

Chapter 1

The terms of the inquiry

Background to the inquiry

1.1 On 14 May 2009, the Senate referred to the Finance and Public Administration References Committee for inquiry and report, the relationship between the Central Land Council (CLC) and Centrecorp Aboriginal Investment Corporation Pty Ltd (Centrecorp). The Senate originally asked the committee to report on the inquiry by 11 August 2009, but extended the reporting date on several occasions at the request of the committee. On 8 September 2009, the Senate resolved that the committee's report be tabled by 26 November 2009.

1.2 Under the terms of reference, the committee must inquire and report upon:

- (i) the financial and management relationship between the Central Land Council and Centrecorp, including (without limitation) any equitable relationship between those entities,
- (ii) whether taxpayers' funds have been paid or transferred to Centrecorp and how those monies have been treated in the accounts of the Central Land Council and Centrecorp,
- (iii) the nature and extent of Centrecorp's business activities,
- (iv) Centrecorp's sources of revenue,
- (v) the beneficiaries of Centrecorp business and any additional revenue it receives,
- (vi) the nature and extent of Centrecorp disbursements to any charitable trusts or like entities,
- (vii) the extent to which any Centrecorp beneficiaries and the Central Land Council are informed of Centrecorp's business activities,
- (viii) how Aboriginal Australians living in the Central Australia region benefit from Centrecorp's business and charitable operations, and
- (ix) all other matters considered necessary by the committee.

1.3 The Senate stated that the committee must hear evidence *inter alia* from:

- (i) the Central Land Council,
- (ii) the Auditor-General, and
- (iii) Centrecorp.

Conduct of the inquiry

1.4 The inquiry was advertised in *The Australian*, the *Centralian Advocate* and the *Alice Springs News* as well as through the Internet. The committee invited submissions from the Commonwealth Government and interested organisations and individuals.

1.5 The committee received seven submissions and one supplementary submission. A list of the individuals and organisations that made public submissions to the inquiry is at Appendix 1, and a list of other information authorised for publication is at Appendix 2.

1.6 The committee also requested and received a large quantity of financial documentation from the CLC, Centrecorp and Yeperenye Pty Ltd. On the basis of the information contained in those documents, the committee decided that on balance it was not necessary to hold public hearings for the inquiry. In the interests of greater transparency and public disclosure, the committee decided to publish this material in a redacted form, which is available at: www.aph.gov.au/Senate/committee/fapa_ctte/central_land_council/additional_info/index.htm.

Acknowledgement

1.7 The committee thanks those organisations and individuals who made submissions and assisted with this inquiry.

Structure of the report

1.8 Chapter 2 of this report outlines the background to the inquiry, and briefly outlines the operation of each of the CLC and Centrecorp.

1.9 Chapter 3 considers the financial and other management information provided by each organisation, and assesses this information under the heads of each term of reference for the inquiry. The committee concludes that the documents provided by the CLC, Centrecorp and related entities do not, on their face, disclose any inappropriate behaviour on the part of either organisation, or indicate an improper relationship between the two organisations.

1.10 However, the committee remains concerned about the transparency of both organisations, and Centrecorp in particular, due to their reluctance to disclose basic financial and management information to the committee. The committee reiterates the transparency concerns identified in the two Office of Evaluation and Audit (OEA) reports of January and November 2008,¹ and notes that while Centrecorp claims to

1 Department of Finance and Deregulation, Office of Evaluation and Audit (Indigenous Programs), *Performance Audit of the Northern Territory Land Councils*, January 2008, pp 8 and 37; and Department of Finance and Deregulation Office of Evaluation and Audit (Indigenous Programs), *Performance Audit of Centrecorp Aboriginal Investment Corporation Pty Ltd*, November 2008, pp 11, 42–44.

have addressed some of the issues identified by the OEA, it failed to provide any evidence to substantiate these claims.

