



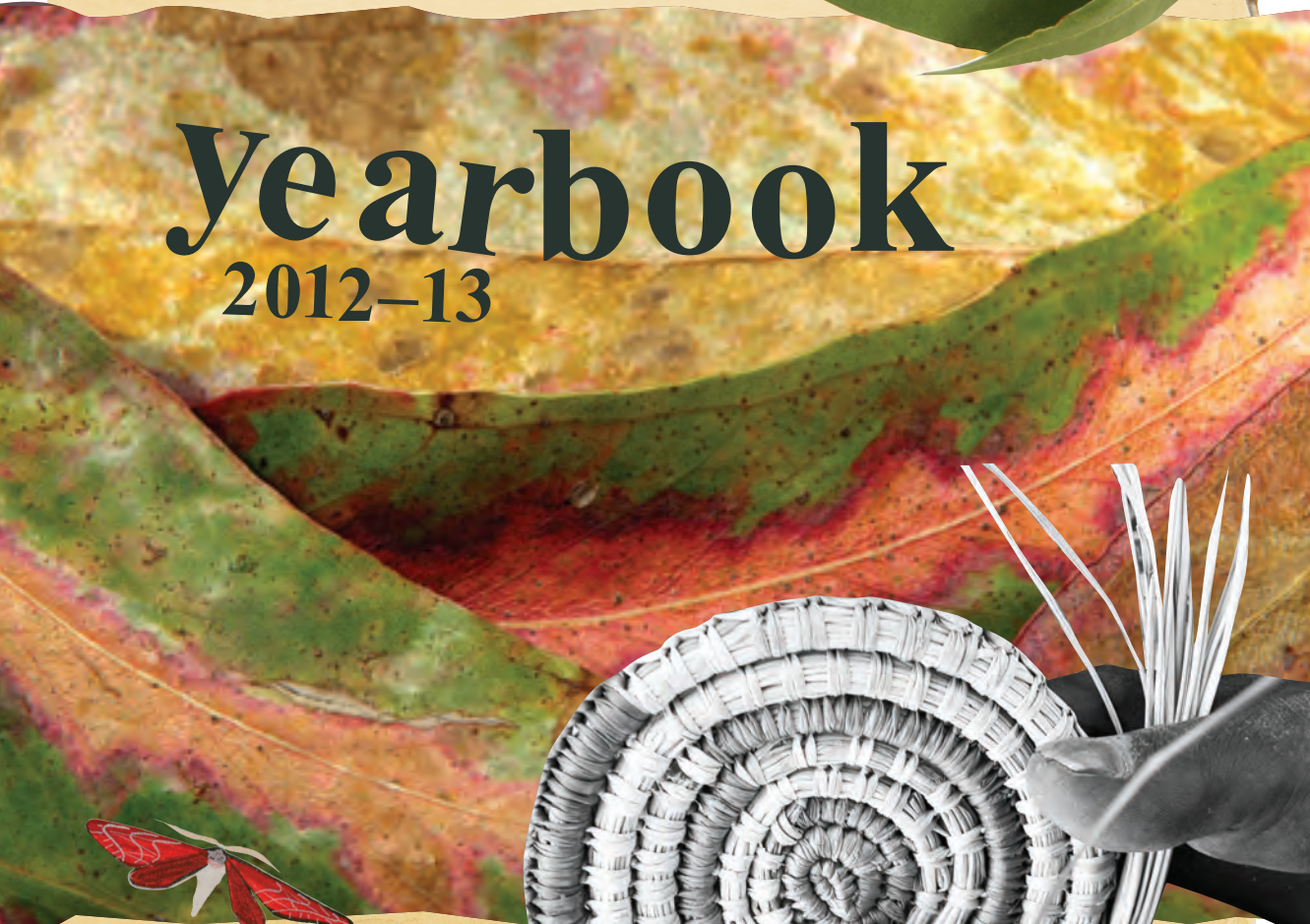
Australian Government

Office of the Registrar of Indigenous Corporations



yearbook

2012-13



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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 to some communities, it is distressing to show images of people who have passed away.

Produced by ORIC, November 2013

Photographic images

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ORIC vision

Aboriginal and Torres Strait Islander corporations are important in communities and Australian society. In recognition of this, the Office of the Registrar of Indigenous Corporations (ORIC) will continue to increase public confidence in the standards of corporate governance and viability of Aboriginal and Torres Strait Islander corporations.

*Strong corporations,
strong people,
strong communities*

About the yearbook

Under current legislation the Registrar of Indigenous Corporations (the Registrar) is not required to produce an annual report. However, the Registrar thinks it appropriate and desirable to publish a yearbook to inform clients and stakeholders about ORIC's work.

This yearbook includes the ORIC 2012–13 business plan and key priority areas in line with the Australian Government's commitment to closing the gap in Indigenous disadvantage. It is aligned to ORIC's strategic plan 2011–14.

ORIC contributed to the annual report of the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) now available at www.dss.gov.au.



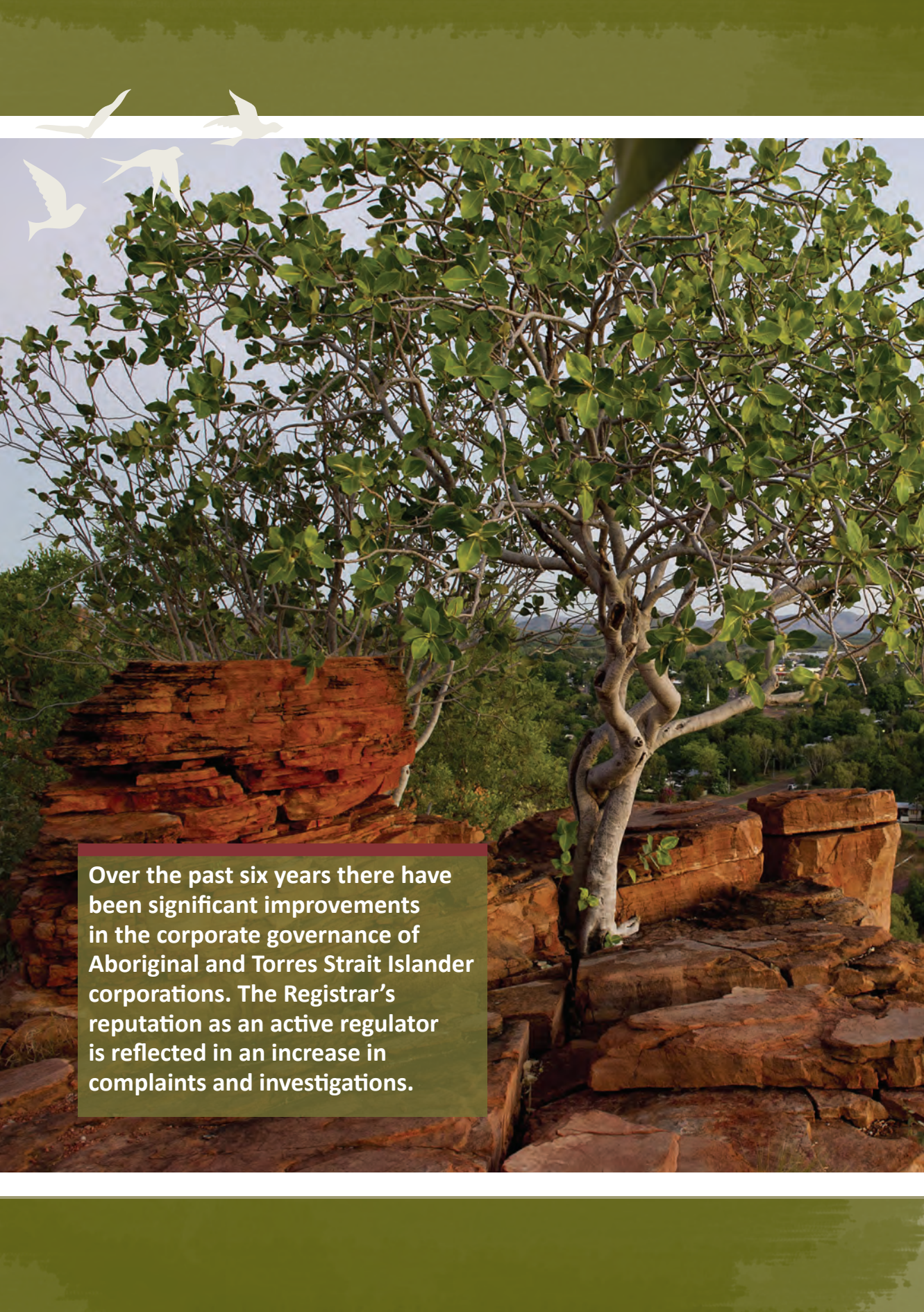


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Over the past six years there have been significant improvements in the corporate governance of Aboriginal and Torres Strait Islander corporations. The Registrar's reputation as an active regulator is reflected in an increase in complaints and investigations.



Overview

HIGHLIGHTS 2012–13

Regulatory functions

- ⊙ 2122 (95.5 per cent) corporations met their statutory reporting obligations this year—consistent with recent years
- ⊙ 46 per cent of corporations lodged their annual returns electronically, up from 42 per cent in the previous year
- ⊙ 52 disputes resolved, down from 102 in the previous year—a significant decrease
- ⊙ 155 new corporations registered
- ⊙ six special administrations started and nine ended
- ⊙ 51 formal examinations completed
- ⊙ decrease in show cause and compliance notices
- ⊙ major achievements in investigations, litigation and prosecutions

Support services

- ⊙ published *Remuneration—a report benchmarking the salaries of Aboriginal and Torres Strait Islander corporations*—on remuneration and other benefits paid to directors, senior managers and other staff
- ⊙ released the fourth top 500 report—based on income provided by Aboriginal and Torres Strait Islander corporations as part of their annual reporting
- ⊙ issued 35 media releases
- ⊙ delivered training to 897 participants from 198 corporations with a satisfaction rating of 92.5 per cent
- ⊙ 37.7 per cent of ORIC staff identified as Aboriginal or Torres Strait Islander

Other initiatives

- ⊙ ORIC’s pro bono legal service panel, LawHelp received 16 applications and successfully referred 14 matters
- ⊙ ran the third ORIC client survey to assess where ORIC can improve its service delivery



Registrar's reflections

YEAR AHEAD

Key priorities 2013–14

Some of the key priorities identified for 2013–14 include:

- ⊙ working with funding bodies to strengthen the governance of organisations receiving significant funds for the delivery of Aboriginal and Torres Strait Islander services and/or programs—mandating incorporation under Commonwealth legislation and independent specialist directors
- ⊙ supporting improvements to the management of native title and royalty payments
- ⊙ continuing to support Aboriginal and Torres Strait Islander corporations through high-quality education and training programs
- ⊙ regulating Aboriginal and Torres Strait Islander corporations effectively and monitoring their compliance under the *Corporation (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act)
- ⊙ focusing investigation activity on early identification and timely follow-up of poor conduct so that the appropriate action can be taken when serious misconduct or non-compliance is identified
- ⊙ enhancing the Registrar's regional network to focus more closely on local service delivery and engagement with Aboriginal and Torres Strait Islander corporations.

YEAR IN REVIEW

The past year turned out to be one of sustained excellence with most of our longer term goals achieved and with compliance, reporting and training results exceeding expectations.

This yearbook is therefore not only a reflection on our successes but also those of our corporations.

The many good news stories are not only reflected in our monthly Spotlight ons (p. 46), but in every single statistic revealed in the ensuing pages.

All operational areas in ORIC have worked hard to achieve excellent outcomes for Aboriginal and Torres Strait Islander corporations. And the good governance practices displayed by so many of our corporations is encouraging.

On the litigation front, several of our highly successful court cases have shown that those doing the wrong thing will be held accountable.

With a change of government comes new challenges. It also creates an added impetus to reflect on how we've been doing things and how we can do them better.

This process was already started in August 2012 with an internal organisational review, and will continue as we focus on delivering the best services to Aboriginal and Torres Strait Islander corporations.

Reducing Indigenous disadvantage

During 2013–14 we will continue to contribute to key work in reducing Indigenous disadvantage by:

- ⊙ working with funding bodies to achieve meaningful outcomes for significantly funded and at-risk Aboriginal and Torres Strait Islander corporations
- ⊙ implementing recommendation 9 of the sixth report of the Coordinator General for Remote Indigenous Services (coordinating Commonwealth governance training for Aboriginal and Torres Strait Islander organisations)
- ⊙ delivering corporate governance training as part of the Australian Government's Enhancing Communities Leadership and Training Program, and Remote Service Delivery Program
- ⊙ providing assistance to 58 organisations transitioning out of Community Development Employment Projects (CDEP) through the CDEP Structural Adjustment Support Program
- ⊙ helping to strengthen the corporate governance of Aboriginal and Torres Strait Islander corporations, including assisting significantly funded organisations to register under the CATSI Act and appoint independent directors
- ⊙ contributing to the Australian Government's Business Integrity Project on the early identification and effective management of service provider risk
- ⊙ continuing our cultural competency program and investing in relevant training of staff through performance management processes.

Key challenges and risks

When working to improve conditions for a vulnerable segment of our community, there are challenges and risks. For ORIC some of these include:

- ⊙ managing changes in government policy for the regulation and governance of Aboriginal and Torres Strait Islander corporations and the Registrar's operations
- ⊙ operating with decreased financial and human resources which may place increased pressure on our ability to deliver key functions and services
- ⊙ managing the office transition to a new structure of fewer staff in Canberra and more staff in regional centres
- ⊙ maintaining current rates of Aboriginal and Torres Strait Islander staff (currently at 37.7 per cent)
- ⊙ working with the regulator of charities to reduce reporting and regulatory requirements for CATSI Act corporations registered as charities
- ⊙ managing requirements to replace or enhance key IT systems.

LAST WORD

Our ability to achieve increased productivity and efficiencies with reduced resources is evidence of the level of commitment of ORIC staff. A recent Australian Public Service Commission survey revealed that the majority of ORIC staff value the opportunity to make a difference in the lives of Aboriginal and Torres Strait Islander people. This is the driving force for the office. This makes the job worthwhile—to create strong corporations, strong people and strong communities.

Anthony Beven
November 2013

Senior management

The Registrar and senior management as at 30 June 2013



Anthony Beven
REGISTRAR



Joe Mastrolembro
DEPUTY REGISTRAR



Michael Cullen
GENERAL COUNSEL



Catherine Turtle
SECTION MANAGER
Training Section



Peter Armstrong
SECTION MANAGER
Regulation Section



Lisa Hugg

SECTION MANAGER

Communications and Research Section
(job share)



Christa de Jager

A/g SECTION MANAGER

Communications and Research Section
(job share)



Graeme Pert

SECTION MANAGER

Investigations and Prosecutions Section



Gerrit Wanganeen

CHANGE MANAGER

ORIC staff

The Registrar's work was carried out by 45.72 full-time equivalent staff as at 30 June 2013. There were 30 female and 23 male staff members. Twenty staff (37.7 per cent) identified as Aboriginal or Torres Strait Islander—an increase of 1.7 per cent from 30 June 2012.



ORIC staff after crossing the Commonwealth Avenue Bridge for the 2013 National Sorry Day



ORIC staff member Masepah Banu with his 2013 ACT and Region Indigenous High Achiever Award

The organisational structure

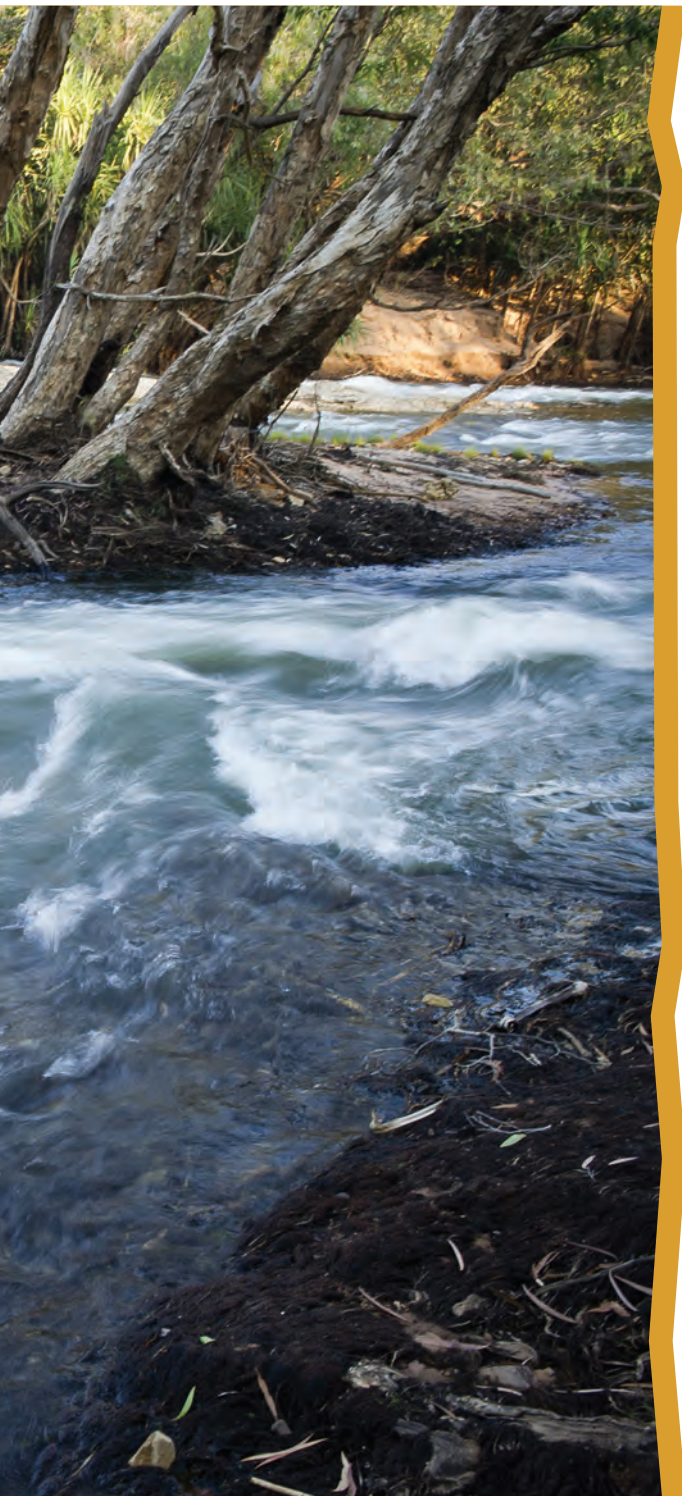


OFFICE LOCATIONS*



*as at 30 June 2013





Performance
.....
reporting

Business plan 2012–13

The Registrar identified key priority areas for the office in 2012–13 that are aligned to the *ORIC strategic plan 2011–14*. These priorities contribute to the Australian Government’s commitment to close the gap in Aboriginal and Torres Strait Islander disadvantage.

SUPPORTING CORPORATIONS BY ENSURING COMPLIANCE AND EFFECTIVE SERVICES

ORIC’s business plan 2012–13 had a three-tiered approach (supporting corporations, ensuring compliance, working effectively) that also informed the independent organisational review commissioned by the Registrar to streamline and improve ORIC’s capacity for service delivery.

Implementing the organisational review

John Robinson Consulting Services Pty Ltd was engaged in August 2012 by the Registrar to conduct an independent organisational review of ORIC. The main objectives were to assess how well ORIC was managing its functions and delivering its services, and how these could be improved.

The process included close consultation with ORIC staff, corporations and key stakeholders.

The final report was handed down in late November 2012 and in May 2013, after further consultation, the Registrar agreed to start the implementation of seven of the report’s 13 recommendations, with the move to a regional network a clear priority.

The transition to a structure with a greater ORIC presence in regional centres and a substantially smaller base in Canberra began in mid-May 2013. It involved:

- ⊙ identifying priority regional locations to best serve corporations
- ⊙ not filling current Canberra-based jobs that become vacant
- ⊙ developing job descriptions for the new roles and recruiting staff skilled in engaging with Aboriginal and Torres Strait Islander people and corporations.

CONTINUOUS IMPROVEMENT OF SERVICES AND THE ABILITY TO DELIVER

New website

ORIC’s website, www.oric.gov.au, was developed to support the regulatory framework of the CATSI Act. The current site includes the public Register of Aboriginal and Torres Strait Islander Corporations, the Register of Disqualified Officers and a link to a secure companion site where corporations can lodge their reports online.

ORIC is currently addressing web content accessibility as part of the Australian Government’s Web Content Accessibility Guidelines version 2.0 (WCAG 2.0).

A project to review and redevelop the website started in early April 2013. Expected outcomes are:

- ⊙ strengthening ORIC’s capability to deliver a highly regarded information service online
- ⊙ meeting the accessibility standards specified in WCAG 2.0 (Double A)
- ⊙ making the authoring and management of content easier.

ORIC client survey

ORIC conducted its third online client survey to gauge the level of client satisfaction with the range of ORIC services provided to corporations, their members and directors. Both quantitative and qualitative measures were included in the survey. The survey was launched on 1 May 2013 and ran for three months until 31 July 2013.

The feedback received from the 2011 and 2012 surveys was used to develop and implement measures to improve the delivery of ORIC services. This feedback also informed the organisational review which subsequently recommended an increase in the number of regionally based officers. ORIC now has staff based in Western Australia, the Northern Territory, Queensland, New South Wales and the Australian Capital Territory.

A total of 496 clients responded to the 2013 survey—49 per cent of respondents were directors, 32 per cent CEOs and 19 per cent were members. Some respondents also filled other roles within corporations such as staff member, contact person and chairperson.

The number of clients who provided feedback on each service is shown in the following figure.

Figure 1: Number of responses received on each section of the survey



Summary of outcomes

The results show a continuous improvement in client satisfaction over the past three years. The results also included suggestions for new services ORIC could provide and ways to improve existing services. These will be considered as part of future ORIC planning.



Deputy Registrar Joe Mastrolembo with ORIC's Registration and Reporting Section

ORIC plays a crucial role in ensuring Aboriginal and Torres Strait Islander corporations are well-governed.

Regulation & registration

CORPORATION REPORTING COMPLIANCE

Reporting compliance by corporations reached 95.5 per cent in 2012–13 with 46 per cent of all annual returns lodged electronically.

Reporting compliance remained a primary focus in 2012–13. Under the CATSI Act corporations have to submit reports to ORIC annually according to their registered income and size—large, medium or small. Reports for 2011–12 had to be lodged by 31 December 2012.

While the percentage of corporations complying with their reporting obligations fell slightly from 96 to 95.5 per cent, this year saw the highest number of corporations in ORIC’s history lodge reports with 2122 corporations out of 2223 eligible corporations complying with their reporting obligations under the CATSI Act.

High compliance means that members, communities, creditors and government agencies can have greater confidence in information about corporations held on the public register maintained by the Registrar.

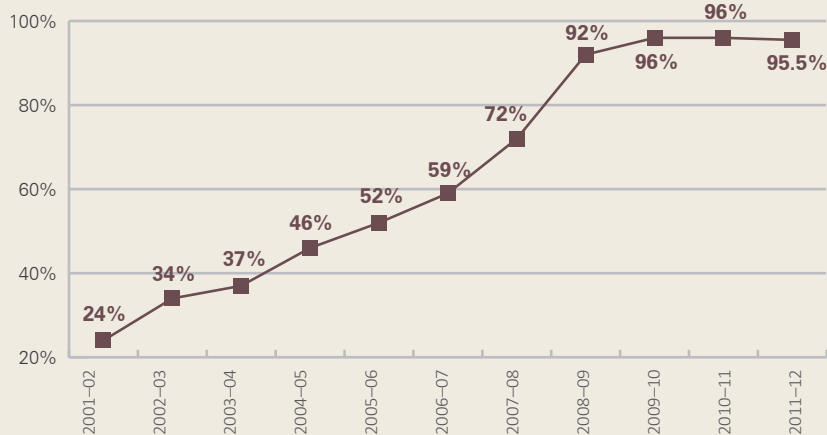
Key activities of ORIC’s program to maintain reporting compliance included:

- ⦿ A communication strategy to deliver key messages and guidance about reporting compliance—this strategy included advertisements in national Aboriginal and Torres Strait Islander newspapers and on radio stations, notices and
- ⦿ messages on the ORIC website and reminders placed in ORIC publications, as well as email and mail reminders to corporations.
- ⦿ A targeted follow-up of key groups and specific sectors—such as registered native title bodies corporate, native title representative bodies and corporations helped by resource agencies operating in remote regions.
- ⦿ Face-to-face visits—regional and remote regions that had poor annual reporting compliance rates were targeted by ORIC’s compliance follow-up teams; the primary aim was to offer personal help to corporations while developing their capacity to complete the reports in future years.
- ⦿ Regional officer visits to corporations—face-to-face meetings to assist corporations in eight regional and remote areas.
- ⦿ Telephone follow-up of corporations in breach—corporations that did not submit the required reports by the due date were targeted for telephone reminders.
- ⦿ Telephone reminders to newly registered corporations reporting for the first time and corporations which lodged late in the previous year.
- ⦿ Formal warning notices to corporations that did not respond to reminders.





Figure 2: Reporting compliance 2001–02 to 2011–12



Reporting requirements under the CATSI Act

Each year medium and large corporations registered under the CATSI Act are required to submit a general report, a financial report and an audit report to the Registrar of Indigenous Corporations, unless they receive an exemption. Reports must be lodged with the Registrar every year between 1 July and 31 December. The reports for each corporation will vary.

Consequences of not reporting

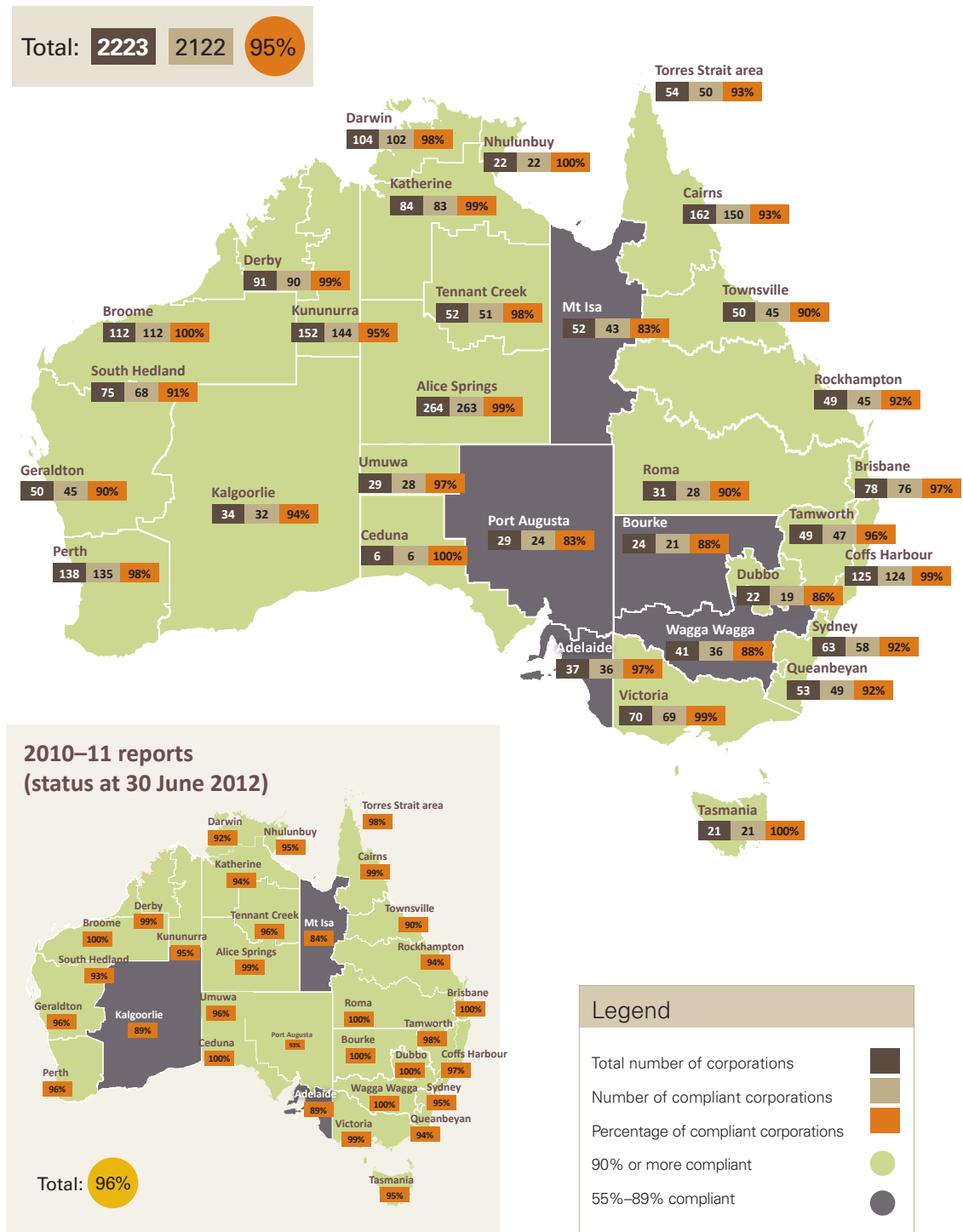
Corporations that don't lodge their reports by 31 December may face prosecution, along with the secretaries of large corporations. The maximum penalty for each report not lodged is \$21 250 for corporations and \$850 for secretaries.

The reporting compliance program was also supported by a prosecutions program. During 2012–13, 32 corporations were prosecuted for failing to lodge their annual reports. The prosecutions program focused on all corporations, regardless of size, that did not lodge their reports.

During the year ORIC deregistered 58 corporations that remained in longstanding breach or that requested voluntary deregistration.

Over the past six years reporting compliance has improved from 52 per cent to more than 95 per cent.

Figure 3: Reporting compliance status by region as at 30 June 2013



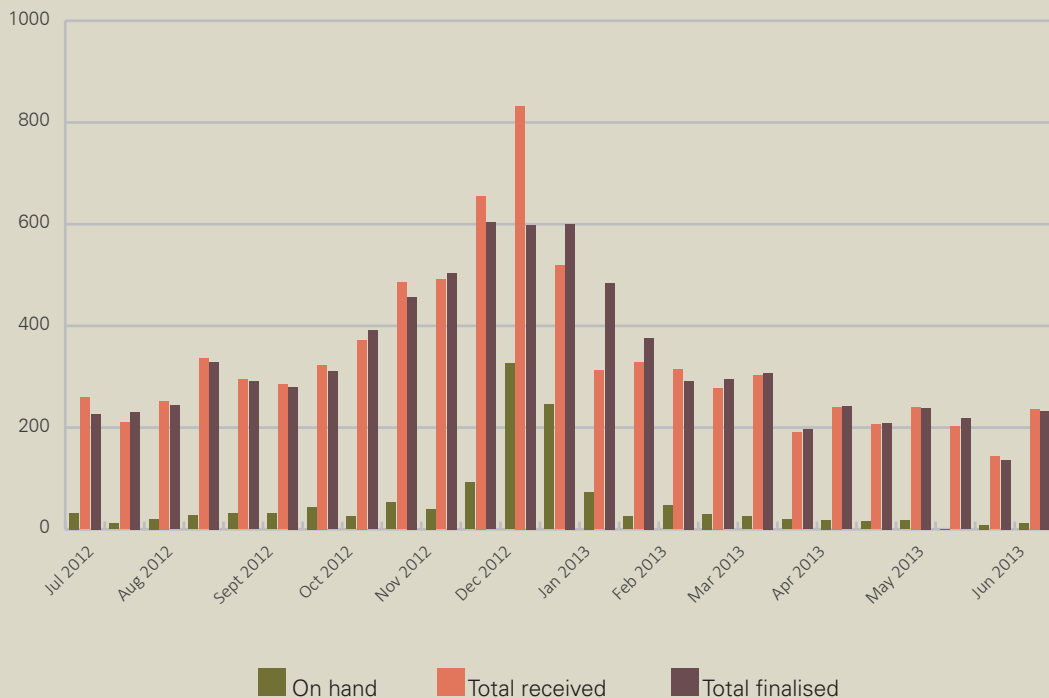
Note: Total number of corporations required to provide 2011–12 reports was 2223. This number is different to the total number of registered corporations (2488 at 30 June 2013) as it is based on corporations registered at 31 December 2011 and excludes corporations under liquidation or being deregistered.

REGISTRATION AND SUPPORT SERVICES

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

In 2012–13 ORIC received 8306 documents and inquiries from corporations and the public—up from 7438 in the previous year (10 per cent increase). The peak document lodgment period for ORIC is November to February. During 2012–13 documents were processed by ORIC in an average time of 2.4 business days from the date of receipt compared with 2.6 business days in 2011–12.

Figure 4: Number of documents and inquiries 2012–13



The following table provides an outline of ORIC's registration and reporting services from 2007–08 to 2012–13.

Table 1: Registration services 2007–08 to 2012–13

	07–08	08–09	09–10	10–11	11–12	12–13
REGISTRATION AND SUPPORT SERVICES						
Incorporations						
Applications received	116	148	172	176	164	162
Total applications actioned during the year*	108	133	188	197	183	163
Applications approved and finalised	84	125	163	187	173	155
Applications refused	5	0	6	7	7	5
Application lapsed/withdrawn	19	8	17	3	3	3
Rule book change requests						
Requests received	97	411	187	166	159	163
Total requests actioned during the year*	85	400	220	174	163	163
Requests approved	55	376	204	164	158	153
Requests refused	30	24	14	10	5	10
Requests lapsed/ withdrawn	–	0	0	0	0	0
Name change requests						
Requests received	12	48	24	29	17	17
Total requests actioned during the year*	9	45	25	30	18	19
Requests approved	6	38	23	28	18	17
Requests refused	3	7	2	2	0	2
Requests lapsed/ withdrawn	–	0	0	0	0	0
Change of corporation contact and officer details						
Change requests received	345	853	640	738	811	821
Change requests applied to the public register	284	803	636	721	797	812
Annual general meeting extensions and other exemptions						
Requests finalised	97	236	312	348	448	431
Written inquiries received						
Inquiries finalised	919	1080	3427	2919	3014	2337

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



Snapshot

155 new corporations were registered during 2012–13.

163 rule book change requests were actioned during 2012–13.

17 corporation name change requests were received during 2012–13.

812 change of corporation contact and officer details were entered into the public register, compared to 797 change requests the previous financial year.

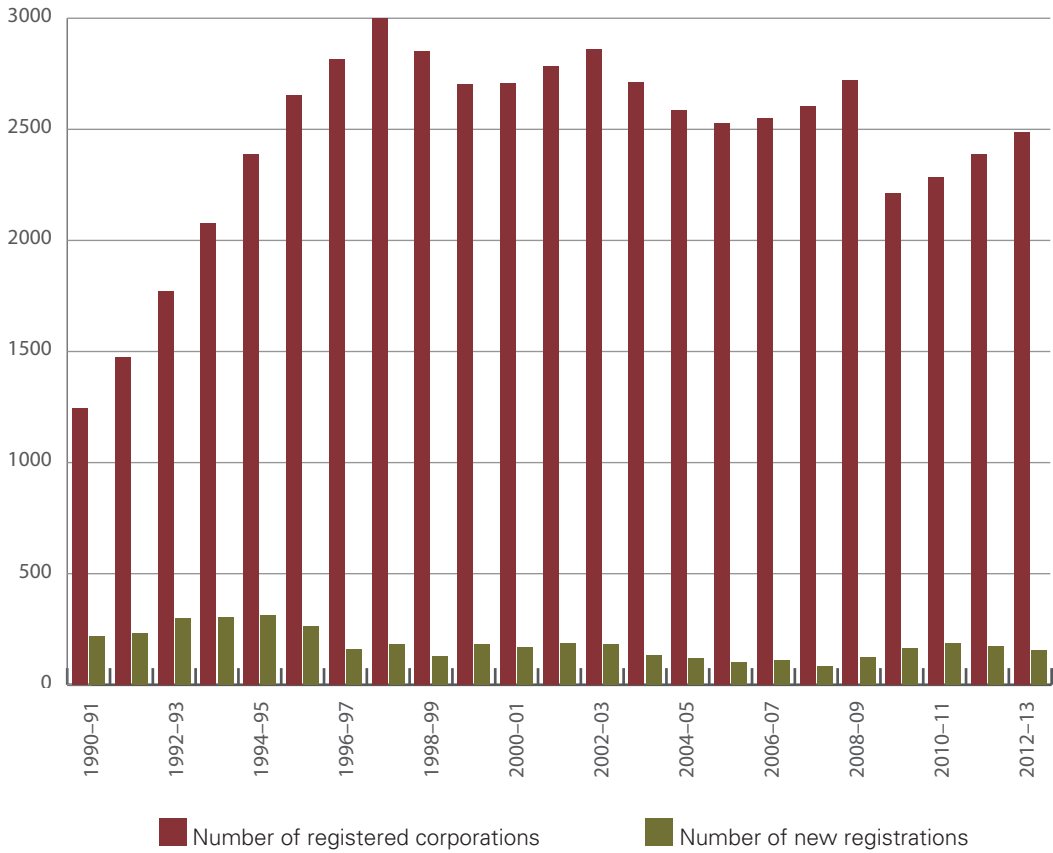
431 annual general meeting extensions and exemptions were granted by the Registrar during 2012–13 under the CATSI Act. This reflects the Registrar's ongoing flexible approach to the special circumstances and needs of Aboriginal and Torres Strait Islander corporations.

2337 written inquiries were finalised during 2012–13— involving requests for registration assistance, requests for information, inquiries support and referrals.

Corporation registrations

As at 30 June 2013, 2488 corporations were registered under the CATSI Act.

Figure 5: Registered and new corporations by year 1990–91 to 2012–13



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

Table 2: Registered and new corporations 1990–91 to 2012–13

Year	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
2010–11	2286	187
2011–12	2391	173
2012–13	2488	155

Table 3: Location of registered corporations by regions as at 30 June 2013

Region	Total
Adelaide	48
Alice Springs	287
Bourke	25
Brisbane	95
Broome	118
Cairns	193
Ceduna	7
Coffs Harbour	143
Darwin	113
Derby	94
Dubbo	23
Geraldton	52
Kalgoorlie	40
Katherine	90
Kununurra	161
Mount Isa	60
Nhulunbuy	29
Perth	172
Port Augusta	57
Queanbeyan	60
Rockhampton	56
Roma	34
South Hedland	86
Sydney	76
Tamworth	50
Tasmania	22
Tennant Creek	53
Townsville	59
Torres Strait Islands	56
Victoria	84
Wagga Wagga	45
Grand total	2488

DISPUTE MANAGEMENT

The Registrar treats corporation dispute management as a priority. During 2012–13, ORIC helped to resolve 52 disputes.

The Registrar introduced a dispute management service in 2008 to support Aboriginal and Torres Strait Islander corporations registered with ORIC.

The Registrar can provide the following:

- ⊙ an advisory opinion—a formal letter giving an opinion about the situation in dispute
- ⊙ dispute management workshops
- ⊙ advice—by telephone, face-to-face or email to address issues that are not too complex
- ⊙ conferencing and small group problem-solving facilitation
- ⊙ attending, calling and chairing general meetings
- ⊙ rule book amendments—to ensure a good dispute resolution process is in place.

When a dispute is managed in the right way it can be a preventative measure against corporate governance failure. ORIC works with parties in dispute to design a response most suited to the corporation's needs and build their capacity to manage future disputes. Also see ORIC's fact sheet, *Dispute resolution* and policy statement 22: *Disputes involving corporations*.

Well-managed disputes can improve the resilience of a corporation and improve confidence in the sector.

COMPLAINTS ASSISTANCE

One of the functions of the Registrar under the CATSI Act is to assist with complaints involving Aboriginal and Torres Strait Islander corporations.

In 2012–13, ORIC responded to a total of 662 complaints during the year, a nearly 22 per cent increase over the previous year. On average, straightforward complaints were answered within two working days; detailed complaints were finalised in an average of 13 days, while the most complex complaints were resolved in an average of 53 days.

The complexity of complaints has increased over the financial year. This may be due to increased awareness among members and directors of their rights and responsibilities under the CATSI Act.

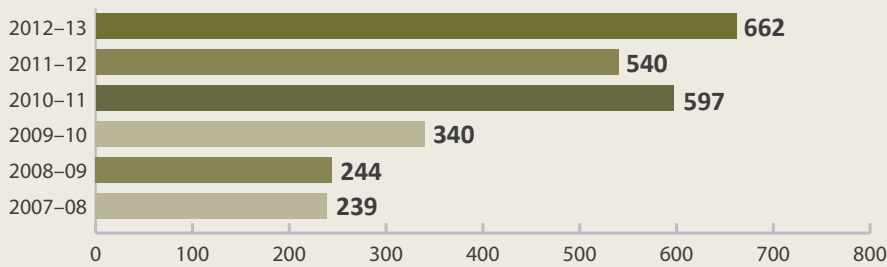
The Registrar can provide the following:

- ⊙ governance information and advice to directors
- ⊙ information on what constitutes a breach of the CATSI Act or the corporation's rule book, and how to rectify it
- ⊙ options that may help resolve the concerns raised
- ⊙ information to members on their rights and responsibilities under the corporation's rule book.

As in previous years, the actions of corporation directors and other officers (including senior staff) continues to be the area of most concern to members.

The Registrar's reputation as an active regulator has led to an increase in complaints.

Figure 6: Number of complaints completed 2007–08 to 2012–13



Review of complaints

Many corporations see complaints as negative. However, complaints can be a barometer of the issues concerning those dealing with corporations. A review of trends in complaints received during 2012–13 reveals the issues of most concern. Figure 7 captures that data.

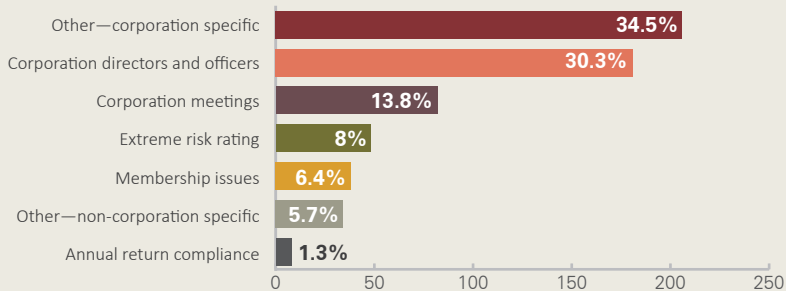
Members demonstrated an increasing knowledge of their rules and good governance, expecting their directors to keep them informed on financial issues, and to demonstrate that they were using the corporation’s funding in accordance with the rules. They also seemed to be more prepared to remove directors if they were failing in their duties (see ORIC factsheet: *Duties of directors* available at www.oric.gov.au).

Members indicated through their complaints to ORIC that they wanted more, not less, information. Of the complaints about meetings, a third related to the failure to call general meetings.

ORIC is in the process of using the data from this exercise to improve the resources available to corporations, their directors and members, to ensure their corporation is practising good governance.

The Registrar publishes a six-monthly statistical overview of complaints—*Complaints involving Aboriginal and Torres Strait Islander corporations* available at www.oric.gov.au.

Figure 7: Complaints received by categories



REGIONAL OFFICE NETWORK

The Registrar has appointed officers in regional and remote areas to provide services directly to corporations.

During 2012–13 ORIC maintained a continued regional officer presence with offices in Alice Springs (NT), Coffs Harbour (NSW), Perth (WA) and Cairns (Qld). Contact details for each of ORIC's regional officers can be found on the ORIC website.

During 2013–14, the Registrar proposes to expand the regional officer program with new offices operating in Darwin and Broome.

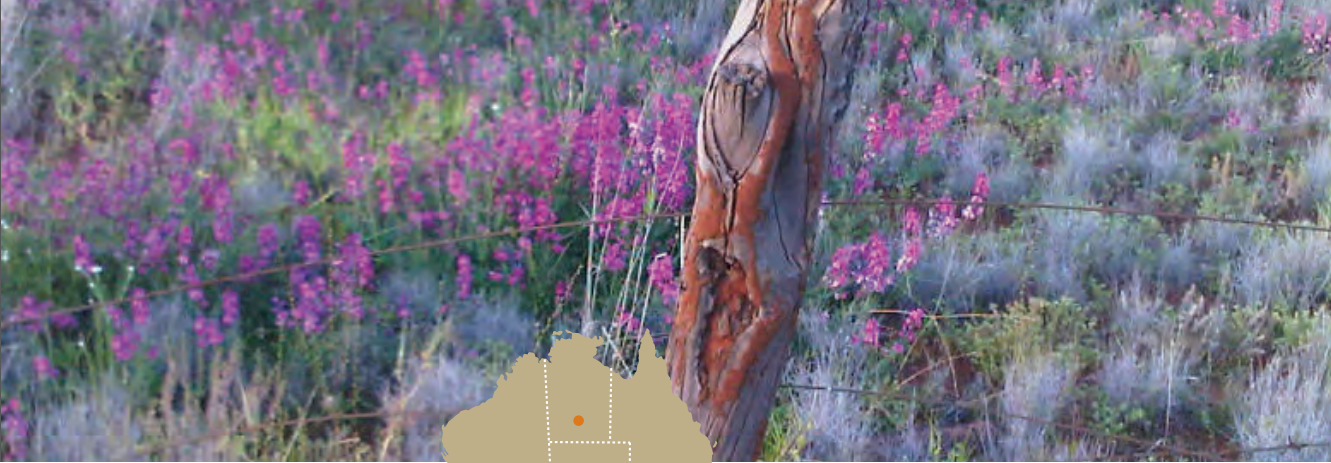
Table 4: Location of ORIC regional offices as at 30 June 2013

ORIC regional offices	Regions supported
Alice Springs	Alice Springs, Tennant Creek, Adelaide, Ceduna, Port Augusta (including Anangu Pitjantjatjara Yankunytjatjara (APY) lands)
Cairns	Cairns, Townsville, Mount Isa, Torres Strait Islands
Coffs Harbour	Coffs Harbour, Dubbo (including Bourke), Sydney, Tamworth, Brisbane, Rockhampton, Roma
Perth	Perth, Geraldton, Kalgoorlie, South Hedland

Cairns, Queensland (Mavis Napatali)

ORIC's Cairns local officer started on 17 May 2012. Based in the Cairns Indigenous Coordination Centre, Mavis helped groups with the governance and day-to-day operation of their corporations, such as their reporting compliance.





Alice Springs, Northern Territory (Bob Turner and George Donaldson)

The Alice Springs regional office has now been operating for just over two years. As the role of the office has become more widely recognised in the Northern Territory and in South Australia, demand for services has increased. At the same time the range of front-line services delivered by the office has expanded to include corporation-specific training, dispute management and handling of complaints.



CASE STUDY: Central Australian Aboriginal Congress Aboriginal Corporation: transfer to CATSI

In late July 2012 the regional office liaised with the then Central Australian Aboriginal Congress Association Inc. about governance issues and its possible transfer to the CATSI Act from Northern Territory legislation.

The regional officers were invited to attend a board meeting in September 2012. At this meeting, Bob and George presented the benefits of registering with ORIC, the steps for incorporation and the strengths of an ORIC-designed rule book.

The board of directors was assured that ORIC staff would provide step-by-step assistance.

The board made a decision to transfer the association's registration and Bob and George helped them to prepare for the general meeting, including development of a CATSI rule book and notice requirements for the general meeting.

The general meeting was held in December 2012 at the Alice Springs Convention Centre and the special resolutions to transfer were passed. The corporation was registered with ORIC on 19 December 2012.

See ORIC's media release of 20 December 2012 on the ORIC website.

Coffs Harbour, New South Wales (Christian Lugnan)

After four years in Coffs Harbour, the regional officer is now a well-known presence in the region and has made good progress in encouraging corporations to lodge their annual returns online.

Having a regional officer on the ground has meant local access to support and training assistance. The personal contact has made a difference to corporations, and members have benefited from a better understanding of ORIC's business. It has also provided corporations with an opportunity to ask questions about governance matters.



CASE STUDY: Native title for the Northern Gomeri Aboriginal Corporation

A group with its members originally from the Gomeri or Kamilaroi people of the North West Slopes and Plains of New South Wales recently registered with ORIC.

The Northern Gomeri Aboriginal Corporation was established to seek native title for the Northern Gomeri people, preserve cultural heritage, provide training opportunities, promote reconciliation with non-Aboriginal people and organisations and develop youth leadership programs to manage youth issues through culturally appropriate occupational and lifestyle training.

The people were working with Indigenous community volunteers

who were aware of ORIC's services and contacted the Coffs Harbour regional office to help them design the corporation's rule book and facilitate the registration process.

Christian met with the group and guided members through the registration process. Discussion focused on good corporate governance practices and what the rule book of the corporation would look like, particularly its objectives, membership and directors' criteria.

The corporation is now up and running with the members working towards gaining their native title and implementing programs and activities for their community.



Perth, Western Australia (Arthur Hyde)

The Perth regional office opened its doors on 10 April 2012. Since then there has been a great demand for ORIC's locally based support in Western Australia. ORIC's presence in the region has steadily been promoted which means that the regional office is the first point of contact for corporations in the state.



CASE STUDY: Recruitment assistance for Karlka Nyiyaparli Aboriginal Corporation

The ORIC recruitment assistance program (ORA) was established to help corporations recruit and retain high-quality staff. Over the past 12 months the Perth regional office has assisted with four ORA projects, some of the highlights are noted below:

The Karlka Nyiyaparli Aboriginal Corporation has received ongoing support from ORIC since 2010–11 through a special administration process and, more recently, the Perth regional office has assisted the corporation to recruit a business and workplace development manager who took up the position in August 2012. The appointment has provided the corporation with the capacity to undertake a range of new initiatives, such as:

- ⊙ establishing a formal business committee that has achieved some good results including securing some \$300 000 of funding for the direct benefit of the Nyiyaparli claimant group
- ⊙ establishing a number of commercial subsidiary companies, including Karlka Developments Pty Ltd, a wholly owned subsidiary of Karlka Nyiyaparli Aboriginal Corporation
- ⊙ setting up joint ventures with Fortescue Metals Group Ltd (FMG) for facility management work worth \$120 million over five years and joint ventures with other major contractors on FMG mines
- ⊙ securing international partnerships with an Alaskan native title group that has a range of training and employment opportunities for local Nyiyaparli people.

Overall, as a result of this appointment, the corporation is achieving great results for its members.

OTHER SUPPORT SERVICES

Recruitment, retention and succession service for corporation staff

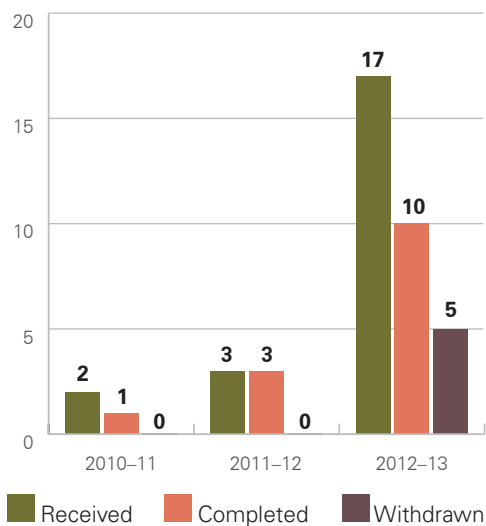
The ORIC recruitment assistance (ORA) program can help corporations registered under the CATSI Act to fill vacant senior positions by:

- ⊙ developing a job package
- ⊙ advertising the position
- ⊙ evaluating applicants
- ⊙ setting up the interview process
- ⊙ preparing the selection report.

ORIC provides its services to eligible corporations free of charge. However, the successful corporations are expected to meet all the costs of recruitment and advertising.

During 2012–13 demand for this service increased significantly from previous years. Seventeen ORA job applications were received and 10 senior management staff were recruited and appointed in corporations through the ORA program during the year.

Figure 8: ORA job applications 2012–13

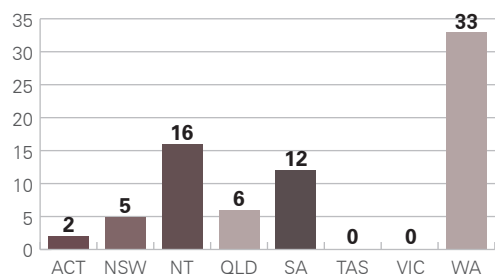


Corporation jobs website service

Corporations can advertise their employment opportunities free of charge on the ORIC website.

Since the start of this service, 226 jobs have been advertised on the ORIC website under corporation jobs. Seventy-four jobs were advertised this financial year.

Figure 9: Corporation jobs advertised on the ORIC website 2012–13



ORIC has also published a series of short, handy guides on explaining the recruitment process, drafting a successful job advertisement and developing useful interview questions. Template employment contracts grouped by state and territory and summaries of employment conditions and relevant industry awards developed under LawHelp by the Australian Government Solicitor can also be found on the ORIC website.

ERICCA

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

Lodging electronically

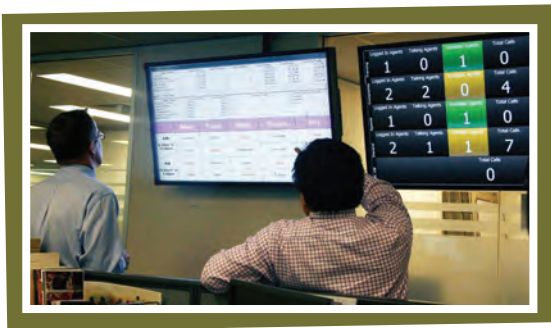
In 2012–13, 33 per cent of all forms were lodged electronically with ORIC. This represents a 2 per cent increase from the previous financial year.

Forty-six per cent of all annual returns were lodged electronically, an increase from last year’s 42 per cent.

Lodging through ORIC’s online lodgment website <https://online.oric.gov.au> makes lodging forms easier and more convenient for corporations.

Call centre enhancements

ORIC received 10 234 calls this financial year on its freecall number which provides a personal information and advice service to clients. A lot of initial contact with corporations is through the freecall telephone service. In 2012–13 ORIC made enhancements to this service, introducing a call recording and monitoring system for training and coaching purposes. A new reporting framework was also introduced to improve monitoring of the call centre operation.



The new call recording and monitoring system

Figure 10: Forms lodged online 2009–10 to 2012–13

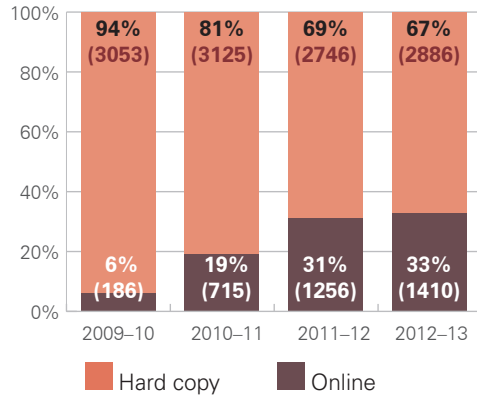


Figure 11: Annual returns lodged online 2009–10 to 2012–13

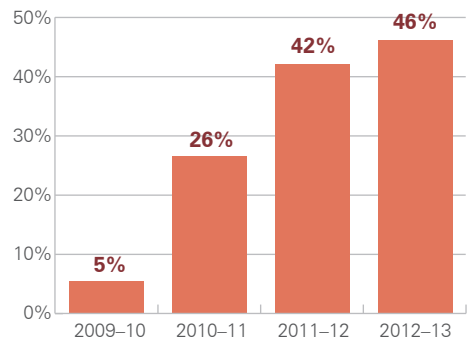
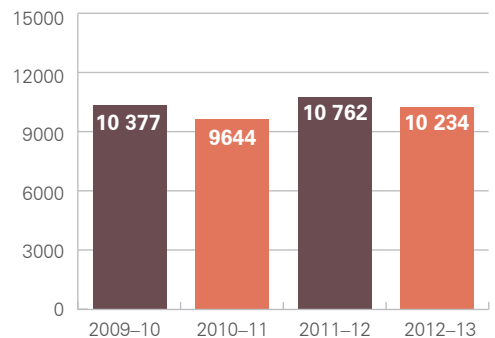


Figure 12: Number of calls to ORIC’s freecall number 2009–10 to 2012–13



REGULATION

Examinations

An examination is a review of the corporate governance and financial management of a corporation. It checks if the corporation is being governed in accordance with its rule book and the CATSI Act; and whether the directors are complying with their obligations under the rule book and the CATSI Act.

An examination also checks that proper financial records are kept and that proper procedures are in place to manage the corporation's financial affairs. An examination also reports on the current financial position of a corporation.

Examinations contribute towards the intent of the CATSI Act as a special measure to advance and protect the interests of Aboriginal and Torres Strait Islander people and their respective cultures. It is an important measure particularly when a corporation is publicly funded, provides essential services or community infrastructure, or holds interests in native title.

ORIC's policy statement 25: *Examinations* sets out more detailed information about examinations. The policy statement is available on the ORIC website.

ORIC completed 51 examinations of corporations in 2012–13 as set out in the following tables.

Table 5: Examinations by state/territory 2012–13

Location by state/territory	Number of corporations
Australian Capital Territory	0
New South Wales	7
Victoria	2
South Australia	4
Western Australia	13
Northern Territory	11
Queensland	14
Tasmania	0
Total	51

The 2012–13 examination program focused on the following sectors:

Table 6: Examinations by sector 2012–13

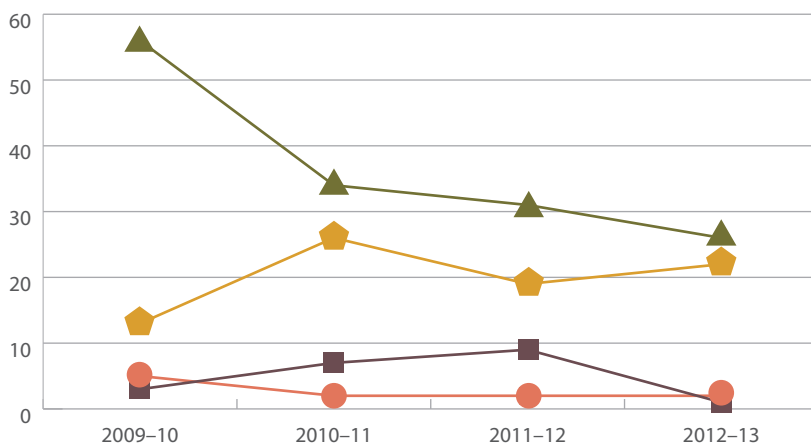
Sectors	Number of examinations
Health (including aged care and child care)	8
Native title representative body (NTRB)	1
Native title	4
Community stores	0
CDEP	4
Community councils	4
Community services	9
Housing	4
Employment and training	2
Land management	6
Art centres	1
Education/schools	2
Other (link-up, women, legal services, municipal services, language, sport and recreation)	6
Total	51

Outcomes of examinations

Of the 51 examinations conducted in 2012–13, the outcomes were as follows:

- ⊙ 26 corporations (51 per cent) required rectification of less serious matters which were settled through the issue of a compliance notice under section 439-20 of the CATSI Act
- ⊙ 22 corporations (43 per cent) were operating well and required no further action, they were sent a management letter
- ⊙ one corporation (2 per cent) had serious findings and was issued with a notice under section 487-10 of the CATSI Act to show cause why the corporation should not be placed under special administration
- ⊙ two corporations (4 per cent) were asked to seek advice about a possible insolvent position.

Figure 13: Outcomes of examinations 2009–10 to 2012–13



Examination outcomes	2009-10	2010-11	2011-12	2012-13
▲ Compliance notices	56	34	31	26
⬠ Management letters	13	29	19	22
■ Show cause notices	3	7	9	1
● Possible insolvencies	5	2	2	2
Total	77	72	61	51

CASE STUDY: Examination resulting in a compliance notice

The Bindal Sharks United Training, Employment, Sport and Recreation Aboriginal Corporation incorporated on 3 February 1998.

The corporation is based in Annandale, a suburb of Townsville, Queensland, and has 109 members and a board of five directors. Its main activities are providing employment and training services for the Townsville and broader northern Queensland Aboriginal and Torres Strait Islander community. The corporation also runs its own rugby league team in the local Townsville competition. The corporation celebrated 25 years of operation last year.

The corporation is funded by a number of Commonwealth departments. It also earns substantial self-generated income through donations, its training and employment programs and by leasing its venue and facilities.

The corporation also owns and operates a property where the corporation's offices, multi-purpose room and kitchen are located. Adjacent to this property are a toilet block and change rooms and two football grounds with seating.

The corporation was identified for examination as part of the Registrar's annual rolling program of examinations.

The examiners reported that, while the corporation had some good governance practices in place, there were some areas that needed attention. ORIC issued the corporation with a compliance notice outlining breaches by the corporation against the corporation's rules and the CATSI Act after the examination.

In consultation with ORIC staff, the directors and administrative staff worked through each matter to ensure all matters in the compliance notice were addressed by the directors within the prescribed timeframes.

Special administrations

Special administrations enable the Registrar to provide early proactive regulatory assistance to corporations when they experience financial or governance difficulties.

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

Before a corporation is placed under special administration it is accorded natural justice through a show cause procedure. The corporation is invited to respond and say why it should not be placed under special administration. The length of time a corporation has in which to show cause to the Registrar will depend on the circumstances of a particular corporation, but it is the usual practice of the Registrar to allow at least 14 days.

The primary aims of a special administration are to:

- ⊙ restore good operational order to the corporation—for example, when the corporation is not complying with a provision of the CATSI Act or its rule book, is experiencing financial difficulties or there is a dispute within the corporation
- ⊙ restructure the corporation—for example, where the directors or members ask the Registrar to intervene to review the governance structures of the corporation or restructure its business.

The grounds for special administrations are broad. They are not restricted to insolvency or the inability to pay a debt. Section 487-5(1) of the CATSI Act outlines the grounds on which the Registrar can determine to place a corporation under special administration.

Refer to policy statement 20: *Special administrations* on ORIC's website for further information.

Number of corporations placed under special administration

At the start of 2012–13, four special administrations continued on from the previous year.

Six new special administrations were commenced during 2012–13. Two of the new special administrations (or 33 per cent) were started after the directors asked the Registrar for assistance.

Nine special administrations ended during 2012–13, leaving one special administration in progress as at 30 June 2013.

Eight of the nine special administrations that ended (89 per cent) resulted in the corporation being handed back to its members (see tables 7 and 8).

Only one corporation remained in special administration at the end of this financial year.

Table 7: Special administrations continuing from 2011–12

Date appointed	ICN	Corporation	Special administrators	Date ended	Outcome
12 December 2011	1816	Katungul Aboriginal Corporation Community and Medical Services	Alan Eldridge	28 September 2012	Handed back to members control
1 March 2011	7657	Laynhapuy Homelands Aboriginal Corporation	Gerry Mier	31 October 2012	Handed back to members control
26 April 2011	1511	Six Rivers Aboriginal Corporation	Danny Keep and Natasha Keep	28 September 2012	Handed back to members control
30 April 2011	3214	Walhallow Murri Enterprise Aboriginal Corporation	Peter Saunders	28 October 2012	Handed back to members control

Table 8: Corporations placed under special administration during 2012–13

Date appointed	ICN	Corporation	Special administrators	Date ended or due date	Outcome
13 August 2012	7082	Many Rivers Regional Housing Management Services Aboriginal Corporation	Glen Walker	1 February 2013	Handed back to members control
2 August 2012	918	Umpi Korumba Aboriginal and Torres Strait Islander Corporation for Housing	Peter Saunders	1 February 2013	Handed back to members control
18 October 2012	355	Aboriginal and Torres Strait Islanders Corporation for Welfare Services	Peter McQuoid	31 May 2013	Handed back to members control
16 October 2012	563	Amundurrngu Mt Liebig Community Store (Aboriginal Corporation)	Austin Taylor and Stuart Reid	10 January 2013	Liquidator appointed
19 October 2012	2964	Coolgaree Aboriginal Corporation	Alan Eldridge	30 June 2013	Handed back to members control
31 October 2012	29	Bawinanga Aboriginal Corporation	Peter Lanthois and Stephen Duncan	31 August 2013	In progress as at 30 June 2012



CASE STUDY: Request from directors for assistance

On 6 December 2011 the Minister for Families, Community Services and Indigenous Affairs, Jenny Macklin MP and the Minister for Indigenous Health, Warren Snowdon MP, announced a package of funding reforms for the Laynhapuy Homelands Association Incorporated (Laynhapuy) to address governance, administration and financial concerns.

A short time after this announcement Laynhapuy transferred its registration from the *Associations Act 2003* (NT) to the CATSI Act.

The Laynhapuy Homelands Aboriginal Corporation (Laynhapuy) is based at Yirrkala and provides a range of services to approximately 30 homeland communities located in north-east Arnhem Land in the Northern Territory. The main services provided include:

- ⊙ employment and training opportunities
- ⊙ primary and secondary health services
- ⊙ housing and infrastructure maintenance
- ⊙ essential municipal services
- ⊙ land and sea management
- ⊙ cultural support.

On 12 January 2012 the directors of Laynhapuy contacted the Registrar and requested the appointment of a special administrator to help them resolve the matters of concern to the Ministers.

On 23 January 2012 the Registrar appointed Mr Gerry Mier from KPMG Cairns as the special administrator.

During the special administration Mr Mier, with assistance and support from the members, staff and funders of the corporation managed to resolve the corporation's governance, administration and financial concerns, restructure the corporation and hand it back to the control of a new board of directors as a viable corporation with a very bright future.

Some of the main outcomes of the special administration were:

- ⊙ a full suite of organisational and operational reforms
- ⊙ improved financial management and corporate governance processes
- ⊙ all outstanding trade creditors and suppliers paid in full
- ⊙ a new rule book tailored to the corporation
- ⊙ a new board of directors including two independent specialist directors.

The corporation was handed back to members on 31 October 2012 in a stronger and more viable financial position to support its homelands.

Even though the special administration was a very complex process with many issues to resolve, it took just over nine months to complete.

INVESTIGATIONS AND PROSECUTIONS

The Registrar undertook a range of criminal and civil litigation to address serious cases of poor corporate governance and breaches of duty.

Criminal matters

Matters in progress

Sandra Newman—*Orana Aboriginal Corporation*

On 13 March 2013 Ms Sandra Gail Newman, a former director and manager of Orana Aboriginal Corporation, pleaded guilty in the Dubbo Local Court on CATSI Act charges. The charges were in relation to misusing her position and being dishonestly involved in 80 separate payments, totalling \$67 776.85. Ms Newman also pleaded guilty to not acting in good faith in the best interests of the corporation or for a proper purpose in causing the payments to be made to her. Ms Newman will be sentenced on 8 November 2013.

Finalised

Annual returns prosecutions—*various*

During 2012–13, 32 corporations were prosecuted for failing to lodge their annual reports with the Registrar. Corporations that don't lodge their reports by 31 December may face prosecution, along with the secretaries of large corporations. The maximum penalty for each report not lodged is \$21 250 for corporations and \$850 for secretaries. The prosecutions program focused on all corporations, regardless of size, that did not lodge their reports. Fines imposed during 2012–13 totalled \$77 490.

Hika Te Kowhai (aka Stewart) and Shane Carriage—*former directors of Gudhuga Aboriginal Corporation*

In October 2012 Mr Hika Te Kowhai was sentenced to 10 months imprisonment and Mr Shane Carriage to seven months

imprisonment, after they had pleaded guilty to taking and selling property of the corporation and using the proceeds for their own use. Both sentences were subsequently reduced on appeal.

Valmai O'Brien—*former CEO of Mitakoodi Aboriginal Corporation*

On 2 November 2012 Ms Valmai O'Brien, the former CEO of Mitakoodi Aboriginal Corporation, was sentenced to six months' imprisonment released forthwith on a good behaviour bond for 12 months. Ms O'Brien had pleaded guilty to CATSI Act offences of knowingly making a false statement and one breach of releasing information knowing it to be misleading.

Pamela Malden—*former CEO of the Yuendumu Women's Centre Aboriginal Corporation*

On 4 June 2013 Ms Pamela Malden, the former CEO of the Yuendumu Women's Centre Aboriginal Corporation was sentenced to 15 months' imprisonment with a minimum of three months to be served in custody. She was also ordered to repay \$41 746.23 to the Yuendumu Women's Centre. Ms Malden had entered a guilty plea to a number of offences under section 265-25(3)(a) of the CATSI Act for misusing her position to gain an advantage for herself, as well as a number of offences in relation to creating and using a forged document.

Civil matters

Commenced/ongoing

Registrar v Leigh Kerkhoffs—*QUD 367 of 2013*

On 28 June 2013 the Registrar commenced civil penalty proceedings in the Federal Court in Brisbane against Ms Leigh Kerkhoffs, the former chairperson of the Aboriginal and Torres Strait Islander Corporation for Welfare Services in Mount Isa. The action followed an investigation by the Registrar, which found the books and records of the corporation to be in complete disarray

and evidence to support an allegation that Ms Kerkhoffs had used her position to write off a significant amount of rent she owed to the corporation at a time when the corporation was insolvent.

The Registrar has applied to the Federal Court for declarations of contravention and orders disqualifying Ms Kerkhoffs from managing Aboriginal and Torres Strait Islander corporations. The Registrar is also seeking orders against Ms Kerkhoffs for a monetary penalty and a compensation payment to the corporation.

***Registrar v Damien Matcham and Ors—
NSD 119 of 2012***

On 25 January 2012 the Registrar applied for and was granted freezing orders under section 576-20 of the CATSI Act, against the former CEO of Katungul Aboriginal Corporation Community and Medical Services (Katungul). The orders were obtained after ORIC conducted an examination of Katungul which revealed a range of payments made to Mr Matcham totalling more than \$700 000.

***Registrar v Damien Matcham—
NSD 908 of 2012***

On 28 June 2012 the Registrar commenced civil penalty proceedings against the former CEO of Katungul, alleging contraventions of the CATSI Act. The Registrar is seeking a pecuniary penalty of up to \$200 000 per contravention, compensation orders and an order disqualifying Mr Matcham from managing Aboriginal and Torres Strait Islander corporations.

Finalised

***Registrar v Gerald Hoskins—
NSD 2281 of 2011***

On 16 December 2011 the Registrar applied for and was granted freezing orders under section 576-20 of the CATSI Act against the former CEO of Durri Aboriginal Corporation Medical Service (Durri). The orders were sought after ORIC conducted an examination of Durri which revealed that bonuses of \$202 312

were paid to Mr Hoskins without evidence that these payments were approved by the directors. The freezing orders were discontinued when final orders were made against Mr Hoskins in October 2012.

***Registrar v Gerald Hoskins—
NSD 717 of 2012***

On 25 May 2012 the Registrar commenced civil penalty proceedings in the Federal Court in Sydney against the former CEO of Durri. The proceedings alleged that in 2010 and 2011 Mr Hoskins arranged for bonus payments to himself of \$202 312, charged expenses of a personal nature to his corporate credit card and approved unauthorised payments to related parties of Durri. In October 2012 judgment was handed down against Mr Hoskins. The Federal Court found that Mr Hoskins had not exercised due care and diligence and had not acted in good faith in the best interests of Durri. Mr Hoskins was disqualified from managing an Aboriginal corporation* for 15 years and ordered to pay a pecuniary penalty of \$100 000 to the Commonwealth.

***Registrar v Ponto and Ors—
NTD 8 of 2011***

On 24 January 2012 the Federal Court in the Northern Territory found that Mr Simon Ponto and Mr Dwarka Dass had breached the trust and confidence of members of the Ngukurr Progress Aboriginal Corporation (NPAC) and the Ngukurr community in that they tried to access the corporation's funds without the knowledge or consent of the NPAC board.

Simon Ponto was disqualified from managing an Aboriginal corporation* for three years, and Dwarka Dass was disqualified for four years. The court found there was insufficient evidence to make orders against three other defendants, who were also directors.

*For a list of officers disqualified from managing Aboriginal and Torres Strait Islander corporations see the Registrar's Register of Disqualified Officers on www.oric.gov.au.

Governance: support services

TRAINING

ORIC's training programs are centred on the Registrar's commitment to increase corporate governance knowledge, skills, efficiency and accountability within corporations. Training is available to directors, members and key staff by way of residential training in ORIC's Managing in Two Worlds program; and in workshops delivered in community through corporation-specific programs.

The Managing in Two Worlds program includes:

- ⊙ Introduction to Corporate Governance (ICG) workshops held over three days
- ⊙ Certificate IV in Business (Governance) which is delivered in four one-week blocks
- ⊙ Diploma of Business (Governance) which is delivered in four one-week blocks.

Corporation-specific training (CST) is provided to individual corporations which request training. It is usually held at a corporation's premises or within the community. CST training is delivered over one or two days. The range of CST workshops includes:

- ⊙ pre-incorporation doorway training (including transfers and amalgamations). It provides information on the CATSI Act requirements and processes for an organisation to become incorporated under the Act
- ⊙ rule book design and re-design which is targeted at helping corporations to develop a new rule book under the CATSI Act

- ⊙ corporation/post-administration governance training that addresses specific governance issues a corporation may have; post-administration training focuses on the underlying issues that led to special administration
- ⊙ support and mentoring training that provides support and practical information in running a corporation
- ⊙ Building Strong Stores (BSS) which is a two-day program designed specifically for corporations that manage a community store.

Overall training delivered

In 2012–13, ORIC delivered training to 897 participants from 198 corporations—the highest number of participants ever. 92.5 per cent of participants reported a significant or very significant increase in corporate governance knowledge.

Table 9: Overall training delivered 2012–13

	Estimate	Actual
Participants	835	897
Corporations	115	198
Significant or very significant increase in corporate governance knowledge	90%	92.5%

Introduction to Corporate Governance (ICG)

The ICG workshops introduce key concepts and principles of good corporate governance for Aboriginal and Torres Strait Islander corporations. This program is the prerequisite for ORIC's accredited Certificate IV in Business (Governance).

ORIC delivered 11 ICG workshops across Australia in 2012–13. A total of 339 people participated in an ICG, representing 123 corporations, as indicated on the following map and in the following table.

Figure 14: Map of Managing in Two Worlds training delivered 2012–13

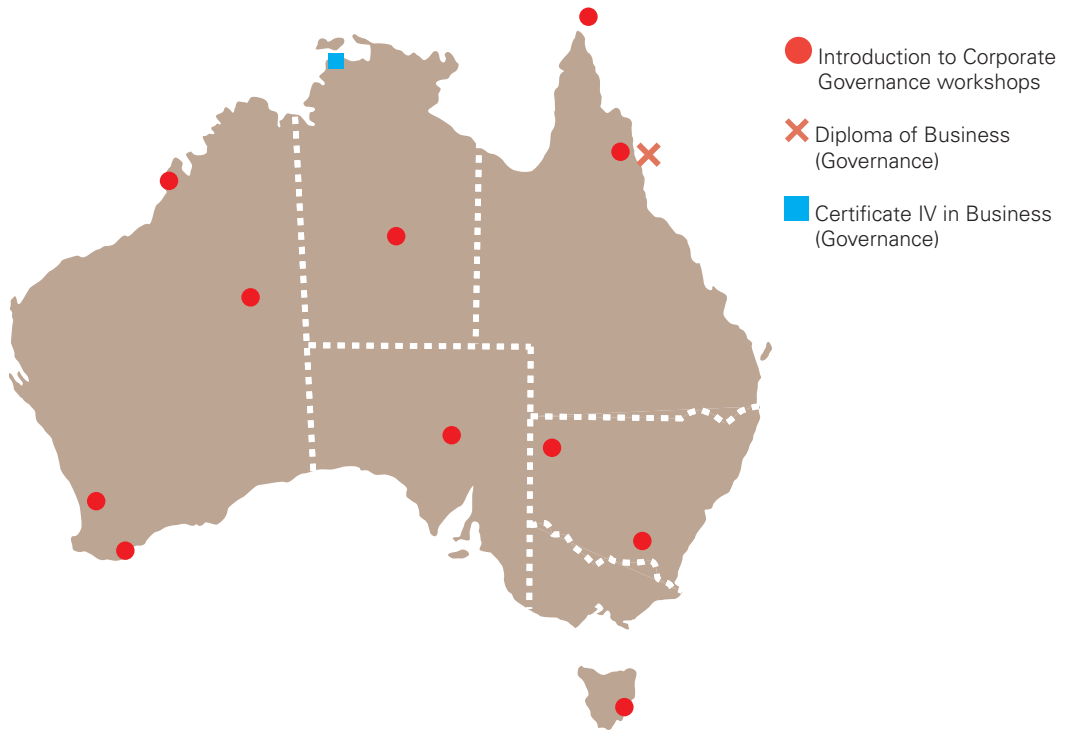


Table 10: Introduction to Corporate Governance workshops 2012–13

Date	Location	Participants	Corporations
July 2012	Wagga Wagga	18	8
August 2012	Kununurra	30	8
September 2012	Horn Island	35	16
October 2012	Port Augusta	32	8
October 2012	Mareeba	50	17
November 2012	Broken Hill	25	8
December 2012	Broome	29	17
February 2013	Albany	31	13
March 2013	Tennant Creek	24	10
April 2013	Hobart	18	5
May 2013	Perth	47	13
Total	11	339	123

Certificate IV in Business (Governance)

ORIC funded one Certificate IV course in Darwin in 2012–13. Participants were drawn from the Northern Territory and Queensland.

Table 11: Certificate IV in Business (Governance) 2012–13

Location	Number of students graduating
Darwin	
Block 1: 27–31 August 2012	
Block 2: 24–28 September 2012	14
Block 3: 22–26 October 2012	
Block 4: 26–30 November 2012	

Diploma of Business (Governance)

ORIC sponsored one Diploma of Business (Governance) course in 2012–13. The course was held in Cairns and targeted students from the Northern Territory, Queensland and New South Wales. Sixteen students enrolled with 11 completing the course.

Table 12: Diploma of Business (Governance) 2012–13

Location	Number of students graduating
Cairns	
Block 1: 18–22 February 2013	
Block 2: 18–22 March 2013	11
Block 3: 29 April–3 May 2013	
Block 4: 3–7 June 2013	

Corporation-specific training

ORIC delivered 73 separate corporation-specific workshops to 528 participants and 73 corporations. The most commonly requested and delivered training was in governance with 51 workshops delivered, followed by four Building Strong Stores workshops.

Most CST workshops were delivered in the Northern Territory which reflects the greater distribution here of corporations registered under the CATSI Act. Many of the workshops were in remote locations including the far north of Western Australia, inland Queensland and the Gulf country of the Northern Territory.

Figure 15: Corporation-specific training by state/territory 2012–13

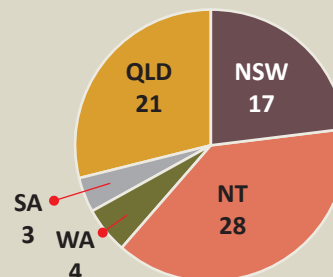


Table 13: Corporation-specific training workshops delivered 2012–13

Date	Location	Participants	Corporations
July 2012	Redfern	10	2
July 2012	Gunnedah	8	2
July 2012	Windsor	4	1
July 2012	Ceduna*	6	
August 2012	Townsville	14	3
August 2012	Darwin	4	1
August 2012	Perth	6	1
September 2012	Ngukurr	12	5
September 2012	Peppimenarti	7	1
September 2012	Emu Point	9	1
September 2012	Lingarra homelands	16	1
September 2012	Alice Springs*	43	
October 2012	Milyakburra, Bickerton Island	7	1
October 2012	Ramingining	8	2
October 2012	Milingimbi	14	1
October 2012	Croker Island*	11	
October 2012	Alice Springs*	39	
November 2012	Bulla	7	1
November 2012	Taree	8	1
December 2012	Epenarra	9	1
December 2012	Canteen Creek	7	1
January 2013	Albury	7	2
February 2013	Sydney	16	3
February 2013	Alice Springs	8	1
February 2013	Mount Magnet	7	1
February 2013	Nhulunbuy	8	1
March 2103	Campbelltown	4	1
March 2103	Mount Isa	26	2
March 2103	Narrandera	6	1
April 2013	Brisbane	13	2
April 2013	Emerald	7	1
April 2013	Barcaldine	6	1
April 2013	Kempsey	4	1
April 2013	Fregon (APY lands)	12	1
April 2013	Cairns	9	1
April 2013	Yarralin	5	1
April 2013	Hodgson Downs	9	1
May 2013	Rockhampton*	20	
May 2013	Brungle (Tumut)	6	1
May 2013	Dubbo	12	1
May 2013	Orange	4	1
May 2013	Caboolture	5	1
May 2013	Cloncurry	4	1
May 2013	Mount Isa	7	1
June 2013	Alice Springs	10	1
June 2013	Mornington Island	2	1
June 2013	Mulan	8	3
June 2013	Adelaide	5	1
June 2013	Halls Creek	5	1
June 2013	Townsville	13	6
June 2013	Mareeba	21	7
June 2013	Cairns*	10	
Total		528	73

*Pre-incorporation workshops

MENTORING AND SUPPORT

ORIC provided mentoring and support to one corporation in the Lingarra homelands in the Northern Territory and visited the corporation three times in 2012–13.

PARTNERSHIPS

ORIC remains committed to maintaining training partnerships with a number of state and territory governments as follows:

Victoria partnership

ORIC has had a partnership with Aboriginal Affairs Victoria and Consumer Affairs Victoria since 2006. The current memorandum of understanding (MoU) was renewed on 17 May 2013 for another three years. ORIC continues to provide the Victorian partners with a non-exclusive licence to use the Managing in Two Worlds training packages.

New South Wales partnership

A MoU with the New South Wales Department of Fair Trading was signed in October 2010. Under this MoU, ORIC delivers workshops in New South Wales which are open to participants from NSW-registered associations.

Western Australia partnership

A MoU with the Department of Aboriginal Affairs Western Australia and Department of Commerce Western Australia was signed in September 2010. Under this MOU, ORIC delivers training in Western Australia which is open to participants from WA-registered associations.

OTHER HIGHLIGHTS

- ◎ The Cairns Diploma of Business (Governance) was the first course delivered by ORIC under a new qualification which came into effect in January 2011. ORIC developed 10 new learning resources to support students in this qualification.
- ◎ ORIC staff member Russell Styche was awarded an Australia Day merit award by the Secretary of FaHCSIA*, Finn Pratt, for his outstanding contribution in assisting Aboriginal and Torres Strait Islander communities. Russell received the award for his commitment and passion to increase the knowledge and wellbeing of Aboriginal and Torres Strait Islander people in remote communities, locally and in the workforce.

* Following the issuing of the Administrative Arrangements Order on 18 September 2013 the Department of Families, Housing, Community Services and Indigenous Affairs ceased to exist with the department's responsibilities now delivered by the Department of Social Services and the Department of Prime Minister and Cabinet.

CASE STUDY: Directors' duties and responsibilities

In May 2013 Dubbo's Aboriginal Land Council held the first governance training for a representative community group.

Director of Wirrimbah Direct Descendants Aboriginal Corporation, Geoffrey Ryan, had the following to say about the intensive two-day training:

The main thing we learnt was how to properly know our duties and responsibilities with the corporation. It was all the nitty gritty details. As traditional owners we want to show the way forward for other Indigenous groups—proper governance training.

The corporation was incorporated in 1998. Wirrimbah means to 'preserve', and the corporation aims to protect and maintain the cultural heritage of the traditional Aboriginal people.

The governance training conducted by the Registrar was a comprehensive overview of all aspects related to the day-to-day running of a corporation. It looked at who is responsible for what, sound financial management and other practical skills to ensure the corporation had good governance processes in place.

The main thing we learnt was how to properly know our duties and responsibilities with the corporation. It was all the nitty gritty details. As traditional owners we want to show the way forward for other Indigenous groups—proper governance training.



Judy Riley, Missy Riley, Russell Styche (ORIC), Arna Kerklaan, Geoffrey Ryan, Rebecca Wells, Kathy Hill, Sopa Ryan, Casey Wells and Lewis Burns attended ORIC's governance training.

A decorative image featuring two tin cans on a white surface. One can is upright in the background, and another is lying on its side in the foreground. Three butterflies are scattered around the cans: a red one near the upright can, an orange one near the top right, and a black one near the opening of the lying can.

COMMUNICATIONS AND RESEARCH

The Communications and Research Section has responsibility for overseeing ORIC's communications and policies, including managing ORIC's publications, research, events, key corporate documents, website and media liaison.

Research publications published in 2012–13 include:



The top 500 Aboriginal and Torres Strait Islander corporations 2010–11

In September 2012 ORIC published its fourth annual report on the 500 top-earning corporations

registered under the CATSI Act. The report looks back at the financial year 2010–11 and analyses a range of data submitted by corporations as part of their annual reporting requirements.

The top 500 Aboriginal and Torres Strait Islander corporations 2010–11 ranks corporations from one to 500 according to their income, but it also presents a number of other interesting findings.

For example, in a first since the Registrar commissioned the research, the top 20 corporations earned more from self-

generated income than from funding received through government grants.

Other key findings show that the average income of the top 500 corporations increased from \$2.33 million in 2009–10 to almost \$2.86 million in 2010–11.

The representation of women as directors on boards reached 54.7 per cent (up 0.6 per cent from 2009–10) while 51 years was the average age of directors with little difference between the genders.

The report also includes a case study of one of the oldest Aboriginal corporations—Ngarliyarndu Bindirri Aboriginal Corporation (NBAC)—located in Roebourne in the Pilbara region of Western Australia. It came in at number 122 in the rankings. While NBAC operates out of one of the richest mining areas in the world, its success is based on a smooth transition from delivering a CDEP (Community Development Employment Projects) program to broader activities that support the community.

Remuneration— a report benchmarking the salaries of Aboriginal and Torres Strait Islander corporations



In March 2013 ORIC published its second research report for the financial year.

Remuneration—a report benchmarking the salaries of Aboriginal and Torres Strait Islander corporations uses information supplied by corporations registered under the CATSI Act to reveal salary scales, bonuses and other financial benefits paid to CEOs, directors and other senior staff in 2011 and 2012. It also examines the policies and procedures that corporations have in place to set and review these payments.

The Registrar commissioned the report in response to concerns that some payments to CEOs and directors were not authorised by the corporation and not in the best interests of the corporation.

While the report does not reveal any major systemic problems within the sector it does uncover a number of interesting findings, for example:

- ⊙ CEOs of Aboriginal and Torres Strait Islander corporations are on average paid less than their counterparts in similar-sized organisations in the broader not-for-profit sector
- ⊙ the total remuneration received by CEOs in 2012 averaged \$122 448 and ranged between \$44 084 and \$382 770
- ⊙ the average CEO remuneration was highest in Western Australia, South Australia and New South Wales
- ⊙ in 2012 some 10.6 per cent of CEOs received bonuses
- ⊙ the highest amount of remuneration paid to a director in 2012 was \$142 940 although the majority of remunerated directors received less than \$10 000.

ORIC Oracle newsletter

One of ORIC's core publications, the *ORIC Oracle* newsletter, is published four times a year (August, November, February and May) and is distributed to all corporations registered under the CATSI Act as well as to stakeholders and general subscribers. It is also available on the ORIC website under the 'publications' tab.



Fact sheets

ORIC also produces a number of helpful fact sheets. Current topics include:

- ⊙ Amalgamation—information for existing corporations
- ⊙ Special administrations: what members and directors should know
- ⊙ Special administrations: what funding agencies, creditors and employees should know
- ⊙ Disqualification from managing corporations under the CATSI Act
- ⊙ Secretaries and contact persons
- ⊙ Corporation size and financial reporting
- ⊙ Related party financial benefits
- ⊙ Meetings
- ⊙ What's in the corporation's rule book?
- ⊙ What the CATSI Act means for funding bodies
- ⊙ Duties of directors and other officers
- ⊙ Native title
- ⊙ The CATSI Act and the Corporations Act—some differences
- ⊙ Dispute resolution (new)
- ⊙ Members' rights (new)
- ⊙ Complaints involving corporations (new)

A new information sheet, *Lodge online*, was produced in April 2013 to help and encourage corporations to lodge their annual reports electronically. The information sheet provides easy step-by-step instructions.



Policy statements and media releases

Guidance on legislation is also provided through policy statements. As at 30 June 2013 there were 25 policy statements available on the ORIC website. All policy statements were reviewed and updated in the first quarter of 2013.

Thirty-five media releases were issued in 2012–13.

All publications are available on the ORIC website www.oric.gov.au.



Spotlight on

At the beginning of each month, ORIC highlights on its website home page the activities and achievements of a different Aboriginal and Torres Strait Islander corporation. 'Spotlight on' is an opportunity for corporations to share their good news stories.



July 2012: Warnayaka Art and Cultural Aboriginal Corporation



August 2012: Ashburton Aboriginal Corporation



September 2012: Goojarr Goonyool Aboriginal Corporation



October 2012: Guriwal Aboriginal Corporation



November 2012: South East Tasmanian Aboriginal Corporation



December 2012: Queensland Remote Aboriginal Media (Aboriginal Corporation)



January 2013: North Coast Aboriginal Corporation for Community Health



February 2013: Kool Purple Kookas Indigenous Corporation



March 2013: Murujuga Aboriginal Corporation



April 2013: Aputula Aboriginal Corporation



May 2013: East Journey Aboriginal Corporation



June 2013: Kojonup Aboriginal Corporation



3

**Other
.....
initiatives**



LAWHELP

Approximately 60 per cent of Aboriginal and Torres Strait Islander corporations are located in remote or very remote parts of Australia and do not have ready access to quality legal services.

LawHelp is a pro bono legal scheme designed to assist not-for-profit Aboriginal and Torres Strait Islander corporations registered under the CATSI Act. It was set up by the Registrar, with the support of the Australian Government Solicitor, volunteer lawyers and major Australian legal firms in response to a clear need.

Between 1 July 2012 and 30 June 2013 there were 11 participating lawyers and law firms on the LawHelp panel:

- ⊙ Allens
- ⊙ Ashurst
- ⊙ Australian Government Solicitor (AGS)
- ⊙ Clayton Utz
- ⊙ DLA Piper Australia
- ⊙ HWL Ebsworth Lawyers
- ⊙ Jackson McDonald
- ⊙ Minter Ellison Lawyers
- ⊙ Lipman Karas
- ⊙ Williams, Love and Nicol
- ⊙ Tress Cox

The LawHelp assessment panel consists of three members—the manager of pro bono services from the Australian Government Solicitor, a lawyer from the community services sector and an Aboriginal lawyer with the Department of Health. ORIC manages the LawHelp secretariat and provides administrative support.

Corporations registered under the CATSI Act can apply to LawHelp for assistance with a range of legal matters, from basic tax issues to drafting employment contracts to interpreting the law. The scheme cannot, however, help with matters already funded by government

such as native title or legal action in any court or tribunal, or matters that could conflict with the interests of the Australian Government. LawHelp can only help corporations not individuals.

During the year 16 applications were received. Fourteen of these applications were approved and successfully referred to some of Australia's top law firms.

Figure 16: Number of LawHelp applications received by state and territory 2012–13

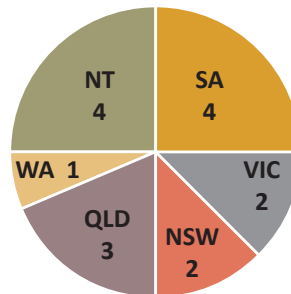
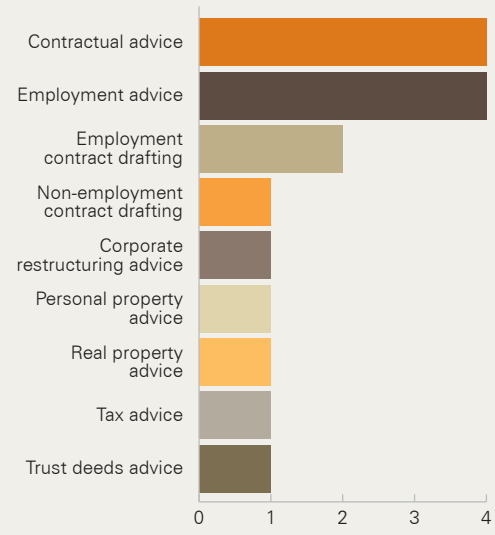


Figure 17: Number of LawHelp applications received by types of matters 2012–13



LawHelp application forms and guidelines are available at www.oric.gov.au, by emailing LawHelp@oric.gov.au or by telephoning freecall 1800 622 431 (not free from mobiles).

PARTNERING WITH THE ANU

Early in 2013 the Australian National University (ANU) approached the Registrar to extend the research project started in July 2010. This was to allow further time to finalise the report. Originally the closing date was set at 30 June 2013.

The project is investigating how Aboriginal and Torres Strait Islander corporations can improve their accountability both to government and their communities. A post-doctoral fellow and a PhD student from the ANU have completed their field research as well as collated information from ORIC's databases. It is expected that the final research report may inform ORIC's approach to corporate governance training in communities.

VOLUNTEERING

As part of ORIC's volunteer opportunities program seven staff from the Canberra office volunteered their time and skills to help out Ngunnawal Aboriginal Corporation at its NAIDOC event in Yass on Tuesday 9 July. Staff set up tables and chairs, decorated the hall and helped to serve lunch.



ORIC staff volunteering at the Ngunnawal Aboriginal Corporation

NAIDOC WEEK

Each year ORIC staff look forward to participating in NAIDOC* week. This year it was held in the second week in July with the theme 'We value the vision: Yirrkala Bark Petitions 1963'. As usual, the week for Canberra-based staff was filled with activities such as:

- ⊙ the NAIDOC ball, black tie event at the Canberra Convention Centre on Saturday evening, 6 July
- ⊙ ORIC stall at the NAIDOC family day on Acton Peninsula in Canberra on Sunday 7 July
- ⊙ the Aboriginal and Torres Strait Islander memorial ceremony at the Australian War Memorial on Wednesday 10 July. As in previous years, ORIC staff laid a wreath in recognition of the service and sacrifice of Aboriginal and Torres Strait Islander members of the Australian Defence Force
- ⊙ the Aboriginal Hostels Limited luncheon at the National Convention Centre, Canberra, on Friday 12 July.

* National Aboriginal and Islander Day Observance Committee.



ORIC staff during NAIDOC week

ORIC wreath laid at the War Memorial



Accountability

FREEDOM OF INFORMATION

The Registrar's website implements the Office of the Australian Information Commissioner's model web page, including a freedom of information (FOI) disclosure log and the Information Publication Scheme.

Eleven FOI requests were made to the Registrar between 1 July 2012 and 30 June 2013. Ten requests were finalised by 30 June 2013.

COMPLAINTS ABOUT ORIC STAFF

ORIC responds to complaints about its staff and contractors in accordance with policy statement 3: *Complaints about the Registrar's staff and contractors*. ORIC tries to respond promptly, thoroughly and sensitively to complaints. During 2012–13, four complaints about staff and contractors were received. All complaints have been resolved.

COMMONWEALTH OMBUDSMAN

In 2012–13 ORIC received four section 8 letters from the Commonwealth Ombudsman under the *Ombudsman Act 1976* requesting information to help investigate the complaints. The Registrar responded to all issues raised in the Ombudsman's letters. The Ombudsman advised that no further investigation was warranted in each complaint. In one complaint the Ombudsman made observations to improve communications with complainants.

LEGAL SERVICES EXPENDITURE

Table 14 is a statement of legal services expenditure by ORIC for 2012–13. It complies with paragraph 11.1(ba) of the Commonwealth's Legal Services Directions 2005.

Table 14: ORIC's legal services expenditure 2012–13

Internal legal services expenditure	\$ GST inclusive
Total internal legal services expenditure	\$373,587.82
External legal services expenditure	\$ GST inclusive
Professional fees:	
Australian Government Solicitor	\$100,647.47
Minter Ellison	\$110,000.00
HWL Ebsworth Lawyers	\$2,772.00
King & Wood Mallesons	\$10,450.00
Total professional fees paid	\$223,869.47
Counsel briefs	\$55,414.25
Other disbursements on external legal services	\$4,602.89
Total external legal services expenditure	\$283,886.61
Counsel	
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)	\$18,017.00
Value of briefs to female counsel (GST inclusive)	\$37,397.25

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.



The image is a vertical composition of layered textures. At the top and bottom are sections of aged, yellowish-tan paper with some water damage and staining. In the center, there is a layer of dried, pressed leaves. The leaves show a variety of colors: bright green, vibrant pink, and deep red, with some areas appearing brown and weathered. The veins of the leaves are clearly visible. The overall effect is one of natural decay and layered history.

www.oric.gov.au