been required to advise why an administrator should not be appointed, involving the issue of a section 71 notice under the ACA Act. Of these nine, eight administrators were appointed and one matter was still pending as at 30 June 2007

- Four corporations required a liquidator to be appointed
- 22 administrations continued from previous years, a total of seven were appointed and nine cancelled in 2006–07, leaving 20 administrations in progress at 30 June 2007.

Examinations initiated, administrations appointed and deregistrations completed are shown in table 5. The trend for high numbers of regulatory actions compared to the total number of corporations shows ORIC continued to be a very active regulator.

Table 5: Number of examinations initiated, administrations appointed, and deregistrations and reinstatements completed 2002–03 to 2006–07

Regulatory actions	2002–03	2003–04	2004–05	2005–06	2006–07
Examinations initiated	35	54	61	49	50
New administrations appointed	8	7	7	14	7
Deregistrations completed	116	282	269	180	87
Reinstatements		230		12	2

Compliance of corporations

Estimate	55 %	Actual	52 %
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Under the ACA Act, all corporations were required to submit certain documents to ORIC which were placed on the public register, including a list of members and financial reports, unless the Registrar exempted the corporation from doing so.

About 52 per cent of corporations provided the three key reports (audit report, balance sheet and income and expenditure) required under the ACA Act for 2005–06 or had been exempted due to their size. While not meeting our target, this result was the highest compliance rate for reporting under the ACA Act to date—6 per cent higher than last year and up from 24 per cent over the last five years. Importantly the 100 largest corporations were 99 per cent compliant with reporting under the ACA Act. Compliance with reporting is set out in figure 7 and table 6.

Working hard to ensure survival of college

A matter brought by Nyangatjatjara Aboriginal Corporation (NAC) in the Federal Court, sought to reverse a decision by the Registrar of Indigenous Corporations to appoint an administrator.

Just before the appointment of the administrator on 28 April 2006 it was established NAC was the sole shareholder of a company called Wana Ungkunyntja Pty Ltd. This company owns a group of trading companies including the Anangu Accounting Agency Pty Ltd, Ninti Corporate Services Pty Ltd, Uluru Autos Pty Ltd, Anangu Waai Pty Ltd, Anangu Tours Pty Ltd, Uluru Camel Tours Pty Ltd, Frontier Camel Tours Pty Ltd, Spirit of the Night Sky Pty Ltd, Anangu Productions Pty Ltd, Anangu Real Estate Pty Ltd and a half share in True Story Joint Venture Pty Ltd.

Nyangatjatjara Aboriginal Corporation operates a secondary school at Yulara near Uluru with campuses also at the Mutitjulu, Imanpa and Docker River communities.

All three campuses are operating and staffed by qualified teachers, as is the Yulara campus.

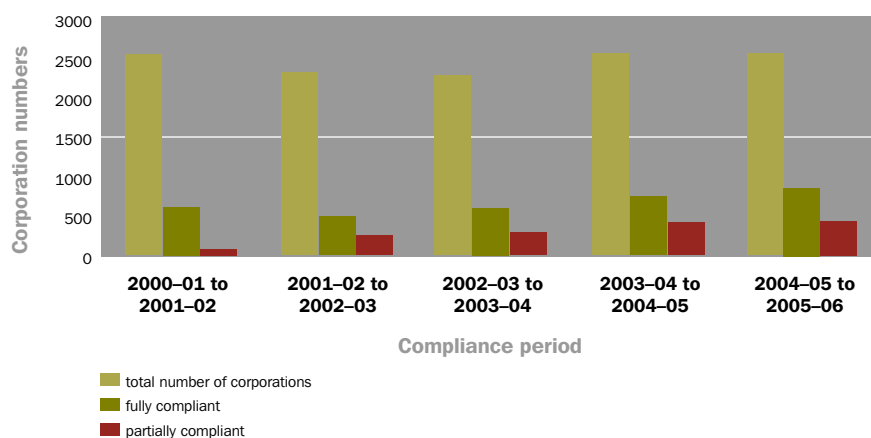
The administrator was appointed to address serious issues of concern including:

- a range of very poor corporate governance practices and the failure to adhere to the rules of the corporation when establishing membership and maintaining the register of members, a failure to hold annual general meetings, and improper election procedures
- a significant trading loss over a 15-month period
- weak internal controls and lack of documented policies and procedures
- a failure to fully report to the Registrar about the corporation's overall financial position and a failure to file annual returns in a timely manner.

The administrator is looking at a number of corporate governance issues and other matters, such as the membership of NAC and arrangements between NAC and its numerous subsidiaries, which will be resolved over time.

Following commencement of the CATSI Act on 1 July 2007, smaller corporations will find it much easier to be compliant. ORIC will increase its focus on working with medium and large corporations to assist them to succeed and be compliant. This will not impact on compliance reflected in the next financial year for which ORIC collects figures, as corporations will still be reporting under the ACA Act. It is, however, likely to have a substantial effect in the following year.

Figure 7: Compliance of corporations, by number of corporations, 2000–01 to 2005–06



Note: Fully or partially compliant means that either five or three key annual return documents respectively have been provided by the corporation for the relevant two consecutive year period. The above figure shows returns for the 2004–05 to 2005–06 period received by ORIC as at 30 June 2007. Corporations are not required to provide annual returns for 2006–07 until 31 December 2007.

Table 6: Compliance of corporations, by compliance period, 2000–01 to 2005–06

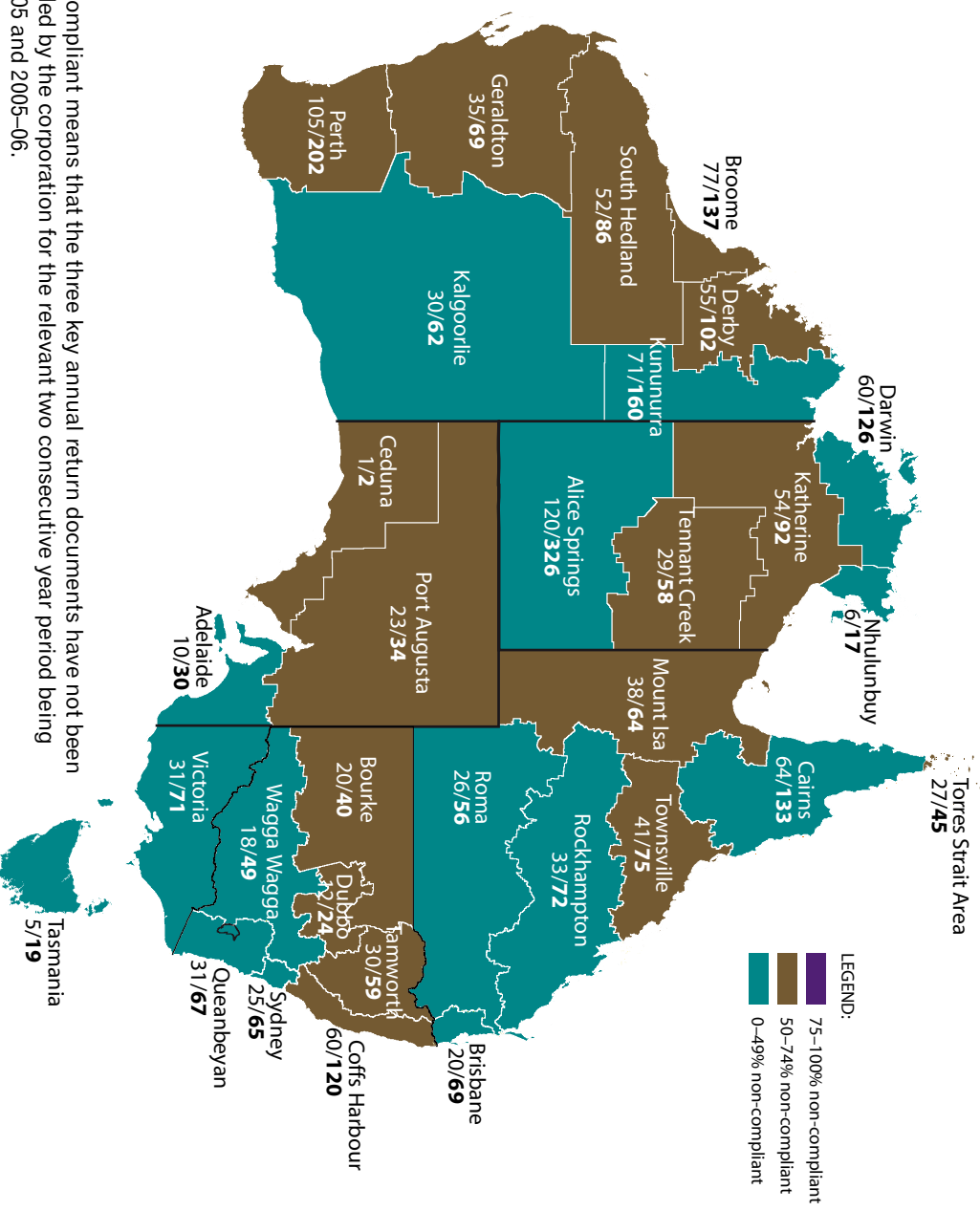
Compliance period	Total number of corporations	Number fully compliant	% fully compliant	Number partially compliant	% partially compliant	Total % of fully and partially compliant	Number not compliant	% not compliant
2000–01 to 2001–02	2497	576	23	26	1	24	1895	76
2001–02 to 2002–03	2308	528	23	264	11	34	1516	66
2002–03 to 2003–04	2259	564	25	270	12	37	1425	63
2003–04 to 2004–05	2543	741	29	429	17	46	1373	54
2004–05 to 2005–06	2555	883	35	430	17	52	1242	48

Many more corporations are now obtaining exemptions from some reporting requirements, in recognition of their lack of capacity to report—that is, if they can demonstrate to ORIC that they are not funded then they are not normally required to provide an audited financial statement and ORIC will usually grant an exemption.

Although most corporations (48 per cent) remain non-compliant with reporting requirements under the ACA Act, compliance improved in 2005–06 by 6 per cent. This improvement is a result of ORIC analysing non-compliance and implementing a plan for appropriate follow-up. Many of the non-compliant corporations are probably not funded at all, hold land only and may have no capacity to apply for even an exemption. The new *Corporations (Aboriginal and Torres Strait Islander) Act 2006* allows more meaningful compliance reporting. It enables more streamlined reporting, including exemptions for small corporations from providing audited financial statements.

Because of its productive relationships with funding bodies ORIC has been able to establish which corporations are technically non-compliant but have in fact submitted reports required under the ACA Act to funding bodies and are operating well. Corporations that should be compliant under the ACA Act were targeted for regulation follow-up for not reporting and examination. Non-compliant corporations that are no longer operating were deregistered.

Map 3: Percentage and number of non-compliant corporations by ICC region, as at 30 June 2007



Non-compliant means that the three key annual return documents have not been provided by the corporation for the relevant two consecutive year period being 2004–05 and 2005–06.

Total Aboriginal and Torres Strait Islander corporations as at 30 June 2007 = 2552 (2540 mapped, 12 addresses unknown)



***to facilitate and improve
the effectiveness, efficiency,
sustainability and accountability
of Aboriginal and Torres Strait
Islander corporations***

Compliance training support for registration and regulation

Non-accredited training

Estimate	30	Actual	40
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This positive variance of 10 days was in response to the needs of corporations for such assistance, in the context where ORIC reduced its accredited training, given more external providers were delivering it.

The training focus was on implementing the CATSI Act by delivering targeted information sessions and a three-day introduction to corporate governance workshop tailored to the new Act. ORIC also negotiated coaching partnerships with other government agencies so they delivered quality non-accredited training (for example, the partnership with the Victorian Government delivered a further 15 non-accredited training days). ORIC is taking steps to initiate similar partnerships in South Australia, Queensland and Western Australia.

Accredited training

Estimate	120	Actual	35
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The Certificate IV in Business (Governance) is offered to directors, key staff and members of corporations who have completed the introductory corporate governance workshop. These people are funded by ORIC to undertake the training, although it is increasingly being run through some TAFE and private registered training organisations independent of

ORIC to both mainstream and Indigenous students.

Delivery of accredited training was under target by 85 days due to:

- changed emphasis towards non-accredited training including CATSI Act training, in response to the needs of corporations
- greater preparation time relative to actual training days required for successful delivery of accredited training for non-English speaking participants and accredited training for other high needs participants.

ORIC also facilitated the delivery of accredited training by:

- negotiating coaching partnerships with government agencies so that they could deliver quality accredited training (a partnership with the Victorian Government delivered 60 accredited training days)
- sharing learning methods and materials so that other agencies could deliver accredited training.

Between 2003 and 2005 the number of Indigenous participants in Australia for ORIC's Certificate IV course, delivered by ORIC and other providers, increased from 122 to 550 participants (*Overcoming Indigenous disadvantage 2007*, Productivity Commission, p. 11.44). In this way the ORIC training contributed significantly to delivering on a 'strategic area for action' under the Productivity Commission's Overcoming Indigenous disadvantage framework; the strategic area being economic participation and development through effective governance training.

Assistance for corporations

Estimate	50	Actual	60.5
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An essential part of ORIC's incorporation work involved providing information and assistance to groups before and following incorporation. ORIC also helped corporations to manage disputes, although it did not act as a mediator.

This incorporation support consisted of one-day and half-day sessions, primarily covering problematic corporate governance or pre-incorporation corporate compliance and governance issues. Such sessions encourage responsible and necessary incorporation only, so some groups through these services opt for auspicing arrangements with other larger established agencies or corporations, rather than incorporating.

This result is 10.5 days more than the target, and involved 700 participants, mostly Indigenous corporation members, directors and key staff. This positive variance in targeted days was in response to

the needs of corporations for such assistance, and in the context of ORIC reducing its accredited training, as more external providers were delivering the training.

Incorporation facts and stats

- New incorporations remained stable during the 2006–07; 111 corporations were registered during 2006–07, compared to 102 in 2005–06. This reflects ORIC’s and others’ ongoing efforts to encourage responsible and successful incorporation (see attachment 6). This involves deregistering corporations not needed any more and making sure new corporations are necessary.
- Applications to incorporate also remained stable during the 2006–07 year; 107 new applications for registration were received during 2006–07, compared to 110 in 2005–06. ORIC has continued to encourage necessary incorporation.
- Inquiries involving requests for information, support and referrals that were resolved during the year again remained high during 2006–07 (897 enquiries were received in 2006–07, compared to 882 in 2005–06). For complex inquiries, ORIC can issue an ‘advisory opinion’.
- The number of requests for assistance with complaints and disputes (from corporations, members and directors on ORIC’s toll-free line, by email and by letter) received during 2006–07 also remained high; 110 complaints were received in 2006–07, compared to 103 in 2005–06. Given their increasing complexity and the serious consequences they can have for corporations if unresolved, ORIC is devoting more resources to assist with these matters. ORIC’s key roles in dispute management assistance are:
 - embedding good dispute resolution processes into the corporation’s rules (constitution)
 - bringing disputing parties together to discuss issues and, if necessary, conducting general meetings
 - issuing advisory opinions on issues of fact or law to assist in the resolution of these matters.
- Changes to constitutions completed during the year has remained high for the past three years (124 in 2006–07, 127 in 2005–06 and 131 in 2004–05). Significant resources are devoted to these matters, since the environments within which corporations operate are increasingly complex, requiring well designed responsive corporations. ORIC is devoting more resources to the development and review of constitutions as part of its new focus on preventing problems. A new model constitution was completed during the first

half of 2006–07, to enable corporations to begin to transition to the new Act which started on 1 July 2007.

- The Registrar continued to receive a high number of requests for extensions in time for holding annual general meetings. During 2006–07 ORIC granted 162 annual general meeting extensions (197 in 2005–06, 137 in 2004–05). This reflects ORIC’s ongoing flexible approach in responding to corporations’ special circumstances and needs.

Case coordination

A case coordination policy and approach was developed and introduced in late 2005 in recognition that ORIC could better assist corporations with joined-up services. In particular ORIC recognised that:

- many corporations struggle to break out of the boom-bust cycle that characterise their efforts to address problems
- improvements in corporate governance and compliance requirements of the legislation would be enabled by a case coordination approach.

In the case of individual corporations, case coordination is a process that enables ORIC to ensure its services and functions are part of a coherent response directed to clear and consistent goals and long-term benefit. Case coordination can also enhance ORIC’s work at a regional level with groups of corporations.

Case coordination involves developing a single plan for ORIC’s work with a corporation or a locality covering regulatory functions, training, other services and communication. It provides a way of dealing more effectively with systemic issues, and multiple contacts and interventions. This plan provides a basis for better communication with people on the ground, including administrators appointed by ORIC, staff, directors and community members.

The approach was trialled in some of ORIC’s key areas of work, and is now being adopted more widely, including the East Kimberley, the Mutitjulu area and Palm Island. The usual phases of a case coordinated administration include:

- consolidation of management, operational systems and accountability mechanisms restored
- building capacity for future governance and management
- preparation for the exit of an administrator
- after care and ongoing support.



Top ten practical tips for good corporate governance

1

keep register of members up-to-date

Make sure the register has the following information for every person who is or has been a member:

- the person's name and address (if necessary, names of deceased people can be suppressed)
- the date that person became a member
- the date that person stopped being a member (if applicable).

If the register of members is up-to-date it will help to resolve any disputes about who is a member. When you send the Registrar a copy of your members list, members' contact details can be kept private if you wish.

2

know your role and duties

Make sure the directors fully understand their role and duties.

The directors should oversee the goals and direction of the corporation.

Day to day management is the responsibility of the manager.

Director's duties include: acting with loyalty, good faith, care and diligence, not trading while insolvent and managing conflict of interest.

3

know your rule book

Know your rule book. Encourage your members to learn about it. Fix them if they don't work for your corporation.

4

know your money position

Make sure you know about the money position of your corporation. If you are worried, ask your auditor to check every three months that your staff are managing the money properly (a good auditor will do this for the directors).

5

pay your taxes

Make sure that tax matters are handled correctly, especially the Goods and Services Tax (GST), Pay As You Go (PAYG) and Fringe Benefits Tax (FBT). Make sure the superannuation guarantee contributions are paid for all your staff. (Australian Taxation Office website www.ato.gov.au; Business tax enquiries 13 28 66; Superannuation inquiries 13 10 20)

6

attend meetings with funding agency

Make sure that a director is at every meeting when the funding agency comes to visit. Build a good relationship.

7

insure your corporation's property

Make sure the corporation's property—such as cars, buildings, equipment—is insured. Check that insurance policies are renewed on (or before) the due date.

8

be careful how you use the corporation's assets

Be careful to only use the corporation's assets and income the way the funding agency sets out. Better still, make a policy about this for everyone to see and use.

9

keep minutes of all meetings

Make sure you keep minutes of every meeting of the corporation. Minutes should say what type of meeting you had (AGM, special general meeting or directors' meeting), what day it was held, who came and what decisions were made.

10

hold an annual general meeting

Make sure you have an AGM every year (usually before 30 November).



Remote corporation gets a new CATSI constitution

ORIC regularly runs workshops in remote communities to equip key corporation members and staff with vital skills that are important to the proper functioning of a corporation.

One such governance workshop was carried out in November 2006 with the Wutunurrurga Aboriginal Corporation at Epenarra community in central Australia, with nearly 30 members of the corporation attending. The role of the corporation is to act as a representative body and advocate for the community.

The corporation had been dormant for many years and the goal for members was to reactivate it as a healthy corporation servicing the community well. A priority outcome of the workshop was to establish a new rule book (or constitution) for the corporation to guide its governance and operations, as its existing one had not been amended since the corporation was established in 1983.

Joe Mastrolembo, Director of the Incorporation and Support Services team at ORIC, facilitated the meeting in conjunction with the World Vision Project Manager at Epenarra, Mr Craig Cuttance, and consultant Dr Stuart Philpot. Margaret Meusburger, a member of ORIC's Regulation team, was also part of the training team.

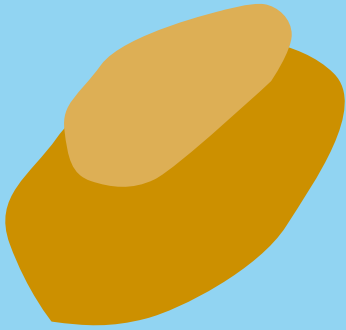
The ORIC team helped the corporation develop a plain English rule book. This rule book then helped ORIC develop the CATSI model rule book, which is now available for all corporations to use (see below).

The workshop at Epenarra placed a high emphasis on participation of community members about matters central to good governance. Corporation members formed small groups to work out the values of the corporation and how members should conduct themselves. The results were then used as the foundation for the aims and objectives of the corporation.

Good cross-cultural communication was also a focus of the workshop. For instance, participants identified ideas and words from their Indigenous culture that match key governance matters from corporations law and practice—for example, the roles of the directors, staff and members. This encouraged cross-cultural thinking and decision-making about the rule book and the corporation's operations generally.

ORIC commonly uses a technique in group activities called 'talking paper' to foster inclusive discussion by all participants: people write or draw their contributions on sticky notes which are then shared on butchers paper with everybody. These are then grouped and sequenced over the day to clarify the thinking of the whole group, and identify common themes, priorities and planning. The process is photographed and provides a visual and lasting record for participants on the outcomes of the workshop.

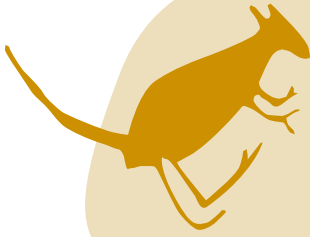
At Epenarra the workshop led to the new rule book, which the members further refined and presented to the full membership of the corporation for final approval.



Outlook

*Participant from an
Introduction to Corporate
Governance workshop*





New Registrar

From 1 October Anthony Beven was appointed as Registrar.

Outlook

The not-for-profit sector is often referred to as the third sector, and has been growing enormously around the world for some decades, Indigenous corporations included. New economics and new rights will lead to further growth in the Indigenous corporate sector. The CATSI Act shows the way for well balanced regulation of this important sector, and offers specialised regulation adapted to the unique aspects of Indigenous corporations.

Appointment of new Registrar

From 1 October Anthony Beven was appointed as Registrar. Previously he was the South Australian Regional Commissioner for the Australian Securities and Investments Commission (ASIC). He had worked with ASIC in a number of roles, including spending 10 years with ASIC in the Northern Territory. From 1995–99 he worked in Papua New Guinea as the Registrar of Companies and the Registrar of Business Groups (the PNG equivalent of the Registrar of Indigenous Corporations).





Attachments



Western Australian coast line



Attachment 1

Extract: Productivity Commission, Overcoming Indigenous disadvantage 2007

Box 11.4.2 ‘Things that work’—Increasing governance capacity and skills

Office of the Registrar of Aboriginal Corporations (ORAC) [as it then was] governance training

The Office of the Registrar of Aboriginal Corporations (ORAC) has provided a range of corporate governance training programs for Indigenous corporations and their governing committees/boards for three years. ORAC’s training programs include:

- one and two-day information sessions and three-day introductory workshops in corporate governance, which act as a bridge to the accredited training
- accredited Certificate 4 [sic] in Business (Governance).

The information sessions provide information and advice, ranging from what is required by law for incorporation under the *Aboriginal Councils and Associations Act 1976* (to be replaced by the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* in July 2007) to specific governance issues the corporation may be experiencing, including board meetings, annual general meetings and special general meetings.

The participants in three-day introductory corporate governance workshops sign joint learning agreements. Upon completing the workshop, participants are encouraged to continue with accredited training, including the Certificate 4 [sic] in Business (Governance) and the Diploma in Business (Governance).

Certificate 4 [sic] in Business (Governance) is a nationally recognised training package developed specifically for Indigenous people who wish to attain recognised skills in corporate governance and management. It is a competency-based training program that requires participants to demonstrate their competence in a range of skills relevant to corporate governance.

ORAC programs are currently running in Victoria, Queensland, the NT and WA.

Attachment 1

Extract: Productivity Commission, *Overcoming Indigenous disadvantage 2007*

During 2004–05, more than 600 people attended the information sessions and the three-day introductory workshops. Fifty-seven graduates received their Certificate 4 [sic] in Business (Governance) in the year to 30 June 2004. The Certificate 4 [sic] in Business (Governance) had a retention rate of 93 per cent. This was well above the national average retention rate of 86 per cent for Indigenous students in Vocational Education and Training (VET).

Queensland has demonstrated good rates of progression to Certificate 4 [sic]:

- Of those enrolled in the Cairns and Townsville workshops, 42 and 33 per cent, respectively, began the Certificate 4 [sic] course
- Female participants made up 54 per cent of those enrolled in the workshop and 76 per cent of those proceeding to the accredited Certificate 4 [sic] program.

‘Managing in Two Worlds’—Governance Training Program (Vic)

The Managing in Two Worlds Governance Training Program aims to strengthen the management capacity of Victorian Aboriginal community organisations and improve service delivery in the community sector. The program has been built on the suite of governance training developed by ORAC and is being managed and funded by Aboriginal Affairs Victoria in partnership with ORAC, Consumer Affairs Victoria and Swinburne University. The program is available to board members and key staff from Victorian Indigenous community organisations.

The pilot phase of the program was conducted in 2005–06 and comprised:

- three three-day introductory workshops covering generic governance skills and practices, roles of board members and management training
- a four week residential accredited TAFE training program in all aspects of governance providing participants with a Certificate 4 [sic] in Business (Governance).

An independent review of the workshop component of the program found that the workshops were successful in addressing governance-related Indigenous capacity building needs. Feedback during, and at the conclusion of, the workshops showed that participants found the content and presentation of the workshops met their needs. A follow-up survey demonstrated the practical impact of the training, which has included sharing information with other board members, constitutional changes, changes to policies and procedures and scheduling of board planning days. The pilot phase of the program saw:

Attachment 1

Extract: Productivity Commission, *Overcoming Indigenous disadvantage 2007*

- 68 people complete the workshops, with a completion rate of 98 per cent
- 14 people graduate from the Certificate 4 [sic], with a completion rate of 100 per cent.

The Program has been extended into 2006–07 and it is expected that a further 120 people (4–5 workshops) will complete the workshops and over 40 people (3 courses) will complete the Certificate 4 [sic].

Source: ORAC (www.orac.gov.au); *Aboriginal Affairs Victoria, Department for Victorian Communities (unpublished)*.



Attachment 2

Portfolio Budget Statement indicators

Quality—Assurance Indicator: Operations consistent with Service Charter.

Actual 100 %	Actual result was the same as the Estimate indicated in the FaHCSIA 2006–07 Portfolio Budget Statements.
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Quality—Assurance Indicator: Percentage of corporations compliant with reporting requirements under the *Aboriginal Councils and Associations Act 1976*.

Estimate 55 %	While not meeting our target, this result is the highest compliance rate for reporting under the Act to date, 6% higher than last year and up from 24% over the last 5 years. Importantly the 100 largest corporations are 100% compliant with reporting under the Act.
Actual 52%	

Quantity indicator—Number of days of accredited training including Certificate IV in Business (Governance) and Diplomas.

Estimate 120	Delivery under target by 85 days due to:
Actual 35	<ul style="list-style-type: none"> • changed emphasis towards non-accredited training including CATSI Act training, in response to corporations' needs • greater preparation time relative to actual training days required for successful delivery of accredited training for non-English speaking, highest need areas • facilitated delivery by others of accredited training days by <ul style="list-style-type: none"> - negotiating coaching partnerships with government agencies so they deliver quality accredited training (for example, the partnership with the Victorian government delivered a further 60 accredited training days) - sharing of learning methods and materials for others to deliver accredited training.

Attachment 2

Portfolio Budget Statement indicators

Quantity indicator—Number of days of sessions to support better corporate design and more responsible corporate governance practices.	
Estimate 50	This result is 10.5 days more than the target, and involved 700 participants, mostly Indigenous corporation members, directors and key staff. This positive variance in targeted days was in response to the needs of corporations for such assistance, and in the context where ORIC reduced its accredited training, given more external providers are delivering it.
Actual 60.5	
Quantity indicator—Number of examinations or reviews conducted.	
Estimate 60	While the target was not met, high risk corporations were examined and followed up as necessary, and also a rolling program of examining the larger corporations continued. In addition, significant other regulation work was conducted including high numbers of administrations—ORIC continued to be one of the most active regulators proportional to the numbers of corporations it regulates.
Actual 50	
Quantity indicator—Number of days of non-accredited training in corporate governance.	
Estimate 30	This positive variance of 10 days was in response to the needs of corporations for such assistance, in the context where ORIC reduced its accredited training, given more external providers are delivering it. ORIC also negotiated coaching partnerships with other government agencies so they might deliver quality non-accredited training (for example, the partnership with the Victorian government delivered a further 15 non-accredited training days).
Actual 40	
Quantity indicator—Number of corporations incorporated under the <i>Aboriginal Councils and Associations Act 1976</i>.	
Estimate 2,500	This reflects an increase of 0.6% in total corporation numbers, the first time an increase has been recorded since 2002–03. Pre-incorporation services encourage groups to only incorporate when necessary.
Actual 2,555	
Price	



Attachment 3

Summary of the Registrar's powers under the Corporations (Aboriginal and Torres Strait Islander) Act 2006

Meetings

The Registrar may if the need arises:

- convene meetings of interested parties (s. 439-5)
- call a general meeting (formerly SGMs) (s. 439-10)
- call an annual general meeting (s. 439-15).

The Registrar is to chair these meetings or authorise another person to do so.

Compliance notices

Registrar requires compliance with the Act (s. 439-20). (This is equivalent to the s. 60A notice under the ACA Act).

Examinations

The Registrar may appoint an authorised officer (examiner) at any time to examine the books and records of a corporation (s. 453-1).

Production of books or attendance to answer questions

Under s. 453-5 the Registrar may give notice to a person who has some knowledge of the examinable affairs of the corporation to:

- provide the Registrar with information about the corporation or its examinable affairs
- produce any books and records about the corporation
- appear before the Registrar to answer questions about the corporation.

Issue warrants

Division 456 gives the Registrar the power ask the court to issue warrants to obtain information about a corporation if the information can't be obtained via s. 453-1 or s. 453-5.

Attachment 3

Summary of the Registrar's powers under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*

Protection for whistleblowers

There is provision for whistleblowers in the CATSI Act (Division 466).

External administration

Under the CATSI Act the Registrar needs to make several determinations when appointing a special administrator:

- that the corporation be placed in special administration (s. 487-1)
- the appointment of a special administrator (the person) (s. 490-1 and s. 490-5)
- the period of the appointment (s. 487-1 and s. 487-15)
- whether the directors will be removed from office during the term of the special administration (s. 496-5).

Note: Approval by the Minister is not required for the appointment of a special administrator.

Grounds for special administration

Some increased powers (via additional grounds) are available for appointment of special administrators. All of the grounds for an appointment are detailed in s. 487-5. The additional grounds are:

- the corporation has failed to comply with a s. 439-20 compliance notice
- the corporation has failed to lodge its annual reports (Part 7-3)
- if there are disputes that interfere with the corporation's operations
- if a majority of directors write to the Registrar and ask for the appointment.

Disqualifying people from managing corporation

The CATSI Act has provisions to disqualify people from managing corporations (i.e. from being a director or a chief executive officer or chief financial officer). There are three ways this can happen:

- automatic disqualification (s. 279-5)
- the court may decide a person is disqualified (s. 279-15)
- the Registrar has a power to disqualify a person (s. 279-30).

Attachment 3

Summary of the Registrar's powers under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*

Winding up

The CATSI Act has provisions for the winding up of corporations (Division 526).

Deregistrations

The CATSI Act has provisions for the deregistration of corporations (Division 546).

Reviewable decisions

- Internal reviews
- Administrative Appeals Tribunal (AAT) reviews



Attachment 4

Corporation size and financial reporting

Under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, called the CATSI Act, corporations are classified as large, medium or small.

The Registrar has examined the size of all Aboriginal and Torres Strait Islander corporations that were registered under the ACA Act, as well as new corporations under the CATSI Act. The Registrar has written to all of them, advising them what size they are so that there is no doubt about a corporation's registered size.

This is very important because a corporation's registered size and income determines how it has to report every year, and also determines its contact and document access arrangements.

The registered size of every corporation under the CATSI Act is available on the website: www.oric.gov.au. In the menu, bring up 'Search corporation details', then use the search options on the 'Search the public Register of Indigenous Corporations' page. Then type in the name of the corporation. Alternatively, enquire by calling the Registrar's office on the freecall number 1800 622 431.

A small corporation will have at least TWO of the following in a financial year:

- consolidated gross operating income of less than \$100 000
- consolidated gross assets valued at less than \$100 000
- less than five employees.

A large corporation will have at least TWO of the following in a financial year:

- consolidated gross operating income of \$5 million or more
- consolidated gross assets valued at \$2.5 million or more
- more than 24 employees.

Attachment 4

Corporation size and financial reporting

All other corporations are medium and usually have TWO of the following in a financial year:

- consolidated gross operating income between \$100 000 and \$5 million
- consolidated gross assets valued at between \$100 000 and less than \$2.5 million
- between five and 24 employees.

Definitions

Consolidated gross assets = the gross assets of the corporation and any entities it controls.

Consolidated gross operating income = the gross operating income of the corporation and any entities it controls.

Reporting requirements

All corporations must lodge reports with the Registrar every year, between 30 June and 31 December. In other words, at the end of each financial year, corporations have six months to lodge their reports.

The reports for each corporation will vary depending on its income and registered size. The table below sets out the reporting requirements for all corporations.

Size and income of corporation	Report required
Small corporations with a consolidated gross operating income of less than \$100 000	1. General report only
Small corporations with a consolidated gross operating income of \$100 000 or more and less than \$5 million	1. General report 2. Audited financial report or financial report based on reports to government funders
Medium corporations with a consolidated gross operating income of less than \$5 million	3. Directors' report
Large corporations or any corporation with a consolidated gross operating income of \$5 million or more.	1. General report 2. Audited financial report 3. Directors' report

Attachment 4

Corporation size and financial reporting

A general report contains

- the names and addresses of members and directors
- the name and address of the corporation's secretary (for large corporations) or contact person (for small or medium corporations)
- the corporation's registered office address (for large corporations) or document access address (for small or medium corporations)
- the corporation's total income for the financial year
- the value of the corporation's assets at the end of the financial year
- the number of employees of the corporation at the end of the financial year
- the corporation's ABN (if it has one)
- whether the corporation is a deductible gift recipient under the *Income Tax Assessment Act 1997*
- whether any directors or the secretary or contact person of the corporation is also an employee
- information on any trust that the corporation (or a subsidiary of the corporation) is trustee or beneficiary of
- information on any land held by the corporation.

A financial report contains

- financial statements for the financial year
- notes to the financial statements (as required by the accounting standards)
- a directors' declaration.

In addition, the financial report must give a true and fair view of the corporation's finances and performance. It should also be audited and an audit report obtained.

A directors' report contains

- a detailed overview of corporation's business performance during the financial year
- the factors underlying the corporation's results and financial position.

For further information on what must be included in the directors' report please contact ORIC on our free call number 1800 622 431.

Attachment 4

Corporation size and financial reporting

Small and medium size corporations that receive public funding

- Is the corporation's gross income between \$100 000 and \$5 million?
- Is at least 90 per cent of the corporation's income government funding (this includes funding from Commonwealth, state and territory governments)?
- Does the corporation have to lodge annual reports with funders as a condition of this funding?
- Is the corporation not required to provide consolidated financial statements?

If the answer is yes to those four questions, the corporation may provide a financial report to the Registrar in the following manner:

- a copy of the reports given to the funding bodies, together with any relevant auditor's report
- an income and expenditure statement and a balance sheet disclosing any income, expenditure, assets and liabilities that have not been included in the funding reports
- a directors' declaration.

Financial reporting and transitional corporations

A 'transitional corporation' means a corporation incorporated under the ACA Act that has now moved to the CATSI Act.

Transitional corporations have different reporting requirements, as follows:

In the financial year 2007–08 transitional corporations may choose how they wish to report. A transitional corporation may:

- report as required by the CATSI Act or
- continue to report as they did under the ACA Act.

If a transitional corporation decides to report for 2007–08 as it did under the ACA Act, it must notify the Registrar in writing before 30 June 2008.



Attachment 5

Incorporation and support services, 2001–02 to 2006–07

	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
Incorporation services						
Incorporations						
Applications received	107	110	120	160	211	206
Total applications actioned during the year	143	123	134	143	205	207
Applications approved	111	102	120	134	183	187
Applications refused	2	1	–	–	–	–
Application lapsed/withdrawn	30	17	14	9	22	20
Constitution change requests						
Requests received	126	92	116	122	138	134
Total requests actioned during the year	160	127	131	114	127	143
Requests approved	124	92	112	106	94	98
Requests refused	5	9	4	4	22	21
Requests lapsed/ withdrawn	31	20	15	4	11	24
Name change requests						
Requests received	5	11	27	26	20	24
Total requests actioned during the year	27	15	25	18	16	32
Requests approved	16	9	18	14	8	22
Requests refused	1	0	2	–	2	1
Requests lapsed/ withdrawn	10	6	5	4	6	9
Post incorporation services						
Public register searches						
Search requests received	135	177	543	283	551	858
Search requests finalised	135	282	501	272	557	844
Members' complaints and dispute assistance						
Matters finalised	110	103	119	131	107	119
Annual general meeting extensions						
Matters finalised	162	197	137	104	–	–
Advice on corporation issues						
Inquiries finalised	897	882	682	634	622	245

Note: Some services finalised during the financial year were initiated in the previous year.



Attachment 6

Policy—Incorporation under ACA Act/ CATSI Act



ORAC POLICY

Incorporation under the Aboriginal Councils and Associations Act 1976 / Corporations (Aboriginal and Torres Strait Islander) Act 2006

This policy was
published when
the Registrar's
office was known
as ORAC.

Comments about this paper should be directed to:
Toni Matulick, Director—Legislation and Policy
email: toni.matulick@orac.gov.au
telephone: 1800 622 431

Published February 2007

Attachment 6

Policy—Incorporation under ACA Act/CATSI Act

1. Purpose

The purpose of this paper is to provide information about the most effective use of the *Aboriginal Councils and Associations Act 1976* (ACA Act) and the legislation that will repeal and replace it, the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act), which will commence on 1 July 2007.

2. Background to the ACA Act and the CATSI Act

The ACA Act was envisaged as a simple and flexible means for incorporating associations of Aboriginal and Torres Strait Islander people and was reserved for the use of Aboriginal and Torres Strait Islander people only. Since it began in the late 1970s, the ACA Act has become a significant vehicle for incorporating a broad range of Aboriginal and Torres Strait Islander corporations—from holding land to delivering essential services. Today 56 per cent are located in remote areas. The ACA Act is administered by the Registrar of Aboriginal Corporations who is supported by staff within the Department of Families, Community Services and Indigenous Affairs (referred to as the Office of the Registrar of Aboriginal Corporations or ORAC).

The CATSI Act was passed by the Australian Parliament on 18 October 2006. It will commence on 1 July 2007 and will replace the ACA Act. It will also be administered by the Registrar (who will then become the Registrar of Aboriginal and Torres Strait Islander Corporations). The CATSI Act was drafted in response to the recommendations of an independent review of the ACA Act undertaken in 2001–02, which identified a number of shortcomings of the ACA Act, including inadequate protection for members, rigidity of corporate design and insufficient third party protection including for funding agencies. The CATSI Act offers a special incorporation statute to meet the needs of Aboriginal and Torres Strait Islander people. It introduces a strong but flexible legislative framework that aligns with the *Corporations Act 2001*, where practicable, but accommodates the particular needs and circumstances of individual localities and groups. To acknowledge the fact that most corporations are located in remote areas and may provide essential services or hold key assets such as land, the Act also offers additional safeguards through the Registrar's unique regulatory powers.

Attachment 6

Policy—Incorporation under ACA Act/CATSI Act

All corporations registered under the ACA Act will be deemed to be corporations under the CATSI Act on its commencement on 1 July 2007. Transitional arrangements setting out the process for moving from the ACA Act to the CATSI Act are in the *Corporations (Aboriginal and Torres Strait Islander) Consequential, Transitional and Other Measures Act 2006*.

3. Basics of a corporation

A corporation is a separate legal entity which can perform all the functions of an individual, and has therefore become one of the main economic vehicles for a group to participate in the modern world. Broadly a corporation's functions include:

- the ability to sue and be sued, while limiting the liability of individual members
- remaining the same legal entity despite changes in the identity of its members
- the ability to acquire, hold and dispose of property, including money obtained through grants and other funding
- the requirement to keep records of its spending and assets.

Some types of corporations, such as those established for charitable purposes, may also be eligible for taxation concessions.

The conduct and powers of the corporation are determined partly by its own rules and, for Aboriginal and Torres Strait Islander corporations, by the ACA Act or the CATSI Act. Generally, ultimate power of a corporation resides in the members in a general meeting, who own the corporation. However, its rules, which form a contract between the corporation and each member, the corporation and each director, and between each and every member, may allocate certain powers to its board of directors (known as the governing committee under the ACA Act). Directors have duties, including the duty to act honestly and diligently in exercising their powers and functions. The CATSI Act will clarify the statutory duties required of directors and other senior staff by aligning them with those required of the officers of mainstream corporations under the Corporations Act. This is particularly appropriate given that the powers are delegated to management and staff to conduct the day-to-day affairs of the corporation.

4. Alternative incorporation regimes

Depending on their individual circumstances, a group may choose to incorporate under a number of different legal regimes. Apart from the ACA Act/CATSI Act regimes, each state and territory has its own legislation to incorporate non-profit organisations. These provide a simple and inexpensive method under which such bodies can be established and also provide limited liability for their members if the corporation fails. The legislation is not uniform and is administered by regulatory authorities in each state and territory, rather than the Australian Securities and Investments Commission (ASIC).

Commercial organisations established to trade or make a profit normally choose to incorporate under the Corporations Act which ASIC administers. This may also be appropriate for non-profit organisations that want to operate in more than one state or territory. Under the Corporations Act the two main types of corporations are proprietary companies and public companies, although there are different categories within these two broad types, based on the extent of the liability of its members. Generally, a proprietary company is a private company designed for a relatively small group of people who do not want it to be able to invite the public to subscribe for its share capital or to lend money to it. A public company, in contrast, may raise funds by making offers or inviting the public to purchase or subscribe for securities. A public company also has greater obligations regarding the public disclosure of its financial affairs.

Many non-profit organisations decide to incorporate under the Corporations Act as a public company limited by guarantee. Such a company does not have the power to issue shares and if it is wound up without adequate funds to discharge its liabilities each person who is then a member is liable to pay an agreed sum, normally a small amount. A public company limited by guarantee may raise funds needed for its operations by loans, subscriptions or fees and may earn and distribute its profits.

It should be noted that the Corporations Act was enacted by the Commonwealth in 2001 after the states referred some of their respective legislative powers over corporations to the Commonwealth. This referral addresses a gap in the Commonwealth's existing constitutional power regarding corporations. The referral implemented an intergovernmental agreement between the Commonwealth, the states and the territories. This agreement also regulates any future amendments to the Corporations Act.

Attachment 6

Policy—Incorporation under ACA Act/CATSI Act

Aboriginal and Torres Strait Islander groups that incorporate to trade, conduct major business or for-profit enterprises can choose to incorporate under the Corporations Act. However an important consideration is that groups can still incorporate for business or for-profit purposes under the ACA Act and CATSI Act, unlike state or territory associations legislation which prevents distribution of profits to members.

5. When should an organisation incorporate under the ACA Act or the CATSI Act?

Whether the ACA Act or the CATSI Act provides an appropriate mechanism for a particular group depends on the individual circumstances of the group and its income source.

Some of the factors to consider in determining whether to incorporate under the ACA Act or CATSI Act are discussed below.

Indigeneity

Both the ACA Act and the CATSI Act have eligibility requirements for organisations to incorporate under them. The most important relates to Indigeneity. The ACA Act requires all members of a corporation to be an Aboriginal or Torres Strait Islander person or the spouse of an Aboriginal or Torres Strait Islander person. Under the CATSI Act a corporation may have non-Indigenous members as long as they are in the minority and if permitted under its rules. This means corporations can access non-Indigenous expertise or advice through various mechanisms. For example, under the ACA Act a board may buy contracted expert services or involve key staff who attend every board meeting and provide advice. Under the CATSI Act experts and key staff may be appointed or elected to the board, even if they are non-Indigenous, as full board members with decision making powers where the corporation's rules allow it.

This provides a new option for corporations to have non-Indigenous people as members or board members, although it is not compulsory and must be agreed by the members through the rules.

Internal governance rules

The CATSI Act strengthens the requirements for the internal governance rules of a corporation so that the rules satisfy certain minimum governance standards. For instance, the corporation's

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Policy—Incorporation under ACA Act/CATSI Act

rules must be internally consistent, adequate and workable, given the context in which the corporation operates. A corporation's rules must also deal with certain matters, such as what dispute resolution process will apply and who may chair a general meeting. Under the CATSI Act the Registrar can direct a change to rules in some circumstances. This is in contrast to the Corporations Act which generally provides much less guidance and prescription regarding the internal governance of its corporations.

Ineligible organisations

Some types of organisations are inappropriate for registration under either the ACA Act or the CATSI Act. A trade union or a corporation providing financial services, such as a bank or a building society, may not be registered under the CATSI Act. Similarly, neither legislative regime can incorporate businesses that need to raise share capital from the public.

Corporate membership

The CATSI Act allows corporate membership so that peak bodies can become members of relevant corporations.

Specialised assistance

In contrast to other regulators, ORAC can provide a high level of assistance to corporations, from help with the drafting of rules to providing information and training about the conduct of meetings and the duties and responsibilities of their directors and officers. Such assistance makes the ACA Act or the CATSI Act particularly suited to:

- developing sectors such as the Indigenous arts industry
- organisations that require 'prudential' or active regulation such as essential service providers or those that hold essential assets
- organisations where membership or clients are disempowered, such as child care centres, aged care facilities and schools
- organisations in remote areas of Australia, particularly where English is not commonly spoken
- organisations that require greater risk management than other legislative regimes can provide
- organisations that are operating in a sector where many others

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Policy—Incorporation under ACA Act/CATSI Act

are incorporated with ORAC since this provides a common incorporation platform and generates economies in risk management, capacity building and information management

- land holding and native title corporations which operate in a complex environment where ORAC has considerable expertise
- corporations or sectors that will benefit from the opportunities that the ACA Act and CATSI Act offer, especially in preventative approaches such as stronger guidance on corporate design and a rolling program of ‘good governance audits’ or examinations and follow up, combined with capacity building.

Specialised regulatory powers

The unique regulatory powers of the Registrar, including the ability to appoint examiners and administrators to corporations in difficulty, makes the ACA Act and the CATSI Act especially well suited to corporations that require significant risk management, for instance, those funded to provide an essential service to a remote community. The Registrar also has the power, in certain circumstances, to call and conduct meetings of a corporation. The public register of Aboriginal and Torres Strait Islander corporations, administered by ORAC, contains financial statements and other lodged documents and provides a greater level of transparency than most other incorporation regimes.

Considering appropriateness of incorporation

There may also be funding programs where incorporation is unnecessary or inappropriate. For instance, an appropriate recipient corporation may already exist, or the amount, or duration, of the funding may not warrant the expense or administrative burden of incorporation. Pursuing an ‘auspice body arrangement’ to manage the grant on behalf of another group may be more appropriate in this circumstance rather than incorporation. Where a group will only provide advisory services or advocacy type functions to assist a government agency, and will not need to manage funds or deliver services, then incorporation again may not be appropriate. For most groups incorporating is voluntary. However, corporations holding or managing native title under the *Native Title Act 1993* must be incorporated under the ACA Act—a requirement that will continue under the CATSI Act.

Attachment 6

Policy—Incorporation under ACA Act/CATSI Act

Assessing risk of existing corporations through the public register

Information about a corporation, including its financial standing, can be obtained by checking lodged annual information including financial statements which are available on the public register (available at www.orac.gov.au). The most recent public documents filed with ORAC by corporations are available online through the ORAC website. ORAC can also assist with information regarding aggregated data on risk of corporations that might be required by funding agencies.

Disqualification provisions

Certain people may be disqualified from managing a corporation. For instance, under the ACA Act, people who are undischarged bankrupts are automatically disqualified and also those convicted of certain offences are automatically disqualified as members of the governing committee. Similar restrictions will apply under the CATSI Act to people managing Aboriginal and Torres Strait Islander corporations. The CATSI Act will also establish a public register of people disqualified at the initiative of the Registrar. People disqualified from managing corporations under the Corporations Act will also be automatically disqualified under the CATSI Act.

Amalgamations and transfers

Under the CATSI Act corporations will be able to amalgamate; enabling economies in corporate overheads (although this has to always be balanced with the risk that larger corporations pose). Aboriginal and Torres Strait Islander corporations registered under other legislation can also transfer into the ACA Act or CATSI legislation.

The ACA Act does not allow for the seamless transfer of corporations between incorporation regimes. When considering whether to transfer funding between different organisations, or whether to reorganise existing organisations, agencies should also be aware that, under the ACA Act, a decision to wind-up a solvent corporation can only happen if agreed to by a special resolution of the members, that is, a 75 per cent of eligible voters who vote at a meeting. Also corporations normally have rules about distributing surplus assets that remain after all previous debts and liabilities are satisfied.

Attachment 6

Policy—Incorporation under ACA Act/CATSI Act

In contrast, the CATSI Act has express transfer provisions which will allow a corporation to voluntarily transfer to or from another incorporation regime. This will ensure a seamless transfer of assets and liabilities and will save the corporation from having to be wound up under the losing legislation and then registered under the receiving legislation. These transfers will still take some time but they offer a key opportunity to work with a corporation to ensure that its corporate structure and design, including its constitution, is most appropriate for the functions it carries out. Ensuring corporate design is appropriate and that directors and others are aware of their legal responsibilities, and are equipped to carry them out, are key risk management strategies. The transfer process requires the agreement of the members and proof of that agreement, for example, the minutes of the annual general meeting showing the agreement of the members.

The provisions in the Corporations Act dealing with the external administration of insolvent corporations also apply to Aboriginal and Torres Strait Islander corporations, and standard legal principles also apply regarding the priority of creditors. For instance, if a corporation is liquidated for insolvency, the Commonwealth, by way of a funding agency, may be one creditor among many others. Under the CATSI Act the Corporations Act provisions dealing with insolvent trading and the protection of employees' entitlements such as long service leave apply to Aboriginal and Torres Strait Islander corporations.

6. Actions by funding bodies

To support good corporate governance funding agencies can:

- ensure that their staff are well informed about the requirements of incorporation and associated processes, such as the use of powers to regulate corporations.
- remember that any decision by an incorporated body to transfer between other regimes and the ACA Act or the CATSI Act is voluntary and must be agreed to by a majority of its members at a general meeting.
- ensure that policies and operations do not require things to be done that are inconsistent with the law and best practice for incorporation, or are contrary to the interests of a corporation e.g. requiring directors or members to move assets without following proper processes under the law being followed or ignoring the ownership of assets by corporations.

Attachment 6

Policy—Incorporation under ACA Act/CATSI Act

- carefully consider any direct or indirect requirements for incorporation that they may have in place or are considering, such as funding conditions imposed on organisations about which legislation they should incorporate under and tendering criteria about the preferred incorporation model.
- ensure that relevant interests are protected through appropriate measures to prevent loss of capital assets if funding for services is transferred to another organisation and keeping the relevant records for these protection measures secure and accessible for future agency staff.

ORAC can assist funding agencies review their policies and operations to ensure legal requirements and best practice strategies are in place and provide information sessions to key agency staff on a range of matters relevant to good governance and risk management.

Where a new program is being set up that involves new service providers, ORAC also provides a pre-incorporation service which promotes incorporation when and where it is necessary and responsible. This includes:

- conducting workshops with groups providing information and advice to prepare groups wanting to incorporate
- providing advice and assistance to groups with decisions on incorporation options
- providing information on the key features of incorporation under the ACA Act and CATSI Act
- helping with the design of corporations' rules that support good governance.

7. Contact ORAC

Further information about Indigenous corporations and ORAC, including the ACA Act and the CATSI Act is available online at www.orac.gov.au or by contacting ORAC on 1800 622 431. ORAC can also provide information sessions on the ACA Act, the CATSI Act and Aboriginal and Torres Strait Islander corporations more generally.



Attachment 7

Poster—Steps to the Corporations (Aboriginal and Torres Strait Islander) Act

Australian Government
Office of the Registrar of Aboriginal and Torres Strait Islander Corporations

STEPS TO THE CORPORATIONS (ABORIGINAL AND TORRES STRAIT ISLANDER) ACT

July 07

1 July 2007
The CATSI Act began.
Start putting your ICN (Indigenous corporation number) on all your important documents.
Model rule book is available on the ORATSIC website and on CD ROM. ORATSIC can help corporations to redesign their rules.

July 2007 to June 2009
Adopt the new CATSI model rules or modify them to suit your corporation sometime before 30 June 2009. When a corporation changes its rules (including its constitution), its 'transitional' period ends. This means the corporation now reports fully under the CATSI Act.

Before end of 2007
Finalise your financial statements for 2006-07, like you did under the ACA Act.
Get your financial statements for 2006-07 audited, like you did under the ACA Act—you will need to provide a corporation's report and an auditor's report.
Send your annual returns for 2006-07 to the Registrar.
Hold your annual general meeting (AGM) for 2006-07 either according to your constitution, or if the directors agree, the CATSI Act.

December 07

Before 30 June 2008
In 2007-08 you can choose to report as you did under the ACA Act, or you can report under the CATSI Act. If you want to report under the ACA Act you must write and let the Registrar know before 30 June 2008.

June 08

Before Dec 2008
If reporting as you did under the ACA Act, get your financial returns for 2007-08 audited. Send them to the Registrar.
If reporting under the CATSI Act, prepare your general report and any other reports required, depending on your size.

December 08

1 July 2009
The CATSI transition period ends.
All corporations must have made the transition to the CATSI Act, with a new rule book in place. The Registrar can give corporations up to six more months to change their rules if there are special circumstances.

July 09

Things to do under CATSI Act | Things to do under ACA Act | Things to do under CATSI or ACA Act - see above



Attachment 8

Corporations where examinations were initiated 2006–07

This table lists corporations for which examinations were initiated during 2006–07, and summarises follow-up action by the Registrar to the time of writing.

ICN	Corporation	Examination outcome
1900	Aboriginal Corporation of Employment and Training Development	Section 60A notice issued 15 Feb 07
1298	Anangu Uwankaraku Punu Aboriginal Corporation	Section 487-10 notice issued 31 Aug 07 Section 439-20 notice issued 7 Dec 07
3270	Billabong Aboriginal Corporation	Section 71 notice issued 6 Jun 07 Section 439-20 notice issued 9 Nov 07
1124	Booroongen Djugun Aboriginal Corporation	No further action Management letter issued 27 Aug 07
1169	Bumma Bippera Media Aboriginal and Torres Strait Islanders Corporation	Section 71 notice issued 12 Apr 07 Administrator appointed 14 Jun 07
331	Central Australian Aboriginal Child Care Agency Aboriginal Corporation	ORAC wind up action initiated 4 Jun 07 Liquidator appointed 9 Aug 07
282	Cooramah Housing and Enterprise Aboriginal Corporation	Section 71 notice issued 18 Oct 06 Administrator appointed 29 Nov 06
254	Cullacabardee Aboriginal Corporation	Section 60A notice issued 29 Jun 07
2734	Darug Tribal Aboriginal Corporation	Section 60A notice issued 27 Nov 06
27	Durri Aboriginal Corporation Medical Service	Section 439-20 notice issued 24 Aug 07
364	Goldfields Land and Sea Council Aboriginal Corporation	No further action Management letter
1195	Granites Mine Affected Area Aboriginal Corporation	Section 60A notice 4 Jun 07
3296	Healing For Harmony Aboriginal & Torres Strait Islanders Corporation	ORAC wind up action Federal Court 20 Jun 07
178	Indigenous Tasmanians Aboriginal Corporation	No further action Management letter issued 27 Apr 07
868	Julalikari Council Aboriginal Corporation	Section 60A notice issued 2 Apr 07
2660	Julalikari Nominees Aboriginal Corporation	Section 60A notice issued 2 Apr 07

Attachment 8

Corporations where examinations were initiated 2006–07

ICN	Corporation	Examination outcome
867	Julalikari Workshops Aboriginal Corporation	Section 60A notice issued 2 Apr 07
840	Kabi Kabi Aboriginal Corporation	Section 71 notice issued 21 Mar 07 Administrator appointed 26 Apr 07
3691	Kalkadoon Aboriginal Corporation	Section 71 notice issued 23 Aug 06 Administrator appointed 18 Oct 06 Liquidator appointed 25 Jan 07
2173	Kullila Welfare and Housing Aboriginal Corporation	Section 439-20 notice issued 20 Sep 07
2409	Kunawarrtji (Aboriginal Corporation)	Section 71 notice issued 4 Oct 06 Administrator appointed 2 Jan 07
1925	Kurra Aboriginal Corporation	No further action Management letter issued 4 Jun 07
3170	Larrakia Nation Aboriginal Corporation	No further action Management letter issued 5 Apr 07
116	Mandangala Aboriginal Corporation	Section 71 notice issued 29 Jun 07 Special administrator appointed 4 Sep 07
1074	Mildura Aboriginal Corporation	Section 439-20 notice issued 27 Jul 07
3379	NEIB Aboriginal Corporation	Section 60A notice issued 5 Oct 06 followed up on 15 Nov 06 and 27 Feb 07
101	Ngaanyatjarra Council (Aboriginal Corporation)	Section 439-20 notice issued 27 Jul 07
557	Ngaanyatjarra Health Service (Aboriginal Corporation)	Section 439-20 notice issued 27 Jul 07
443	Ngaanyatjarra Services Aboriginal Corporation	Section 439-20 notice issued 27 Jul 07
4063	Ngarla Mia Mia Karlak Aboriginal Corporation	Section 439-20 notice issued 6 Jul 07
2098	Ngunyntju Tjitji Pirni Aboriginal Corporation	Section 439-20 notice issued 24 Aug 07
210	Ninga Mia Village Aboriginal Corporation	Liquidator appointed 25 Oct 07
3520	Nyunbuk Moorit Booja Aboriginal Corporation	Section 439-20 notice issued 6 Jul 07
34	Orana Haven Aboriginal Corporation	No further action Management letter issued 3 May 07
2014	Songlines Music Aboriginal Corporation	Section 60A notice issued 22 Dec 06
33	Tenterfield Aboriginal Corporation	ORATSIC wind up action initiated 31 Jul 07 Liquidator appointed 30 Aug 07
207	Tharawal Aboriginal Corporation	Section 60A notice issued 27 Oct 06
1473	The Central Australian Aboriginal Alcohol Programmes Unit Aboriginal Corporation	Section 60A notice issued 21 Jun 07

Attachment 8

Corporations where examinations were initiated 2006–07

ICN	Corporation	Examination outcome
2373	Trading Arts and Crafts Aboriginal Corporation	ORAC wind up action initiated Withdrawn after DCITA released funding No further action
3390	Wandooon Estate Aboriginal Corporation	Section 60A notice issued 11 Apr 07
1072	Wangari Jangu Kari Aboriginal Corporation	Section 60A notice issued 2 Apr 07
1645	Wangkanyi Ngurra Tjurta Aboriginal Corporation	Section 60A notice issued 25 Sep 06
703	Western Australian Aboriginal Media Association (Aboriginal Corporation)	ORAC wind up action initiated Liquidator appointed 22 Nov 06
4207	Western Desert Lands Aboriginal Corporation (Jamukurnu-Yapalikunu)	Section 60A notice issued 26 Feb 07
319	Western Desert Puntukurnuparna Aboriginal Corporation	Section 60A notice issued 26 Feb 07
360	Wheatbelt Aboriginal Corporation	No further action Administrator appointed under s. 436A of <i>Corporations Act 2001</i> on 27 Feb 07
547	Winjah Group Aboriginal Corporation	Section 439-20 notice issued 27 July 07
1065	Winnam Aboriginal and Torres Strait Islanders Corporation No	No further action Management letter issued 27 Jul 07
3411	Wonnarua Nation Aboriginal Corporation	Section 71 notice issued Administrator appointed 22 Dec 06
2001	Yamatji Marlpa Barna Baba Maaja Aboriginal Corporation	No further action Management letter issued 27 Feb 07



Attachment 9

Corporations issued with notices to rectify matters 2006–07

ICN	Corporation
1900	Aboriginal Corporation of Employment and Training Development
326	Albany Aboriginal Corporation
4125	Banjelungup Aboriginal Corporation
254	Cullacabardee Aboriginal Corporation
2734	Darug Tribal Aboriginal Corporation
2113	Goondi Aboriginal & Torres Strait Islanders Corporation
1195	Granites Mine Affected Area Aboriginal Corporation
868	Julalikari Council Aboriginal Corporation
2660	Julalikari Nominees Aboriginal Corporation
867	Julalikari Workshops Aboriginal Corporation
3379	NEIB Aboriginal Corporation
1175	Pukatja Garage and Auto Spares (Aboriginal Corporation)
2242	Pukatja Supermarket and Associated Stores Aboriginal Corporation
1084	Ramingining Homelands Resource Centre Aboriginal Corporation
2014	Songlines Music Aboriginal Corporation
207	Tharawal Aboriginal Corporation
1473	The Central Australian Aboriginal Alcohol Programmes Unit Aboriginal Corporation
1539	The Little Yuin Pre-School Aboriginal Corporation
1273	Wahgunyah (Housing) Aboriginal Corporation
3390	Wandoon Estate Aboriginal Corporation
1072	Wangari Jangu Kari Aboriginal Corporation
1645	Wangkanyi Ngurra Tjurta Aboriginal Corporation
4207	Western Desert Lands Aboriginal Corporation (Jamukumu-Yapalikunu)
319	Western Desert Puntukurnupama Aboriginal Corporation



Attachment 10

Corporations issued with notices to show cause why an administrator should not be appointed 2006–07

This table lists corporations that were required to show cause why and administrator should not be appointed during 2006–07.

ICN	Corporation	Due date	Outcome
4611	Mutitjulu Community Aboriginal Corporation	12 Jul 06	Administrator appointed 18 Jul 06
3691	Kalkadoon Aboriginal Corporation	1 Sep 06	Administrator appointed 18 Oct 06
2409	Kunawarritji (Aboriginal Corporation)	20 Oct 06	Administrator appointed 2 Jan 07
3411	Wonnarua Nation Aboriginal Corporation	27 Oct 06 (ext)	Administrator appointed 22 Dec 06
282	Cooramah Housing and Enterprise Aboriginal Corporation	27 Oct 06	Administrator appointed 29 Nov 06
840	Kabi Kabi Aboriginal Corporation	30 Mar 07	Administrator appointed 26 Apr 07
1169	Bumma Bipperra Media Aboriginal and Torres Strait Islanders Corporation	4 May 07 (ext)	Administrator appointed 14 Jun 07
3270	Billabong Aboriginal Corporation	22 Jun 07	Section 439-20 notice issued 9 Nov 07
116	Mandangala Aboriginal Corporation	20 Jul 07	Special administrator appointed 4 Sep 07



Attachment 11

Corporations where new administrators were appointed 2006–07

This table lists corporations for which administrators were appointed during 2006–07.

Date appointed	ICN	Corporation	Administrator
3 Jul 06	268	Carpentaria Land Council Aboriginal Corporation	Tony Grieves
18 Jul 06	4611	Mutitjulu Community Aboriginal Corporation	Brian McMaster
18 Oct 06	3691	Kalkadoon Aboriginal Corporation	Lorraine Forman
29 Nov 06	282	Cooramah Housing and Enterprise Aboriginal Corporation	Peter Saunders
22 Dec 06	3411	Wonnarua Nation Aboriginal Corporation	Glen Walker
2 Jan 07	2409	Kunawarrtji (Aboriginal Corporation)	Ron Gamble
26 Apr 07	840	Kabi Kabi Aboriginal Corporation	Lorraine Forman
14 Jun 07	1169	Bumma Bippera Media Aboriginal and Torres Strait Islanders Corporation	Glen Walker



Attachment 12

Corporations with administrators continuing from previous years at 30 June 2007

This table lists corporations with administrations continuing from previous years, and when the administrator was appointed.

Date appointed	ICN	Corporation	Special administrator	Date cancelled	Outcome
16 Jul 02	2133	Goomburrup Aboriginal Corporation	Eamonn Thackaberry		
24 Mar 03	662	Munjuwa Health Housing and Community Aboriginal Corporation	Peter Sheville		
31 Oct 03	289	Wirrimanu Aboriginal Corporation	Bob Smillie	22 Nov 03	Replaced by Joe Schiavi
22 Nov 03			Joe Schiavi	23 May 04	Replaced by Ian Swan
24 May 04			Ian Swan	23 Feb 07	Replaced by Brian McMaster
24 Feb 07			Brian McMaster		
21 Nov 03	2541	Kununurra Region Economic Aboriginal Corporation	Eamonn Thackaberry		
5 Apr 04		Armidale Employment Aboriginal Corporation	Bob Brewster	31 Aug 06	Liquidator appointed
12 Apr 04		Mount Morgan Aboriginal Corporation	Glen Walker	25 Sep 06	Handed back to members control Sep 06
29 Sep 04	2749	Three Ways Aboriginal Corporation	Andrew Bowcher		
1 Nov 04	560	Piccadilla Aboriginal Corporation	Bob Brewster		
18 May 05	1269	Dubbo Googars Aboriginal Corporation - CDEP	Andrew Bowcher		

Attachment 12

Corporations with administrators continuing from previous years at 30 June 2007

Date appointed	ICN	Corporation	Special administrator	Date cancelled	Outcome
27 Jun 05	4088	Yapatjarra Aboriginal and Torres Strait Islander Corporation for Health Services	Lorraine Forman	9 Feb 07	Handed back to members control 9 Feb 07
29 Aug 05	3805	Billa Downs Aboriginal Corporation	Bob Brewster		
29 Aug 05	942	Parnngurr Aboriginal Corporation	Brian McMaster	30 Apr 07	Handed back to members control
5 Oct 05	3409	Uwoykand Tribal Aboriginal Corporation	Glen Walker	30 Apr 07	Handed back to members control
28 Nov 05	1519	Orana Aboriginal Corporation	Peter Scolari	31 Dec 06	Handed back to members control
16 Jan 06	3830	Ghungalou Aboriginal Corporation	Lindsay Roberts	4 Aug 06	Handed back to members control
16 Jan 06	2912	Eidsvold Wakka Wakka Aboriginal Corporation	Lindsay Roberts	4 Aug 06	Handed back to members control
13 Mar 06	761	Mutitjulu Community Health Service (Aboriginal Corporation)	Eamonn Thackaberry		
13 Mar 06	2	Urapuntja Health Service Aboriginal Corporation	Glen Walker	31 Dec 06	Handed back to members control
3 Apr 06	3037	Kukatj Aboriginal Corporation	Peter McQuoid Tony Birch	30 Jun 06	Replaced by Tony Birch
3 Apr 06	1999	Gkuthaarn Aboriginal Corporation	Peter McQuoid Tony Birch	30 Jun 06	Replaced by Tony Birch
1 Jul 06					
28 Apr 06	1838	Nyangatjatjara Aboriginal Corporation	Eamonn Thackaberry		
16 Jun 06	680	Link-up (QLD) Aboriginal Corporation	Barry Jameson		



Attachment 13

Liquidations in progress at 30 June 2007

ICN	Corporation	State	Date appointed
2293	Aboriginal & Torres Strait Islander Corporation For All Sports, Health & Recreation Association	QLD	29 May 03
1716	Armidale Employment Aboriginal Corporation	NSW	31 Aug 06
893	Boree Aboriginal Corporation	NSW	13 Feb 04
1449	Camma CDEP Aboriginal Corporation	NSW	13 Feb 04
2032	Giru Dala Council of Elders Aboriginal Corporation	QLD	25 May 06
2824	Goreta Aboriginal Corporation	SA	2 Mar 06
1674	Gundabooka Aboriginal Corporation	NSW	14 Aug 02
3296	Healing for Harmony Aboriginal and Torres Strait Islander Corporation	QLD	20 Jun 07
3691	Kalkadoon Aboriginal Corporation	QLD	28 Jan 07
2202	Keriba Mina Torres Strait Islanders Corporation for Development	QLD	9 Feb 06
2416	Marruwayura Aboriginal Corporation	WA	16 Mar 06
3639	Martidja Banyjima Aboriginal Corporation	WA	29 May 03
799	Minbani Aboriginal Corporation	NT	13 Mar 06
3727	Port Hedland Indigenous Media Aboriginal Corporation	WA	23 Sep 05
703	Western Australian Aboriginal Media Association (Aboriginal Corporation)	WA	22 Nov 06
235	Yagga Yagga Community Aboriginal Corporation	NT	23 Feb 06
2091	Yagga Yagga Enterprises Aboriginal Corporation	WA	23 Feb 06



Attachment 14

Liquidations finalised during 2006–07

The corporations listed in this table were liquidated during 2006–07.

ICN	Corporation
3716	Allawah Aboriginal and Torres Strait Islander Corporation
1766	Coolgaree Youth Movement Aboriginal Corporation
4050	Gangali Aboriginal Corporation



Attachment 15

Deregistrations completed during 2006–07

ICN	Corporation	State	State total
4067	Indigenous Women Aboriginal Corporation	ACT	1
3716	Allawah Aboriginal and Torres Strait Islander Corporation	NSW	
3566	Araluen Aboriginal Corporation	NSW	
1693	Armidal Junior Sport Culture & Education Aboriginal Corporation	NSW	
3288	Buronga Aboriginal Corporation	NSW	
3843	Dangunyah Mawamball Aboriginal Womens Business Group	NSW	
1579	Gunyah Construction Aboriginal Corporation	NSW	
4293	Inner City Aboriginal Services Aboriginal Corporation	NSW	
272	Ngaku Aboriginal Corporation Multi Purpose Centre	NSW	8
3573	Alawa Yunenu Aboriginal Corporation	NT	
1189	Alpawerrke Aboriginal Corporation	NT	
2984	Amoonguna Farm Aboriginal Corporation	NT	
2047	Ananguku Yiwarra Aboriginal Corporation	NT	
1342	Arkamta Aboriginal Corporation	NT	
1513	Bagermananjing Aboriginal Corporation	NT	
1130	Boonu Boonu Womens Aboriginal Corporation	NT	
3570	Bunungu Aboriginal Corporation	NT	
198	Centralian Aboriginal Organisation Enterprise (Aboriginal Corporation)	NT	
2171	Croker Islanders Aboriginal Corporation	NT	
2140	Daguragu Enterprise Aboriginal Corporation	NT	
3395	Dharrapangan Aboriginal Corporation	NT	
3626	Ijemelang Aboriginal Corporation	NT	
2122	Jananginyi Aboriginal Corporation	NT	
2262	Jangankurlangu Aboriginal Corporation	NT	
3058	Kain Marep Torres Strait Islander Corporation	NT	
3793	Larlakirli Aboriginal Corporation	NT	

Attachment 15

Deregistrations completed during 2006–07

ICN	Corporation	State	State total
3387	Mangingburru Aboriginal Corporation	NT	
3389	Manu Aboriginal Corporation	NT	
2114	Mcguinness Aboriginal Corporation	NT	
2097	Menmuir Aboriginal Corporation	NT	
3574	Mialuni Aboriginal Corporation	NT	
2056	Mount Peachy Community Aboriginal Corporation	NT	
1164	Mount Winter Aboriginal Corporation	NT	
1209	Nuralindji Aboriginal Corporation	NT	
1687	Officer Creek Pastoral Aboriginal Corporation	NT	
2814	Pinjinja Aboriginal Corporation	NT	
3572	Roper River Aboriginal Corporation	NT	
3571	Soak Creek Aboriginal Corporation	NT	
2246	Urlpmerre Aboriginal Corporation	NT	
1517	Wallany Homeland Community Aboriginal Corporation	NT	
1936	Wampana Aboriginal Corporation	NT	
2817	Waramartra Aboriginal Corporation	NT	
2157	Warlungarninypa Aboriginal Corporation	NT	34
1782	Christmas Creek Aboriginal Corporation	QLD	
2119	Dhinyampa Kayampa (Dajarra) Aboriginal Corporation	QLD	
4050	Gangali Aboriginal Corporation	QLD	
3147	Karboyck Larkinjar Aboriginal Corporation	QLD	
4095	Logan City Aboriginal and Torres Strait Islander Corporation for Housing and Community Development	QLD	
3950	Mackay Bama Dorge Lag Aboriginal and Torres Strait Islander Corporation	QLD	
3980	Moekwil Urapun Aboriginal and Torres Strait Islander Corporation	QLD	
3275	Tobilla Family Cultural & Resouce Aboriginal and Torres Strait Islander Corporation	QLD	
2951	Tweetheran Aboriginal Corporation	QLD	
3241	Wulli Wulli Elders and Decendants Aboriginal Corporation	QLD	10
1565	Tjundala Aboriginal Corporation	SA	1
1348	The Aboriginal Child/Youth Support Association Aboriginal Corporation	TAS	1
1646	Derriwah Aboriginal Corporation Community Justice Panel	VIC	

Attachment 15

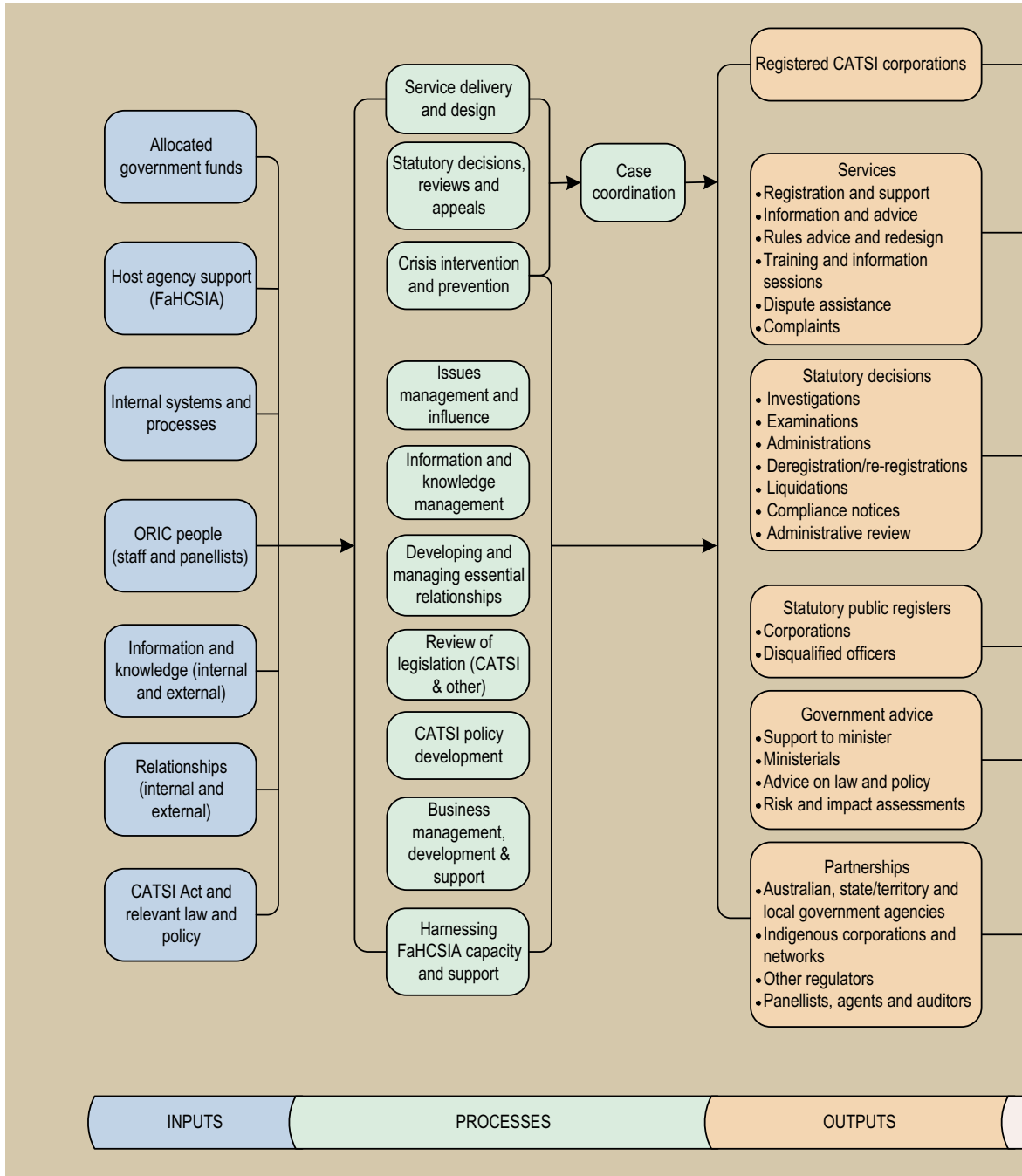
Deregistrations completed during 2006–07

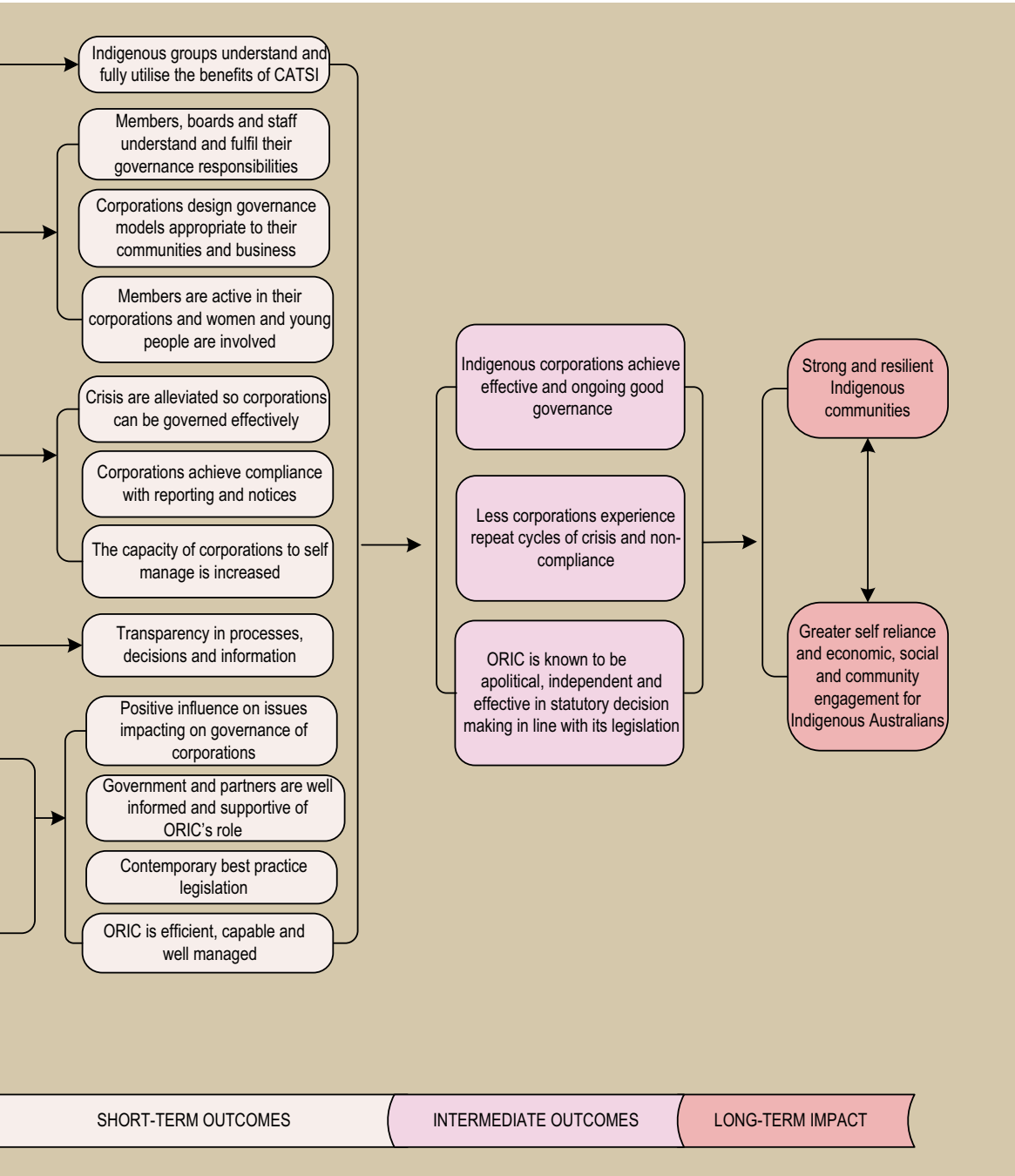
ICN	Corporation	State	State total
3087	Munabingya Aboriginal Corporation Robinvale	VIC	
2609	Pukulpa Tjungunagkunyitja Aboriginal Corporation	VIC	3
502	Broome Musicians Aboriginal Corporation	WA	
637	Bulgins Aboriginal Corporation	WA	
1612	Djarajung Aboriginal Corporation	WA	
1157	Djarworrada Aboriginal Corporation	WA	
729	Djunbid Aboriginal Corporation	WA	
1399	Gilungara Aboriginal Corporation	WA	
1264	Goolarabooloo-millibinyarri Aboriginal Corporation	WA	
4325	Gordon River Aboriginal Corporation	WA	
3539	Great Southern Aboriginal Corporation Health Service	WA	
962	Jabir Jabir Aboriginal Corporation	WA	
598	Kalyadayan Aboriginal Corporation	WA	
389	Kamali Land Council Aboriginal Corporation	WA	
790	Karnparri Aboriginal Corporation	WA	
1600	Karrku Homeland Aboriginal Corporation	WA	
1327	Kertanyji Aboriginal Corporation	WA	
1176	Kunmunya Aboriginal Corporation	WA	
1111	Lynne River Aboriginal Corporation	WA	
722	Malumbo Aboriginal Corporation	WA	
549	Mearu Djarula Aboriginal Corporation	WA	
2722	Miwatj Aboriginal Legal Service Aboriginal Corporation	WA	
892	Ngalawilli Aboriginal Corporation	WA	
3587	Onslow Aboriginal Corporation	WA	
1607	The Tjiliyna Aboriginal Corporation	WA	
3987	Waalitj Aboriginal Corporation	WA	
615	Wanamulnyundong Aboriginal Corporation	WA	
1113	Wycoorillo Aboriginal Corporation	WA	
204	Yardgee Aboriginal Corporation	WA	
11	Yardoogarra Aboriginal Corporation	WA	28



Attachment 16

ORIC program logic diagram





Glossary of terms

administration	The Registrar can appoint an administrator to govern and manage the affairs of a corporation. They offer an alternative to winding up, and aim to achieve turnaround for a struggling corporation.
capacity building	ORAC's approach is to support individuals, groups and organisations to build on their strengths and assets. Staff use participative methodologies and access to information and training to enhance self reliance.
compliance	Corporations must comply with the ACA Act which sets out some rules for how Indigenous corporations must be run, and also requires some reports to be forwarded to ORAC every year.
corporate governance	Corporate governance is how people lead and run their organisations.
corporate governance training	ORAC runs training on good corporate governance for Indigenous boards, members, key staff and others.
corporations' rules	These are the rules for how a corporation is run. Some are set down in the Act and some are created by the corporation itself. Sometimes they are called the corporation's 'constitution'.
deregistration	Deregistration is the cancellation of a corporation's registration, so that it ceases to exist as a corporation. Corporations which are not operating and no longer needed will be deregistered.
incorporation	Incorporation means becoming a legal body under Australian law. This gives groups which incorporate some extra rights, and also brings extra responsibilities.
incorporation support	ORAC provides information and advice to groups before incorporating, and to corporations after they have incorporated.
registered corporations	These are corporations which have incorporated under the ACA Act and are listed on the Public Register of Indigenous Corporations maintained by ORAC

plain English	ORAC tries to make sure that its publications and information are written as plainly and clearly as possible.
public register	Key information about corporations registered under the ACA and CATSI Acts is held on the Public Register of Aboriginal and Torres Strait Islander Corporations, which is maintained by ORAC. It includes information about directors, the corporation's rules, and reports such as financial statements etc. This free public register can be searched through ORAC's website.
regulation	The Registrar has a number of regulatory powers under the ACA Act to intervene to solve problems within corporations, such as the power to examine the records and documents of a corporation, and to appoint an administrator.
size	Under the CATSI Act, corporations will be classed as small, medium or large, depending on their income, assets and number of employees. Most small corporations will have less reporting requirements than they do under the ACA Act. Analysis by ORAC indicates that most corporations under the ACA Act will be small or medium.

Shortened forms

ACA Act	<i>Aboriginal Councils and Associations Act 1976</i>
ASIC	Australian Securities and Investment Commission
ATSIC	Aboriginal and Torres Strait Islander Commission
CATSI Act	<i>Corporations (Aboriginal and Torres Strait Islander) Act 2006</i>
CDEP	Community Development Employment Projects
COAG	Council of Australian Governments
ERICCA	Electronic Register of Indigenous Corporations under the CATSI Act
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
FOI Act	<i>Freedom of Information Act 1982</i>
ICCs	Indigenous Coordination Centres
ICN	Indigenous Corporation Number
MOU	Memorandum of understanding
ORATSIC	Office of the Registrar of Aboriginal and Torres Strait Islander Corporations
ORIC	Office of the Registrar of Indigenous Corporations
the Registrar	the Registrar of Aboriginal Corporations
the public register	the public Register of Aboriginal Corporations



publications

FACT SHEETS

- Fact sheet: Corporation size and financial reporting
- Fact sheet: Related party financial benefits
- Fact sheet: The Bill and the ACA Act
- Fact sheet: The CATSI Act and the Corporations Act
- Fact sheet: The Bill and the review
- Fact sheet: Native Title
- Fact sheet: Duties of directors and other officers
- Fact sheet: What the Act means for funding bodies
- Fact sheet: Arrangements for corporations to move to the new CATSI Act
- Fact sheet: Meetings
- Fact sheet: What's in the corporation's rule book?
- Annual returns guide

NEWSLETTERS

- The Oracle—(1) Get in on the Act
- The Oracle—(2) What should corporations be doing now?
- The Oracle—(3) At last a new Act
- The Oracle—(4) How big is big?
- The Oracle—(5) CATSI rules—make them your own
- The Oracle—(6) ORIC's vision
- The Oracle—(7) Improving corporate governance

RULE BOOK

- Rule book—info kit
- Rule book etool (computer program)
- Rule book—condensed

ORIC
produces a range
of publications to
help corporations.
We've listed some of our
fact sheets, newsletters and
rule book products.

We're always making new
products so check our
website www.oric.gov.au
for all publications.





*FONT AND BACK COVER:
ORIC staff and participants
from various training
workshops.*

