

BUDGET ESTIMATES

Senate Finance and Public Administration Legislation Committee

28 February 2025 Hearing

Good Afternoon Senators.

Tricia Stroud, Registrar of Aboriginal and Torres Strait Islander Corporations.

I'm accompanied by Andrew Huey, Deputy Registrar.

I'd too like to acknowledge that we are on the lands of the Ngunnawal people.

Since our appearance before the committee in November, ORIC has:

- Deregistered 294 corporations that had failed to lodge reports and were not carrying on business.
- Continued to refer corporations for prosecution. These are corporations who, despite many reminders, warnings and offers of assistance, refuse to lodge annual reports.

23 have been successfully prosecuted with 5 current matters before the court. There are some 133 corporations currently being considered for referral for prosecution or other types of regulatory action.

Deregistration and prosecution support our efforts to raise the reporting compliance rates of corporations.

- As at 14 February 2025, almost 50% of corporations had lodged their annual reports which were due on 31 December 2024. Consistent with previous years, small corporations are the least compliant and account for 90% of overdue 2023-2024 reports.
- Our continued focus on PBC rule books being compliant with the Native Title Legislation Amendments Act is now showing positive results, with 95% now compliant.
- We have released the first and second reports of our new public reporting format being *what have we achieved* and *how well we've done*.

A survey of Indigenous corporations was conducted and greatly informed this second report.

- We have also released a set of Principles for effective governance of Indigenous corporations. Educational resources and tools will be gradually built to complement the principles.

We will in the next quarter release a revised model rule book for corporations. We have been working on this with the ACNC which will result in changes to the rules for corporations that are also registered charities.

We also expect our new IT system to go live next month replacing our:

- **online portal** that corporations use to lodge their reports and forms
- **customer relationship management (CRM)** system where we record our interactions with corporations and other stakeholders as well as where we record corporation information
- the **Public Register** of Aboriginal and Torres Strait Islander Corporations which includes information about registered and deregistered corporations and is accessible on ORIC's website
- the **Register of Disqualified Officers** which is also available on ORIC's website.

Finally Senators we have released our 2025 Regulatory Posture. I can advise that for 2025 I will be:

- Continuing to focus on corporations that under-report.
This will include the conduct of title searches and regulatory action where corporations are not reporting on assets.
- Focussing on larger corporations that generate funds other than government grants, these being income sources which are not tied to conditions or reporting requirements.
- Referring individual directors for prosecution where, despite the successful prosecution of a corporation, its directors continue to fail in their obligations.

I will also be considering civil prosecution of individual directors, noting our focus has in recent years been on criminal prosecutions.

- Making greater use of wind-up provisions in the CATSI Act for corporations that are insolvent and de-registration is not possible.
- Referring professional services such as auditors, accountants and lawyers to their relevant professional standards bodies where we suspect they have been over-servicing or taking advantage of corporations.
- Increasing our focus on individuals who may be automatically disqualified from being a director but are not known to us.

This includes referring individuals and corporations for prosecution where they wilfully ignore disqualifications.

I look forward to providing further updates on our regulatory progress.

Senators, I'm happy to take any questions.