

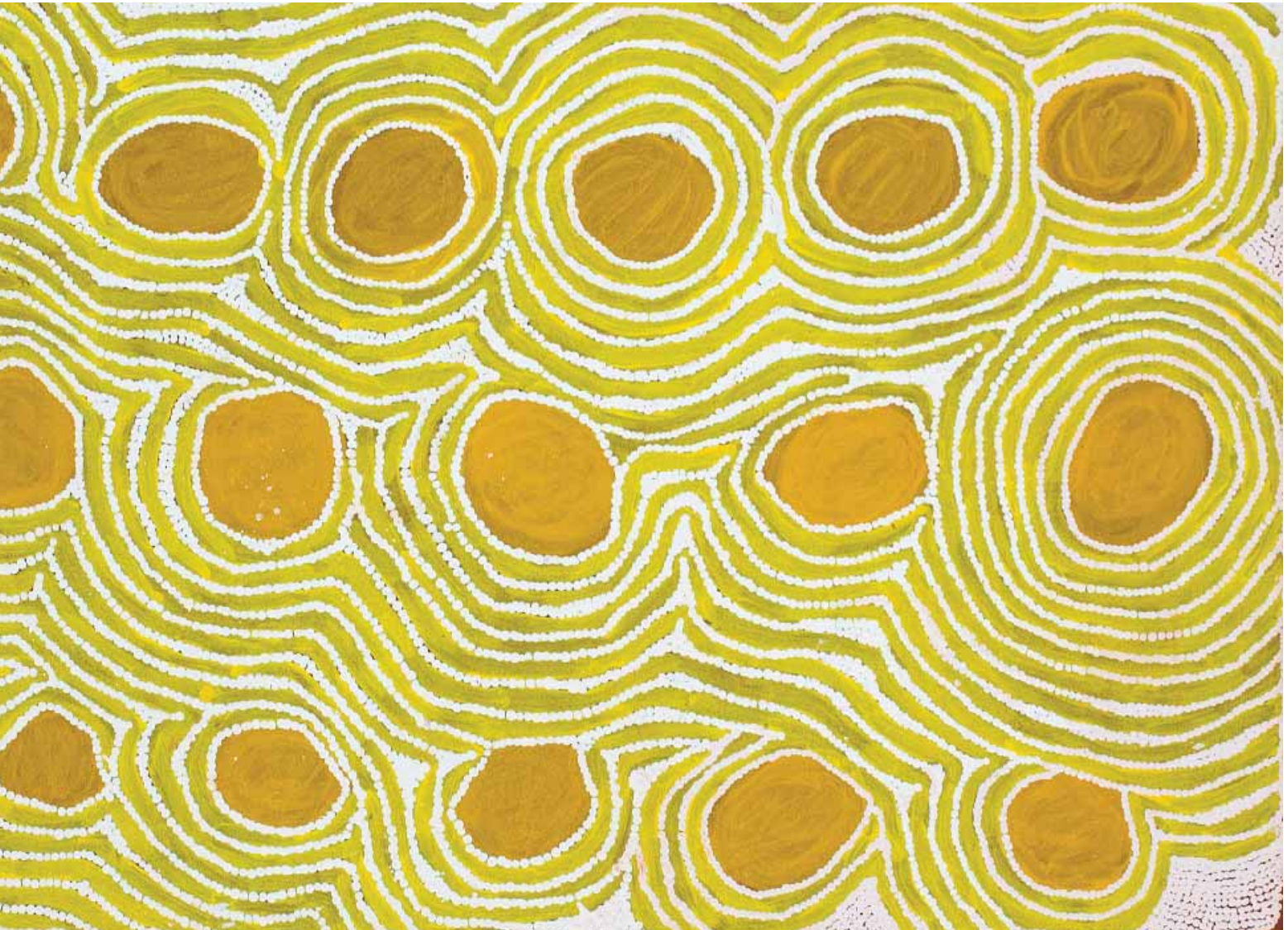


Australian Government  
Office of the Registrar of Indigenous Corporations

# Corporate plan

2017–20

Strong corporations, strong people, strong communities





# About this plan

This corporate plan details our focus over the next three years, outlining our strategies for achieving our purpose and how we will measure our success.

## About us

### Who we are

The Registrar of Indigenous Corporations (Registrar) is an independent statutory office holder appointed by the Minister responsible for Indigenous affairs.

The Office of the Registrar of Indigenous Corporations (ORIC) supports the Registrar to regulate and deliver services to corporations registered under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act).

### The CATSI Act

The CATSI Act is the law that establishes the role of the Registrar and allows Aboriginal and Torres Strait Islander groups to form corporations.

The CATSI Act delivers modern corporate governance standards but still provides measures to suit the needs of Aboriginal and Torres Strait Islander people. Examples of this are the requirements for the majority of directors and the majority of members to be Aboriginal and Torres Strait Islander people. This means corporations will always be owned and controlled by Aboriginal and Torres Strait Islander people.

The CATSI Act sets out the Registrar's functions and services, as well as what powers the Registrar has to enforce this law.

### Our vision

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 well-governed corporations that inspire trust in the sector and provide high-value services and benefits to communities and members.

**Strong corporations,  
strong people,  
strong communities**

### Our aim

Our aim is to achieve high standards of corporate governance, and effective, efficient, sustainable and accountable Aboriginal and Torres Strait Islander corporations. We do this by:

- administering the CATSI Act and related legislation in a way that eases the burden on corporations
- providing certainty:
  - for the members, officers and employees of corporations in their dealings with the corporation and each other
  - for people outside corporations in their dealings with those corporations
- taking Aboriginal and Torres Strait Islander tradition and circumstances into consideration
- ensuring that public information about corporations is available on our public register
- identifying corporate wrongdoing and non-compliance, and taking appropriate action
- providing a range of support services.



## Our values

**Independence**—the Registrar is independent.

**Professionalism**—we behave ethically and honestly and uphold confidentiality. We focus on results, work productively and constantly build our expertise.

**Respect**—we acknowledge Aboriginal and Torres Strait Islander people as the first Australians and respect their cultures, traditions, views and ways of life. We are continually developing our understanding about Aboriginal and Torres Strait Islander people.

**Commitment**—we are committed to delivering high quality products and services that help Aboriginal and Torres Strait Islander people build self-determination and achieve results.

**Accountability**—we take responsibility for the decisions we make.

**Innovation**—we value what works, are receptive to fresh ideas and constantly look to improve efficiency and effectiveness.

## How we work

We have a range of capabilities and powers that we can use to support and educate corporations, ensure transparency of their operations, and intervene when required.

**Building sustainability**—encouraging corporations to adopt good practices in management and governance, to make the most of their resources and help them achieve their purpose.

**Supporting Aboriginal and Torres Strait Islander ownership and control**—recognising the benefits of community control in community development.

**Promoting accountability**—raising awareness that it is good governance and business practice to be answerable to members and the community.

**Managing disputes**—helping corporations to resolve disputes and develop effective dispute resolution processes to deal with future challenges.

**Fitting with culture**—making sure that incorporation models, processes and support services fit the specific culture of the community and locality, and that any dealings with corporations are appropriate and relevant.

**Shaping our services**—tailoring our information and services to the needs of our clients and making sure that they are easy to access and use.

**Building capability**—equipping corporations, their directors and members with the necessary skills and knowledge to build sustainable and vibrant corporations.

## Our outcomes

The outcomes of our activities are:

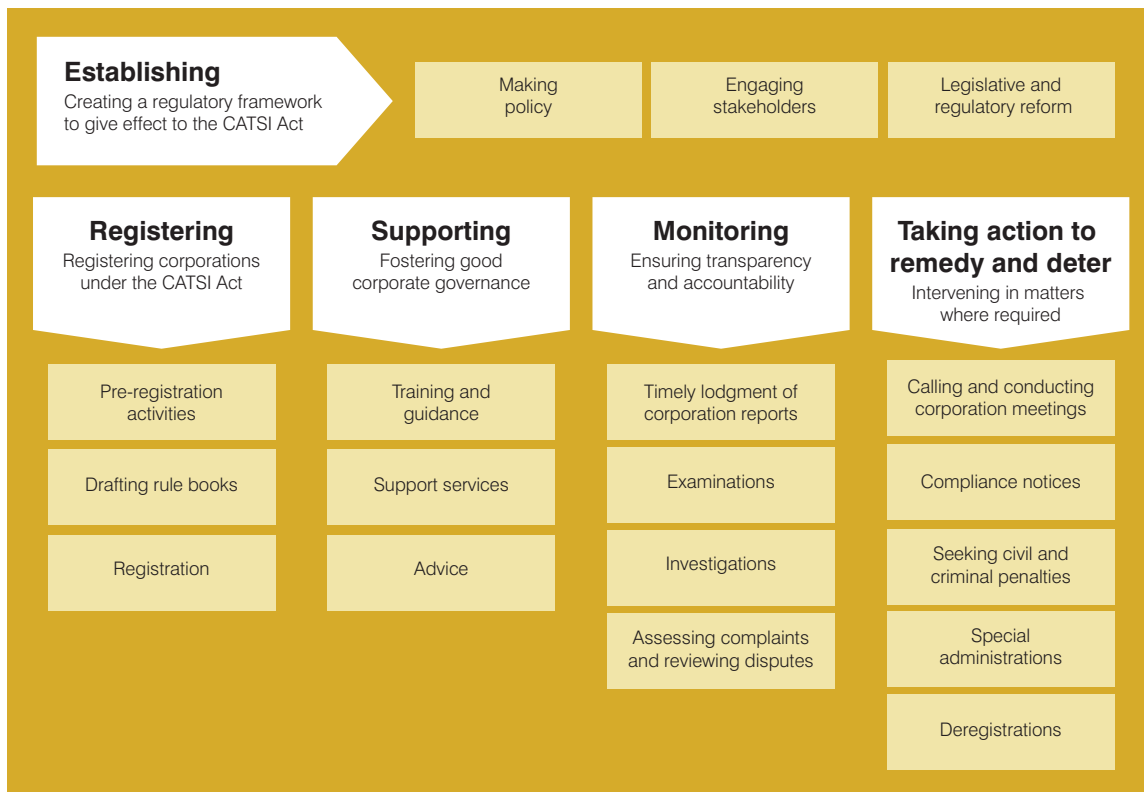
- good standards and models of corporate governance
- corporations are supported to succeed
- increased capability of corporate leadership
- transparency and accountability instils confidence
- deterrence of potential wrongdoing.

## Our operating model

Our operating model describes how we deliver our outcomes. It consists of five major activities:

- creating a regulatory framework to give effect to the CATSI Act
- registering new Aboriginal and Torres Strait Islander corporations
- supporting Aboriginal and Torres Strait Islander corporations through training, support services and advice to foster good corporate governance
- monitoring Aboriginal and Torres Strait Islander corporations by assessing complaints and corporation reports, and conducting examinations and investigations
- taking action to remedy and deter non-compliance or wrongdoing.

### Diagram: Our operating model





# Our operating environment

## Who we regulate

Aboriginal and Torres Strait Islander corporations operate in a unique social and cultural environment. Corporations are community controlled and run. A majority of directors and members must be Aboriginal and/or Torres Strait Islander people.

Corporations vary greatly. Some have only one or two members; others have thousands. Some have little or no income; others operate large commercial enterprises turning over millions of dollars annually. Some derive their income entirely from government grants; others have private income sources.

More than half of corporations are based in remote or very remote locations. Many provide essential services to their communities, often as the only service provider within a given community.

The most prominent sectors in which Aboriginal and Torres Strait Islander corporations operate are health and community services, employment and training, land management, and education.

Activities of corporations can include:

- delivering services, such as medical, housing, sporting and recreation
- managing administration of land holdings, native title or community councils
- providing representation and advocacy
- acting as a peak body
- supporting local economic development through:
  - small businesses such as community stores and art centres
  - employment and skills training
  - media and communications.

Corporations register under the CATSI Act to:

- carry on business, enter into contracts, apply for funding or manage native title
- meet mandatory requirements under other legislation such as the *Native Title Act 1993* (Cth), *Aboriginal Land Rights Act 1983* (NSW), *Aboriginal Land Act 1991* (Qld), *Torres Strait Islander Land Act 1991* (Qld) and *Aboriginal Heritage Act 2006* (Vic)
- minimise legal risk to individuals
- gain access to ORIC services and support
- incorporate Aboriginal and Torres Strait Islander tradition and culture into their legal framework.

## Our stakeholders

Aboriginal and Torres Strait Islander corporations are an important part of a complex social and economic system linked to multiple policy domains—education, employment, health, safety, and Aboriginal and Torres Strait Islander affairs. We therefore must consider a range of stakeholders beyond the Aboriginal and Torres Strait Islander corporations we regulate.

Important stakeholder groups include:

- **Aboriginal and Torres Strait Islander communities:** the corporations we regulate are an integral part of communities, and our activities are informed by the needs of these communities.
- **Australian Government:** our Minister, our portfolio agency, and the various other Commonwealth agencies that fund or otherwise contribute to Aboriginal and Torres Strait Islander affairs.
- **state and territory governments:** our work intersects with the policy agenda of the eight state and territory governments, most of which have a lead agency for Aboriginal and Torres Strait Islander affairs, and provide funding for corporations.
- **other regulators:** our regulatory approach links to the work of the mainstream corporate regulator, the Australian Securities and Investments Commission, and other regulators such as the Australian Charities and Not-for-profits Commission.
- **private sector:** the private sector is increasingly engaged with Aboriginal and Torres Strait Islander people. We work collaboratively with the private sector to support Aboriginal and Torres Strait Islander corporations.

# Strategic outlook

Our operating environment will be influenced by a number of inter-related trends over the next three to five years—national, sectoral and organisational.

## National trends

Our sector will be subject to ongoing changes to national Aboriginal and Torres Strait Islander policy. The national discussion around constitutional recognition, native title and calls for a treaty may lead to large-scale changes to the policy landscape.

The national (and state/territory) electoral cycle has the potential to introduce new policy priorities that may affect us and the Aboriginal and Torres Strait Islander corporate sector.

Continuation of the downturn in the mining sector may result in decreased economic development and fewer opportunities for regional and remote communities.

Fiscal constraints on governments are likely to impact on government-funded services.

## Sectoral trends

Reduced government funding will require Aboriginal and Torres Strait Islander corporations to review their services and operating models. Corporations will need to focus more on self-generated income and sustainable economic development to deliver services and meet their objectives.

Funding bodies are increasingly looking to reduce the risk of fraud or inefficient use of funding. Examples include the requirement to incorporate under Commonwealth legislation and for directors to undertake corporate governance training. This will lead to an increased demand for our services.

We estimate that currently, around 95 per cent of corporations under the CATSI Act are not-for-profit. In the future we expect more corporations will explore profit-driven opportunities. This trend is being driven by reduced government funding and corporate social responsibility initiatives that prioritise procurement from Aboriginal and Torres Strait Islander businesses.

Our sector will continue to be affected by a shortage of skilled directors and staff as people move to cities or into mainstream corporate entities. This trend will create gaps in the capability and sustainability of Aboriginal and Torres Strait Islander corporations.

## Organisational trends

Over the next three to five years, we will likely face pressure to adapt or expand the services we deliver.

We will need to develop our staff and IT capabilities to meet future expectations of effectiveness and efficiency.

We will continue to recruit staff with the necessary skills and experience, particularly Aboriginal and Torres Strait Islander staff. As more government departments and private enterprises seek to increase the number of Aboriginal and Torres Strait Islander employees in their employ, we will face increasing competition for the best staff.

We will need to improve relationships with other government agencies and increase awareness of what we do and how.

# Strategic priorities and initiatives

## Our strategic priorities for 2017–20

Our *Strategic plan 2017–20* identifies six strategic priorities or shifts that we want to make over the next three years:

**Strategic prioritisation of risk**—We will improve how we identify, assess and respond to risk.

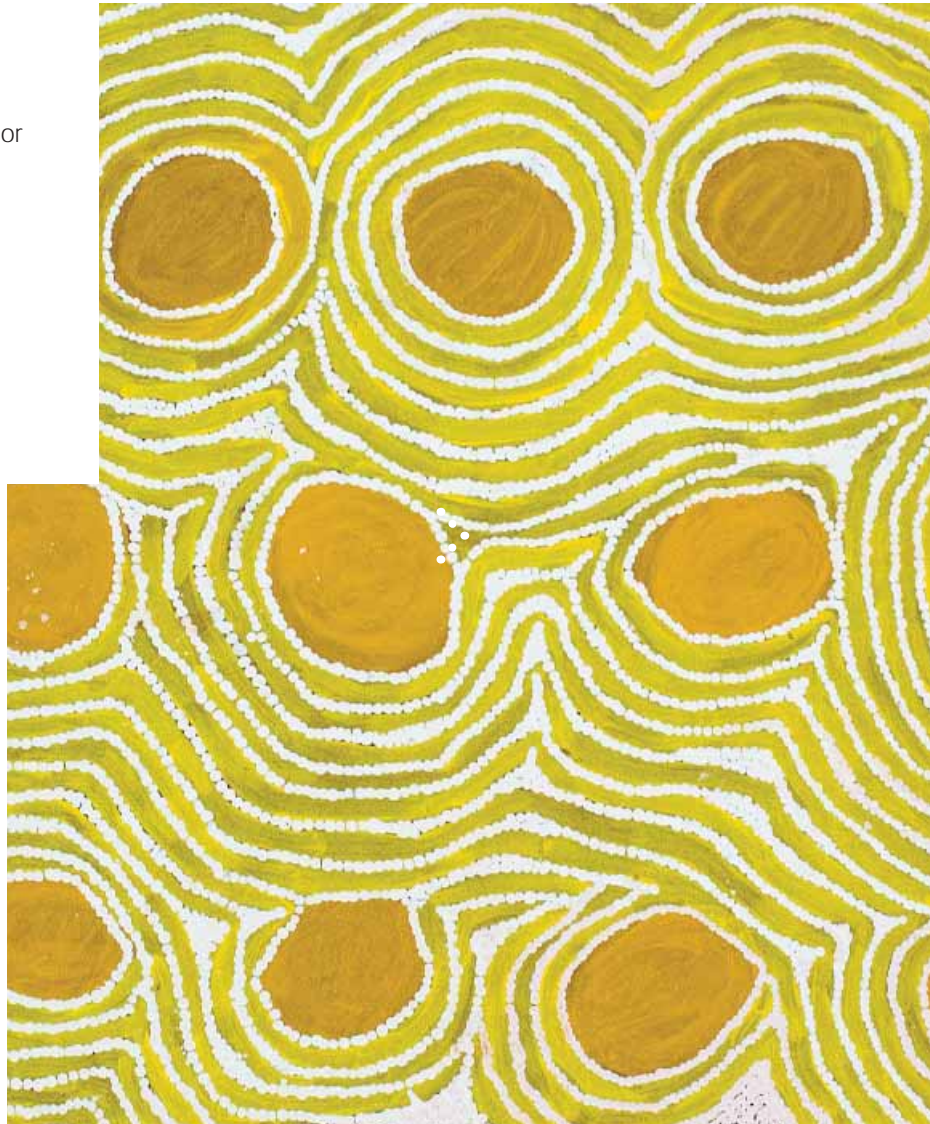
**An empowered workforce**—We will undertake workforce development initiatives to support engaged, confident, and capable staff.

**Fit-for-purpose legislation**—We will review the CATSI Act to ensure that it remains relevant and meets the needs of Aboriginal and Torres Strait Islander corporations, people and communities.

**Strengthened government relationships**—We will increase the Registrar’s engagement with our government partners.

**Fit-for-purpose IT systems**—We will upgrade or replace our IT systems to improve how we work and to better meet the needs of Aboriginal and Torres Strait Islander corporations.

**An enhanced service suite**—We will develop additional, complementary support services to meet the needs of corporations.



## Our strategic initiatives for 2017–20

Our priorities will be addressed through six strategic initiatives to be delivered over the next three years:



Embed the strategic risk framework



Ensure a skilled workforce



Amend legislation



Engage government stakeholders



Replace IT systems



Build new services



### Initiative: Embed the strategic risk framework

#### Scope

We will enhance our approach to identifying and managing strategic risks in the Aboriginal and Torres Strait Islander corporate sector.

This will involve:

- improving the quantity and quality of information available to support strategic risk assessment
- developing processes to better use and analyse information
- implementing and measuring action taken to address the strategic risk priorities
- structured decision-making processes for selecting strategic risk priorities.

#### Activities

- Form a risk working group, or identify an existing forum to fulfil this function, from a cross-section of our staff
- Develop terms of reference, a project plan and a schedule of meetings.



### Initiative: Ensure a skilled workforce

#### Scope

We need to ensure that our staff capabilities and functions are clear and we are able to respond to changes in our regulatory environment. We will better understand what skills staff require to perform their roles now and to deliver future priorities. We will review all jobs and undertake a work level assessment. These will be compared with the duties staff actually perform to ensure capability and skills match. Our aim is to develop staff that are engaged and motivated, and equipped to meet the needs of Aboriginal and Torres Strait Islander corporations.

#### Activities

- Undertake work level assessments
- Match skills with existing and new services
- Engage with staff as part of the activities
- Review existing structure
- Mentor and coach staff
- Provide access to learning and development opportunities where appropriate
- Develop a flexible workforce to meet demand during peak work periods.





### Initiative: Amend legislation

#### Scope

We will work with the portfolio department to review and amend the CATSI Act. This will ensure a more effective legislative regime based on the experience of administering the CATSI Act over the last 10 years.

#### Activities

- Finalise a review of legislation and consult with the department
- Bid for amendments and attain departmental, ministerial and Cabinet approval
- Consult with government and non-government stakeholders
- Prepare drafting instructions and review exposure drafts
- Brief Minister to introduce amending legislation into Parliament.



### Initiative: Engage government stakeholders

#### Scope

We will increase the Registrar's engagement with our government partners.

#### Activities

- Direct engagement with individual government stakeholders
- Develop a list of issues, and ways we can work together to achieve common goals
- Seek the views of stakeholders on their key issues and risks
- Establish an annual senior-level forum: a roundtable gathering, including a presentation of the combined key issues and risks, and approach to dealing with those issues and risks
- Utilise regional officers to promote business plan and strategic plan.



### Initiative: Review IT systems

#### Scope

We will upgrade or replace systems to meet our current organisational requirements, including making better use of our information, and providing improved online services to Aboriginal and Torres Strait Islander corporations.

#### Activities

- Identify and scope requirements, with support from a business analyst
- Identify existing or off-the-shelf products that are fit for purpose
- Prepare business and funding proposal
- Develop system, test, refine, review and make changes.



### Initiative: Build new services

#### Scope

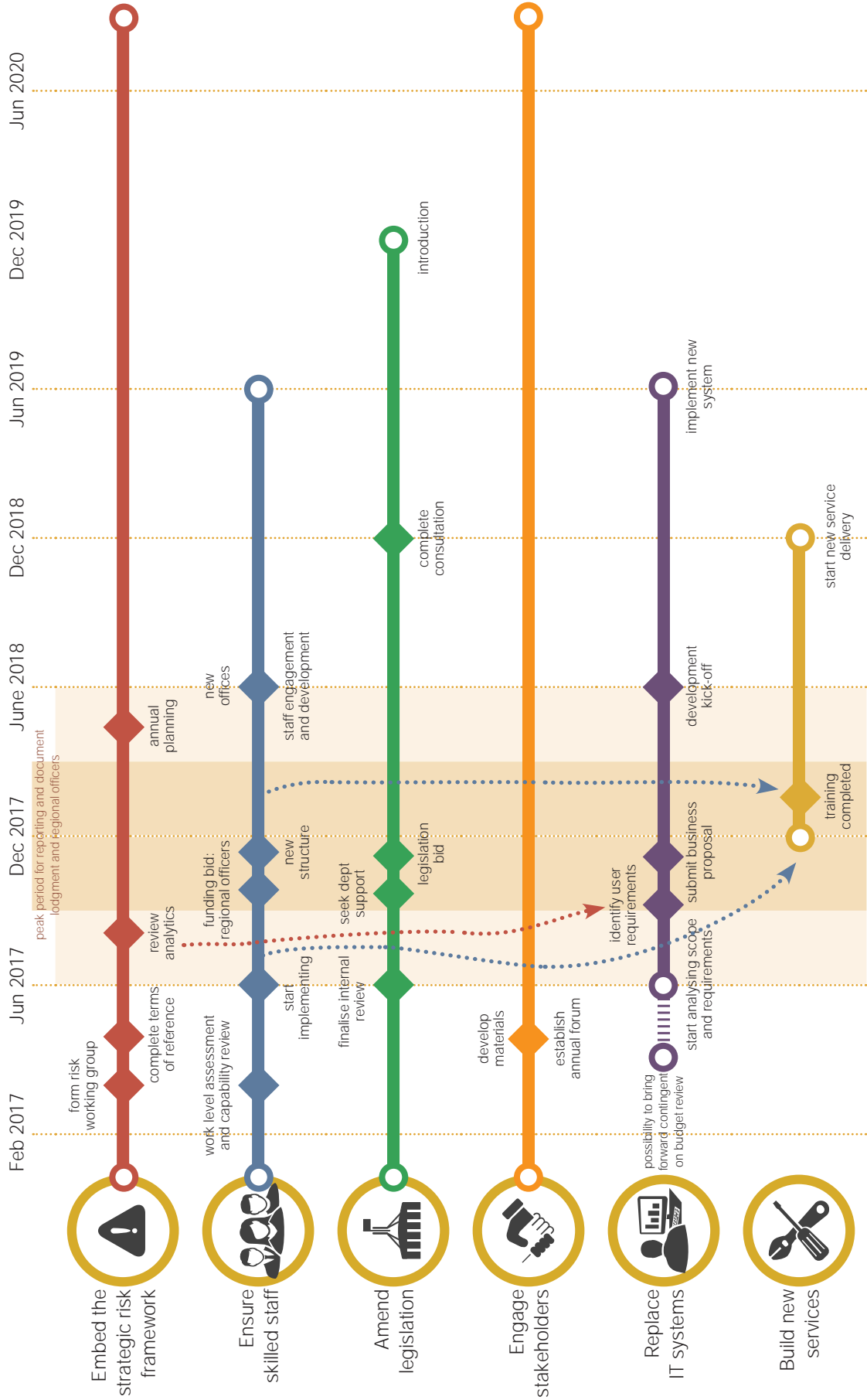
We will design and implement new services for Aboriginal and Torres Strait Islander corporations, including accounting and financial skills support.

#### Activities

- Work with major accounting firms to establish new support services
- Review existing ORIC training resources, including the *Healthy corporation checklist*
- Develop or access materials focused on strengthening Aboriginal and Torres Strait Islander business capability.

# Three-year roadmap 2017–20

Our priorities will be addressed through six strategic initiatives to be delivered over the next three years:



# How we manage risk

Our general approach to regulation, and how we direct our finite resources to provide support and use powers, is informed by both strategic and individual case level risk.

Each risk is handled by a dedicated process. These processes are linked by common principles of risk.

## Our strategic risk principles

We use a set of risk principles to identify and assess strategic and individual case level risk. We set out how we identify and address risk in our *Strategic risk framework* and our *Case assessment and prioritisation model*. Both types of risk draw on a similar set of principles:

- potential consequences
- likelihood
- cost-effectiveness of a response
- integrity of legislative framework
- public interest
- diversity of risks.

## Strategic risk framework

Our *Strategic risk framework* describes how we identify and deal with long-term, high-impact risks. We group strategic risks into three broad categories:

- to Aboriginal and Torres Strait Islander corporations
- in the operating environment
- to our operations.

Through an annual planning process, we identify, assess and select strategic risk priorities for the coming year. All staff are involved in identifying emerging patterns and trends in the sector.

A response plan is prepared for each priority risk, describing any changes to annual programs, special initiatives that may be needed, and how results will be measured.

## Case categorisation and prioritisation model

Individual matters relating to corporations are managed according to our *Case categorisation and prioritisation model*, which influences what matters we will take on, and what response is required (including use of regulatory powers).

### Diagram: Categories of strategic risk

#### Risks to Aboriginal and Torres Strait Islander corporations

- Diligence
- Mismanagement
- Disputes
- Fraud
- Defunct
- Interference
- Objectives

#### Risks to ORIC's own operations

- Reputation of ORIC
- Changes to capability, staffing, resources and funding
- Credibility of the CATSI Act and regulatory framework

#### Risks

#### Risks in the operating environment

- Changes in policy and funding arrangements
- Community and social factors
- Economic factors
- Environmental factors



## Performance measurement framework

Our general performance indicators and our regulator performance framework (RPF) indicators are set out in our *Performance measurement framework*.

## Performance measures

Our influence on the ultimate value created by Aboriginal and Torres Strait Islander corporations and for the wider community is indirect, so we do not seek to measure it. Instead we focus on measuring the outputs and outcomes of our activities.

Our performance measurement is currently based on measuring the outputs from our activities—the best indicators of our efficiency as a regulator. Over the next three years, we want to start measuring our outcomes—that is, our actual impact in terms of increased good governance in Aboriginal and Torres Strait Islander corporations and trust in the sector. Increased good governance will ultimately provide value (i.e. benefit) to Aboriginal and Torres Strait Islander communities and people and the wider community. The performance measurement framework provides a model for measuring our performance.

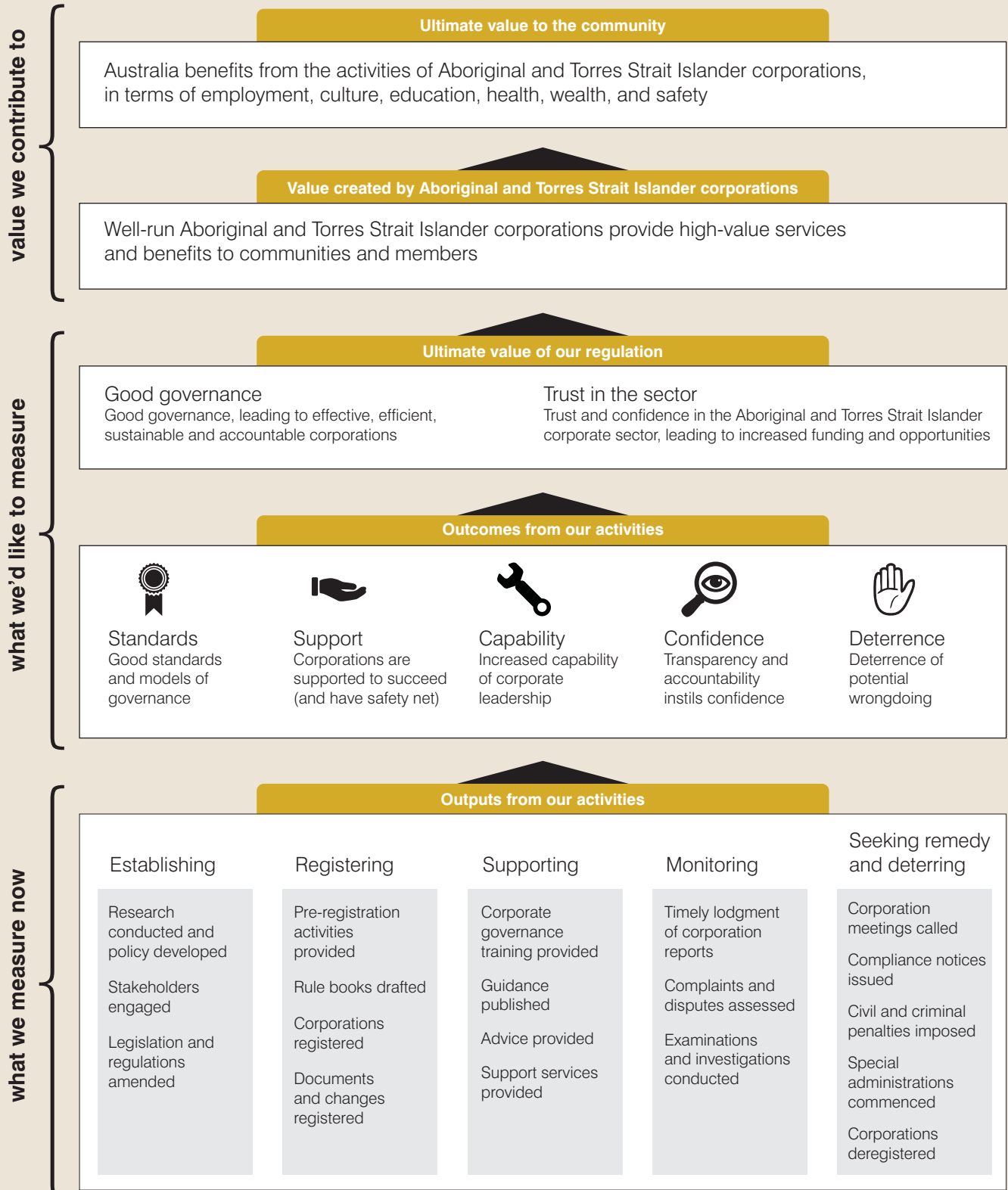
## Regulator performance framework

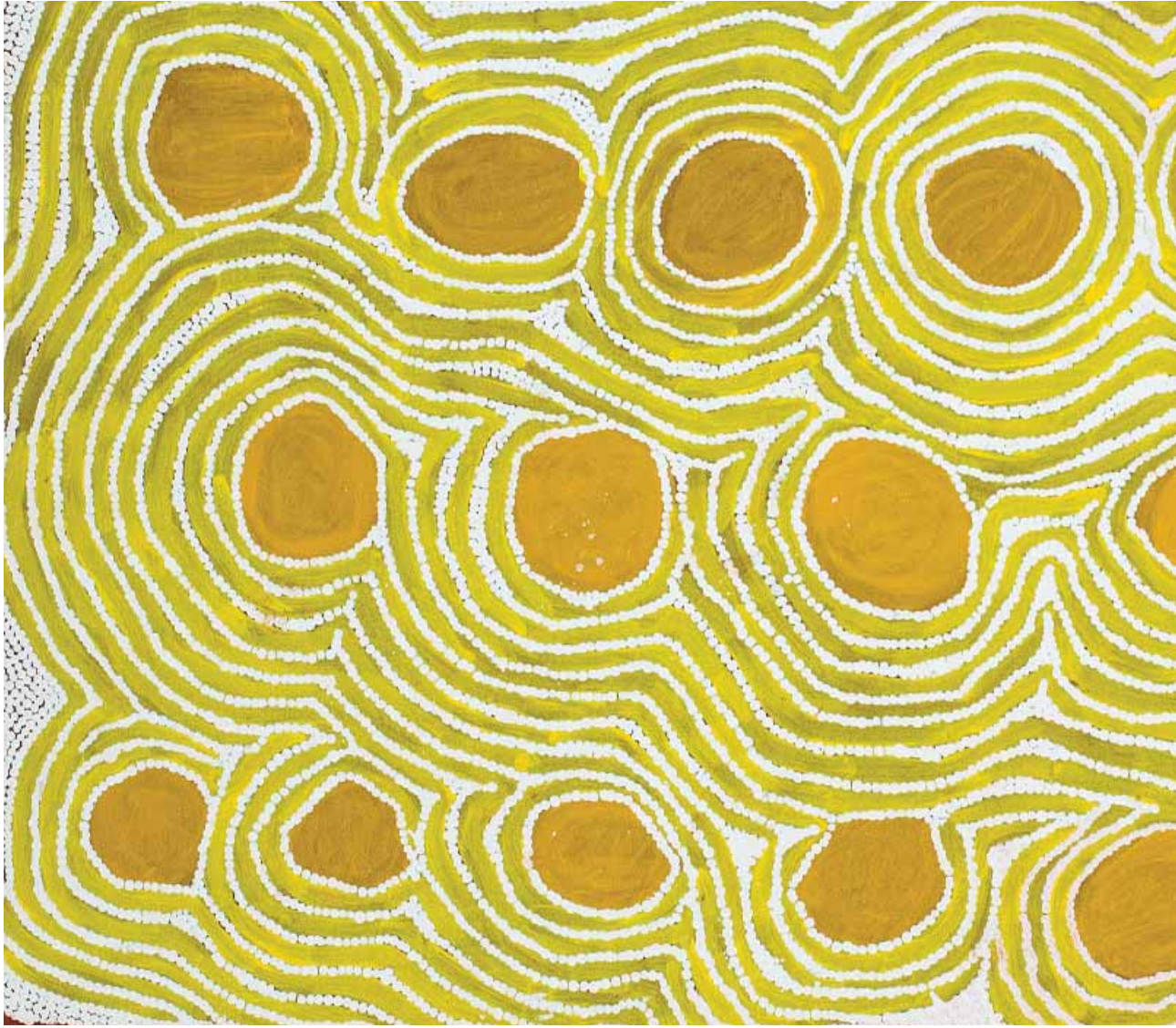
The RPF seeks to measure how effectively Commonwealth regulators are implementing the Australian Government's 'cutting red tape' agenda. The framework is designed to assess only one aspect of a regulator's performance—that is, how effectively regulators reduce unnecessary burden for their regulated entities.

We have specific measures for each of the six key performance indicators under the RPF. For details see our *Performance management framework*.

# Measuring our performance

## Performance measurement framework





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