



Australian Government

Office of the Registrar of Indigenous Corporations



# YEARBOOK

2014-15

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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, October 2015

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# ORIC vision

## **STRONG CORPORATIONS, STRONG PEOPLE, STRONG COMMUNITIES**

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.

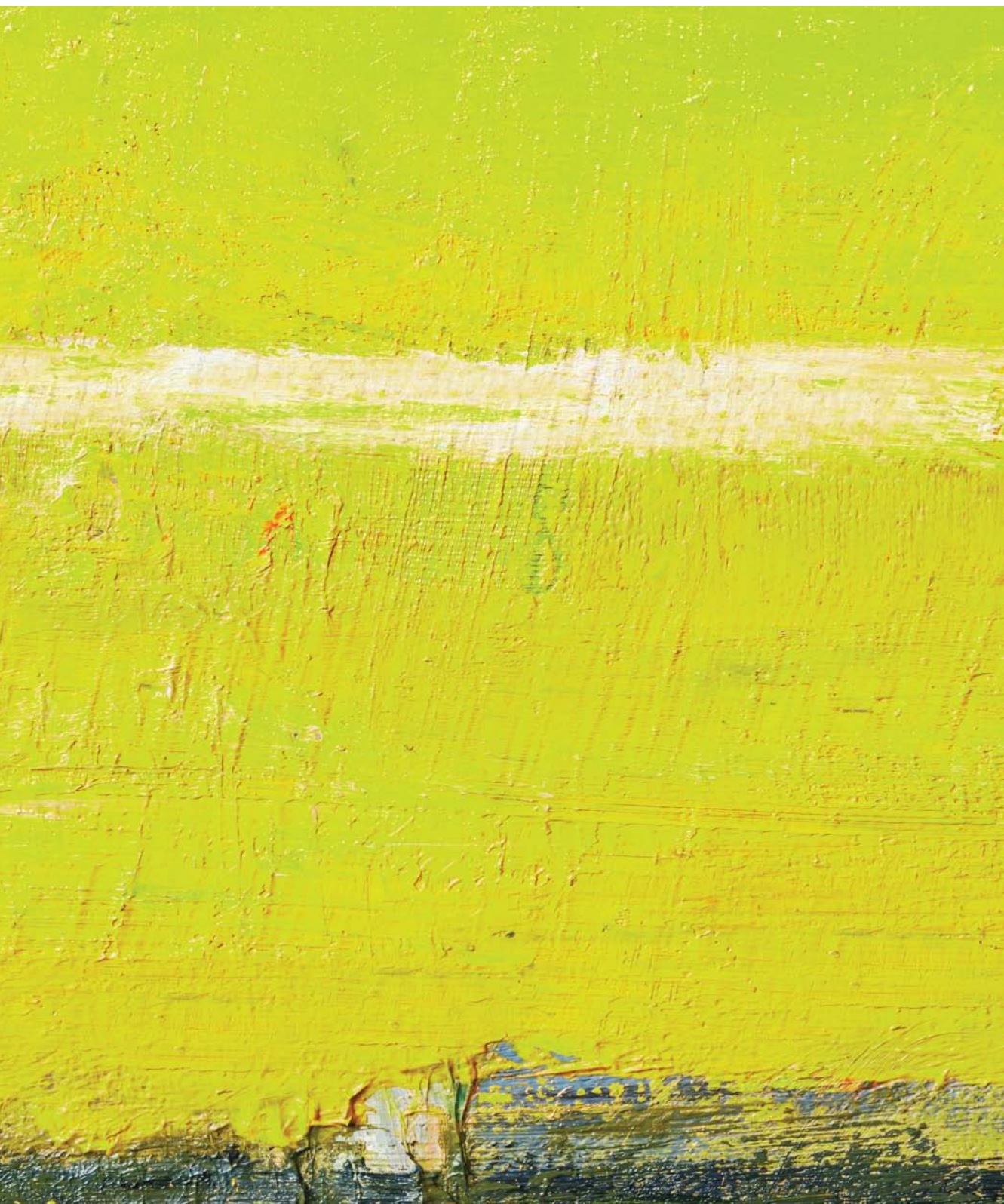
## **ABOUT THE YEARBOOK**

Although not required by legislation to produce an annual report the Registrar of Indigenous Corporations (the Registrar) believes it is helpful to publish a yearbook to inform and update all clients and stakeholders about ORIC's work.

The content of this yearbook aligns with the *ORIC strategic plan 2014–17* and ORIC's operational areas.

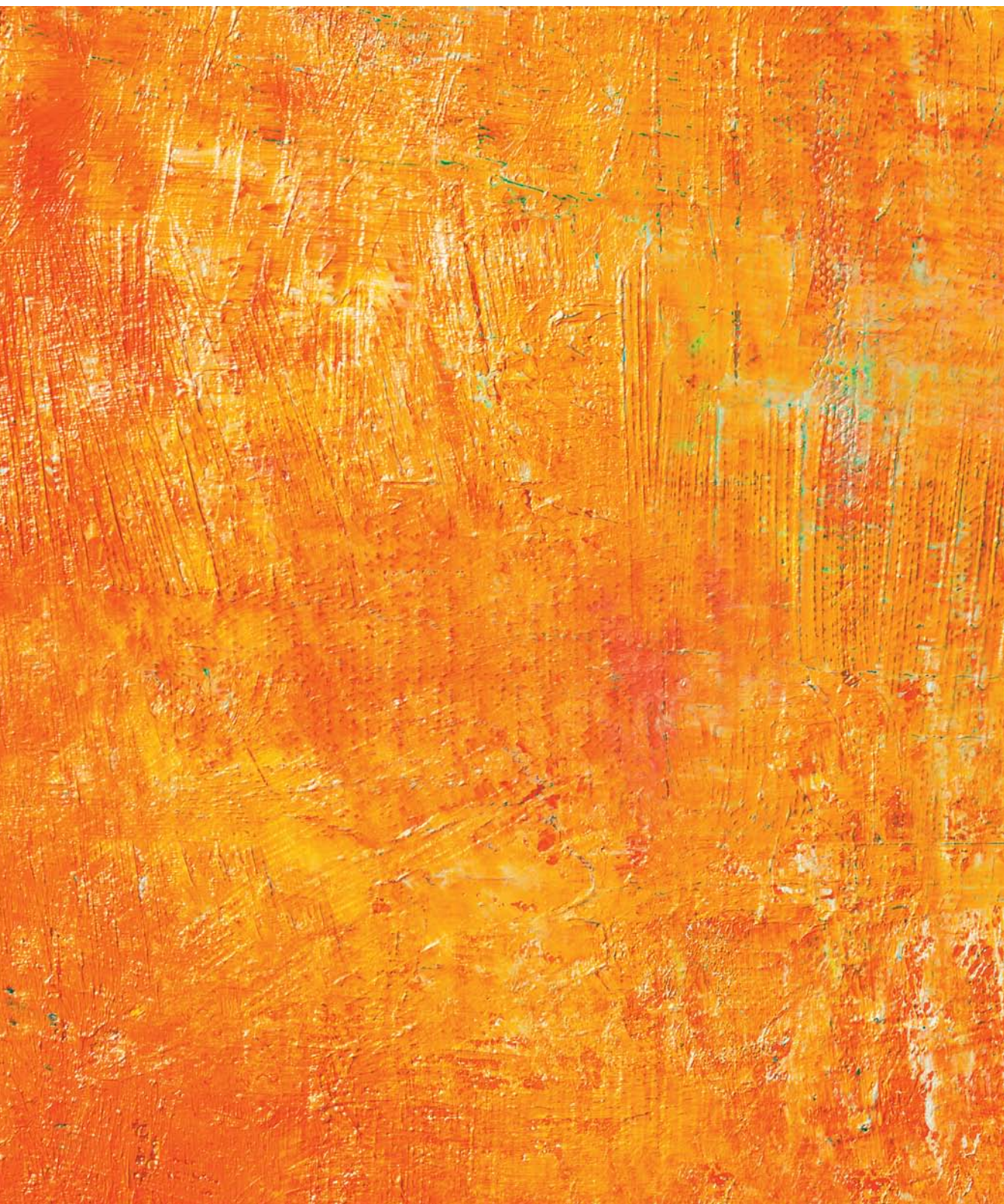
ORIC contributes to the annual report of the Department of the Prime Minister and Cabinet (PM&C), available at [www.pmc.gov.au](http://www.pmc.gov.au).





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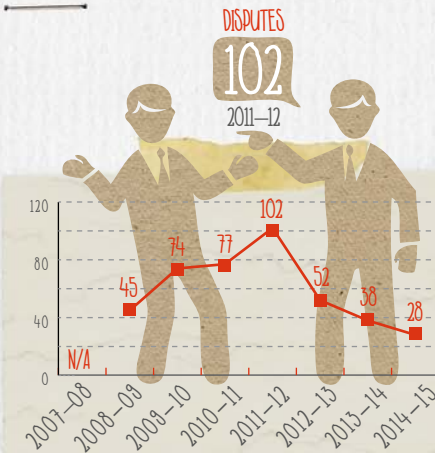
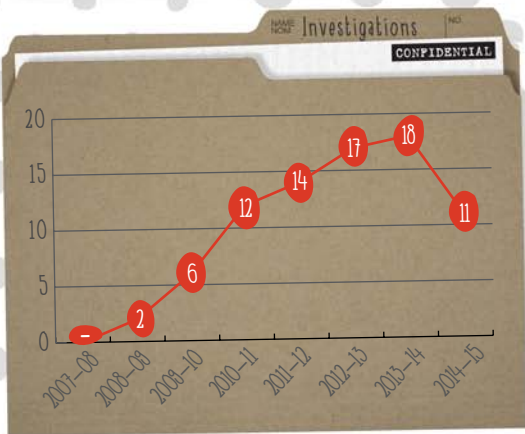
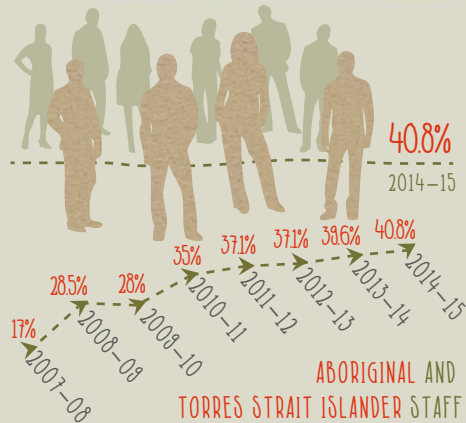
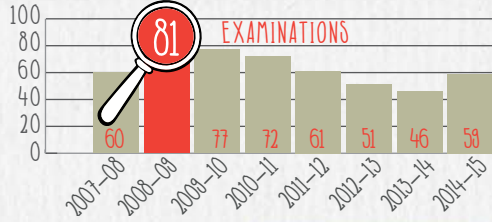
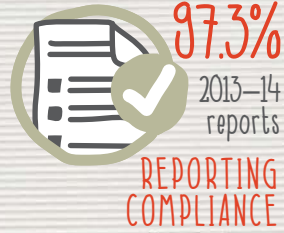
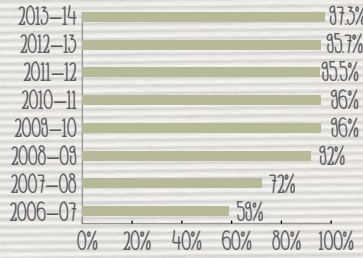
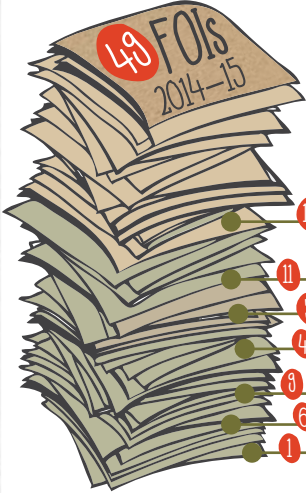






# Snapshot 2007-08 to 2014-15

## FREEDOM OF INFORMATION REQUESTS (FOIs)



## Highlights 2014-15

### Regulatory functions

- ⇒ first court action brought by the Registrar against an entire board of a corporation (Sonia Murray and three other former directors)
- ⇒ first criminal conviction obtained by the Registrar after a fully defended jury trial (Veronica Cubillo)
- ⇒ 2335 (97.3 per cent) corporations lodged their annual reports, up from 2227 (95.7 per cent) last year
- ⇒ 59.3 per cent of corporations lodged annual reports electronically, up from 52 per cent last year
- ⇒ 59 formal examinations completed—14 more than originally planned
- ⇒ seven special administrations ended with three completed within six months; a successful business turnaround was achieved in five corporations
- ⇒ 28 disputes managed, a decrease of 26.3 per cent compared with last year
- ⇒ 834 complaints were finalised, representing an 11 per cent increase on the previous year

### ORIC services

- ⇒ 11 senior management recruitments for corporations managed through ORIC's recruitment assistance service (ORA) and nine positions filled
- ⇒ 47 corporation jobs were advertised on the ORIC website, free of charge
- ⇒ 9463 calls were received through the ORIC call centre seeking information and advice
- ⇒ 41 pro bono LawHelp applications received, with 24 approved and referred to some of Australia's top law firms

## Governance support

- ⇒ new regional officer positions were established in Darwin, Coffs Harbour and Perth
- ⇒ a free online service developed matching prospective independent directors to Aboriginal and Torres Strait Islander corporations—the Independent*directory*
- ⇒ 886 participants from 169 corporations received corporate governance training
- ⇒ developed a corporate governance workshop specifically for corporations in the native title sector

## Other

- ⇒ 49 FOI requests received this year, up from 13 last year
- ⇒ developed guides to assist state/territory registered organisations to transfer their incorporation to the CATSI Act
- ⇒ 40.8 per cent of staff identified as Aboriginal or Torres Strait Islander—an increase of 1.2 per cent on last year
- ⇒ produced the sixth edition of the top 500 corporations



## From the Registrar

### Year in review

At the end of my second term it is an appropriate time to take stock of achievements, challenges and what the future holds for the Aboriginal and Torres Strait Islander corporate sector in Australia.

It is gratifying to look back over the past eight years and see a sustained upward trend in all ORIC activities—its regulatory functions, services and governance support. Most important though is that these activities have had a positive impact on the sustainability and accountability of Aboriginal and Torres Strait Islander corporations.

The dual focus this year has been on providing more services and greater practical support to the directors and members of corporations. To that end I have extended the ORIC regional network by adding three new regional officer positions, in Darwin, Coffs Harbour and Perth. I have also reduced red tape by making it easier for organisations to transfer their incorporation from state/territory legislation to the CATSI Act. I have also granted exemptions for reporting and AGMs to corporations in central Australia whose sole purpose is holding land.

Another practical initiative has been the amendment to our pro bono legal scheme, LawHelp, to extend assistance to entities transferring their incorporation to the CATSI Act because of changes to funding from the Commonwealth under its Indigenous Advancement Strategy. LawHelp continues to expand the services provided generously by Australia's largest law firms and has been embraced by more and more Aboriginal and Torres Strait Islander corporations.

Although there have been several big achievements over the year, the stand-outs came from our enforcement activity. Regulators are judged by how they address wrongdoing and this has been a key priority for my office in recent years. Two important results achieved this year include the following:

- ⇒ In April 2015 the Federal Court in Melbourne issued banning orders and significant fines against four former directors of the Bunurong Land Council (Aboriginal Corporation) for breaching their duties. This was the first time that action has been taken against an entire former board of a corporation.
- ⇒ Also in April 2015 the former CEO of the North Australian Aboriginal Family Violence Legal Service Aboriginal Corporation (NAAFVLS), Ms Veronica Cubillo, was found guilty by a jury of peers of 11 offences in the Northern Territory Supreme Court. Ten of the offences involved misusing her position for personal financial gain. This was the first time that criminal charges under the CATSI Act were heard in a fully defended jury trial.

These and other successful prosecutions will continue to send a strong message to corporations that breaking the law will not go unnoticed. I can think of no better way to encourage and support the majority of directors and officers of corporations who do the right thing than to go after those that don't.

With regard to ORIC's other core business, the section showcasing our highlights clearly charts a year of achievements.

## **Year ahead**

### **Some challenges and risks**

The number of freedom of information requests (FOIs) processed by my office has substantially increased over the past year and there is no indication that the numbers will reduce in 2015–16. The majority of corporation documents are already available free of charge on the ORIC website. But increasingly FOI requests are used in an attempt to access personal and confidential documents of individual corporations rather than information about government.

While it is important to respond thoroughly and promptly to FOI requests in the interests of transparency and open government, it is of growing concern that they present onerous obligations on ORIC's limited human and financial resources.

Supporting the government's requirement under the Indigenous Advancement Strategy for most organisations to be registered under Commonwealth legislation has been a priority. In the coming year more resources will be allocated to assist organisations transferring their incorporation to the CATSI Act. The CATSI Act provides many benefits to Aboriginal and Torres Strait Islander corporations and more corporations registered under the CATSI Act will lead to better services for members and clients.

Another big challenge remains managing the requirements to replace or enhance our key IT systems so that we can provide accurate and up-to date information that our clients and stakeholders can rely on.

### **Some key priorities for 2015-16**

- ⇒ Rolling out ORIC's new online service, the *Independent directory*, to match independent directors to corporations that need skills not available at the corporation.
- ⇒ Maintaining the high standard of ORIC's governance training and support, including for native title bodies.
- ⇒ Shaping our services to meet the needs of our clients and ensuring they are easy to access and use.

- ⇒ Supporting Aboriginal and Torres Strait Islander ownership and control and recognising the benefits of community control in community development.
- ⇒ Reviewing the way we work on an ongoing basis to reduce the regulatory burden on Aboriginal and Torres Strait Islander corporations.
- ⇒ Identifying corporate wrongdoing and taking appropriate action.
- ⇒ Building sustainability by equipping corporations, their directors and members with the necessary skills and knowledge to take control of their continued economic growth and development.

## Finally

I am pleased to report that the number of Aboriginal and Torres Strait Islander staff working in ORIC has again increased over the past year. As at 30 June 2015, 40.8 per cent of staff identified as Aboriginal and Torres Strait Islander—the highest number ever.

I would like to thank ORIC staff for their hard work and dedication without which the achievements set out in this yearbook could not have been accomplished. Much of our work involves travelling long distances, facing challenging situations and dealing with uncertainties. I am convinced that our outcomes reveal the level of commitment that each and every staff member has for the work they do and the clients they serve.

We remain committed to delivering high-quality products and services to encourage Australia's first peoples to achieve self-determination, economic growth and to make the most of their resources.



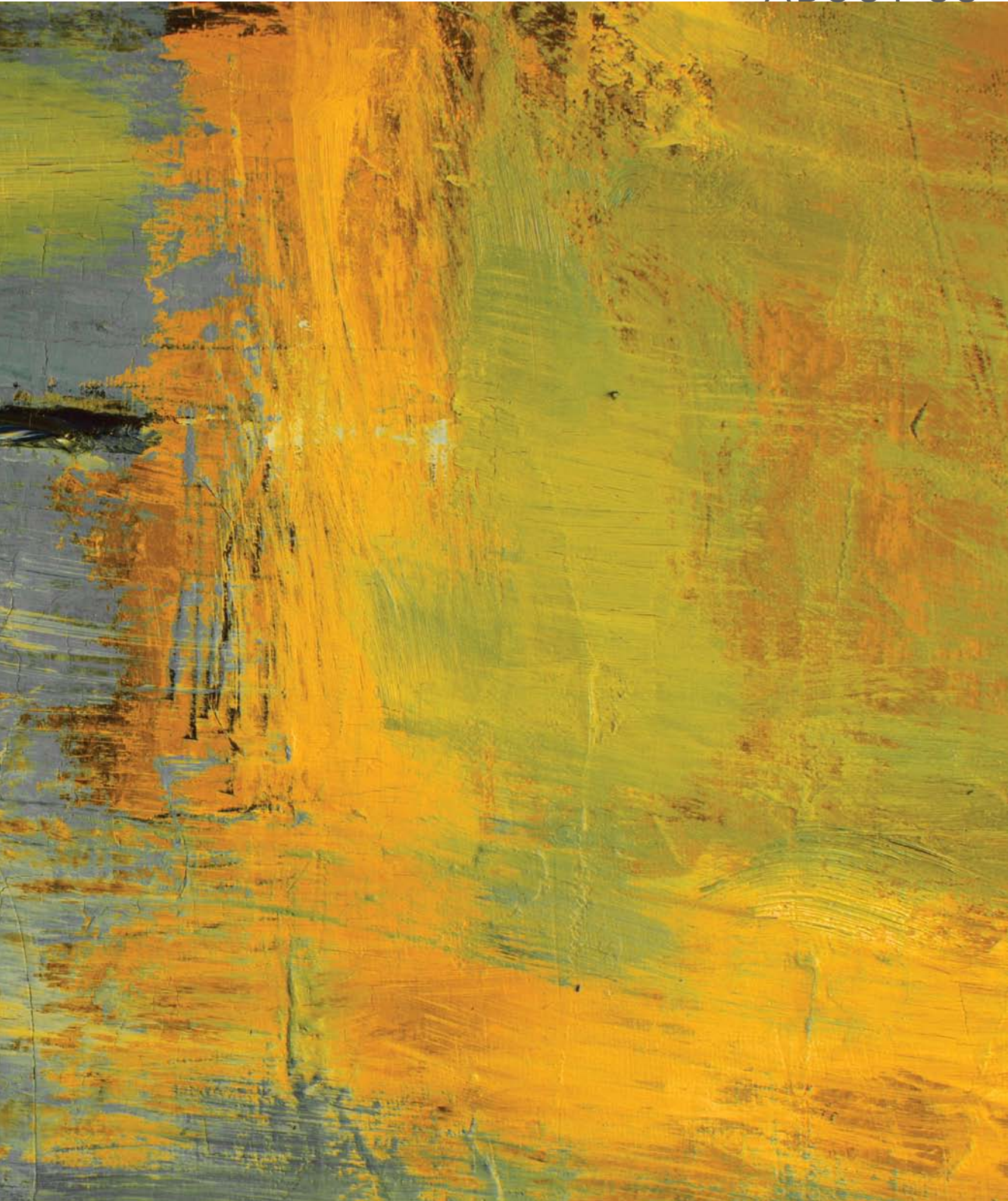
Anthony Beven

October 2015



ORIC staff at Yankee Hat, Namadgi National Park, near Canberra in November 2014.







## Legislation

The Registrar of Indigenous Corporations administers the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act). This is the legislation that allows Aboriginal and Torres Strait Islander groups to form corporations and sets out how they should be run.

The CATSI Act delivers modern corporate governance standards but still provides special measures to suit the needs of Aboriginal and Torres Strait Islander people. Some features unique to the CATSI Act include:

- ⇒ an Indigeneity requirement—a majority of both members and directors must be Aboriginal or Torres Strait Islander people, providing a guarantee of Aboriginal and Torres Strait Islander ownership and control of corporations
- ⇒ specialised regulatory powers and assistance—such as appointing examiners and special administrators
- ⇒ research, training and education in good corporate governance
- ⇒ registration of prescribed bodies corporate determined under the *Native Title Act 1993*.

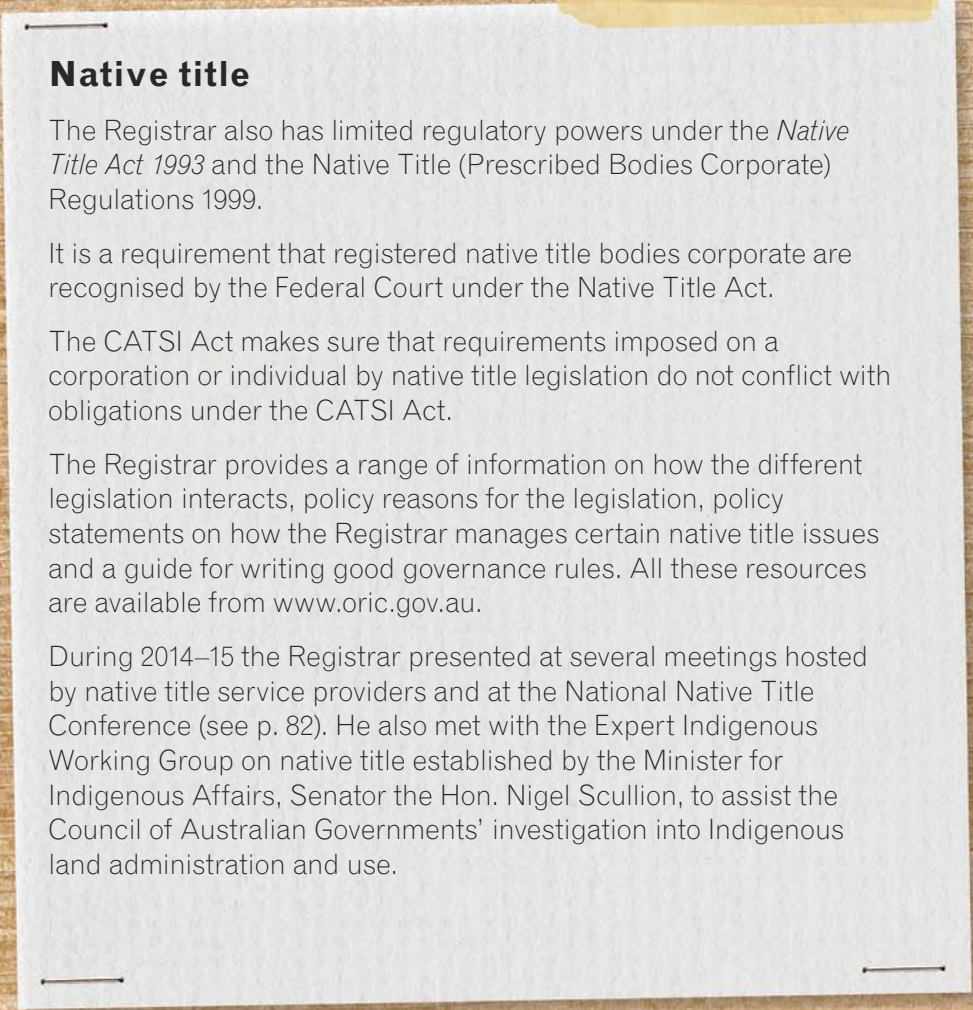
The CATSI Act also sets out the aims of the Registrar, the powers the Registrar has to enforce the law and the Registrar's functions.

## Policy statements on the CATSI Act

The Registrar offers guidance on interpreting legislation through policy statements which are available at [www.oric.gov.au](http://www.oric.gov.au). These statements inform corporations, their directors and members, as well as the general public about:

- ⇒ how the Registrar interprets the CATSI Act and associated legislation
- ⇒ the principles that lie at the basis of the Registrar's approach
- ⇒ how the Registrar may exercise specific powers under the CATSI Act.

As at 30 June 2015, 26 policy statements had been issued.



## Native title

The Registrar also has limited regulatory powers under the *Native Title Act 1993* and the Native Title (Prescribed Bodies Corporate) Regulations 1999.

It is a requirement that registered native title bodies corporate are recognised by the Federal Court under the Native Title Act.

The CATSI Act makes sure that requirements imposed on a corporation or individual by native title legislation do not conflict with obligations under the CATSI Act.

The Registrar provides a range of information on how the different legislation interacts, policy reasons for the legislation, policy statements on how the Registrar manages certain native title issues and a guide for writing good governance rules. All these resources are available from [www.oric.gov.au](http://www.oric.gov.au).

During 2014–15 the Registrar presented at several meetings hosted by native title service providers and at the National Native Title Conference (see p. 82). He also met with the Expert Indigenous Working Group on native title established by the Minister for Indigenous Affairs, Senator the Hon. Nigel Scullion, to assist the Council of Australian Governments' investigation into Indigenous land administration and use.

# The organisational structure



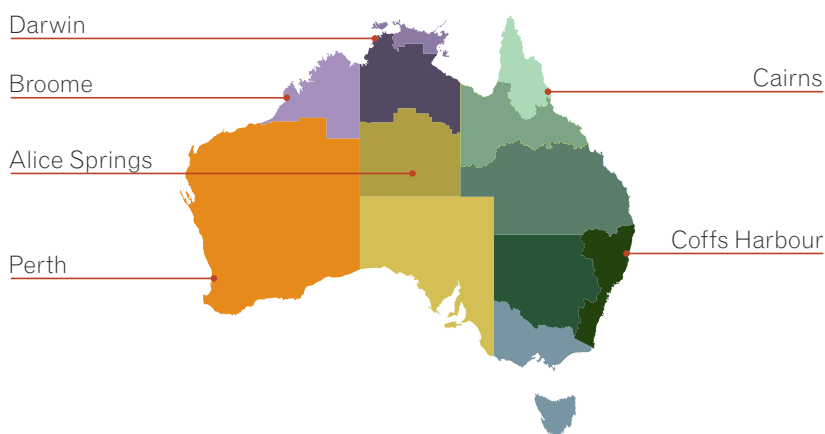
\* Electronic Register of Indigenous Corporations under the CATSI Act

## Regional operations

In 2014–15 ORIC strengthened its regional operations in Western Australia (Perth and Broome); Northern Territory (Darwin and Alice Springs); Queensland (Cairns) and New South Wales (Coffs Harbour).

On 2 March 2015 the Department of the Prime Minister and Cabinet (PM&C) network moved from a state-based management structure to a regional one creating 12 new regions. Accordingly the Registrar has aligned ORIC's regional offices with the new PM&C network. Some of ORIC's regional offices have responsibility for more than one PM&C network region.

**Figure 1:** PM&C regional network and ORIC regional office locations



**Table 1:** ORIC's offices supporting PM&C network regions

ORIC offices	PM&C network regions
Coffs Harbour and Cairns offices	1. Eastern New South Wales 2. Western New South Wales 3. Far North Queensland 4. Gulf and North Queensland 5. South Queensland
Alice Springs office	6. Central Australia 7. South Australia
Darwin and Broome offices	8. Top End and Tiwi Islands 9. Arnhem Land and Groote Eylandt 10. Kimberley
Perth office	11. Greater Western Australia
Canberra (national office)	12. Victoria and Tasmania

## Senior management

The Registrar and senior management as at 30 June 2015



**Anthony Beven**  
Registrar



**Joe Mastrolembo**  
Deputy Registrar



**Michael Cullen**  
General Counsel



**Lisa Hugg**  
Section manager,  
Communications Section



**Gerrit Wanganeen**  
Section manager,  
Registration, Reporting and  
Project Delivery Section



**Graeme Pert**  
Section manager,  
Investigations and  
Prosecutions Section



**Peter Armstrong**  
Section manager,  
Regulation Section



**Catherine Turtle**  
Section manager,  
Training Section

## ORIC staff

The Registrar's work was carried out by 46.7 full-time equivalent staff as at 30 June 2015. There were 27 female and 23 male staff members. ORIC had eight part-time staff, two staff on long-term leave and 40.8 per cent of staff identified as Aboriginal or Torres Strait Islander—an increase of 1.2 per cent from 30 June 2014.

### ORIC staff getting involved

The National Sorry Day Bridge Walk across Commonwealth Avenue Bridge, Canberra, took place on 22 May 2015. This annual event is a coming together of people wishing to share the steps towards healing of the Stolen Generations, their families and communities. Despite the cold weather this year's walk was the most successful to date in terms of turnout. The Registrar's office was represented by a number of staff.

In May 2015 the PM&C Reconciliation Action Plan (RAP) and Disability Action Plan (DAP) working groups invited staff to submit entries for the diversARTy 2015 competition.

One of the winners of the competition, announced on 1 July 2015, was ORIC's Alice Springs regional manager, Dayna Lister, for her piece, *Desert wildflowers*. Dayna's painting will be used on the cover of the DAP and also within the Aboriginal and Torres Strait Islander Employment Strategy.



Just as in every other year, ORIC staff participated in NAIDOC week events and celebrations (5–12 July 2015). This year's theme was 'We all stand on sacred ground'.

A number of staff took part in a mix of activities, including:

- ⇒ holding an ORIC stall at the NAIDOC family day which was held at Reconciliation Place, Canberra—a new venue for the event
- ⇒ a community luncheon hosted by Ngunnawal Aboriginal Corporation in Yass, New South Wales
- ⇒ the ceremony at the Australian War Memorial to commemorate the contribution and sacrifice of Aboriginal and Torres Strait Islander people who served with Australia's armed forces during times of conflict.

Note: NAIDOC stands for National Aboriginal and Islander Day Observance Committee.



## Case study: Following in a father's footsteps

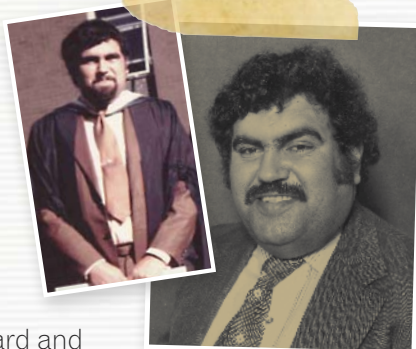
Kenneth (Ken) Wanganeen (1948–90) joined the Office of the Commonwealth Public Service Board in Canberra as an administrative trainee in 1973. Eight years later he was the Deputy Registrar of Aboriginal Corporations (1981–82, 1984) and, sometime in the middle of 1987, the acting Registrar. This former student activist and honours graduate from Flinders University, Adelaide, was a man of great integrity and talent. His ancestors were the Narungga people of Yorke Peninsula although the family believe his great-great-grandfather, James Wanganeen, was from the Murray River region of South Australia.



Gerrit Wanganeen, Ken's son, joined the Australian Public Service Commission in 1997 as a graduate with a Bachelor of Arts degree in sports administration. In early 2013 he came to ORIC, initially on a six-month secondment, to take on a change management role while the office underwent an organisational review and restructure. This subsequently led to Gerrit implementing the Registrar's plan to decentralise ORIC and spread out to the regions. There is no question that Gerrit Wanganeen, with his patience and persuasive temperament, was fundamental to the success of the organisational restructure and the roll out of ORIC's regional network. In 2014 Gerrit accepted an ongoing position at ORIC and in February 2015 won a permanent promotion to Section Manager, Registration, Reporting and Project Delivery.

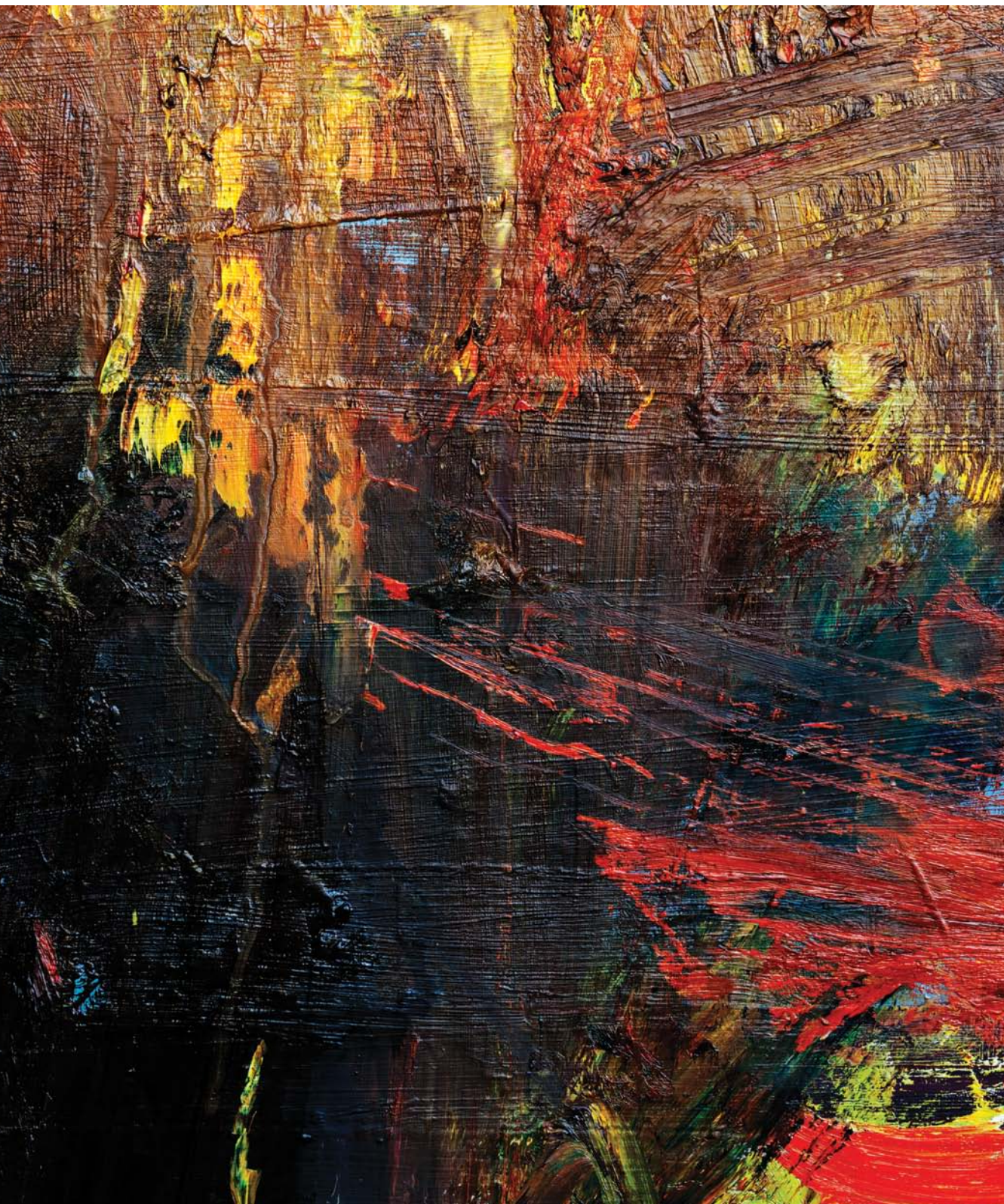
In June 2015 Gerrit followed in his father's footsteps when he was appointed as a Deputy Registrar for two weeks.

Like his father before him who played Australian Rules Football for and was President of the Flinders University Football Club, Gerrit Wanganeen is a talented sportsman. He plays Australian Rules for the Tuggeranong Hawks, has served on its board and committees, and in 2014–15 was the manager for the NSW/ACT Indigenous under-15 team at the National KickStart Championships. In June 2015 he was nominated by his club and later selected to play for the All Stars in the EJ Whitten Legends Game at the Etihad Stadium.



All those who knew Ken Wanganeen respected him as a 'great leader who committed his life to being a bridge and healer between two cultures'. In 2006 Flinders University honoured him by establishing the Ken Wanganeen medal and in 2001 the Australian National University established the Ken Wanganeen scholarship. These are large shoes to fill but Gerrit shows every sign that he can do just that—both through his dedicated support of Aboriginal and Torres Strait Islander corporations and through his tremendous contribution to Indigenous sport. It is very much a case of father like son.







## Business plan 2014-15



The Registrar identified seven priorities in the *ORIC business plan 2014-15* to align with the *ORIC strategic plan 2014-17*. These priorities acknowledge that Aboriginal and Torres Strait Islander corporations play an important role in communities and Australian society.

In line with the business plan and the Registrar's core functions, ORIC will continue to increase public confidence in the standards of corporate governance and viability of Aboriginal and Torres Strait Islander corporations.

### 1. Reducing red tape

The Registrar developed guides to assist state/territory registered organisations to transfer their incorporation to the CATSI Act.

The Australian Government amended CATSI Regulations to widen the pool of eligible qualified accountants that can audit financial reports of certain small and medium-size corporations. Providing these corporations with a greater choice for auditing services.

### 2. Stronger organisational governance for corporations

The Registrar developed an online service, *Independentdirectory*, to match suitable candidates to Aboriginal and Torres Strait Islander corporations looking for an independent director.

The Registrar also worked with PM&C to strengthen the governance of Aboriginal and Torres Strait Islander organisations. The Indigenous Advancement Strategy introduced a requirement for Aboriginal and Torres Strait Islander organisations receiving significant Commonwealth funding to transfer their registration to the CATSI Act. The Registrar has provided a range of information, resources and direct assistance to organisations looking to transfer their registration. This included expanding the scope of the pro bono legal assistance scheme, LawHelp, to include help for organisations needing legal assistance to transfer.

The Registrar issued guidance on the preferred accounting treatment for unexpended grants in financial statements prompted by concerns that some accounting treatments of unexpended government grants had in recent years resulted in a mis-statement of a corporation's true financial position.



### **3. Strengthen our working relationships with Aboriginal and Torres Strait Islander communities**

The Registrar continued his priority to provide more resources in regional locations. New regional officer positions were allocated to assist corporations during the year—in Darwin, Coffs Harbour and Perth.

### **4. Enforce the law**

The Registrar concluded 16 minor regulatory prosecutions against corporations that failed to meet their reporting obligations; the Registrar also concluded two major civil actions, one minor civil action and one major criminal prosecution.

### **5. Regulation and compliance**

For the sixth consecutive year the Registrar has exceeded the target of 90 per cent of corporations compliant with their reporting obligations, with 97.3 per cent of corporations meeting this requirement during the year.

The Registrar carried out examinations of 59 corporations, exceeding the initial plan to carry out 45 examinations during the year.

Seven special administrations ended during 2014–15. Three were completed within six months. A successful business turnaround was achieved in five corporations.

The Registrar assisted the liquidators of Ngoonjuwah Council Aboriginal Corporation (ICN 631) (under liquidation) to locate owners of unpaid wages from the corporation (see p. 57).

### **6. Capacity development**

The Registrar provided corporate governance training to 886 people from 169 corporations, exceeding the target of 750 people. Ninety per cent of participants reported a significant increase in governance knowledge and skills—in line with the performance indicator.

A new corporate governance training program for native title corporations was developed and trialled.

### **7. Publications and analysis**

The Registrar continued to contribute to sector knowledge by providing regular statistical reports.



## Reporting and registration

### Corporation reporting compliance

Corporations registered under the CATSI Act must submit their annual reports to ORIC within six months after their financial year ends. Reports for the 2013–14 financial year had to be lodged by most corporations by 31 December 2014.

Reporting requirements vary according to registered size—large, medium or small—and income.

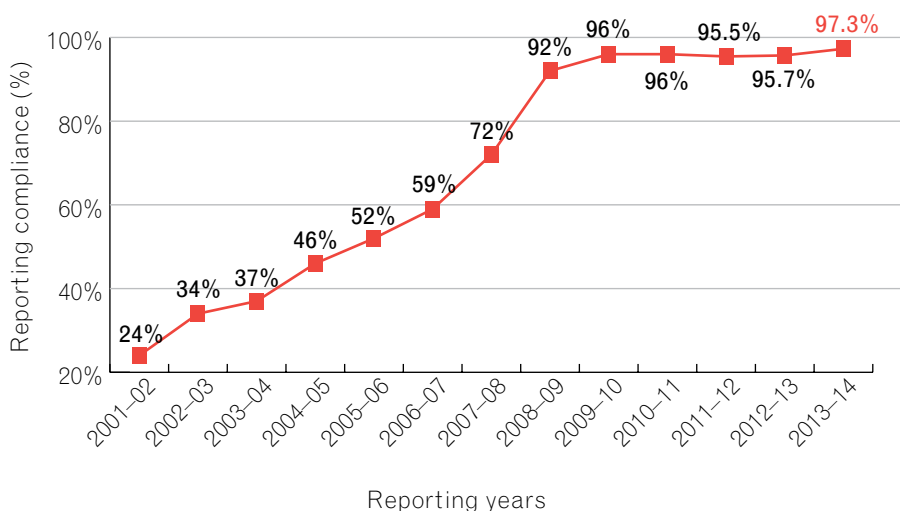
In 2014–15 the highest number of corporations in ORIC's history lodged their reports. From a total of 2400<sup>1</sup> corporations required to submit reports, 2335 complied with their obligations under the CATSI Act.

In percentage terms, reporting compliance rose from 95.7 per cent last year to 97.3 per cent this year.

This is the sixth consecutive year that the Registrar's target of 90 per cent reporting compliance has been exceeded.

Of the reports lodged, 59.3 per cent were submitted through the Registrar's online lodgment system.

**Figure 2:** Reporting compliance from 2001–02 to 2013–14



<sup>1</sup> The number of corporations required to provide 2013–14 reports was 2400. This number is different to the total number of registered corporations (2688 at 30 June 2015) as it is based on corporations registered at 31 December 2013 and excludes corporations under liquidation or being deregistered.

High compliance rates mean that members, communities, creditors and government agencies can have greater confidence in the information maintained by the Registrar on the public Register of Aboriginal and Torres Strait Islander Corporations.

As at 30 June 2015 there were 141 registered native title bodies corporate (RNTBCs) registered under the CATSI Act.<sup>2</sup> Of these 131 were required to report for the 2013–14 financial year and all were compliant.

**Table 2:** Reporting compliance for RNTBCs from 2012–13 to 2013–14

Reporting period	Total number registered	Number required to report	Number compliant	Percentage compliant
2013–14	141	131	131	100.0%
2012–13	132	108	106	98.1%

In what's become an annual cycle of communication and support to maintain high reporting compliance rates, ORIC carried out the following activities:

- ⇒ A communication strategy to remind corporations of their reporting obligations and to offer guidance including:
  - advertisements in national Aboriginal and Torres Strait Islander newspapers
  - notices and messages on the ORIC website
  - reminders in ORIC publications
  - direct communication by email, letter and telephone.
- ⇒ Follow-up of key groups and specific sectors, such as RNTBCs and corporations helped by large corporations operating in remote regions.
- ⇒ Face-to-face visits by ORIC regional officers, particularly to corporations in remote locations and outside metropolitan areas. They offered personal assistance in completing reports as well as helped to develop capacity for the future.
- ⇒ Telephone reminders to newly registered corporations reporting for the first time and to corporations that were late to lodge in the previous year.
- ⇒ Telephone outreach to corporations in breach—ORIC staff identified corporations that failed to submit their annual reports by the due date and, where appropriate, offered help to complete them.
- ⇒ Formal warning notices were sent to corporations that were in breach and failed to respond to reminders.

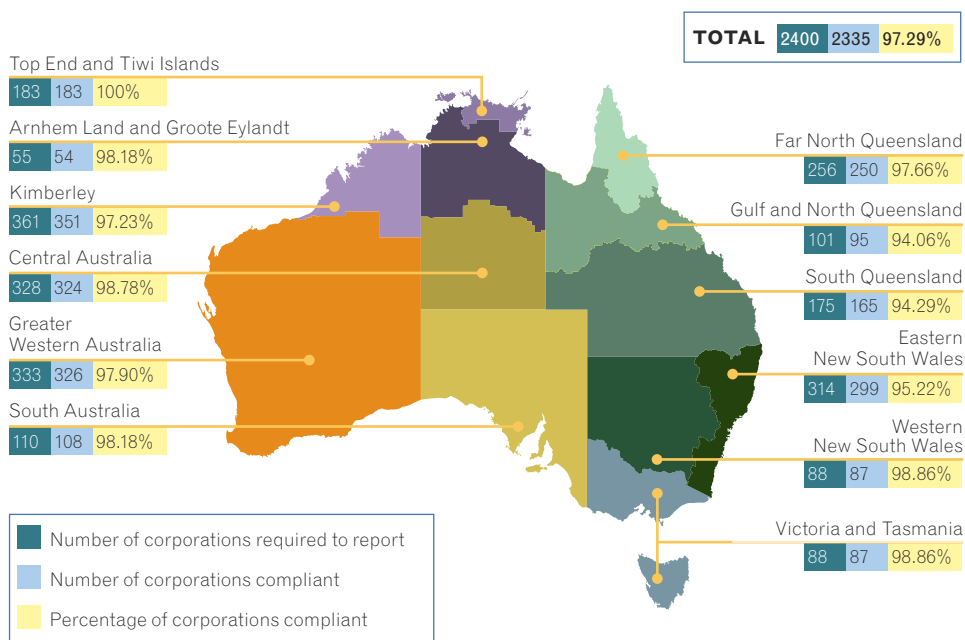
<sup>2</sup> RNTBCs are the corporations recognised by the Federal Court under the *Native Title Act 1993* to hold and represent the native title interests of a particular group of people. They must be registered under the CATSI Act.

**Table 3:** Reporting compliance by region as at 30 June 2015

PM&C regional network	ORIC offices	Number of corporations required to report	Number of corporations compliant	Percentage of corporations compliant
Central Australia	Alice Springs	328	324	98.78%
South Australia	Alice Springs	110	108	98.18%
Eastern New South Wales	Coffs Harbour and Cairns	314	299	95.22%
Far North Queensland	Coffs Harbour and Cairns	256	250	97.66%
Gulf and North Queensland	Coffs Harbour and Cairns	101	95	94.06%
South Queensland	Coffs Harbour and Cairns	175	165	94.29%
Western New South Wales	Coffs Harbour and Cairns	88	87	98.86%
Arnhem Land and Groote Eylandt	Darwin and Broome	55	54	98.18%
Kimberley	Darwin and Broome	361	351	97.23%
Top End and Tiwi Islands	Darwin and Broome	183	183	100.00%
Victoria and Tasmania	National office	96	93	96.91%
Greater Western Australia	Perth	333	326	97.90%
<b>Total</b>		<b>2400</b>	<b>2335</b>	<b>97.29%</b>

.....  
 Note: On 2 March 2015 ORIC adopted a new model of 12 regions across Australia.

**Figure 3:** Reporting compliance by region as at 30 June 2015



## Consequences of not reporting

Corporations that don't lodge reports by the reporting deadline may face prosecution. For most corporations this deadline is 31 December. During 2014–15, a total of 16 corporations were prosecuted for failing to lodge their 2013–14 reports (see the section on investigations and prosecutions on p. 41).

The maximum penalty for each 2013–14 report not lodged was \$21,250 for corporations.

The Registrar may deregister corporations that remain in longstanding breach.

## Guidance about unexpended grants reporting

In August 2014 the Registrar issued guidance to auditors and corporations regarding the accounting treatment of unexpended grants. In recent years the Registrar has been concerned that some accounting treatments of unexpended government grants had resulted in mis-statements of the true financial positions of some corporations.

The accounting standards allow for auditors to apply a range of methods to present unexpended grants in a corporation's financial statement. The Registrar's guidance steers auditors to a preferred method to reduce the risk of future mis-statements for Aboriginal and Torres Strait Islander corporations funded by government.



The Registrar's preferred method under AASB 1004 is that any unspent component of a grant or funding should be recognised as a deferred income component (i.e. a liability) in the corporation's balance sheet.

More information on the Registrar's preferred accounting treatment of government grants or funding may be found in the *Corporation reporting guide* at [www.oric.gov.au](http://www.oric.gov.au)

## Increasing the pool of eligible accountants

On 3 November 2014 the Australian Government amended the CATSI Regulations to make it possible for members and fellows of the Institute of Public Accountants (IPA) to audit the financial reports of certain small and medium-size corporations.

The amendment brought the CATSI Regulations in line with other Commonwealth legislation which already recognise the IPA. It has also increased the pool of accountants who are eligible to audit financial reports for the majority of Aboriginal and Torres Strait Islander corporations.

A new paragraph has been inserted at subregulation 333-16.02(3) to give effect to the changes.

The Registrar initiated the amendment in order to give corporations greater choice for auditing services, particularly in remote and regional areas. The change, which was welcomed by the CEO of the IPA, Andrew Conway, should also lead to reduced auditing costs.



Minister for Indigenous Affairs, Senator the Hon. Nigel Scullion, signing the amendment to the CATSI Regulations in the Registrar's office (22 Oct 2015).

## Registration services

In 2014–15:

**170** new corporations registered under the CATSI Act, representing a slight increase from the 163 corporations that registered last year. This included 11 transfers of incorporation to the CATSI Act from other incorporation legislation.

**78** corporations were deregistered.

**182** requests for rule book changes were approved, representing a 15.7 per cent decrease from the 216 rule book changes approved last year.

**852** 'notification of a change to corporation officers' details' and 'notification of a change to corporation address and/or contact details' forms were processed and changes made to the public Register of Aboriginal and Torres Strait Islander Corporations.

**471** annual general meeting (AGM) extensions and exemptions were granted by the Registrar (an increase from 379 granted last year).

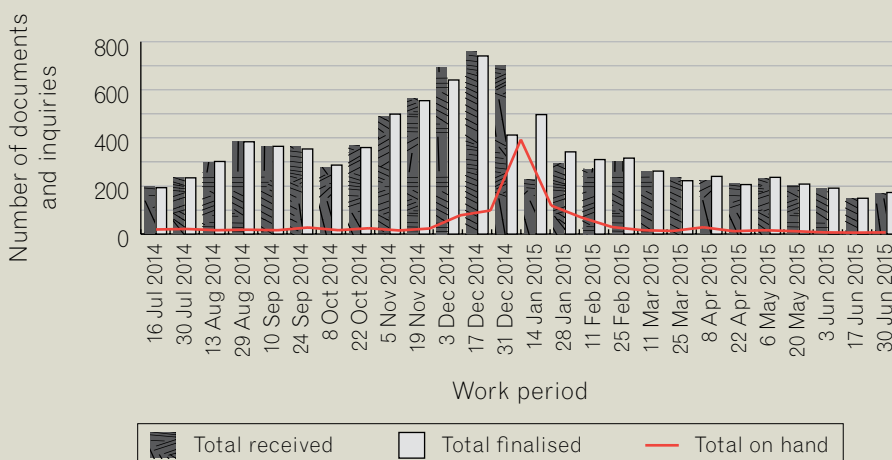
**1950** written inquiries from corporations were finalised. These included inquiries about registration assistance, requests for information and support, and referrals.

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

In 2014–15 ORIC received 8669 documents (including written inquiries) from corporations and the public—down from 8947 documents in the previous year.

The processing of documents or responses to inquiries was completed in an average time of 2.57 business days, which represents a slight improvement from last year (2.61 days).

**Figure 4:** Number of documents and inquiries 2014–15



The following table outlines ORIC's registration and support services from 2011–12 to 2014–15.

**Table 4:** Registration services from 2011–12 to 2014–15

	2011–12	2012–13	2013–14	2014–15
<b>Incorporations (new registrations)</b>				
Applications received	164	162	166	187
Applications actioned**	183	163	175	181
• approved	173	155	163	170*
• refused	7	5	10	9
• lapsed/withdrawn	3	3	2	3
<b>Rule book change requests</b>				
Requests received	159	163	213	200
Requests actioned**	163	163	226	198
• approved	158	153	216	182
• refused	5	10	10	16
• lapsed/withdrawn	0	0	0	0
<b>Name change requests</b>				
Requests received	17	17	22	10
Requests actioned**	18	19	23	12
• approved	18	17	23	12
• refused	0	2	0	0
• lapsed/withdrawn	0	0	0	0
<b>Change of corporation contact and officer details</b>				
Change requests received	811	821	852	860
Change requests applied to the public register**	797	812	852	852
<b>Annual general meeting extensions and other exemptions</b>				
Matters finalised**	448	431	379	471
<b>Written inquiries received</b>				
Inquiries finalised**	3014	2337	2319	1950

Notes: \*Of the 170 applications approved 11 were organisations transferring their registration from other incorporation legislation.

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

## Lodgment of forms and reports

In 2014–15:

- ⇒ 42 per cent of all forms were lodged with ORIC electronically. This represents a 5 per cent increase from the previous year.
- ⇒ 59.3 per cent of all reports were lodged electronically, an increase of 7.3 per cent from last year.

## ERICCA

The Electronic Register of Indigenous Corporations under the CATSI Act (ERICCA) is a database managed, maintained and updated by ORIC to help the Registrar administer the CATSI Act.

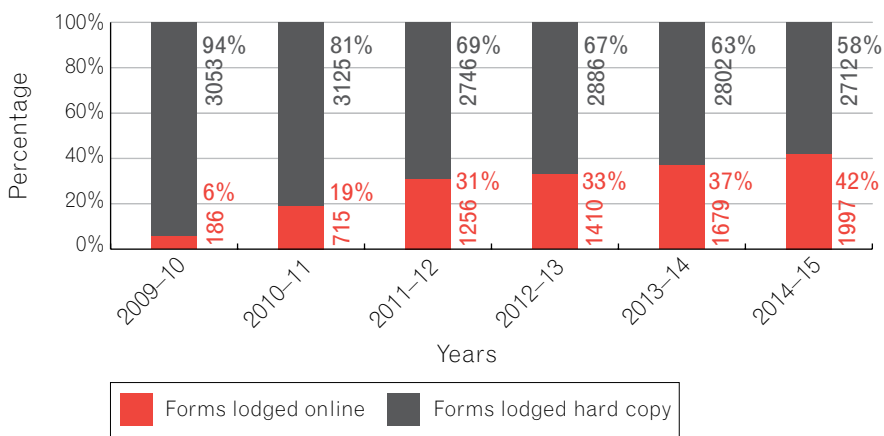
ERICCA includes two public registers which are accessible from the ORIC website—the Register of Aboriginal and Torres Strait Islander Corporations and the Register of Disqualified Officers. ERICCA also allows corporations to lodge forms online via the ORIC website.

## Lodging online

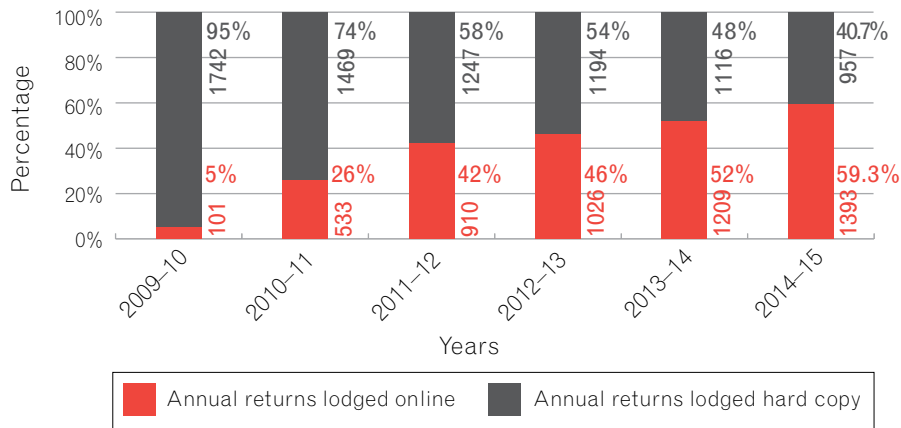
Corporations more than ever before are choosing to lodge their forms and reports online (rather than by hard copy through the post or by fax).

Using the ORIC online lodgment system at <https://online.oric.gov.au> makes updating corporation information and lodging forms easier because the system pre-populates forms using the latest information in the register. Corporations can simply update, add to or delete the information.

**Figure 5:** Forms lodged online compared to hard copy from 2009–10 to 2014–15



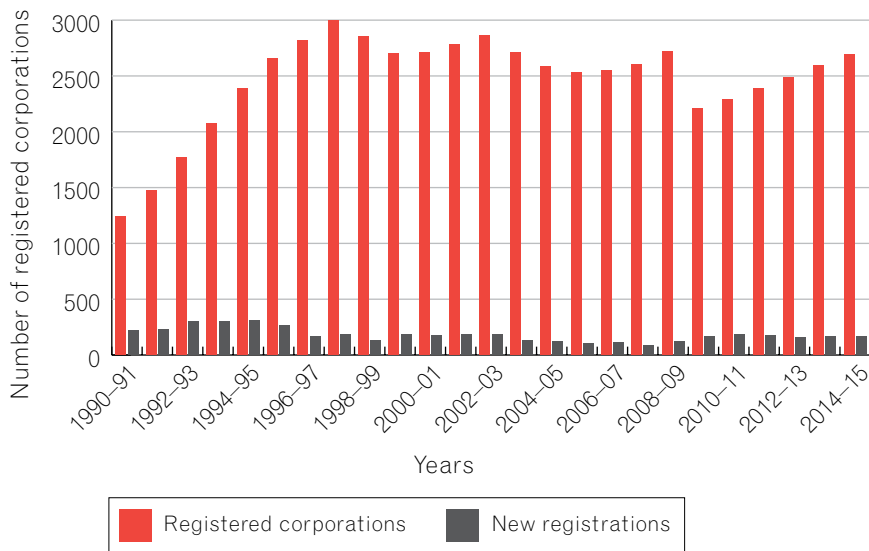
**Figure 6:** Annual reports lodged online compared to hard copy from 2009–10 to 2014–15



## Registered corporations

As at 30 June 2015 there were 2688 corporations registered under the CATSI Act.

**Figure 7:** Registered and new corporations from 1990–91 to 2014–15



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

**Table 5:** Registered and new corporations from 1990–91 to 2014–15

Year	Number of total registered corporations	Number of new registrations
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
2013–14	2596	163
2014–15	2688	170



**Table 6:** Location of registered corporations by region as at 30 June 2015

PM&C regional network	ORIC regional office	Total
Central Australia	Alice Springs	348
South Australia	Alice Springs	117
Eastern New South Wales	Coffs Harbour and Cairns	362
Far North Queensland	Coffs Harbour and Cairns	291
Gulf and North Queensland	Coffs Harbour and Cairns	120
South Queensland	Coffs Harbour and Cairns	212
Western New South Wales	Coffs Harbour and Cairns	109
Arnhem Land and Groote Eylandt	Darwin and Broome	68
Kimberley	Darwin and Broome	380
Top End and Tiwi Islands	Darwin and Broome	210
Victoria and Tasmania	National office	106
Greater Western Australia	Perth	365
<b>Total</b>		<b>2688</b>



## Case study: Supporting a group to register

The Halls Creek Stolen Generations Group is made up of people and their descendants who were forcibly removed from their families under the *Aborigines Act 1905* (Western Australia) and relocated to the Moola Boola settlement.

In March 2015 representatives from the group wanted to learn about forming a corporation as a way to assist their people (and their families).

ORIC's regional officer in Broome, Sid Michels, went to visit the group and held a 'doorway workshop'.

'I enjoy doorway workshops—they're very useful,' said Sid Michels. 'For one thing they're informal—there's no burden of expectation on the participants. I can explain the various benefits of registering under the CATSI Act in a way, and at a pace, that suits the group.'

A doorway workshop allows for discussion and for the group to ask as many questions as they like. The Halls Creek Stolen Generation Group was no exception.

'It's great when the group is so engaged and wants to know everything,' said Sid. 'I went through the steps involved in the registration process and the various support services ORIC offers. I also covered reporting requirements and showed the group how they might start drafting a corporation rule book.'

Before any group takes the plunge it's important that they understand what incorporation under the CATSI Act really means. To help with this, the Registrar's office offers a range of pre-incorporation services (see the ORIC website).

'The Halls Creek Stolen Generation group hasn't registered yet,' said Sid, 'but it's not unusual that it takes a bit of time—there's a lot to think about.'



## Strengthening organisational governance

From 1 July 2014 the Australian Government set a requirement that organisations receiving grants of \$500,000 or more in a single financial year for funding administered by the Indigenous Affairs Group within PM&C must incorporate under Commonwealth legislation.

The reason for doing this is to improve public confidence in the security and delivery of programs those organisations are funded to deliver. Incorporation under Commonwealth legislation rather than state or territory legislation provides a more robust regulatory framework and access to specialist assistance to address governance issues.

During 2014–15, 11 organisations transferred their incorporation from other legislation to the CATSI Act.

### Case study: Transferring from state to Commonwealth



The Noongar Institute of Western Australia Aboriginal Corporation was registered under the CATSI Act on the 7 May 2015 after transferring from the *Associations Incorporation Act 1987* (Western Australia).

The board of directors contacted ORIC's Perth regional office because they were interested in the wider exposure and better support the CATSI Act could offer them. Perth regional manager, Arthur Hyde, began working with the association in April 2014.

'We worked with the directors to give them an overview of the transfer process. We then helped them draft a CATSI Act rule book that captured the objectives and essential governance requirements of the new corporation,' said ORIC's Perth regional manager, Arthur Hyde.

'It was important to capture the cultural and spiritual values; and other aspirational goals for the new corporation. This step required the 'tick of approval' from the association's elders.'

The law firm Allens Linklaters also assisted in the process, particularly with the requirements of the WA Department of Commerce that administers the *Associations Incorporation Act 1987*.

The corporation is now making plans to take Arthur up on his offer for corporate governance training sometime next year. ORIC's support doesn't stop at registration.

### Examinations

In 2014–15 ORIC completed 59 examinations.

An examination reviews a corporation's books and records and makes an assessment of the corporation's governance standards. It includes checks that:

- ⇒ the corporation is being run properly according to its rule book and the CATSI Act
- ⇒ the corporation is managing its finances properly with proper records, procedures and policies
- ⇒ the directors, officers and employees are performing their duties appropriately
- ⇒ any material personal interests and benefits to related parties are being managed appropriately.

Examining a corporation's books contributes to 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. Examinations are useful for early detection of issues in a corporation. They are also equally effective at revealing corporations that are running well as those that are experiencing financial or governance difficulties.

The Registrar conducts a rolling program of examinations to assess the corporate governance and financial health of a corporation. Some examinations undertaken by the Registrar are in response to potential governance issues raised about a corporation.

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

This financial year the Registrar completed 59 examinations as set out in table 7.

**Table 7:** Examinations by state/territory 2014–15

Location by state/territory	Number of corporations
Australian Capital Territory	0
New South Wales	6
Northern Territory	15
Queensland	13
South Australia	7
Tasmania	0
Victoria	2
Western Australia	16
<b>Total</b>	<b>59</b>

The examination program for this financial year covered corporations with the following activities:

**Table 8:** Examinations by activities 2014–15

Main activities of corporations	Number of examinations
Health and aged care services	15
Community services	11
Land management	7
Registered native title bodies corporate (RNTBCs)	5
Other native title	4
Art and cultural centres	3
Housing	3
Employment and training	3
Native title representative bodies	2
Heritage, culture and language	2
Community stores	1
Communications	1
Education and schools	1
Women's advocacy	1
Legal services—community or family violence	0
<b>Total</b>	<b>59</b>

## Outcomes of examinations

The outcomes of the 59 examinations conducted over 2014–15:

- ⇒ 16 corporations (27 per cent) were found to be operating well and required no further action. They were each sent a management letter.
- ⇒ 33 corporations (56 per cent) were required to rectify less serious matters which were settled through the issue of a compliance notice<sup>2</sup> under section 439-20 of the CATSI Act.
- ⇒ 10 corporations (17 per cent) had serious findings and were issued with a 'show cause notice' under section 487-10 of the CATSI Act. These corporations were required to explain why they should not be placed under special administration.

**Table 9:** Outcomes of examinations from 2010–11 to 2014–15

Examination outcome	2010–11	2011–12	2012–13	2013–14	2014–15
Management letters	29	19	22	12	16
Compliance notices	34	31	26	26	33
Show cause notices	7	9	1	7	10
Other	2	2	2	1	0
<b>Total</b>	<b>72</b>	<b>61</b>	<b>51</b>	<b>46</b>	<b>59</b>

<sup>2</sup> Compliance notices provide direction for corporations on how to improve their standards of corporate governance and financial management after an examination is done.

Compliance notices are made available in the public Register of Aboriginal and Torres Strait Islander Corporations. They provide valuable information to a corporation's members and other stakeholders (such as funding agencies and creditors) about the standards of corporate governance and financial management in a corporation at a given point in time.

## Special administrations

In 2014–15:

- ⇒ 2 special administrations continued from the previous year.
- ⇒ 10 special administrations were started.
- ⇒ 7 special administrations were completed.
- ⇒ 5 special administrations were still in progress as at 30 June 2015.

Special administrations enable the Registrar to provide early and proactive assistance to corporations when they experience financial or governance difficulties. They allow the Registrar to appoint an independent, suitably qualified person (the special administrator) to work with a corporation to fix its internal problems and restore it to good health. Once this is achieved, the special administrator returns control of the corporation to its members.

In all cases the special administrator works in the best interests of the corporation and its members. Special administrations are quite different to receiverships, liquidations or voluntary administrations as defined under the *Corporations Act 2001*, which are usually driven by the interests of creditors.

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.

Five of the 10 new special administrations (or 50 per cent) in 2014–15 were started after the directors wrote to the Registrar asking for assistance.

Before it is placed under special administration, a corporation is accorded a period of natural justice. Through a 'show cause' procedure it's asked why it should not be put into special administration. The time the corporation takes to respond depends on its particular circumstances but the Registrar usually allows at least 14 days.

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

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

Special administration is unique to the CATSI Act. It is a special measure that acknowledges the role and circumstances of Aboriginal and Torres Strait Islander corporations.

Seven special administrations ended during 2014–15. Three were completed within six months in line with ORIC's key performance indicator. Successful business turnaround was achieved in five corporations (71.4 per cent) and they were handed back to members' control.

**Table 10:** Corporations placed under special administration 2014–15

Date appointed	ICN	Corporation   Special administrator(s)	Date ended or due date   Outcome
17 Jul 2014	4709	Githabul Nation Aboriginal Corporation RNTBC Peter McQuoid	27 Feb 2015 Handed back to members' control
4 Aug 2014	624	Dubbo Koorie Housing Aboriginal Corporation Peter Saunders	30 Jan 2015 Handed back to members' control
15 Sept 2014	7877	Naiyu Nambiyu Aboriginal Corporation Austin Taylor and Stuart Reid	1 May 2015 Handed back to members' control
24 Nov 2014	532	Minimbah Pre-school, Primary School Aboriginal Corporation Brian Woods	27 May 2015 Handed back to members' control
23 Dec 2014	248	Aboriginal Corporation for Sporting and Recreational Activities Frank Lo Pilato and Tony Grieves	23 Jun 2015 Liquidator appointed
16 Feb 2015	7355	Pika Wiya Health Service Aboriginal Corporation Jack James and Paula Cowan	19 Aug 2015 In progress
3 Mar 2015	3789	Mamu Aboriginal Corporation RNTBC Gerry Mier and Tony Jonsson	30 Sept 2015 In progress
6 Mar 2015	500	Murchison Region Aboriginal Corporation Andrew West and Kehsai Tesfa	3 Sept 2015 In progress
9 Mar 2015	1061	Mungoorbada Aboriginal Corporation Austin Taylor and Stuart Reid	10 Sept 2015 In progress
8 Apr 2015	7573	Thamarrurr Regional Authority Aboriginal Corporation Austin Taylor and Stuart Reid	7 Oct 2015 In progress

**Table 11:** Corporations with a special administration continuing 2014–15

Date appointed	ICN	Corporation   Special administrator(s)	Date ended or due date   Outcome
18 Dec 2013	2379	Southside Housing Aboriginal Corporation	23 Jan 2015
		Frank Lo Pilato and Tony Grieves	Assets transferred to another body and corporation deregistered
28 Jan 2014	3630	Bunurong Land Council (Aboriginal Corporation)	18 Jul 2014
		Alan Eldridge	Handed back to members' control

### **Case study: Restructure helps shore up corporation in the Daly River**

On 8 May 2013 Nauiyu Nambiyu Inc., now Nauiyu Nambiyu Aboriginal Corporation (NNAC), transferred its registration from the Northern Territory's *Associations Act* to the CATSI Act. This turned out to be a very good move for the corporation located at Nauiyu, also known as Daly River, in the Northern Territory.

Just over a year later, NNAC's directors acknowledged a range of operational and financial problems and placed a call for help to the Registrar. On 15 September 2014 NNAC was placed under special administration.

As special administration is only available under the CATSI Act, this iconic corporation may have seen a very different outcome without access to this regulatory assistance.

The special administrators worked with the corporation's members through a complex process to turn the corporation around.

The special administrators also needed to address misinformation and misunderstanding about the corporation within the community and with the corporation's stakeholders. NNAC's story is an example of how damaging a lack of transparency can be to a corporation's reputation.

NNAC was handed back to its members at the beginning of May 2015.

## Investigations and prosecutions

In 2014–15 the Registrar concluded 16 minor regulatory prosecutions against corporations that failed to meet their reporting obligations; the Registrar also concluded two major civil actions, one minor civil action and one major criminal prosecution.

The Registrar undertakes a range of criminal and civil litigation to address serious cases of poor governance and breaches of duty under the CATSI Act. A summary of outcomes including penalties imposed by the courts is maintained on the ORIC website.

### Criminal matters

#### Matters in progress

As at 30 June 2015 there were no criminal matters in progress.

#### Finalised

##### *Veronica Cubillo—former CEO of North Australian Aboriginal Family Violence Legal Service Aboriginal Corporation (NAAFVLS)*

On 23 April 2015 Ms Veronica Cubillo was found guilty in the Northern Territory Supreme Court in Darwin of 11 offences under the CATSI Act and the Criminal Code (NT). Ms Cubillo was the former CEO of NAAFVLS. Ten of the charges brought against Ms Cubillo related to her misusing her position and forging documents to obtain a personal financial benefit. The eleventh charge related to Ms Cubillo intentionally and dishonestly failing to properly exercise her duties as the CEO.

On 12 May 2015 Ms Cubillo was sentenced to three months' imprisonment, backdated to 30 April 2015 when Ms Cubillo was first remanded in custody, and a further five months in home detention. Ms Cubillo was also ordered to repay \$7624.50 to NAAFVLS via the Registrar.

##### *Annual reporting prosecutions—various corporations*

During 2014–15 prosecution action was finalised against 16 corporations for failing to lodge their 2012–13 annual reports with the Registrar.

Corporations that ignore their regulatory obligations and do not lodge their reports by 31 December risk prosecution. The maximum penalty for each report not lodged is \$21,250 for corporations. On 31 July 2015 the penalty unit value increased to \$180. The new maximum penalty of \$22,500 for corporations will apply to offences committed on or after 31 July 2015.

Fines imposed for failure to lodge 2012–13 reports amounted to \$26,600.



## **Civil matters**

### **Matters in progress**

#### *Registrar v Fred Monaghan & Others—ACD22/2015*

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

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

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

#### *Registrar v Ashley James Taylor & Anor—WAD315/2015*

On 25 June 2015 the Registrar applied for freezing orders in the Federal Court in Perth against two former senior officers of the Murchison Region Aboriginal Corporation, Mr Ashley Taylor and Mr Abul Shahid.

It is alleged the former executive officer and finance officer made unapproved loans to themselves, with a combined value of almost \$1.7 million.

On 3 July 2015 the Federal Court made interim orders to freeze the assets and restrict overseas travel for the two former officers.

The proceedings will return to the Federal Court in October 2015.

### **Finalised**

#### *Registrar v Paul Edward Pini & Anor—QUD204/2014*

On 17 December 2014 the Federal Court in Brisbane made orders disqualifying Mr Paul Pini and Ms Katrina Lucas from managing Aboriginal and Torres Strait Islander corporations.

The Federal Court found that Mr Pini and Ms Lucas had contravened the CATSI Act while they were employed as officers at Lagulalya Aboriginal Corporation. Mr Pini was disqualified from managing corporations for three years and Ms Lucas for two years.

### *Registrar v Sonia Marie Murray & Ors—VID563/2014*

On 16 April 2015 banning orders were made in the Federal Court in Melbourne against four former directors of the Bunurong Land Council (Aboriginal Corporation).

The court found that the four former directors, Ms Sonia Murray, Mr Mervyn Brown, Ms Leonie Dickson and Ms Verna Nichols had breached their duties as directors under the CATSI Act. They were also found to have failed to meet their obligation to ensure the corporation kept proper books and records.

Ms Murray was disqualified from managing Aboriginal or Torres Strait Islander corporations for seven years, fined \$25,000 and ordered to pay compensation of \$7717.98 to the Bunurong Land Council (Aboriginal Corporation). Mr Brown and Ms Nichols were both disqualified for three years and ordered to pay a fine of \$10,000. Ms Dickson was disqualified for three years and ordered to pay a fine of \$5000.

### *Registrar v Matcham—SYG1989/2014*

On 5 February 2014 the Federal Court in Sydney made orders disqualifying Mr Damien Matcham for 15 years and ordering him to pay fines and compensation of over \$1.2 million. Mr Matcham failed to pay the fine and the Registrar commenced bankruptcy proceedings against him. Mr Matcham filed a debtor's petition and was bankrupted in July 2014, ending the proceedings commenced by the Registrar.

Outcomes of prosecutions initiated by the Registrar are on the ORIC website [www.oric.gov.au/prosecutions-outcomes](http://www.oric.gov.au/prosecutions-outcomes).

The Registrar maintains a publicly available register of people disqualified under the CATSI Act from managing Aboriginal and Torres Strait Islander corporations. See the Register of Disqualified Officers at [www.oric.gov.au/catsi-act/disqualified-persons-and-officers](http://www.oric.gov.au/catsi-act/disqualified-persons-and-officers).



## Case study: Banning orders for four former directors of a Victorian corporation

The Registrar, for the first time took action against an entire former board of a corporation for breaching its duties under the CATSI Act and failing to exercise proper control over the corporation's affairs.

On 26 September 2014, the Registrar brought proceedings against Ms Sonia Murray and three other former directors of the Bunurong Land Council (Aboriginal Corporation).

The court found Ms Sonia Murray, a former officer and director of Bunurong, had conducted the business of the corporation for her own interest and failed to keep proper records to explain transactions and the flow of money into and out of the corporation. The three other former directors failed to take any interest in the management of the corporation and allowed Ms Murray to run the corporation for her own personal use and benefit.

Ms Murray admitted that between September 2008 and January 2014 she deposited \$924,000 into the corporation's bank account and withdrew more than \$929,000 but did not keep a record of who provided the money or to whom it was paid. During this time Ms Murray in her role as CEO was responsible for contracting individuals and firms for cultural heritage work on Bunurong country (which lies along the eastern side of Port Phillip Bay in Victoria down to the Mornington Peninsula).

Ms Murray treated the corporation as her own personal business while the other directors failed to take even basic steps either to monitor what Ms Murray was doing or to ensure that the corporation met its record keeping, meeting and taxation obligations.

On 16 April 2015 Justice Gordon in the Federal Court in Melbourne issued banning orders against the four former directors. Ms Murray was disqualified from managing an Aboriginal and Torres Strait Islander corporation for seven years, fined \$25,000 and ordered to pay compensation of \$7717.98 to the Bunurong Land Council (Aboriginal Corporation). The three other former directors were disqualified for three years each and also ordered to pay a fine.

The Registrar said, 'These former directors failed the Bunurong people and demonstrated that they did not act to the standard expected from a board of an Aboriginal and Torres Strait Islander corporation.'

## Former manager in land scandal

EXCLUSIVE  
Nick McKenzie  
Richard Baker

Most Victorians know nothing about the ancient secrets lying in the muddy paddocks and scrubland earmarked for development in Melbourne's outer suburbs.

On some of this land, just below the dirt, you can find tools or hunting implements once used by the Bunurong people, an Indigenous tribe that was dispossessed progressively in Victoria from the early 1800s.

But this land has also been the scene of one of the worst cases of financial mismanagement and nepotism yet seen in Victorian Indigenous affairs. Much of the trouble-exposed last week in a Federal Court of Australia judgment - implicates part-time telephone psychic Sonia Murray, the former manager of the Bunurong Land Council.

The tale gives a rare insight into the way some figures abuse the vital role of Indigenous land councils and use politics and accusations of racism to cloud or justify their own misconduct.

Federal Court Justice Michelle Gordon, who was last week promoted to the High Court, made a series of damning findings about the role of four former directors of the Bunurong Land Council, banning them from running an Indigenous corporation in Australia for between three and seven years.

But Fairfax Media revealed last year the Victorian government has registered a new Indigenous organisation associated with some of the four banned figures. The newly formed Bunurong Land and Sea Association has launched a major native title claim to a vast tract of

Continued Page 4

In a first for the Registrar the Federal Court banned the entire former board of an Aboriginal and Torres Strait Islander corporation for failing in its duties under the CATSI Act.

**Case study:**  
**Trial by jury returns guilty verdict**

Senior staff in corporations who occupy positions of trust must act responsibly in exercising their duties. These were the findings in the case of Ms Veronica Cubillo, a former CEO of the North Australian Aboriginal Family Violence Legal Service Aboriginal Corporation (NAAFVLS).

The Registrar brought 11 charges against Ms Cubillo which mainly related to the misuse of her position. Ms Cubillo was found guilty by a jury of peers on 23 April 2015.

In handing down the sentence, Justice Blokland in the Supreme Court in Darwin said that Ms Cubillo had breached her position of trust as the CEO of an Aboriginal corporation and had not accepted responsibility for her actions.

This was the first matter brought by the Registrar to proceed by way of a fully defended jury trial.

The Registrar can only build a strong case against directors and other corporation officers if people who have information and documented proof are prepared to stand up for their corporation and support the legal process in court.



**Jail, home detention for ex-CEO**

SHAE McDONALD



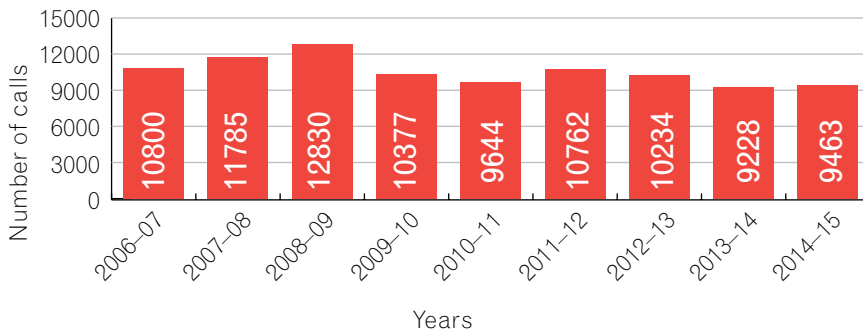
## Support services

### Call centre

In 2014–15 ORIC received 9463 telephone calls seeking information and advice.

Many corporations use ORIC's freecall telephone service when making initial contact with the Registrar's office.

**Figure 8:** Number of calls to ORIC's freecall number from 2006–07 to 2014–15



### Dispute management

In 2014–15 ORIC helped to resolve 28 disputes compared to 38 in the previous year, which represents a decrease of 26.3 per cent.

If a dispute is managed in the right way it can prevent corporate governance failure. ORIC works with all parties involved and tailors its responses to suit a corporation's needs as well as builds its capacity to manage future disputes. Well-managed disputes can improve a corporation's resilience.

ORIC has a fact sheet, *Dispute resolution*, and a policy statement, *PS-22: Disputes involving corporations*, available on its website.

The Registrar can support corporations by providing:

- ⇒ an advisory opinion—a formal letter from the Registrar giving an opinion about how the CATSI Act and the corporation's rule book applies to a situation in dispute
- ⇒ dispute management workshops
- ⇒ advice—by telephone, face-to-face or email
- ⇒ conferencing and small group problem-solving facilitation
- ⇒ representatives to call, attend and chair general meetings
- ⇒ recommendations for rule book amendments to ensure that a good dispute resolution process is in place.

## Complaints assistance

In 2014–15 ORIC finalised 834 complaints compared to 750 last year, which represents a 11 per cent increase.

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

On average, 'straightforward complaints' were answered within three working days, 'detailed complaints' were finalised in an average of 10 days, while the most 'complex complaints', which often required considerable background research and follow up with third parties, were resolved in an average of 53 days.

**Table 12:** Complaints involving corporations from 2011–12 to 2014–15

Year	Number of complaints received	Percentage increase/decrease in complaints received over previous year	Number of complaints finalised*
2014–15	833	12%	834
2013–14	741	13%	750
2012–13	657	21%	652
2011–12	541	-13%	544

\*Note: Includes complaints received and carried over from the previous year.

For complaints received during 2014–15, the top categories were:

- ⇒ complaints about the conduct of directors or breaches of directors, officers or employees' duties
- ⇒ complaints covering multiple complaint categories that don't readily fall into a single category.

Reasons identified by the Registrar to explain the increases in complaints are:

- ⇒ an increase in the number of corporations, particularly prescribed bodies corporate (PBCs), where members have high expectations of their corporations
- ⇒ an increased awareness:
  - of the Registrar's role, regulatory services and the complaints assistance
  - of the Registrar's activities, particularly prosecution action against wrongdoers
  - by members of their rights
- ⇒ an increased understanding of how corporate governance should operate.

As part of its complaints-handling process, ORIC also assists those who are complained about (that is, the subjects of complaints) by providing:

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

ORIC has a fact sheet, *Complaints involving corporations*, and a policy statement, *PS-02: Complaints involving corporations*, which are available on its website.

Some complainants allege fraud or misappropriation of funds at a corporation. In these situations, ORIC asks for evidence to support the allegations. ORIC can only take action if there is sufficient evidence.

Complaints can serve a useful purpose. They can be a barometer of issues affecting corporations.

The Registrar publishes a statistical overview of complaints involving corporations every six months. The reports are available on the ORIC website.

## **Common complaints in 2014–15**

The most common complaints the Registrar received over the year were about corporation directors and officers failing to call meetings, not providing sufficient information to members, or conducting activities against members' wishes.

When members make a complaint they often expect the Registrar to intervene to correct what they believe is the wrongdoing. In the first instance, the Registrar's office will assist by advising members of their rights under their corporation's rule book.

It must be understood that the corporation's rule book is a form of contract between the members (as set out in section 60 of the CATSI Act). The Registrar is not a party to that contract. The Registrar can only intervene if there is evidence of a serious failure of governance. In most cases the Registrar's role is limited to providing information and advice.

Part of ORIC's advice to complainants is to encourage them to use the corporation's dispute resolution rule. All corporations are required to have a dispute resolution process included in their rules—CATSI Act section 66-1(3A)—so that problems can be resolved before they become too big.

ORIC also informs complainants about their right to ask the directors to call a meeting to pass a resolution addressing their concerns. Although complainants often see removing the current directors as the best way to resolve their issues, the directors can only be removed by the members at a general meeting.

Section 201-5 of the CATSI Act sets out the requirements for a valid meeting request. Templates for making these requests are available on ORIC's website.

At a meeting called under this rule, members are able to hear the complainants' concerns and the directors' explanations. They vote on the issues and decide whether they agree with the complaints. The Registrar sees this as the most important principle of a corporation: the members own the corporation and should be the ones entitled to judge the performance of its directors.

### **Case study:** **Successful dispute management process**

Gunangarah Aboriginal Corporation for Housing provides secure and affordable accommodation for Aboriginal and Torres Strait Islander people in southern New South Wales.

In June 2014 the directors approached the Registrar for help because they had concerns that internal governance issues were putting at risk the delivery of the corporation's services. External parties important to the corporation's success were beginning to disengage.

In July 2014 the Registrar agreed to convene a two-day dispute management workshop in Queanbeyan to address several problem areas, including the management of the properties, conflicts of interest, governance, confidentiality, and the rule book.

The results of the workshop were overwhelmingly positive. Policies and procedures were developed to address governance issues, a code of conduct was established, and key dates for meetings (including the AGM) were set.



## Locally based support

### Coffs Harbour regional office, New South Wales

Over the past year the office has interacted with a large number of corporations across New South Wales and as far north as Gin Gin, Queensland. Some typical activities include providing governance training, helping with meeting attendance, reporting obligations and assisting organisations wanting to transfer to the CATSI Act.

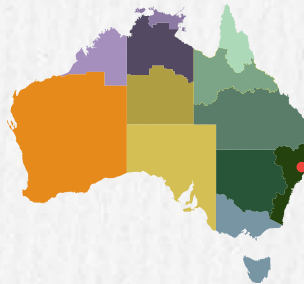
In February 2015, Blanche Saunders (a Kamilaroi woman) joined ORIC's Coffs Harbour office. Blanche has provided a much needed extra pair of hands which corporations in the regions have appreciated.



Christian Lugnan  
Regional manager,  
Coffs Harbour



Blanche Saunders,  
Regional officer,  
Coffs Harbour



“

*Blanche and I were able to break down some of the special administrator's messages to the members and the advisory committee which made the process so much easier. We could build a very quick rapport because of our experience with working with Aboriginal and Torres Strait Islander corporations and because we are Aboriginal.*

”

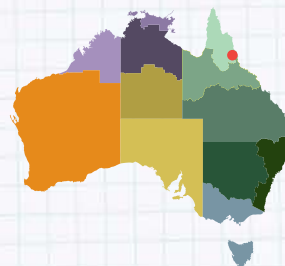
Christian Lugnan on providing special administration support to Minimbah Pre-school, Primary School Aboriginal Corporation



Renee Wood and  
Jennifer Reuben,  
Regional officers, Cairns

## Cairns regional office, Queensland

The Cairns regional office has been operating since 2012 and covers a diverse area extending as far north as the Torres Strait and as far south as Sarina. In 2015 the geographical scope of the office was extended to the west to include Mount Isa, Normanton, Doomadgee and Mornington Island. The demand for ORIC's support services has continued to increase over the year with local corporations requesting corporation-specific training and requiring help with rule book changes. There has also been a high number of inquiries from organisations wishing to transfer to the CATSI Act.



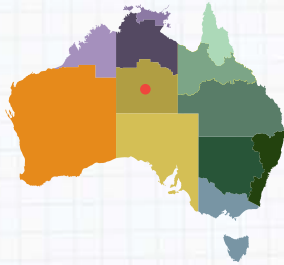
“*My main focus is on simplifying government jargon and helping participants of our training to better understand new concepts. I find that using real-life examples helps people implement what they've learnt at their corporations.*”

Jennifer Reuben on delivering corporation-specific training

## Alice Springs regional office, Northern Territory

The Alice Springs regional office was established in 2011 and is an integral part of ORIC's growing regional network. It serves the lower half of the Northern Territory, taking in the Barkly region, Central Australia and the whole of South Australia.

The office in Alice Springs delivers a wide range of services including training to individual corporations, assistance with rule book changes, complaints handling, transfer of registration to the CATSI Act, and the registering of new corporations.



Dayna Lister,  
Regional manager,  
Alice Springs



George Donaldson,  
Regional officer,  
Alice Springs

“

*It's great helping people who want to help others—like setting up a corporation to provide a healthy sporting outlet for the young people of Yuendumu. I talked with community about an appropriate name for the new corporation; how to go about drafting a rule book and some of the pre-registration process.*

”

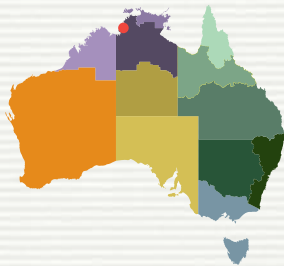
George Donaldson on the registration of Wanta Aboriginal Corporation



Hannah Roe,  
Regional manager,  
Darwin



Margetta Avlonitis,  
Regional officer,  
Darwin



## Darwin regional office, Northern Territory

Open since October 2013 the Darwin regional office is now a familiar presence in the Top End and provides hands-on support to many local corporations. Services range from helping with governance difficulties to assisting with reporting obligations. Supporting organisations wanting to transfer to the CATSI Act has been a particularly active area. Another busy area has been working with the ORIC recruitment assistance (ORA) service which helps corporations recruit senior managers.

In February 2015, Margetta Avlonitis joined the office.

“

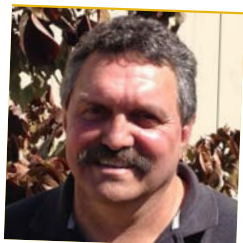
*We were able to help the Ironbark Aboriginal Corporation with the recruitment of a new CEO. It's very important to get the right person for the job. The corporation's directors and selection panel also really wanted to be sure that they were following the recruitment process properly. An applicant was successfully appointed and the corporation has asked for further ORIC recruitment assistance with another senior management position.*

”

Hannah Roe on ORIC recruitment assistance (ORA) for the Ironbark Aboriginal Corporation

## Broome regional office, Western Australia

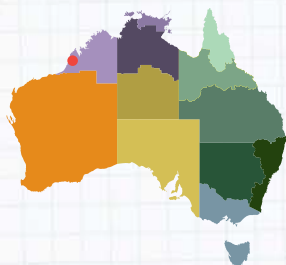
The Broome regional office, which opened its doors for the first time in October 2013, provides services to the Kimberley.



Sid Michels,  
Regional officer,  
Broome

The word has spread and people are now well aware of ORIC's presence in north-western Australia. As a result the demand for ORIC services in this region has steadily grown.

The Broome regional officer has delivered governance training to local corporations and has assisted many more with their reporting obligations.



“*All the group members were keen to learn about governance right from the start. We went through all the steps involved in a registration process.*”

Sid Michels on providing ongoing assistance to the Halls Creek Stolen Generation Group

## Perth regional office, Western Australia

The Perth regional office has been operating since April 2012 and is a familiar and welcome presence in the region. It's used not only by local corporations but also by stakeholders, such as government agencies, non-government organisations and the business community. In 2014–15 the Perth regional office expanded its scope to the Pilbara and now supports local Aboriginal corporations in that area.

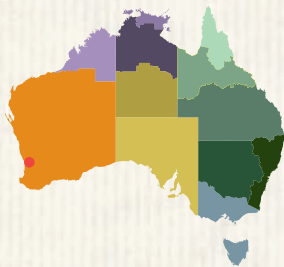
In January 2015 Clinton Dann joined the office for a few months to provide administrative support and to help with the delivery of services.



Arthur Hyde,  
Regional manager, Perth



Clinton Dann,  
Regional officer, Perth



“

*It is not always plain sailing when an organisation transfers from state legislation to the CATSI Act. In May 2015 I helped the Noongar Institute of Western Australia Aboriginal Corporation. The transfer involved assisting to draft the new rule book and obtaining approval from the elders, as well as working with lawyers on the legal aspects. The corporation has been offered post-registration training which the directors plan to undertake in the new year.*

”

Arthur Hyde about transferring an existing organisation to the CATSI Act

## Case study: Building relationships

The Sister Kates Home Kids Aboriginal Corporation in Armadale, Western Australia, was set up to provide healing, empowerment and leadership to lost generation peoples.

Its related trust, Sister Kate's Home Kids Foundation, was established to benefit Aboriginal people who were residents of Sister Kates Home, in particular those from 1954 onwards, their families and descendants. The trust holds land that was transferred from the Uniting Church for the purpose of building a healing centre for the 'home kids'.

In the early stages of its life the corporation was unable to attract funding but eventually formed an arrangement with the charity Communicare to auspice its funding and to provide office space. Most importantly the relationship allowed Sister Kates to provide a range of support services to its 'home kid' clients.

The corporation's success in establishing a strong working relationship with Communicare and its efficiency in delivering services demonstrates hard work and resourcefulness. By forging this relationship has also made Sister Kates a more attractive proposition for funding bodies.

'It's a credit to the dedicated staff of the corporation what they have achieved and the support they provide to their clients,' said ORIC's Perth regional manager, Arthur Hyde.

Neither success nor relationships are built overnight.

Arthur has also made it his business to work closely and steadily with the Sister Kates Home Kids Aboriginal Corporation. Over the years he has assisted it with general governance matters, meeting its reporting obligations, and applying for free legal assistance through ORIC's LawHelp service.

Thanks to this investment and the corporation's own hard work Sister Kates is well on its way to becoming self-reliant and ready to expand its support services to its members and clients. All this can be put down to building strong relationships.

## Case study: Searching for owners of unclaimed money

For a number of years Ngunjuwah Council Aboriginal Corporation was funded by the Australian Government to deliver the Community Development Employment Projects (CDEP) program to Aboriginal people in the Halls Creek region of Western Australia. In 2007 the corporation was placed into liquidation. Between 2007 and 2013 its liquidators (Meertens) tried to locate 232 former CDEP participants who were owed money by the corporation. They were successful in finding only five as many had incomplete addresses or had moved.

In May and July 2013 the liquidators transferred \$189,093.23 to the Registrar under the CATSI Act as unclaimed money. Funds owed to individuals ranged from \$11 to \$3682.

Over the next 18 months the Registrar initiated a project to locate the former CDEP participants and to assist in claiming the amounts owed to them.

The remote location of many of the former CDEP participants as well as provisions in the *Privacy Act 1988* presented several challenges—the Privacy Act prevents the publication of the names of the former CDEP participants.

Trying a direct approach, the Registrar on two separate occasions placed a dedicated ORIC officer in Halls Creek to search for rightful claimants. The Registrar also placed general notices in the local newspaper, was interviewed on radio programs and posted notices throughout the local community to encourage people to come forward. However, even with these efforts, only about half of the 227 former CDEP participants were successfully located:

- ⇒ 93 people (41 per cent) made a successful claim and have been paid. The total value of these payments is \$129,269.50.
- ⇒ five people (2.2 per cent) have lodged a claim but require further documentation for their claim to be processed. The total value of these claims is \$1910.65.

Unfortunately, 129 people (56.8 per cent) to date have not been located (a total of \$57,913.07 is owed to them).

Although every effort continues to be made to contact the remaining 129 people the chances of finding them are diminishing.

This is the first time that unclaimed money has been transferred to the Registrar's office by a liquidator.



# ORA: ORIC recruitment assistance—helping corporations to recruit staff

In 2014–15 a total of 11 job assistance requests for senior management positions were received through ORA and nine senior staff positions were filled.

The Registrar started the ORIC recruitment assistance (ORA) service in 2010 to help corporations fill senior positions. The service encourages best practice and builds capacity by supporting corporations to recruit, appoint and retain suitable senior staff.

ORA supports corporations through each step in the recruitment process, including:

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

ORA is free of charge to eligible corporations, although corporations meet their own advertising costs. Corporations remain responsible for all decisions in the recruitment process, including the final selection of the successful candidate and negotiating a salary package.

**Figure 9:** Number of job assistance requests received through ORA and senior positions filled from 2010–11 to 2014–15



Note: Not all recruitment activities end with filling of the position.

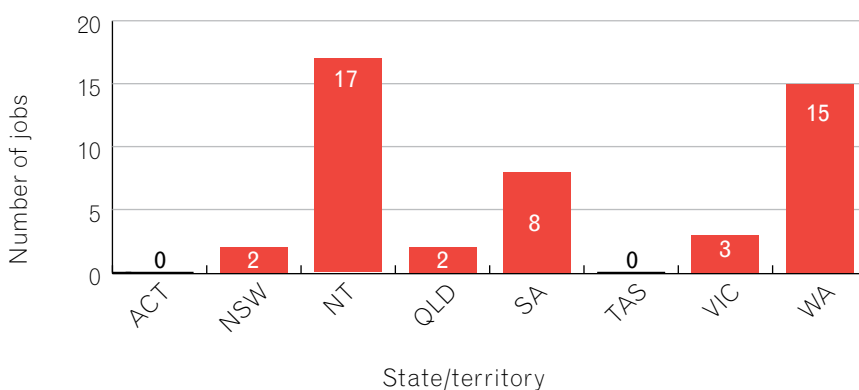
## Corporation jobs

In 2014–15 there were 47 jobs advertised on the ORIC website.

Since 2009 ORIC has provided corporations with the ability to advertise their employment opportunities free of charge on the ORIC website. This is an important service, particularly for those corporations that can't afford to advertise online or don't have their own website.

Over the past six years 331 jobs have been advertised including 47 that were advertised during 2014–15.

**Figure 10:** Corporation jobs advertised on the ORIC website by state/territory 2014–15



### Handy recruitment guides

ORIC has produced a series of short, handy guides about recruitment.

Topics include:

- ⇒ recruitment process
- ⇒ how to draft a successful job ad
- ⇒ how to draft selection criteria
- ⇒ checklist for selecting suitable applicants
- ⇒ sample interview questions.

There are also a number of employment guides:

- ⇒ managing performance
- ⇒ grievance and dispute resolution

⇒ termination of employment—small business employers

⇒ termination of employment—larger employers.

Template employment contracts grouped by state and territory as well as summaries of employment conditions and information on relevant industry awards are also available. These documents were developed in 2010 in partnership with the Australian Government Solicitor and can be found on the ORIC website under 'Corporation jobs'.

## LawHelp

In 2014–15 ORIC received 41 LawHelp applications, a significant increase from the 19 received last year. Twenty-four of these were approved by the LawHelp assessment panel and successfully referred to some of Australia's top law firms (compared to 13 last year).

LawHelp was started by the Registrar and a handful of volunteer lawyers in 2010 to give not-for-profit Aboriginal and Torres Strait Islander corporations registered under the CATSI Act access to pro bono legal assistance.

The scheme provides assistance on a range of legal matters, from basic tax issues to drafting employment contracts to interpreting the law. It cannot, however, help with matters already funded by government, such as native title, legal action in any court or tribunal or with matters that could conflict with the interests of the Australian Government.

LawHelp can only help corporations not individuals.

During the year, the pro bono legal scheme was extended to entities seeking assistance to transfer their registration to the CATSI Act. The Registrar decided to make the change in response to requests for this type of assistance as a result of new funding conditions under the Indigenous Advancement Strategy. Previously, only Aboriginal and Torres Strait Islander corporations registered under the CATSI Act were eligible to apply for LawHelp. The changes enable Aboriginal and Torres Strait Islander organisations not registered under the CATSI Act to obtain advice about transferring registration.

As at 30 June 2015 there were 12 participating law firms on the LawHelp panel:

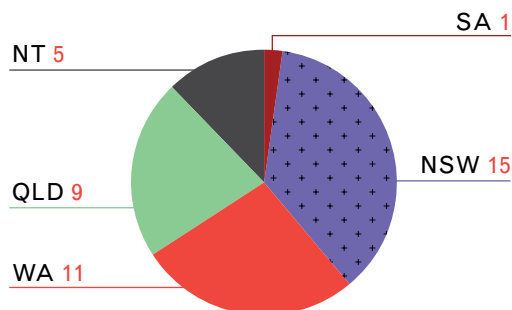
- |                                         |                            |
|-----------------------------------------|----------------------------|
| ⇒ Allens                                | ⇒ Clayton Utz              |
| ⇒ Ashurst                               | ⇒ DLA Piper Australia      |
| ⇒ Australian Government Solicitor (AGS) | ⇒ HWL Ebsworth Lawyers     |
| ⇒ Bradley Allen Love Lawyers            | ⇒ Jackson McDonald Lawyers |
| ⇒ Castledine Gregory Law & Mediation    | ⇒ Lipman Karas             |
|                                         | ⇒ Minter Ellison           |
|                                         | ⇒ Tress Cox Lawyers.       |

Eligible corporations or transferring organisations send their applications for legal assistance to ORIC's LawHelp secretariat which provides administrative support for the scheme. Applications are then forwarded to the independent LawHelp assessment panel for action.

Three independent lawyers sit on the LawHelp assessment panel—the manager of pro bono services from the Australian Government Solicitor, Ms Geetha Nair; a Victorian lawyer from the community services sector, Mr David Tennant; and an Aboriginal lawyer with the Department of Health, Mr Benjamin Murray.

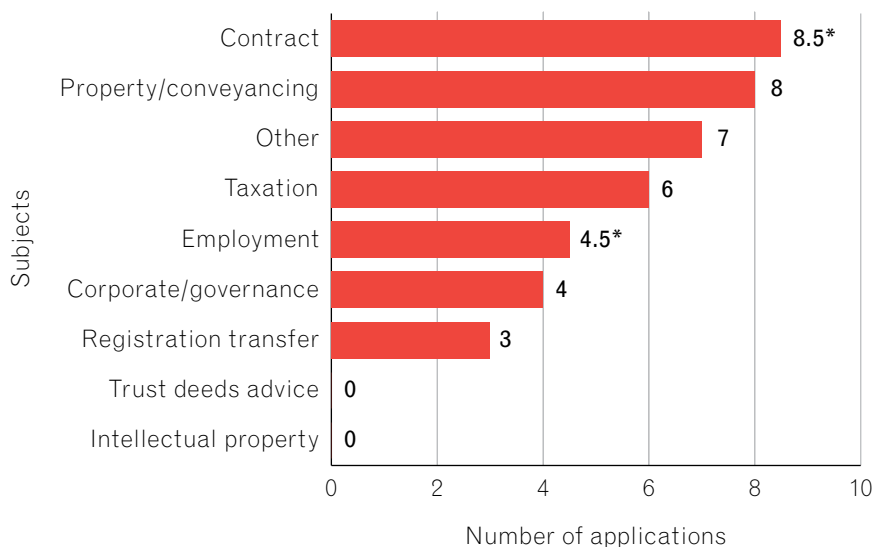
The Registrar is grateful for the ongoing support provided by the panel members. Without their involvement this important service could not be provided by the Registrar.

**Figure 11:** Number of LawHelp applications by state/territory 2014–15



Note: There were no applications from Tasmania or the Australian Capital Territory.

**Figure 12:** Number of LawHelp applications by subject 2014–15



Note: \*One application was half employment law and half contract law.

## Training

In 2014–15 ORIC provided corporate governance training to 886 people from 169 Aboriginal and Torres Strait Islander corporations, organisations and new groups.

The Registrar also developed a new corporate governance workshop designed specifically for corporations in the native title sector.

The workshop was trialled by 22 people from one native title body on Badu Island in the Torres Strait.

Ninety per cent of people who attended reported a significant or very significant increase in corporate governance knowledge after completing the training.



The Registrar's training programs are designed to increase corporate governance knowledge, skills, efficiency and accountability within Aboriginal and Torres Strait Islander corporations.

Facilitator Benny Hodges explaining the water tank activity to Sammy Lyons and Thomas Holder, Pitjantjatjara Yankunytjatjara Media (Aboriginal Corporation).

## Training calendar

In May each year the Registrar publishes an online calendar of Introduction to Corporate Governance (ICG) workshops and accredited training courses for the following financial year. It includes proposed dates and locations for courses. The calendar is updated regularly in case of changes.



Training courses for 2014–15 on the ORIC website.

## Types of training courses and workshops

Eligible applicants can apply to ORIC for corporate governance training through residential courses (part of ORIC's Managing in Two Worlds program) and/or through workshops delivered in the community through ORIC's corporation-specific programs.

**The Managing in Two Worlds program** includes:

- ⇒ ICG workshops held over three days
- ⇒ Certificate IV in Business (Governance) delivered in four one-week blocks
- ⇒ Diploma of Business (Governance) delivered in five one-week blocks.

**Corporation-specific training (CST)** is delivered to individual corporations that have requested training especially tailored to their particular needs and circumstances.

CST workshops are usually held at a corporation's premises or within the community. The training is delivered over one or two days. The range of CST workshops includes:

- ⇒ **pre-incorporation doorway (including transfers and amalgamations):** provides information on the CATSI Act requirements and processes for an organisation to become incorporated under the CATSI Act
- ⇒ **rule book design and re-design:** helps corporations and new groups looking to register to develop a rule book under the CATSI Act
- ⇒ **support and mentoring:** provides support and practical information in running a corporation, including post-special administration training to prevent the problems that led to the special administration in the first place
- ⇒ **Building Strong Stores (BSS):** is a two-day program designed specifically for corporations that manage a community store
- ⇒ **native title:** corporations in the native title sector face particular challenges and complex issues. During the year ORIC developed a new corporation-specific training workshop designed specifically for native title corporations. A trial was held in September 2014 with 22 participants. From the trial ORIC made a number of changes and refinements to the workshop.

## Overall training delivered

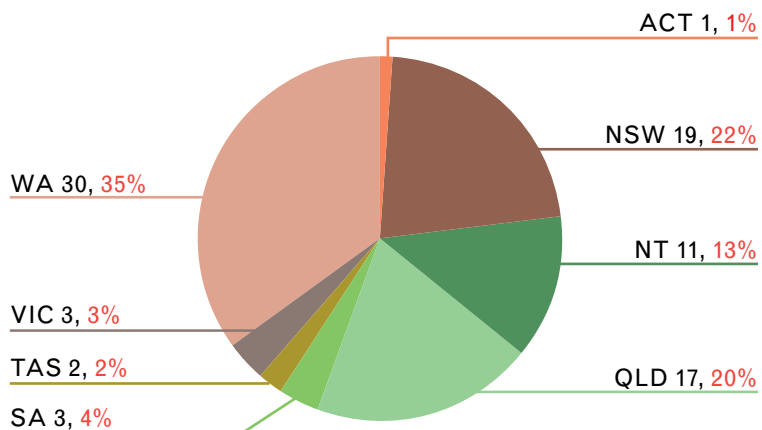
In 2014–15 ORIC exceeded its training targets for both the number of participants and corporations.

**Table 13:** Overall training delivered 2014–15

	Estimate	Actual
Number of participants	750	886
Number of corporations	120	169
Participants that reported a significant or very significant increase in corporate governance knowledge	90%	90%

Note: Overall statistics are based on single counts of participants and corporations.

**Figure 13:** Training workshops and courses by state/territory 2014–15



## Case study: Coming together for training

In April 2015 directors and staff from the following three different corporations came together for two days of corporate governance training:

- ⇒ Gangalidda and Garawa Native Title Aboriginal Corporation RNTBC
- ⇒ Carpentaria Land Council Aboriginal Corporation
- ⇒ Gulf Region Aboriginal Corporation RNTBC

The 22 participants travelled to Cairns from Doomadgee, Burketown, Mornington Island and the Northern Territory.

There was a high level of participation and the workshop was modified to meet the varying skill levels, experience and age of the participants.

There were lots of questions about PBC issues, but the use of practical and real-life examples helped participants to feel confident about implementing their new knowledge and understanding back at their corporations.

The participants have now set their sights on the ICG workshop for more training.

*'The workshop went really well. All participants were keen to contribute ideas and get involved in discussions,'*  
*said Jennifer Reuben, ORIC's Cairns regional officer.*





## Introduction to Corporate Governance (ICG)

ICG workshops explain key concepts and principles of good corporate governance to members and staff of Aboriginal and Torres Strait Islander corporations. Participants need to complete an ICG workshop before they can gain entry to the accredited Certificate IV in Business (Governance).

ORIC delivered nine ICG workshops across Australia in 2014–15. A total of 237 people, representing 93 corporations, participated.

**Table 14:** ICG workshops 2014–15

Date	Location	Number of participants	Number of corporations
Jul 2014	Cooper Pedy, SA	23	6
Aug 2014	Yulara, NT	24	11
Sept 2014	Bundaberg, Qld	19	12
Oct 2014	Kununurra, WA	19	8
Dec 2014	Tamworth, NSW	28	9
Feb 2015	Carnarvon, WA	21	8
Apr 2015	Katherine, NT	50	15
May 2015	Kalgoorlie, WA	33	10
Jun 2015	Gladstone, Qld	20	14
<b>Total</b>		<b>237</b>	<b>93</b>



Participants at an ICG workshop in Yulara.

## Certificate IV in Business (Governance)

The Certificate IV in Business (Governance) is part of a national accredited training package developed specifically for Aboriginal and Torres Strait Islander people who wish to improve their corporate governance and management skills. The objective is for potential and existing directors to attain key competencies and accreditation.

ORIC ran one Certificate IV in Business (Governance) course in 2014–15 which was held in Brisbane. The course drew participants from Queensland, New South Wales, South Australia, Western Australia and the Northern Territory. Fourteen students started the course and all graduated.

**Table 15:** Certificate IV in Business (Governance) 2014–15

Date	Location	Number of students graduated	Number of corporations
Block 1: 20–24 Oct 2014	Brisbane, Qld	14	13
Block 2: 1–6 Dec 2014			
Block 3: 9–13 Feb 2015			
Block 4: 16–20 Mar 2015			



Participants during an ICG workshop in Yulara (*insert*) Andrew Spencer.

## Case study: Certificate IV in Business (Governance)

In October 2014, students who had enrolled in ORIC's business governance course arrived in Brisbane for the first of four one-week residential study blocks. Drawn from different corporations from across Australia the students might have been a little nervous but they were also motivated. Some had travelled long distances—for example, from the Northern Territory and Western Australia.

The students responded well to the face-to-face tuition which was conducted over 20 days. In between study blocks they returned home to work on set assignments and assessments.

All 14 students who started the course finished it. On 20 March 2015 a graduation ceremony was hosted by the Registrar at the Novotel Brisbane with a number of guests, including the federal member for Brisbane, the Hon. Teresa Gambaro MP, and the Hon. Shayne Neumann, Shadow Minister for Indigenous Affairs and federal member for Blair.



Certificate IV in Business (Governance) graduation in Brisbane.

## Diploma of Business (Governance)

The Diploma of Business (Governance) builds on competencies already acquired in the Certificate IV in Business (Governance).

A diploma course commenced in June 2015 with 14 students. It will be run over five one-week blocks and completed in November 2015.

## Corporation-specific training (CST)

In 2014–15 ORIC delivered 75 separate CST workshops for 92 different corporations and groups. Altogether 629 participants attended the workshops. The governance topic most often requested and consequently delivered at the workshops was 'the roles, responsibilities and legal duties of directors'.

The most workshops (36 per cent) were conducted in Western Australia, followed by New South Wales (24 per cent) and Queensland (19 per cent).



**Table 16:** Corporation-specific training workshops delivered 2014–15

Date	Location	State	Number of participants	Number of corporations
Jul 2014	Latrobe	Tas	4	1
Jul 2014	Halls Creek	WA	10	2
Jul 2014	Bunbury	WA	6	1
Jul 2014	Newman	WA	6	1
Jul 2014	Alice Springs	NT	8	1
Jul 2014	Derby	WA	6	1
Jul 2014	Gin Gin	Qld	8	1
Jul 2014	Eisvold	Qld	6	1
Jul 2014	Purga	Qld	8	1
Jul 2014	Maningrida	NT	6	1
Jul 2014	Mount Barnett	WA	4	1
Jul 2014	Derby	WA	10	1
Jul 2014	Narrabri	NSW	6	1
Aug 2014	Geraldton	WA	10	1
Aug 2014	Watanobbi	NSW	7	1
Aug 2014	Katherine	NT	8	1
Aug 2014	Narromine	NSW	8	1
Aug 2014	Newman	WA	9	1
Aug 2014	Darwin	NT	4	1
Aug 2014	Mildura	Vic	6	1
Aug 2014	Roebourne	WA	8	2
Aug 2014	Warmun	WA	6	1
Aug 2014	Normanton	Qld	18	2
Sept 2014	Charters Towers	Qld	6	1
Sept 2014	Badu Island	Qld	22	1
Sept 2014	Bickerton Island	NT	11	1
Oct 2014	Albany	WA	10	1
Oct 2014	Byron Bay	NSW	12	1
Oct 2014	Gunnedah	NSW	15	1
Nov 2014	Melbourne	Vic	4	1
Feb 2015	Canberra	ACT	7	1
Feb 2015	South Hedland*	WA	5	1
Feb 2015	Broome	WA	9	1
Feb 2015	Launceston	Tas	8	1
Feb 2015	Yamba	NSW	5	1
Feb 2015	Coraki	NSW	5	1
Mar 2015	Tennant Creek	NT	9	1
Mar 2015	Katoomba	NSW	14	1
Mar 2015	Coolangatta	Qld	8	1
Mar 2015	Ali Curung	NT	16	1

Date	Location	State	Number of participants	Number of corporations
Mar 2015	Port Macquarie	NSW	6	1
Mar 2015	Mareeba	Qld	3	1
Mar 2015	Raymond Terrace	NSW	5	1
Mar 2015	Hervey Bay	Qld	5	1
Mar 2015	Mutitjulu	NT	6	1
Mar 2015	Kalumburu	WA	21	4
Apr 2015	Mulan	WA	14	3
Apr 2015	Badu Island	Qld	13	1
Apr 2015	Ringer Soak	WA	26	4
Apr 2015	Kempsey**	NSW	3	1
Apr 2015	Cairns	Qld	21	3
Apr 2015	Inverell**	NSW	6	1
Apr 2015	Dubbo	NSW	2	1
Apr 2015	Kununurra	WA	5	1
Apr 2015	Doon Doon Community	WA	5	2
Apr 2015	Halls Creek	WA	8	4
Apr 2015	Glen Hill Station	WA	6	1
Apr 2015	Kununurra	WA	6	1
Apr 2015	Dubbo	NSW	4	1
Apr 2015	Townsville	Qld	6	1
Apr 2015	Townsville	Qld	5	1
Apr 2015	Port Macquarie	NSW	7	1
Apr 2015	Dubbo	NSW	4	1
May 2015	Healesville*	Vic	7	1
May 2015	Brisbane	Qld	7	1
May 2015	Ceduna	SA	6	1
May 2015	Albany*	WA	7	1
May 2015	Ceduna	SA	7	1
May 2015	Kalgoorlie*	WA	10	1
May 2015	Beagle Bay	WA	7	1
May 2015	Derby	WA	7	1
May 2015	Port Macquarie	NSW	8	1
May 2015	Ballina	NSW	9	1
Jun 2015	Wingellina	WA	14	1
Jun 2015	Karratha*	WA	15	1
<b>Total</b>			<b>629</b>	<b>92</b>

Notes: \* Pre-incorporation doorway workshops for a group looking to register a new corporation.

\*\* Doorway workshop for an existing organisation looking to transfer registration.

**Case study:**  
**CSTs—when ORIC comes to you**

ORIC finds it a challenge each year to respond to the hundreds of requests from corporations for corporate governance training.

To reach as many corporation directors and officers as possible, and to maximise its coverage across Australia, ORIC has adjusted its training model. The Registrar was particularly concerned to assist corporations in remote areas—to build strong corporations, strong people and strong communities.

ORIC's adaptable approach was exemplified in a training visit in April 2015 to the East Kimberley. Corporation specific training (CST) workshops were coordinated over a 10-day period and at the same time it was arranged that the following corporations received customised governance assistance:

*Joseph Martin from Woolah Aboriginal Corporation commented that, 'Since we've had this training we can do a lot more for our corporation and our community.'*

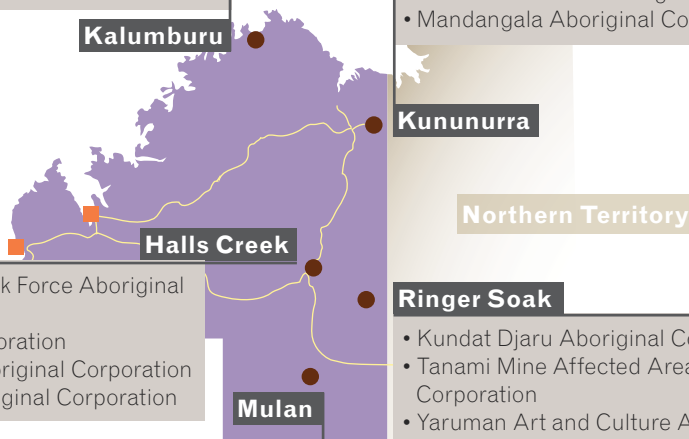
- French Family Aboriginal Corporation
- Kalumburu Aboriginal Corporation
- Maraltadj Family Aboriginal Corporation
- Wunambah Gaamber Aboriginal Corporation

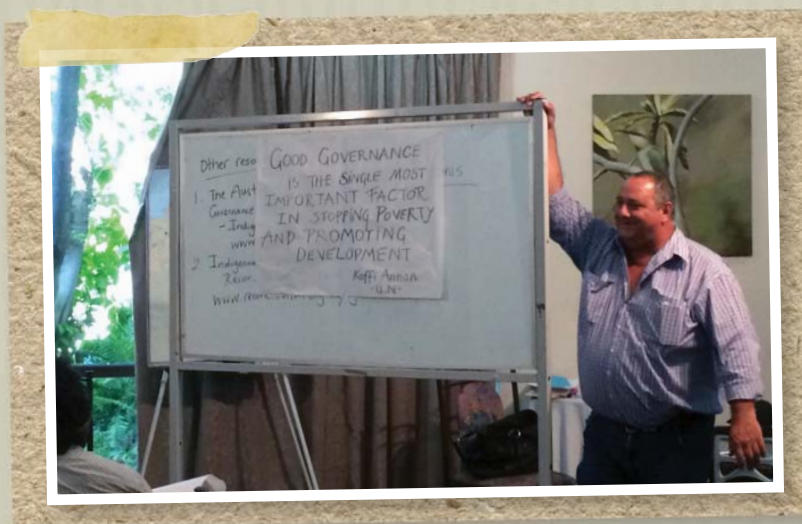
- Halls Creek Healing Task Force Aboriginal Corporation
- Lundja Aboriginal Corporation
- Thalngarr Ngarriny Aboriginal Corporation
- Yarliyil Art Centre Aboriginal Corporation

- Lake Gregory Pastoral Aboriginal Corporation
- Mulan Aboriginal Corporation
- Pinanyi Store Aboriginal Corporation
- Tjurabalan Native Title Land Aboriginal Corporation RNTBC
- Warruyanta Indigenous Corporation

- Kununurra Waringarri Aboriginal Corporation
- Woolah Aboriginal Corporation
- Doon Doon Pastoral Aboriginal Corporation
- Mirima Council Aboriginal Corporation
- Balaburr Aboriginal Corporation
- Glen Hill Pastoral Aboriginal Corporation
- Mandangala Aboriginal Corporation

- Kundat Djaru Aboriginal Corporation
- Tanami Mine Affected Area Aboriginal Corporation
- Yaruman Art and Culture Aboriginal Corporation





ORIC's Russell Styche delivering a CST workshop in Katherine, Northern Territory.

## Partnerships

Over the year ORIC maintained training partnerships with:

- ⇒ State Government of Victoria
- ⇒ State Government of New South Wales
- ⇒ State Government of Western Australia
- ⇒ Australian Indigenous Leadership Centre (AIRC).



# Communications

The Registrar produces a variety of publications and resources to support Aboriginal and Torres Strait Islander corporations and groups.

## Website

The Registrar's website, [www.oric.gov.au](http://www.oric.gov.au), supports the regulatory framework of the CATSI Act. It includes the public Register of Aboriginal and Torres Strait Islander Corporations, the Register of Disqualified Officers and a link to a secure companion site that allows corporations to lodge reports electronically.

Efforts to improve the Registrar's website have continued over the year to ensure it is easy to use and meets Commonwealth standards for accessibility. Bearing in mind the remote locations of many corporations and their reliance on the website as a source of relevant and up-to-date information, this is particularly important. Over the year the Registrar added to the range of 'free services' offered online.



## Skill meets need—new online service

More and more corporations are looking to appoint independent directors to their boards. This is especially true for those corporations that run a range of activities, generate a high income and have a strong asset base. Independent directors can bring specialist experience, knowledge and skills to a board.

The Registrar entered into a partnership with the Business Council of Australia to address the challenge of finding suitably qualified candidates. The new online matching service, the Independent*directory* was developed to encourage direct engagement between corporations and potential candidates.

After several months in the planning and design stage, the service went into its final phase of production and testing in June 2015. It officially went live on 6 July 2015.

The Independent*directory* is a free online service that gives:

- ⇒ Aboriginal and Torres Strait Islander corporations the chance to register their requirements for an independent director—for example, the particular skills they are seeking
- ⇒ individuals the chance to register their interest in becoming an independent director, and to upload their qualifications, experience and skills.

Both corporations and candidates can choose how much information about themselves they wish to make public and at any time can edit what they post. When a potential match is found both the corporation and the candidate is automatically alerted and invited to initiate contact.



## Spotlight on

'Spotlight on' is a regular feature on the homepage of the ORIC website that promotes the activities and many achievements of corporations registered under the CATSI Act. On the first day of each month a new 'spotlight on' article is published. While the Registrar actively encourages corporations to send in their own stories ORIC staff also research and write stories.



July 2014

Returning to the homelands  
Paupiyala Tjarutja Aboriginal Corporation



August 2014

Joining the dots  
Mudth-Niyleta Aboriginal and Torres Strait Islander Corporation



September 2014

Keeping language alive  
Bundiyyarra Aboriginal Community Aboriginal Corporation



October 2014

Serving the community  
Yulu-Burri-Ba Aboriginal Corporation for Community Health



November 2014

It's happening at Hodgson Downs  
Alawa Aboriginal Corporation



**December 2014**

**Townsville health service grows bigger and better**  
Townsville Aboriginal and Torres Strait Islander Corporation for Health Services



**January 2015**

**30 years growth**  
Anyinginyi Health Aboriginal Corporation



**February 2015**

**Traditional knowledge builds viable future**  
Olkola Aboriginal Corporation



**March 2015**

**Flourishing future for remote tourism**  
Lirriwi Yolngu Tourism Aboriginal Corporation



**April 2015**

**Paradise regained**  
Butchulla Aboriginal Corporation RNTBC



**May 2015**

**Better services, better future**  
Ungooroo Aboriginal Corporation



**June 2015**

**Healthy food healthy families**  
Mai Wiru Regional Stores Council Aboriginal Corporation

## Information and resources helping with compliance

The Registrar produces a range of guides, booklets and brochures to help corporations interpret the CATSI Act, comply with their reporting requirements and to understand their corporate governance obligations. Some examples:

- ⇒ *Get in on the Act* is a small booklet that provides a quick overview of the CATSI Act
- ⇒ the *Corporation reporting guide* is designed to help auditors and accountants prepare reports for corporations—updated during the year to include guidance on the recognition of unexpended grants in financial statements and to advise on who may audit a corporation’s financial statements in line with changes to the CATSI Regulations
- ⇒ the *Healthy corporation checklist* is an online checklist (also available as a booklet) that allows corporations to check their compliance standards with their rule book and the law. It also contains useful templates and forms.

The Registrar also produces a range of **fact sheets** which are updated as required. They are designed to offer an introductory explanation to particular aspects of the CATSI Act and how to run a corporation. The range of titles includes:

- ⇒ *Amalgamation—information for existing corporations*
- ⇒ *Complaints involving corporations*
- ⇒ *Contact persons and secretaries*
- ⇒ *Corporation size and reporting*
- ⇒ *Dispute resolution*
- ⇒ *Disqualification from managing corporations under the CATSI Act*
- ⇒ *Duties of directors and other officers*
- ⇒ *Information sheet for PBCs*
- ⇒ *Lodge online*
- ⇒ *Meetings*
- ⇒ *Members’ rights*
- ⇒ *Related party financial benefits*
- ⇒ *Special administrations: what funding agencies, creditors and employees should know*
- ⇒ *Special administrations: what members and directors should know*
- ⇒ *The CATSI Act and the Corporations Act—some differences*
- ⇒ *What the CATSI Act means for funding bodies*
- ⇒ *What’s in the corporation’s rule book?*

The Registrar strives to ensure that corporations have the right skills and knowledge to help them operate effectively and efficiently. During the year the Registrar identified a need to provide further practical information about managing corporation memberships. In response the following new titles were added to the fact sheet series:

- ⇒ *Becoming a corporation member* (May 2015)
- ⇒ *Registers of members and former members* (May 2015).



## ORIC Oracle newsletter

The *ORIC Oracle* newsletter is published and sent to all corporations, stakeholders and subscribers four times a year (in August, November, February and May). It's distributed electronically or by post, as preferred.

Each edition adopts a different theme. Over 2014–15 the *ORIC Oracle* looked at 'independent directors' (August 2014), 'separation of roles' (November 2014), 'general meetings' (February 2015) and 'choosing your directors' (May 2015).

The main purpose of the newsletter is to communicate practical information to corporations (its target audience) in an easy to read and visually attractive manner. It also includes important reminders for key dates to hold meetings and lodge reports each year.

Over 2014–15 the number of subscribers increased slightly and more corporations chose to receive the newsletter by electronic means.

Both html and pdf versions of each edition are available at [www.oric.gov.au](http://www.oric.gov.au) under 'News'.





## Case study: Exploring Alice Springs

In the first week of June 2015 two members from ORIC's Communications Section in Canberra went to Alice Springs. Their main purpose was to meet as many people as possible who either ran or were employed by corporations to learn first-hand about their activities.

The Registrar supports projects that help staff gain a better understanding of the reality of running Aboriginal and Torres Strait Islander corporations, particularly the challenges that many face. Improving staff awareness of these issues directly contributes to the development of better services. The visit was also a valuable opportunity to gather information, to take photographs and to celebrate corporation achievements. The Registrar is strongly committed to uncovering good news stories and making sure that they get the attention they deserve.

As at 30 June 2015, over 280 corporations have registered offices in the Alice Springs area, although the vast majority of their members live in communities outside the town.

With the assistance of the ORIC regional office staff (Dayna Lister and George Donaldson) a full five-day schedule was devised. Among the corporations and groups that generously gave their time to talk about their core business activities were:

- ⇒ Ingkerreke Outstations Resource Services Aboriginal Corporation
- ⇒ Ngurratjuta/Pmara Ntjarra Aboriginal Corporation
- ⇒ Ngurratjuta Iltja Ntjarra—Many Hands art centre
- ⇒ Amoonguna Health Service Aboriginal Corporation
- ⇒ Aboriginal Associations Management Centre (AAMC)—'Associations House'
- ⇒ Ngaanyatjarra Health Service (Aboriginal Corporation)
- ⇒ Regional Anangu Services Aboriginal Corporation (RASAC).



## Statistics and analysis

The Registrar compiles and distributes statistical information about Aboriginal and Torres Strait Islander corporations:

- ⇒ complaints involving corporations—issued six-monthly
- ⇒ corporations entering external administration—issued annually
- ⇒ top 500 corporations—issued annually.

All reports are available on [www.oric.gov.au](http://www.oric.gov.au).

### The top 500 report

The sixth report in the top 500 series, *The top 500 Aboriginal and Torres Strait Islander corporations 2012–13*, was released in September 2014.

'Indigenous corporations have employed almost a thousand more people in the last year and the income of the top 500 corporations has grown by an impressive average of 10.5 per cent every year for the past nine years,' said the Minister for Indigenous Affairs, Senator the Hon. Nigel Scullion, in a media statement about the report.

Nirrumbuk Aboriginal Corporation (ICN 1866) based in Broome, Western Australia, featured as the case study. It is one of 16 corporations in the top 500 that has improved its ranking (based on income) almost every financial year since 2007–08. It was once ranked at 96 but by the end of the 2012–13 financial year it had moved up to number 25.





## Events

The Registrar and his staff also presented at various forums and events throughout the year.

Presentations at two key events in 2014–15 were:

- ⇒ 'The top 500 report' at the 2014 Indigenous Business, Enterprise and Corporations Conference in Perth, Western Australia
- ⇒ 'Independence in the boardroom' at the National Native Title Conference 2014–15 in Port Douglas, Queensland.

### Native title conference

The Registrar attended the National Native Title Conference which this year was held in Port Douglas, Queensland, from 16 to 18 June 2015. The conference was co-convened by the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) and the Cape York Land Council (CYLC). The Kuku Yalanji people, who are the traditional owners of the Port Douglas region, were the hosts.

To fit with this year's overall theme 'leadership, legacy and opportunity', the Registrar spoke about 'independence in the boardroom', including:

- ⇒ the increased focus on board performance and accountability
- ⇒ the challenges for corporations to find directors with appropriate corporate or business skills
- ⇒ how corporations can leverage independence to strengthen governance, build capacity and improve board performance
- ⇒ the impending release of ORIC's online Independent *directory* service which matches qualified candidates (independent directors) with Aboriginal and Torres Strait Islander corporations.



The Registrar presenting at the National Native Title Conference 2015.









The Registrar makes information available about his work, activities and performance to clients and stakeholders through:

- ⇒ this yearbook and other publications such as the *ORIC Oracle* newsletter
- ⇒ the Registrar's website, which includes a listing of prosecution outcomes
- ⇒ regular media releases on key activities
- ⇒ submissions to, and appearances before, parliamentary inquiries and committees.

Thirty-seven media releases were issued in 2014–15, which was the same number for 2013–14. The Registrar responded to direct inquiries from journalists on a range of matters affecting Aboriginal and Torres Strait Islander corporations.

## Freedom of information

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

Forty-nine FOI requests were made to the Registrar during 2014–15, up from 13 in the previous year. Forty-two requests were finalised at 30 June 2015.

## Complaints about ORIC staff

ORIC responds to complaints about its staff and contractors in accordance with policy statement *PS-03: Complaints and feedback about the Registrar's staff, contractors and services*. During 2014–15, seven complaints about staff and contractors were received. All complaints have been resolved.

## Commonwealth Ombudsman

In 2014–15 ORIC received four section 8 letters from the Commonwealth Ombudsman under the *Ombudsman Act 1976* in which the Ombudsman requested information to help investigate complaints made to it. The Registrar responded to all issues raised in the Ombudsman's letters. The Ombudsman advised that no further investigations were warranted in all complaints.

## Legal services expenditure

The tables below are a statement of legal services expenditure by ORIC for 2014–15. It complies with paragraph 11.1(ba) of the Commonwealth's *Legal Services Directions 2005*.

**Table 17:** Expenditure on legal services and legal service providers 2014–15

Internal legal services expenditure	\$ GST exclusive
<b>Total internal legal services expenditure</b>	<b>455,312.55</b>
External legal services expenditure	\$ GST exclusive
<b>Professional fees:</b>	
Australian Government Solicitor	222,610.76
Minter Ellison	195,025.12
HLW Ebsworth	3,526.02
DLA Piper Australia	30,694.97
<b>Total professional fees paid</b>	<b>451,856.87</b>
Counsel briefs	40,060.45
Other disbursements on external legal services	47,123.93
<b>Total external legal services expenditure</b>	<b>539,041.25</b>

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

**Table 18:** Briefs to counsel 2014–15

Number of counsel briefed	
Number of male counsel briefed	3
Number of female counsel briefed	1
Value of counsel briefs	
Value of briefs to male counsel (GST exclusive)	\$7,119.32
Value of briefs to female counsel (GST exclusive)	\$32,941.13

# YEARBOOK

2014–15

The Registrar of Indigenous Corporations is an independent statutory office holder appointed by the Minister for Indigenous Affairs under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act). This Act guides how Aboriginal and Torres Strait Islander corporations are run.

The Registrar's office supports and regulates corporations that are incorporated under the CATSI Act.

