



Improving corporate governance

The ORACLE interviews our new Registrar, Anthony Beven



Anthony Beven
Registrar

ORACLE What are the challenges facing Aboriginal and Torres Strait Islander corporations today?

Anthony There are many challenges but a number of these provide new opportunities.

Let's start with perhaps the most difficult challenges for any business—location (where you operate your business in the market) and business sustainability (how you keep it going).

Over half of Aboriginal and Torres Strait Islander corporations operate in remote or very remote parts of Australia. Many are non-profit and deliver essential services and infrastructure, for example, medical clinics and power generation. Others provide important community economic activity—art and craft centres are a typical example.

Among the challenges for these corporations are communications, transport, sustainable funding, reliability of supply and demand, infrastructure, resources and access to business know-how and training. Within these challenges though, there are opportunities. For example, some remote corporations have added communication and transport services to their business activities while others are successfully tapping into the growing interest worldwide in Aboriginal and Torres Strait Islander art. Enterprise, as always, is alive in the bush.

But sustainability—keeping the business going into the future—is the number one problem today. It is increasingly difficult to secure talented and dedicated volunteers to work in the non-profit sector, especially in remote locations. Aboriginal and Torres Strait Islander corporations need

to identify and nurture new leaders to become involved in the running of the corporation.

Compliance is also a major challenge for any organisation. Many corporations registered with my office constantly struggle to meet the requirements of funding bodies, government agencies and regulators.

ORACLE What do you see as the key priorities for the Registrar's office?

Anthony I was appointed Registrar on 1 October 2007. After talking to staff and several key stakeholders it is pretty clear to me now what our priorities need to be over the next 18 months:

1. Finalise the new public register by 1 July 2008.
2. Increase the number of corporations registered under the CATSI Act.
3. Increase compliance by Aboriginal and Torres Strait Islander corporations with the CATSI Act.
4. Undertake a review to simplify and reduce the cost to corporations of complying with the CATSI Act. This will include how we can better use technology to achieve this.
5. Finalise and implement a Reconciliation Action Plan.
6. Finalise the implementation of the CATSI Act and transition of corporations to the new Act.
7. Review our corporate governance training to increase the number of participants.
8. Review the service delivery model for the Registrar's office.

FURTHER INFORMATION:

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For a full transcript of this interview please visit our website at www.oratsic.gov.au.



Participants from a workshop in Balgo, WA held during August 2007.



Meetings

Meetings are an essential part of ensuring good corporate governance and the law says that they need to be held in a proper way.

There are procedures for running a meeting to help protect members' rights and make sure members are involved in how their corporations are run. We have a fact sheet that explains how to hold meetings under the CATSI Act and shows the parts of the law that can be changed by a corporation's rule book.

The fact sheet covers notices, general meetings, directors' meetings and annual general meetings. It shows what a notice of a meeting must contain, what is required for the minutes of a meeting, what a quorum is and how resolutions should be passed. It also discusses the rights of auditors at general meetings and chairing meetings. It explains the voting system at meetings, what a proxy is and provides advice about exemptions.

If you want more information, please visit www.oratsic.gov.au or call us on 1800 622 431 (not free for mobile phones).

Benefits of incorporating under the CATSI Act

One of the central features of a corporation registered under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act) is that it is incorporated, which means that it is a separate legal entity. That legal entity is created when the Registrar registers the corporation after a group has applied to become incorporated. The corporation is then listed on the Register of Aboriginal and Torres Strait Islander Corporations.

The main benefits of registering under the CATSI Act are:

- the members can choose, when they register the corporation, not to be liable for the debts of the corporation
- the rule book that governs how the corporation is run can take into account Aboriginal or Torres Strait Islander customs and traditions
- Aboriginal and Torres Strait Islander corporations can operate nationally—they are not limited to the state or territory where they are registered
- it is free to register as an Aboriginal and Torres Strait Islander corporation—unlike other regimes that may charge a fee
- sometimes the Registrar may exempt corporations from lodging annual reports
- profits of the corporation can be distributed to members if the rule book allows for this
- Aboriginal and Torres Strait Islander corporations can access client assistance, support and information and training programs offered by the Registrar of Aboriginal and Torres Strait Islander Corporations.

When looking at the costs of incorporating under the CATSI Act vs relevant Commonwealth, state or territory legislation, there are some up front savings. The table below shows comparative costs in the Northern Territory. This office has details of costs in other states and territories.

Table of fees

Item	Associations Act ¹	CATSI Act ²
Applications for incorporation	\$65.00 Extra fee of \$50.00 if ministerial consent required	Nil
Lodging annual audited financial statement	\$15.00 (\$35.00 if lodged after 28 days after the AGM)	Nil
Application to change name	\$25.00	Nil
Change to public officer details	\$15.00 (\$35.00 if lodged after 14 days after the change)	Nil
Association extract	\$13.00	Nil
Inspection of documents / file search	\$10.00	Nil—free access on ORATSIC website
Photocopies	\$1.00 per page	Nil

When comparing the costs of compliance and the cost of fines and penalties between the CATSI Act and the Associations Act, there are substantial differences. The CATSI Act keeps compliance simple compared with Commonwealth, state and territory legislation.

The Office of the Registrar of Aboriginal and Torres Strait Islander Corporations is also geared to assist corporations that experience difficulties. It acknowledges that many Aboriginal and Torres Strait Islander corporations operate in remote areas where it is difficult to access support services.

¹ See Regulation 7 and Schedule 3 of the Associations Regulations 2005 (NT)

² Part 15-5 of the CATSI Act allows the CATSI Regulations to prescribe fees payable for services the Registrar provides in performing his or her functions under the Act or any other Commonwealth law.