



Get in on the Act

A new law—the Corporations (Aboriginal and Torres Strait Islander) Bill 2005—will start on 1 July 2007 if the Australian Parliament passes it. It will replace the Aboriginal Councils and Associations Act (ACA Act) and will affect all corporations that are registered with the Office of the Registrar of Aboriginal Corporations (ORAC).

Some **good things** about the new Corporations (Aboriginal and Torres Strait Islander) Bill 2005 (CATSI Bill):

- most corporations will have less reporting to do once the new law has begun
- a new register will record people who are disqualified from managing a corporation
- it confirms that ORAC will provide support and training to help corporations succeed
- the Registrar can intervene earlier to prevent corporations failing
- it extends directors duties to senior managers to make sure they act in a corporation's best interest. This offers more protection to boards and members.

Some **worries** people might have about the CATSI Bill:

Some people might be worried that the new Bill is big. It is bigger than the ACA Act because it gives a lot more flexibility for corporations and ORAC to respond to different circumstances, like different sizes, local community wishes and functions. It also includes parts of another important Act, the *Corporations Act 2001*, that the old ACA Act just refers to.

Where is the new Bill now?

The Bill is not a law yet. It is being examined by the Senate's Legal and Constitutional Committee. Since the committee started to inquire into the Bill, it has received some submissions and met to discuss issues raised.

The committee will do a report on the Bill by 14 September 2006. A second Bill that will help corporations move from the old ACA Act to the new Bill is also being prepared. It is called the Corporations (Aboriginal and Torres Strait Islander) Consequential, Transitional and Other Measures Bill (the transitional Bill).

Submissions sent to the committee on the Bill and ORAC's response can be found on the Senate website at http://www.aph.gov.au/Senate/committee/legcon_ctte/corporations/submissions/sublist.htm.

FURTHER INFORMATION:

www.orac.gov.au
1800 622 431
info@orac.gov.au

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What should corporations do now?

Corporations should get ready for the new Bill by:

- not worrying! Corporations have two years after the Bill starts next year to change their constitutions
- learning as much as possible about it—leaflets and brochures are available from ORAC (1800 622 431) or on our website: www.orac.gov.au. Also contact ORAC if you would like an information session or corporate governance training.

Over the next several issues of *The Oracle* we will explain some of the differences between the ACA Act and the new CATSI Bill.

	The ACA Act	The CATSI Bill
Rights and protection	The ACA Act relies on the same power in the Australian Constitution but it is not actually spelt out very clearly.	The Bill says it is a special measure under the Australian Constitution intended to benefit Indigenous peoples and so provides a safeguard for how it is interpreted and administered.
Incorporation	Most corporations need at least 25 members to incorporate, unless it is for business or for holding land where the minimum is five members.	All corporations may have a minimum of five members to incorporate, although the Registrar can exempt corporations, such as small business, from this requirement under certain circumstances.
	Only the governing committee has to sign the written application approving the application to incorporate.	People wanting to incorporate must give evidence that they are ready for it—e.g. 75 per cent of the group have agreed to apply for incorporation and they have agreed to the internal governance rules. This encourages well designed corporations with members and directors who understand their responsibilities.
Names of corporations	Corporations must have either of these two options in their names: 'Aboriginal Corporation' or 'Torres Strait Islander Corporation'	A corporation must have the words 'Aboriginal corporation', 'Torres Strait Islander corporation', 'Indigenous corporation', 'Aboriginal and Torres Strait Islander corporation' or 'Torres Strait Islander and Aboriginal corporation' as part of its name.
		A 'registered native title body corporate' under the <i>Native Title Act 1993</i> will have to use these words or the abbreviation 'RNTBC' as part of its name as well.
Members' indigeneity	Members can only be people who are Indigenous or who are the spouse of an Indigenous person.	Members can choose whether to allow in the constitution non-Indigenous people, for example, experts, spouses and step children, as members or directors. However Indigenous people must always be in the majority.
Native title	The ACA Act is silent about the Native Title Act.	The new Bill makes sure that requirements on a corporation or individual under native title legislation do not conflict with requirements under the Bill.