

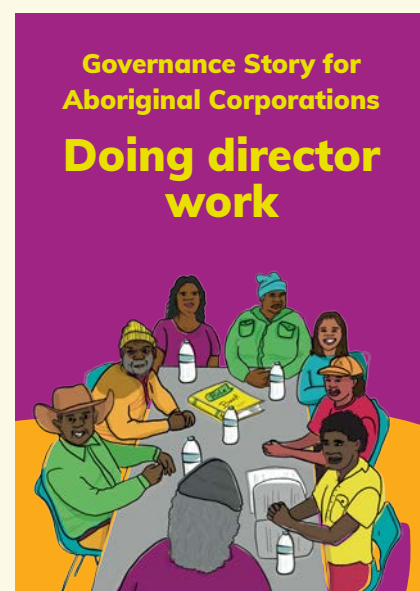
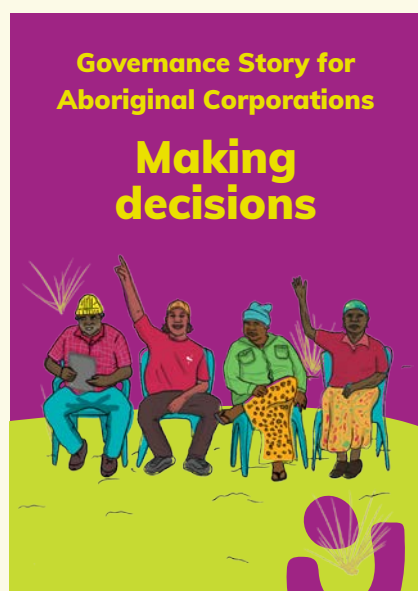
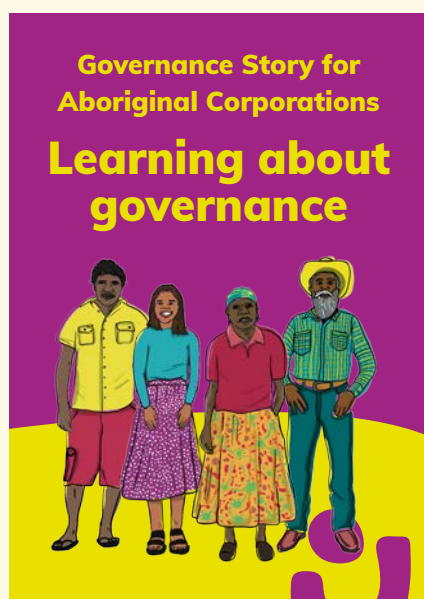
# Governance Story for Aboriginal Corporations

## Learning about governance



## Governance Story for Aboriginal Corporations series

These booklets help members and directors of Aboriginal corporations understand governance.



# Hard words

**governance  
govern**

How a group of people makes decisions and does things in a clear, straight and fair way.

**corporation**

A group of people want to hold land, make money or do business together. So, they make a legal person, called a corporation. A corporation is only a person on paper.

**Aboriginal  
corporation (AC)**

A corporation that is about making the lives of Aboriginal people or communities better. Most of the directors have to be Aboriginal people.

**CATSI Act**

This is the law about how to set up and manage Aboriginal corporations. It says how Aboriginal corporations have to work. The full name is the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

**ORIC**

The organisation that makes sure Aboriginal corporations follow the CATSI Act. The full name is Office of the Registrar of Indigenous Corporations.

**comply  
compliance  
compliant**

These words mean the same thing. They all mean following all the laws and rules, so the corporation does not get into trouble.

**rule book  
constitution**

The rules about how the corporation works, makes decisions and follows the rules in the CATSI Act.

**members**

The Aboriginal corporation belongs to a group of people. These people are the members.

**directors  
board of directors  
board**

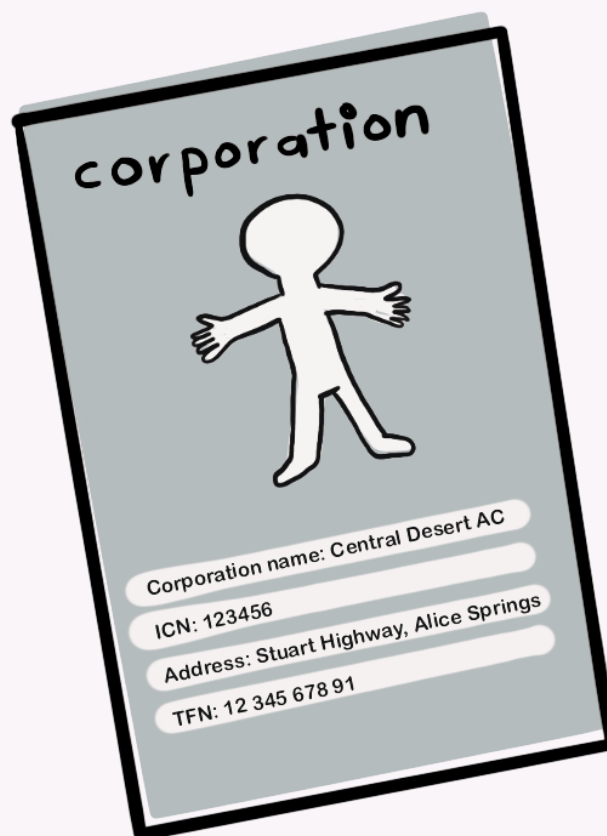
The members who the other members chose to govern and make decisions for the corporation. The whole group of directors is called the board of directors, or board for short.

# Corporations

## What is a corporation?

A person can hold land, make money or do business. But sometimes a group of people want to hold that land, make money or do business together. To do this, the group can make a legal person. Legal means the law says it is OK to do something.

That legal person is called a corporation. It can do all the same things that a real person can. But it is only on paper. The corporation needs the group of real people to make its decisions and do its work.



A corporation can:

- make agreements
- have a bank account
- own things
- hire staff
- pay taxes.



## Corporations can be for-profit or not-for-profit

### for-profit


The corporation can make money for its members.

### not-for-profit

The corporation can only make and use money to do its work. The members cannot make money for themselves.

## There are a lot of different kinds of corporations

	For-profit	Not-for-profit
land holding corporations	✓	✓
money making corporations	✓	
Aboriginal corporations	✓	✓
other corporations	✓	✓



My uncle and I started a business taking tourists out on country. We made a corporation to hold the money and buy a tour bus. We now have 3 people working for our corporation.

## What is an Aboriginal corporation?

People make Aboriginal corporations to make the lives of Aboriginal people or communities better. Most of the directors have to be Aboriginal people.

An Aboriginal corporation follows a different law to other corporations. This law is called the Corporations (Aboriginal and Torres Strait Islander) Act 2006, or CATSI Act. Other corporations follow the Corporations Act 2001.

## How are Aboriginal corporations different to other corporations?

Aboriginal corporations:

- can use traditional ways to make decisions
- have to do things to make their communities better, like helping with jobs and getting money for community and culture work
- do not have owners, they have members
- can work anywhere in Australia.

There are different rules about the records or papers the Aboriginal corporation has to keep. ORIC checks that Aboriginal corporations are following the rules.

My community wanted to build a childcare centre. We made an Aboriginal corporation to do this.

We made an Aboriginal corporation to build an art centre for our artists to work and sell their paintings.



ORIC understands that Aboriginal corporations use 2-way governance.

ORIC has free governance training for Aboriginal corporation directors.

ORIC can also help if your Aboriginal corporation is having problems following the rules in the CATSI Act.





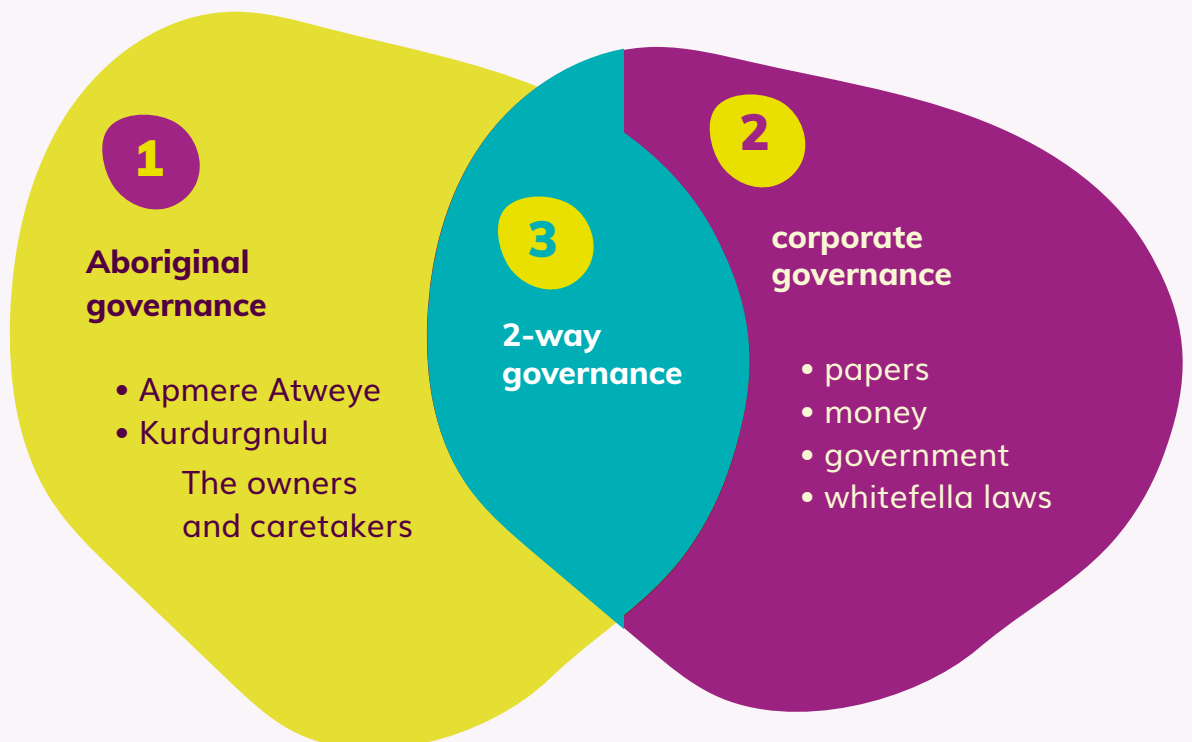
# Governance

## What is governance?

Governance is about how a group of people meets and makes decisions in a clear, straight and fair way. They do this by following rules and ways of doing things.

Aboriginal corporations use 3 types of governance.

- 1 Aboriginal governance** Looking after the members and community traditional way.
- 2 corporate governance** Making sure the Aboriginal corporation follows the laws and rules from the government.
- 3 2-way governance** Doing Aboriginal governance and corporate governance.



# People in a corporation

People have different roles, or types of jobs, in a corporation. The roles work together to make things happen.

An Aboriginal corporation has to have members and directors. Every corporation has rules about who can be a member or a director. The rules can help people work strong traditional way.



## Members

The Aboriginal corporation belongs to the people who are members.



## Directors

All the members choose up to 12 other members to govern and make decisions. These are the directors.

The whole group of directors is called the board of directors, or board for short.

## Staff

Staff are the people who get paid to work for the corporation. Other words for staff are employees, workers, personnel and crew. Only some Aboriginal corporations have staff. If there are no staff, directors have to do all the jobs.

## Chief Executive Officer (CEO)

Operations is the everyday work of the corporation. The CEO manages the operations. The directors manage the governance and the CEO. Only some Aboriginal corporations have a CEO.

## Managers

In a corporation with a lot of staff, there are sometimes other managers. They help the CEO manage staff and run the corporation right way.



I am the CEO. The board of directors are my boss.

The board has to tell me all my jobs for the Aboriginal corporation. I tell the board what is happening in the Aboriginal corporation.

The board writes all my jobs in an employment contract.



# Roles in an Aboriginal Corporation



## Community

The group of people that the Aboriginal corporation works for. In PBCs, the community is the native title holders.

People can choose to become members.



Members choose directors.



Directors hire the CEO.



The CEO hires managers and other workers.



Managers



Other workers



# Compliance

Aboriginal corporations need to comply with these things.

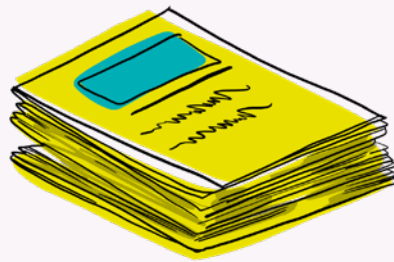
CATSI Act



Rule book



Agreements



Other laws and rules



The next pages say what each one is.

## What is the CATSI Act?

The CATSI Act is the law about Aboriginal corporations. It makes sure that Aboriginal corporations work for their members and their communities.

The CATSI Act says that ORIC has to check that all Aboriginal corporations follow the rules.

CATSI Act



The CATSI Act says that Aboriginal corporations can use traditional governance. It also says:

- how to make an Aboriginal corporation
- how to make decisions
- how to look after the money story
- how to fix disputes, or problems when people do not agree
- what members do
- what directors do
- what staff do
- what papers or reports to send to ORIC.

CLC can support some Aboriginal corporations with doing the things in the CATSI Act.

Our Aboriginal corporation has a service agreement with CLC. It says that CLC will support us to do the things in the CATSI Act. They help us run meetings and look after our papers. They help us plan and organise the meeting, pick people up and write the minutes.



## What is a rule book?

The rule book is the governance story about the corporation. It has a list of rules about how the corporation works, makes decisions and follows the rules in the CATSI Act. Every corporation makes its own rule book.

Rule book



Another word for rule book is constitution.

The rule book tells all the people in the Aboriginal corporation:

- why people made it
- what it can do
- who can be a member
- who can be a director
- how the members and directors have to manage, or look after the Aboriginal corporation.

The CATSI Act says every Aboriginal corporation has to have a rule book.





The CATSI Act says that Aboriginal corporations can change some rules in the rule book. This can help corporations do good cultural governance. The CATSI Act says how to change the rule book.

We put rules about our culture and language in our rule book to help us have strong Aboriginal governance.



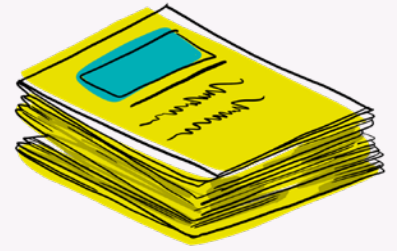
The Aboriginal corporation has to keep a copy of the rule book so everyone can read it.



## What are agreements?

Sometimes, the Aboriginal corporation works with government or other corporations. They make an agreement that has rules about how to work together. Then, they all have to follow those rules.

Agreements



It is good to have an agreement because it:

- says everything that everyone agreed on
- makes it clear what everyone has to do
- can help fix problems
- can help everyone work together in a good and fair way.

Another word for an agreement is a contract.

## Types of agreements

An Aboriginal corporation might have different types of agreements. Here are some examples.

### service agreement

This is between the corporation and other organisations, like CLC, to help the corporation do its work.

### funding agreement

This is between the corporation and another organisation for money to do corporation work.

### lease agreement


This is between the corporation and a landowner to use their land.

### employment agreement

This is between the corporation and its staff. It says what the corporation and the staff will do for each other.

### Indigenous Land Use Agreement (ILUA)

This is between the corporation, native title holders and another organisation that wants to use native title land.



We made a partnership agreement with the school to take young ones out on country. We wrote some rules about doing things traditional way. Like, the school has to talk to our corporation to make sure they know where they can go and who can talk for that country.



## What are the other laws and rules?

There are many other laws and rules about looking after people, animals, and land. Corporations have to do the right thing by all these laws and rules.

Other laws and rules



### Some examples of other laws that Aboriginal corporations have to follow

<b>Northern Territory Sacred Sites Act 1989</b>	The Northern Territory law about protecting sacred sites.
<b>Aboriginal Land Rights Act 1976 (ALRA)</b>	The Australian law that helped Aboriginal people get land back. It says that Aboriginal land trusts have to hold this land.
<b>Pastoral Land Act 1992</b>	The Northern Territory law about leasing, or renting, working and using land for cattle stations.
<b>Native Title Act 1993</b>	The Australian law about making a claim that recognises traditional laws and culture on country. It gives people rights on the country, but it does not give land back.
<b>Work Health and Safety Act 2011</b>	The Australian law about making sure people are safe and healthy at work.
<b>anti-discrimination laws</b>	There are many laws about making sure everyone is treated in a fair way.

## Some examples of other Aboriginal corporation rules

### **policies**

Rules that govern how people in the corporation behave and make decisions.

For example, a confidentiality policy says what people in the corporation can and cannot talk about with different people.

### **procedures**

Rules and instructions about how people do their work or look after things that the corporation owns.

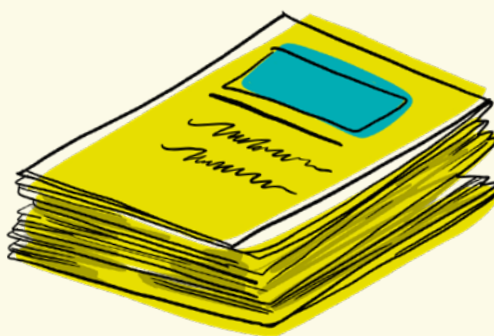
For example, a computer procedure tells people how to look after and use computers to keep the staff, computers and information safe.

### **traditional or cultural rules**

Rules that belong to traditional law and culture.

The Aboriginal corporation can write policies and procedures for traditional rules.

For example, a decision making guide might say how to make decisions traditional way.







# Roles

## What do members do?

Members have to follow the rule book.

### Members go to these meetings

<b>general meeting</b>	A meeting for all members.
<b>annual general meeting (AGM)</b>	A general meeting that the CATSI Act says all Aboriginal corporations have to hold one time every year. But some Aboriginal corporations can ask ORIC to only have one AGM in 2 or 3 years.

### Things members do at meetings

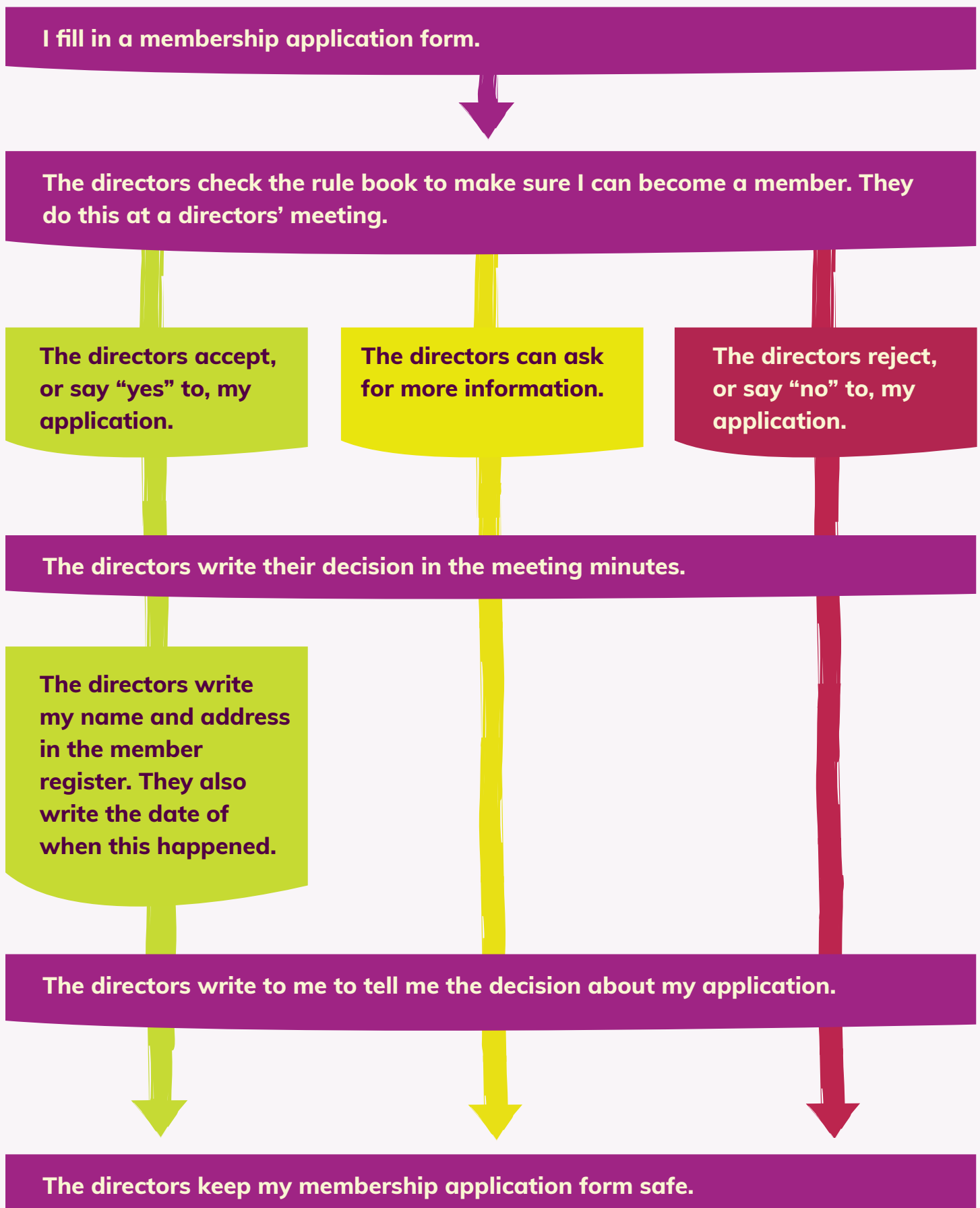
- Check their name, phone number and address in the member register. This is the big list of all members.
- Read and ask questions about the minutes, money story and auditor reports.
- Talk and help decide things.
- Vote on decisions. This means saying "yes" or "no" to decisions.
- Talk about their own ideas.
- Vote, or choose directors at the AGM.
- Vote for an auditor at the AGM. An auditor checks that the corporation money story is straight and true.

### Other things members can do

- Ask directors to have a general meeting, but other members have to agree to that meeting.
- Ask directors to make changes to the rule book, but other members have to agree to those changes.
- Help make or check the strategic plan. The strategic plan is all the ideas about what the corporation wants to do.

**Always check the rule book for how to do all these things.**

## How do I become a member?



## What do directors do?

Directors have to follow the rule book and all the other laws and rules. They can get into trouble with the law if they do not.

### directors' meeting

A meeting for the board of directors only. They make decisions and check that the corporation is working well.

### Things directors do for meetings



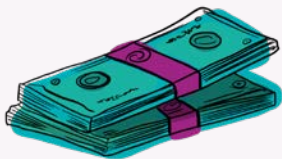
- Help organise directors' meetings, general meetings and AGMs.
- Go to those meetings.
- Tell other directors when they have a conflict of interest. These are things that could stop a director from making good decisions for the corporation.
- Check if the meeting minutes and reports are true and speak up if they are not.

### Things directors do for corporate governance



- Make sure they know what the corporation is doing.
- Manage risks. This means thinking about things that can go wrong for the corporation and planning for them.
- Check that the records are straight and true.
- Send reports to ORIC.
- Make sure the corporation follows all the laws and rules.

## Things directors do for the money story



- Check if the financial reports are straight and true. Financial reports tell different parts of the money story.
- Check if the budget is straight and true. A budget is a money plan.
- Make sure there is enough money to pay the bills.

## Things directors do for members



- Approve membership applications. This means checking the rule book to see if someone can become a member, writing letters and adding new members to the member register.
- Take members off the member register if they stopped being a member and writing them in the former member register.
- Report to members. This means telling members what the Aboriginal corporation is doing.

## Other things directors do for the corporation



- Choose independent directors if the rule book says it is OK. These are people who are not members but have special skills or knowledge to help the board.
- Hire a CEO. Then, make sure they do a good job.
- Help decide things that are good for the corporation.
- Help decide what the corporation wants to do and make a strategic plan.
- Help make policies and procedures.
- Talk with other people, like the government or companies, who want to do something with the corporation.
- Sign agreements for the corporation.

## How do I become a director?

Corporations can have different rules about how to become a director. These are in the rule book.

**1**

Check the rule book to find out if you can be a director.

The Aboriginal corporation can make rules in the rule book about who can be a director so it can work strong traditional way.

**2**

Someone nominates you. Accept, or say “yes”, to your nomination. You can say “no” to the nomination.

**3**

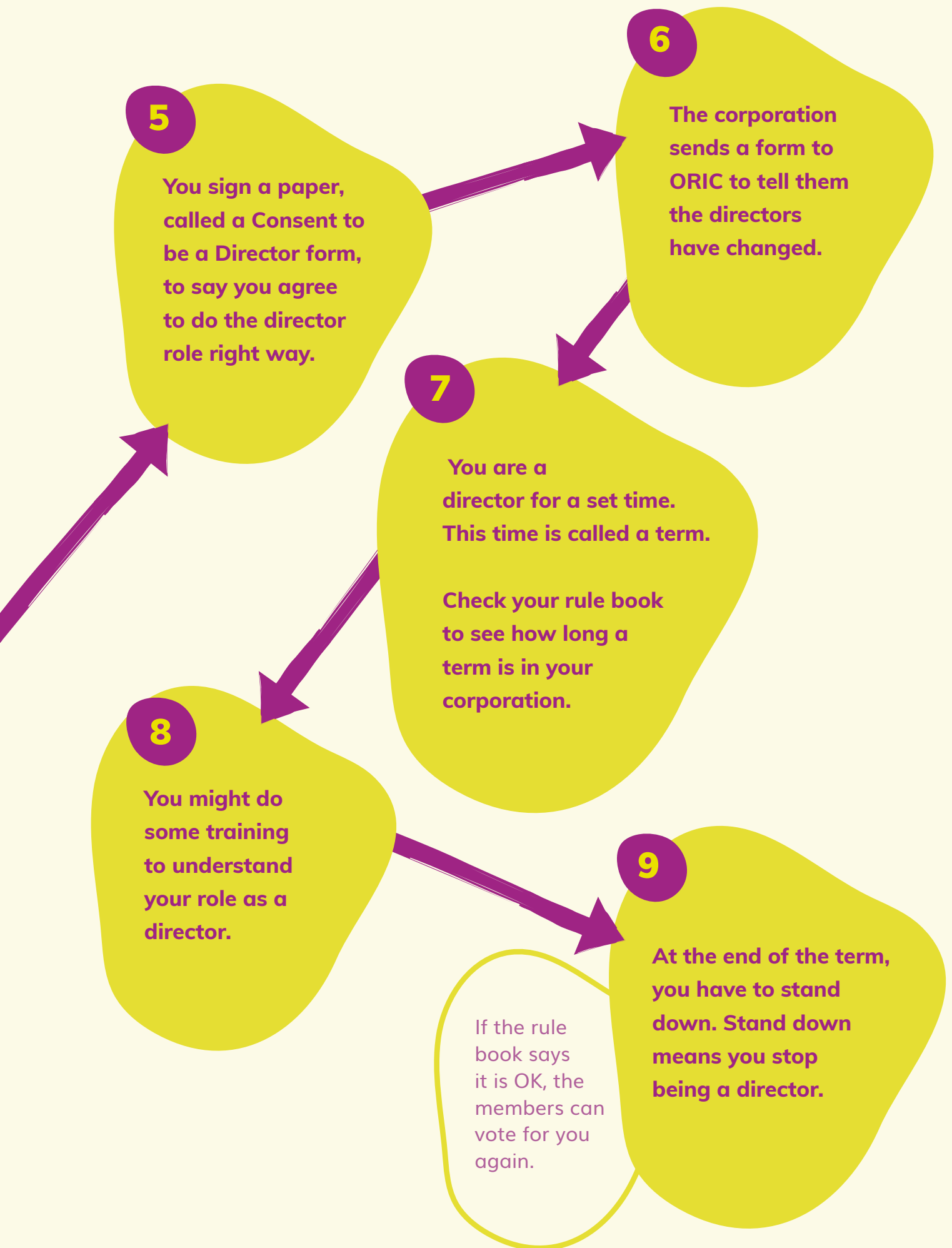
Members vote for directors. To vote means to choose by saying “yes” or “no”.

Sometimes, members vote for directors by putting their hands up. Sometimes, they vote by writing names on a paper.

**4**

If you get the most votes, you become a director.







## Why do some directors have extra roles?

A whitefella way to govern a board of directors is to have different director roles. These roles can help the board do all the jobs.

### contact person



The contact person gets all the emails, letters and phone calls from anyone who wants to talk to the corporation.

The CATSI Act says every Aboriginal corporation has to have a contact person. The contact person does not have to be a director or a member.

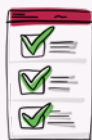
### chairperson meeting chair



The chairperson is the leader of a meeting. They make sure everyone follows the rules and holds the meeting right way.

Some corporations choose a different chairperson for every meeting. Some corporations have the same chairperson for all the meetings in a year.

### secretary



The secretary looks after all the corporation papers. They also read information that comes into the corporation and send information out.

Only some Aboriginal corporations have a secretary.

### treasurer

The treasurer looks after the money story for the corporation.

Only some Aboriginal corporations have a treasurer.

# Record keeping

Records are different ways to keep important information.

Different laws say what records the Aboriginal corporation has to keep.

Records can be written documents, like minutes or emails. They can be on paper or on a computer.

## Records that most Aboriginal corporations keep

### Records about the corporation

#### **rule book**

A list of rules and ways of working for a corporation. Another word for rule book is constitution.

#### **strategic plan**

A plan, like a road map, that says what the corporation wants to do.

#### **business plan**

A plan that says how the corporation will do the things in the strategic plan.



We got money to make a strategic plan and a business plan. Every year, we check the plans are right for our corporation. Sometimes, we make some changes.



## Records about members

### member register

A list of all members, their addresses and when they became a member.

### former member register

A list of all the people who stopped being members. It also says when they stopped being members.

### application forms

The papers that people fill in when they ask to be a member.

## Records about meetings

### meeting notice

The information that tells people that the corporation is going to have a meeting. It could be a paper, email or phone message.

### agenda

The list of things that people have to talk about at a meeting.

### minutes

The record of the meeting. It has things like who was at the meeting and important things people talked about.



## Records about money story

### financial records

If the corporation has money, it has to keep financial records. These are records about:

- how much money it has
- how it will spend the money
- how it has spent money.



Our directors did training to help us understand the money story records.

We did not understand the papers we got from our CEO. So, we asked our CEO to write them in a different way.

## Other records

### risk management records

The records about the things that can go wrong for the corporation and how to manage them.

### agreements and contracts

Papers that have the rules about how the corporation agrees to work with a person or other organisations.

### policies

The rules that govern how members, directors, staff and workers behave and make decisions.

### procedures

The rules and instructions about how members, directors and staff do their work or look after things that the corporation owns.



## What records do Aboriginal corporations have to share?

Aboriginal corporations have to share reports with members and ORIC about the last financial year. The financial year is from 1 July to 30 June the next year.

Members use the reports to find out what the corporation has been doing.

ORIC uses the reports to check that the corporation followed the laws in the CATSI Act.

There are different size Aboriginal corporations: small, medium and large. The size is about how many staff and assets, and how much money the corporation has. The size tells the board which reports to send to ORIC.

You can find out the size of your Aboriginal corporation on the ORIC website:

**[oric.gov.au](http://oric.gov.au)**



## The reports that Aboriginal corporations have to share

### These reports are shared with:

### Members

### ORIC

#### general report

This report says:

- who the members and directors are
- who the contact person is
- how many staff it has
- the corporation address and contact details.



#### financial report

This report tells the money story for the last financial year.



#### audit report

An independent auditor makes a report that says if the money story for the last financial year was straight and true.



#### directors' report

All corporations put different things in their directors' report. They sometimes have:

- financial reports for the members to approve
- stories about what the corporation did well
- stories about what the corporation did not do well.



only large  
Aboriginal  
corporations





# Good governance

If the corporation was a car, then the board of directors is like the driver. The board decides where the corporation is going and how it will get there. They make sure the corporation follows the rules. The members are the passengers.

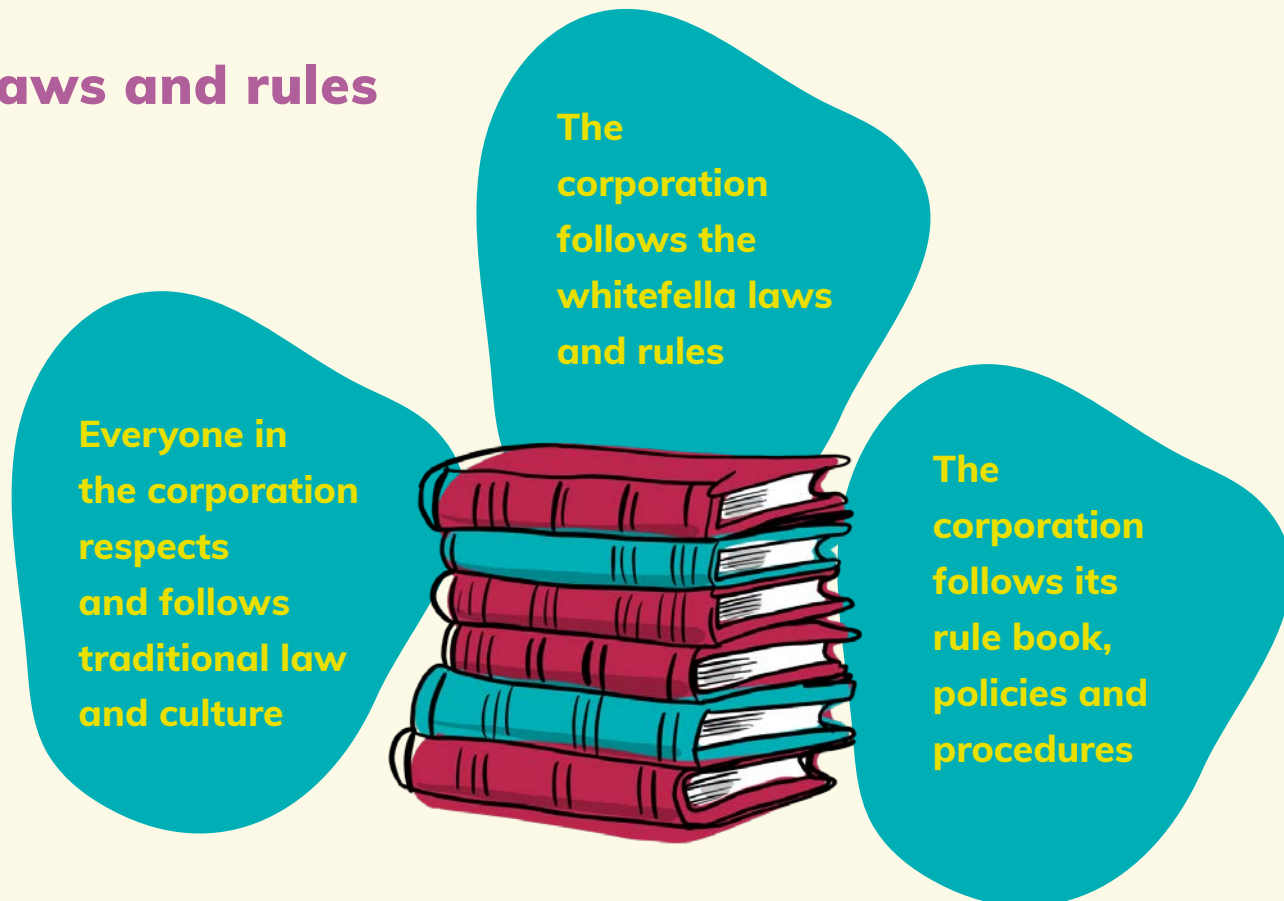


Here are some things that show that the corporation has good governance.

## Working together



## Laws and rules



## Making decisions





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LAND  
COUNCIL**

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