



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**CORPORATIONS (ABORIGINAL  
AND TORRES STRAIT ISLANDER)  
CONSEQUENTIAL, TRANSITIONAL  
AND OTHER MEASURES BILL 2006**

**CORPORATIONS AMENDMENT  
(ABORIGINAL AND TORRES STRAIT  
ISLANDER CORPORATIONS) BILL 2006**

**CORPORATIONS (ABORIGINAL AND  
TORRES STRAIT ISLANDER) BILL 2005**

**Second Reading**

**SPEECH**

**Wednesday, 11 October 2006**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

**Date** Wednesday, 11 October 2006  
**Page** 131  
**Questioner**  
**Speaker** Cobb, John, MP

**Source** House  
**Proof** No  
**Responder**  
**Question No.**

**Mr JOHN COBB** (Parkes—Minister for Community Services) (7.02 pm)—This is the summing up of the debate on the Corporations (Aboriginal and Torres Strait Islander) Bill 2005, the Corporations (Aboriginal and Torres Strait Islander) Consequential, Transitional and Other Measures Bill 2006 and the Corporations Amendment (Aboriginal and Torres Strait Islander Corporations) Bill 2006. The outdated Aboriginal Councils and Associations Act needs to be replaced. The bills before the House reflect international best practice in Indigenous corporate governance and will help to produce better outcomes for Indigenous Australians.

The tabled amendments respond to feedback received since the introduction of the first bill in June 2005. The transitional measures minimise the administrative burden on corporations already registered under the Aboriginal Councils and Associations Act. They will have up to two years to meet the requirements of the new act. The Corporations Act 2001 will be amended to close existing regulatory gaps. While there have been issues raised today in the debate, it is clear that there is broad support for the passage of the bills.

Let me thank the Senate Legal and Constitutional Affairs Legislation Committee for its report, which supports passage of the legislation. I note the committee's recommendation that the government should monitor funding to assist corporations with the transition to the new regime. The recent \$28 million budget initiative to strengthen the capacity of Indigenous corporations will include funding associated with implementation of the new act. This is in addition to the registrar's existing funding. Adequacy of funding will be subject to regular review. The committee also recommended restricting the right of members to request a general meeting to voting members. I am advised that the flexibility of the bill already caters for this if it is desired by corporations.

The committee has also recommended monitoring the practical interaction of the bills with other legislation, particularly the Native Title Act. It is intended that the registrar will monitor the implementation of the new act for three years and will publish details of this in its contribution to the FaCSIA annual reports and the registrar's year books. This monitoring will specifically cover the practical interaction of the new act with other legislation, including the Native Title Act.

I now turn to the details of the legislative package. The Aboriginal Councils and Associations Act was developed in the 1970s to cater for the small number of landholding corporations linked to the first land rights legislation. There is consensus that the legislation no longer meets the needs of Indigenous corporations or the communities that they serve. The new legislation responds to the present day problems faced by Indigenous corporations. It aligns corporate governance requirements with modern standards of corporate accountability while allowing flexibility for Indigenous corporations to tailor their arrangements to suit their own special circumstances.

Indigenous corporations are crucial to many Indigenous Australians, and in remote areas they are crucial to non-Indigenous residents as well. They are the lifeblood of many communities—holding land and native title, providing essential infrastructure, such as power, and delivering the most basic of services, such as medical care. It is not appropriate for them to have lower corporate governance standards. Indigenous corporations need special support and regulation tailored to their circumstances and meeting the requirements of special statutory regimes, including native title. However, special support and regulations need to be consistent with current basic practices of other corporate regulators.

The backbone of the legislation is the application of mainstream governance standards to Aboriginal and Torres Strait Islander corporations. The standards allow flexible and customised regulation appropriate to the context in which a corporation is operating. Without regulatory powers, such as the appointment of a special administrator, Indigenous corporations and the important services they provide would be at risk.

The appointment of a special administrator carries with it new rights of review previously unavailable under the old act. The bills have a strong focus on reducing red tape for smaller corporations, which will have fewer reporting requirements in proportion to their size. Larger, more sophisticated organisations will have

more rigorous reporting arrangements in line with modern corporations law. We need to remember that many corporations are often responsible for many millions of dollars of public funding. Amendments are a response to feedback from a range of stakeholders since the introduction of the bills, including submissions made to the Senate Legal and Constitutional Legislation Committee.

The most significant of the amendments deal with the voluntary transfer and amalgamation of Aboriginal and Torres Strait Islander corporations. These new provisions will allow a body corporate registered under another law to seamlessly transfer its registration to the new act. Similarly, these amendments will allow a corporation to transfer its registration to other regimes such as the Corporations Act. These amendments reduce red tape and give corporations the choice to use the incorporation law that best suits them.

Other amendments will allow corporations to amalgamate, providing an option to reduce the number of corporations and therefore reduce the compliance burden on individuals and communities. These are important reforms that complement other changes being implemented by the Australian government to provide hope and a better future for our Indigenous citizens. All our reforms, including these bills, are about empowering local people to have more say over their own lives. I commend these bills to the House.

Question put:

That the words proposed to be omitted (**Mr Snowden's** amendment) stand part of the question.