



FROM THE REGISTRAR

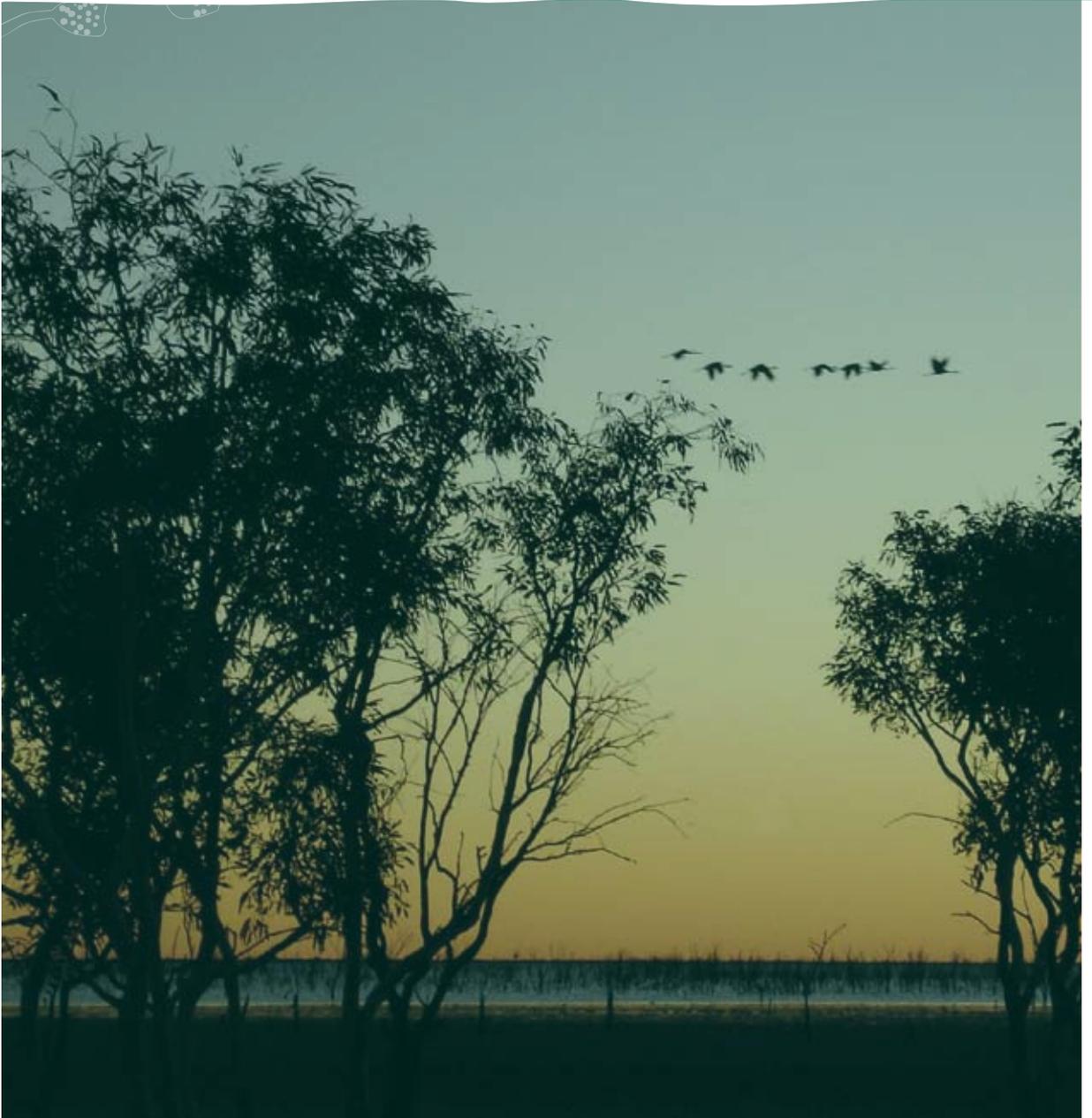




Photo on previous page: Paruku (Lake Gregory), WA, at sunset.

Registrar's year in review

Laura Beacroft ended her five-year period as Registrar on 30 September 2007. Our 2006–07 yearbook mentioned Laura's highly successful tenure and the highlights during her time. I took over from Laura on 1 October 2007 in what has proven to be a very smooth transition.

The major challenge for ORIC during the reporting period was the implementation of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act). The Act commenced on 1 July 2007, repealing the previous 1976 legislation and introducing significant changes for Indigenous corporations. The CATSI Act delivers modern corporate governance standards to some 2605 Indigenous corporations around Australia. ORIC undertook extensive training and public education to assist corporations to understand and transition to the new Act. The transition period ends on 30 June 2009.

The CATSI Act emphasises the importance of compliance and reporting as a mechanism to improve transparency and accountability. ORIC addressed this as a key priority in 2007–08.

The Registrar administers the CATSI Act and is supported by the Office of the Registrar of Indigenous Corporations (ORIC).

The following paragraphs briefly outline where we have been and where we want to go.

Strengthening leadership and improving community governance

A major achievement for ORIC was the successful completion and implementation of a new electronic document processing system—the Electronic Register of Indigenous Corporations under the CATSI Act (ERICCA). ERICCA has been under development since 2003 and will deliver more efficient registration services for clients and reduced compliance costs. A supplementary part of the database is a new online forms lodgment function. This secure web-based lodgment system will significantly reduce the need for Indigenous corporations to lodge paper forms with ORIC.

Organisational review

Since 1 July 2007 ORIC has seen a lot of changes in quick succession—new legislation, a new Registrar, a new government, a new minister, and a whole lot of new priorities. These changes have influenced the focus and direction of our work and how we measure our performance. In February 2008 in an interview in *The Oracle* newsletter I outlined what I saw as the key challenges for Indigenous corporations and the key priorities for ORIC. A copy of the interview can be found on our website at www.oric.gov.au.

In 2008 ORIC reviewed its organisational structure to align resources and systems to deal with the new challenges and priorities, and to set it up to deliver on its commitments—achieving greater regulatory impact and improving our internal efficiency.

The new organisational structure was implemented on 1 July 2008.

Staff development

During the first year of implementing the new CATSI Act, ORIC focused on the technical development of its staff and delivering an internal skills development program based on the CATSI Act. ORIC staff met 28 times to share internal expertise and cover technical issues related to the CATSI Act such as the *Corporations (Aboriginal and Torres Strait Islander) Consequential, Transitional and Other Measures Act 2006* (CATSI Transitional Act), corporation size classification, related party transactions, corporate membership, name changes and the internal governance framework of corporations.

Office accommodation

In 2007–08 we also completed the relocation of all staff to a central office. ORIC staff were officially welcomed to the new Canberra office by the performance of a smoking ceremony in May 2008.

Litigation

In April 2006 the Registrar appointed an administrator to the Nyangatjatjara Aboriginal Corporation under section 71 of the *Aboriginal Councils and Associations Act 1976* (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. Subsequent to this the Registrar sought costs against the applicants, however the court ordered that each party bear its own costs.

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. The corporation was handed back to the members on 17 July 2007.

Out-posted officer trial

From 31 March to 30 June 2008 ORIC set up a special trial of out-posted officers to support and build the governance of corporations operating in the East Kimberley region.

During this initial phase of the project the officers focused on visiting all Aboriginal corporations within the Kununurra region to confirm their continuing existence, assess their compliance, undertake basic updates of public register data and prioritise their need for further assistance. A review of the trial will be conducted in December 2008 to assess the effectiveness of out-posting ORIC staff to work directly with corporations.

Key strategic directions in 2007–08

BUILDING STRONG COMMUNITIES AND PEOPLE THROUGH STRONG CORPORATIONS

We have announced several key priorities to assist and strengthen corporations. An ongoing priority in 2007–08 was improving the overall reputation and credibility of Indigenous corporations by increasing their level of reporting compliance.

In May 2008, as part of its compliance project, ORIC ran a media campaign in regional newspapers listing corporations in each area that were in breach of their 2006–07 reporting obligations under the CATSI Act.

This compliance project was very successful and resulted in a 59 per cent compliance rate, exceeding the target rate of 55 per cent and the previous highest level of compliance.

ORIC focuses on building the capacity of Indigenous corporations through training, education and assistance. As discussed in more detail later in the 'What we do' section of the yearbook, ORIC directly delivered over 200 days of training to corporations, predominately in remote locations, as well as further training through partnership arrangements. Sixty formal examinations of Indigenous corporations were undertaken by ORIC in 2007–08 to assess the governance of corporations. At different times throughout the year up to 20 corporations were under special administration managed by ORIC. ORIC also provided assistance with disputes and advice.

Where we want to go

- 95 per cent of corporations transitioned to the CATSI Act by 30 June 2009
- 200 days of training (with greater information provided through the ORIC website and a new approach to delivery)
- 15 per cent increase in registered corporations
- 90 per cent reporting compliance
- a new stakeholder engagement plan
- audio, pictorial and language rule books
- more out-posted officers
- deliver new functions:
 - mediation and dispute resolution
 - modernised call centre operation
 - investigations and prosecutions
 - planning and research.

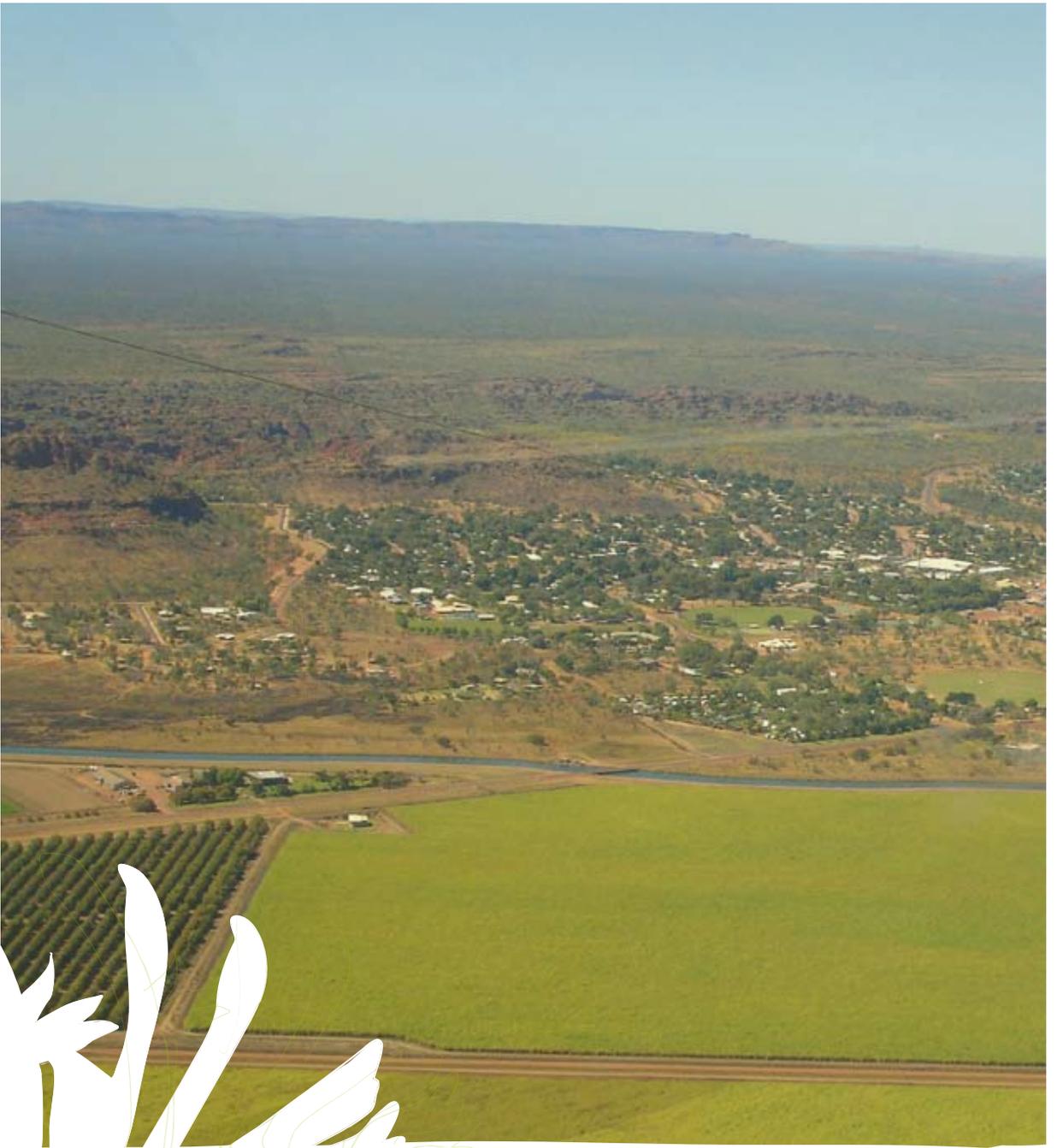
We are looking forward to the year ahead. We have set ourselves high, but achievable aims. The staff of ORIC have been working extremely hard and I would like to thank them for their efforts and the quality of the work that we are producing. I would also like to thank all of our corporations for their ongoing commitment to improving the governance of their corporations and their support for ORIC throughout the year.



Anthony Beven
Registrar
October 2008



Anthony Beven was appointed as Registrar on 1 October 2007. Previously he was the South Australian Regional Commissioner for the Australian Securities and Investments Commissions (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).



WHO WE ARE



Photograph on previous page: Kununnurra, WA, from the air.

About ORIC

ORIC's objective

To support the delivery of registration, regulation and related services for Aboriginal and Torres Strait Islander people under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (the CATSI Act).

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

Powers of the Registrar

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.

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 appendix 2 for a summary of the Registrar's regulatory powers.

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—closing the gap: helping to eliminate poverty in Indigenous communities and making sure we include the most disadvantaged and marginalised people in communities in any strategies to build capacity.

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



Members of ORIC's Indigenous staff group.

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

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

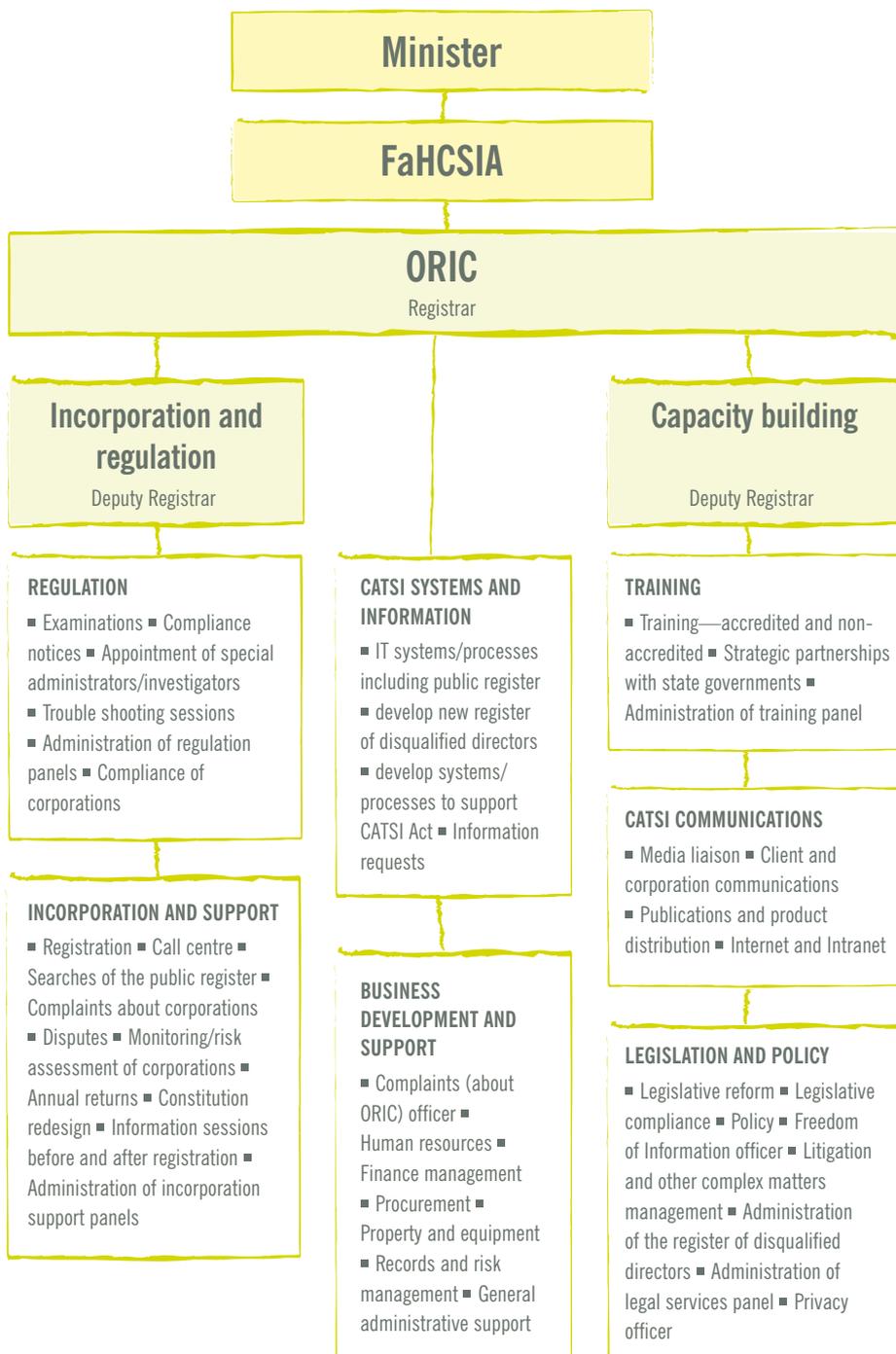
Promoting knowledge management—recognising that access to information, experience and knowledge is an empowering process and making sure any management processes are user friendly and accessible.

Fitting with culture—making sure corporation 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.

Organisation chart 2007–08



Senior management 2007–08



Anthony Beven
Registrar



Toni Matulick
Deputy Registrar
Capacity building branch



Joe Mastrolembo
Deputy Registrar
Registration and regulation
branch

Other members of the senior staff were:



Kerrie Nelson
Director
Governance
and compliance
training



Caroline Joske
Director
Legislation and
policy



Janet Millar
Director
CATSI
communications



Jodie Goddard
Director
Business
development and
support



Peter Armstrong
Director
Regulation



Justin Toohey
Chief Information
Officer



Therese Colosimo
Director
Registration and
support services

Our legislation

The CATSI Act is the set of laws that creates the position of Registrar of Indigenous Corporations and allows Aboriginal and Torres Strait Islander groups to form corporations.

The CATSI Act was passed by the Australian Parliament in October 2006. It began on 1 July 2007, replacing the *Aboriginal Councils and Associations Act 1976* (ACA Act). Under the CATSI Act, laws governing Indigenous corporations have been modernised while still retaining the special measures to meet the specific needs of Indigenous people.

Registration under the CATSI Act is mostly voluntary. However, some corporations—for example, ‘registered native title bodies corporate’ determined by the Federal Court under the *Native Title Act 1993* and royalty associations under the *Aboriginal Land Rights (Northern Territory) Act 1976*—are required to register under the CATSI Act.

ORIC regulates and supports Indigenous corporations registered under the CATSI Act.

UNIQUE FEATURES OF THE CATSI ACT

Some factors unique to the CATSI Act include:

- Indigeneity—a majority of members and directors must be Indigenous.
- Internal governance rule requirements—a corporation’s rule book must meet minimum standards of governance and must be approved by the Registrar.
- Purpose—some types of organisations are inappropriate for registration under the CATSI Act, for example trade unions or corporations providing financial services.
- Corporate membership—bodies corporate or peak bodies can become members of CATSI corporations.
- Specialised assistance—in contrast to other regulators, the Registrar can provide assistance to CATSI corporations.
- Specialised regulatory powers—the Registrar has the power to appoint examiners and special administrators.
- Transfers—the CATSI Act contains transfer provisions which allow organisations to transfer to the CATSI Act provided they meet the minimum requirements (for example the Indigeneity requirement).

An application for registration under the CATSI Act can be downloaded from our website at www.oric.gov.au. Registration is free and the website contains further information about the steps and documentation required to register under the Act.

BENEFITS OF REGISTERING UNDER THE CATSI ACT

The main benefits of registering under the CATSI Act are:

- the members can choose, when they register the corporation, not to be liable for the debts of the corporation
- the rule book that governs how the corporation is run can take into account Aboriginal or Torres Strait Islander customs and traditions
- Aboriginal and Torres Strait Islander corporations can operate nationally—they are not limited to the state or territory where they are registered
- it is free to register as an Aboriginal and Torres Strait Islander corporation—unlike other regimes that may charge a fee
- sometimes a CATSI corporation may be eligible for an exemption from lodging annual reports
- profits of the corporation can be distributed to members if the rule book allows for this
- Aboriginal and Torres Strait Islander corporations can access client assistance, support and information and training programs offered by ORIC.



From left to right: Loreen Gunyan, Lurlene Button, Bob Durnan, Pauline Burton and Bernadette Angus work together during an Introduction to Corporate Governance workshop, Central Australia, February 2007.