

OPENING STATEMENT – BUDGET ESTIMATES, February 2023

Registrar of Aboriginal and Torres Strait Islander Corporations

Thank you Chair.

Tricia Stroud, Registrar of Aboriginal and Torres Strait Islander Corporations.

Firstly, I would like to acknowledge that we are on the lands of the Ngunnawal people.

Having now been in the role for 9 months, I have now identified areas of our business which would benefit from greater focus.

As I mentioned in November, reporting compliance across Aboriginal and Torres Strait Islander corporations is unacceptably low, with 28% of corporations who have failed to meet their reporting obligations for two years in a row.

While ORIC provides regular reminders and has been incessantly chasing up corporations, we shouldn't have to. Annual reporting is fundamental to a corporation's accountability to its members, funding bodies and the public.

Reporting under the CATSI Act is relative to the size of a corporation, and I do not believe the reporting obligations are burdensome. Particularly when considering the assistance ORIC provides.

We are currently finalising the deregistration process for 371 corporations that have failed to report in recent years, have been inactive for 18 months or longer, and we believe are no longer operating.

Not accounting for these deregistrations, there is currently:

- 999 corporations who have failed to lodge annual reports for both 2020-21 and 2021-22. These corporations are part of our compliance review and referral for prosecutions activities.
- 829 corporations who have not yet lodged 2021-22 annual reports which were due end of December. We continue to remind these corporations and include them on our public register of corporations in breach of reporting obligations.

Since November we have finalised a review of all large corporations with one corporation remaining non-compliant, which I intend to refer for prosecution¹. We are currently reviewing the 116 medium size non-compliant corporations with the intention of referring for prosecution those corporations that do not remedy the situation.

Ultimately, my aim is to assist corporations to be compliant, but where corporations fail to work with us to remedy the situation, prosecution or deregistration is the likely outcome.

Similarly, referring non-compliant small corporations for prosecution is not my priority. Given ORIC's resources I am inclined to only consider prosecution of small corporations where it is in the interest of its members and the public.

Unfortunately, turning around the low reporting compliance rates of the past few years, will require a period of stronger enforcement action.

Whether this be minor regulatory prosecution of corporations, or the

¹ Strict liability offence of the criminal code with a penalty of 25 penalty units or imprisonment for 6 years, or both. This is for reports other than a General Report (small corporations).

prosecution of directors for failing to maintain adequate records or meet their general duties under the CATSI Act.

I am reviewing ORIC's investigation and prosecution function, which will inform our forward strategy and particularly how prosecution action can best be used as a tool to support increased rates of compliance and governance integrity.

If we are to address non-compliance and tackle negligent or dishonest governance behaviours, we need to focus our efforts in the areas which deter and disrupt such behaviours.

The review will also inform how we prioritise our investigation caseload and shorten our investigation timelines, given the limited resources.

While driving a culture of compliance is my immediate priority, I don't believe it can come at the expense of our support and capacity building role.

After a review of our Governance Training Program content we are now refreshing our training materials to support the delivery. We will also deliver a series of webinars and vodcasts to complement our existing materials - providing more tailored and flexible offerings.

I have commenced a review of all ORIC policies, having recently updated our Indigeneity Policy.

We are also finalising a review and refresh of ORIC's processes with an immediate priority on:

- Registering corporations
- Examinations

- Special Administrations
- Complaints handling
- Compliance notices

Meanwhile we continue with our day-to-day core business.

There are currently 3586 Aboriginal and Torres Strait Islander Corporations, 254 being RNTBCs. We currently have:

- 2 corporations under special administration
- 24 examinations on foot
- a caseload of 14 investigations
- a further 12 face to face Governance training workshops and 10 online workshops scheduled before July
- approximately 300 telephone enquiries and 150 email enquiries per week.

Native Title legislative amendments for RNTBCs and new Director Identification requirements are pressing business matters for ORIC as well.

Thank you Senators, I'm happy to take any questions.