

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
FAMILIES, HOUSING, COMMUNITY SERVICES AND
INDIGENOUS AFFAIRS PORTFOLIO
2012-13 Supplementary Estimates Hearings

Outcome Number:

Question No: 459

Topic: Royalty Associations

Hansard Page: Written

Senator Scullion asked:

When the Aboriginal Lands Rights Act was amended in 2006, new reporting procedures were required for royalty associations.

Can you explain what reporting processes or arrangements are in place between the NLC and the Royalty Associations?

What information do royalty associations provide to the NLC?

Answer:

Section 64(3) of the *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth) provides that sums of money equivalent to 30% of mining royalties from mines on Aboriginal land shall be paid from the Aboriginals Benefit Account to the responsible Land Council for distribution in accordance with s 35(2). These sums are known as 'royalty equivalents'.

In 2006 the statute was amended such that royalty equivalents may only be paid to Aboriginal corporations incorporated under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act) (Cth). Aboriginal associations incorporated under the *Associations Act* (NT) can no longer receive royalty equivalents. The purpose of this amendment was to ensure corporate governance, and improve transparency and accountability, as required by the CATSI Act.

To that end other provisions were inserted into the *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth), including s 35A - which requires a Land Council to consider certain evaluation or audit reports, s 35B - which imposes notification requirements whereby a corporation must identify the purpose of payments at the time of distribution, and s 35C - which requires a corporation to provide financial statements and report as to specific expenditure to the Land Council.

The reporting processes or arrangements in place between the NLC and Aboriginal corporations which receive royalty equivalents are as specified in the statute. Information provided to the NLC is as specified in the statute.