

## Senate Standing Committee on Finance & Public Administration

### Inquiry into the relationship between the Central Land Council and Centrecorp Aboriginal Investment Corporation Pty Ltd ('Centrecorp')

Submission by the Central Land Council

This submission addresses the matters referred to the Committee by the Senate that can relevantly be addressed by the CLC. The submission also addresses the background issue of media interest referred to by Senator Brandis when putting questions to the Central Land Council in October 2007 and February 2009.

The CLC notes that the reference to the Committee refers to the relationship between the CLC and "Centrecorp Aboriginal Investment Corporation Pty Ltd ('Centrecorp')". In contrast, the term 'Centrecorp' in the 2008 report by the Office of Evaluation & Audit (Indigenous Programs) entitled 'Performance Audit of Centrecorp Aboriginal Investment Corporation Pty Ltd', (the OE&A Report) was used to refer to the overall commercial interests operated under the two trusts. Senate Standing Orders require that -

"Order 25(2) The committees shall inquire into matters referred to them by the Senate,..."

#### Introduction

The Central Land Council (CLC) is a Commonwealth statutory authority established in 1977 pursuant to the *Aboriginal Land Rights (Northern Territory) Act 1976*.

The CLC pre-existed the proclamation of the Land Rights Act having been established some years earlier as an unincorporated body for the purpose of campaigning for Aboriginal land rights, including assisting with submissions to the Woodward Inquiry.

As a Commonwealth statutory authority, the CLC's finances are audited on an annual basis by the Commonwealth's audit agency, the Australian National Audit Office (ANAO). The CLC's audited accounts are included in its annual report. Each year the annual report is tabled in the Commonwealth Parliament by the relevant Minister.

The CLC's holding of three of the five shares on issue by Centrecorp Aboriginal Investment Corporation Pty Ltd, has been recorded in its annual reports since Centrecorp's incorporation on 10 January 1985. The shares are recorded at their face value of \$3.

The circumstances that led to the incorporation of Centrecorp are discussed in an essay in 'Take Power'<sup>1</sup>, see **Attachment 1**.

---

<sup>1</sup> Take Power , 1998 ed Alexis Wright, Jukurrpa Books, IAD Press, page 80

The CLC is justifiably proud of the success of Centrecorp. It provides an excellent example of the value of long-term sound governance and management, of financial rectitude and prudent investment (unfortunately not emulated by a number of public companies and financial institutions that have come to grief recently).

Regrettably, it appears that it is Centrecorp's very success that has fuelled one or two detractors in the media. There have not been any corporate, financial or management problems to justify this excessive media interest. The Alice Springs News has been obsessive in publishing many articles about Centrecorp, most of which contain serious misinformation. This misinformation has in turn, not unnaturally, and probably intentionally on the part of the Alice Springs News, led to some Aboriginal people in central Australia becoming confused about Centrecorp.

The performance of Centrecorp over the 24 years since it was founded is documented in the OE&A Report. The Committee is invited to read that report in its entirety.

The following passages from the Report confirm the success of Centrecorp -

Centrecorp is a very successful private organisation which has received approximately \$25.1m in support from the Australian Government. As noted in its various establishment documents, Centrecorp has taken "*advantage of investment and commercial opportunities*" for the benefit of Aboriginal people in Central Australia and have built an impressive asset base over the past 23 years. Substantial donations for charitable and other purposes have only been made in the past few years, however Centrecorp point to the CAACT trust deed (which has been interpreted by Centrecorp as meaning that it would take 21 years to accumulate enough income to support charitable donations) in defence of this. *Executive Summary - p.8 paragraph 28.*

Centrecorp has been successful in its long-term strategy of increasing its asset base. In addition to the business lines that have received Australian Government benefits, Centrecorp has also been involved in a range of investment activities that have resulted in an increase in the asset base controlled by Aboriginal people. *p .47 paragraph 5.1.*

The OE&A Report did not find or suggest any impropriety whatsoever in areas of decision making, conflicts of interest, internal controls or board arrangements. It did suggest certain measures which might improve the company's procedures. The recommendation of those measures did not in any way imply any impropriety, as incorrectly suggested in some reports.

### **The Role of the Media**

It is a matter of some importance to inquire as to why there has been so much interest in this very successful organisation, with that interest apparently inspired by completely false allegations that suggest impropriety. In the absence of any impropriety on the part of Centrecorp itself, or in the relationship between the CLC and Centrecorp, the media (Alice Springs News) has resorted to distorted reporting, and to manufacturing allegations and parading those allegations as facts.

In a piece published in the Alice Springs News on 6 November 2008, the claim was made that -

“The News has been covering the Centrecorp controversy in 44 reports since April 1998, and a dossier of Alice Springs News reports was a substantial part of the briefing NT Senator Nigel Scullion gave Senator Brandis.”

Leaving aside for the present whether there has ever been a genuine controversy about Centrecorp, this claim that a dossier of Alice Springs News reports was a substantial part of the briefing provided to Senator Brandis, if correct, may explain how or why two Senate committees have been motivated to inquire into Centrecorp.

For that reason the multitude of factual errors and distortions evident in Alice Springs News stories has been separately addressed in **Attachment 2**. In particular, the Committee’s attention is drawn to the Alice Springs News report of 5 March 2009 about the committee hearing held on 27 February 2009. **Attachment 3** is a copy of the Alice Springs News report. To enable the committee to judge for itself the distortions contained in the report, a copy of the Hansard transcript of the hearing is also attached as **Attachment 4**.

The CLC has appended this material in order to provide an objective measure, Hansard, to enable the committee to see for itself how the Alice Springs News either distorts facts, or manufactures ‘facts’, in order to maintain its campaign against both Centrecorp and the CLC.

As Attachment 1 demonstrates, this has been going on for many years.

#### **Senate Community Affairs Committee Supplementary Estimates 2008**

The CLC was invited to appear before the committee at a hearing on 24 October 2008.

Following the hearing the CLC was requested to answer a number of questions on notice.

Question No 125,

Senator Brandis asked:

‘Can you tell me whether any other transfer payments have been made either from the CLC to Centrecorp or from Centrecorp to the CLC in the way of administration fees, royalties, or payments of any other character? If so, what, how much and when?’

Answer: No transfer payments have been made from the CLC to Centrecorp or from Centrecorp to the CLC,

Question No.126

Is it the case that the capital Centrecorp has used in order to acquire this large asset portfolio was seed funded from royalties paid by mining companies and other commercial entities with obligations to the central Australian Aboriginal people under the *Aboriginal Land Rights (Northern Territory) Act* or other relevant Commonwealth and Northern Territory statutes?

Answer: All inquiries about Centrecorp’s sources of funds should be directed to that entity.

Question 126 picks up a theme of the Alice Springs News first published in 1998, and repeated many times since, to the effect that Centrecorp is the beneficiary of royalties paid by mining companies and other entities operating on Aboriginal land (see Attachment 2). The Alice Springs News has been told repeatedly that the CLC has never paid a cent of royalties to Centrecorp, and there is not a shred of evidence to justify its allegations. It makes no difference, it has continued to publish this false allegation as a fact.

Embedded in this repeated allegation is the necessary inference that the CLC as –

- A Commonwealth statutory authority;
- That is governed by a representative council of 90 Aboriginal people from throughout central Australia;
- That is independently audited annually by the Commonwealth's Australian National Audit Office;
- That is subject to the *Commonwealth Authorities and Companies Act*;
- That is subject to the *Commonwealth Financial Management Act*;
- Whose budget is approved annually by the Commonwealth Minister;
- That lodges its annual report with the Minister; and
- The Minister tables the annual report in Parliament every year;

has, in spite of all of that scrutiny and all of those controls, year after year somehow concealed a series of unlawful actions involving the wrongful transfer to Centrecorp, [or even General Motors Acceptance Corporation (!!)], of large amounts of compensation funds received on behalf of traditional landowners.

Setting the proposition out in this way demonstrates how ridiculous the allegations are.

#### **The Committee's reference**

##### **(a) the relationship between the Central Land Council and Centrecorp Aboriginal Investment Corporation Pty Ltd**

The CLC holds three of the five \$1 shares issued by Centrecorp and they are valued in the CLC's accounts at \$3.

##### **(b)(i) Financial and Management relationship between the CLC and Centrecorp**

Paragraph 23(1)(ea) of the Land Rights Act provides that a Land Council has a function to assist Aboriginals to carry out commercial activities -

“in any manner that will not cause the Land Council to incur financial liability or enable it to receive financial benefit;”

The 3 shares the CLC holds do not give rise to any financial liability or enable the CLC to receive financial benefit.

Centrecorp is a trustee only. The relevant trust deeds provide –

*“Notwithstanding anything declared or implied in the Deed of Trust:*

- (a) the Trust Fund and the income thereof shall henceforth be possessed and enjoyed to the **entire exclusion** of every member of the excluded class and of any member of the excluded class whether by contract or otherwise;*
- (b) no part of the capital or income of the Trust Fund shall be paid or lent to or applied whether by remuneration or otherwise howsoever for the benefit either directly or indirectly of any member of the excluded class in any manner or any circumstance whatsoever;*
- (c) no power conferred upon the Trustee by this Deed or by virtue of anything done pursuant to this Deed or by law shall be capable of being exercised and no provision herein contained shall operate in any manner that any member of the excluded class will or may become entitled either directly or indirectly to any benefit in any manner or in any circumstances whatsoever.”*

*“.....the “excluded class” means and includes:*

- (a) the Organisations (i.e. Centrecorp’s existing shareholders);*
- (b) the Shareholders;*
- (c) any notional shareholder of the Trustee;*
- (d) any person claiming under or in right of the Organisations or the Shareholders or of any notional shareholder of the Trustee.”*

There is no financial relationship between the CLC and Centrecorp. The CLC does not participate in any way in the management of Centrecorp.

On 27 February 2009, when CLC representatives appeared before the Senate Community Affairs committee to respond to further questions, Senator Brandis asked –

Senator Brandis- .....If the best of your understanding is that Centrecorp does nothing else but act as a trustee of the two trusts you have named then that satisfies me. It would be a perfectly complete answer and a perfectly good explanation of the treatment of Centrecorp in the Central Land Council’s books. So could I have the answer please?

Mr Ross- It is a trustee only.

Senator Brandis- The only thing it does is administer those two trusts – is that right?

Mr Ross- That is it.

**(b)(ii) Taxpayers' funds paid or transferred to Centrecorp**

The Report referred to earlier lists loans and grants to Centrecorp from Commonwealth government agencies. The CLC does not consolidate Centrecorp's accounts with the CLC's accounts. Note 6(b) to the CLC's published audited accounts states –

“The profits of Centrecorp will be distributed according to its charitable trust deed for the benefit of Aboriginal people in the Central Australian region and as such the Land Council has no economic interest in Centrecorp and does not account for Centrecorp as a controlled entity.”

This is in accordance with AASB 127 which is the relevant accounting standard.<sup>2</sup>

**(b)(iv) Centrecorp's Sources of Revenue**

Centrecorp has not received from the CLC, at any time, any monies derived from compensation paid to the CLC in respect of mining, mineral exploration or any other activity or interest granted over Aboriginal land.

The CLC has not engaged Centrecorp to provide any services to the CLC, and has not paid the Centrecorp for any services.

The CLC has not provided any services to Centrecorp, for payment of otherwise.

**(b)(v) The beneficiaries of Centrecorp business**

The CLC is not a beneficiary of Centrecorp's business or other activities.

**(b)(vii) The extent to which any Centrecorp beneficiaries and the Central Land Council are informed of Centrecorp's business activities.**

The CLC receives audited financial statements from Centrecorp annually.

---

<sup>2</sup> The main requirements of AASB 127 are:

1. Each entity that is a parent in a group that is a reporting entity must present consolidated financial statements that consolidate its investments in subsidiaries;
2. A subsidiary is defined as an entity controlled by the parent;
3. **Control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities;**
4. Consolidated financial statements are financial statements of a group (parent and subsidiaries) presented as those of a single entity;
5. Consolidated financial statements must include all subsidiaries of the parent.

The CLC has also been provided with copies of Centrecorp's publication 'Centrecorp: Building for the Future'. The CLC can also access the company's website.

**(b)(viii) How Aboriginal Australians living in the Central Australia region benefit from Centrecorp's business and charitable operations.**

Centrecorp was established with the intention that as a trustee, it would accumulate capital with the object of applying the income for the purposes of the trust. It was not anticipated that Centrecorp would be a direct employer. However, by pursuing the objects of the Trust to support Aboriginal people in central Australia in areas of education, health, personal development – particularly through sport, and in other ways consistent with the trust deeds, over time it will assist Aboriginal people to participate more fully in employment and economic activities, and ameliorate disadvantages due to poor health, remoteness and so on.

As an Aboriginal controlled entity, Centrecorp sets a very good example to the Aboriginal people of what can be achieved by long term commitment to clear goals, sound governance and management, and financial probity.

For many Aboriginal people in central Australia 'investment' for the future is a difficult concept. Centrecorp also provides an outstanding example of 'investment' as an instrument for economic and social improvement.

Central Land Council

Alice Springs

22 June 2009

Attachments

- 1 Take Power – cover and page 80;
- 2 Alice Springs News stories – extracts & comments;
- 3 Alice Springs News report 19 March 2009;
- 4 Hansard transcript of the Senate Community Affairs Committee hearing 27 February 2009.

33 333.20899 TAKE POWER LIKE THIS  
T 915 TAKE OLD MAN HERE /  
C C.1  
9 11223

424.75

Central Land  
Council

An anthology of writings celebrating twenty years of  
land rights in Central Australia,  
1977-1997

# Take Power

like this old man here

edited by Alexis Wright for the Central Land Council

Attachment #1



they should be managed. This resulted in the creation of Ngurratjuta Association for the Western Arrernte people from areas affected by the Mereenie and Palm Valley oil and gas fields and the Jangapa Association for the Warlpiri groups in areas affected by gold mining in the Tanami.

Ten years later these organisations still exist. As I understand it they have had fluctuating fortunes, some of their investments having failed and others having been more successful. Ngurratjuta has also developed as an outstation resource service provider.

A different model was adopted by the Central Land Council to take advantage of the commercial opportunity presented by the need for a new gas pipeline from Palm Valley to Darwin and the negotiation of leases across the lands of many traditional owners in Central Australia. From my experience, I realised that this project was to be financed by the major corporate interests with a leveraged lease: a tax-based device which required very low capital investment and with tax benefits effectively subsidising the cost. I recommended that the combined Aboriginal organisations in Alice Springs form a company, named Centrecorp Aboriginal Investment Corporation, to buy an interest in the pipeline, if it could be negotiated. The best share we could negotiate was only 1.5 per cent based on the prevailing royalty paid on mining projects on Aboriginal land. But something was better than nothing.

The next task was to raise the \$1 500 to buy this share. This need coincided with a rather remarkable event in Alice Springs. A number of us 'white advisers' were tired of the constant harassment of our professional work on behalf of our Aboriginal clients. We suffered the cheap shot that we were just 'white advisers' who manipulated our clients. We rejected this charge for the political statement it was, but we decided to let off steam on the subject by staging a satirical review in the little Totem Theatre on the banks of the Todd River. The show was aptly named 'The Dreaded White Advisers Show' with echoes of the Goon Show. It was a wonderful cast: Marcia Langton trod the stage in as many roles as she plays today, Neil Bell recited Scott's poem 'Lochinvar' in fluent Pitjantjatjara, Meredith Campbell read the absurd news segments, John Willis and Bill Davis were superb on the keyboards, and I sang the opening song 'Oh Lord, it's hard to be a white adviser!' to the tune of 'An Okie from Muskogee'. The show was a huge success, we raised the \$1 500 and Centrecorp had its first investment which is now valued at about \$1 million.

Centrecorp has remained contentious, some arguing that its shareholding should not be through the organisations, but it has preserved its asset base and has gone on to participate in a number of other projects such as the Kings Canyon Lodge, Kukara Tours, the LJ Hooker franchise and others.

It is important t  
tures, I am returnin  
Aboriginal investme  
leaders of the Centr  
failures and the su  
complex issue for I

In Central Aus  
of the Uluru title  
campaign waged ag  
of the Northern Te  
holding lunches see  
tion was wrong. It s  
the time by the th  
Howard. The negot  
cials in the final  
hallmark model of  
of management ru  
Commonwealth.

I keep to this  
committed lawyer  
through to myself a  
Castan QC, who has  
rights. It was certa  
when Yami Lester  
Trust received the t  
holding aloft the le  
the park.

At a personal  
married Penny Fi  
learnt the majesty  
including one righ  
to Browns Bore and  
the songs of the C  
and across Morris J  
Park.

Legal battles  
unabated during 1  
passed. Perhaps m  
Council tried to bu

The CLC had  
Springs, but the N  
had refused rezoni  
to reveal to the C  
from neighbours a  
blind. I advised

**Alice Springs News articles concerning Centrecorp**

<b>Date of article</b>	<b>Headline of article</b>	<b>Extract from the article</b>	<b>CLC response/comment</b>
15 April 1998	Secrecy Surrounds Aboriginal Investment Company	<p>‘Centrecorp was set up in the late eighties’</p> <p>‘...apparently to invest royalties from the Mereenie Gas and oil operations and from the pipeline to Darwin .....’</p> <p>‘The Act [<i>apparently a reference to the Land Rights Act</i>] requires mining companies on Aboriginal land to pay statutory royalties of at least 10% of the value of production.’</p> <p>‘...there are also negotiated royalties on top of that. All that money is paid to the NT Government.’</p>	<p>Incorporated January 1985.</p> <p>Not true, and there is no factual basis for this allegation. The returns from the ownership of a share of NT Gas, owner of the pipeline to Darwin, were not royalties.</p> <p>Not correct. The Land Rights Act does not mention royalties. This is a matter easily verifiable by reading the Act.</p> <p>No negotiated compensation is paid to the NT Government. This is another matter that would be readily clarified by reading the Land Rights Act</p>
10 March 2004	Alice Wish List Secret	‘Aboriginal money put into Centrecorp and Peter Kittle almost certainly comes from mining royalties, principally from gas and oil in Palm Valley and Mereenie. Aborigines don’t have to lift a finger to get those funds.’	The CLC receives and distributes royalties from resource exploitation on Aboriginal land. None of those funds have ever been distributed to Centrecorp. The CLC is not privy to Peter Kittle’s financial arrangements.
13 October 2004	Central Land Council: 30 More Years	<p>“...the CLC, an almost obsessively secret organisation in our experience.”</p> <p>“...clandestine manner in which the organisation is run..”</p>	The CLC’s annual reports are tabled in the Parliament every year, the CLC has a comprehensive and informative website, and every year issues many press releases and publications. It also co-publishes <i>Land Rights News</i> , a publication of the joint land councils, at regular intervals. The CLC is proud to publicise its efforts and activities on behalf of its Aboriginal constituents.

4 May 2005	Clare Martin: Dollars and Good Deeds	'Centrecorp, deriving its funds principally from mining, oil and gas royalties...'	Untrue. There is not the slightest evidence to support this repeated false allegation.
7 December 2005	Irkerlantye to ask Aboriginal Investment Grant for Help	'...the company's [Centrecorp's] income is understood to be mainly from oil, gas and mining royalties paid to Aboriginal people under Federal legislation.'	Wrong again.
2 March 2006	'Subsidiaries of Multimillion Dollar Black Company Pay No Rates,'	'The 466 non-rateable properties in Alice Springs which are not contributing to municipal revenues include some owned by Centrecorp.'	Corporations law does not recognise race, colour or ethnicity as identifiers for Australian companies.
		"The 466 non-rateable properties in Alice Springs..."	Untrue. This matter could readily have been checked by a proper inquiry to the Town Clerk instead of peddling gossip, or just making it up.
		"A Centrecorp director Owen Cole would not comment on the issue."	Not a single other alleged non-rate paying entity was mentioned in either of the two stories in the Alice Springs News covering this matter.
		"I'll be interested to see the list, hopefully they've got it right," said Mr Cole.	
23 March 2006	CHARITABLE INSTITUTION' CENTRECORP TAX EXEMPT?	[Centrecorp responds] 'this brusque response from Centrecorp manager R. W. (Bob) Kennedy: "Do not own, and never have owned, any 'non-rateable properties'. "Do not hold, never have held, 'PBI [public benevolent institution, a criteria for rates exemption] status'."	This article claims that the source of the original [false] information was an alderman and an officer of the Town Council. However, it was apparently not worthy of comment that those persons should have provided false information intended to be prejudicial to a local business. Of course there was no apology to Centrecorp.

		“At the time this was not denied by a Centrecorp director, Owen Cole.”	As the article on 2 March 2006 recorded, Mr Cole gave responsible answers to the misinformation he was peddled by the Alice Springs News. There was nothing for Mr Cole to ‘deny’.
13 April 2006	MONEY TRAILS LEAD TO 75 HARTLEY ST.	‘Alice Springs’ most secretive investor, Centrecorp.’	False. There are many investors based in Alice Springs, but Centrecorp is the only investor that the Alice Springs News ever refers to. Not a single other investor based in Alice Springs has been the subject of an Alice Springs News story concerning how it conducts its business, let alone volunteered to have its business affairs exposed in the Alice Springs News.
		‘The foundation of Centrecorp’s fabulous wealth isn’t hard work but a never ending stream of “sitdown” money (sic) created by the stroke of a government pen.’	Not true. A recycled version of the original false allegation that Centrecorp receives royalties.
4 May 2006	Centrecorp: Elders Fume	‘Mr Abbott, who says the rehab centre is getting by on “measly” government subsidies, claims the hundreds of millions of dollars amassed by Centrecorp should “benefit people out in the communities”.’	Example of comments by an Aboriginal person that are based on misinformation published in the Alice Springs News.
		(Alice Springs News)“The main source of Centrecorp's revenue is believed to be royalties required to be paid by resource companies operating on Aboriginal land.”	False.
		“Mr Abbott says he believes the investment boom started with royalties from Palm Valley gas and Mereenie oil, but the revenues remain out of reach	Further example of comment by an Aboriginal person that is based on misinformation published in the Alice Springs News.

---

		of people who need them most. "A lot of people don't know what's happening," says Mr Abbott."	
<b>21 December 2006</b>	MAL THE MAN	'the highly secretive royalty investment company Centrecorp'	Perpetuates the myth created by the Alice Springs News that royalties are paid to Centrecorp .
<b>3 August 2006</b>	CENTRECORP PART OF PETER KITTLE'S EXPANSION IN SA	<i>[Centrecorp]</i> ...founded as a charitable institution to invest mining, oil and gas royalties on behalf of the Aboriginal people to whom they are due...'	Centrecorp was not founded to invest royalties, and it has never received any royalties from the CLC. The Alice Springs News has apparently come to believe its original lie from having repeated it so often.
<b>24 May 2007</b>	TOWN CAMPS: Wills clash.	'.....Centrecorp, reported now to be one of Australia's Top 100 companies.'	Apart from this report in the Alice Springs News, no such report has ever appeared.  To illustrate the idiocy of the claim, in the Weekend Australian 6-7 June 2009, the 'Top 150 Companies' are listed, based on market capitalisation. Company number 100 has a market capitalisation of \$1,610,173,000. And that is after the GFC related stock market meltdown.  However, the CLC agrees that measured on the basis of its 24 year history of sound governance and financial management, and prudent investment, Centrecorp would probably warrant inclusion as one of the Top 100 companies in Australia.
<b>7 June 2007</b>	'Scullion in Probe About CLC's Role in Centrecorp'	'Centrecorp owns directly or indirectly large amounts of real estate in Alice Springs believed to be worth hundreds of millions of dollars.'	As usual no supporting evidence whatsoever is cited in support of the belief, let alone naming a single person who holds such a belief (other than the writer).
		'The investment company's wealth is founded on	Not correct. Centrecorp may have received donations,

		statutory royalties and donations.'	but it has never received mining royalties.
16 August 2007	Empires crumble.	'This would indicate that Centrecorp has made less than a quarter of a million dollars profit from investments worth hundreds of millions.'	Again, there is not a skerrick of evidence to support the claim about the value of Centrecorp's investments.
		'According to information from an insider...'	Another example of this writer being less than truthful: all of the information allegedly from an insider is listed in publicly available records.
30 August 2007	"Bush tribes own the Centrecorp millions."	<p><i>[This article mainly comprised a lengthy interview about Centrecorp with an individual. The article concluded with the following passage-]</i></p> <p>"Meanwhile, the Melbourne Age reports that CLC director David Ross has indicated Centrecorp may make more disbursements in the future, and inform its beneficiaries of its policies. The newspaper says this in a series of articles it passes off as an "Age investigation" whereas a substantial part of the information comes from reports published over the last two and a bit years in the Alice Springs News (google Centrecorp on our website), and from lengthy conversations between Age reporters Russell Skelton and Ben Schneiders with Alice News editor Erwin Chlanda. Contrary to assurances from the Age, which passed on the reports to its sister paper, the Sydney Morning Herald, the Alice Springs News is not acknowledged as the source of the information. <b>The shoddy journalism doesn't stop there[emphasis added]:</b> without apparently any research of its own, the Centralian Advocate is lifting information from the Age, and so is running,</p>	<p>The person interviewed about Centrecorp was not established to have, or alleged to have ever had, any connection whatsoever with Centrecorp.</p> <p>One would have to agree that it does amount to "<b>shoddy journalism</b>", but for a different reason than that claimed by the Alice Springs News: it was shoddy of those other journalists to have relied on the profoundly unreliable material published in the Alice Springs News.</p> <p>However, this passage also illustrates how the false, and arguably malicious, material published in the Alice Springs News gets picked up and uncritically regurgitated by the 'mainstream' media. This in turn sets up the illusion that some mischief is afoot when in fact it is all manufactured by the Alice Springs News.</p> <p>And these are the same persons that Senator Brandis referred to as "credible investigative journalists" – <i>Hansard 24 October 2008 Transcript CA 26.</i></p>

		third hand, material the Alice News has been publishing – since 1998. “	
<b>15 November 2007</b>	Looking back on the footy brawl.	<p>“Mr Avery’s presence on the Tribunal begs some questions. He is the senior lawyer of the Central Land Council (CLC), which is the three fifths shareholder of Centrecorp which has Mr Cole as a director.</p> <p>“Pioneers president Harold Howard works for the CLC, and other Pioneer members quite likely have connections with it.</p>	<p>On this occasion Mr Avery chaired a disciplinary tribunal convened by the CAFL to ascertain whether certain persons had broken CAFL rules. Mr Cole was one of those persons.</p> <p>Mr Avery has no connection with Centrecorp.</p>
<b>19 December 2008 (Online edition)</b>	Centrecorp Answers Reveal Little	<p>“(Senator Brandis-)</p> <ul style="list-style-type: none"><li>• “ Is it the case that the capital that Centrecorp has used in order to acquire this large asset portfolio was seed funded from royalties paid by mining companies and other commercial entities with obligations to the central Australian Aboriginal people under the Aboriginal Land Rights (Northern Territory) Act or other relevant Commonwealth and Northern Territory statutes? “</li><li>• Mr Ross replied "no transfer payments have been made from the CLC to Centrecorp or from Centrecorp to the CLC" to the following question by Senator Brandis: "Can you tell me whether any other transfer payments have been made</li></ul>	<p>This question closely follows the spurious allegation published repeatedly by the Alice Springs News since 1998, to the effect that Centrecorp has received royalties from mining activities on Aboriginal land. It has not..</p>

---

either from the CLC to Centrecorp or from Centrecorp to the CLC in the way of administration fees, royalties, or payments of any other character? If so, what, how much and when?"

**Mr Ross' responses to questions from NT Senator Nigel Scullion were similarly unrevealing:-**

Senator Scullion: Does the Central Land Council, CLC, administer the distribution of mining royalty payments to affected traditional owners? What is the formula or mechanism used to determine an individual's royalty entitlement?

Mr Ross: The CLC does administer the distribution of mining royalty payments. It distributes mining royalty payments in accordance with the agreements made pursuant to section 46 of the Land Rights Act. The recipient associations determine how the associations' funds are applied.

Senator Scullion: How are traditional owners informed of this formula or mechanism? When and how are traditional owners informed of the value of their royalty payment that they are to receive? How are royalty payments paid?

Mr Ross: Traditional landowners receive information about payments at general meetings of the recipient association of which they are a member. Royalty payments are made to the recipient associations by electronic funds transfer to

The comment –“ **Mr Ross' responses to questions from NT Senator Nigel Scullion were similarly unrevealing:-...**”

This passage, and in particular the comment highlighted, illustrates again the difficulty the Alice Springs News has with truthful and accurate reporting.

The answers to the questions were straightforward, revealed the relevant facts, and provided the information requested by Senator Scullion.

They did not reveal what the Alice Springs News seems to have hoped would be revealed, because there was and is nothing to reveal. The answers describe the true situation and not the fanciful or imagined situation constructed by the Alice Springs News.



the nominated bank account.

Senator Scullion: Does the CLC charge a fee or withhold any money from the traditional owner's royalties for the purpose of administering the payment?

Mr Ross: The CLC does not withhold any monies from royalties payable to traditional landowners.

Associations that receive royalty distributions from the CLC may engage the CLC to provide services to the association, in which case an agreed fee will be charged to the association.

Senator Scullion: Does the CLC administer or disperse any royalty receipts for payment to other Aboriginal associations, communities or groups in the Northern Territory.

Mr Ross: All royalties received by the CLC are paid to associations.

Senator Scullion: What are the eligibility criteria for funding? What is the process for applying for and approving funding?

Mr Ross: The CLC does not accept applications for funding.

Senator Scullion: How are traditional owners informed of any payments made?

Mr Ross: As far as the CLC is aware, the traditional owners are informed by the recipient association of any payments made.

Senator Scullion: Does the CLC charge a fee or withhold any money from these receipts

---

for the purpose of administering payment?  
Mr Ross: The CLC does not charge a fee or withhold any money from mining royalty recipients for the purpose of administering payment.

5 March 2009

Where are mining millions?

“The puzzle over the secretive Aboriginal investment company, Centrecorp Aboriginal Investment Corporation Pty Ltd, widely reported as having interests in \$100m worth of assets, deepened last week when it was claimed it was both a trust, and the trustee administering it.”

“It was also disclosed that the American-owned Newmont gold mining company, operating north-west of Alice Springs, paid \$5.3m to a Warlpiri organisation, via the CLC, but bypassing the conventional royalty process. Newmont paid the amount to GMAAAC, the Granites Mines Affected Areas Corporation.”

The transcript of the hearing shows that no such claim was made. This is a complete misrepresentation of the answer provided to the Committee. *See transcript p.CA 61, and see below.* The Alice Springs news manufactured this fact, and supported it by deleting from Mr Ross’ answer (as recorded in Hansard) the reference to the second trust.

The alleged disclosure of a payment by Newmont “bypassing the conventional royalty process” is a ‘fact’ completely manufactured by the Alice Springs News.

- (a) There was no such disclosure whatsoever;
- (b) It is not true anyway;
- (c) The Alice Springs News did not contact Newmont;
- (d) The Senate Committee did not contact Newmont.

Refer to Hansard 27 February 2009 p.CA62.

The three relevant questions were:

1. “Senator Brandis- ...In the 2008 financial year, did the Central Land Council pay any moneys into the Warlpiri trust?  
Mr Avery- I do not know what the Warlpiri trust is. Perhaps you could explain.”

2. "Senator Brandis- In the 2008 financial year did the Central Land Council make any payments or distribute any moneys to General Motors Acceptance Corporation?  
Mr Nystrom-.....To my Knowledge, no."

3. "Senator Brandis- Were any moneys payable to the Central Land Council in respect of royalties owed to it from Newmont Mining diverted to payments to General Motors Acceptance Corporation?  
Mr Nystrom- To my knowledge, no."

"These details came to light during the Senate Estimates Hearings in Canberra on Friday, in answers from CLC director David Ross."

No they did not.  
They did not come to light during the Senate Estimates Committee hearing; and  
Mr Ross was not asked any questions about Newmont or GMAAAC, and he did not mention either Newmont or GMAAAC during his responses to other questions from Senator Brandis.

"Newmont paid the amount to GMAAC, the Granites Mines Affected Areas Corporation."

No it did not. It was not even suggested that Newmont paid moneys to GMAAAC – Granites Mine Affected Area Aboriginal Corporation.

Senator Brandis asked two questions about General Motors Acceptance Corporation. The CLC has no idea what prompted Senator Brandis to ask these questions as there appears to be absolutely no reasonable basis for the suggestions implicit in the questions. In the whole of its history the CLC has never had any dealings with General Motors Acceptance Corporation.

---

Why Senator Brandis would even contemplate that the CLC would make payments to General Motors Acceptance Corporation, or that Newmont would divert royalty payments to General Motors Acceptance Corporation, is a matter of speculation.

*As reported in the Alice Springs News:*

“Brandis: All right. Now, what’s the name please ... of the trusts administered by Centrecorp?”

Ross: ... There are two trusts, Centrecorp Aboriginal Investment Corporation, there is the Central Australian Aboriginal Charitable Trust.

Brandis: Is Centrecorp the sole trustee of those two trusts?

What Mr Ross really said, as recorded in the transcript of the hearing :

“There are two trusts, Centrecorp Aboriginal Investment Corporation. **Hang on. There is the Central Aboriginal Charitable Trust – sorry, I only have one. Then** there is the Central Australian Aboriginal Charitable Trust”

As can be seen, the Alice Springs News edited out the words in bold type, one half of Mr Ross’ answer, in order to justify the allegation it made in the second paragraph of the article, that it had been “claimed that Centrecorp was both a trust, and the trustee administering it”.

The author of this claim, it turns out is none other than the Alice Springs News, yet again engaging in manufacturing false information.

19 March 2009

Centrecorp lid is off.

*[This story selectively quotes from the report by the Office of Audit & Evaluation entitled “Performance Audit of Centrecorp Aboriginal Investment Corporation Pty Ltd” (“the OA&E Report”). ]*

The story dwells on lack of disclosure, as if that is itself evidence of wrong doing. Whereas the OA&E Report looks at disclosure as desirable for two reasons – provision of information although not legally or constitutionally required to do so, as a recipient of Commonwealth funding, and to assure its reputation against damaging media reports !!

		<p>“Information in the report may indicate that the CLC is, or has been, in breach of the legislation under which it operates, and that CLC director David Ross may have misled Parliament in recent Senate Estimates Hearings.”</p>	<p>This speculation, repeated.</p>
		<p>“Yet the report shows that Centrecorp is holding shares “beneficially” in four companies, including 60% of Yeperenye Nominees Pty Ltd.”</p>	<p>The Report says that those shares are not listed with ASIC as “non-beneficially owned”, but it also suggests that this is an error.</p>
		<p>“a report, partly damning,…”</p>	<p>The report is in no way damning of Centrecorp at all. In fact it praises Centrecorp.</p>
		<p>‘Says the report: “One of the original motivating factors for Centrecorp’s involvement in the initiative was the prospect of generating significant employment opportunities for residents of local Indigenous communities.”</p>	<p>The article fails to note that, as recorded in the Report, Centrecorp is the one third minority shareholder in the <i>[Kings Canyon]</i> resort, not the local Aboriginal communities. It is not the Operator or Manager of the Resort and has no direct responsibility for employment.</p>
<b>9 April 2009</b>	Centrecorp shares: Did land council mislead Parliament?	<p>‘The Central Land Council (CLC) is apparently “beneficially” holding shares in the secretive Aboriginal investment company, Centrecorp, while telling the Senate that its shareholding is merely as a trustee.</p> <p>A “beneficial” holding of a share means the holder has all benefits and obligations flowing from it. This would place the CLC in conflict with the NT Land Rights Act which says it must not “incur financial liability or receive financial benefit in assisting Aboriginal people with commercial</p>	<p>The CLC was not asked by the Senate committee and did not say that it was a ‘trustee’ of the three shares it holds in Centrecorp.</p> <p>The CLC holds the three shares in Centrecorp ‘beneficially’, but because Centrecorp is only a trustee, has no income or assets, does not have a bank account and does not trade on its own account, there can be no benefit or liability to the CLC as the holder of these shares. This is ensured by the terms of the trust deeds.</p>

---

activities”.

The OA&E Report, *p.35 at paragraph 4.2* recognised that in the circumstances, the fact that Centrecorp’s shares in four other companies were not recorded by those companies as ‘non-beneficially held’ indicated that the “the share holding status in relation to these four companies appears to be incorrectly registered”. In other words the report accepted that the shares were **non-beneficially held**.

21 May 2009

Land Council’s New Hurdle

“This is what the Centrecorp deed says (please don’t blame us for the language): “The income and property of the Trust Fund shall be applied solely for the promotion of the Charitable Objects in accordance with the provisions of this Deed and no portion thereof shall be paid or transferred directly or indirectly by way of dividend bonus or otherwise howsoever by way of profit to the shareholders of the Trustee provided that nothing herein shall prevent the payment in good faith of remuneration to any officer, servant or shareholder of the Trustee in return for any services actually rendered to the Trustee or reasonable and proper rental for any premises leased to the Trustee” [our italics].

“One’s head spins imagining the “financial benefit” the CLC could get in the form of “remuneration” for a multitude of services and consultations it could be providing to Centrecorp and the companies linked to it.”

Wrong again.

The Trust Deeds do not say that because that clause was deleted from the Deeds and replaced some years ago.

The Trust Deed provides that –  
“Notwithstanding anything declared or implied in the Deed of Trust:

- (a) the Trust Fund and the income thereof shall henceforth be possessed and enjoyed to the **entire exclusion** of every member of the excluded class and of any member of the excluded class whether by contract or otherwise;
- (b) no part of the capital or income of the Trust Fund shall be paid or lent to or applied whether by remuneration or otherwise howsoever for the benefit either directly or indirectly of any member of the excluded class in any manner or any circumstance whatsoever;
- (c) no power conferred upon the Trustee by this Deed or by virtue of anything done pursuant to this Deed or by law shall be capable of being exercised and no provision herein contained shall

operate in any manner that any member of the excluded class will or may become entitled either directly or indirectly to any benefit in any manner or in any circumstances whatsoever.”

“.....the “excluded class” means and includes:  
(a) the Organisations (*i.e. Centrecorp’s existing shareholders*);  
(b) the Shareholders;  
(c) any notional shareholder of the Trustee;  
(d) any person claiming under or in right of the Organisations or the Shareholders or of any notional shareholder of the Trustee.”

The exclusion of the CLC from any benefit whatsoever could hardly be any clearer than that, and yet the Alice Springs News has completely ignored this clause, and in doing so deliberately and grossly misled its readers.

The OE&A Report, dealt with extensively in an Alice Springs News story on 19 March 2009, states : “The Trust Deeds of CAACT and CACT preclude shareholders of the Trustee from receiving any benefit from the Trusts.”*p.14 at paragraph 1.5*

“As the majority shareholder, all the CLC would need to do is snap its fingers and Centrecorp would have to comply.

The CLC, it seems, is clearly “enabled” to “receive financial benefit” from Centrecorp, even if it does not do so at the moment, and that, it would seem, is against the law.”

Completely wrong. See above.

The Alice Springs News has deliberately concealed from its readers that the true situation is the exact opposite of this claim and the other claims made in this story.

---

11 June 2009

The Act under which the CLC operates says it is not allowed to enter into commercial deals that “enable it to receive financial benefit”. Yet the CLC has the majority shareholding in the multi million dollar investment company Centrecorp. Is the CLC in contravention of the Act?

Earlier this year, Ms Macklin’s department told the Alice Springs News: “It is the Department’s understanding that Centrecorp is not a related entity at law to the Central Land Council and the CLC is not at risk because of any commercial activities of Centrecorp.”

Ms Macklin made no further comment.

How can that be so, we persist in asking?

A well informed source from within government, speaking to us on the condition they are not named, says Centrecorp’s trust deed precludes the company from paying money to the CLC. End of story.

Not so: We obtain a copy of the trust deed and it seems to say the opposite, namely that Centrecorp can make payments “in good faith of remuneration to any officer, servant or shareholder of the Trustee in return for any services actually rendered to the Trustee or reasonable and proper rental for any premises leased to the Trustee”. A nice little earner for the CLC – now or in the future? And a violation of its obligations under the Act?

“Does CLC own the new \$16m building?”

The answer to the question is ‘No’. See comments above.

The Alice Springs News persists with the furphy about the contents of the Trust Deed. This gives rise to one of two assumptions –

- (1) The party who provided the copy of the Deed to the Alice Springs News excised the relevant clauses from the copy provided; or
- (2) The Alice Springs News is wilfully misleading its readers for some ulterior motive.

The first scenario is unlikely as the trust deeds were provided by the CLC in their entirety as a pdf document.

A simple title search would reveal that the CLC owns the building. The total cost of the building has been correctly reported elsewhere in the media as \$10 million – and the



---

construction project has provided a significant economic boost to Alice Springs contractors and tradesmen.

---

The freedom of the press still furnishes that check upon government which no constitution has ever been able to provide. Chicago Tribune.

**alice LANDSCAPING supplies**

- ▷ Aggregate
- ▷ Pre Mix
- ▷ Sand
- ▷ Mulch & Bark
- ▷ Decorative Stone
- ▷ Cement
- ▷ Concrete Products
- ▷ Screen Fencing
- ▷ Organic Fertilizers

**Smith St / Ghan Rd**  
**Open 7 days**  
**8952 2356**

# Alice Springs News

VOLUME 16, ISSUE 5    \$1    March 5, 2009

Published by ERWIN CHLANDA PTY LTD.  
 ALICE SPRINGS OWNED AND OPERATED.  
 TEL 08 89 555444. FAX 08 89 555078.  
 WEBSITE [www.alicespringsnews.com.au](http://www.alicespringsnews.com.au)  
 EMAIL [alicenews@ozemail.com.au](mailto:alicenews@ozemail.com.au) Box 1613, Alice Springs 0871



**GEOFF MIERS Garden Solutions**

**WORKSHOP**  
 "No Dig Garden"  
 Sunday March 22nd, 2-4pm  
 \$20 (Bookings Essential)

**PLANT SALE**  
 March 28-29

Winner 2009 Best Small Nursery NT  
 13 Lindsay Ave Old Eastside.  
 Open: Friday 12noon - 7pm  
 Saturday 8am - 6pm Sunday 8am - 5pm

# Where are mining millions?

By ERWIN CHLANDA *Granites Mines Affected Areas Corporation*

The Central Land Council (CLC) has failed to disclose to Parliament details requested by NT Senator Nigel Scullion about mining royalty payments - some \$23.5m in 2007/08 - paid to Aboriginal people in the last three financial years.


The puzzle over the secretive Aboriginal investment company, Centrecorp Aboriginal Investment Corporation Pty Ltd, widely reported as having

These details came to light during the Senate Estimates Hearings in Canberra on Friday, in answers from CLC director David Ross.

Shadow Attorney General George Brandis, who conducted the questioning, requested an explanation of GMAAC payments, which Mr Ross took on notice.

Senator Brandis said Senator Scullion had asked the CLC for a list of all mining royalty payments in 2005/06, 2006/07 and

**They all want to be Finke Grid Girls!**



Report by BEVERLEY JOHNSON

# Abor. mining royalties: Senate demands answer

**FROM PAGE 1.**  
though there were receipts ... of some \$23.5m.

He said: "Do I read this account correctly as telling me that in 2007/08, some \$16m of the \$23.5, or roughly three quarters of the royalties received, were retained and not distributed?"

When Senator Brandis insisted that the annual report did not reveal who exactly had been getting royalty payments, CLC General Manager Bruce Nystrom, sitting next to Mr Ross, replied: "The notes do not go to nominating specific recipients."

Brandis: Where does the Parliament go to be informed about where these payments were made?

Nystrom: I would presume the Parliament would ask the question.

Brandis: I am asking it now. You see, Senator Scullion asked the question ... and the CLC declined to give him an answer. So, let me ask it again.

Nystrom: With respect, Senator, that question asked about a list of all payments.

Brandis: Yes.

Nystrom: We couldn't interpret the question to decide what sort of payments, or what category of payments, the Senator was interested in.

Brandis: Well, that's not the ground given for declining to answer, but let's just quibble about that. Let's not answer my question ... I'd like to know who the payees of those sums were, please. Would you like to take this on notice, Mr Nystrom?  
Nystrom: Yes please.

myself perfectly clear now what I'm looking for in terms of these payments?  
Nystrom: Yes.

The questioning is likely to continue in the May round of the Senate Estimates Hearings.

The hearing was cut short after just 33 minutes, the protracted controversy over Centrecorp notwithstanding.

An aide of Senator Scullion said it had been a battle to get the CLC issues on the agenda.

Local Aboriginal people have claimed for years that Centrecorp's management should be transparent, and that it should be up to representative Aboriginal people to decide how the assets, reportedly having grown from seed money in the form of mining royalties and charitable donations, should be put to work in the combat of poverty and disadvantage.

### QUESTIONS

Senator Brandis continued questioning of Mr Ross he began at the hearings in October last year.

The CLC is an agency of the Department for Families, Housing, Community Services and Indigenous Affairs.

The questioning last week focussed again on the valuing of the Centrecorp shares.

It has interests in a string of Central Australian businesses and real estate, including a 50% share in the Peter Kittle Motor Company, the dominating car dealership in The Centre, now also established in three South Australian

Brandis: We know, Mr Ross, that you are a director of Centrecorp. That's right, isn't it?

Ross: That's correct, Senator, yes.

Brandis: And you are familiar with its financial affairs? You must be if you are a director and you are complying with your obligations under the Corporations Act?

Ross: Yes.

Brandis: Because the CLC is the holder of three of the five shares in Centrecorp, and you are also a director of the CLC, I'm sure you agree with me that the financial position of Centrecorp is a matter of interest to you as a director of the Central Land Council.

Ross: No, Senator.

Brandis: You wouldn't agree that the financial position of any corporation which appears on the balance sheet of the CLC is a matter of concern to the CLC?

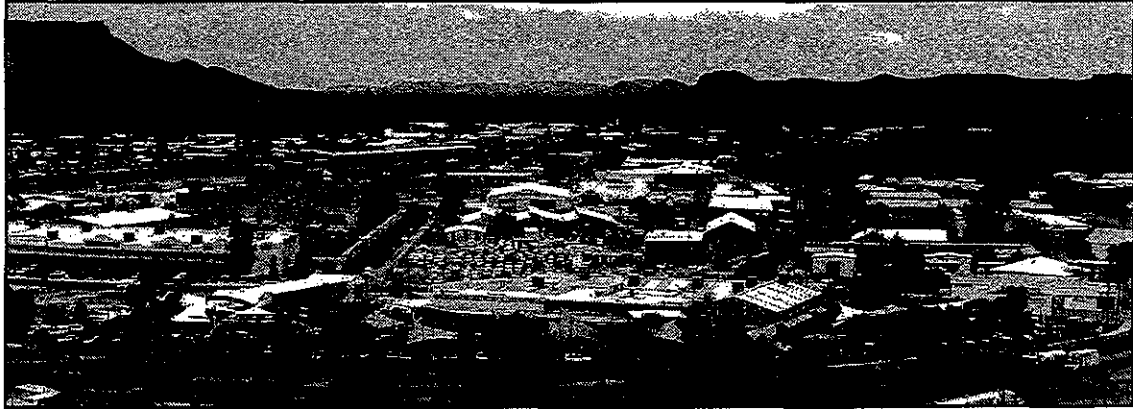
Ross: Not to the extent that the shareholding exists ...

Brandis: I'm sorry, I don't understand that answer. The shareholding does exist. You have certified the accounts. Let me come to what I want to know: I'm speaking to you in your capacity as a director of the CLC, which counts among its assets its investment in Centrecorp. I want to know what in your opinion is the net worth of Centrecorp.

Ross: Three dollars, Senator.

Brandis: Thank you.

The Senator then quoted from the CLC annual report.



Peter Kittle Motor Company in 2004: one of The Centre's most spectacularly successful businesses.

trencorp will be distributed according to its charitable trust deed for the benefit of Aboriginal people in the Central Australian region.

"Do you say that the net worth of Centrecorp is the nominal value of its shares, three dollars, because Centrecorp acts only as trustee, so that trust funds under its administration are not its assets and therefore don't form part of its net worth? And that would be a perfectly respectable position to take. Is that your answer?"

Ross: That's pretty much the position, Senator.

Brandis: All right. Now, what's the name please ... of the trusts administered by Centrecorp?

Ross (after some lengthy paper shuffling and consultation with Mr Nystrom and CLC senior lawyer David

Avery): There are two trusts, Centrecorp Aboriginal Investment Corporation, there is the Central Australian Aboriginal Charitable Trust.

Brandis: Is Centrecorp the sole trustee of those two trusts?

Ross: My understanding is yes, Senator.

Brandis: Is the administration of those two trusts the only business of Centrecorp?

Ross: That's really Centrecorp's business, Senator.

Brandis: That's all it does. It doesn't do anything other than administer those two trusts?

Ross: I think these are probably questions that you probably need to put to Centrecorp, Senator.

Brandis: You see, as I said a little while ago, because you count your in-

vestment in Centrecorp as a CLC asset, then I think speaking on behalf of the CLC, and since you have a legal obligation to it, to make yourself familiar with the financial affairs, and that includes its asset position, I think I'm at liberty to ask you about these matters. It's not a hard question, is it, the case that all Centrecorp does is administer those two trusts?

Ross: That's the two trusts of Centrecorp, and it's their business how to operate those trusts.

Brandis: Mr Ross, I could perfectly well understand why in the CLC's financial statements, the value of its investment in Centrecorp would be written down at three dollars ... if it had no business other than to act as trustee. I would find it more difficult to understand how its value

could be written down as the nominal value of its shares if it did things other than act as a trustee.

The answer to this question really goes to the accuracy of the treatment of Centrecorp in the CLC's financial statements.

If the best of your understanding is that Centrecorp does nothing else than act as a trustee of the two trusts you have named, then that satisfies me. It's a perfectly complete answer and it's a perfectly good explanation of the treatment of Centrecorp in the CLC's books. So, could I have the answer, please?

Ross: It's a trustee only.

Brandis: It's a trustee only. The only thing it does is administer those two trusts. Is that right?

Ross: That's it.

Brandis: Thank you.

Advertisement



'The freedom of the press still furnishes that check upon government which no constitution has ever been able to provide.' Chicago Tribune.

**Alice LANDSCAPING supplies**

- ▷ Aggregate
- ▷ Mulch & Bark
- ▷ Cement
- ▷ Screen Fencing
- ▷ Pre Mix
- ▷ Decorative Stone
- ▷ Concrete Products
- ▷ Organic Fertilizers

**Smith St / Ghan Rd**  
**Open 7 days**  
**8952 2356**

# Alice Springs News

VOLUME 16, ISSUE 5 \$1 March 5, 2009  
 Published by ERWIN CHLANDA PTY LTD.  
 ALICE SPRINGS OWNED AND OPERATED.  
 TEL 08 89 555444. FAX 08 89 555078.  
 WEBSITE [www.alicespringsnews.com.au](http://www.alicespringsnews.com.au)  
 EMAIL [alicenews@ozemail.com.au](mailto:alicenews@ozemail.com.au) Box 1613, Alice Springs 0871

**GEOFF MIERS Garden Solutions**

**WORKSHOP**  
 "No Dig Garden"  
 Sunday March 22nd, 2-4pm  
 \$20 (Bookings Essential)

**PLANT SALE**  
 March 28-29

Winner 2009 Best Small Nursery NT  
 13 Lindsay Ave Old Eastside.  
 Open: Friday 12noon - 7pm  
 Saturday 8am - 6pm Sunday 8am - 5pm

# Where are mining millions?

By ERWIN CHLANDA Granites Mines Affected Areas Corporation

The Central Land Council (CLC) has failed to disclose to Parliament details requested by NT Senator Nigel Scullion about mining royalty payments - some \$23.5m in 2007/08 - paid to Aboriginal people in the last three financial years.

The puzzle over the secretive Aboriginal investment company, Centrecorp Aboriginal Investment Corporation Pty Ltd, widely reported as having interests in \$100m worth of assets, deepened last week when it was claimed it was both a trust, and the trustee administering it.

The CLC has a majority shareholding in Centrecorp.

It was also disclosed that the American-owned Newmont gold mining company, operating north-west of Alice Springs, paid \$5.3m to a Warlpiri organisation, via the CLC, but bypassing the conventional royalty process.

Newmont paid the amount to GMAAC, the

These details came to light during the Senate Estimates Hearings in Canberra on Friday, in answers from CLC director David Ross.

Shadow Attorney General George Brandis, who conducted the questioning, requested an explanation of GMAAC payments, which Mr Ross took on notice.

Senator Brandis said Senator Scullion had asked the CLC for a list of all mining royalty payments in 2005/06, 2006/07 and 2007/08.

Senator Brandis described the reply from the CLC as a "non-answer" in which, he said, it had asserted that "to provide a list of all payments for the previous three financial years would be a time and resource intensive process."

When Mr Ross referred to a section of the CLC's annual report Senator Brandis replied: "Now what that tells me, Mr Ross, is that in 2007/08 there was a distribution of only something a little short of \$7.5m al-

CONT. PAGE 7.

**They all want to be Finke Grid Girls!**

**Report by BEVERLEY JOHNSON**

**Becoming a Tattersall's Finke Desert Race Ultimate Grid Girl has got 27 young Alice beauties all fired up.**

**Back Row -** Sophie Callard, Bec Byrnes, Kelly Connor, Maddy Mason, Tahnee Farrows, Rebecca Randall. **Middle Row -** Jayde-Marie Scheidegger, Carmen O'Donoghue, Nicole Bell, Ilse Pickerd, Amy Anderson. **Front Row -** Stephanie Flittom, Jessica Westover, Jo-anne McIntyre, Carol-Ann Todd, Samantha Faux, Lauren Walker, Jessica Clark. **Story page 13.**

# Abor. mining royalties: Senate demands answer

FROM PAGE 1.

though there were receipts ... of some \$23.5m.

He said: "Do I read this account correctly as telling me that in 2007/08, some \$16m of the \$23.5, or roughly three quarters of the royalties received, were retained and not distributed?"

When Senator Brandis insisted that the annual report did not reveal who exactly had been getting royalty payments, CLC General Manager Bruce Nystrom, sitting next to Mr Ross, replied: "The notes do not go to nominating specific recipients."

Brandis: Where does the Parliament go to be informed about where these payments were made?

Nystrom: I would presume the Parliament would ask the question.

Brandis: I am asking it now. You see, Senator Scullion asked the question ... and the CLC declined to give him an answer. So, let me ask it again.

Nystrom: With respect, Senator, that question asked about a list of all payments.

Brandis: Yes.

Nystrom: We couldn't interpret the question to decide what sort of payments, or what category of payments, the Senator was interested in.

Brandis: Well, that's not the ground given for declining to answer, but let's not quibble about that. Let's just answer my question ... I'd like to know who the payees of those sums were, please. Would you like to take this on notice, Mr Nystrom?

Nystrom: Yes, please.

Brandis: Have I made

myself perfectly clear now what I'm looking for in terms of these payments?

Nystrom: Yes.

The questioning is likely to continue in the May round of the Senate Estimates Hearings.

The hearing was cut short after just 33 minutes, the protracted controversy over Centrecorp notwithstanding.

An aide of Senator Scullion said it had been a battle to get the CLC issues on the agenda.

Local Aboriginal people have claimed for years that Centrecorp's management should be transparent, and that it should be up to representative Aboriginal people to decide how the assets, reportedly having grown from seed money in the form of mining royalties and charitable donations, should be put to work in the combat of poverty and disadvantage.

## QUESTIONS

Senator Brandis continued questioning of Mr Ross he began at the hearings in October last year.

The CLC is an agency of the Department for Families, Housing, Community Services and Indigenous Affairs.

The questioning last week focussed again on the valuing of the Centrecorp shares.

It has interests in a string of Central Australian businesses and real estate, including a 50% share in the Peter Kittle Motor Company, the dominating car dealership in The Centre, now also established in three South Australian centres.

Brandis: We know, Mr Ross, that you are a director of Centrecorp. That's right, isn't it?

Ross: That's correct, Senator, yes.

Brandis: And you are familiar with its financial affairs? You must be if you are a director and you are complying with your obligations under the Corporations Act?

Ross: Yes.

Brandis: Because the CLC is the holder of three of the five shares in Centrecorp, and you are also a director of the CLC, I'm sure you agree with me that the financial position of Centrecorp is a matter of interest to you as a director of the Central Land Council.

Ross: No, Senator.

Brandis: You wouldn't agree that the financial position of any corporation which appears on the balance sheet of the CLC is a matter of concern to the CLC?

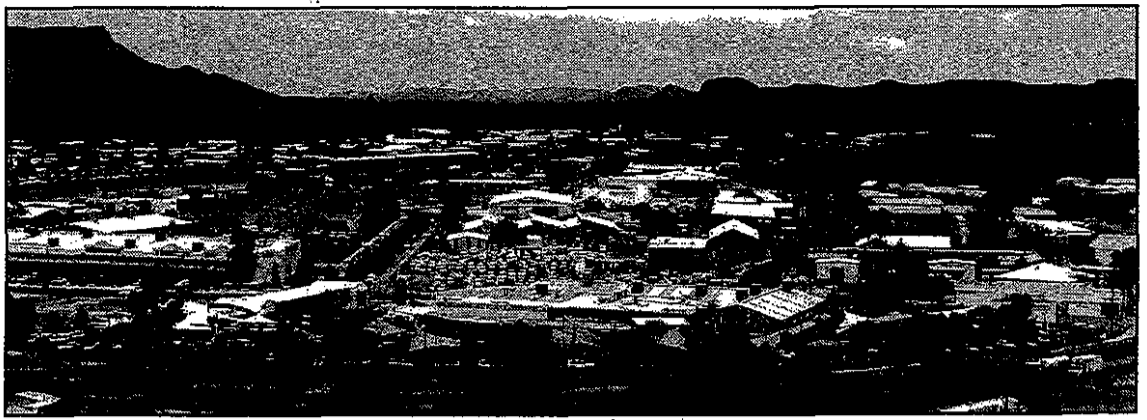
Ross: Not to the extent that the shareholding exists ...

Brandis: I'm sorry, I don't understand that answer. The shareholding does exist. You have certified the accounts. Let me come to what I want to know: I'm speaking to you in your capacity as a director of the CLC, which counts among its assets its investment in Centrecorp. I want to know what in your opinion is the net worth of Centrecorp.

Ross: Three dollars, Senator.

Brandis: Thank you.

The Senator then quoted from the CLC annual report. He said: "The profits of Cen-



Peter Kittle Motor Company in 2004: one of The Centre's most spectacularly successful businesses.

trepcorp will be distributed according to its charitable trust deed for the benefit of Aboriginal people in the Central Australian region.

"Do you say that the net worth of Centrecorp is the nominal value of its shares, three dollars, because Centrecorp acts only as trustee, so that trust funds under its administration are not its assets and therefore don't form part of its net worth? And that would be a perfectly respectable position to take. Is that your answer?"

Ross: That's pretty much the position, Senator.

Brandis: All right. Now, what's the name please ... of the trusts administered by Centrecorp?

Ross (after some lengthy paper shuffling and consultation with Mr Nystrom and CLC senior lawyer David

Avery): There are two trusts, Centrecorp Aboriginal Investment Corporation, there is the Central Australian Aboriginal Charitable Trust.

Brandis: Is Centrecorp the sole trustee of those two trusts?

Ross: My understanding is yes, Senator.

Brandis: Is the administration of those two trusts the only business of Centrecorp?

Ross: That's really Centrecorp's business, Senator.

Brandis: That's all it does. It doesn't do anything other than administer those two trusts?

Ross: I think these are probably questions that you probably need to put to Centrecorp, Senator.

Brandis: You see, as I said a little while ago, because you count your in-

vestment in Centrecorp as a CLC asset, then I think speaking on behalf of the CLC, and since you have a legal obligation to it, to make yourself familiar with the financial affairs, and that includes its asset position. I think I'm at liberty to ask you about these matters. It's not a hard question, is it, the case that all Centrecorp does is administer those two trusts?

Ross: That's the two trusts of Centrecorp, and it's their business how to operate those trusts.

Brandis: Mr Ross, I could perfectly well understand why in the CLC's financial statements, the value of its investment in Centrecorp would be written down at three dollars ... if it had no business other than to act as trustee. I would find it more difficult to understand how its value

could be written down as the nominal value of its shares if it did things other than act as a trustee.

The answer to this question really goes to the accuracy of the treatment of Centrecorp in the CLC's financial statements.

If the best of your understanding is that Centrecorp does nothing else than act as a trustee of the two trusts you have named, then that satisfies me. It's a perfectly complete answer and it's a perfectly good explanation of the treatment of Centrecorp in the CLC's books. So, could I have the answer, please?

Ross: It's a trustee only.

Brandis: It's a trustee only. The only thing it does is administer those two trusts. Is that right?

Ross: That's it.

Brandis: Thank you.

Advertisement

**KEEP AUSTRALIA SAFE.  
KEEP THE INFORMATION FLOWING.**



COMMONWEALTH OF AUSTRALIA

# Proof Committee Hansard

## SENATE

STANDING COMMITTEE ON COMMUNITY AFFAIRS

ESTIMATES

(Additional Budget Estimates)

FRIDAY, 27 FEBRUARY 2009

CANBERRA

### CORRECTIONS TO PROOF ISSUE

This is a **PROOF ISSUE**. Suggested corrections for the Bound Volumes should be lodged in writing with the Committee Secretary (Facsimile (02) 6277 5829), as soon as possible but no later than:

Friday, 1 May 2009

BY AUTHORITY OF THE SENATE

**[PROOF COPY]**

THIS TRANSCRIPT HAS BEEN PREPARED BY AN EXTERNAL PROVIDER  
TO EXPEDITE DELIVERY, THIS TRANSCRIPT HAS NOT BEEN SUBEDITED

**Senator SCULLION**—It is just useful to have that conversation with me every quarter.

**Mr Ryan**—To elaborate, Senator: the way it will be is that as the alliances of each package work they will provide that information. It will be an evolutionary process in terms of the numbers. It will not be that we can necessarily give hard numbers and hard dates for the entire program. But we will be able to give hard numbers and hard dates for the programs that are about to commence construction. It will increase as the program extends.

**Dr Harmer**—Senator, you will be able to make a judgment on whether we are falling far behind the projection. It will not be linear. If we are still at 80 in two years time then it will not take a Rhodes scholar to figure out that we are probably going to be behind time.

**Senator SCULLION**—Even I could nut that out! The motive for my questions is simply this—and I will not pull you into the conversation, Dr Harmer. There were a number of public servants standing next to Mal Brough and I at Wadeye while we discussed the fact that we were just going into a wet season. It was absolutely impossible to build these houses. We talked to the people. They already knew what houses they wanted and where they wanted them to go. He said: ‘Look, I’m not interested in the weather or any more talk. I want these houses built.’ And they were built. They are there now. They are a testament to what can be done with the right attitude and the right will.

All I am saying is that, having come from that background, it is extremely frustrating to have—and I know you are doing good work—people on the ground asking me, ‘When are these houses coming? You were all excited about telling us these houses were coming. Where are they?’ Notwithstanding the intricacies of consultation and planning, we have been building houses in the Northern Territory—and, yes, to a greater and larger degree successfully—for a very long time. It seems to me that there has been a hiatus for whatever reason and we have gone backwards. The normal provision seems to have stopped. That is the basis of our concern. So little action has taken place in these areas, and I suspect it is a consequence of a more global involvement. Hopefully that investment will accelerate to make up for that shortfall.

**Dr Harmer**—Senator, I certainly do not want to prolong the debate. I agree with you. We are very careful, though, to avoid where we can—and I am sure the contractors will be—building in the wet. As you well know—and there is no point going back to it; we have done it in Senate estimates before—we pay quite a premium on the price of those dwellings if they are done in the wet. Over the long term, we would like to avoid that.

**Mr Leeper**—I will also add that, in a program where you add a few houses here and a few houses there, we go to procurement processes continuously. We have completed the procurement process for this whole exercise. Having selected alliancing partners, there is no more procurement work to go through. Speed to market from this point on should be quite noticeable.

**Senator SCULLION**—I will look forward to observing that. Thankyou.

**CHAIR**—As I indicated earlier, at two o’clock we will go to the Central Land Council.

**Dr Harmer**—Chair, can I just check this, given there are quite a lot of people here.

**CHAIR**—Yes. That is my understanding, Dr Harmer.

**Dr Harmer**—If we are going to end at a quarter to three, can you give me an estimate for how long the Central Land Council might take and tell me who else we need here.

**CHAIR**—We need the Central Land Council and health, Dr Harmer.

**Dr Harmer**—Okay. Are they the only ones we need?

**CHAIR**—Yes. There are many, many on notice, but the other officers can go.

**Dr Harmer**—In that case, as I excuse my colleagues from other departments, can I just, on the record, note that it is Mr Bob Harvey’s last day in the Australian Public Service today and that he has had a long and distinguished career in the employment part of the department. I would like to wish him well and I am sure senators will as well.

**CHAIR**—Thank you, Dr Harmer. And thank you, Mr Harvey. What better way to end your career, Mr Harvey, than at a Senate estimates program!

[2.00 pm]

**Central Land Council**

**CHAIR**—Good afternoon, gentlemen. Welcome. Senator Brandis will start.

**Senator BRANDIS**—I will direct these questions to you, Mr Ross, I think, but if there are others at the table who are able to offer an answer to them, then please feel free to respond. Mr Ross, the Central Land Council, at the last estimates round, took some questions on notice, and there were also some written questions placed on notice by my colleague Senator Scullion. Can I ask my assistant to show you the answers to two of those questions, question No. 113 and question No. 119. Would the secretary be kind enough to circulate those to the members of the committee.

Going to question No. 113 first—you will see the numbers are in the top right-hand corner—Senator Scullion asked:

Does the Central Land Council, CLC, administer the distribution of mining royalty payments to affected traditional owners?

Then he asked a subsequent subquestion. And the answer, so far as is relevant for me, is:

The CLC does administer the distribution of mining royalty payments. It distributes mining royalty payments in accordance with the agreements made pursuant to section 46 of the Land Rights Act.

Senator Scullion also then asked question No. 119:

Could a list of all payments made be provided for the 2005-06, 2006-07 and 2007-08 financial year?

And the answer is—well, it is a nonanswer, in fact, but the statement in response to the question is:

To provide a list of all payments for the previous three financial years would be a time and resource intensive process.

The CLC retains complete financial records.

Mr Ross, have you got a copy of the annual report of the Central Land Council—the most recent one, 2007-08?

**Mr Ross**—Not with me, Senator.

**Senator BRANDIS**—Perhaps the secretariat would be good enough to put one in front of you. You have certified that as a true and fair view of the accounts. You will see on page 110 that, on 23 September, you and Mr Nystrom and Mr Bookie certified that the financial statements attached to the annual report gave:

... a true and fair view of the matters required by the Finance Minister's Orders made under the Commonwealth Authorities and Companies Act ...

and then there is a series of financial statements that follow.

Mr Harmer, you might be able to help us here as well. I have looked very carefully through these financial statements that you have certified. Perhaps it is merely my inability to follow the way the accounting of Aboriginal corporations works, but I cannot see anywhere in these financial statements any account of either the receipt or the distribution of mining royalties—which, as you have told us in your answers to written questions, you have received and have distributed and have retained financial records for. Could you or perhaps Mr Harmer, or anyone else, take me to where those receipts and payments are accounted for, please?

If it helps, there is a note to the accounts at page 126—note 5 to the accounts—which refers to something called 'the Aboriginal Benefits Account'. I am not sure whether this is right, but perhaps the account called the Aboriginal Benefits Account is an account which takes account of those payments. As well, on page 84—this is not part of the financial statements but part of the body of the report—under the heading 'distributions' you say, Mr Ross:

The CLC maintains a Land Use Trust Account to receive monies on behalf of associations of Aboriginal people and individuals in accordance with section 35 of the Aboriginal Land Rights (Northern Territory) Act 1976. These associations are all incorporated under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act).

I do not see in the financial statements a reference to the Land Use Trust Account. It is not clear to me from note 5 on page 126 that the Aboriginal Benefits Account is the same thing as the Land Use Trust Account. Maybe it is; maybe it is not. In any event, it is not clear to me from these financial statements where one goes to find an account of the receipts and distribution of the mining royalty payments to which you refer in your answers to the written questions. Could you explain to me, please, where I might find that information?

**Mr Ross**—It is note 15 on page 140.

**Senator BRANDIS**—That is the Land Use Trust Account. That is a different thing from the Aboriginal Benefits Account, is it?



**Mr Ross**—Yes.

**Senator BRANDIS**—Is that the account that is maintained under the CATSI Act—the Corporations (Aboriginal and Torres Strait Islander) Act 2006 Act? Where, in either note 15 or the details in sub notes (a) and (b), can I find specific payments from the fund to specific Aboriginal corporations? Is that note 15(b), is it? Is it 15(a) and 15(b)?

**Mr Avery**—Note 15(a) has royalty amounts.

**Senator BRANDIS**—What that tells me is that in 2007-08 there was a distribution of something a little short of \$7½ million, although there were receipts, accounted for in note 15, of some \$23½ million. Do I read this account correctly as telling me that in 2007-08 some \$16 million of the \$23½ million—or roughly three-quarters—of the royalties received were retained and not distributed?

**Mr Nystrom**—With respect to note 15, the land use trust account is an ancillary note to the financial statements of the council. It is not prepared under the C(ATSI) Act—they are two separate things.

**Senator BRANDIS**—Just pausing there, am I right in understanding that the fullest accounting of these receipts and distributions is what is accounted for in note 15?

**Mr Nystrom**—Yes.

**Senator BRANDIS**—Thank you. Go on.

**Mr Nystrom**—In note 15 you will see there are receipts under ‘Subsection 64(3) statutory royalty equivalents’, which comes via the Aboriginal benefits account, of \$7.116 million. Five lines down you will see ‘Deduct payments—Section 35(2) statutory royalty equivalents’, with the same figure.

**Senator BRANDIS**—That is the same figure as appears at the foot of note 15(a).

**Mr Nystrom**—Yes. Note 15(a) is the note that refers to mining royalties. The amount received equals the amount disbursed.

**Senator BRANDIS**—What about ‘Section 35(3) negotiated payments’, which is a little more than \$14 million, and ‘Section 35(4) rental and lease monies’, which is about \$2.3 million? Those are receipts. Why have they been retained, not distributed?

**Mr Nystrom**—There is of course a financial process that needs to occur. If you look at the right hand of the page there is a column titled ‘2007’. There is a closing balance of \$4.1 million. The closing balance for 2008 is almost \$3.7 million. It is just the ebb and flow of the account in due process to get moneys received distributed.

**Senator BRANDIS**—Hang on a second. That is only the case if the section 35(3) and section 35(4) payments were distributed. Where is that accounted for?

**Mr Nystrom**—I am afraid I do not understand the question.

**Senator BRANDIS**—It says ‘Section 35(2) statutory royalty equivalents’. They have all been disbursed in accordance with note 15(a). Is that right?

**Mr Nystrom**—Yes.

**Senator BRANDIS**—Where do we find the explanation of the payees of the 35(3) and 35(4) moneys?

**Mr Nystrom**—These accounts are prepared under the terms of the CAC Act, the FMA Act and accounting standards. The notes do not go to nominating specific recipients.

**Senator BRANDIS**—That is what I would like to know. Before you answer that, I assume that the recipients referred to in notes 15(a) and 15(b) are all of the recipients of the amounts paid out in those categories. But where is the disclosure of the recipients of the payments made under sections 35(3) and 35(4) and, for that matter, other payments?

**Mr Nystrom**—There is no disclosure in these accounts because—

**Senator BRANDIS**—Where does the parliament go to be informed about where these payments were made?

**Mr Nystrom**—I presume the parliament would ask the question.

**Senator BRANDIS**—I am asking now. You see, Senator Scullion asked the question with question on notice 119 and the CLC declined to give him an answer. So let me ask it again.

**Mr Nystrom**—With respect, Senator, that question asked about a list of all payments. We could not interpret the question to decide what sort of payments or what category of payments the senator was interested in.

**Senator BRANDIS**—That is not the ground given, I might say, for declining to answer, but let us not quibble about that. Just answer my question. Now you have directed me to note 15 and in particular the second, third and fourth items, categories of payments, 35(3), 35(4) and other payments, I would like to know who the payees of those sums were. Would you like to take that on notice?

**Mr Nystrom**—Yes, please.

**Senator BRANDIS**—Have I made myself perfectly clear now on what I am looking for in terms of these payments?

**Mr Nystrom**—Yes.

**Senator BRANDIS**—All right. Thank you. That will do. That is very helpful. There is one other matter I wanted to raise with you. I want to come back to something I asked about last time. If you go to page 112, the balance sheet, you will see that among the financial assets, the third line of the balance sheet, the financial assets include investments which are valued at four dollars. If we go to the notes to the balance sheet note 6(b) on page 133, we learn that that four dollars represents the nominal value of four one-dollar shares three of which are in a company called Centrecorp Aboriginal Investment Corporation Pty Ltd. I do not want to go over an argument that we had last time, Mr Ross, and which is the ground of some objections taken in the answers provided to questions on notice. But we know that you, Mr Ross, are a director of Centrecorp. That is right, isn't it?

**Mr Ross**—That is correct, Senator, yes.

**Senator BRANDIS**—And you are familiar with its financial affairs. You must be if you are a director and you are complying with your obligations under the Corporations Act.

**Mr Ross**—Yes.

**Senator BRANDIS**—So you are compliant with your obligations and you have been diligent and you are familiar with the financial affairs of Centrecorp, are you?

**Mr Ross**—Yes.

**Senator BRANDIS**—All right. Because the Central Land Council is the holder of three of the five shares in Centrecorp, and you are also a director of the Central Land Council, I am sure you will agree with me that the financial position of Centrecorp is a matter of interest to you as a director of the Central Land Council.

**Mr Ross**—No, Senator.

**Senator BRANDIS**—You would not agree that the financial position of any corporation which appears on the balance sheet of the Central Land Council is a matter of concern to the Central Land Council?

**Mr Ross**—Not to the extent that the shareholding exists, no.

**Senator BRANDIS**—I am sorry, I do not understand that answer. The shareholding does exist. You have reported it. You have certified the accounts. We know that there are only five issued shares in Centrecorp and the Central Land Council holds three of them. Anyway, rather than go around the point, let me come to what I want to know. I am speaking to you in your capacity as a director of the Central Land Council, which counts among its assets its investment in Centrecorp. I want to know what, in your opinion, is that net worth of Centrecorp.

**Mr Ross**—Three dollars.

**Senator BRANDIS**—I take you to note 6(b) at the foot of page 133. Halfway down that note you will see a sentence that says:

The profits of Centrecorp will be distributed according to its charitable trust deed for the benefit of Aboriginal people in the Central Australian region ...

Do you say that the net worth of Centrecorp is the nominal value of its shares—\$3—because Centrecorp acts only as a trustee so that trust funds under its administration are not its assets and therefore do not form part of its net worth? Is that the position? That would be a perfectly respectable position to take, I might say, but is that your answer?

**Mr Ross**—That is pretty much a position.

**Senator BRANDIS**—You may need to take this on notice, Mr Ross, but what is the name of the trust administered by Centrecorp?

**Mr Ross**—There are two trusts: Centrecorp Aboriginal Investment Corporation. Hang on. There is the Central Aboriginal Charitable Trust—sorry I only have one. Then there is the Central Australian Aboriginal Charitable Trust.

**Senator BRANDIS**—All right. Is Centrecorp the sole trustee of those two trusts?

**Mr Ross**—My understanding is yes.

**Senator BRANDIS**—Is the administration of those two trusts the only business of Centrecorp?

**Mr Ross**—It is really Centrecorp's business.

**Senator BRANDIS**—So that is all it does. It does not do anything other than to administer those two trusts?

**Mr Ross**—I think they are probably questions that you need to put to Centrecorp.

**Senator BRANDIS**—As I said a little while ago, because you count your investment in Centrecorp as a Central Land Council asset, then speaking on behalf of the Central Land Council, and since you have a legal obligation to it to make yourself familiar with its financial affairs, and that includes its asset position, I think I am at liberty to ask you about these matters, especially given that you have elaborated on the very point in note 6(b) to your own accounts. It is not a hard question. Is it the case that all Centrecorp does is administer those two trusts?

**Mr Ross**—As I said, those are the two trusts of Centrecorp and it is their business how they operate those trusts.

**Senator BRANDIS**—I could perfectly well understand why in the Central Land Council's financial statements the nominal share value of its investment in Centrecorp would be written down at \$3 if it had no business other than to act as a trustee. I would find it more difficult to understand how its value could be written down as the nominal value of its shares if it did things other than act as a trustee. So the answer to this question really goes to the accuracy of the treatment of Centrecorp in the Central Land Council's financial statements. If the best of your understanding is that Centrecorp does nothing else but act as a trustee of the two trusts you have named then that satisfies me. It would be a perfectly complete answer and a perfectly good explanation of the treatment of Centrecorp in the Central Land Council's books. So could I have the answer please?

**Mr Ross**—It is a trustee only.

**Senator BRANDIS**—The only thing it does is administer those two trusts—is that right?

**Mr Ross**—That is it.

**Senator BRANDIS**—Thank you. What are the names of the mining companies from which the Central Land Council receives royalties on behalf of Aboriginal people?

**Mr Avery**—Royalties from mining operations on Aboriginal land in the Central Land Council area are received from Newmont; the Mereenie joint venturers, which are Santos and Magellan primarily; and the Palm Valley joint venturers, which are Magellan and Santos primarily—one has a majority in one and the other has a majority in the other.

**Senator BRANDIS**—Going back to page 140 of the annual report, can you assure the Senate that the \$7,116,795 that you identify as having been received as statutory royalty equivalents and, in the next item on the account, as paid out under section 35(2) of the land rights act is the entirety of the royalty income from those three sources received by the Central Land Council in the 2008 financial year?

**Mr Avery**—No, that is an entirely different figure.

**Senator BRANDIS**—What is that figure?

**Mr Avery**—That is sourced under ABA, which is a mining royalty equivalent payment from consolidated revenue into ABA.

**Senator BRANDIS**—ABA being the Aboriginal benefit account.

**Mr Avery**—Yes, established under part VI of the land rights act.

**Senator BRANDIS**—What is the aggregate amount of royalties from those three sources received by the Central Land Council in the 2008 financial year, and where do I find that figure in the financial statements of the Central Land Council?

**Mr Avery**—The figure is aggregated into the line where you have 35(3) negotiated payments, which is the line below. I would assume—and I am only expressing an assumption—that, because it is a royalty equivalent, it equals the same amount. But there has to be a qualification to that, in that the royalty equivalents are based on a profit based royalty under the Mineral Royalty Act of the Northern Territory or the Petroleum Act of the Northern Territory, whereas the negotiated royalties, particularly of the Goldmine at the Granites, are *ad valorem*, so they will not be strictly equal. But that is where the figure is.

**Senator BRANDIS**—In any event, although it will include other matters as well, are you able to assure me that all of the royalty payments received by the Central Land Council in the 2008 financial year are within that figure of \$23,521,868?

**Mr Nystrom**—Absolutely.

**Senator BRANDIS**—In the 2008 financial year—

**Mr Nystrom**—Sorry, Senator: the total receipts, yes, were \$23,521,000.

**Senator BRANDIS**—Okay. In the 2008 financial year, did the Central Land Council pay any moneys into the Warlpiri trust?

**Mr Avery**—I do not know what the Warlpiri trust is. Perhaps you could explain.

**Senator BRANDIS**—The Warlpiri trust is a trust, as I understand it, created for the benefit of the Warlpiri people. You might take that on notice.

**Mr Avery**—We will have to take that one on notice.

**Senator BRANDIS**—In the 2008 financial year, did the Central Land Council make any payments or distribute any moneys to General Motors Acceptance Corporation?

**Mr Nystrom**—Did the Central Land Council make such a payment?

**Senator BRANDIS**—Yes.

**Mr Nystrom**—To my knowledge, no.

**Senator BRANDIS**—Were any moneys payable to the Central Land Council in respect of royalties owed to it from Newmont Mining diverted to payments to General Motors Acceptance Corporation?

**Mr Nystrom**—To my knowledge, no.

**Senator BRANDIS**—You might take those two questions on notice, please. The other questions—now that you understand what Senator Scullion was getting at with his question No. 119, as I have explained to you—you have taken on notice already.

**Mr Ross**—Just a clarification: we assume your mention was of the Warlpiri?

**Senator BRANDIS**—W-A-L-P-U-R-I? Have I got the pronunciation wrong perhaps?

**Mr Avery**—May I clarify the acronym GMAAC?

**Senator BRANDIS**—Yes.

**Mr Avery**—It is not General Motors Acceptance Corporation; it is Granite Mines Affected Areas Corporation, which is a recipient of affected areas money received by the Central Land Council from ABA and distributed without deduction to that Aboriginal corporation. I suspect there may have been a misunderstanding of the acronym wherever it was used.

**Senator BRANDIS**—I see in note 15(a) there was some \$5,320,043 paid under section 35(2) to Granite Mines Affected Areas Aboriginal Corporation. That is what you are referring to?

**Mr Avery**—It is sometimes referred to as GMAAC, which may have given rise to a misunderstanding of that reference.

**Senator BRANDIS**—Thank you for clarifying that.

**CHAIR**—Gentlemen, the questions that have been put on notice to you will be provided to you in writing by the secretariat, so that will be very clear for you. Thank you very much of your attendance.

[2.34 pm]

**CHAIR**—We will now move to health.

**Senator HUMPHRIES**—Thank you, Ms Podesta, for returning to the table. I want to ask about the National Aboriginal and Torres Strait Islander Flexible Aged Care Program, particularly the time frame for the development of the quality framework to set the standards for that program.

**Ms Podesta**—Senator, I apologise that, whilst we have people from many outcomes in the portfolio here today, we do not have people here from aged care, so I will need to take it on notice. I apologise.

**Senator HUMPHRIES**—Okay. All these questions relate to aged care, so I will have to put them on notice.

**Ms Podesta**—I am sorry, Senator; we did not know that there were aged-care questions.

**Senator HUMPHRIES**—Okay. That is me done.

**Senator SIEWERT**—A number of my health questions were actually aged care related as well, so I will also put those on notice. I apologise; I thought I had listed that I wanted to ask questions on aged care as well.

**Ms Podesta**—We would have got people from a large number of the other outcomes!

**CHAIR**—Just about everything else, Ms Podesta!

**Senator HUMPHRIES**—I want to ask about the trachoma initiative that was announced by the Prime Minister yesterday. Can you tell me about how that is going to work, please.

**Ms Podesta**—Certainly. Would you like me to briefly outline the whole package or just the trachoma components of that?

**Senator HUMPHRIES**—I think, in light of the time, I might leave the rest for later.

**Ms Podesta**—Okay. We convened a clinical roundtable last year and brought together all of the experts in trachoma control measures from across jurisdictions. You will appreciate this is a matter that is generally undertaken by staff based within public health units within state and territory governments, but there are a number of very experienced practitioners—indeed, people who worked with Fred Hollows—in the country, and we brought together all of the people who have experience and a view about the best way to tackle trachoma. From the information and advice provided at that meeting, the government has made a decision to roll out a substantial program. That program will be based on a number of the successful models, one of which was funded through NTER, the Northern Territory emergency response.

We will be bringing together teams of people in areas, in the first instance, with higher prevalence rates of trachoma, but we will be using the regionally based teams to identify areas where there needs to be additional screening of families and family members, and contacts with those people who are found to have trachoma. We will be using the SAFE guidelines, the Surgery Antibiotics, Facial cleanliness and Environmental improvement guidelines, and following the agreed Communicable Diseases Network Australia guidelines. Professor Hugh Taylor is a key member of that group—I spoke to him again yesterday—and he will be bringing together that clinical roundtable to define the best ways to go about that.

This is another program that needs active participation by our partners in state and territory governments and in our Aboriginal health services. But I was very heartened by the roundtable we had late last year. This is an area where, at different times, there have been disagreements about priorities, and that seems to have changed. There is a very strong view about working together to significantly reduce trachoma and, as much as we can, eliminate blinding trachoma.

**Senator HUMPHRIES**—Okay. You mentioned that the Northern Territory teams might be employed to roll out those screening programs and so on—

**Ms Podesta**—It will be more than screening, yes.

**Senator HUMPHRIES**—For areas outside the Northern Territory, what kind of rollout will be used?

**Ms Podesta**—I cited Northern Territory as an example of one of them, but we also have teams currently in WA and South Australia. But Northern Territory has probably been more active recently, so we will be expanding the presence within those states. We will also be working with the states who currently do not report through the survey any prevalence rates or incidence of trachoma but in which we believe it is possible that there may well be trachoma. Queensland is an example where, at the moment, there is no reported trachoma. One of the things that we will do through the strategy is identify areas where there is potentially—because of environmental factors—a possibility there is trachoma and identify and treat it there as well.

**Senator HUMPHRIES**—How is trachoma treated, as a rule? Is it with medicine?

**Ms Podesta**—May I bring my medical officer to the table?

**Senator HUMPHRIES**—Okay. I do not want a gory description!

**Ms Podesta**—It is slightly gory.

**Senator HUMPHRIES**—No pictures please!

**Ms Podesta**—It is the actual identification, which is lid-flipping, which is slightly gory.

**Dr Isaac-Toua**—To detect trachoma, you first of all have to screen the person, so it means checking the eye, the eyelid. There can be different stages of trachoma, but active trachoma is the first. You have follicles or you have some inflammation. Once that has been identified, you can use a single dose of an antibiotic to treat the person. It is usually seen in younger children, aged from five to nine, one to four or 10 to 14. The issue is that, because it is quite infectious and can be transmitted—particularly in Indigenous communities where there is overcrowding and it is dry and dusty—we also look at giving prophylaxis to prevent further transmission, particularly within groups of children. If you can identify that there is a cluster related to one particular case—say within a household—then we would only treat or give prophylaxis to that particular household. But, if you cannot identify a cluster, then you will treat the community, the children.

**Ms Podesta**—All of the potential contacts with the person who was identified to have trachoma. It is actually quite a difficult syndrome to manage effectively within the environments we are talking about because of the movement of people and because of the need to encourage people to come forward and be treated.

**Senator HUMPHRIES**—So we are not just talking about identifying people who are suffering from it and then, say, getting GPs to administer these sorts of medicines; we are talking about an ongoing program of monitoring and intervention in places where there might not be GPs around.

**Dr Isaac-Toua**—It is important to continue monitoring when you have high rates of trachoma, because of transmission as well as recurrence. So part of your program needs to take into account ongoing sustainability of screening and treatment.

**Ms Podesta**—And that is why I cited the Northern Territory approach in very recent times. They have taken a very proactive approach, which is to go forward and talk to members in communities and get agreement that people will be screened. It is a little bit painful. The lid-flipping is not just looking into your eyes; you literally have to flip someone's lid up. For babies it is not fun. Even if you are non-symptomatic, you need to be treated if there are a high number of people with symptoms and you are in contact with them. So you need to get a lot of agreement that this is something that is important. We will need to work together as a population to do it. I guess that is one of the reasons why it has been a challenge.

**Senator HUMPHRIES**—Okay. I am happy with that. Thank you.

**Senator CROSSIN**—A very good outcome.

**Ms Podesta**—Senator, I think you have asked questions about trachoma at every estimates that I have been in. We will not name it the Senator Crossin program, but I think we named the guidelines—

**Senator CROSSIN**—I have to admit publicly that I did have a cool drink last night in celebration, quietly.

**Ms Podesta**—We did name the guidelines after Senator Crossin originally—it is true.

**Senator CROSSIN**—It is a very good outcome and you have all worked really hard to achieve it, so I want to acknowledge that.

**CHAIR**—It being almost 2.45, I want to adjourn today's hearings. Thank you, Dr Harmer and, through you, all the staff from all the departments who have come today. I appreciate the effort. I know the changed timetable took some arrangements, so thank you very much. We do appreciate it. Thank you, Minister, for coming to join us this afternoon, and thank you, Hansard and the secretariat.

**Committee adjourned at 2.44 pm**