



Australian Government

Office of the Registrar of Indigenous Corporations

Yearbook

2016-17



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Please be aware that this publication may contain the names and images of deceased people. The Registrar strives to treat Aboriginal and Torres Strait Islander culture and beliefs with respect. We acknowledge that for some communities, it is distressing to show images of people who have passed away.

Cover image front: Brungle community, New South Wales; back: Bula Bula Arts Aboriginal Corporation, Ramingining, Northern Territory.

Inside cover image: Mary G, Queen of the Kimberley performing with Minister Nigel Scullion and Registrar of Indigenous Corporations, Anthony Beven, at the 10th anniversary of the CATSI Act.



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About the Registrar

The Registrar of Indigenous Corporations is an independent statutory office holder who administers the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act). The CATSI Act has some unique features:

- Registered corporations must be owned and controlled by Aboriginal or Torres Strait Islander people—a majority of both members and directors must be Aboriginal or Torres Strait Islander people.
- The Registrar has special powers, for example to appoint examiners and special administrators.
- The Office of the Registrar of Indigenous Corporations (ORIC) provides support to corporations to strengthen their corporate governance, and conducts research.

ORIC supports corporations by:

- advising on how to incorporate
- training directors, members and key staff in good corporate governance
- ensuring compliance with the law
- intervening when needed.

About the yearbook

Although not required by legislation to produce an annual report, the Registrar believes it is appropriate and good practice to publish a yearbook to inform all clients and stakeholders about the work of ORIC.

ORIC has also contributed to the 2016–17 annual report of the Department of the Prime Minister and Cabinet (PMC), available at pmc.gov.au.

Highlights

2904 Aboriginal and Torres Strait Islander corporations
↑ up 4.4% from last year

172 are RNTBCs
(registered native title bodies corporate)



call centre inquiries
up 10%

√97%
say our

online guidance is helpful
(of those surveyed as part of an independent review of ORIC)



of all web visitors
search the public register
i.e. do a 'search for a corporation'.

 **96.5%**

of corporations met reporting requirements
(100% in Arnhem Land and Groote Eylandt)



Requests to update details
for a corporation, contact person,
secretary or director

up 26%



For the first time ever,
most forms were lodged online.

Brungle community, New South Wales





Western Australia had the most training courses **21**

Northern Territory had the most participants in training **226**

Queensland had the most corporations in training **86**

11 two-day governance workshops were held in regional & remote locations.

A participant in Mount Isa said:

‘I appreciated the interaction, openness and honesty, reality, sharing of problems, and the trainers—compassionate and knowledgeable.’



12 corporations were under special administration.

Their average duration was 6½ months.



Northern Territory corporations attract very few complaints.

Queensland corporations attract more than their share.



Hot topics

Duties of directors and other officers is the most requested training topic, and the most downloaded fact sheet. (That fact sheet is downloaded almost twice as many times as the next most popular one, on rule books.)

Managing **membership of RNTBCs**—membership is the subject of many inquiries, complaints and disputes

A technical **review of the CATSI Act** is currently underway to examine better ways to support and regulate Aboriginal and Torres Strait Islander corporations.



Registrar's year in review

At the time of writing, I have just completed my tenth year as the Registrar of Indigenous Corporations. I feel very fortunate to be in this role, working with Aboriginal and Torres Strait Islander people to strengthen their corporations to provide high-quality services to their members, communities and people. During my tenure I'm proud to have overseen significant growth in the standards of governance and performance of Aboriginal and Torres Strait Islander corporations. It's clear that the outlook is positive and there is much to celebrate.



In July 2016, ORIC staff visited the Australian War Memorial to hear from Indigenous Liaison Officer and Ngunnawal man, Michael Bell, about honouring the lives of fallen service men and women.

On 1 July 2007, with the CATSI Act coming into effect, 2552 corporations originally registered under the *Aboriginal Councils and Associations Act 1976* automatically transferred and began their transition to the CATSI Act. Ten years later, 2904 corporations are operating under the CATSI Act, representing overall growth of 13.8 per cent—despite a significant drop of 513 corporations in the 2009–10 year due to the deregistration of corporations no longer operating or required.

Ten years ago, only 52 per cent of registered corporations were compliant with their reporting obligations. This year, for the seventh year in a row, over 95 per cent of corporations are compliant.

Our research shows that:

- Aboriginal and Torres Strait Islander corporations are less likely to fail than mainstream corporations. In 2016–17 not a single corporation was placed into liquidation, receivership or voluntary administration—that's 0 per cent.
- The biggest risks to corporate failure are not fraud and malfeasance but rather a shortage of knowledge, skills or experience in managing a corporate enterprise. Maintaining the pace of learning and devising strategies to address skills gaps to keep abreast of economic change and development will continue to be a challenge until we truly close the gap.
- Since the CATSI Act began, in the nine years for which we have data (from 2007–08 to 2015–16), the top 500 Aboriginal and Torres Strait Islander corporations have collectively experienced dramatic growth:

- revenue has grown by 77 per cent, from \$1.08 billion to \$1.92 billion
- average annual revenue growth has been 7.4 per cent
- employment has grown by 86 per cent, from 6948 to 12,981 full-time equivalent positions
- the combined value of assets has grown by 121 per cent, from \$1.08 billion to \$2.4 billion

Since I began this role in 2007, ORIC has transformed the regulation of Aboriginal and Torres Strait Islander corporations by implementing new legislation, new technology and new support services. We have done this over a period where both funding and staffing has been substantially reduced. ORIC's budget allocation has fallen by 24 per cent—from \$11.014 million in 2006–07 to \$8.378 million in 2016–17. The number of staff has also shrunk by 24 per cent, from 62.8 to 47.6 full-time equivalent (by headcount it's 65 people down to 50).

In the face of these declines, ORIC has offered more information to more people, processed more registration tasks, provided more corporate governance training, placed more staff closer to corporations, and employed a higher proportion of Indigenous staff.

- In ten years, requests received to change a corporation's rule book have more than doubled, from 126 to 268 requests.
- In 2007, the online public register and the register of disqualified officers were brand new. They're now a core part of our public face, with around half of all web visitors performing a corporation

search. As you might expect, in 10 years our web visitors have also grown substantially—in our case by almost 60 per cent.

- More than 50 per cent of documents are now lodged online, whereas it was almost zero ten years ago.
- Almost 50 per cent of our staff are now Aboriginal or Torres Strait Islander people, up from 12 per cent ten years ago.
- We now have 11 offices around the country, closer to where our clients are located.

With regard to the current reporting period, it has been a year of consolidation and review.

Reviews, internal and external

In late 2016, ORIC's performance in administering the CATSI Act was the subject of an audit by the ANAO and an independent review by KPMG. The ANAO concluded that ORIC supports good governance in corporations and recommended some process and system improvements. The independent review found that ORIC is doing a good job in a challenging regulatory environment. It reported there are significant opportunities to enhance ORIC's contribution to better governance in the future, but noted that realising some of these opportunities would likely require additional resources. For example, it recommended additional resources to increase corporate governance training, regulatory activity and investigation of potential misconduct.

I am pleased that the Minister for Indigenous Affairs, Senator the Hon. Nigel Scullion addressed the resourcing issue and allocated an additional \$4 million to ORIC over four years. This will go a long way to enabling ORIC to deliver even more services to Aboriginal and Torres Strait Islander corporations.

In February 2017 ORIC staff also reviewed our corporate documents to clarify and drive our work into the future, and share this information with external stakeholders. The new documents clearly explain who we are, what we do and why we make certain decisions or take certain actions. They include strategic and corporate plans, our regulatory approach, risk framework, how we categorise and prioritise cases, and how we measure our performance. The latter document has had considerable influence on this yearbook.

We are continually enhancing the way we work, to deliver better outcomes for Aboriginal and Torres Strait Islander corporations, people and communities. To do this we are improving the services we provide and transforming our office into a modern, intelligence-led and risk-based regulator. With a view to optimising the capability of ORIC's workforce in the years to come, and in response to one of the recommendations of the KPMG review, in April 2017 I initiated an external assessment of ORIC's staffing levels. It was not a review of performance. Rather, it focused on whether the work we do is at the appropriate classification level. In response to the review, we immediately made minor changes to the structure of the organisation. Further recommendations will be implemented in the months to come.

Ten years of the CATSI Act

Over the years we have collected a sizeable set of suggestions for technical amendments to the CATSI Act, aiming to ensure that the legislation that drives the regulation and support of Aboriginal and Torres Strait Islander corporations is fit for the next decade. In June 2017 the Minister informed me that to mark the CATSI Act's 10th anniversary, a technical review of the CATSI Act, to be coordinated by ORIC, would be undertaken in 2017–18. An account of the anniversary event in Darwin on 5 July appears in the section 'Engage stakeholders'. It was gratifying to witness guests hear the Minister recognise corporations for their hard work. I look forward to working with the law firm, DLA Piper, to consolidate all the feedback from corporation members, directors and staff; native title bodies; funding bodies; and other stakeholders.

The last word

This is my last yearbook as Registrar of Indigenous Corporations with my appointment ending on 12 November 2017.

The last ten years have been immensely challenging and rewarding for me. It has been a privilege to have been the Registrar and I hope I have made a lasting difference.

One of my priorities has been to improve the accountability of directors and CEOs by taking action to address wrongdoing. This includes the first ever criminal and civil actions since ORIC's inception in 1978.



Anthony Beven,
Registrar of Indigenous Corporations

The highlights have been the \$1.2 million fine and compensation order and 15 year disqualification for Mr Damien Matcham in 2014 for embezzling \$705,000 from an Aboriginal medical service and the 2017 sentence of Mr Alan Bishop to two years imprisonment—the longest sentence ever for a CATSI Act offence—for misappropriating funds from a Kimberley corporation.

As I prepare to leave the role I have reflected on how far the sector has come in the ten years I've been Registrar. Aboriginal and Torres Strait Islander corporations have already taken great strides in economic development but there are demanding times ahead. Governments and the corporate sector have set measures to advance economic development and address disadvantage. The early indicators within the Aboriginal and Torres Strait Islander corporate sector are very encouraging. However, with such strong commitment to assistance and participation, corporations need to be mindful of increased accountability and performance expectations.

Similarly ORIC too will need to address increased expectations. The Minister has provided ORIC an additional \$4 million over the next four years to help people increase their governance knowledge and skills and to increase regulatory oversight of corporations. The growing native title sector will also present challenges. ORIC's workforce is changing to meet the challenges but this will need to be a key priority for the new Registrar in the years ahead.

In saying farewell I would also like to thank everyone that I have worked with or met while I have been the Registrar, whether they be supporters or detractors of ORIC. All have contributed to making ORIC into the organisation it is today.

Finally, I would like to thank the various ministers and their staff that I have worked with, including the current minister, Nigel Scullion, who has been a strong supporter of ORIC for many years. All have been passionate about their work and helped to create the environment for Aboriginal and Torres Strait Islander corporations to succeed.

I look forward to seeing ORIC and all Aboriginal and Torres Strait Islander corporations go from strength to strength in coming years.

Thank you



Anthony Beven
November 2017



Executive staff setting a course for the organisation



About ORIC

Mapping our activities and value

Vision

Strong corporations, strong people, strong communities

Aboriginal and Torres Strait Islander corporations play an important role in the lives of Aboriginal and Torres Strait Islander people and their communities, as well as in the broader Australian society. Our vision is of well-governed corporations that inspire trust in the sector and provide high-value services and benefits to members and communities.

To achieve that vision, ORIC staff operate within a framework that covers:

- our regulatory approach
- the risks we identify
- how we categorise and prioritise cases
- how we measure our performance.

Our work is also directed by a strategic plan and a corporate plan. The current versions cover the period 2017–20. Our corporate documents are available at oric.gov.au/about-us.

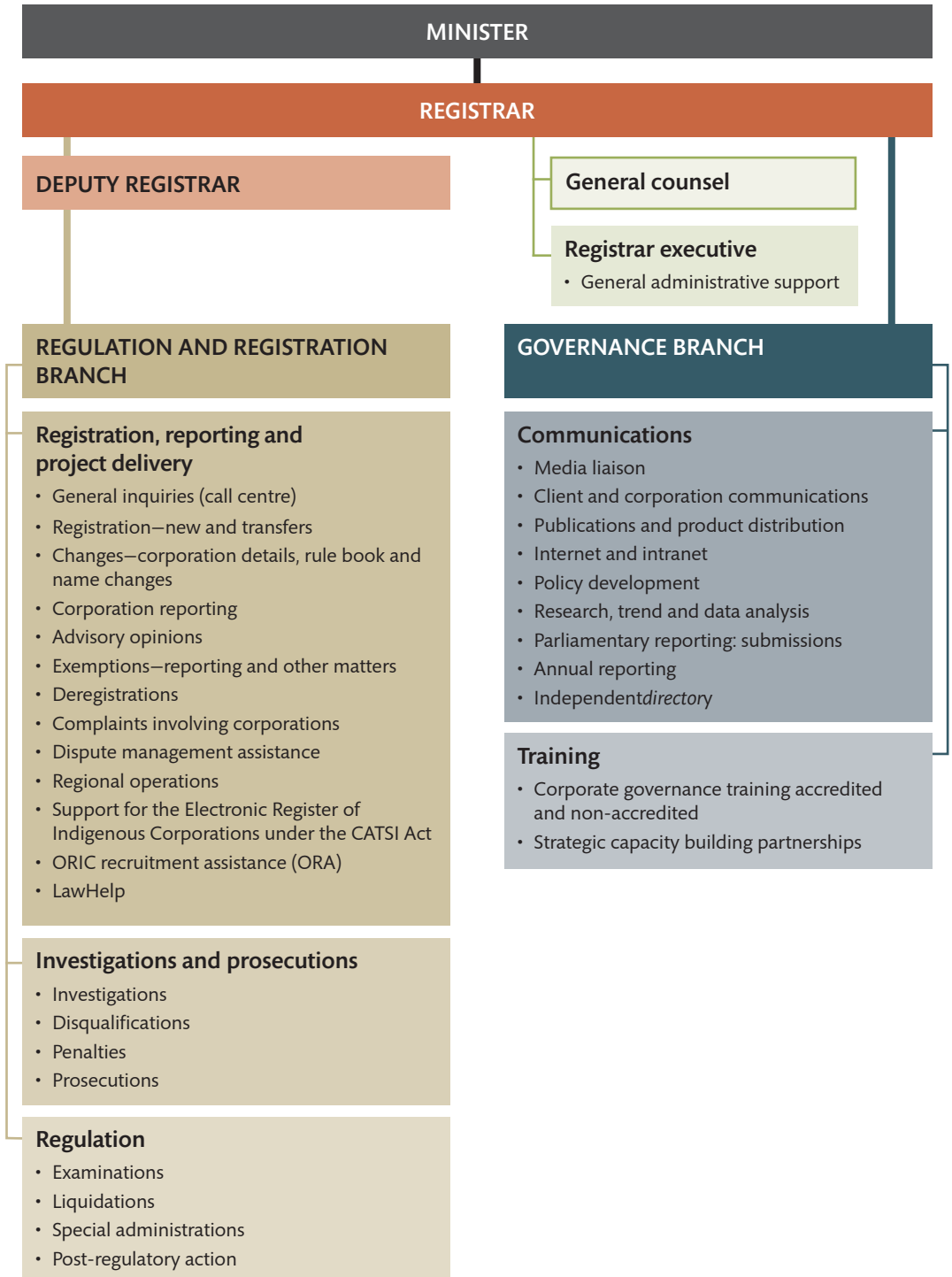


Budget

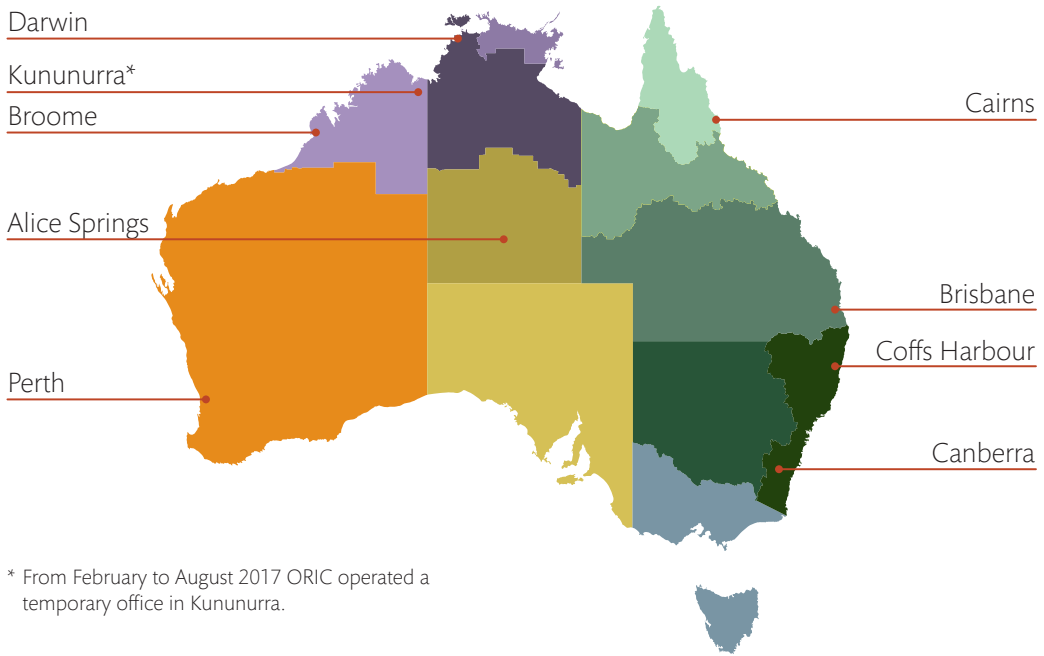
The Registrar's budget allocation for 2016–17 was \$8.378 million, very similar to the \$8.380 million allocated in the previous year.

On 5 July 2017 Minister Nigel Scullion announced additional funding of \$4 million for ORIC. The funding is spread across four years from 1 July 2017 and will bolster ORIC's work in supporting and regulating Aboriginal and Torres Strait Islander corporations.

Organisational structure



Office locations



* From February to August 2017 ORIC operated a temporary office in Kununurra.



Staff from the Canberra office

Staff

As at 30 June 2017, ORIC had a staff of 50 people (47.6 full-time equivalent) and:

- 38 worked from the Canberra office
- 12 worked from a regional office
- 48 per cent were Aboriginal and/or Torres Strait Islander
- 54 per cent were women
- 12 per cent were part-time.

Senior management

Senior managers as at 30 June 2017:



Anthony Beven
Registrar



Joe Mastrolembo
Deputy Registrar



Christian Fabricius
Acting General Counsel



Lisa Hugg
Manager, Communications



Catherine Turtle
Manager, Training



Gerrit Wanganeen
Manager, Regulation



Trish Mu
Manager, Investigations
and Prosecutions



Helen Wright
Acting Manager, Registration,
Reporting and Project Delivery

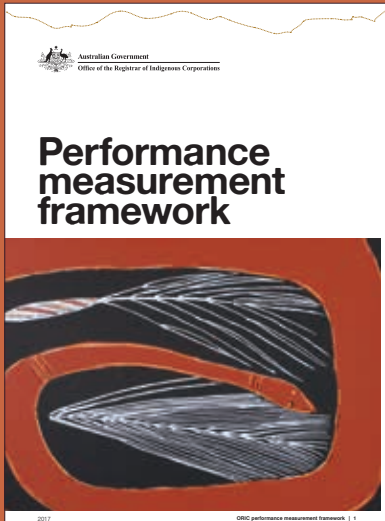


Performance reporting



Radio Larrakia Aboriginal Corporation giving Mary G, Queen of the Kimberley a friendly grilling.

In 2016–17 ORIC developed a formal performance measurement framework. It describes how we measure the value of the work we do and provides the backbone for this yearbook.



Currently, we measure our performance by output, which helps us to understand the efficiency of our operations. Over the next five years we want to build capability to measure our impact on good governance and trust in the Aboriginal and Torres Strait Islander sector—our outcomes.

In May 2017 ORIC published a corporate plan for the period 2017–20, which includes a roadmap for addressing six strategic initiatives. Goals for the period February to June 2017 were to:

- form a risk working group and set its terms of reference
- review ORIC staff work levels and capability
- develop an annual forum for senior government staff to confer on issues and risks.

The first goal was achieved and is described in more detail in the section ‘Understand sector risks and issues’. The review of ORIC’s staff work levels was completed in August, and some of the more straightforward recommendations were implemented immediately. The third goal, to establish a senior-level forum, has been deferred until next financial year, although we have maintained our regular stakeholder engagement activities which are described in ‘Stakeholder engagement’.

As mentioned in the ‘Registrar’s year in review’ ORIC’s performance was also the subject of two external reviews, by the ANAO and by KPMG, and for the most part it was found to be operating effectively and efficiently.

Establishing

The Registrar is responsible for administering the CATSI Act. This involves creating a sustainable regulatory framework to give effect to the legislation.

We set standards for good governance, identify and manage risks, and conduct research and analysis to understand where there are patterns of issues that need to be addressed. We provide information to government, corporations and the wider community about the performance of the Aboriginal and Torres Strait Islander sector.

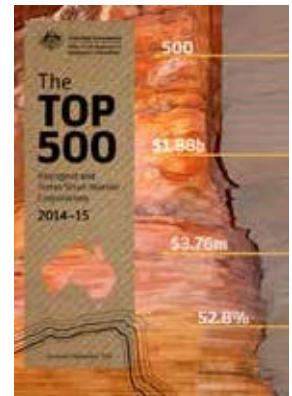
Conduct research

This yearbook presents data on the full range of functions of the Registrar. ORIC also publishes an annual report on the activities and growth of the 500 highest-earning corporations, and simple statistical reports on external administrations (annually) and complaints about corporations (twice-yearly).

Top 500 report, 2014–15

In September 2016 ORIC published its eighth report on the 500 highest earning Aboriginal and Torres Strait Islander corporations. Some of the key findings of the top 500 report for 2014–15 were as follows:

- The combined income of the top 500 Aboriginal and Torres Strait Islander corporations for 2014–15 was \$1.88 billion—that was up 8.2 per cent from the year before.
- The ten-year average annual growth rate of total income for corporations was 9.4 per cent.
- The average income of the top 500 corporations increased from \$3.48 million to \$3.76 million.
- In 2014–15, corporations in the Pilbara region experienced the first fall in average income since 2007–08. However their average income remained well above the national average.
- In 2014–15 the greatest source of revenue for the top 20 corporations was self-generated income (43 per cent of total income). Government funding made up 39.3 per cent of total income.
- As in 2013–14, the health and community services sector was the largest with 197 of the top 500 corporations operating in this sector (39.4 per cent).
- There were 11,095 full-time equivalent employees within the top 500 Aboriginal and Torres Strait Islander corporations.



- The combined value of assets held by the top 500 corporations was \$2.224 billion (compared to \$2.104 billion in 2013–14, an increase of 5.7 per cent).
- At 30 June 2015 there were 144 registered native title bodies corporate (RNTBCs)—15 more than the year before, and their combined income almost doubled, from \$57.5 million to \$112 million. Among the 54.2 per cent of RNTBCs that recorded an income greater than zero, the average income was \$1,436,136, compared to \$844,905 in 2013–14. In other words, those that grew, grew by 70 per cent.

The top 500 report for 2014–15 featured a case study of Winnam Aboriginal and Torres Strait Islanders Corporation, a not-for-profit corporation that provides affordable housing for Aboriginal people in and around Brisbane. Twenty-five years after it started with a \$100 donation, Winnam is a thriving concern with over \$22 million in assets. Becky Thomson, chairperson, is 'proud and privileged to be one of three women who are founding board members'.

Statistical reports

In 2016–17 the Registrar published the following statistical reports:

- an annual report on corporations entering external administration in 2015–16—including special administrations, voluntary administrations and creditors' voluntary wind-ups
- bi-annual reports on complaints involving corporations including their nature (by category), frequency and complexity, and concentration within each state and territory.

In 2016–17 not a single liquidator, receiver or voluntary administrator was appointed to any Aboriginal and Torres Strait Islander corporation. Another indicator of the comparatively low rate of failure of Aboriginal and Torres Strait Islander corporations registered under the CATSI Act.

All eight external administrations that did start in 2016–17 were special administrations under the CATSI Act, which are intended to restructure corporations and return them to member control. (see p. 88)

TABLE 1: External administration appointment types from 2011–12 to 2016–17

| Appointment type | 2011-12 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---------------------------------|-----------|-----------|-----------|-----------|----------|
| Special administration | 5 | 11 | 9 | 10 | 8 |
| Receiver appointed | 0 | 0 | 0 | 0 | 0 |
| Deed of corporation arrangement | 0 | 0 | 1 | 0 | 0 |
| Voluntary administration | 0 | 1 | 0 | 1 | 0 |
| Provisional wind-up | 0 | 0 | 0 | 0 | 0 |
| Members' voluntary wind-up | 0 | 0 | 1 | 0 | 0 |
| Creditors' voluntary wind-up | 1 | 1 | 2 | 2 | 0 |
| Court wind-up | 4 | 2 | 1 | 0 | 0 |
| Total | 10 | 15 | 14 | 13 | 8 |

The majority of external administration appointments occurred in the Northern Territory, and most corporations entering external administration conducted land management as their principal business activity.

The main reason for the appointment of an external administrator in 2016–17 was to protect the interests of the public, members or creditors.

Consistent with the last few years, in 2016–17 Queensland corporations were the subject of a proportionally high number of complaints—30.6 per cent, when they represent only 23.6 per cent of all corporations. Conversely, Northern Territory corporations were the subject of only 8.5 per cent of complaints, even though they represent 23.4 per cent of all corporations.

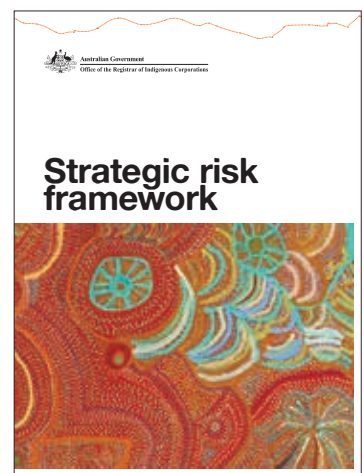
Develop policy

As a stakeholder in Aboriginal and Torres Strait Islander affairs, ORIC is consulted in relation to policy reform or new initiatives. Requests for input may come from ministers, government departments or agencies or parliamentary committees and may be informal or formal. In 2016–17 the main focus of ORIC’s policy work was contributing to the external review of ORIC commissioned by PMC and undertaken by KPMG, and preparing for the technical review of the CATSI Act that commenced on 5 July 2017. Both of these major pieces of work will contribute to strengthening ORIC’s support services and regulation of Aboriginal and Torres Strait Islander corporations.

Understand sector risks and issues

In 2017 ORIC formalised its internal process for identifying and mitigating the risks associated with Aboriginal and Torres Strait Islander corporations. In accordance with our *Strategic risk framework*, we established a risk working group to collect information that staff receive in the course of their daily work and—periodically—to plan a response. The risk working group met for the first time at the end of May.

The issues identified by the risk working group are considered in our annual planning process where we devise responses to address those risks. This process guides regulatory activities, training, prioritisation of disputes and complaints assistance, and general information and communication activities. Examples of responses initiated through this process include our internal project to review the readability and consistency of existing rule books (see p. 30); revisions to guidance such as policy statements (see p. 50); and themes for *ORIC Oracle* newsletters (see p. 51).



Engage stakeholders

As part of ongoing business we engage and consult with government and industry stakeholders. For example we have quarterly meetings with the Department of Health and the Commonwealth Director of Public Prosecutions, and fortnightly meetings with our portfolio department, PMC.

We also engage with other national, state and territory regulators and enforcement bodies. We use the opportunity to gather their feedback on our services and regulatory activities, as well as to discuss issues relevant to the sector and regulation. This information is also used to inform our annual planning.

During the year we sought feedback from PMC on our regulatory approach as well as our strategic and corporate plans.

We also assisted the Australian National Audit Office and KPMG to solicit feedback from the public, government agencies and corporations on our administration of the CATSI Act.

ORIC helps to inform the broader community about Aboriginal and Torres Strait Islander corporations and ORIC's regulatory activity through a wide range of communication activities and consultation.

oric.gov.au

The ORIC website at oric.gov.au provides information and resources for and about Aboriginal and Torres Strait Islander corporations. Interested people can:

- download corporations' public documents
- access statistical reports
- check the list of prosecution outcomes
- sign up for news and media releases.

It's also a portal through which, for example, corporations can:

- lodge their documents
- advertise job vacancies
- register for training.

In 2016–17 there were 168,238 sessions on the website by 77,722 users. On average users viewed 2.6 pages per session.

In 2016–17 ORIC commissioned an audit of our website's usability and accessibility. It was a useful exercise in affirming that the site has improved significantly since the last audit, in 2008, and in identifying adjustments we can make to ensure that the site is optimised for those in remote areas and with low literacy or English as a second or third language.



ORIC staff helping to evaluate the ORIC website architecture

Media releases

The Registrar issues regular media releases on significant developments or events affecting Aboriginal and Torres Strait Islander corporations. This year we improved our subscription service to make it more accessible and relevant for media professionals and other interested people who receive ORIC media releases by email.

In 2016–17 the Registrar issued 26 media releases, all of which are available on the ORIC website.

Social media

We share news and stories through the indigenous.gov.au social media accounts on Facebook and Twitter. In 2016–17 our eight posts on Facebook prompted 715 likes, comments and shares; and our ten posts on Twitter prompted 93 equivalent reactions.



Spotlight on...

Each month we publish a good news story about an Aboriginal or Torres Strait Islander corporation working to benefit its members and Aboriginal and Torres Strait Islander people and communities. For the featured corporation, it's an affirmation of their efforts and achievements. For the broader public it's a way to learn more about this vibrant, diverse sector.



Jul 2016—Win for Warruwi
Yagbani Aboriginal Corporation



Aug 2016—Kaltjiti store—open for business
Kaltjiti Anangu Store Aboriginal Corporation



Sep 2016—Garden of reflection and healing
Katherine Region Stolen Generations Aboriginal Corporation



Oct 2016—Winnam a winner in social service
Winnam Aboriginal and Torres Strait Islander Corporation



Nov 2016—Ten years and healthy ears
Werin Aboriginal Corporation



Dec 2016—Taking care of country
Yintjingga Aboriginal Corporation



Jan 2017—Healing hands

Anangu Ngangkari Tjutaku Aboriginal Corporation



Feb 2017—Principles before personality

Ngaimpe Aboriginal Corporation



Mar 2017—Stronger than ever, together

Bunurong Land Council (Aboriginal Corporation)



Apr 2017—Play ultimate!

Indigenous Ultimate Association (Aboriginal Corporation)



May 2017—Family, lost and found

Link-Up (QLD) Aboriginal Corporation



Jun 2017—Peer educators join the Garl Garl Walbu support net

Garl Garl Walbu Alcohol Association Aboriginal Corporation

Events and community activities

ORIC participates in and organises a range of events and community activities to catch up with the general community and improve our understanding of their interests and concerns. We also use these opportunities to share information about the CATSI Act and good governance, data on the sector and news about corporation achievements.

10th anniversary of the CATSI Act

The CATSI Act came into effect on 1 July 2007. On 5 July 2017 the Registrar and the Minister for Indigenous Affairs, Nigel Scullion, held an event in Darwin to celebrate ten years of achievements by Aboriginal and Torres Strait Islander corporations under the legislation. It was also an opportunity for the Minister to announce that ORIC would:

- receive an additional \$1 million funding each year for four years for corporate governance training, examinations, special administrations and investigations of wrongdoing
- lead a technical review of the CATSI Act.

Around 100 guests attended the event, including some who travelled from as far as Borroloola, Katherine and Alice Springs; The Lord Mayor of Darwin, Katrina Fong Lim; Luke Gosling, federal Member for Solomon; and local Indigenous broadcasters: Aboriginal Broadcasting Australia incorporating Radio Larrakia Aboriginal Corporation, and Top End Aboriginal Bush Broadcasting Association (Aboriginal Corporation).



Mary G, Queen of the Kimberley; Micky Wunungmurra and Chris Hayward, Arnhem Land Progress Aboriginal Corporation; Anthony Beven with Linda and Emily Ford, Twin Hill Aboriginal Corporation; Allan McGill, Larrakia Nation Aboriginal Corporation and David Gomez, Land Development Corporation; directors from Binjari Community Aboriginal Corporation; Katrina Fong Lim, Lord Mayor of Darwin; One Mob Different Country dancer; front-row guests including Senator Nigel Scullion and Luke Gosling, federal Member for Solomon



One mob, different country dance group performing at the 10th anniversary of the CATSI Act

National Native Title Conference

Registered native title bodies corporate (RNTBCs) are Aboriginal and Torres Strait Islander corporations that have obligations under the *Native Title Act 1993*. By law these corporations must register under the CATSI Act, and cannot be deregistered as long as they remain an RNTBC and manage or hold native title rights. The annual National Native Title Conference is the principal gathering for the sector, with over 800 delegates. It provides a valuable opportunity to engage face-to-face with native title corporations, representative bodies and other stakeholders in the sector. In 2017 the conference was held in Townsville, Queensland, from 5 to 7 June. ORIC was a sponsor for the conference and hosted an information stall.

NAIDOC week

NAIDOC week is held in the first full week of July each year. It is a time to celebrate Aboriginal and Torres Strait Islander history, culture and achievements and an opportunity to recognise the contributions that Indigenous Australians make to our country and society.

ORIC encourages all staff to participate in local celebrations and activities that take place across the country during NAIDOC week. In Canberra, staff hosted an information stall at the ACT NAIDOC family day on Sunday, 2 July 2017 at the University of Canberra.

Brungle community

In February 2017 ORIC's management team and a few other staff gathered for business and strategic planning activities on Wiradjuri country in Brungle near Tumut, New South Wales. Local elders Aunty Sonia Piper and Aunty Phyllis Freeman provided a welcome to country for our planning session and shared with us the history of the mission and area. Later on the elders gave the ORIC team a tour around the community and the old mission, pointing out specific landmarks. The tour culminated with a visit to the community centre where the Brungle Health and Community Aboriginal Corporation is based. Staff and volunteers helped the team to learn more about what the corporation does, how it operates and benefits they provide to both Aboriginal and non-Aboriginal people in the Brungle community. Although it's small in population, at just 307 people, the community provides a warm welcome. It's clear that the hard-working and inclusive nature of the local Wiradjuri people underpins the community's strength.

Community and culture

Cultural understanding and appreciation is core to ORIC's values and effective and appropriate administration of the CATSI Act. ORIC staff are encouraged to participate in annual and special events that celebrate Aboriginal and Torres Strait Islander people, culture and anniversaries.

In November 2016 ORIC staff continued their cultural learning journeys by participating in a cultural awareness program. The workshops organised by ORIC this year featured a special focus on the history and cultural practices of Torres Strait Islanders.



Clockwise from above: Aunty Phyllis Freeman tells Anthony Beven about the history of Brungle community; an event marking 50 years since the 1967 referendum and 25 years since the Mabo decision—Rebecca Stewart with Senator Pat Dodson, and Luke Evans with Senator Nigel Scullion; Elders Aunty Sonia Piper and Aunty Phyllis Freeman with Anthony Beven and Joe Mastrolembo; NAIDOC family day stall; Sorry Day bridge walk.



Partnerships

ORIC maintains partnerships with a range of organisations for different purposes. As at 30 June 2017 we had current memorandums of understanding (available on our website) with the following organisations:

- Australian Securities and Investments Commission
- National Native Title Tribunal
- Australian Charities and Not-for-profits Commission.

To provide our pro bono legal assistance service, LawHelp, in 2016–17 we worked with 13 of Australia's leading law firms:

- Allens
- Ashurst
- Australian Government Solicitor (AGS)
- Bradley Allen Love Lawyers

- Castledine Gregory Law & Mediation
- Clayton Utz
- DLA Piper Australia
- Herbert Smith Freehills
- HWL Ebsworth Lawyers
- Jackson McDonald Lawyers
- Minter Ellison
- Taylor David Lawyers
- Tress Cox Lawyers.

Other partnerships active in 2016–17 were with:

- state governments of New South Wales and Western Australia—for corporate governance training programs
- Business Council of Australia—for Independent *directory*
- Indigenous Accountants Australia—for the May 2017 issue of the *ORIC Oracle*, 'How your money story flows'.

The profit & loss parts of a money story...

Be sure to record every payment to and from your corporation

Bank account
Try to minimise cash transactions. It's best to receive money directly into the corporation's bank account, and to make payments directly out of it.

Reserves
Healthy corporations retain some earnings in reserve, to cover unexpected events in future years.

Expenses
When you spend corporation money, do so in line with the corporation's financial delegations and approved budget. The directors should receive regular financial reports and approve any expense that is:

- large and not budgeted for
- significant, unusual, or above the financial delegation of staff

INDIGENOUS ACCOUNTANTS AUSTRALIA
indigenousaccountants.com.au
A joint initiative of CPA Australia and Chartered Accountants Australia and New Zealand

We aim to attract more Aboriginal and Torres Strait Islander people to pursue a career in accounting—as a pathway to economic empowerment and financial self-sufficiency.

We do this by providing support to students and connecting them with their peers and professional networks.

We believe that boosting the number of Indigenous accountants is pivotal to promoting financial literacy and economic development in Aboriginal and Torres Strait Islander communities.

To better manage its money, what does your corporation need?
oric.org.au/oracle-survey

Amend legislation and regulations

To operate effectively and efficiently as a regulator, the Registrar and ORIC need the driving legislation—the CATSI Act—to be clear, robust and appropriate to meet the needs of Aboriginal and Torres Strait Islander corporations, people and communities.

In September 2016 PMC commissioned KPMG to identify opportunities to enhance the CATSI Act and, as noted earlier, to improve the effectiveness of ORIC. In its report, KPMG said there were opportunities to improve the CATSI Act, but these represent enhancements rather than a fundamental change in approach. They said there were potential amendments to the CATSI Act to make it stronger, more streamlined and better aligned with mainstream corporate regulation.

ORIC has identified fit-for-purpose legislation as a strategic priority for 2017–20. As noted, on 5 July 2017 the Minister for Indigenous Affairs, Nigel Scullion, announced that ORIC would lead a technical review of the legislation in 2017–18. That review has commenced and will be completed by the end of 2017.

In late 2016 ORIC began preparing to remake the Corporations (Aboriginal and Torres Strait Islander) Regulations 2007 which under the *Legislative Instruments Act 2003* were due to sunset on 1 October 2017. Given the technical review of the CATSI Act the Australian Government decided to re-make the regulations in largely the same form, other than minor updates and new regulation numbering. More substantial changes will be considered as part of any amendments to the CATSI Act adopted by the Australian Government flowing from the technical review of the CATSI Act.

Cover of the PMC-commissioned report



Registering

We provide a process for Aboriginal and Torres Strait Islander corporations to register, and maintain a register of information and documentation to ensure transparency of their operations.

Provide pre-registration service

Pre-registration meetings with groups

ORIC staff often field queries from groups of Aboriginal and Torres Strait Islander people who are thinking about incorporating, and wanting more information about their options. Some conversations occur over the phone; in other cases, an ORIC officer will meet with the group to discuss options and determine whether registering under the CATSI Act is appropriate in their circumstances. This pre-registration service is also available to groups that are incorporated under alternative legislation, and considering transferring their registration to the CATSI Act.

Pre-registration workshops with groups

A portion of the corporation-specific training that we run is to assist groups who are planning to incorporate for the first time, transfer their existing registration or amalgamate with another organisation. We provide information on the requirements and process, and help develop a constitution (rule book) that is consistent with the CATSI Act.

Draft rule books

ORIC recommends that corporations regularly review their rules to make sure directors and members can understand them, and the rules work well for their corporation's changing circumstances. We provide a number of model rule books on our website, and offer assistance to corporations to create or revise their rule book. In many cases this service is combined with a pre-registration workshop mentioned above.

ORIC is sometimes called upon to help members and directors understand their rules, address complaints or disputes arising from disagreements on the application of rules. During the year ORIC also noted a substantial number of corporations that had not revised their rule book since the CATSI Act transition period ended in 2009.

In August 2016, we began an internal project to review all registered rule books to ensure they are compliant with the CATSI Act, internally consistent, and well-formatted for readability. As well as assuring the quality of existing rule books, it was an opportunity to make our template easier to use, and for staff to extend their skills. This project will continue into the next year.

Register corporations

At 30 June 2017 there were 2904 corporations registered under the CATSI Act. The year before there were 2781. That's a net increase of 123 corporations (includes new incorporations, reinstatements and deregistrations); a growth of 4.4 per cent. Of those 2904, 172 (5.9 per cent) are registered native title bodies corporate (RNTBCs).

FIGURE 1: Registered and new corporations from 1990-91 to 2016-17

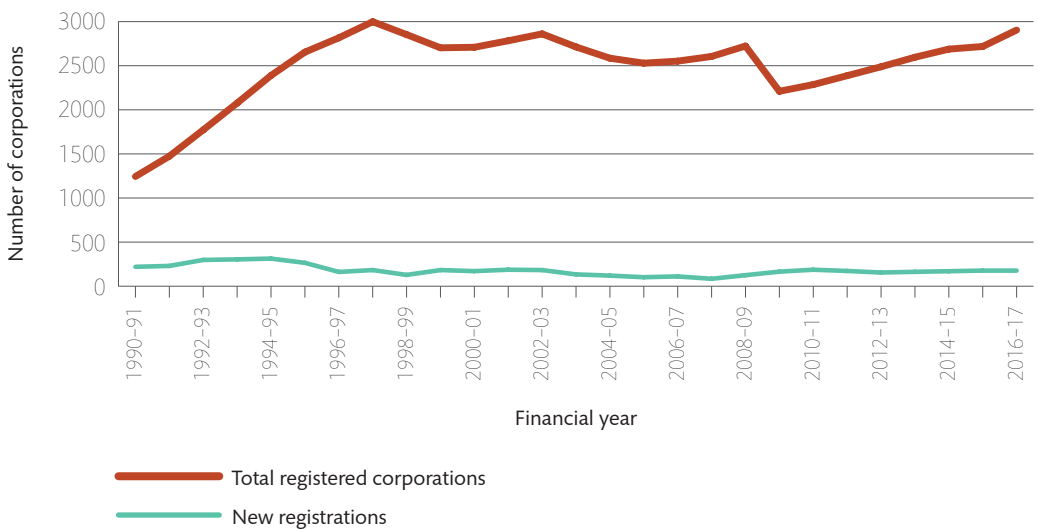


FIGURE 2: Registered corporations by region as at 30 June 2017

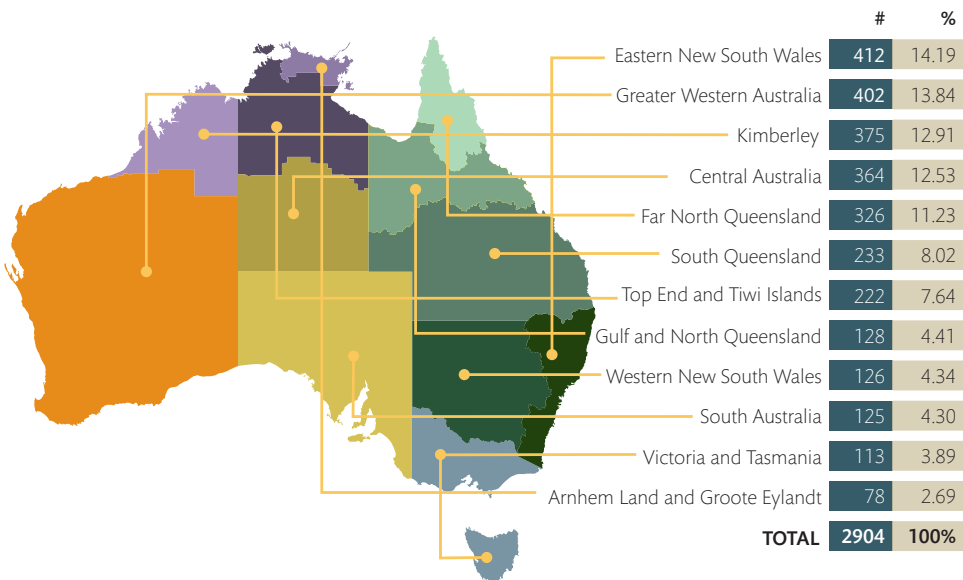


TABLE 2: Number of registered corporations by state/territory, as at 30 June 2017

| State/territory | Corporations |
|------------------------------|--------------|
| Western Australia | 777 |
| Queensland | 687 |
| Northern Territory | 664 |
| New South Wales | 516 |
| South Australia | 12 |
| Victoria | 95 |
| Australian Capital Territory | 22 |
| Tasmania | 18 |
| TOTAL | 2904 |

New registrations

During 2016–17 there were 177 new registrations—exactly the same number as the previous year. This figure includes 13 transfers of incorporation to the CATSI Act from other incorporation legislation and five reinstatements. The year before, 25 of the 177 registrations were transfers.

TABLE 3: Requests to incorporate from 2012–13 to 2016–17

| Requests to incorporate | 2012–13 | 2013–14 | 2014–15 | 2015–16 | 2016–17 |
|-------------------------|------------|------------|------------|------------|------------|
| Received | 162 | 166 | 187 | 184 | 210 |
| Actioned: | 163 | 175 | 182 | 186 | 215 |
| approved | 155 | 163 | 170 | 177 | 177 |
| refused | 5 | 10 | 9 | 8 | 27 |
| lapsed/withdrawn | 3 | 2 | 3 | 1 | 11 |

Note: the figures above include applications for reinstatement. In 2016–17 six applications for reinstatement were received, and five corporations were reinstated.

Deregistrations

There were 54 deregistrations this year, compared with 84 corporations that were deregistered in 2015–16—a decrease of 35.7 per cent.

Register documents and changes

ORIC receives a range of information, forms and reports that need to be added to or require amendments to information on the Register of Aboriginal and Torres Strait Islander Corporations. In 2016–17 ORIC processed 5697 registration jobs .

The range of jobs requiring changes to the register includes:

- change corporation name
- change corporation address and/or other contact details
- change directors, contact persons or secretaries
- change rule book
- lodge updated membership list
- change native title status
- lodge general, financial and directors reports.

TABLE 4: Sample of registration activity from 2012–13 to 2016–17

| Requests to change rule book | 2012–13 | 2013–14 | 2014–15 | 2015–16 | 2016–17 |
|--|------------|------------|------------|-------------|-------------|
| Received | 163 | 213 | 200 | 207 | 268 |
| Finalised: | 163 | 226 | 198 | 209 | 264 |
| approved | 153 | 216 | 182 | 190 | 249 |
| refused | 10 | 10 | 16 | 19 | 15 |
| Requests to change name | | | | | |
| Received | 17 | 22 | 10 | 12 | 17 |
| Finalised: | 19 | 23 | 12 | 13 | 16 |
| approved | 17 | 23 | 12 | 12 | 16 |
| refused | 2 | 0 | 0 | 1 | 0 |
| Requests to change a corporation's contact details, or details of directors, contact person or secretary | | | | | |
| Received | 821 | 852 | 860 | 1036 | 1308 |
| Finalised: | | | | 1044 | 1317 |
| Change applied to the public register | 812 | 852 | 852 | 1031 | 1284 |

Notes:

1. Some requests finalised during 2016–17 were initiated in the previous year.
2. Where a request to change details for a contact person or other officer is not approved, usually the reason is that the person making the request is not authorised to change those details.

FIGURE 3: Requests to change corporation rule book

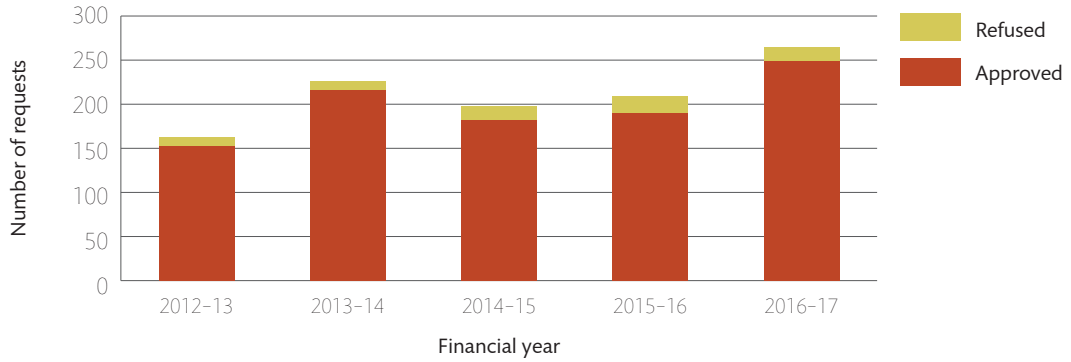


FIGURE 4: Requests to change corporation name

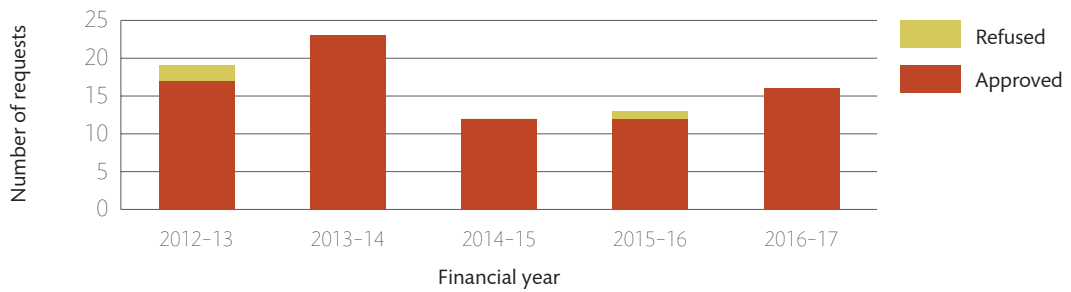
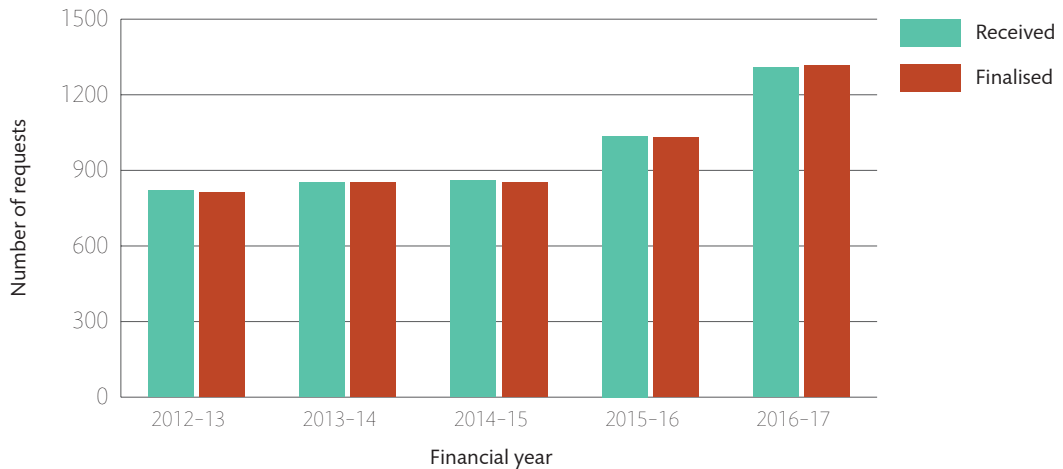


FIGURE 5: Requests to change corporation contact details or details of contact person, secretary or director/s



Exemptions

The Registrar has the power to grant exemptions in relation to particular sections of the CATSI Act. The power enables the Registrar flexibility to meet the individual circumstances of Aboriginal and Torres Strait Islander corporations. The Registrar's policy statement *PS-07: Exemptions* provides more detail.

In 2016–17 ORIC processed 488 applications for exemptions from various provisions of the CATSI Act, such as extensions of time for holding the annual general meeting (AGM).

TABLE 5: Applications for exemptions for the last two years

| Exemptions | 2015–16 | 2016–17 |
|--------------------|------------|------------|
| Received | 469 | 485 |
| Finalised*: | 468 | 488 |
| approved | 438 | 467 |
| refused | 30 | 21 |

Note: Some matters finalised were received in the previous financial year.

Lodgement of forms and reports online

ORIC provides forms for corporations to register and meet their reporting and other obligations under the CATSI Act. To optimise accuracy of the information and efficiency of the process, we encourage corporations to use ORIC's secure system for online lodgement at **online.oric.gov.au**. When a corporation needs to lodge a report or update its details, an authorised representative can log in and their corporation's registered information will pre-populate the relevant form. In that way they can easily revise their information and instantly lodge it with the Registrar. To ensure access for all, we still provide PDF versions of our forms, which corporations can download, print, complete, scan and return.

Each year we see a steady increase in the percentage of forms and reports submitted through the Registrar's online lodgement system. This year:

- for the first time in ORIC's history, more than half (52 per cent) of all forms lodged were submitted online—that's a 5 per cent increase from last year
- 73.9 per cent of general reports were submitted online—7.4 per cent more than last year.

The rate of corporations' compliance with their annual reporting obligations will be addressed later in this document. See 'Promote timely lodgement of annual reports' p. 69.

FIGURE 6: Forms and reports lodged online from 2009–10 to 2016–17

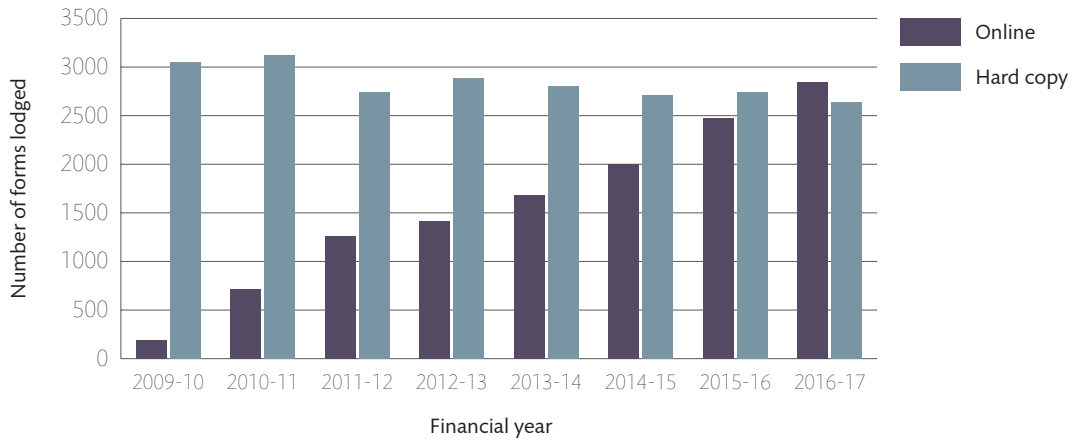
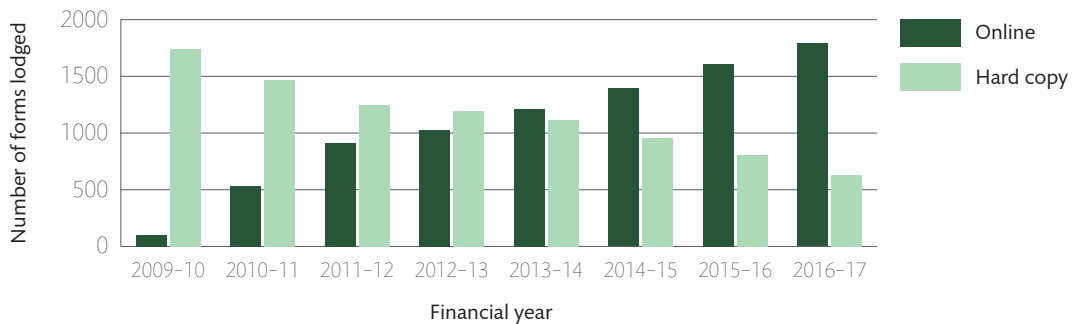


FIGURE 7: General reports lodged online compared to hard copy from 2009–10 to 2016–17



Provide access to public registers

ORIC manages the Register of Aboriginal and Torres Strait Islander Corporations, and makes part of it—contact details and certain documents about each corporation such as financial reports and regulatory actions by ORIC—publicly accessible on the web. We also manage and publish online the Register of Disqualified Officers. Maintaining and providing access to these information resources is a highly valued service provided by ORIC.

In 2016–17 there were:

- 91,180 website visits to search the public register—which is 4.5 per cent more than the previous year (87,271 sessions). Around half of all visitors to the ORIC website end up on a corporation search result page
- 599 visits to the Register of Disqualified Officers.

Supporting

The Registrar's functions include supporting Aboriginal and Torres Strait Islander corporations to succeed and promoting good governance.

Provide corporate governance training

ORIC delivers corporate governance training to corporations that are either registered under the CATSI Act or planning to be. The training supports good governance and works to:

- build knowledge and skills among the directors, staff and members who participate in the programs
- increase the efficiency and accountability of directors and staff of corporations
- ultimately, strengthen Aboriginal and Torres Strait Islander communities.

Training is delivered by ORIC staff and external contractors, most of whom are Aboriginal and Torres Strait Islander people.

Scheduled courses are listed on the ORIC website at oric.gov.au/training with an online form to apply to participate. Customised training, which is adapted to the individual needs of corporations, is also available on request. The Registrar encourages directors, members and staff of corporations to apply for corporate governance training. The range of courses on offer in 2016–17 was:

- Introduction to Corporate Governance (ICG)—a three-day workshop
- Two-day Governance Workshop—a compressed form of the ICG
- Certificate IV in Business (Governance)—delivered in four one-week blocks
- corporation-specific training (CST)—tailored to the particular needs and circumstances of corporations that request training.

ORIC also offers other programs, such as a Diploma of Business (Governance) and Building Strong Stores, but these were not offered this year.

In 2016–17, ORIC delivered training to **943 participants** from **260 corporations**, continuing the steady increase since 2014–15. Ninety-two per cent of participants reported a significant increase in their understanding of corporate governance; the highest satisfaction rate since 2012–13.

TABLE 6: Participation in training from 2012-13 to 2016-17

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|---------|---------|---------|---------|---------|
| Number of participants | 897 | 1015 | 886 | 865 | 943 |
| Number of corporations | 198 | 194 | 169 | 208 | 260 |
| Participants that reported a significant or very significant increase in corporate governance knowledge | 92.5% | 91.1% | 90% | 88.2% | 92.1% |

FIGURE 8: Participation in all training from 2012-13 to 2016-17

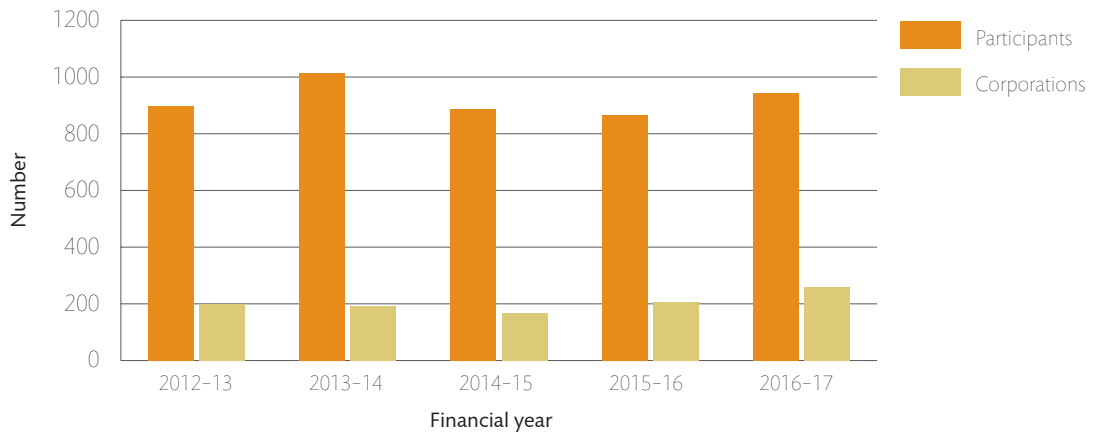
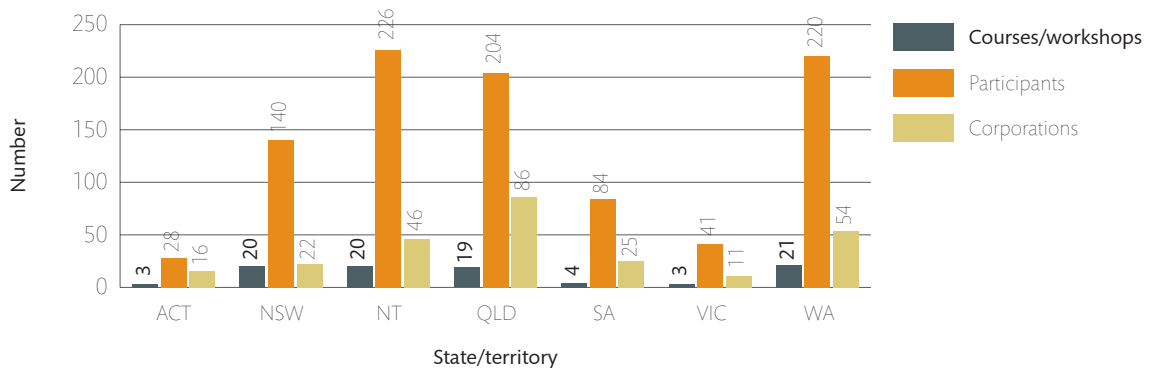


FIGURE 9: All training courses by state and territory, 2016-17



Western Australia had the most workshops; Queensland had the most corporations involved in training; and the Northern Territory had the most participants.

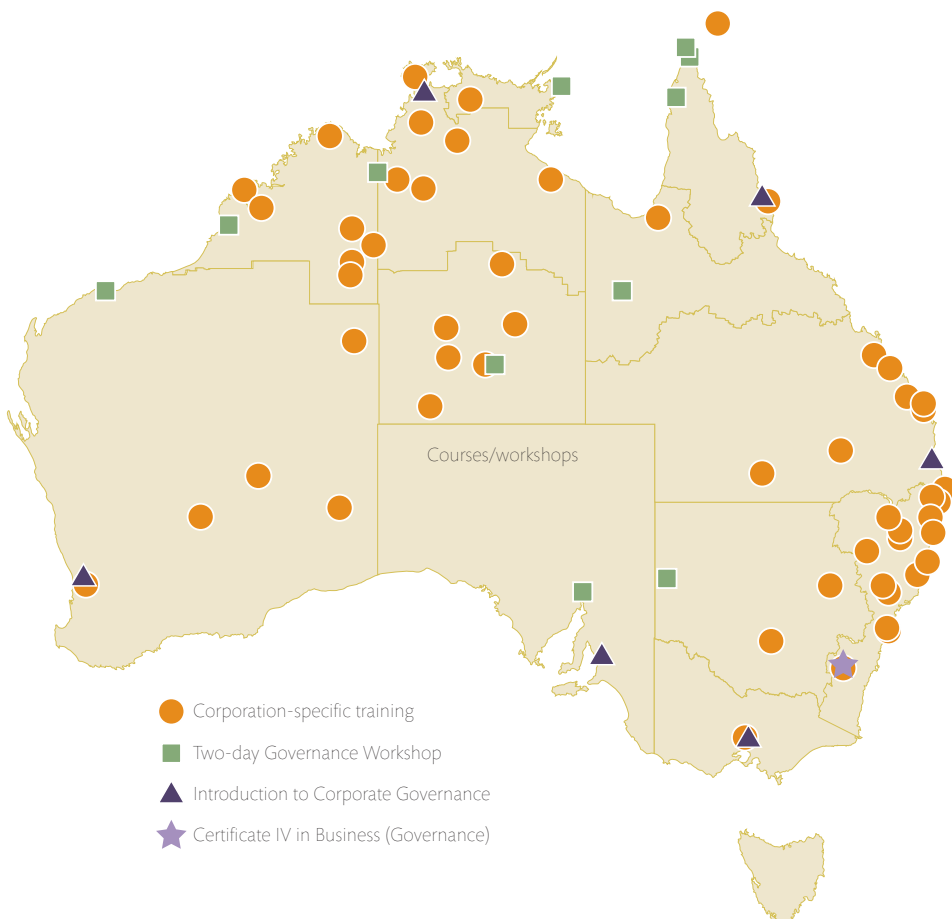
Training locations

Every year as part of our annual planning for training activities we analyse a range of factors including:

- attendance and retention of participants for previous training workshops
- cost-effectiveness
- demand/requests for training
- emerging regulatory risks, priorities and issues.

This year, in response to our analysis, ORIC focused delivery of Introduction to Corporate Governance workshops in major urban locations and Two-day Governance workshops in regional and remote locations.

FIGURE 10: Locations of all training provided, 2016–17



Introduction to Corporate Governance

The Introduction to Corporate Governance (ICG) workshop opens a clear pathway to best-practice corporate governance. It introduces key concepts and principles and invites participants to apply the ideas and practices to their own corporations. The ICG is the pre-requisite for the Certificate IV in Business (Governance).

ORIC delivered six ICG workshops across Australia in 2016–17. A total of 169 people, representing 81 corporations, participated.

TABLE 7: Participation in ICG workshops 2016–17

| Month | Location | Participants | Corporations |
|---------------|----------------|--------------|--------------|
| July 2016 | Adelaide, SA | 37 | 16 |
| October 2016 | Darwin, NT | 29 | 12 |
| November 2016 | Melbourne, Vic | 18 | 9 |
| December 2016 | Brisbane, Qld | 34 | 18 |
| March 2017 | Cairns, Qld | 32 | 17 |
| April 2017 | Perth, WA | 19 | 9 |
| Total | | 169 | 81 |



Two-day Governance Workshop,
Weipa, Queensland

Two-day Governance Workshop

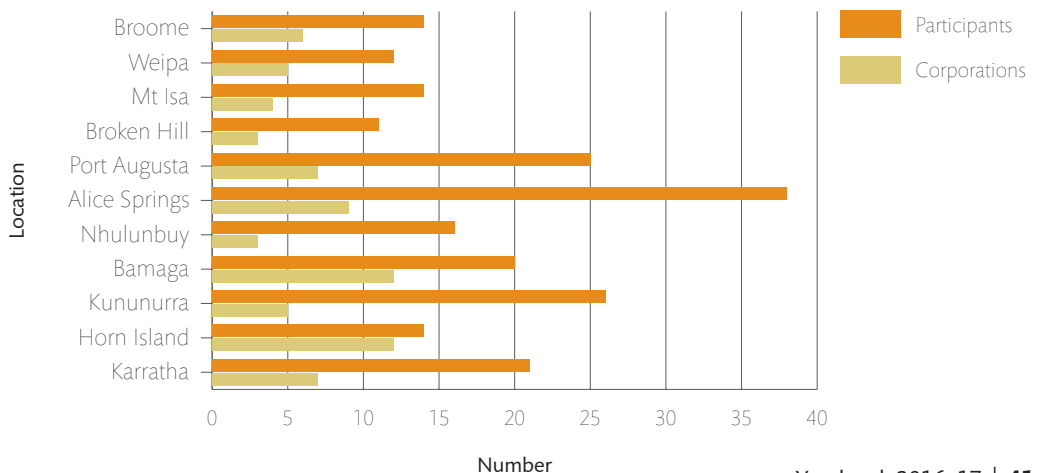
We developed the Two-day Governance Workshop for corporations in remote regions, as well as members who are unable to leave home for an extended period. The program is a condensed form of the ICG. Generally, the workshops take place in community locations and are run by ORIC’s regional officers, with great sensitivity to cultural protocols and ways of learning.

Last year there were two trials of this training program. In 2016–17 ORIC delivered Two-day Governance Workshops in 11 regional and remote locations, as listed below.

TABLE 8: Two-day Governance Workshops in 2016–17

| Month | Location | Participants | Corporations |
|----------------|-------------------|--------------|--------------|
| August 2016 | Broome, WA | 14 | 6 |
| September 2016 | Weipa, Qld | 12 | 5 |
| October 2016 | Mt Isa, Qld | 14 | 4 |
| November 2016 | Broken Hill, NSW | 11 | 3 |
| January 2017 | Port Augusta, SA | 25 | 7 |
| February 2017 | Alice Springs, NT | 38 | 9 |
| February 2017 | Nhulunbuy, NT | 16 | 3 |
| March 2017 | Bamaga, NT | 20 | 12 |
| March 2017 | Kununurra, WA | 26 | 5 |
| June 2017 | Horn Island, Qld | 14 | 12 |
| June 2017 | Karratha, WA | 21 | 7 |
| Total | | 211 | 73 |

FIGURE 11: Two-day Governance Workshops by location



Certificate IV in Business (Governance)

Part of a national accredited training package, the Certificate IV in Business (Governance) is for Aboriginal and Torres Strait Islander people who want to extend their corporate governance knowledge and management skills.

In 2016–17 ORIC ran the certificate IV course in Canberra. For the first time, we had a mother-daughter team graduate. Linda Ford is a director of Twin Hill Aboriginal Corporation. Emily Ford is a member of the same corporation and looking to step up in the future to be a director of the family corporation or other corporations.

Linda Ford: ‘For me, it reaffirmed we were on the right track. For Emily, it meant she got to learn about the right way to do things. We both ended up with clearer ideas about good governance practice.’

In 2017, 15 people from five states and territories graduated from the Certificate IV in Business (Governance).



Linda and Emily Ford graduating in May 2017



Russell Styche talking about directors duties with Bula Bula Aboriginal Corporation, Ramingining, Northern Territory

Corporation-specific training

Corporation-specific training (CST) workshops are usually held at a corporation's premises or a central venue within a community. The training is conducted over one or two days and is adapted to meet a corporation's needs. By definition the content of each workshop is customised covering topics from directors duties to financial management and running effective meetings. Workshops may focus on a single topic such as rule design and re-design or cover a broad range of topics, which often occurs in workshops after a special administration or part of a broader plan for corporation support and mentoring.

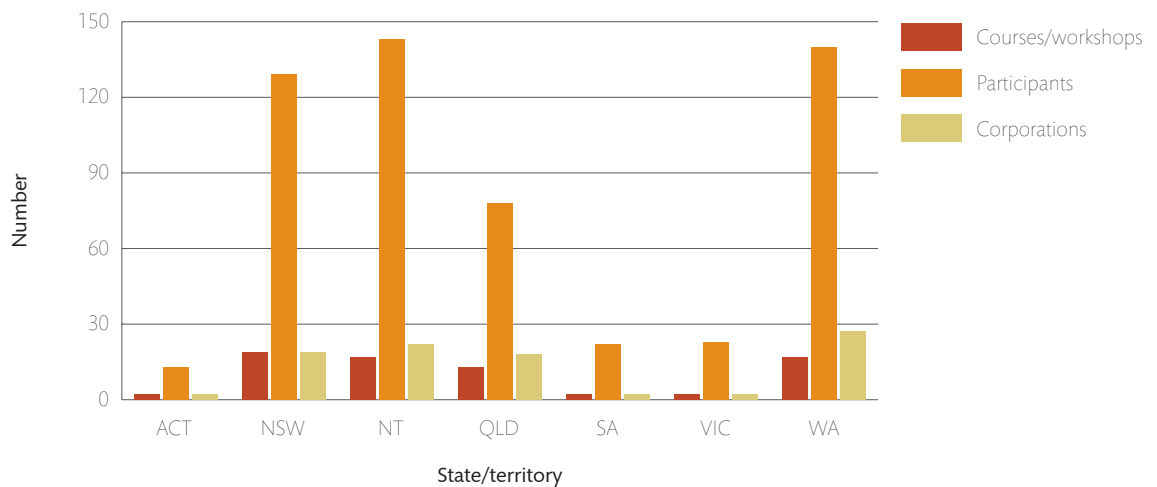
In 2016–17 ORIC delivered 72 CST workshops (an identical number to the year before) for:

- 92 corporations
- 548 participants.

Consistent with the year before, the governance topics most often requested and consequently delivered at the workshops were:

- the roles and responsibilities of directors
- the legal duties of directors
- solvency.

FIGURE 12: CST workshops by state and territory



Note: There were no CST workshops in Tasmania.

TABLE 9: CST workshops, 2016–17

| Month | Location | State | Participants | Corporations |
|----------------|-----------------|-------|--------------|--------------|
| July 2016 | Canberra | ACT | 7 | 1 |
| July 2016 | Hervey Bay | QLD | 6 | 1 |
| July 2016 | Adelaide | SA | 11 | 1 |
| July 2016 | Thornlie | WA | 5 | 1 |
| August 2016 | Inverell | NSW | 7 | 1 |
| August 2016 | Casino | NSW | 5 | 1 |
| August 2016 | Woodburn | NSW | 7 | 1 |
| August 2016 | Port Macquarie | NSW | 12 | 1 |
| August 2016 | Mutitjulu | NT | 5 | 1 |
| August 2016 | Amanbidgi | NT | 15 | 2 |
| August 2016 | Yarralin | NT | 5 | 1 |
| August 2016 | Rockhampton | QLD | 7 | 1 |
| August 2016 | Cunnamulla | QLD | 6 | 2 |
| August 2016 | Djarindjin | WA | 4 | 1 |
| September 2016 | Grafton | NSW | 9 | 1 |
| September 2016 | Bathurst Island | NT | 13 | 1 |
| September 2016 | Borroloola | NT | 6 | 2 |
| September 2016 | Alice Springs | NT | 6 | 1 |
| September 2016 | Surat | QLD | 5 | 1 |
| September 2016 | Brisbane | QLD | 2 | 1 |
| September 2016 | Brisbane | QLD | 7 | 1 |
| September 2016 | Yarrabah | QLD | 3 | 1 |
| September 2016 | Underdale | SA | 11 | 1 |
| October 2016 | Singleton | NSW | 6 | 1 |
| October 2016 | Coffs Harbour | NSW | 8 | 1 |
| October 2016 | Haasts Bluff | NT | 2 | 1 |
| October 2016 | Normanton | QLD | 5 | 1 |
| October 2016 | Perth | WA | 8 | 1 |
| October 2016 | Kiwirrkurra | WA | 24 | 2 |
| November 2016 | Daly River | NT | 4 | 1 |
| November 2016 | Yuendumu | NT | 22 | 2 |
| November 2016 | Katherine | NT | 8 | 1 |
| November 2016 | Brisbane | QLD | 8 | 1 |
| January 2017 | Muswellbrook | NSW | 4 | 1 |
| January 2017 | Sydney | NSW | 4 | 1 |
| January 2017 | Derby | WA | 10 | 1 |
| February 2017 | Byron Bay | NSW | 15 | 1 |
| February 2017 | Coffs Harbour | NSW | 5 | 1 |
| February 2017 | Taree | NSW | 7 | 1 |

| Month | Location | State | Participants | Corporations |
|---------------|----------------|-------|--------------|--------------|
| February 2017 | Port Macquarie | NSW | 6 | 1 |
| February 2017 | Katherine | NT | 9 | 1 |
| February 2017 | Tennant Creek | NT | 8 | 1 |
| February 2017 | Alice Springs | NT | 5 | 1 |
| February 2017 | Gin Gin | QLD | 8 | 1 |
| February 2017 | Gladstone | QLD | 5 | 2 |
| February 2017 | Cosmo Newberry | WA | 10 | 2 |
| March 2017 | Sydney | NSW | 7 | 1 |
| April 2017 | Canberra | ACT | 6 | 1 |
| April 2017 | Griffith | NSW | 7 | 1 |
| April 2017 | Jabiru | NT | 7 | 1 |
| April 2017 | Melbourne | VIC | 15 | 1 |
| April 2017 | Halls Creek | WA | 12 | 3 |
| April 2017 | Halls Creek | WA | 7 | 1 |
| April 2017 | Doon Doon | WA | 8 | 1 |
| April 2017 | Tjuntjunjara | WA | 11 | 1 |
| May 2017 | Dubbo | NSW | 5 | 1 |
| May 2017 | Gunnedah | NSW | 4 | 1 |
| May 2017 | Arlparra | NT | 13 | 3 |
| May 2017 | Alice Springs | NT | 11 | 1 |
| May 2017 | Maryborough | QLD | 6 | 1 |
| May 2017 | Billiluna | WA | 6 | 2 |
| May 2017 | Mulan | WA | 6 | 1 |
| May 2017 | Ringer Soak | WA | 5 | 2 |
| May 2017 | Kalumburu | WA | 6 | 1 |
| May 2017 | Kalumburu | WA | 2 | 2 |
| May 2017 | Kununurra | WA | 6 | 4 |
| June 2017 | Armidale | NSW | 3 | 1 |
| June 2017 | Guyra | NSW | 8 | 1 |
| June 2017 | Standley Chasm | NT | 4 | 1 |
| June 2017 | Darnley Island | QLD | 10 | 4 |
| June 2017 | Preston | VIC | 8 | 1 |
| June 2017 | Menzies | WA | 10 | 1 |
| Total | | | 548 | 92 |

Average costs to deliver training

TABLE 10: Average costs to deliver training, 2016-17

| Training type | Average cost per participant |
|--------------------------------------|------------------------------|
| Introduction to Corporate Governance | \$1,298 |
| Two-day Governance Workshop | \$130 |
| Certificate IV/Diploma | \$10,135 |
| Corporation-specific training | \$168 |

Qualitative evaluation

At the end of each training session we seek feedback from the participants, which we then use to improve the program and maintain its relevance to the needs of Aboriginal and Torres Strait Islander people. One of the questions we ask is: What did you like best? Here's a selection of responses from 2016-17.

Two-day Governance Workshop:

I now know what directors really do.

Participant in Kununurra

Active discussions, cross-fertilisation of ideas and attention to possible rule book conflicts. It was all excellent, well presented and well run.

Participant in Cairns

Introduction to Corporate Governance:

I appreciated the interaction, openness and honesty, reality, sharing of problems, and the trainers – compassionate and knowledgeable.

Participant in Mount Isa

Certificate IV in Business (Governance):

The training was respectful.

I liked the interaction with the rest of the group and hearing their stories of successes and struggles.

The teaching style and teacher were fantastic! Felt relaxed and confident studying.



ORIC attends events to engage with community and share information about good corporate governance.

Publish guidance

ORIC provides corporations and other interested people with a wealth of guidance on the CATSI Act and good governance, including information on starting and running a corporation; fact sheets; guides to legislation and reporting; newsletters; templates for rule books, membership application forms, directorships, meeting notices, minutes and resolutions. The guidance offers practical advice and tips on various topics. Materials are developed or revised in response to trends and issues in the sector identified through complaints about corporations, inquiries, examinations, training activities, local officer engagement, and common issues with lodgement of forms and other information.

Guidance is provided in both digital and printed formats. Printed material is most often distributed during face-to-face engagement with corporations where a discussion on a particular governance topic is reinforced with the published resource provided as a reference tool for the corporation to draw on later.

As a general indicator of demand for general information and guidance, during 2016–17 there were 168,238 sessions on the website by 77,722 users. On average users viewed 2.6 pages per session.

As part of reviewing ORIC's effectiveness in administering the CATSI Act, KPMG conducted an online consultation with corporations and the general public. They found that 85 per cent of respondents had accessed ORIC educational materials and guides, and 97 per cent had found them useful (64 per cent indicated the guidance materials are very/extremely useful, while 33 per cent considered them moderately useful).

Fact sheets

ORIC currently has 20 titles in its core fact sheet series. We also provide a range of other information sheets that offer guidance on specific matters such as rules required for gift funds. These are often attached to other guidance resources such as model rule books.

TABLE 11: Ten most downloaded fact sheets from oric.gov.au

| Fact sheet title | Total downloads | Unique downloads |
|--|-----------------|------------------|
| Duties of directors and other officers | 1768 | 1365 |
| A corporation's rule book: what you need to know | 982 | 818 |
| Meetings for directors | 610 | 502 |
| Corporation size and reporting | 600 | 530 |
| Meetings for members | 582 | 476 |
| Minutes of meetings | 548 | 464 |
| Special administrations—what members and directors should know | 548 | 464 |
| Special administrations—what funding agencies, creditors and employees should know | 483 | 388 |
| Complaints involving corporations | 457 | 384 |
| The CATSI Act and the Corporations Act—some differences | 404 | 367 |

Policy statements

ORIC publishes policy statements to provide guidance on certain aspects of the CATSI Act or how the Registrar interprets it. In 2016–17 ORIC published the following new or significantly revised policy statements:

- PS-02: Complaints involving corporations
- PS-03: Complaints and feedback about the Registrar’s staff, contractors and services
- PS-05: The Registrar’s powers to intervene
- PS-20: Special administrations
- PS-28: Additional or increased reporting requirements.

ORIC Oracle

We produce the **ORIC Oracle** newsletter for registered corporations as well as others interested in Aboriginal and Torres Strait Islander corporations. Each newsletter shares good news stories and knowledge about the sector, and provides guidance on running an effective corporation. It's published quarterly, online and in print. In 2016-17 the themes were as follows:

- It's your corporation—get involved (August 2016)
- Corporations working for young people (November 2016)
- Induction matters (February 2017)
- How your money story flows (May 2017).

In the May 2017 issue ORIC ran an online survey which asked readers, 'To better manage its money, what does your corporation need?' Respondents to the survey indicated that the top three areas they needed most help with are:

- financial advice e.g. on investment
- budgeting/big-picture planning
- policies and procedures for staff e.g. delegations.

You can see back issues—and subscribe to forthcoming issues—at oric.gov.au/oracle.

ORIC Oracle
Office of the Registrar of Indigenous Corporations

It's your corporation—get involved August 2016

The issue of the Registrar of Indigenous Corporations is to help you understand the responsibilities of your corporation and how you can get involved in its activities. This issue contains information on how to get involved in your corporation, how to get involved in the activities of your corporation, and how to get involved in the activities of your corporation.

ORIC's role
ORIC is a statutory body established under the Corporations Act 2001 (CA) to regulate the activities of Indigenous corporations. ORIC's role is to ensure that Indigenous corporations are run in a way that is consistent with the interests of the Indigenous community and the public interest.

Membership of a corporation
A corporation is a legal entity that is separate from its members. It can own property, enter into contracts, and sue or be sued. The members of a corporation are the people who are registered as members of the corporation. They are responsible for the activities of the corporation and for ensuring that it is run in a way that is consistent with the interests of the Indigenous community and the public interest.

The Registrar's duties
The Registrar is responsible for ensuring that Indigenous corporations are run in a way that is consistent with the interests of the Indigenous community and the public interest. This includes ensuring that the corporation is properly registered, that its members are properly registered, and that its activities are properly reported.

Each member has a personal responsibility to be involved in the life of their corporation. Everyone should try to make positive contributions and be open to hearing new ideas. This is how you make your corporation strong.

ORIC Oracle
Office of the Registrar of Indigenous Corporations

Corporations working for young people November 2016

Young people are the future of our nation. They are the ones who will be responsible for building a better future for all of us. This issue contains information on how corporations can work for young people, how they can provide opportunities for young people, and how they can support young people in their activities.

Workforce Development Aboriginal Corporation (WDAC)
WDAC is a not-for-profit corporation that provides workforce development services to young people. It offers a range of programs and services that help young people gain the skills and experience they need to succeed in the workforce.

How can you get involved?
There are many ways in which you can get involved in the activities of your corporation. You can join the board of directors, you can join a committee, or you can simply help out with the day-to-day activities of the corporation. Whatever you do, your involvement is important.

4 ways to get involved
1. Join the board of directors
2. Join a committee
3. Help out with the day-to-day activities of the corporation
4. Support young people in their activities

4 ways to get involved
1. Join the board of directors
2. Join a committee
3. Help out with the day-to-day activities of the corporation
4. Support young people in their activities

ORIC Oracle
Office of the Registrar of Indigenous Corporations

Induction matters February 2017

Induction is a key part of any corporation's activities. It is the process of introducing new members to the corporation and its activities. This issue contains information on how to conduct an effective induction, how to ensure that new members are properly oriented, and how to ensure that the corporation's values and mission are clearly communicated.

4 reasons to get involved
1. It helps you understand the corporation's activities
2. It helps you build relationships with other members
3. It helps you gain the skills and experience you need to succeed in the workforce
4. It helps you support young people in their activities

Good induction in good strategy
A good induction is a key part of any corporation's strategy. It helps to ensure that new members are properly oriented and that the corporation's values and mission are clearly communicated. This is essential for the corporation to succeed in its activities.

4 ways to get involved
1. Join the board of directors
2. Join a committee
3. Help out with the day-to-day activities of the corporation
4. Support young people in their activities

ORIC Oracle
Office of the Registrar of Indigenous Corporations

How your money story flows May 2017

Money is a key part of any corporation's activities. It is the lifeblood of the corporation and is essential for its survival. This issue contains information on how to manage the corporation's money, how to ensure that the money is properly accounted for, and how to ensure that the corporation's financial statements are accurate.

Good governance depends on good financial management
Good financial management is a key part of good governance. It helps to ensure that the corporation's money is properly accounted for and that its financial statements are accurate. This is essential for the corporation to succeed in its activities.

Directors are accountable
Directors are responsible for the activities of the corporation and for ensuring that it is run in a way that is consistent with the interests of the Indigenous community and the public interest. This includes ensuring that the corporation's money is properly managed and that its financial statements are accurate.

Help for directors
There are many ways in which you can get help for your corporation. You can contact the Registrar, you can contact a professional adviser, or you can simply ask other members of the corporation for help. Whatever you do, your help is important.

4 ways to get involved
1. Join the board of directors
2. Join a committee
3. Help out with the day-to-day activities of the corporation
4. Support young people in their activities

Presentations

As part of contributing to public discussion and education about the CATSI Act, Aboriginal and Torres Strait Islander corporations and the role of the Registrar and ORIC, staff and the Registrar make presentations and speak at relevant forums.

- In October 2016 the Registrar presented in Darwin to the Australian Institute of Company Directors on the contribution of Aboriginal and Torres Strait Islander corporations to the economy.
- In March 2017 Dayna Lister, regional manager for Alice Springs, addressed the Aboriginal Governance & Management Program's 'Innovating to Succeed Forum' on how ORIC can support remote Aboriginal corporations, and the advantages of being registered under the CATSI Act.
- In May 2017 the Registrar spoke at the Queensland native title representative body alliance meeting about the capacity of registered native title bodies corporate.
- The Registrar attends and speaks regularly at the quarterly Prescribed Bodies Corporate Support Forum hosted by the National Native Title Tribunal about the regulation of registered native title bodies corporate.



Dayna Lister. Photo courtesy of APO NT Aboriginal Governance & Management Program



Provide information and advice

Call centre and other inquiries

ORIC operates a call centre offering information and advice to corporations and others interested in the governance and regulation of Aboriginal and Torres Strait Islander corporations. Calls are free from fixed line phones. ORIC aims to immediately answer all calls recognising that many callers in remote or very remote regions have limited telephone access or mobile phone coverage and long wait times or a call back are not viable options. In 2016–17, only 38 calls from 8428 calls received (less than 0.5 per cent) that were presented during business hours were diverted to voice mail.

In previous years we have reported a single figure for the call centre. From this year we are reporting at a more granular level, to more clearly account for our performance. We have also changed the system we use to record calls. The mechanisms used to capture this data are different, which means this year's data is not directly comparable to data from previous years.

In 2016–17, **8428 unique calls** were made to the ORIC's freecall number, 1800 622 431.

TABLE 12: Calls to 1800 622 431, 2016–17

| Measure | 2016–17 |
|---|-------------|
| Total calls presented | 8702 |
| Less calls re-presented to a more active phone line | 274 |
| Total unique calls presented | 8428 |
| Calls answered by an ORIC officer | 8261 |
| Calls referred to voice mail during business hours | 38 |
| Calls presented but caller hung up before speaking | 67 |
| Calls received after hours | 62 |

In 2016–17, ORIC finalised 5361 inquiries from corporations and the public including requests for information, support and referrals. The number of inquiries is up by 487 on the previous year (10 per cent more).

TABLE 13: Inquiries finalised by method of inquiry from 2015–16 to 2016–17

| Inquiry method | 2015–16 | 2016–17 |
|----------------|-------------|-------------|
| By phone | 3051 | 3364 |
| In writing | 1797 | 1892 |
| In person | 26 | 105 |
| Total | 4874 | 5361 |

Provide support services

Local support

ORIC's regional officers spend a significant portion of their time visiting corporations in person, attending and supporting meetings, and delivering governance training workshops.

To align with PMC, ORIC has adopted the same network structure of 12 regions.

TABLE 14: ORIC's offices supporting PMC network regions

| ORIC offices | PMC network region |
|------------------------------------|--------------------------------|
| Coffs Harbour, Brisbane and Cairns | Eastern New South Wales |
| | Western New South Wales |
| | Far North Queensland |
| | Gulf and North Queensland |
| | South Queensland |
| Alice Springs | Central Australia |
| | South Australia |
| Darwin, Broome | Top End and Tiwi Islands |
| | Arnhem Land and Groote Eylandt |
| Kununurra* | Kimberley |
| Perth | Greater Western Australia |
| Canberra (national office) | Victoria and Tasmania |

* From February to August 2017 ORIC operated a temporary office in Kununurra. Outside this time the Kimberley region was supported by the Darwin and Broome offices.

In 2017–18 ORIC has committed to expanding its regional office network to include new offices in the Anangu Pitjantjatjara Yankunytjatjara lands in South Australia and Thursday Island in the Torres Strait.

Coffs Harbour

Staff of the Coffs Harbour office, Christian Lugnan and Blanche Saunders, look after corporations in New South Wales. (Christian also manages ORIC's Brisbane and Cairns offices.)

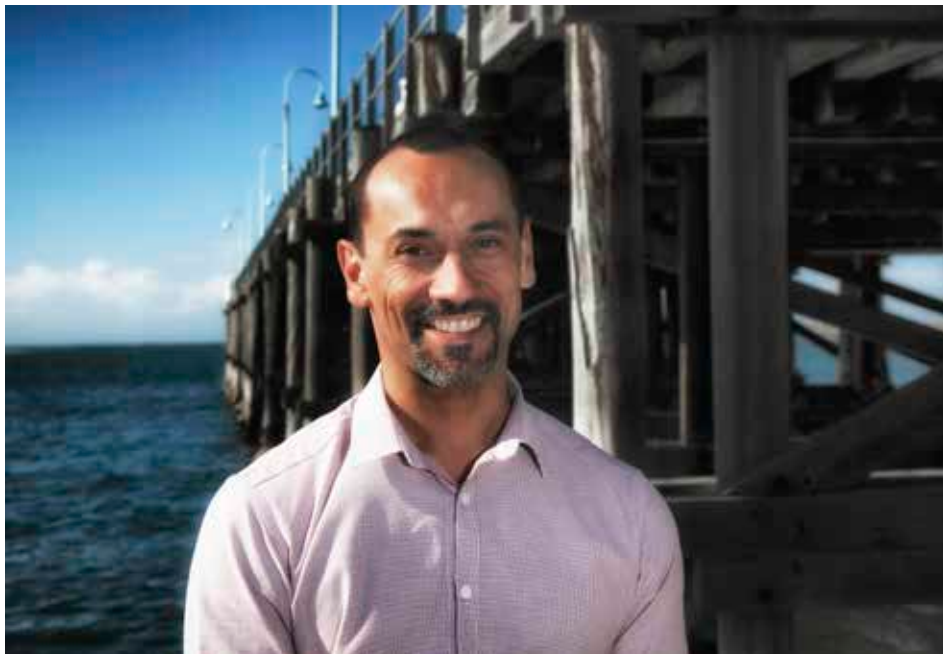
One role that regional officers perform is delivering training tailored to individual corporations ('corporation-specific training'). The corporation provides a venue and catering but otherwise receives the training free of charge.

This year, a particularly successful workshop was held with directors and members of Euraba Paper Aboriginal Corporation in Boggabilla, north-west New South Wales. Euraba is an Aboriginal artists' collective, owned and operated by the Gomeroi people of Toomelah. It has been making award-winning paper by hand since 1998.

The corporation had been non-compliant with their annual reporting obligations. Christian and Blanche reached out to discuss, and offered to deliver governance training at a suitable time. The two-day workshop was delivered at the corporation's very busy premises and worked through:

- how decisions are made in general meetings and directors' meetings
- members' and directors' roles and responsibilities (including annual reporting to ORIC)
- communication strategies.

Christian Lugnan,
regional manager and
Gumbaynggirr man





**Blanche Saunders,
regional officer
and Gomeroi
woman**

‘The workshop provided a great opportunity for the directors and invited members to have a yarn about any issues and questions they have about the running of their corporation,’ said Christian.

Blanche added, ‘Euraba had been through a bit of a rough time and it was great that the directors and members recognised that and were relieved to know that we were there to help and support them to get things back on track.’

Cairns

In February 2017, Jennifer Reuben, the Cairns regional officer retired after more than three years supporting corporations across the north Queensland regions.

Roseanne Mirto operated the Cairns regional office during April and May, when the new Cairns regional officer started. Ray Lennox is a proud Torres Strait Islander man who has worked in Cape York and the Torres Strait for the past 10 years. Ray is excited about the opportunity to make a positive contribution to corporations in north Queensland.

One of Ray's first introductions to a local corporation came when he and Roseanne accepted an invitation to attend a general meeting of the Stingray Boxing and Wellbeing Indigenous Corporation. The chairperson had proposed some changes to the rule book and, having confirmed their consistency with the CATSI Act, it was time to meet with the membership to discuss and, hopefully, gain their support for the changes. The members passed the resolutions and the revised rule book was registered and the corporation was able to move forward with their plans. They are currently developing a website for the members and local youth to promote their boxing and fitness programs.

For Roseanne, a special occasion was attending the Gunggandji PBC Aboriginal Corporation RNTBC directors' meeting. The directors acknowledged ORIC's 'show cause notice' and confirmed their request for the Registrar to place the corporation under special administration. The special administrator set up an advisory group and a native title working committee to help make sound decisions for the future of the corporation. As a result, the corporation can continue with its ranger program.



Ray Lennox, regional officer and Erub (Darnley Island) man



Viaella Aldridge, regional officer and Northern Kaanju woman

Brisbane

Viaella Aldridge looks after the Southern Queensland region from the Brisbane office. Here, she shares some reflections on the value of training, as a facilitator and as a delegate to a conference.

Along with providing ongoing governance support, Viaella delivered training to a number of corporations in the South Queensland region, and assisted with delivery in neighbouring regions. Some of the feedback that has stayed with her is from a director who said that although they have undertaken training in the past, further training acts as a good refresher and provides an opportunity to clarify matters, and share knowledge and experience with others.

As an attendee at the 2017 National Native Title Conference, Viaella deepened her understanding of the challenges and opportunities for RNTBCs. Later, while helping to facilitate training in the Torres Strait, she was able to apply her new knowledge, to help a corporation to develop an appropriate governance framework.

RNTBCs in the Torres Strait and on the mainland face similar challenges, which are often compounded by remoteness and the complexities of cultural protocols and considerations. While governance training may not eliminate these challenges, it does raise directors' awareness of their legal obligations and affirm that directors need to be both consistent and transparent when making decisions for the corporation.

Directors identified another benefit of governance training: it highlights the need to regularly review the rule book to ensure it stays relevant and continues to meet the needs of the members.

Alice Springs

Dayna Lister and George Donaldson look after corporations in the southern half of the Northern Territory and all of South Australia, working from the Alice Springs office. This year, they share two stand-out stories, of a quick turnaround special administration, and a unique transfer in registration.

Kanparrka Store Aboriginal Corporation provides food to the community of Ikuntji. The directors contacted ORIC because they were concerned they were being denied access to financial information. Passionate about wanting the best for the corporation, they asked for support to regain control. Dayna and George met with them several times, and liaised between them and ORIC's Canberra office about initiating a special administration—answering directors' questions, and explaining the local issues to the Regulation team. At the directors' request the Registrar appointed a special administrator.

Three months later, the money story was sorted and the corporation was handed back to the members in a strong position to go forward. The Registrar acknowledged the directors were not at fault and had done the right thing by asking for help, and Dayna and George arranged to provide training to further strengthen Kanparrka Store's governance.

**Dayna Lister, regional manager and Arrernte/Luritja woman,
and George Donaldson, regional officer and Wongatha man**



The Yuendumu Social Club Inc. is located in the largest remote Aboriginal community in Central Australia. The association operates a community store known locally as ‘the big shop’, and was incorporated under the *Associations Act* (NT). Following management concerns and external pressure, the governing committee decided to engage Mai Wiru Regional Stores Council Aboriginal Corporation to manage the store on its behalf.

Mai Wiru agreed to manage the store from 1 April on the condition that the Yuendumu Social Club transfer its incorporation to the CATSI Act. The Yuendumu Social Club committee would maintain its decision-making responsibilities and gain access to governance support from ORIC.

It was already March when the association agreed to transfer its registration—so the timeframe was very tight. Dayna and George immediately arranged to visit the community to meet with Mai Wiru and the committee of the Yuendumu Social Club to talk through the required steps. As the regulator of the *Associations Act* (NT), liaison with the NT Department of Business was also required. It was important that both regulatory bodies worked closely to clarify the requirements of the transfer and to ensure all steps were taken. For example, the NT Department of Business identified that the association held a perpetual lease over the land where the store and club were located, which added more complexity to the transfer process.

On 31 March 2017, the Yuendumu Social Club Aboriginal Corporation was registered under the CATSI Act, and Mai Wiru Regional Stores Council Aboriginal Corporation began managing ‘the big shop’ on behalf of the board of directors.

Darwin

Staff of the Darwin office, Hannah Roe and Margetta Avlonitis, look after corporations in the Top End and Tiwi Islands, and Arnhem Land and Groote Eylandt. (Hannah also manages the Broome office, although this role was reversed during her extended leave this year, when Sid Michels from the Broome office managed the Darwin office.) This year, Darwin staff describe a new corporation for remote Indigenous families whose children attend boarding school, and a sole trader corporation.

A group of Indigenous parents in the Roper Gulf region of the Northern Territory had a vision to start a peak national body for Indigenous families living in remote areas who have children at boarding school. Over the course of 18 months Hannah and Margetta attended various meetings with the parent group and the NT branch of Boarding Australia. They provided a workshop on the benefits of registering under the CATSI Act, walked the group through the steps involved in registering, and helped draft the rule book. The group put a lot of thought into their governance structure to ensure it reflected their vision of creating a peak national body that will grow as more regional branches are formed. The corporation was registered on 5 April 2017 as Remote Indigenous Parents Association National Indigenous Corporation. It has also successfully applied for assistance through ORIC's LawHelp service.

The Darwin regional office has noticed an increase in interest from people wanting to register under the CATSI Act as a sole trader corporation. A sole trader corporation is one that has just one member and one director. An example of a sole trader corporation we have assisted this year is Babunbaree Aboriginal Corporation. In this case the sole trader wanted to transfer her registration from the *Corporations Act 2001*, regulated by the Australian Securities and Investments Commission. Hannah and Margetta provided her with information she needed to proceed with the transfer. Their assistance concentrated on two areas: drafting the rule book to reflect the sole membership and directorship, and ensuring the relevant forms and exemptions were completed correctly. This support ensured a streamlined and stress-free transfer.

Hannah Roe, regional manager and Yawuru woman, and Margetta Avlonitis, regional officer of Kungarakan and Warramungu (Northern Territory) descent



Broome

Working from the Broome office, Sid Michels and Jill Rudeforth look after corporations in the Kimberley region. (While Hannah Roe was on extended leave Sid also managed the Darwin office.) This year, they share stories of best-practice executive recruitment, and a rule book overhaul.

After their chief executive officer left at short notice due to family issues, the Kimberley Stolen Generation Aboriginal Corporation asked ORIC to help them recruit a replacement. They wanted to take a best-practice approach and ensure that the process was open and fair. They applied to ORIC's recruitment assistance (ORA) service, which assists with developing selection criteria, advertising and documentation of the role and the process of interviewing candidates.

The corporation appointed a recruitment panel. Sid helped them to shortlist applicants and develop interview questions, and provided secretariat support for the interview process. The panel chose three strong candidates for interview, and made an appointment that they—and ultimately, the directors—are very happy with.

This year, various corporations have requested assistance with reviewing and updating their rule books. An example is Mowanjum Aboriginal Corporation, which is responsible for managing the community of Mowanjum near Derby in Western Australia. Its directors were concerned that their rule book was out of date and difficult to interpret. Sid suggested a simpler and shorter model: ORIC's *The rule book—condensed*. To that end, Jill drafted a new rule book, so the directors could compare the two. After consideration, the directors chose at this time to limit the changes to certain clauses in their current rule book. Jill assisted the corporation with drafting the changes, which the members adopted at a recent general meeting.



Sid Michels, regional manager,
of Alawa and Ngalakan
(Northern Territory) descent

Kununurra

From February to August 2017 Russell Styche worked from a temporary regional office in Kununurra. The east Kimberley area has a high concentration of small corporations that are some distance even from Kununurra, and a high need for support as it is geographically isolated, has limited access to services, low levels of formal education and English as a second or third language.

Russell met with many energetic and motivated Aboriginal people, and worked to build and maintain relationships. Directors from the Kalumburu Aboriginal Corporation took the opportunity of Russell's proximity and requested governance training. After a workshop with the directors and one of the managers, everyone agreed that further training would be worthwhile.

Then, the unexpected departure of the corporation's business and administration managers introduced a new challenge. Clearly, the corporation would benefit from a wider range of support. Russell approached local staff from PMC and from Wunan Foundation Inc., a foundation for long-term economic and community development, inviting them to be involved. Together, they identified all Kalumburu projects that needed completing, and the ongoing programs that needed consistent monitoring. Russell suggested that ORIC's corporation support and mentoring program could help the corporation during its transition—to develop a new governance and management structure.

Directors openly discussed the issues they faced and agreed that the program would be of great benefit. The corporation's support and mentoring program will be conducted from June 2017 through to January 2018 with monthly visits by staff from ORIC, PMC and Wunan. The directors have already improved their understanding of good governance and gained confidence in their decision-making—and will continue to grow throughout the program.

Russell says: 'Being on the ground to provide practical advice and information around running a corporation is the best part of this job. Covering a large remote area is challenging, and face-to-face contact is very valuable. It's clear that governance training in this area is vital to the survival of Aboriginal and Torres Strait Islander corporations.'



Russell Styche, regional manager and Tubba-gah Wiradjuri man

Perth

Arthur Hyde looks after the greater Western Australia region from the Perth office. Here, he shares a story of a strong corporation that turned a challenge into an opportunity.

Yorgum Aboriginal Corporation is a large corporation that provides a range of family support services to clients in Perth and country areas of Western Australia. Since its registration in 1993, Yorgum has grown and continues to strive to deliver culturally appropriate healing services. Funded by both Commonwealth and state governments, its therapeutic healing programs support the spiritual and emotional wellbeing of Aboriginal and Torres Strait Islander people.

In August 2016 ORIC looked into the corporation as part of its rolling examination program. A number of compliance issues were identified. In response, the corporation was very cooperative. With Arthur on hand for clarification and support, they worked through each issue and achieved full compliance.

As part of an initiative to improve its corporate governance, the corporation also committed to reviewing its rule book. With assistance from Arthur, it effectively undertook a thorough review of the corporation's rules.

Yorgum's board of directors and management team have subsequently turned their attention to increasing public confidence in the corporation, by strengthening the corporation's governance and accountability.

The CEO commented that 'ORIC's checklist for healthy corporations is a very valuable resource that provided the directors with all the information they required'.

Arthur commented that 'Yorgum AC has put a lot of work into getting their rule book and their governance process to where they want the corporation to be. There is now a greater understanding of the importance of strong governance, including the contractual nature of their rule book and the relationship between the corporation, its directors and members.'



Arthur Hyde, regional manager



LawHelp

LawHelp

ORIC created LawHelp to provide access to pro bono legal assistance to:

- not-for-profit Aboriginal and Torres Strait Islander corporations
- other entities seeking to transfer their registration to the CATSI Act.

Corporations can access a wide variety of legal assistance to deal with things such as tax issues, employment contracts and intellectual property rights.

When we receive an application for LawHelp, we review it for eligibility, then forward it to the independent LawHelp assessment panel for action. In 2016–17, ORIC received 20 LawHelp applications, in comparison to the 28 applications received the previous year. Of the 20 applications, 17 were approved by the LawHelp assessment panel and successfully referred to a participating law firm.

Ngaimpe Aboriginal Corporation has used LawHelp more than once.

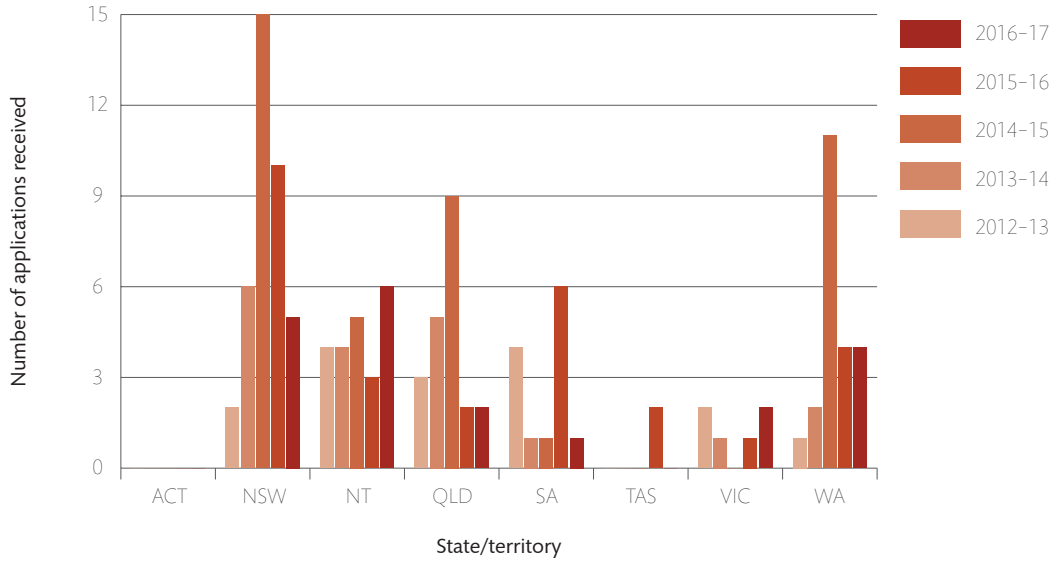


We have used LawHelp for some of our organisation's most critical issues. Not only has the service enabled us to access quality and reliable legal advice (that we would not be able to afford otherwise), it has also enabled us to create relationships.

Earlier this year, 'The Glen' clients played the lawyers from LawHelp firm, Allens, in a game of touch footy at The Domain in the city. This was followed by everyone having conversations while sharing in something to eat and a soft drink overlooking Sydney Harbour.

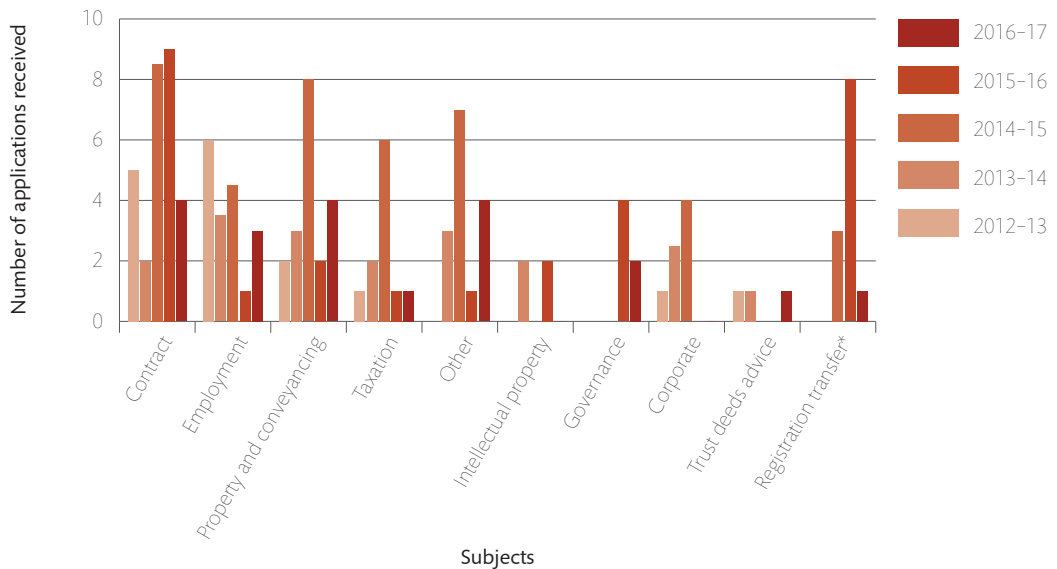
Joe Coyte, chief executive officer of 'The Glen', an alcohol and drug rehabilitation centre for men run by Ngaimpe Aboriginal Corporation'

FIGURE 13: LawHelp applications received by state/territory, 2012-13 to 2016-17



Note: There have been no applications from corporations in the Australian Capital Territory.

FIGURE 14: LawHelp applications received by subject, 2012-13 to 2016-17



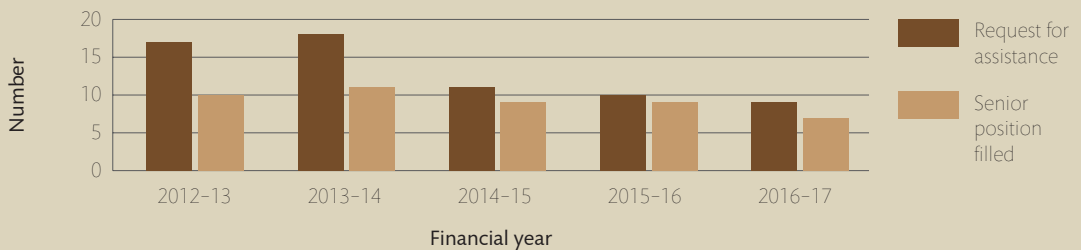


ORIC recruitment assistance

ORIC recruitment assistance (ORA) provides help and guidance through the process of recruiting to corporations to fill a senior position. It encourages best practice—and helps build capacity—by supporting corporations to follow a clearly defined process with established guidelines. The service is free to corporations (although they must meet their own advertising costs). Corporations also remain responsible for all decisions, including selecting the successful candidate and negotiating a suitable salary package.

In 2016–17 ORIC received a total of nine requests through ORA and of those, seven senior staff positions were filled.

FIGURE 15: Job assistance requests accepted through ORA and senior positions filled from 2012–13 to 2016–17



Note: The outcome of requests for recruitment activities is not always the position being filled—for example, some corporations withdraw from the recruitment activity part way through and some determine that there were no suitable applicants.

Ang-Gnarra Aboriginal Corporation of Laura (north Queensland) used ORA to recruit a general manager.

The ORA service helped us to move quickly through what can be an intimidating process. It allowed the board to focus on choosing the best person rather than worrying about the process.

It also helped us to manage the administration side of the work. Given the remoteness of our location, we had more applications than expected, and we found a very qualified person.



Corporations may not know it's there but it's a very approachable service. ORIC made the recruitment easy. They were very good at keeping the process moving; they were flexible and responsive to the corporation's needs; and their draft documents were easy to follow.

Bridget Centenera from Many Rivers, a not-for-profit community and economic development agency that supported Ang-Gnarra Aboriginal Corporation during their recruitment of a general manager.

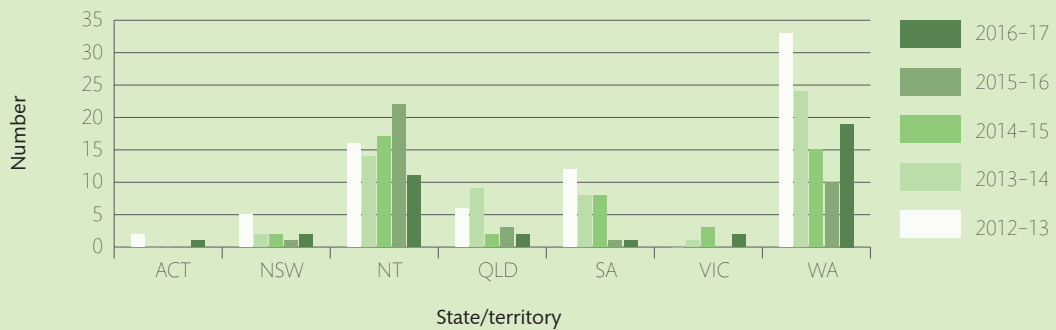


Corporation jobs

From 2009 ORIC has offered corporations the chance to advertise their employment vacancies free of charge on the ORIC website. Since then, 407 corporation jobs have been advertised.

In 2016–17, Corporation jobs advertised 40 job vacancies.

FIGURE 16: Corporation jobs advertised on the ORIC website by state/territory, 2012–13 to 2016–17



In recognition that not all corporations take up the offer to advertise on the ORIC website, and to add value to the Corporation jobs page, we added a link to ‘related vacancies’ (in Aboriginal and Torres Strait Islander corporations) on the EthicalJobs website.



Independentdirectory

In the first full year of its operation, with minimalist marketing, Independentdirectory had modest uptake:

- 45 individuals registered as candidates for directorship positions
- 27 corporations set up an account to advertise a directorship or other position
- 18 directorships were advertised.

Corporation users of the directory site can post their own jobs that flow through to Corporation jobs section of oric.gov.au. Five staff positions were advertised this way.

Through the course of the year we made changes in response to user feedback—for example, we simplified the geographical matching.

Monitoring

We ensure compliance with reporting obligations as a first step to ensuring transparency of corporations. We use information from reports, complaints and other sources to determine where there are individual corporations requiring direct support or interventions, and broader issues that need to be addressed through education and training.

Promote timely lodgement of annual reports

The CATSI Act emphasises the importance of compliance and reporting as a mechanism to improve transparency and accountability. Access to corporation information is important and that information needs to be timely so that members, communities, creditors and government agencies are confident that the public Register of Aboriginal and Torres Strait Islander Corporations is accurate and up-to-date. This is why ORIC has a strong focus on maintaining high compliance rates with reporting obligations.

Reporting requirements vary according to the registered size of a corporation—large, medium or small—and its income. Unless they are granted an exemption (either from reporting at all or an extension of time), corporations are required under the CATSI Act to lodge their annual reports with the Registrar within six months of the end of the financial year; 2015–16 reports were due on 31 December 2016.

Reporting compliance, nationally

For the financial year 2015–16, **2513 of the 2604 corporations** required to report were compliant. More corporations than ever before were compliant: 2513 is 77 more than the previous year (2436 of the 2509 corporations required to lodge reports complied). In percentage terms, the reporting compliance rate decreased slightly, from 97.1 to **96.5 per cent**.

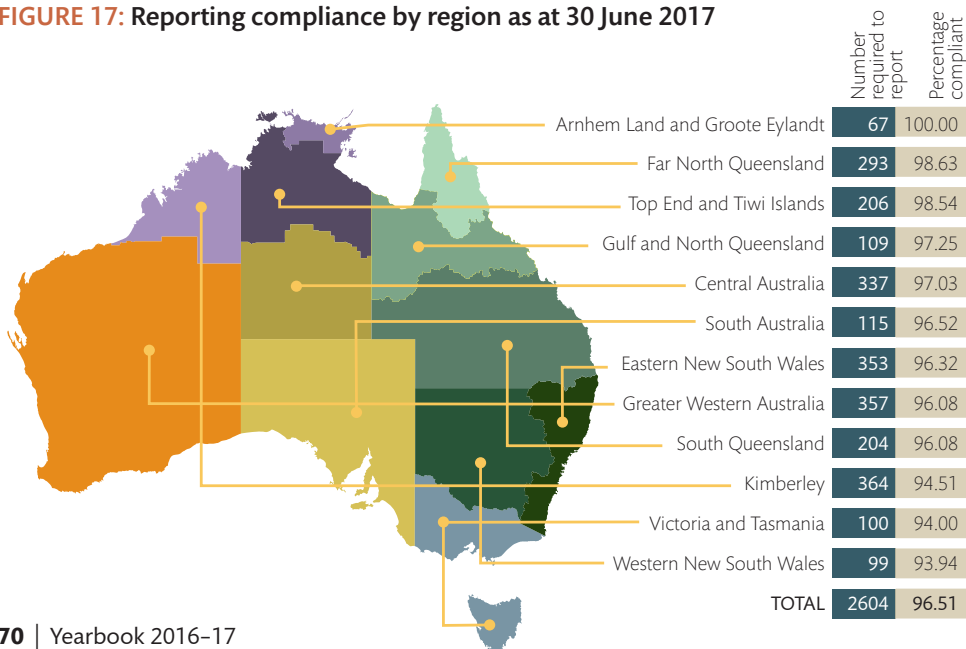
The number of corporations required to provide 2015–16 reports (2604) is different to the total number of registered corporations (2904 as at 30 June 2017) as it's based on corporations registered at 31 December 2015 and excludes corporations under liquidation or being deregistered.

Reporting compliance by region

TABLE 15: Compliance with 2015–16 reporting, by region as at 30 June 2017

| PMC regional network | ORIC office | Corporations required to report | Number of corporations compliant | Percentage of corporations compliant |
|--------------------------------|----------------------------|---------------------------------|----------------------------------|--------------------------------------|
| Eastern New South Wales | Coffs Harbour | 353 | 340 | 96.32 |
| Western New South Wales | Coffs Harbour | 99 | 93 | 93.94 |
| Far North Queensland | Cairns | 293 | 289 | 98.63 |
| Gulf and North Queensland | Cairns | 109 | 106 | 97.25 |
| South Queensland | Brisbane | 204 | 196 | 96.08 |
| Central Australia | Alice Springs | 337 | 327 | 97.03 |
| South Australia | Alice Springs | 115 | 111 | 96.52 |
| Top End and Tiwi Islands | Darwin | 206 | 203 | 98.54 |
| Arnhem Land and Groote Eylandt | Darwin | 67 | 67 | 100.00 |
| Kimberley | Broome | 364 | 344 | 94.51 |
| Greater Western Australia | Perth | 357 | 343 | 96.08 |
| Victoria and Tasmania | Canberra (national office) | 100 | 94 | 94.00 |
| Total | | 2604 | 2513 | 96.51 |

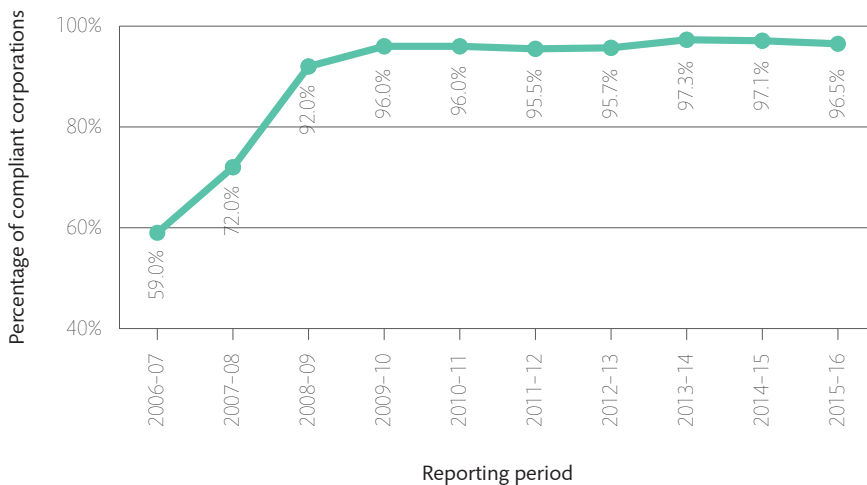
FIGURE 17: Reporting compliance by region as at 30 June 2017



History of reporting compliance

For the past seven years, reporting compliance has exceeded 95 per cent. That consistently high compliance rate among Aboriginal and Torres Strait Islander corporations is testament to the generally good governance of the sector, and ensures the accuracy and reliability of the free public register.

FIGURE 18: Reporting compliance for all corporations from 2006–07 to 2015–16



To optimise compliance, the Registrar keeps in touch with corporations and assists them as needed. Our communication strategy in 2016–17 comprised:

- periodic reminders and offers of guidance, by email, letter or telephone and through notices and messages on the Registrar's website, the *ORIC Oracle* and *Koori Mail*
- follow-up of key groups and specific sectors, such as RNTBCs and corporations helped by bigger corporations operating in remote regions
- face-to-face visits by ORIC's regional officers, particularly to corporations in remote locations and outside metropolitan areas—regional officers helped to complete reports as well as to build capacity for the future
- telephone reminders to newly registered corporations reporting for the first time and to corporations that were late to lodge in the previous year
- telephone outreach to corporations in breach—ORIC staff identified corporations that for whatever reason did not submit their annual reports by the due date and, where appropriate, assisted them to complete
- formal warning notices were sent to corporations that were in breach and that failed to respond to reminders
- publishing a list of corporations in breach on the ORIC website.

Assess complaints

Under the CATSI Act one of the functions of the Registrar is to deal with complaints involving Aboriginal and Torres Strait Islander corporations. Complaints serve a very useful and important purpose. A complaint can be made by phone, email, fax or in person, and it is often the first indication of disharmony at a corporation and therefore the first sign that something may be starting to go wrong.

Every six months the Registrar publishes on the ORIC website a statistical overview of complaints involving corporations—see 'Statistical reports' p. 18.

TABLE 16: Complaints involving corporations from 2012–13 to 2016–17

| Year | Complaints received | Increase/decrease over previous year | Complaints finalised* |
|---------|---------------------|--------------------------------------|-----------------------|
| 2012–13 | 657 | 21% | 652 |
| 2013–14 | 741 | 13% | 750 |
| 2014–15 | 833 | 12% | 834 |
| 2015–16 | 751 | -9.8% | 748 |
| 2016–17 | 810 | 8.7% | 827 |

*Note: this figure includes complaints carried over from the previous year.

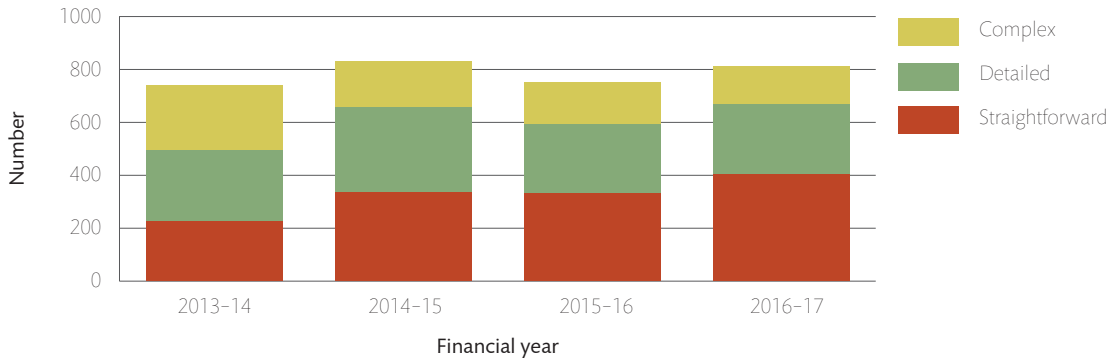
As shown in table 16, in 2016–17 ORIC finalised 827 complaints compared to 748 last year, representing an increase of 10.5 per cent.

Of the complaints received during 2016–17, the top three categories were:

- the conduct of directors or breaches of directors, officers or employees' duties
- corporation meetings
- matters outside the Registrar's jurisdiction, such as compliance with funding agreements, corporation business decisions and staffing.

TABLE 17: Number of complaints received by complexity from 2013–14 to 2016–17

| Type | 2013–14 | 2014–15 | 2015–16 | 2016–17 |
|-----------------|------------|------------|------------|------------|
| Straightforward | 225 | 336 | 331 | 403 |
| Detailed | 272 | 321 | 261 | 266 |
| Complex | 244 | 176 | 159 | 141 |
| Total | 741 | 833 | 751 | 810 |

FIGURE 19: Complaints received by complexity from 2013–14 to 2016–17

In 2016–17 on average, ‘straightforward complaints’ were answered within four working days (compared to three days last year), ‘detailed complaints’ were finalised in eight days (compared to nine days last year), while the most ‘complex complaints’, which often required considerable background research and follow-up with third parties, were resolved in 56 days (71 days last year).

Around half of the complaints made to ORIC over any 12-month period are ‘straightforward’. In many cases, this means that the person contacting ORIC simply wants an explanation of the rules, and some information about how they can resolve their concerns through the use of good governance practices. This is usually information on the use of the dispute resolution rule, or the rules setting out members’ rights to request a meeting, to replace directors, or to attend, speak and vote at general meetings. It may also be about a matter outside the Registrar’s jurisdiction.

Where possible and appropriate, as part of its complaints-handling process ORIC also assists the subjects of complaints by providing:

- information about good corporate governance
- guidance on what constitutes a breach of the CATSI Act or a corporation’s rule book, and how to rectify the breach
- options that may help to resolve concerns raised in a complaint
- information to corporation members and directors on rights and responsibilities under a corporation’s rule book.

The Registrar’s fact sheet, *Complaints involving corporations*, and policy statement, *PS-02: Complaints involving corporations*, are also helpful documents. Both are available on the ORIC website.

Sometimes complainants allege fraud or misappropriation of funds at a corporation. Such allegations are taken very seriously but ORIC will always ask for evidence to support the claims. This is crucial—no case can be built or action taken if there is insufficient supporting evidence. Hearsay and suspicion alone is insufficient.

When ORIC cannot help with a complaint

In 2016–17 5.2 per cent of all complaints received were about matters outside the Registrar’s jurisdiction.

The role of the Registrar in dealing with complaints is to assist corporations, their members and third parties to understand the CATSI Act and to apply good practice governance. However, for many complainants, the problem relates to the actions of a staff-person, the terms of employment, the services the corporation delivers, compliance with funding agreements, corporation business decisions, or even sometimes the behaviour of a director in their private life.

For example, if the complaint is about the **chief executive officer** (CEO), the complainant can raise the matter with the directors. But ORIC has no authority to censure the CEO or monitor their performance. Only the directors do.

Similarly, if the concern is about **staff conditions**, and employees do not feel they can approach the CEO or directors, they may need to contact the Fair Work Ombudsman to find out what their rights are under their workplace agreement.

The **services delivered** by a corporation are business decisions of the directors, which are also not regulated by the CATSI Act. In these complaints, the complainant may need to speak with the funding body, to find out if there are service standards in the funding agreement that would address their concerns.

We are often contacted by people who are concerned with the **ethics and character of directors**, either in meetings or in their general demeanour. There are circumstances that will lead to a person being disqualified from serving as a director, but these circumstances are limited (see the ORIC factsheet on *Disqualification from managing corporations under the CATSI Act*). Callers are sometimes surprised to learn that an allegation of fraud (as opposed to a conviction) or a conviction for a drug or alcohol-related crime does not automatically disqualify a person from representing the corporation. It is up to the members to determine if a person is a fit and proper nominee for a directorship, or to remove a director if they are not doing a good job.

If a director is violent or aggressive towards members, that is a police matter. Callers are encouraged to inform the police of such incidents.

Other matters where ORIC cannot assist include deciding whether a person is of a particular clan group, or approving **proof of Aboriginality** processes, and **native title** matters.

The examples provided above are matters that are not related to governance under the CATSI Act, where ORIC can only suggest other mechanisms or agencies that may be able to assist.

Manage disputes

The Registrar treats all disputes sensitively and takes into consideration the culture and traditions of Aboriginal and Torres Strait Islander people. With early intervention and careful management, a dispute can often be resolved and the damage minimised. A well-managed dispute can improve a corporation's resilience. As well as consulting with all parties involved and taking care to tailor responses to suit a corporation's particular needs, ORIC helps corporations build capacity to prevent disputes from flaring up.

In 2016–17 ORIC helped to resolve 24 disputes, compared to 34 in the previous year. Five were ongoing from the previous year; 19 were raised during 2016–17. Disputes by nature are complex. Six of the 24 disputes we helped to manage were within RNTBCs, which are more complex than usual as they have the potential to cross into native title matters, which are outside the jurisdiction of ORIC. The average resolution time for disputes in 2016–17 was 63 days.

Corporations are often very appreciative of the assistance ORIC staff provide during a dispute. In the case of this New South Wales corporation, ORIC suggested a resolution and agreed to chair the meeting at which it would be moved:

Thank you! That makes it a lot simpler and palatable ... The chairperson was very appreciative of you being willing to chair the meeting ... Again, thanks for your effort.

Sometimes, the presence of a neutral third party triggers a significant shift, as with this corporation:

Your presence at the mediation and AGM and your chairing of the general meeting ensured that [the corporation] addressed the issues and conducted ourselves in a respectful and compliant manner.

ORIC responds to disputes in accordance with its *Case categorisation and prioritisation model*. Relevant circumstances include whether:

- the corporation receives Australian Government funding, holds land or native title, has a large number of members or has stopped functioning
- an Australian Government agency has requested help
- essential community services are at risk
- there is a broader public interest in resolving the dispute.

ORIC supports corporations in dispute by:

- listening and providing information—by telephone, email or face-to-face
- offering advisory opinions—a formal letter from the Registrar giving an opinion about how the CATSI Act and the corporation’s rule book applies to the matter
- facilitating small-group problem-solving sessions and workshops to manage the dispute
- calling, attending and chairing general or directors’ meetings
- recommending rule book amendments to reduce the likelihood of disputes and to provide an effective dispute resolution process.

See also the fact sheet, *Dispute resolution*, and the policy statement, *PS-22: Disputes involving corporations*.

ORIC and National Native Title Tribunal work together to help traditional owners

The ORIC dispute management team has been working closely with National Native Title Tribunal (NNTT) to assist traditional owners to resolve disputes and run their RNTBC.

Running an RNTBC can be complex, with specific obligations under the *Native Title Act 1993*. ORIC and NNTT work together to support traditional owners. This support may include providing mediation and dispute management, helping to design rule books and undertaking research projects.

Some of the typical issues presented in disputes involving RNTBCs concern:

- land access, rights and use
- membership
- corporation structure.

Conduct examinations

In 2016–17 ORIC completed examinations of 45 corporations. In 2016–17 ORIC adopted a new performance measurement framework and has updated the way we count examinations and their outcomes, which means this year's data is not directly comparable to data from previous years.

The Registrar has the power under the CATSI Act to prompt an examination of a corporation's books and records. The purpose of examinations is to assess the standards of corporations' governance and the health of their finances. An examination may include checks that a corporation is:

- operating in accordance with the CATSI Act and its rule book
- keeping up-to-date financial records and managing its finances in line with its policies, procedures and delegations
- properly managing any conflicts of interest and benefits to related parties.

Each year the Registrar conducts a routine program of examinations. Additional examinations are initiated by the Registrar in response to potential governance issues raised about a corporation.

Examinations are provided for in the CATSI Act to proactively protect the interests of Aboriginal and Torres Strait Islander people and communities. They perform an important function in detecting early signs of trouble.

An examination can confirm that a corporation is managing its affairs effectively, and the governance of the corporation is to a high standard.

For more information see the policy statement *PS-25: Examinations* on the ORIC website.

The 2016–17 year started with seven examinations carried over from 2015–16.

During 2016–17 the Registrar started 57 examinations and completed 45.

TABLE 18: Examinations completed by state/territory 2016–17

| State/territory | Corporations |
|------------------------------|--------------|
| Australian Capital Territory | 0 |
| New South Wales | 5 |
| Northern Territory | 15 |
| Queensland | 5 |
| South Australia | 2 |
| Tasmania | 0 |
| Victoria | 4 |
| Western Australia | 14 |
| Total | 45 |

Of the examinations completed in 2016–17 a share of 22.2 per cent were of corporations in the health and aged care sector and another 22.2 per cent were of corporations providing community services.

TABLE 19: Examinations completed by activities 2016–17

| Main activities of corporations | Examinations |
|---|--------------|
| Health and aged care services | 10 |
| Drug and alcohol rehabilitation services | 0 |
| Community services | 10 |
| Land management | 1 |
| Registered native title bodies corporate (RNTBCs) | 5 |
| Other native title | 2 |
| Agriculture, forestry and fishing | 2 |
| Art and cultural centres | 2 |
| Tourism | 1 |
| Housing | 2 |
| Employment and training | 3 |
| Community stores | 6 |
| Communications (radio, broadcasting and language) | 1 |
| Total | 45 |

Of the 45 corporations where examinations were completed during 2016–17:

- 19 corporations (42.2 per cent) were found to be operating well so a management letter was issued and no further action was required
- 19 corporations (42.2 per cent) needed to address minor matters, so they were issued with a compliance notice under section 439-20 of the CATSI Act
- 6 corporations (13.3 per cent) were found to have serious issues. These were issued a show cause notice requiring them to explain why they should not be placed under special administration
- 1 corporation was found to be not operating and referred for deregistration.

Nineteen examinations were in progress as at 30 June 2017.

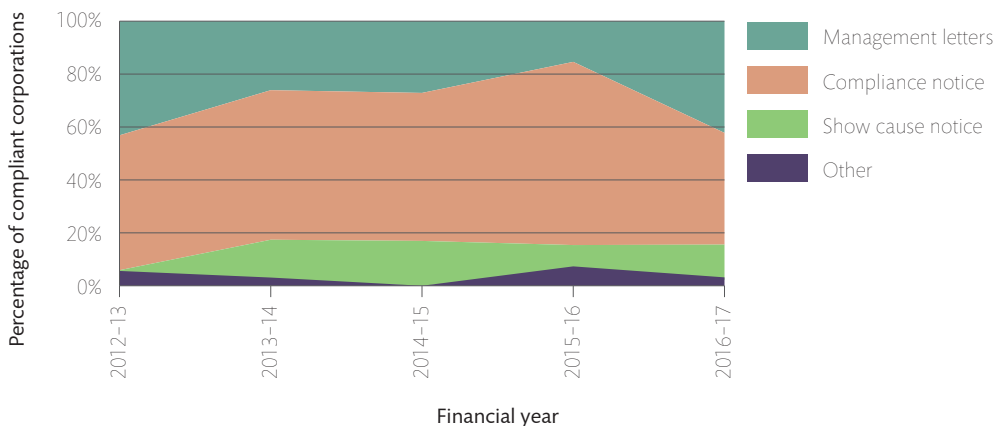
TABLE 20: Outcomes of examinations from 2012–13 to 2016–17

| Examination outcome | 2012–13 | 2013–14 | 2014–15 | 2015–16 | 2016–17* |
|---------------------|-----------|-----------|-----------|-----------|-----------|
| Management letters | 22 | 12 | 16 | 6 | 19 |
| Compliance notice | 26 | 26 | 33 | 27 | 19 |
| Show cause notice | 1 | 7 | 10 | 4 | 6 |
| Other | 2 | 1 | 0 | 2 | 1 |
| Total | 51 | 46 | 59 | 39 | 45 |

Note: In 2016–17 ORIC has updated the way we count examinations and their outcomes, which means this year's data is not directly comparable to data from previous years.

Viewing the data as a graph, below, it is clear that this year a higher proportion of examinations resulted in a management letter, and fewer resulted in a compliance or show cause notice.

FIGURE 20: Outcomes of examinations as a percentage of all examinations from 2012–13 to 2016–17



Conduct investigations

Potential breaches of the law, including the CATSI Act, are brought to the Registrar's attention in a number of ways, including from:

- complaints or inquiries from members of the public
- referrals from funding agencies (including other government departments), other regulators or the police
- statutory reports from examiners, auditors and external administrators (liquidators, special administrators, voluntary administrators and receivers)
- the Registrar's staff.

The Registrar carefully considers how to respond to all potential breaches of the law, but does not undertake a formal investigation of every complaint or matter that is brought to his attention.

In deciding whether or not to conduct a formal investigation, the Registrar considers resources, the available evidence, the public interest, and how recently the alleged breach occurred. This is referred to as an assessment. If the available information suggests a breach that is serious, ongoing, and provable, the Registrar may investigate.

A formal investigation is the first step toward initiating (or ruling out) prosecution.

2016–17 started with eight matters on hand from 2015–16:

- 2 referrals for assessment
- 6 matters under investigation

During 2016–17 a further 10 matters were referred to ORIC for assessment. In 2016–17 ORIC completed assessments of seven matters. Three were closed with no further action warranted, and four were found to warrant an investigation.

By 30 June 2017 ORIC had concluded investigations into five matters, with:

- two progressing to briefs of evidence for criminal prosecution referred to the CDPP
- one progressing to a brief of evidence for civil action
- two closed with no further action required, due to insufficient evidence.

As at 30 June 2017 nine matters remained on hand:

- five referrals for assessment
- four matters under investigation.

Seeking remedy and deterring

As a regulator we provide support, but will intervene and take action when we identify the need to do so.

Call corporation meetings

Under Part 10-2 of the CATSI Act, the Registrar may convene a meeting to discuss a matter affecting a corporation, or call a general meeting or an annual general meeting. This kind of action may be in response to a request by members of the corporation, because a scheduled meeting was not held, or for some other reason that the Registrar believes warrants it. In such cases the Registrar would either chair the meeting or authorise another person to be the chair.

In 2016–17 there were several Registrar-initiated general meetings. In one case the reason was to propose changes to the structure of the board of directors set out in the rule book. In another it was to confirm the rightful directors with the members.

Issue compliance notices

When the Registrar suspects that a corporation has some governance or financial issues, and often as a result of an examination, the Registrar may send the corporation a compliance notice. The notice sets out the reasons for the suspected non-compliance, and directs the corporation to take action within a specified timeframe. It provides valuable information to the corporation's members and other stakeholders (such as funding agencies and creditors) about the standards of corporate governance and financial management within a corporation at a given point in time.

Each notice is made available on the public Register of Aboriginal and Torres Strait Islander Corporations.

In 2016–17, the Registrar issued 19 compliance notices (14 from examinations started in 2016–17 and five from examinations started in 2015–16).

Seek criminal and civil penalties

As part of its regulatory approach, ORIC may elect to commence civil proceedings for breaches of the CATSI Act. In appropriate cases ORIC will also prepare and refer a brief of evidence to the Commonwealth Director of Public Prosecutions (CDPP) for consideration of criminal proceedings. The decision to prosecute alleged criminal offences under the CATSI Act is made by the CDPP in accordance with the *Prosecution Policy of the Commonwealth*.

ORIC publishes a summary of prosecution outcomes on its website.

In 2016–17 the Registrar referred three matters to the CDPP for possible criminal proceedings. The CDPP filed charges relating to all three:

- Ellimatta Housing Aboriginal Corporation
- Riverina Medical and Dental Aboriginal Corporation
- 2014–15 minor regulatory prosecution (MRP) program for multiple corporations that failed to lodge annual reports for the 2014–15 year.

In 2016–17, one major criminal prosecution was finalised and one civil action was finalised. Both cases involved directors misusing their positions to gain a personal benefit.

Ten corporations were also found guilty of failing to meet their reporting obligations. (Three of those convictions were for failing to lodge 2013–14 reports. Seven were for failing to lodge 2014–15 reports.)

Four new prosecutions were commenced; three concerned serious criminal matters. The other is a major civil action.

Criminal matters

Criminal matters in progress

As at 30 June 2017 there were four criminal matters in progress.

Selena Lyons—former CEO of Riverina Medical and Dental Aboriginal Corporation (RivMed)

On 8 August 2016 charges were laid against the former chief executive officer (CEO) of the Riverina Medical and Dental Aboriginal Corporation (RivMed).

It is alleged that Selena Joan Lyons misused her position as CEO of RivMed on 27 occasions to authorise payments to herself for travel or accommodation totalling \$28,048.90, and that these payments were either for days that Ms Lyons was not travelling for work purposes, or another organisation had already paid for her travel, accommodation and meals. It is also alleged that on one occasion Ms Lyons misused the corporation's credit card by making an unauthorised purchase.

Twenty-seven charges have been brought against Ms Lyons under section 265-25(3)(a) of the CATSI Act. One charge has been brought against Ms Lyons under section 265-25(3)(b) of the CATSI Act. These sections carry a maximum penalty of \$340,000 or imprisonment for five years, or both, for each charge.

Ms Lyons has entered a plea of not guilty and at the time of writing the trial was adjourned for further hearing.

Sharon Anderson, Rae Fernando, Siffia Fernando, Wayne Fernando and Collin Turnbull, directors of Ellimatta Housing Aboriginal Corporation (Ellimatta)

On 3 April 2017 charges were laid against five directors of the Ellimatta Housing Aboriginal Corporation (Ellimatta). A hearing was scheduled for 18 April 2017.

It is alleged that Ms Sharon Anderson, Ms Rae Fernando, Ms Siffia Fernando, Mr Wayne Fernando and Mr Collin Turnbull failed to comply with statutory notices issued under section 453-5(1) of the CATSI Act, to produce documentation and information. Each director has been charged under section 453-5(5) of the CATSI Act. The section carries a maximum penalty of \$5400 or imprisonment for six months, or both, for each charge.

On 18 October 2017 the directors entered a plea of not guilty and were each fined \$600.

Alan Bishop—former CEO of Garnduwa Amboorny Wirnan Aboriginal Corporation (Garnduwa)

On 16 May 2016 charges were laid against the former CEO of the Garnduwa Amboorny Wirnan Aboriginal Corporation (Garnduwa).

It was alleged that Mr Alan Hugh Bishop dishonestly misused his position as CEO on 38 occasions to transfer corporation funds into his own personal bank or credit card accounts. From July 2013 to December 2014, Mr Bishop was alleged to have created false records to raise 38 Garnduwa cheques totalling \$237,305.48 which he used for his own personal benefit.

Thirty-eight charges were brought against Mr Bishop under section 265-25(3)(a) of the CATSI Act. The section carries a maximum penalty of \$340,000 or imprisonment for five years, or both, for each charge.

On 24 April 2017, Mr Bishop pleaded guilty to all charges. On 20 October 2017 he was sentenced to two years imprisonment. Mr Bishop is to be released from prison after serving ten months on a \$2000 bond to be of good behaviour for 18 months.

2014–15 minor regulatory prosecution program

As at 30 June 2017 the CDPP is continuing to pursue a number of corporations for failing to lodge their 2014–15 reports.

Criminal matters finalised

One major criminal matter was finalised in 2016–17.

Trevor Close—former director of Githabul Nation Aboriginal Corporation RNTBC (GNAC)

On 30 June 2016 charges were brought against the former director of the Githabul Nation Aboriginal Corporation RNTBC (Githabul) for dishonestly misusing his position to gain a personal advantage.

Mr Trevor John Close used the proceeds of a sale from a Githabul native title property to cover the rent for his private home in Sydney. Two rental payments were made by Mr Close from corporation funds in July 2013 and one in August 2013.

On 17 May 2017, Mr Close was convicted under section 265-25(3)(a) of the CATSI Act and discharged giving security of \$500 and a requirement to be of good behaviour for 12 months. Mr Close was also ordered to make reparations of \$7279.25 to Githabul.

Prosecutions failing to lodge 2013–14 reports

The Registrar's 2013–14 MRP program was finalised during 2016–17. The Registrar finalised prosecutions against three corporations for failing to lodge their 2013–14 reports by the required time:

- one corporation was convicted and ordered to pay a fine of \$1500.
- two were found guilty of the offence(s) but discharged without conviction under section 19B of the *Crimes Act 1914*.

Prosecutions failing to lodge 2014–15 reports

During 2016–17, the Registrar finalised prosecutions against seven corporations for failing to lodge their 2014–15 reports by the required time:

- three corporations were convicted and ordered to pay fines totalling \$8000.
- two were found guilty of the offence(s) but discharged without conviction under section 19B of the *Crimes Act 1914*.
- one was convicted and released without sentence under section 20(1)(a) of the *Crimes Act 1914* on condition of deregistration.
- in one case the charge was withdrawn on condition of deregistration.

TABLE 21: Prosecution outcomes during 2016–17 for failing to lodge corporation reports

| Date of outcome | Defendant/respondent | Court | Outcome |
|-------------------|--|------------------------------|---|
| 9 September 2016 | Angkamuthi Tribal Aboriginal Corporation (ICN 4638) | Bamaga, QLD | Charge proven, but discharged without conviction under s. 19B <i>Crimes Act 1914</i> . |
| 28 September 2016 | Munjuwa Health, Housing & Community Aboriginal Corporation (ICN 662) | Queanbeyan, NSW | Charge proven, convicted and fined \$1,500 |
| 7 October 2016 | Jerringa Traditional Owners Aboriginal Corporation (ICN 7296) | Nowra, NSW | Charge proven, but discharged without conviction under s. 19B <i>Crimes Act 1914</i> . |
| 17 February 2017 | Koorana Aboriginal Corporation (ICN 4663) | Toronto, NSW | Charge proven, fined \$2500 |
| 4 April 2017 | Southern Regional Indigenous Corporation (ICN 8098) | Downing Centre (Sydney), NSW | Fined \$5000 |
| 24 April 2017 | Aputula Homelands Aboriginal Corporation (ICN 1724) | Alice Springs, NT | Application for deregistration of corporation filed with ORIC as a requirement of the charge being withdrawn. |
| 6 June 2017 | Euraba Paper Aboriginal Corporation (ICN 3791) | Boggabilla, NSW | Charge proven, but discharged without conviction under s. 19B <i>Crimes Act 1914</i> . |
| 13 June 2017 | Meenah Mienne Aboriginal Corporation (ICN 7417) | Launceston, TAS | Convicted and released without sentence under s. 20(1)(a) <i>Crimes Act 1914</i> . Ordered to file the general report and complete deregistration within three months |
| 14 June 2017 | West Coast Aboriginal Corporation (ICN 1984) | Burnie, TAS | Convicted and fined \$500 |
| 21 June 2017 | Bidwell-Maap Aboriginal Corporation (ICN 7470) | Bairnsdale, VIC | Charge proven, but discharged without conviction under s. 19B <i>Crimes Act 1914</i> . |

Civil matters

As at 30 June 2017 one civil matter remained in progress and one had been finalised.

Civil matter in progress

Registrar v Ashley James Taylor & Anor—WAD243/2017

On 31 May 2017, civil penalty proceedings were filed in the Federal Court in Perth against two former officers of the Murchison Region Aboriginal Corporation (MRAC).

MRAC is a charitable corporation based in Geraldton, Western Australia. It provides affordable housing to Aboriginal people in the Murchison and Gascoyne regions of Western Australia.

It is alleged that MRAC's former executive officer, Mr Ashley Taylor, and former finance officer, Mr Abul Shahid, over a four-year period to November 2014, made significant payments to themselves from MRAC's funds for their own personal benefit. Mr Taylor is alleged to have received 107 payments totalling \$211 612.41, repaid \$29 085 and to still owe \$182 527.41 to MRAC. Mr Shahid is alleged to owe MRAC \$217 956.75 after he received 117 payments totalling \$1 381 413.55 and repaid \$1 163 456.75.

The payments were not approved by the directors of MRAC.

In July 2015, the Registrar successfully obtained interim orders in the Federal Court to freeze the assets of the two men when the payments first came to light. The orders were vacated in February 2016.

A case management hearing was set down for 18 July 2017 where the Court ordered that the Registrar and the respondents undertake mediation and that a trial date will be set at the next case management hearing.

Civil matter finalised

Registrar v Fred Monaghan & Others—ACD22/2015

On 30 March 2015 civil penalty proceedings were commenced in the Federal Court in Canberra against three former directors of the Southside Housing Aboriginal Corporation.

The Canberra-based not-for-profit corporation was established in 1995 to provide affordable housing for Aboriginal and Torres Strait Islander people in the ACT.

It was alleged that three former directors, Mr Fred Monaghan, Ms Teresa Monaghan and Ms Kim Peters controlled the corporation and ran it for their own benefit. The directors lived in properties owned by the corporation, did not pay all of their rent, failed to repair the properties and had the corporation pay part of their excess water charges.

In September 2016, the Federal Court in Canberra found all three former directors had breached their duties by not ensuring the corporation kept adequate books and records. Mr and Ms Monaghan were also found to have improperly used their positions and failed to exercise due care and diligence in the management of the corporation and its houses. However, Ms Peters was found to have taken a number of steps and actions to try to address the problems confronting the corporation and therefore no further findings of breaches of her duties were made against her.

On 6 October 2016, the Court made orders that Mr Monaghan and Ms Monaghan were to be banned from managing Aboriginal and Torres Strait Islander corporations for five years and ordered to pay a pecuniary penalty (fine) to the Commonwealth of \$38,500 each. They were also ordered to pay the Registrar's costs, which can only be enforced with the leave of the Court. Mr and Ms Monaghan consented to the orders.

Ms Peters was banned from managing Aboriginal and Torres Strait Islander corporations for six months.

The Registrar maintains a publicly available register of **people disqualified from managing** Aboriginal and Torres Strait Islander corporations.

See the Register of disqualified officers on oric.gov.au.

Commence special administrations

Special administrations are a form of external administration unique to the CATSI Act. They allow the Registrar to provide proactive regulatory assistance to corporations experiencing financial or governance difficulties. The special administrator works in the best interests of the corporation and its members.

The grounds on which the Registrar can decide to place a corporation under special administration are outlined in section 487-5(1) of the CATSI Act. The grounds are not restricted to insolvency or the inability to pay a debt.

The aim of a special administration is usually to achieve one or both of the following:

- restoration of good operational order—usually after a corporation has not complied with the CATSI Act or its rule book, has experienced financial difficulties or there has been a dispute
- a restructure—usually after the directors or members have asked the Registrar to intervene to improve governance standards or organisational structures.

Before any corporation is placed under special administration, the Registrar allows a period of natural justice. The corporation is issued a notice to show cause as to why it should not be put into special administration. The corporation is given a reasonable time to respond to the notice.

If the corporation fails to show cause the Registrar appoints an independent, suitably qualified person (the special administrator) to work with a corporation to remedy any issues and to restore it to good corporate health as soon as possible. At the end of their appointment, the special administrator returns full control of the corporation to its members.

Special administrations are different to receiverships, liquidations or voluntary administrations under the *Corporations Act 2001*, as these are usually driven by the interests of creditors.

For more information, see the Registrar's policy statement, *PS-20: Special administrations*.

In 2016–17:

- Four special administrations continued from the previous year (table 22).
- Eight corporations were required to show cause why a special administrator should not be appointed to manage the corporation. Four of these (or 50 per cent) occurred after the directors wrote to the Registrar asking for the appointment of a special administrator.
- Eight special administrations started (table 23).

TABLE 22: Corporations under special administration continuing from 2015–16

| Date appointed | Corporation, special administrator(s) | Date ended or due, outcome |
|----------------|---|--|
| 11 Jan 2016 | Lirrwi Yolngu Tourism Aboriginal Corporation, Brian Woods | 31 Aug 2016, Handed back to members' control |
| 18 Jan 2016 | Woolah Aboriginal Corporation, Andrew West | 31 Aug 2016, Handed back to members' control |
| 31 Mar 2016 | Doon Doon Pastoral Aboriginal Corporation, Andrew West | 28 Jul 2016, Handed back to members' control |
| 6 Jun 2016 | Larrakia Nation Aboriginal Corporation, Gerry Mier and Tony Jonsson | 5 May 2017, Handed back to members' control |

TABLE 23: Corporations placed under special administration in 2016–17

| Date appointed | Corporation, special administrator(s) | Date ended or due, outcome |
|----------------|---|--|
| 7 Nov 2016 | Gunaikurnai Land and Waters Aboriginal Corporation RNTBC, Peter McQuoid | 4 May 2017, Handed back to members' control |
| 8 Nov 2016 | Ngallagunda Aboriginal Corporation, Austin Taylor and Stuart Reid | 9 July 2017, In progress as at 30 June 2017 |
| 21 Dec 2016 | Kanparrka Store Aboriginal Corporation, Austin Taylor and Stuart Reid | 30 Mar 2017, Handed back to members' control |
| 31 Jan 2017 | Mirndyan Gununa Aboriginal Corporation, Brian Woods | 31 Aug 2017, In progress as at 30 June 2017 |
| 23 Feb 2017 | Julalikari Council Aboriginal Corporation, Gerry Mier and Anthony Jonsson | 23 Aug 2017, In progress as at 30 June 2017 |
| 29 Mar 2017 | Gunggandji PBC Aboriginal Corporation RNTBC, Gerry Mier and Anthony Jonsson | 29 Sep 2017, In progress as at 30 June 2017 |
| 8 May 2017 | Barkly Region Alcohol & Drug Abuse Advisory Group Aboriginal Corporation, Peter McQuoid | 8 Nov 2017, In progress as at 30 June 2017 |
| 12 Jun 2017 | Gunditj Mirring Traditional Owners Aboriginal Corporation RNTBC, Paul Case | 25 Aug 2018, Handed back to members' control |

Six special administrations ended during 2016–17 (see end dates in tables 22 and 23).
For these:

- three were completed within six months in line with ORIC’s key performance indicator
- the average time for completion was six months and 15 days
- in all six cases a successful business turnaround was achieved, that is, the corporation were handed back to members’ control.

As at 30 June 2017 six special administrations remained in progress.

Special administration—support for Victorian RNTBC

On 5 May 2017 the special administration of the Gunaikurnai Land & Waters Aboriginal Corporation RNTBC (GLaWAC) ended. This large and important RNTBC manages the cultural heritage and native title and rights and interests of the Gunai and Kurnai people. It is based near Lakes Entrance in Victoria and has over 600 members.

The corporation runs a successful ranger program as part of its joint management of 10 parks and reserves in the Gippsland region. It also provides work crews and cultural heritage experts who work with government and non-government bodies to protect, preserve and rehabilitate country and cultural sites.

In August 2016, ORIC conducted an examination of GLaWAC and found that the corporation had made a loss of almost \$500,000 in 2015–16. The loss arose as a result of inadequate financial controls and strategies to address loss-making activities. Internal disputes had also distracted the directors and senior management from dealing with key issues facing the corporation.

The Registrar placed the corporation into special administration on 7 November 2016. In consultation with members the special administrator, Peter McQuoid from PDM Consultancy, worked through challenging issues to achieve a remarkable turnaround for GLaWAC.

The special administrator left the corporation with:

- better financial management practices
- creditors' claims resolved
- a new CEO
- long-term funding for the corporation's operations
- stronger governance structures due to a revised rule book and the appointment of two independent directors to the board.

GLaWAC's status as a registered Aboriginal party (RAP) under the *Aboriginal Heritage Act 2006* (Vic) was revoked when the special administrator was appointed. On 24 May 2017 the Victorian Aboriginal Heritage Council reinstated its RAP status.

The Registrar continues to monitor GLaWAC closely.

For more information see the Registrar's media releases:

- 7 November 2016—MR1617-10: Registrar assists Victorian native title corporation
- 5 May 2017—MR1617-21: Gunaikurnai native title corporation back in members' control.

Communications with members of corporations under special administration

During the course of a special administration the Registrar requires a special administrator to keep members and stakeholders informed. The special administrator needs to:

- explain the process of a special administration
- discuss necessary changes that must be made
- involve members in planning for the corporation's future.

To orchestrate the process, special administrators provide newsletters and hold community information meetings. They might also establish one or more advisory groups. ORIC supports the special administrator by checking the wording of notices, newsletters and nomination forms, and designing them in line with the corporation's own branding, and distributing them to members.

A close-up photograph of a person's torso and neck. The person's skin is covered in intricate white body paint, including a large handprint design on the chest. A red and black braided cord is wrapped around their neck. The background is slightly blurred, showing outdoor foliage and a concrete path.

Accountability

Freedom of information

In accordance with the Australian Government requirement for agencies to be open and transparent with regard to the functions they perform and the information they hold, the Registrar's website includes an information publishing plan for ORIC and a freedom of information (FOI) disclosure log.

In 2016–17:

- 16 FOI requests were made to the Registrar, compared to 66 in 2015–16
- 26 FOI requests and three requests for internal review were finalised.

The Office of the Australian Information Commissioner (OAIC) advised ORIC of receipt of an Australian Information Commissioner review application in respect of an internal review decision notified in December 2016. ORIC provided its response to the OAIC on 17 March 2017 and was awaiting advice from the OAIC regarding the outcome of its review.

Complaints about ORIC

ORIC responds to complaints about its staff and contractors in accordance with policy statement *PS 03: Complaints about the Registrar's staff and contractors*. During 2016–17, eight complaints about staff were received, compared to two complaints received the year before. All but one of the complaints were resolved by 30 June. The remaining complaint was received verbally on 27 June 2017 and written details had not been provided by 30 June 2017. In all cases, the complainant was notified of the outcome within 20 business days in accordance with our service standard.

In 2016–17 ORIC received five 'section 8' notices from the Commonwealth Ombudsman. Under the *Ombudsman Act 1976*, the Ombudsman requested information from ORIC to help investigate complaints made to the Ombudsman about ORIC. The Registrar responded to all issues raised in the Ombudsman's notices and in all five instances, the Ombudsman advised that no further investigations were warranted.

Legal services expenditure

The tables that follow are a statement of legal services expenditure by ORIC for 2016–17 and provided in order to comply with paragraph 11.1(ba) of the *Commonwealth's Legal Services Directions 2017*.

TABLE 24: Expenditure on legal services and legal service providers 2016–17

| Internal legal services expenditure | | \$ GST exclusive |
|--|--|-------------------|
| Total internal legal services expenditure | | 249,547.00 |
| External legal services expenditure | | \$ GST inclusive |
| Professional fees: | | |
| Australian Government Solicitor | | 24,661.95 |
| Minter Ellison | | 153,510.76 |
| Taylor David Lawyers | | 2,200.00 |
| Total professional fees paid | | 180,372.71 |
| Counsel briefs | | 16,963.49 |
| Other disbursements on external legal services | | 16,843.79 |
| Total external legal services expenditure | | 214,179.99 |

Note: Internal legal services expenditure was derived through estimates of the percentage of time spent by legally qualified staff on legal work. Expenditure was calculated using base salaries and overheads.

TABLE 25: Briefs to counsel 2016–17

| Number of counsel briefed | |
|---|-------------|
| Number of male counsel briefed | 2 |
| Number of female counsel briefed | 1 |
| Value of counsel briefs | |
| Value of briefs to male counsel (GST inclusive) | \$13,963.49 |
| Value of briefs to female counsel (GST inclusive) | \$3,000.00 |

Corporation-specific training at Six Rivers Aboriginal Corporation



Corporation-specific training at Walhallow Aboriginal Corporation





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