

Chapter 2

The Central Land Council and Centrecorp: background to the inquiry

2.1 This chapter outlines the origins, governance structures, operations and funding sources of the Central Land Council (CLC), Centrecorp Aboriginal Investment Corporation Pty Ltd (Centrecorp) and associated entities. It then sets out the issues that have been raised about the two entities which led to this inquiry, serving as an introduction to the issues examined in chapter 3.

Central Land Council

2.2 The CLC was established in 1974, along with the Northern Land Council, in response to a recommendation of the Woodward Royal Commission. The Commission, which was charged with investigating how land rights for Aboriginal people might be achieved in the Northern Territory, recommended the establishment of the two councils.¹

Functions

2.3 The functions of these land councils are set out in subsection 23(1) of the *Aboriginal Land Rights (Northern Territory) Act 1976* (the ALR Act). The CLC summarises its functions as:

[S]upporting traditional owners in achievement and continuing administration of:

- land acquisition;
- native title;
- commercial agreements with parties interested in the use of Aboriginal land and the management of income arising from land use agreements;
- working with traditional owners to manage their land and resources, protect sacred sites, progress economic and community development and take up related employment opportunities; and
- representing the interests and aspirations of Aboriginal people in Central Australia in regard to land.²

2.4 From a practical perspective, this role includes:

- the issuing of permits to visitors to, and workers on, Aboriginal land;

1 CLC, *Annual Report 2007–08*, p. 5. The CLC is now one of four councils in the Northern Territory, which also include: the Northern Land Council; the Tiwi Land Council; and the Anindilyakwa Land Council.

2 CLC, *Annual Report 2007–08*, p. 13.

- providing assessments and advice to traditional land owners about the potential environmental and cultural impacts of development proposals;
- supporting various community-based land management programs including supporting rangers and assisting with the development of land management and monitoring programs;
- assisting Aboriginal people to pursue land claims, including arranging legal assistance for claimants;
- negotiating on behalf of Aboriginal people with respect to commercial proposals to use Aboriginal land;
- negotiating employment, education and training opportunities for Aboriginal people;
- negotiating and managing mining agreements on Aboriginal land;
- supporting Aboriginal people in commercial activities, including through the development of infrastructure, business development training, business plans and capacities in those commercial activities;
- producing educational material about issues of importance to Aboriginal people;
- consulting with traditional owners and Aboriginal people on significant legislative and policy matters and bringing those views to the attention of government and other stakeholders;
- assists communities in managing rent and royalties for community development projects;
- providing administrative assistance to and oversight of various trusts and associations which receive and distribute royalties; and
- assisting native title holders to make applications, negotiate agreements about future developments and resolve disputes between groups.³

Restrictions on financial activities

2.5 In relation to commercial undertakings, paragraph 23(1)(ea) of the ALR Act states that one of the functions of land councils is:

...to assist Aboriginals in the area of the Land Council to carry out commercial activities (including resource development, the provision of tourist facilities and agricultural activities), *in any manner that will not cause the Land Council to incur financial liability or enable it to receive financial benefit.*⁴

3 CLC, *Annual Report 2007–08*.

4 Paragraph 23(1)(ea) of the *Aboriginal Land Rights (Northern Territory) Act 1976*, emphasis added.

2.6 As a result of this restriction on incurring liability and receiving financial benefits, and in order to fulfil their obligations under paragraph 23(1)(ea), each of the four Northern Territory land councils has 'initiated the establishment of a commercial development body to assist Aborigines in its region'.⁵ In the case of the CLC, that commercial body is Centrecorp.

Funding

2.7 The CLC's total revenue in 2007–08 was \$21 911 011.⁶ Table 1 sets out the sources of that revenue, the two largest of which are discussed below.

Table 1—Central Land Council Revenue Sources, 2007–08

Revenue Source	Revenue received (\$) (to nearest dollar)	Percentage of CLC funding
Aboriginals Benefit Account	9 859 955	45
Native Title Representative Body funding	3 505 762	16
Special Purpose Program Agreements (primarily related to land management)	2 629 321	12
Cost recoveries	2 629 321	12
Special – Building Project	2 410 211	11
Other income	876 440	4
Total	21 911 011	100

Central Land Council, *Annual Report 2007–08*, p. 13.

Aboriginals Benefit Account

2.8 The Aboriginals Benefit Account (ABA) is established by Part VI of the ALR Act. The ABA is a significant revenue source for the CLC, providing approximately half of its annual income in 2007–08. The ABA, which prior to 1999 was called the Aborigines (Benefits from Mining) Trust Fund, was set up to receive and distribute the statutory royalties on minerals produced on Aboriginal reserves for the benefit of

5 Department of Families, Housing, Community Services and Indigenous Affairs, *Submission 5*, pp 1–2. The Northern Land Council's primary commercial entities are the Aboriginal Investment Group and the Larrakia Development Corporation Pty Ltd. The Anindilyakwa Land Council's primary commercial entity is Groote Eylandt and Bickerton Island Enterprises Pty Ltd. The Tiwi Land Council's primary commercial entity is Pirtubula Pty Ltd.

6 CLC, *Annual Report 2007–08*, p. 111.

Northern Territory Aboriginal people.⁷ The ABA is a Special Account for the purposes of the *Financial Management and Accountability Act 1997* administered by the Department of Families, Housing, Community Services and Indigenous Affairs.

2.9 In its January 2008 report on its audit of the four Northern Territory land councils, the Department of Finance's Office of Evaluation and Audit (Indigenous Programs) (OEA) summarised the way the ABA operates:

The ABA is primarily funded by a special appropriation equal to royalty payments received by the Australian and Northern Territory Government from mining projects on Aboriginal land. Amounts are debited from the ABA and payments made to the Land Councils under section 64 of the ALRA.⁸

2.10 Under subsection 64(4) of the ALR Act, the Minister for Families, Housing, Community Services and Indigenous Affairs may direct that amounts be paid, or applied to or for, the benefit of Aboriginals living in the Northern Territory. In performing this function, the Minister is advised by the ABA Advisory Committee, the chair of which is appointed by the Minister and the members of which are elected by the four Northern Territory land councils.⁹

2.11 The OEA explained that:

The Government's policy on the ABA is to ensure the ABA is viable over the long term and funding is well targeted to achieve outcomes, particularly economic development. The ABA makes payments:

- to Land Councils for meeting their administrative expenses
- to Land Councils for distribution to incorporated Aboriginal Associations, communities or groups affected by mining operations
- as the responsible Minister directs for the benefit of Northern Territory (NT) Aboriginal persons for acquisition of leases and making of loans.¹⁰

2.12 Originally, under the ALR Act, the administrative costs of land councils were set to 40 per cent of mining royalty payments received by the ABA. In practice, this arrangement did not work, because of the fluctuating annual payments to the ABA. This resulted in the Minister annually approving additional payments to land councils.¹¹

7 Australian National Audit Office, *Northern Territory Land Councils and the Aboriginals Benefit Account*, Audit Report No. 28, 2002–03, p. 11.

8 OEA, *Performance Audit of the Northern Territory Land Councils*, January 2008, p. 17.

9 Department of Families, Housing, Community Services and Indigenous Affairs website, 'Aboriginals Benefit Account (NT Only)', at www.fahcsia.gov.au/sa/indigenous/progserv/money/Pages/aboriginals_benefit_account.aspx (accessed 28 August 2009).

10 OEA, *Performance Audit of the Northern Territory Land Councils*, January 2008, p. 17.

11 OEA, *Performance Audit of the Northern Territory Land Councils*, January 2008, p. 43.

2.13 In 2006, amendments to the ALR Act mean that the Minister now approves an annual budget allocation to the land councils from the ABA. Land councils now have to present a budget proposal each year, and a case for funding individual programs. The OEA found that this process 'provides assurance that the Land Council budgets are aligned to and consistent with the objectives of the ALR Act'.¹²

2.14 However, the OEA's report also made various recommendations as to how the land councils' budget process might be improved to ensure greater certainty of the major source of their annual funding.¹³ The OEA's recommendations included the allocation of funding across multiple years, and to separate the core administrative operating costs from specific project activities undertaken or supported by the land councils.

2.15 The committee supports the implementation of this process and the OEA recommendations as they provide the CLC with greater budgetary certainty, given that its other sources of funding are potentially less predictable, and also provides greater budgetary discipline on the CLC's operations and activities.

Native Title representative body funding

2.16 In 2007–08, the CLC received approximately \$3.5 million in its capacity as a Native Title Representative Body.¹⁴ The CLC is a Native Title Representative Body under the *Native Title Act 1993*, and receives funding from the Secretary of the Department of Families, Housing, Community Services and Indigenous Affairs to enable it to perform this function.

2.17 In addition, under section 33A of the ALR Act, land councils are able to charge a fee for service, and recover some of their costs in that way. The OEA found that:

The majority of 'fee for service' operations relate to charges applied to mining companies and other organisations conducting, or wishing to conduct, activities on Aboriginal land. A smaller proportion relate to administrative services provided to Aboriginal Associations receiving royalty payments.¹⁵

Expenditure

2.18 As most of the CLC's functions involve administering and overseeing programs, representing Aboriginal interests and negotiation, the bulk of its

12 OEA, *Performance Audit of the Northern Territory Land Councils*, January 2008, p. 43

13 OEA, *Performance Audit of the Northern Territory Land Councils*, January 2008, Recommendation 12, p. 44.

14 CLC, *Annual Report 2007–08*, p. 111.

15 OEA, *Performance Audit of the Northern Territory Land Councils*, January 2008, Recommendation 12, p. 45.

expenditure is in administrative costs. In 2007–08, the CLC's total expenditure was \$17 858 995.¹⁶

2.19 Staffing accounts for approximately 55 per cent of the CLC's expenditure. Approximately 38 per cent is spent on 'suppliers' which includes the purchase of goods and services, lease payments and insurance premiums.¹⁷ The remainder, approximately 7 per cent, is accounted for by the depreciation of assets.

Accountability and Governance

2.20 The CLC is comprised of 94 delegates elected from 75 communities and outstations.¹⁸ Delegates elect a Chairman and Deputy Chairman under the supervision of the Australian Electoral Commission, for a four-year term.¹⁹ The current Chairman is Mr Lindsay Bookie. The CLC's organisational chart is at Appendix 3.

2.21 Part III of the ALR Act sets out the powers of land councils and the way in which the decision-making process works. Under section 31 of that Act, a council must make rules about the procedure at meetings, which must be approved by the Minister. The CLC provided the committee with extremely edited versions of its board meetings since 2002, stating that the omitted information was 'not within the [committee's] terms of reference'.²⁰ These are discussed in chapter 3, and are available on the committee's website.²¹

2.22 The CLC is a Commonwealth Statutory Authority within the terms of the *Commonwealth Authorities and Companies Act 1997* (CAC Act). The CLC is also a Native Title Representative Body under the *Native Title Act 1993*. Both acts prescribe various annual reporting requirements which the CLC must fulfil. The Australian National Audit Office (ANAO) performs annual audits of the CLC's financial statements. There is no suggestion in any of the OEA or ANAO audits of the CLC that these statutory requirements are not being fulfilled.

2.23 The CAC Act also prescribes that bodies covered by that Act which receive at least 50 per cent of their operating costs from the Commonwealth must implement the Commonwealth Fraud Control Guidelines. As the CLC does not receive more than 50 per cent of its funding from the Commonwealth, it is not required to implement those guidelines. However, the CLC's Annual Report 2007–08 lists the internal

16 CLC, *Annual Report 2007–08*, p. 111.

17 CLC, *Annual Report 2007–08*, pp 111 and 125.

18 CLC, *Annual Report 2007–08*, p. 101.

19 CLC website, www.clc.org.au/about_us/who_we_are%20.html (accessed 31 August 2009).

20 CLC, additional information, 17 August 2009, p. 2 at www.aph.gov.au/Senate/committee/fapa_ctte/central_land_council/additional_info/index.htm

21 www.aph.gov.au/Senate/committee/fapa_ctte/central_land_council/additional_info/index.htm

procedures that the organisation has in place to prevent and detect fraud and improper conduct.²²

2.24 In its audit of the four Northern Territory land councils in January 2008, the OEA raised concerns about the transparency of the relationship between all land councils and their respective commercial entities. The report stated that:

[T]he Office identified a number of improvements in corporate governance across the Land Councils that could be initiated. Notably, the Office found a lack of transparency surrounding Land Councils' dealings with external commercial entities they established to promote economic development, including Councillor appointments and positions within these entities.²³

2.25 Specifically, the OEA noted that land councils need to better manage:

[T]he issue of perceived and actual conflicts of interest between the broader social responsibilities of the Land Councils and the economic development agenda of the external commercial entities...²⁴

2.26 As a consequence, the OEA warned that:

If not addressed, perceived conflicts of interest with the external commercial entity represent a risk to the Land Council's reputation and may undermine its position within the Aboriginal community.²⁵

Centrecorp Aboriginal Investment Corporation Pty Ltd

2.27 Centrecorp is a private company which was registered on 10 January 1985. It was created following an agreement between the CLC and NT Gas Pty Ltd for the latter to lease a corridor of land to accommodate a gas pipeline. As land councils cannot incur financial liability or receive financial benefit, the CLC created Centrecorp to hold the shares in NT Gas that had been negotiated.²⁶

2.28 The CLC holds three of the five shares in Centrecorp. The Tangentyere Council Inc and Central Australian Aboriginal Congress each own one of the remaining shares.²⁷ The shareholders are precluded from receiving any income or benefit from their shareholding.²⁸

22 CLC, *Annual Report 2007–08*, pp 103–104.

23 OEA, *Performance Audit of the Northern Territory Land Councils*, January 2008, p. 8.

24 OEA, *Performance Audit of the Northern Territory Land Councils*, January 2008, p. 37.

25 OEA, *Performance Audit of the Northern Territory Land Councils*, January 2008, p. 37.

26 OEA, *Performance Audit of Centrecorp Aboriginal Investment Corporation Pty Ltd*, November 2008, p. 14.

27 OEA, *Performance Audit of Centrecorp Aboriginal Investment Corporation Pty Ltd*, November 2008, p. 14.

28 Under the Trust Deeds of the charitable trusts of which Centrecorp is a trustee. Centrecorp, *Submission 3*, pp 1–2.

2.29 Tangentyere Council is a service delivery agency for the 18 housing associations or 'town camps' in Alice Springs.²⁹

2.30 The Central Australian Aboriginal Congress delivers health services to the Aboriginal community by providing primary health care; educating Aboriginal health workers; assisting other Aboriginal communities to take control of their health issues; and advocating on behalf of the local Aboriginal community.³⁰

Objectives and goals

2.31 Centrecorp has two goals:

- To provide benevolent relief to young Aboriginal people of whose aspirations and capabilities are constrained by disadvantaged circumstances.
- To enhance the capacities of Aboriginal people to participate fully in vocational, professional, commercial, cultural and social life.³¹

2.32 Centrecorp's strategic objective is:

...to increase the asset base to enable the generation of income streams which can be used to fund charitable objectives relevant to Central Australian Aboriginal people.³²

2.33 The purpose of this is to raise funds for investment in resource development and tourism projects on Aboriginal land and to create 'longer term economic security for traditional owners'.³³

2.34 Centrecorp raises these funds through its two charitable trusts – the Central Australian Aboriginal Charitable Trust (CAACT) and the Central Aboriginal Charitable Trust (CACT).

2.35 In the first 21 years of Centrecorp's operation, it was focussed on growing the asset base held in the two trusts. Subsection 3(b) of the Centrecorp trust deed in relation to the CAACT states:

During the period of twenty one (21) years from the date hereof [6 March 1986] [Centrecorp] may accumulate such part of the income of the Trust fund and apply it as [Centrecorp] considers necessary to acquire

29 Tangentyere Council, *About Tangentyere Council*, www.tangentyere.org.au/about (accessed 20 May 2009).

30 Central Australian Aboriginal Congress Inc, *History of Congress*, www.caac.org.au/history.html (accessed 20 May 2009).

31 Centrecorp website, www.centrecorp.com.au/index-1.html (accessed 19 August 2009).

32 OEA *Performance Audit of Centrecorp Aboriginal Investment Corporation Pty Ltd*, November 2008, p. 7.

33 OEA, *Performance Audit of Centrecorp Aboriginal Investment Corporation Pty Ltd*, November 2008, p. 14.

investments hereby authorised or to meet the obligations and liabilities of the Fund in respect of any such investments for the purpose of enabling the Fund to generate income to meet the charitable objects...³⁴

2.36 With 21 years having passed, Centrecorp is, according to its General Manager, now more focused on achieving its charitable objectives. Accordingly, its charitable donations have increased significantly in the past three years, from around \$50 000 per annum between 2000–01 and 2004–05 to over \$400 000 in 2007–08.³⁵ Centrecorp provided the committee with copies of the charitable donations made by its trusts. These documents are discussed in chapter 3, and are published on the committee's website.³⁶

Centrecorp structure

2.37 Through the mechanisms of its two trusts, Centrecorp invests in a range of businesses throughout Alice Springs and its surrounds, which are discussed in chapter 3. The OEA noted in its 2008 performance audit of Centrecorp, that Centrecorp's interest in these businesses is 'held through a complex arrangement of trusts and corporations'.³⁷ A diagram of these complex business arrangements between Centrecorp and its related entities and investments is at Appendix 4.

2.38 The OEA found that Centrecorp does not employ any staff, undertake any financial transactions or produce any financial statements.³⁸ The company operates as a trustee for two charitable trusts – the CAACT and the CACT – all activities and assets of which are applied solely in furtherance of the charitable objects of the trusts.³⁹

2.39 Although the CAACT and CACT are wholly controlled separate entities, they are referred to by Centrecorp Management and Directors as Centrecorp. Accordingly, this report also uses the term 'Centrecorp' to refer to the overall commercial interests of the two trusts.

34 Deed of Settlement of Trust: Centrecorp Aboriginal Investment Corporation Pty Ltd, Trustee of the Central Australian Aboriginal Charitable Trust, 6 March 1986, [CLC, answers to question on notice No 121, Supplementary Budget Estimates, 24 October 2008, pp 58–102, www.aph.gov.au/Senate/committee/clac_ctte/estimates/bud_0809/vol6_fahcsia.pdf (accessed 12 November 2009)].

35 OEA, *Performance Audit of Centrecorp Aboriginal Investment Corporation Pty Ltd*, November 2008, p. 7.

36 www.aph.gov.au/Senate/committee/fapa_ctte/central_land_council/additional_info.htm

37 OEA, *Performance Audit of Centrecorp Aboriginal Investment Corporation Pty Ltd*, November 2008, p. 15.

38 OEA, *Performance Audit of Centrecorp Aboriginal Investment Corporation Pty Ltd*, November 2008, p. 14.

39 OEA, *Performance Audit of Centrecorp Aboriginal Investment Corporation Pty Ltd*, November 2008, p. 14.

2.40 The CAACT is the primary Centrecorp trust and beneficiary of ownership in most Centrecorp businesses.⁴⁰ In line with the strategic objectives of Centrecorp, in terms of increasing the asset base, the trust deeds of the CAACT state that it:

...has been established to take advantage of investment and commercial opportunities that arise in Central Australia on or in relation to Aboriginal land or that relate to Aboriginal people, and to exploit those opportunities to generate assets and funds for charitable purposes to relieve the said unreasonable distress, disadvantage, dispossession and suffering.⁴¹

2.41 The CACT is the second Centrecorp trust and was originally established to access additional funding from the Aboriginal and Torres Strait Island Commission (ATSIC) for the purposes of purchasing shares in the Peter Kittle Motor Company.⁴²

2.42 Under the trust deeds of the CAACT and CACT, Centrecorp shareholders are precluded from receiving any benefit from the trusts. The trust deeds also provide that the trust funds shall only be applied in furtherance of the charitable objects of the trusts.⁴³

2.43 In addition to the two trusts, Centrecorp owns a 60 per cent share in Yeperenye Nominees Pty Ltd, the trustee of the Yeperenye Charitable Trust, which owns Yeperenye Pty Ltd, which in turn owns a large shopping centre in Alice Springs as well as various other commercial properties. That trust structure was created, and 60 per cent of the shares in Yeperenye Pty Ltd effectively transferred to Centrecorp on the abolition of ATSIC in 2005. The share transfer agreement requires that the profits of Yeperenye Charitable Trust be used for charitable purposes.⁴⁴

2.44 Yeperenye Pty Ltd provided the committee with financial statements for the past four financial years. Edited versions of these documents (with confidential and sensitive personal information deleted) are available on the committee's website.⁴⁵

40 OEA, *Performance Audit of Centrecorp Aboriginal Investment Corporation Pty Ltd*, November 2008, p. 17.

41 Deed of Settlement of Trust: Centrecorp Aboriginal Investment Corporation Pty Ltd, Trustee of the Central Australian Aboriginal Charitable Trust, 6 March 1986, [CLC, answers to question on notice No 121, Supplementary Budget Estimates, 24 October 2008, p. 83, www.aph.gov.au/Senate/committee/clac_ctte/estimates/bud_0809/vol6_fahcsia.pdf (accessed 12 November 2009)].

42 OEA, *Performance Audit of Centrecorp Aboriginal Investment Corporation Pty Ltd*, November 2008, p. 17.

43 CLC, answers to question on notice, Supplementary Estimates, 24 October 2008, pp 60–102, www.aph.gov.au/Senate/committee/clac_ctte/estimates/bud_0809/vol6_fahcsia.pdf (accessed 12 November 2009).

44 OEA, *Performance Audit of Centrecorp Aboriginal Investment Corporation Pty Ltd*, November 2008, p. 25.

45 www.aph.gov.au/Senate/committee/fapa_ctte/central_land_council/additional_info/index.htm

2.45 Centrecorp is also the trustee of the Central Railway Equity Benefit Trust, which holds an investment in the Alice Springs/Darwin railway operating company. Centrecorp received no benefit from the trust and according to the OEA 'is in the process of restructuring ownership to transfer the asset to appropriate Aboriginal bodies identified by the CLC'.⁴⁶

2.46 The Australian Taxation Office (ATO) has endorsed Centrecorp as a 'charitable institution', which means that Centrecorp is exempt from paying income tax. Centrecorp is also not required to provide tax returns unless specifically requested to do so by the ATO. Instead, it is expected to 'self assess' on a regular basis and inform the ATO of any changes to its status as a charitable institution.

Governance

2.47 The Centrecorp Board is comprised of four members, three of whom are directors of its three shareholders: Mr David Ross, the director of the CLC; Ms Stephanie Bell, the director of the Central Australian Aboriginal Congress Inc; and Mr William Tilmouth, the director of Tangentyere Council Inc. The other member is Mr Anthony Petrick, who is also an Executive Member of the CLC.

2.48 As a private company, Centrecorp is under no legal or constitutional requirement to provide the government with information about its activities or those of the CACT and CAACT.⁴⁷ However, as discussed below, the resulting absence of publicly available information about Centrecorp's operations appears to have generated a degree of uncertainty and doubt regarding Centrecorp's commercial dealings.

2.49 The committee notes that Centrecorp established a new donations body in July 2009, focused on supporting Indigenous youth: the Centrecorp Foundation. Centrecorp's website states that the Foundation is 'primarily focussed on the needs of young Aboriginal people in disadvantaged circumstances', and that it:

...encourages and supports a broad range of activities including participation in sporting, cultural, personal development, community service and social activities.⁴⁸

2.50 Centrecorp's website mentions that the Foundation's Board 'provides broad representation to identify, assess and decide on donations', and that it is 'primarily funded by Centrecorp'.⁴⁹

46 OEA, *Performance Audit of Centrecorp Aboriginal Investment Corporation Pty Ltd*, November 2008, p. 18.

47 OEA *Performance Audit of Centrecorp Aboriginal Investment Corporation Pty Ltd*, November 2008, p. 36.

48 Centrecorp website, www.centrecorp.com.au/index-2.html (accessed 12 November 2009).

49 Centrecorp website, www.centrecorp.com.au/index-2.html (accessed 12 November 2009).

2.51 The OEA's audit of Centrecorp noted that, at the time, Centrecorp was proposing to establish a charitable foundation through which to channel charitable initiatives and donations. The OEA made favourable comments about the proposal, suggesting that:

[A]n independent charitable foundation would greatly simplify the governance arrangements in respect of the payment of charitable donations. This would enable Centrecorp to continue its focus on commercial activity whilst more effectively highlighting their success in delivering against charitable objectives.⁵⁰

2.52 The committee is somewhat surprised that Centrecorp did not mention the imminent establishment of the Foundation in its submission to the inquiry, given that the OEA was so positive about its potential in improving Centrecorp's governance. The committee reiterates the OEA's emphasis on the importance of the donations arm of Centrecorp being independent from its commercial arm, and hopes that the Foundation is run in such a way as to improve the transparency of Centrecorp's donation process.

2.53 Chapter 3 considers the donation process and its beneficiaries in more detail.

Background to issues examined in this inquiry

2.54 Over the past few years, a number of concerns have been raised in the media about Centrecorp's business operations, including its ownership, control, decision-making processes and beneficiaries.⁵¹

2.55 Some of the specific concerns raised by several journalists from the *Alice Springs News* and *The Age* are:

- that it lacks transparency;⁵²
- the amount of Directors' remuneration;⁵³
- that it does not donate enough to the Aboriginal community;⁵⁴
- the appropriateness of certain Centrecorp investments, namely the Milner Road Food town;⁵⁵ and

50 OEA *Performance Audit of Centrecorp Aboriginal Investment Corporation Pty Ltd*, November 2008, p. 52.

51 See for example Russel Skelton and Ben Schneiders, 'Charity Comes Under Scrutiny', *The Age*, 20 August 2007.

52 Russel Skelton, 'The Double Standard of Centrecorp', *The Brisbane Times*, 29 March 2009; Erwin Chlanda, 'Centrecorp: Elders Fume', *Alice Springs News*, 4 May 2006.

53 Russel Skelton and Ben Schneiders, 'Overhaul Ordered for Centrecorp', *The Age*, 13 March 2009.

54 Ben Schneiders and Russel Skelton, 'Double Role for Aboriginal Company's Key Figure', *The Age*, 21 August 2007; Kieran Finane and Erwin Chlanda, 'Charitable Institution Centrecorp Tax Exempt?', *Alice Springs News*, 23 March 2006.

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- that many of the companies Centrecorp invests in, do not employ many or any Indigenous people.⁵⁶

2.56 With regard to these allegations, the CLC submitted that '[t]here have not been any corporate, financial or management problems to justify this excessive media interest.'⁵⁷

2.57 However, the concerns were obviously sufficient to warrant the OEA conducting two performance audits related to the CLC and Centrecorp. The first, which reported in January 2008, was an audit of all four of the Northern Territory land councils including CLC. The second audit, which reported in November 2008, was a performance audit of Centrecorp and was requested by the former Parliamentary Secretary to the Minister for Finance and Administration, Senator the Hon Richard Colbeck.⁵⁸

2.58 It was not the committee's intention to repeat the work done by the OEA in either of these audits, nor was it within the committee's capacity to undertake such an audit. However, the OEA's findings in its audit reports did inform the direction of certain aspects of the committee's inquiry, and the committee's terms of reference overlapped significantly with the issues examined by the OEA. Where relevant, the findings of the OEA in relation to the issues examined by this committee are relied upon and included in the committee's discussion of its findings in chapter 3.

55 Russel Skelton and Ben Schneiders, 'Charity Comes Under Scrutiny', *The Age*, 20 August 2007.

56 Russel Skelton and Ben Schneiders, 'Charity Comes Under Scrutiny', *The Age*, 20 August 2007.

57 CLC, *Submission 2*, p. 2.

58 OEA, *Performance Audit of Centrecorp Aboriginal Investment Corporation Pty Ltd*, November 2008, p. 2.

