

Performance reporting

Business plan 2009–10

Greater regulatory impact



Business plan 09–10



Australian Government
Office of the Registrar of Indigenous Corporations

2009–10

business plan

WHAT WE WANT
TO ACHIEVE

greater regulatory impact

HOW WE ARE GOING
TO ACHIEVE IT

- Increase the corporate governance knowledge and skills within corporations.
- Increase the efficiency and accountability of corporations.
- Reduce dispute related corporate failure.
- Lead policy development on organisational governance as part of closing the gap.
- Develop a recruitment and retention strategy to assist corporations.
- Develop and implement a stakeholder engagement plan.

HOW WILL WE KNOW IF WE'VE SUCCEEDED

Outputs

- Review and refresh all ORIC training products and materials.
- Develop new training products.
- Enforce the CATSI Act.
- Implement ORIC's stakeholder engagement plan by 31 December 2009 (including an advisory group).
- Pilot a post-determination dispute resolution model with key native title stakeholders by 30 June 2010.
- Contribute to policy and program development in the closing the gap strategy and lead policy development about organisational governance.

Key performance indicators

- Develop one new sectoral or geographical training product.
- 75 per cent of litigation is favourable to the Registrar.
- Compliance by corporations increased from 72 to 90 per cent.
- 15 per cent of corporation documents lodged electronically.
- 50 corporations receive mediation or dispute resolution services.
- Four research publications released by ORIC.

What we want to achieve

Greater regulatory impact

How we are going to achieve it

Increase the corporate governance knowledge and skills within corporations

Output

Review and refresh all ORIC training products and materials. Develop new training products.

Key performance indicators

Develop one new sectoral or geographical training product.

ORIC delivers a range of services to Aboriginal and Torres Strait Islander corporations including accredited and non-accredited training programs in corporate governance. As part of its ongoing commitment to increase Aboriginal and Torres Strait Islander corporate governance knowledge and skills, ORIC has developed training partnerships with the Department of Premier and Cabinet in South Australia and two state departments in Victoria for delivery of its Managing in Two Worlds program.¹ This program comprises the three day Introduction to Corporate Governance, the Certificate IV in Business (Governance) and the Diploma of Business (Governance).

The success of this Commonwealth-state training partnership was recognised in November 2009 when ORIC won a prestigious Business/Higher Education Round Table (B–HERT) award for collaboration in the delivery of the Managing in Two Worlds training. This accolade was awarded to ORIC, in partnership with Swinburne University of Technology, the Department of Planning and Community Development—Aboriginal Affairs Victoria, Consumer Affairs Victoria, Department of Premier and Cabinet, South Australia and Horizons Education and Development, Queensland.

¹ The Managing in Two Worlds program aims to develop the capacity of directors, members and staff of Aboriginal and Torres Strait Islander organisations in governing and managing organisations. This includes being more effective in how the organisations operate with increased accountability, authority and leadership direction.

In 2009–10 ORIC delivered corporate governance training to 734 participants and 314 corporations.

ORIC commenced a major review of all its training materials, including the Certificate IV and Diploma materials, to ensure that they met industry standards and remain relevant to the needs of Aboriginal and Torres Strait Islander corporations. Innovation and Business Skills Australia and ORIC worked closely on the review of the accredited programs and identified areas where the qualifications needed to be strengthened. The new training packages should be ready for use in 2011.



photo courtesy of Leisa Hunt

Training director, Maureen Colley, and Registrar of Indigenous Corporations, Anthony Beven, with the B-Hert award

Another key focus was the delivery of the three-day Building Strong Stores training program which is aimed at assisting Aboriginal and Torres Strait Islander leaders run profitable and viable community stores.

In 2009–10 ORIC, in partnership with the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) delivered this training to 131 participants from 66 community stores. The program remains a pivotal part of ORIC's commitment to supporting local leaders build and run sustainable stores in remote communities.

This year, ORIC developed a training product as part of the Building Strong Stores program specifically tailored for the Anangu Pitjantjatjara Yankunytjatjara lands. The manual included culturally relevant graphics and key concepts were translated into Pitjantjatjara.

'It's imperative to have good training, targeted training, to understand the areas of responsibility and obligation that people have to themselves, to the corporation and to their members.'

**—Sam Jeffries,
Co-Chair, National
Congress of
Australia's First
Peoples**

Figure 1: Map of training delivered by region 2009–10

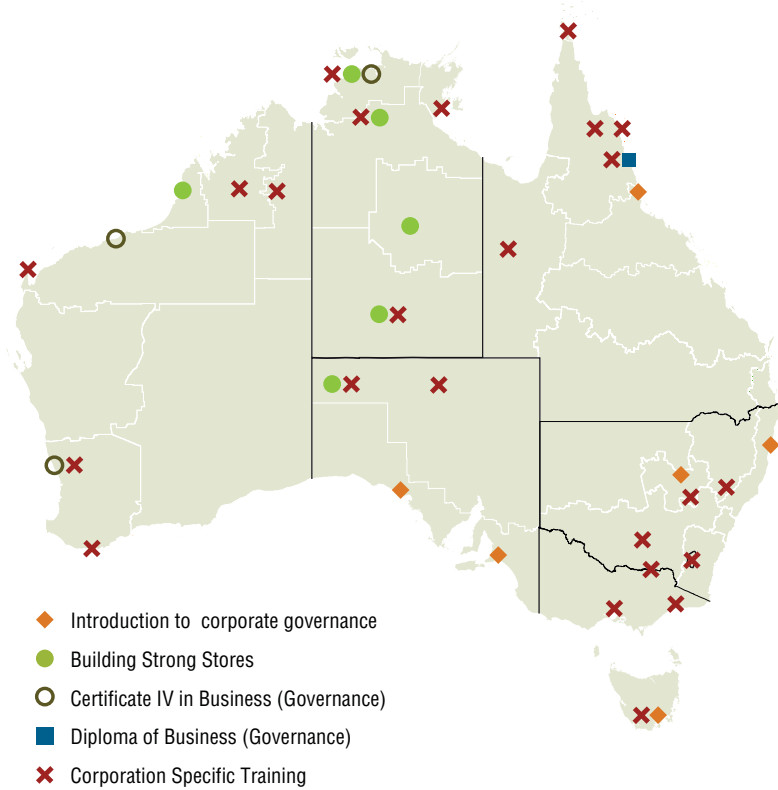
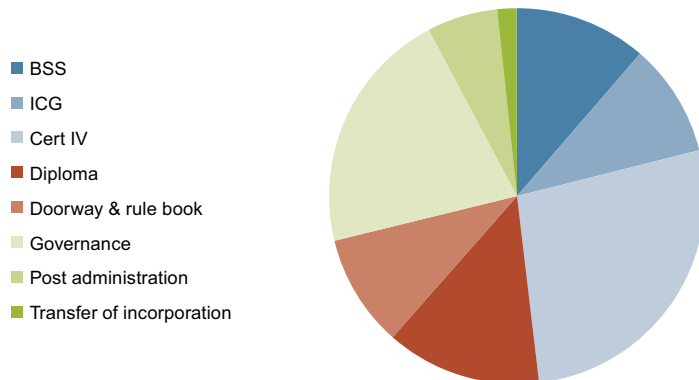


Figure 2: Pie chart showing training type and days, 2009–10



ORIC training graduates



Palm Island graduates at the Cairns graduation (from left to right) the Major of Palm Island, Alf Lacey, Jeanie Ling, Steven Boyd, the Registrar of Indigenous Corporations, Anthony Beven, and Roy Prior

Being armed with the skills and knowledge for good corporate governance is the key to running a successful corporation. Thirty-three new business governance graduates from Aboriginal and Torres Strait Islander corporations across Australia now have nationally recognised qualifications and the skills and knowledge necessary to make a real difference in their communities.

The training programs, provided by the Registrar of Indigenous Corporations, are offered to directors, members and key staff from Aboriginal and Torres Strait Islander corporations. The

purpose of the programs is to give people the necessary tools to govern and manage their corporations.

Graduation ceremonies were held in Darwin, Perth and Cairns, attended by participants from the Australian Capital Territory, Queensland, the Northern Territory and Western Australia. The majority of graduates received their Certificate IV in Business (Governance) while 10 were awarded a Diploma in Business (Governance) after completing their studies over 18 months.

‘The way changes are happening in communities today I think there is a real focus for our people to be involved in small business,’ said Roy Prior. ‘I feel the business diploma has equipped me with the right tools to achieve my goals. There are a lot of opportunities out there for Indigenous people.’

Anyone sitting on a board for an Aboriginal corporation should consider doing ORIC’s Certificate IV in Business (Governance)—
**Graeme Minter,
Director, South West Aboriginal Land and Sea Council**

ORIC's secondment strategy

As a component of ORIC's personal and professional development program, all staff are eligible to take part in ORIC's secondment strategy. Organisations that can participate in secondments include government agencies—Commonwealth, state and territory—and non-government organisations such as Aboriginal and Torres Strait Islander corporations, not-for-profit organisations, companies and other organisations. Secondments are to benefit the secondee, the host organisation and the employer.

Secondment to Yuendumu—Jodie Goddard



Jodie Goddard in the Yuendumu Women's Centre Aboriginal Corporation office

In September 2009, ORIC staff member Jodie Goddard was seconded to the Yuendumu Women's Centre Aboriginal Corporation to act as the chief executive officer for a three-week period. The Yuendumu Women's Centre Aboriginal Corporation is located in the remote community of Yuendumu in the Northern Territory.

The corporation operates a women's centre, a safe house, the school nutrition program and also owns a community store.

Ms Goddard said, 'While acting as CEO I was responsible for the day-to-day management of the corporation's activities. This included running the women's centre, ensuring that someone was available to look after the safe

house each night, monitoring vehicle and mobile phone usage and ensuring that the school nutrition program was staffed, appropriate stock was ordered and lunches were prepared.'

Ms Goddard also implemented filing systems for the corporation's financial records, re-established email and internet access, which had not been working for a significant period, and helped community members with a variety of matters such as understanding their employment contracts and sorting out their mobile phone connections.

'I found my time at Yuendumu extremely rewarding and enjoyable', said Ms Goddard. 'Experiencing some of the day-to-day challenges faced by many of our corporations and building relationships with the women has given me an insight into a culture and lifestyle that is different to my own. I have experienced first hand the difficulties people living in remote communities have accessing services we take for granted. I felt I was able to contribute to the Yuendumu community.'

Secondment to the APY lands—Trish Mu

Expressions of interest were sought from within ORIC for a community adviser in administration and governance at Regional Anangu Services Aboriginal Corporation (RASAC) in the Anangu Pitjantjatjara Yankunytjatjara (APY) lands in March 2010.

Trish Mu, from the Mediation and Dispute Resolution Section spent four weeks working for the corporation and was based at the Kanpi homeland in the APY lands in South Australia.

‘When you talk about closing the gap, people living in Kanpi and surrounding areas have very limited access to services which are readily available to Australians in rural and urban areas.

‘For example, both the Centrelink and office faxes were down for a few days as was the Centrelink computer that was set up for online lodgments. As a result a number of people were unable to receive their payments for nearly four days.

‘Although faced with the prospect of not being able to eat, they came into the office each day to see if the fax was working and quietly left. I imagined riots if this happened in Canberra,’ Trish said.

‘I worked in the Kanpi council office which serviced residents within Kanpi, Murputja and Nyapari (a 15-kilometre area) assisting with Centrelink inquiries, completing forms, helping people with banking, tax returns, distributing mail and dealing with a range of different agencies. One of my key tasks was to re-organise the office, which included sorting through mountains of unfiled paperwork.’

Trish recommends the experience stating that this experience was unique in that the secondment meant living and working closely with the community in the APY Lands.

‘One of the primary and most positive roles that ORIC plays is to assist people to acquire information and understanding so that they can then put that into practice’—Colleen Hayward, National Board, National Congress of Australia’s First Peoples

Output

Enforce the CATSI Act.

Key performance indicators

*Compliance by corporations increased from 72 to 90 per cent.
15 per cent of corporation documents lodged electronically.*

Compliance of corporations

Target 90 per cent

Actual 92 per cent

Compliance with the law remained a primary focus in 2009–10. Under the *Corporations (Aboriginal and Torres Strait Islander) Corporation 2006* (CATSI Act) corporations are required to submit certain reports to ORIC on an annual basis, such as a general report. Reports for 2008–09 were required to be lodged by 31 December 2009.

On 1 July 2009 the Registrar granted two class exemptions to reduce the reporting obligations imposed on Aboriginal and Torres Strait Islander corporations.

This means that:

- » all corporations have been exempted from providing six of the 20 items prescribed in the CATSI Act and Regulations in their general report—ORIC's general report form has been changed to reflect this.
- » small and medium size corporations with income less than \$5 million are exempt from preparing and lodging a directors' report.

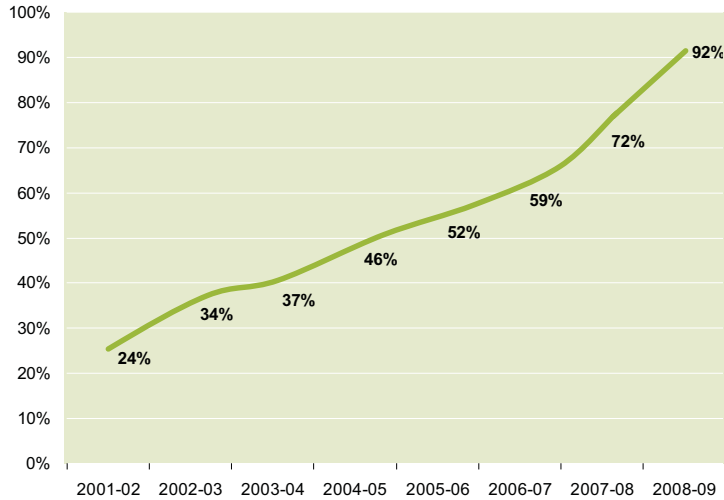
ORIC undertook a reporting compliance follow-up program, which resulted in 92 per cent of corporations meeting their reporting obligations for 2008–09. This result is the highest reporting compliance rate ever achieved by ORIC and over 20 per cent higher than the previous year. Higher compliance has meant that members, communities, creditors and government agencies can have greater confidence in the public information about corporations maintained by the Registrar.

Key activities of the reporting compliance follow-up program included:

- » **Communication strategy to deliver key messages and guidance about reporting compliance.** This strategy included broadcasts on Aboriginal and Torres Strait Islander radio networks, advertisements in Aboriginal and Torres Strait Islander and key regional newspapers, notices and messages on the ORIC website and reminders placed in ORIC publications.
- » **Follow-up of key groups and specific sectors.** Specific sectors such as registered native title bodies corporate, native title representative bodies and corporations helped by resource agencies operating in remote regions were targeted.
- » **ORIC compliance follow-up face-to-face visits.** Sixteen regional and remote regions that had poor compliance rates were targeted by ORIC's compliance follow-up teams. The primary aim was to offer face-to-face assistance to help corporations with their reports but also to develop their capacity to complete the reports in future years.
- » **Telephone follow-up of corporations in breach.** Corporations that submitted 2007–08 reports but did not lodge their 2008–09 reports by the due date were targeted through telephone contact by ORIC staff.
- » **Increasing awareness among government-funded corporations.** Key funding bodies were approached to help increase the compliance of government-funded corporations.
- » **Warning notices issued.** Corporations that did not respond to reminders were issued with formal warning notices.

Figure 3: Reporting compliance 2001–02 to 2008–09*

Note: This figure illustrates the impact of ORIC’s focus on reporting compliance. ORIC achieved the highest ever level of reporting compliance and the biggest increase in a single year.



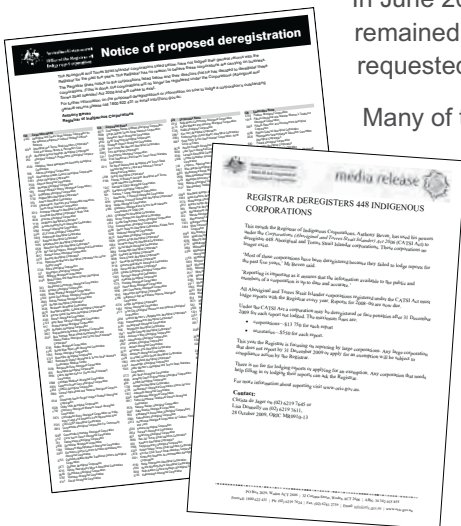
*Data for 2009–10 are not included as reports were not due until 31 December 2010.

Consequences of not reporting

In June 2010 ORIC deregistered 124 corporations that remained in longstanding breach. Fifty corporations also requested voluntary deregistration.

Many of these corporations were defunct and no longer operated. Upon deregistration, the corporations are no longer registered under the CATSI Act and no longer exist.

The reporting compliance follow-up program was also supported by a prosecution program. Proceedings were commenced against one large corporation that did not lodge any returns. To improve compliance the prosecution program in 2010–11 will focus on large and medium corporations that do not lodge their reports.



Registration services

ORIC provides a range of registration services to Aboriginal and Torres Strait Islander corporations.

In the 2009–10 financial year, ORIC received 9150 registration activities from the public and these were completed in an average time of 2.19 business days per matter. This is an overall increase of 60 per cent in the number of work activities received compared to the previous year and a three-day reduction in the average time taken for the completion of each activity.

Figure 5a: Monthly registration activities 2009–10

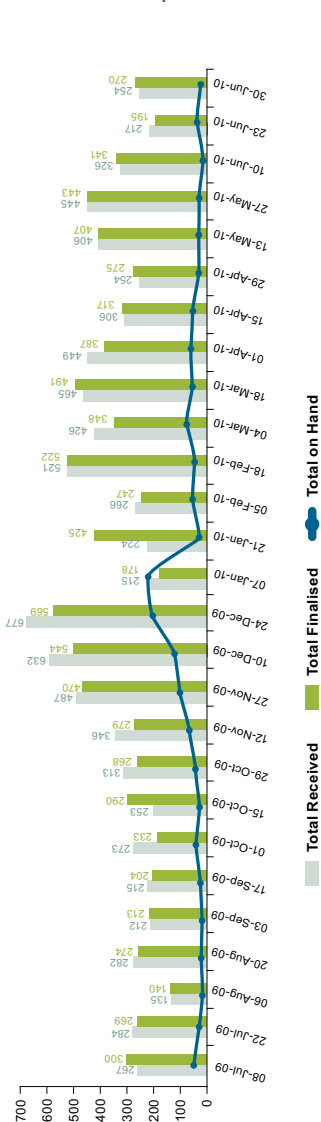
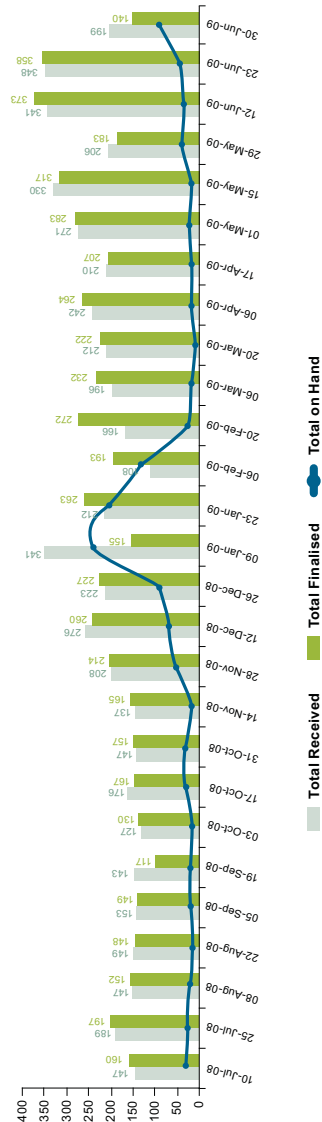


Figure 5b: Monthly registration activities 2008–09



ERICCA

The Electronic Register of Indigenous Corporations under the CATSI Act (ERICCA) is used by ORIC to assist with the administration of the CATSI Act.

It includes two online public registers—the Register of Aboriginal and Torres Strait Islander Corporations and the Register of Disqualified Officers. It also allows corporations to lodge forms with ORIC online.

In 2010–11 funding has been identified to make further upgrades and enhancements to ERICCA. This will streamline existing processes and allow more forms to be lodged online. New processes will also be introduced to better support complaints and dispute-handling functions.

Lodging electronically

In July 2008 ORIC launched its secure online lodgment website, <https://online.oric.gov.au>, to make lodging forms easier and more convenient for corporations. During 2009–10, 6 per cent of all forms were lodged electronically with ORIC by 410 active online users.

Online lodgment helps corporations to manage their information more efficiently because the system pre-populates online forms with information that has already been lodged with ORIC—only updates to the information are required. It also provides online help as forms are completed and won't allow the lodgment of a form if information is incomplete—reducing the chance of documents being requisitioned or rejected by the Registrar.

ORIC has its most commonly lodged forms available for online lodgment. These are forms for:

- » general report
- » notification of a change to corporation address/contact details
- » notification of a change to corporation officers' details
- » list of names and addresses of members
- » application for exemptions
- » application for registration (general).

'ORIC's role is an integral part of supporting Aboriginal community organisations, especially ensuring they are supported when trying to implement good governance practices and procedures.'—
**Daphne Yarram,
National Board,
National Congress
of Australia's First
Peoples**

In 2010–11, four additional forms will be made available online to corporations. This means that the full range of prescribed forms under the CATSI Act will be available online, making it even easier for corporations to update their public information and/or submit change requests.

With increased awareness ORIC is expecting a marked increase in online lodgments, to around 15 per cent, during 2010–11 and has increased its helpdesk support in expectation of this.

Profile of corporations registered with ORIC

As at 30 June 2010, 2210 corporations were registered under the CATSI Act.

There were 163 new registrations during the financial year, which is the highest number of new registrations since 2002–03. This included four transfers from other incorporating legislation, such as state and territory associations legislation.

Figure 6: Registered and new corporations by year, 1990–91 to 2009–10

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



Table 3: Registered and new corporations 1990–91 to 2009–10

| | Number of registered corporations | Number of new registrations finalised |
|----------------|-----------------------------------|---------------------------------------|
| 1990–91 | 1244 | 220 |
| 1991–92 | 1474 | 230 |
| 1992–93 | 1772 | 298 |
| 1993–94 | 2076 | 304 |
| 1994–95 | 2389 | 313 |
| 1995–96 | 2654 | 265 |
| 1996–97 | 2816 | 162 |
| 1997–98 | 2999 | 183 |
| 1998–99 | 2853 | 128 |
| 1999–00 | 2703 | 183 |
| 2000–01 | 2709 | 171 |
| 2001–02 | 2783 | 187 |
| 2002–03 | 2861 | 183 |
| 2003–04 | 2713 | 134 |
| 2004–05 | 2585 | 120 |
| 2005–06 | 2529 | 102 |
| 2006–07 | 2552 | 111 |
| 2007–08 | 2605 | 84 |
| 2008–09 | 2723 | 125 |
| 2009–10 | 2210 | 163 |

Table 4: Location of registered corporations by regions as at 30 June 2010

| Region | Total |
|---------------|-------------|
| Adelaide | 28 |
| Alice Springs | 289 |
| Bourke | 24 |
| Brisbane | 68 |
| Broome | 108 |
| Cairns | 155 |
| Ceduna | 9 |
| Coffs Harbour | 119 |
| Darwin | 104 |
| Derby | 92 |
| Dubbo | 25 |
| Geraldton | 61 |
| Kalgoorlie | 45 |
| Katherine | 124 |
| Kununurra | 105 |
| Mt Isa | 53 |
| Nhulunbuy | 17 |
| Perth | 125 |
| Port Augusta | 32 |
| Queanbeyan | 51 |
| Rochampton | 50 |
| Roma | 39 |
| South Hedland | 75 |
| Sydney | 59 |
| Tamworth | 51 |
| Tasmania | 18 |
| Tennant Creek | 56 |
| Townsville | 57 |
| Torres Strait | 50 |
| Victoria | 75 |
| Wagga Wagga | 46 |
| Total | 2210 |

Key performance indicator

Enforcing the law with 75 per cent of litigation favourable to the Registrar.

Target 75 per cent

Actual 83 per cent

The CATSI Act increased the sanctions for poor governance and provided the Registrar with more power to investigate and take action where appropriate.

In 2009–10 ORIC conducted a compliance campaign to ensure large corporations complied with their reporting requirements under the CATSI Act. A non-compliant large corporation was successfully prosecuted for non-compliance. The matter was undertaken by the Commonwealth Director of Public Prosecutions

In 2010–11 the compliance campaign will focus on all large and medium corporations that are non-compliant.

Litigation

In September 2008 five members of the Dunghutti Elders Council (Aboriginal Corporation) applied to the Administrative Appeals Tribunal to review ORIC's registration decisions regarding several documents, including a refusal to register a list of directors. In October 2008 the tribunal determined that its jurisdiction was limited to the review of ORIC's refusal to register the applicants' list of directors. Conciliation of the matter was conducted in May 2009 by the tribunal. In October 2009 the AAT dismissed the matter on the basis that the application had become futile and vexatious.

In June 2009 three members and former directors of Anangu Pitjantjatjara Services Aboriginal Corporation (AP Services) applied to the Administrative Appeals Tribunal to review ORIC's decision to place AP Services under special administration. In February 2010 the special administration concluded. In March 2010 the applicants withdrew their application.

In July 2009 the Oolong Aboriginal Corporation applied to the Administrative Appeals Tribunal to review ORIC's decision to issue a compliance notice to the corporation requiring membership applicants approved by the directors in February 2008 to be recorded in its register of members. In May 2010 the matter was mediated by the AAT and settled. The register of members was amended to include 15 new members (including one resignation from that group).

In 2009–10 the Registrar applied to the Federal Court under section 526-15 of

the CATSI Act to wind up two corporations—Narrandera Wiradjuri Elders Group Aboriginal Corporation and Aboriginal and Torres Strait Islanders Corporation for Welfare Services. A special administrator appointed by the Registrar applied to the Federal Court to wind up Mitakoodi Juhnjar Aboriginal Corporation. In two cases the court appointed a liquidator and ordered the corporation to be wound up. In the matter of Aboriginal and Torres Strait Islanders Corporation for Welfare Services the court allowed further time for the corporation to raise funds to meet its liabilities and continue to operate.

Table 5: ORIC investigations and enforcement matters in 2009–10

| NEW MATTERS | 2008–09 | 2009–10 |
|---|----------------|----------------|
| Matters approved for investigation | 4 | 5 |
| CDPP referrals | 2 | 3 |
| Show cause (section 487-10) notices | 11 | 12 |
| Litigation matters (including application to wind up) | 3 | 5 |
| Other | – | 5 |
| TOTAL | 20 | 30 |

| CLOSED MATTERS | | |
|--|-----------|-----------|
| Investigations | 2 | 6 |
| CDPP referrals | 0 | 4 |
| Show cause (section 487-10) notices | 7 | 12 |
| Litigation matters (including windings up) | 1 | 6 |
| Other | – | 5 |
| TOTAL | 10 | 33 |

| MATTERS ON HAND AT 30 JUNE 2010 | | |
|--|-----------|----------|
| Investigations | 2 | 1 |
| CDPP referrals | 2 | 1 |
| Show cause (section 487-10) notices | 4 | 4 |
| Litigation matters (including windings up) | 2 | 1 |
| TOTAL | 10 | 7 |

The Registrar was involved in six matters involving litigation during the year, including the three applications to the court to wind up corporations. All but one matter was concluded in a manner favourable to the Registrar—83 per cent.

In addition, five individuals from eight corporations during 2009–10 were required to resign from being a director and/or officeholder of an Aboriginal and/or Torres Strait Islander corporation after intervention by ORIC. The individuals were automatically disqualified due to bankruptcy.

Output

Pilot a post-determination dispute resolution model with key native title stakeholders by 30 June 2010.

ORIC identified the need for an inter-agency approach to dispute management in the native title sector after observing that disputes often involve a range of governance issues around native title matters that do not fall within the jurisdiction of an individual agency. The aim is to intervene in disputes around native title before they destroy the governance of a corporation.

ORIC convened a pilot steering committee in February 2010. The members are:

- » Joe Mastrolembo, Deputy Registrar, ORIC
- » Hugh Chevis, Director, Service Delivery, National Native Title Tribunal
- » John Eldridge, Director, Native Title Representative Body Monitoring and Support, FaHCSIA
- » Tiffany Karlsson, Principal Legal Officer, Attorney-General's Department, Native Title Unit.

The pilot model takes a case management approach and draws on resources and expertise across the partner agencies.

Participation in the pilot was offered to three registered native title bodies corporate (RNTBCs) with two taking up the offer. The majority of the pilot work has been completed in one pilot site. Initial feedback and outcomes have been very positive. Dispute assistance at the second pilot site commenced and will

'ORIC has evolved quite a lot over the last five years. They have adapted and changed to say, "We'll give you support. We'll give you assistance with your constitution. We'll give you governance training. You can come to us with a raft of issues and we'll take the time and effort to give you the information you require."'—Klynton Wanganeen, National Board, National Congress of Australia's First Peoples and member of the ORIC advisory group

be completed in the first part of the 2010–11 financial year. The pilot will be evaluated and recommendations made by December 2010.

Key performance indicator

50 corporations receive mediation or dispute resolution services.

| | |
|------------------|------------------|
| Target 50 | Actual 78 |
|------------------|------------------|

ORIC provided mediation or dispute resolution services to 78 corporations which was significantly greater than the target of 50 corporations and the 2008–09 figure of 45 corporations.

ORIC offered a range of dispute services including mediation, advisory opinions, conferencing or attending meetings of members and directors.

The following map shows the location of corporations which received dispute resolution services.

Figure 7: Locations of corporations that received dispute resolution services

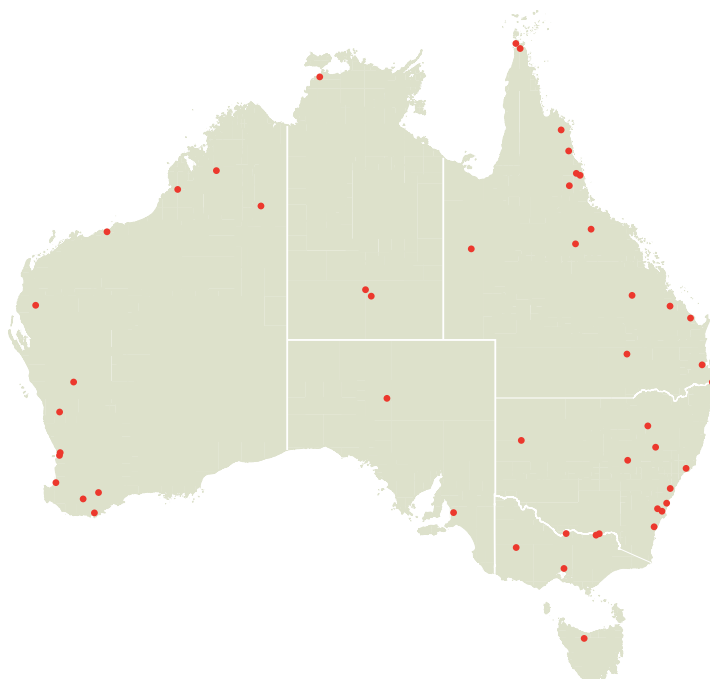
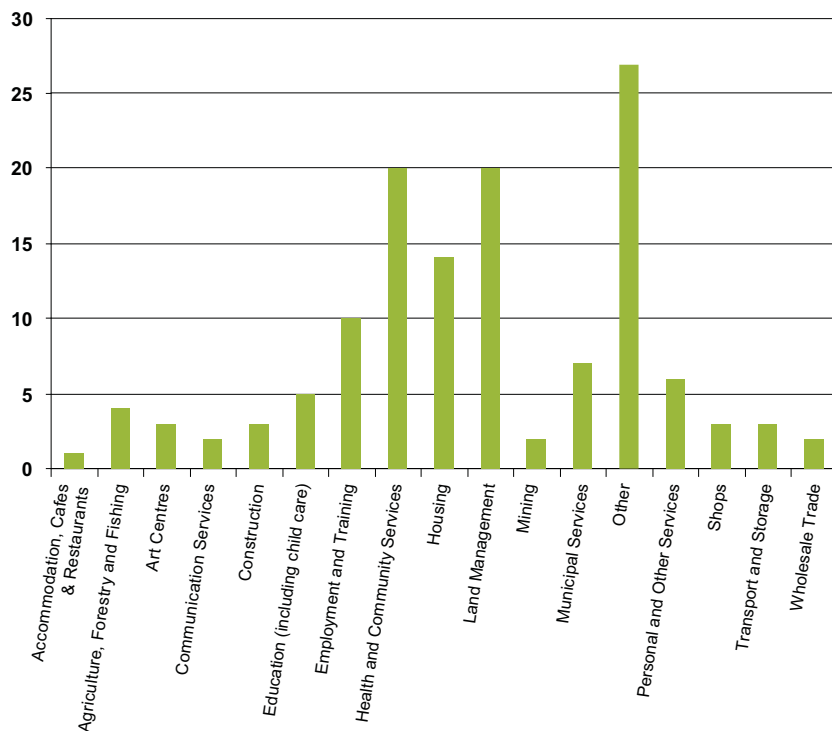


Figure 8: Corporation breakdown by activity sector



The chart provides a breakdown of the corporations that received mediation or dispute resolution services by activity sector.

Lead policy development on organisational governance as part of closing the gap

Output

Contribute to policy and program development in the closing the gap strategy and lead policy development about organisational governance.

ORIC functions under the leadership and governance building block identified through the National Indigenous Reform Agreement, 'Closing the Gap'. Through this building block, the Council of Australian Governments (COAG) recognises

that effective governance arrangements in communities and organisations is essential to achieving long term sustainable outcomes.

CATSI registered corporations deliver significant outcomes across a range of sectors, including the provision of medical services, education and early childhood, shops and community stores, art centres, land management and native title, employment and training, and agriculture. ORIC provides a wide range of services with the goal of helping Aboriginal and Torres Strait Islander people to build good governance, and supporting the effective running and management of corporations. By building effective governance, CATSI registered corporations continue to make a significant contribution to the Australian economy, whilst achieving outcomes for Aboriginal and Torres Strait Islander people and communities.

The Registrar continues to contribute to parliamentary committee inquiries, conferences and events that focus on Aboriginal and Torres Strait Islander corporate governance. In June 2010 the Registrar spoke at the Native Title Conference in Canberra on ways to strengthen the corporate governance of native title bodies.

ORIC remains committed to working in partnership with Aboriginal and Torres Strait Islander people to meet outcomes under 'Closing the Gap'. This is reflective of ORIC's vision—strong corporations, strong people, strong communities.

Key performance indicator

Four research publications released by ORIC.

Target 4

Actual 4

ORIC produced four research publications using data collected by ORIC about corporations. The research publications provide important information about Aboriginal and Torres Strait Islander corporations which is used to influence the regulation of, and support for Aboriginal and Torres Strait Islander corporations.



The top 500 Aboriginal and Torres Strait Islander corporations

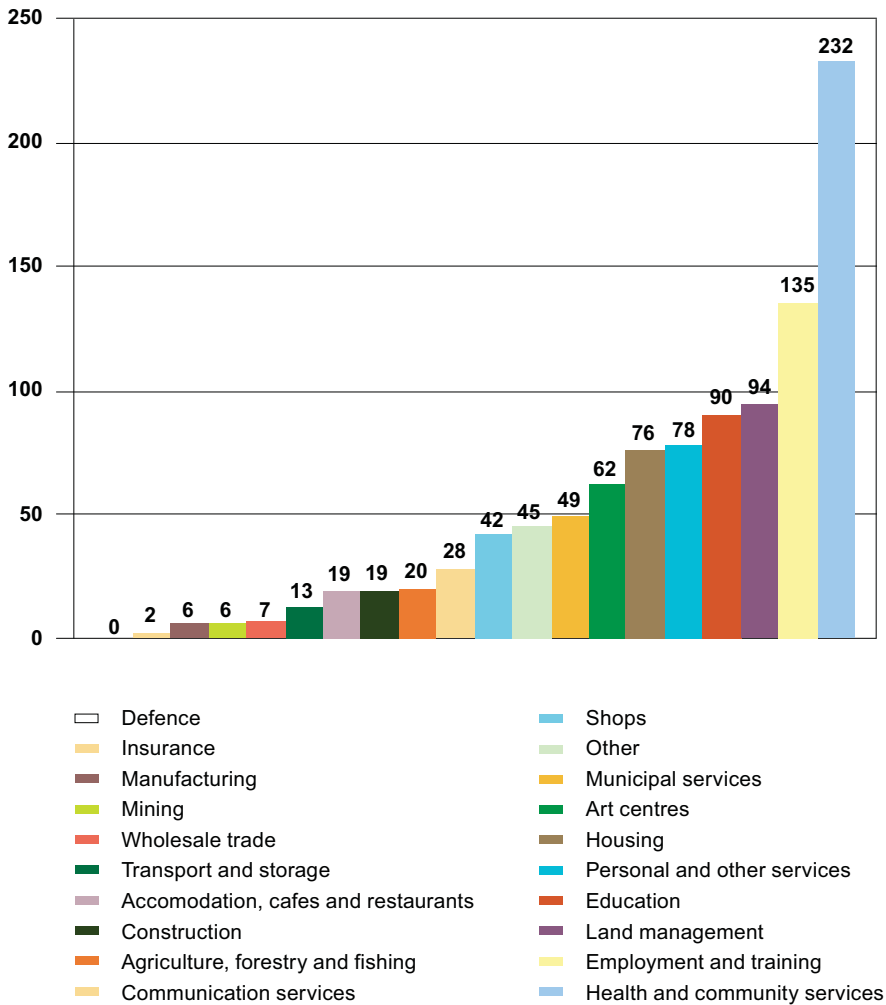
This report examined the top 500 Aboriginal and Torres Strait Islander corporations by income. The report found that the top 500 collectively generated over \$1 billion in income in 2007–08, employed almost 7000 people and were mostly located in Western Australia and the Northern Territory. More than 95 per cent of Aboriginal and Torres Strait Islander corporations are not-for-profit, community controlled organisations and provide important services to Aboriginal and

Torres Strait Islander people and communities. Almost half of the corporations in the top 500 operate in the health and community services sector.

The report highlights that many Aboriginal and Torres Strait Islander corporations are contributing significantly to the economy, their members' wellbeing and their communities. The Registrar intends to release a similar report each year.

Figure 9: Number of registered corporations by income and assets at 30 June 2010

Analysing key characteristics in Indigenous



Corporate failure

This research, undertaken by Dr James Swansson at the Australia and New Zealand School of Government's Institute for Governance on behalf of the Registrar, reveals the importance of early support and intervention to turn around corporations at risk of failing. The study of Aboriginal and Torres Strait Islander corporate failure between 1996 and 2008 was the first of its kind, and provides policy makers and regulators with an evidence-based approach to identifying and dealing with corporations exhibiting early warning signs of failure.



The study found the most common cause of failure was poor management and poor corporate governance. The findings suggest that early external intervention in corporations demonstrating poor corporate governance, management issues or potential insolvency could prevent failure. It also found that more than 70 per cent of struggling corporations were returned to members control after they had been placed under special administration by the Registrar.

Another key factor identified in the failure of corporations is underlying disputes and conflict within and between corporations. ORIC responded to this by providing a new mediation and dispute resolution service.

Significantly, the research findings show only five out of the 93 cases of failure studied involved fraud and just one case involved a bankrupt director.

Aboriginal and Torres Strait Islander corporations managing payments

This research by ORIC identified the complex issues faced by Aboriginal and Torres Strait Islander corporations managing payments derived from land use agreements and government benefits. The findings of the research were consistent with those published in ORIC's report—*Analysing key characteristics in Indigenous corporate failure* (2010)—indicating that native title bodies face similar governance issues to other types of corporations.

Partnership with ANU

ORIC has entered into a partnership with the Australian National University to study accountability practices in Aboriginal and Torres Strait Islander corporations. The study is being funded through an Australian Research Council linkage project for three years.

In the past, a failure to demonstrate open and transparent accountability has drawn heavy criticism by corporation members, funding bodies, governments and other stakeholders. Further, poor accountability undermines the long-term viability and sustainability of corporations and the sector at large. This new study continues ORIC's research by investigating how corporations can improve their accountability practices. The findings will be important in continuing ORIC's work in improving the governance standards and accountability of corporations.

'Everyone on our board, if they haven't had access to training, has shown interest and gone online and read up on the CATSI Act.'—
Eileen Van Iersel,
Director, CAAMA
and member of
the ORIC advisory
group

Other policy and program development services

Healthy corporation checklist

ORIC has produced an online checklist for corporations so they can self-assess at to whether they are following good corporate governance practices. The checklist includes useful templates that corporations can use, such as a register of members and a notice of annual general meeting.



LawHelp

ORIC is currently finalising a new pro-bono legal service that will be available to not-for-profit Aboriginal and Torres Strait Islander corporations registered under the CATSI Act. Applications will be considered by an assessment panel and, if successful, referred to a lawyer or legal firm contributing their time and expertise free of charge.

LawHelp will be available from July 2010.

Develop a recruitment and retention strategy to assist corporations

ORIC's Recruitment and Retention Strategy was developed in July 2009 and is being implemented over the years 2009–2011. The broad objective of the strategy seeks to assist corporations to adopt good practices in recruiting, managing and retaining staff.

Corporations registered under the CATSI Act can face significant challenges in meeting their employment needs, including variable quality of staff, remoteness, and high turn-over rates. The specific objective of the strategy is to build corporations' capacity by assisting them to increase their skills in employment-related areas.

There are four phases to the project:

- » Phase 1—A facility for corporations to advertise employment vacancies on the ORIC website was implemented in 2009—Corporation jobs. This service is free of charge and gives corporations the opportunity to advertise their employment opportunities on the internet. During the year, 33 job vacancies were advertised on the ORIC website
- » Phase 2—Legal and general guidance documents for the recruitment and management of staff are being developed and will be available on the ORIC website in November 2010. The documents provide advice for corporations on attracting and managing staff, conducting interviews, drafting job advertisements as well as a suite of employment contracts. There will also be useful information for employees on completing selection criteria, preparing for job interviews and applying for jobs with Aboriginal and Torres Strait Islander corporations
- » Phase 3—Establishing a partnership with Indigenous Community Volunteers (ICV) to source a pool of volunteer independent directors for CATSI Act-registered corporations. Six corporations were chosen from twenty two corporations that responded to an expression of interest process conducted in March 2010. ICV are in the process of identifying and placing volunteer independent directors with the corporations

'ORIC has a fundamental role in governance by providing training and access to information and facilitating good governance practice.'—**Kerry Arabena, Co-Chair, National Congress of Australia's First Peoples**

- » Phase 4—Providing direct assistance to corporations with the recruitment of key senior staff. Sourcing good quality people into senior management positions is an important part of developing good governance at any organisation. This project will be developed in the second half of 2010 and implemented in early 2011.

Stakeholder engagement

New Aboriginal and Torres Strait Islander advisory group

In 2009 ORIC formed an advisory group comprising directors of Aboriginal and Torres Strait Islander corporations from all over Australia and from different sectors.

This group of between six and nine current directors of corporations will meet with the Registrar at least once a year to discuss corporate governance and current issues facing Aboriginal and Torres Strait Islander corporations, and to provide feedback on ORIC's services.

At the time of publishing, the advisory group had seven members: James Akee, Pat Brahim, May Byrne, Gerald Hoskins, Darryl Pearce, Eileen Van Iersel and Klynton Wanganeen.

Indigenous corporate governance event 2009

The first meeting of the advisory group was held in Canberra on 9 October 2009 and coincided with ORIC's corporate governance event. The advisory group members discussed with key staff from ORIC and other government agencies what corporate governance meant to them, their corporations and their community. Convened by Mark Bin Bakar, a well-known radio presenter, musician and advocate for Aboriginal and Torres Strait Islander people, the corporate governance event has now been made an annual event on the ORIC calendar. Key parts of the event are available for viewing on ORIC's website at www.oric.gov.au under multimedia in the publications section.

Spotlight on . . .

ORIC celebrates the successes of corporations registered under the CATSI Act through its monthly 'Spotlight on' articles on the ORIC website.

Every month on the ORIC website 'Spotlight on ...' features a good news story on an Aboriginal and Torres Strait Islander corporation or its members. This year's stories were:

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| <p>July 2009</p>  <p>Warpiri Youth Development Aboriginal Corporation</p> | <p>August 2009</p>  <p>Miimi Mothers Aboriginal Corporation</p> | <p>September 2009</p>  <p>Mudgin-Gal Aboriginal Corporation</p> |
| <p>October 2009</p>  <p>NPA Family and Community Services Aboriginal and Torres Strait Islander Corporation</p> | <p>November 2009</p>  <p>Marra Worra Worra Aboriginal Corporation</p> | <p>December 2009</p>  <p>Kulai Pre-School Aboriginal Corporation</p> |
| <p>January 2010</p>  <p>Ungooroo Aboriginal Corporation</p> | <p>February 2010</p>  <p>Girringun Aboriginal Corporation</p> | <p>March 2010</p>  <p>Yamatji Marlpa Aboriginal Corporation</p> |
| <p>April 2010</p>  <p>ORIC training graduates</p> | <p>May 2010</p>  <p>Western Desert Nganampa Walytja Palyantjaku Tjutaku Aboriginal Corporation</p> | <p>June 2010</p>  <p>Ngunnawal Aboriginal Corporation</p> |