



2<sup>nd</sup> October 2020

Level 4, 345 King William Street  
Adelaide SA 5000  
P (08) 8110 2800  
F (08) 8110 2811  
W [www.nativetitlesa.org](http://www.nativetitlesa.org)  
ABN 66 131 591 841

CATSI Act Review  
National Indigenous Australians Agency  
PO Box 2191  
CANBERRA ACT 2600

Via email: [CATSIActReview@niaa.gov.au](mailto:CATSIActReview@niaa.gov.au)

Dear Sir / Madam

**RE: SANTS submission to the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* Draft Review Report**

South Australian Native Title Services Ltd (SANTS) is the Native Title Service Provider (NTSP) for South Australia as recognised under the *Native Title Act 1993* (Cth) (the NTA). In performing our statutory functions, SANTS represents and works with Registered Native Title Bodies Corporate (RNTBCs) and other native title entities incorporated under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (Cth) (the CATSI Act).

SANTS welcomes the opportunity to make this submission to the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* Draft Review Report (hereafter 'Draft Review Report') to the National Indigenous Australians' Agency (NIAA). The submission is outlined in accordance with the structure of the Draft Review Report and responses are provided to key areas of interest for SANTS and our native title client corporations.

SANTS is a member of the National Native Title Council (NNTC) and supports its submission. Where appropriate, we make reference to the NNTC's submission below.

**Objects of the CATSI Act (Chapter 2)**

***Further Ideas***

Whether the CATSI Act is meeting the needs and expectations of Aboriginal and Torres Strait Islander people?

Whether the CATSI Act is putting CATSI corporations on an even playing field with companies incorporated under the Corporations Act?

As outlined in the Draft Review Report, the CATSI Act is a special measure under the *Racial Discrimination Act 1975* (Cth). This relies on justifying that Aboriginal and Torres Strait Islanders are better off under the CATSI Act as opposed to other relevant legislation, specifically the *Corporations Act 2001* (Cth) (Corporations Act). The intention thus is not simply provision of a level playing field, but that there is 'advancement' and 'protection' to ensure 'equal enjoyment of human rights and fundamental freedoms'.

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It is important that any differences between the CATSI Act and the Corporations Act are assessed to ensure that they can each be justified as special measures. We are of the view that some differences between the CATSI Act and the Corporations Act do not provide benefit to Aboriginal and Torres Strait Islanders, including reporting requirements, over regulation and transparency and accountability to the general public (i.e., through publication of and access to corporate information). SANTS consider that there should a detailed comparative analysis of the two pieces of legislation whereby each aspect of the CATSI Act which diverges from the Corporations Act is specifically assessed. SANTS thus supports the comments made on page 19 of the Draft Review Report regarding an initial and subsequent regular review of the CATSI Act, including as a special measure.

SANTS does consider that the CATSI Act offers some attractive elements over the Corporations Act. These include the accessibility of incorporation, simplified Rulebook, flexibility, capacity building and corporation support (including special administration). There is also a growing familiarity with the legislative framework that brings a level of confidence for corporations and members. Corporations are reviewing and amending Rulebooks to strengthen governance in accordance with local circumstances. It is thus providing a reasonable platform for Indigenous people to establish corporate entities to realise their objectives and aspirations. In certain circumstances (and where a choice is available), the Corporations Act may provide a more suitable framework.

Whether changes can be made to the regulatory and enforcement powers of the Registrar with particular consideration to the traditions and circumstances of Aboriginal and Torres Strait Islander people?

Further information is required to understand what is being contemplated here. It is important to know when such considerations might be available to the Registrar, what is meant by traditions and circumstances and if and how these are defined, and what limitations may be placed on the Registrar. There is insufficient detail to make an informed comment.

Whether the CATSI Act is flexible enough to meet the needs of a whole range of different Aboriginal and Torres Strait Islander corporations?

The CATSI Act generally provides a flexible framework for Indigenous corporations which are member based. The suite of replaceable rules provides the opportunity for key rules and procedures to be tailored to reflect local and regional level interests and preferred governance arrangements. As stated above, however, there are times where the CATSI Act is not the optimal framework for some corporations – this is particularly the case where a corporation is commercially focussed and/or a subsidiary. It is thus important that incorporating under CATSI Act remains a choice for Indigenous people (which is not always the case now).

SANTS also note the submission of the NNTC with respect to reviewing different models for RNTBCs, which is something we are interested in and support.

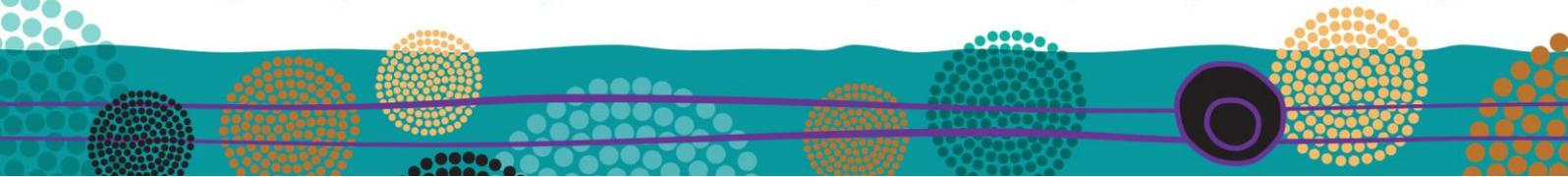
How can the Registrar and ORIC better support corporations to pursue economic and community development opportunities?

We believe that the focus of the Registrar and ORIC should remain on the regulation and administration of the CATSI Act and in supporting corporations with good governance through capacity building and associated initiatives. We do not support the Registrar and ORIC having a role in economic development. We do support the review to identify any legislative barriers to economic development or including more enabling legislation. That might be by including some of the more commercially orientated reforms raised in the Draft Review Report and addressing some of the differences with the Corporations Act.

### ***Support and Protection for members***

SANTS approves of the current provisions which provide support and protection to members. Further strengthening of such requirements needs to be balanced with self-determination and capacity building to support CATSI

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corporations in reporting and engaging with members as opposed to imposing further regulatory obligations and interventions.

### ***Support for Corporations***

Whether changes could be made to the CATSI Act to better support corporations operating in remote or very remote areas?

How to better integrate governance structures with cultural practices to promote capacity building and corporation longevity.

The current regime provides flexibility for corporations to generally adopt governance arrangements that support and respond to local circumstances and needs including cultural practices. As stated below, SANTS has some reservations around trying to codify cultural practices within a legislative framework. The interface between cultural practices and protocols and a corporate governance framework needs to be defined and shaped at the local level.

Some reforms could be made to provide greater flexibility around how corporations formally communicate with members and Directors including by electronic means. While not requiring legislative reform, further sharing of governance stories and practices of corporations which utilise and rely on cultural practices and protocols would be beneficial in building a body of work and experience in this area.

### ***Capacity Building***

How the Registrar and ORIC can further develop the capacity of corporations, including ensuring that directors and members have a sound understanding of their roles and rights as well as those of others?

ORIC training is valuable when Directors have time and resources to participate. In addition to the continuation and strengthening of this training, areas where we see a further need include:

- Moving beyond duties of Directors;
- Exploring replaceable rules and non-replaceable rules;
- Embedding governance practices in Board policies and procedures (i.e., beyond the Rulebook and developing 'Corporate Governance Handbook');
- Chairing, running of meetings and decision-making
- Minute taking and administrative requirements;
- CATSI and Native Title/PBC Regulations.

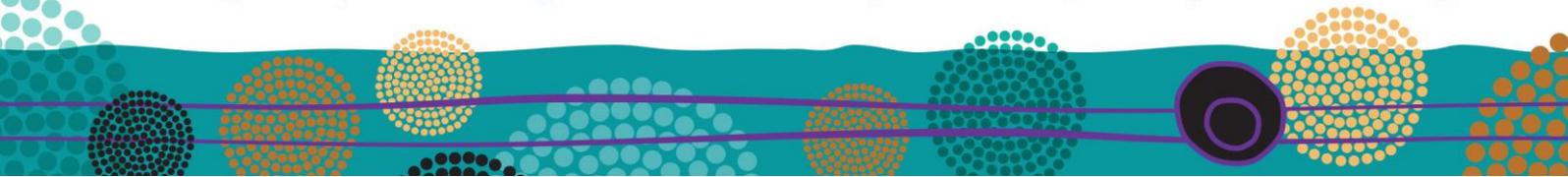
Consideration should also be given to how training is delivered to corporations with the view to include more flexible arrangements so that suitable practitioners (including in existing support networks) can give ORIC training to corporations.

### **Powers & Functions of the Registrar (Chapter 3)**

Including additional powers to the Registrar to better support CATSI Corporations.

SANTS would need to further consider providing any additional powers to the Registrar. The inclusion of enforceable undertakings and avoiding the need for prosecution and aligning the regulatory powers with that of ASIC appear reasonable. However, further details are required to consider the benefits or otherwise this would provide to CATSI corporations in strengthening governance.

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If the current dispute resolution powers of the Registrar are adequate and/or appropriate. If not, how could they be enhanced?

See below under RNTBC chapter.

## **Governance (Chapter 4)**

### ***Membership Management***

Determining the nature of contact that would be acceptable when contacting members.

SANTS supports CATSI corporations being able to determine what communication methods are appropriate for contacting and notifying Directors and members. These decisions should be made in consultation with members and depending on the application subject to a decision at a general meeting and amendment to the Rulebook.

Support for personal information being redacted from a Corporation's register of members

SANTS supports the individual rights of members to have personal information redacted from the Register of members for the purposes of reporting to members (including the checking of register at AGMs), to ORIC or to third parties. Members should also be able to provide alternate contact details to the corporation. The contact details and personal information (e.g., address, date of birth) contained in the Register of Members should be confidential for the corporation and applied and utilised only in the conduct of corporation business.

### ***Membership Approval***

Statutory timeframe within which corporations need to consider membership applications?

SANTS does not support any statutory timeframe for corporations to consider membership applications. Corporations often do not meet for some time (e.g., perhaps only twice per year in accordance with Rulebook requirements) and the decision on member applications can be challenging. This is particularly the case for RNTBCs, whereby a RNTBC must only approve applications from common law holders unless permissible under the Rulebook and only following consultation with common law holders in accordance with the PBC Regulations. Considering applications for membership can be difficult and complex decisions for a Board to make and thus require time and further consultation with the applicant and others.

Accepting, rejecting and challenging/reviewing decisions on membership

SANTS supports the inclusion of procedures to enable applicants, whose membership application is rejected, to have that decision reviewed and reconsidered. We support the proposals outlined in the Draft Review Paper (para 4.12 and 4.13) and have advised corporations we work with to include such provisions in their Rulebooks to provide natural justice. Perhaps contrary to the Draft Review Paper, we support that applicants should be able to review the decision of the Board even where the Board has indicated that not all eligibility requirements have been met (i.e., being a common law holder).

Reducing the non-contactable period for cancelling memberships

SANTS does not support the reduction of this period. In most cases with respect to RNTBCs, our view is that it is inappropriate to remove members based on being uncontactable. While we support the current provisions remaining, we typically advise corporations (in the case of RNTBCs) against using these grounds as a basis for the removal of members.

### ***Support for particular types of structures***

SANTS supports the proposal to make the CATSI Act more suitable and enabling for the incorporation of subsidiaries and joint ventures. Further flexibility and addressing some of the current limitations of the CATSI Act to this end is supported. However, further details are required. Future amendments must also protect the choice for corporations to establish such subsidiaries under other legislation.

### ***Size classification***

SANTS supports a simplification of the size classification system. The current multiple criteria framework is overly complicated as is the associated reporting requirements.

The current differences, for example, in reporting for a small corporation with less than \$100,000 operating income and a small corporation with more than \$100,000 operating income introduces unnecessary complications and costs. Reporting requirements associated with each classification should be consistent across all such corporations.

The costs of compliance under the current provisions are often too onerous on small corporations. For example, a corporation with operating income just above \$100,000 (with negligible if any profit), no employees and minor assets, is required to have an audited report prepared at a cost of say \$3-5,000.

SANTS generally supports the classification being aligned to that of the ACNC. However, we are concerned with the number of current medium corporations which would then be classified as large corporations. Further consideration should be given, as outlined in the Draft Review Paper, to the appropriateness or not of alignment of CATSI corporations with companies limited by guarantee under the Corporations Act. As the NNTC submits, such an alignment is often inappropriate. Thus, adjusting the threshold for medium to large corporations may be warranted.

### ***Annual General Meetings***

#### **Enabling the members of small corporations to elect to not hold an AGM for up to three years**

SANTS does not support the proposal to allow small corporations, via a special resolution of members, to not convene an AGM for up to three years. SANTS considers that the current provisions for corporations to seek an exemption to holding a general meeting is suffice.

The convening of an AGM is an important aspect of corporate governance and member/shareholder transparency and accountability. Our experience is that despite the size of the corporation or perceived significance of its business operations, AGMs are invaluable for establishing and maintaining strategic directions and member engagement and support. In the context of RNTBCs, it is vital that native title holders through the membership of the corporation come together at AGMs. Native title decisions need to be made by such corporations from time-to-time and having an active membership base is important in supporting sound decision making processes.

#### **Flexible arrangements for meetings and decisions**

SANTS supports flexible meeting options being available to corporations, including those made permissible through the COVID-19 pandemic Rulebook amendments. SANTS supports these being included in the CATSI Act and continuing to be available to corporations to offer more flexible (and contemporary) meeting and decision-making processes.

#### **Allowing corporations to extend AGMs/General Meetings under certain circumstances**

SANTS supports the inclusion of provisions to enable a corporation to have a 30-day extension for convening an AGM following an 'uncommon' event as outlined in the Draft Review Paper. Further extensions should be subject to existing provisions. With respect to cancelling a notified AGM or general meeting, SANTS also supports

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amendments to enable a Board of Directors to cancel an AGM due to unforeseen circumstances such as sorry business. For a number of corporations that we advise, Rulebook changes have been made to enable Directors to cancel meetings under certain circumstances. With respect to inclusion within CATSI, we support such measures being a replaceable rule so that corporations can opt in or out of such a provision and that they can define the appropriate circumstances and any other conditions.

### **Audit Committees**

SANTS does not support audit committees being a legislative requirement of large corporations. Sub-committees such as finance and audit committees are part of good governance. Promoting the establishment of such committees under the existing legislation should be a focus for ORIC as part of capacity building.

### **Reporting**

As stated above, the costs of some reporting requirements are onerous for small corporations. In our view, small corporations should not have to submit audited financial statements. However, other reporting requirements (General Report and Financial Statement – as part of the General Report) are appropriate and part of good governance. Further consideration would be needed to determine whether a ‘dormant’ corporation should be exempt in some way from these reporting requirements. Without further details on what would be classified as dormant, SANTS would rather all small corporations continue to have the same reporting obligations. SANTS also note that exemptions from reporting requirements are currently available.

From a broader perspective, we believe the reporting framework needs to move away from a corporation having the same reporting requirements to members as it does to ORIC. At present, some of the obligations which are owed to members become reporting requirements. An example of this the obligation to maintain a member register which is then subsequently reported to, and published by, ORIC.

### **Rulebooks**

SANTS supports the inclusion of replaceable rules in the Rulebooks (either as replaced or as per CATSI). We have experienced corporations being unaware of a particular replaceable rule in the CATSI Act which has not been replaced but also does not appear in the Rulebook. The proposal would assist corporations in complying without always having to refer back to the CATSI Act. It would also help corporations (Directors and members) to understand what rules can be replaced and modified to support more localised governance frameworks.

Further consideration should also be given to how the replaceable rules are reproduced in the Rulebook, particularly given the condensed version and abridged wording of these and other rules. More generally, the Rulebooks should remain flexible and ORIC should provide model rules which can be used as a basis for developing suitable rules for corporations. Furthermore, ORIC should continue to produce a condensed and more complete model Rulebook to enable choices to be made around the structure and wording of Rulebooks.

### **Further Ideas**

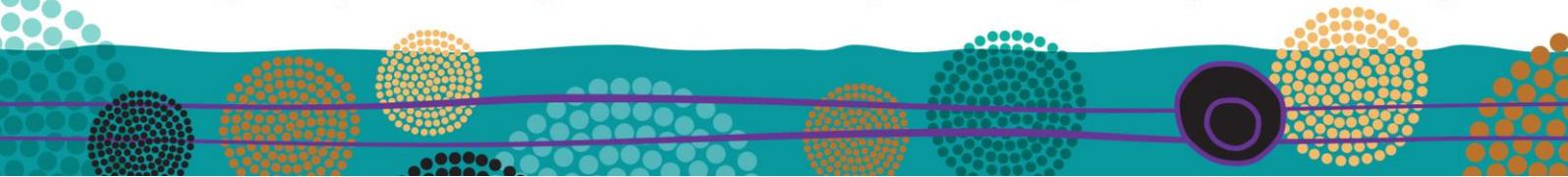
#### **Streamlined reporting and flexible governance arrangements for registered charities**

SANTS supports a consistent reporting approach with registered charities whether they be incorporated under CATSI or other legislation. The arrangement for charities under the Corporations Act should be extended to CATSI corporations with reporting to ACNC. Flexible governance arrangements should also be similarly incorporated.

#### **Reducing the number of proxies able to be held by a member**

SANTS understanding is that corporations can limit the maximum number of proxies held by a member to 1, 2 or 3 (3 being the maximum under CATSI Regulations) by amending the Rulebook. Furthermore, a corporation could elect not to permit proxies. These measures are sufficient and an amendment is not required. Any changes may result in unnecessary confusion amongst CATSI corporations who are accustomed to the current rules.

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## Officers of Corporations (Chapter 5)

### ***Executive and Director Remuneration and Performance***

SANTS does not support the reporting of Executive or Director remuneration above what is required under the Corporations Act for comparable entities. SANTS certainly supports the position that members are entitled to know about Executive or Directors remuneration (and indeed set Director remuneration). How much Directors receive through a term or year and how many meetings Directors are attended, are all matters members should be informed of. That does not make it public information. With regard to Director remuneration as an employee, that decision should be made in accordance with the same policies and authority as other similar employees. A process should not be legislated.

SANTS supports broader voluntary processes for ORIC to establish and benchmark executive salaries or Director remuneration across CATSI corporations. Publication of data needs to be aggregated. Benchmarking of salaries can be done at a number of levels and services are available to support CATSI corporations' access and consider such advice. ORIC certainly could play a role in adding to that data set (benchmarking process) and could also strengthen its capacity building efforts in the area of recruitment processes.

### ***Related Party Provisions***

SANTS does not support the current related party provisions of the CATSI Act or that proposed in Draft Review Paper. The provisions and suggestions are divergent from that required by companies under the Corporations Act without the inclusion of the arms length exception.

A similar exception to Section 210 of the Corporations Act should be included to provide that member approval is not needed for a related party transaction based on terms that would be reasonable in the circumstances if the entity and the related party were dealing at arm's length, or on terms that are less favourable to the related party than these terms.

Exemptions for member approval for related party transactions should also continue to be available to corporations, and the Registrar should be able to consider broadly the particular circumstances and nature of the proposed transaction. Further consideration should be given to reducing administrative burden re the application process and broadening the criteria for the determinations of the Registrar.

### ***Appointment of Directors and other director requirements***

#### Directors as employees

SANTS has encountered issues with the requirement for the majority of Directors not to be employees. In principle, the requirement makes sense. However, in practice, it can be problematic. Where we have seen most difficulties is in relation to cultural heritage services.

Many native title groups are involved in cultural protection work related to heritage surveys and monitoring. Increasingly and on advice from HR and business professionals, this work is done under an employment contract. The work is often sporadic, with occasional engagement on a survey or monitoring of on-ground works. Directors are often those most active in the corporation and community, have significant knowledge and responsibilities for cultural heritage, and are thus often identified as being most appropriate to be engaged in this work. However, the majority non-employee requirement has meant that some Directors have been excluded from this work as the Board is at capacity in terms of number of Directors who can also be employees.

SANTS thus supports a more flexible approach to be available to corporations regarding this requirement, including seeking exemptions. Furthermore, in seeking such exemptions, the nature of the position (including level, day-to-day authority and FTE) should be duly considered.

## Board composition requirements

SANTS does not support any legislative requirements or restrictions on the composition of Boards with respect to family representation, skills and experience, or inclusion of independent Directors. These are all choices currently available to corporations in drafting eligibility requirements for Directors and should remain as such. This again is an area where ORIC could strengthen its role in developing materials for Directors and members to consider options and governance arrangements regarding Board composition.

## Consideration of culture and tradition

In our work with RNTBCs, corporate governance and decision making occurs as an interface between the CATSI Act and the traditional laws and customs of the group. Our experience is that Directors and members successfully navigate this interface, respecting traditional laws and customs as appropriate and where possible, while complying with the requirements of the CATSI Act and the delegated responsibilities from the members (i.e., the powers afforded to the Board). We do not, however, believe that it is appropriate that culture and tradition be subject to an amended duties of directors or CATSI or rulebooks (besides where permitted as replaceable rules). We do not think that the traditional laws and customs or 'culture' of specific groups should be codified in legislation, particularly given the internal complexities and variance across regions and the country.

## Definition of Officer

The current definition is appropriate and reflects that of the Corporations Act. Further explanatory material could be developed if necessary, to address the matters raised in the Draft Review Paper.

## Modernising the CATSI Act (Chapter 6)

### ***Providing notices***

SANTS supports the proposals outlined in the Draft Review Report.

### ***Sharing data***

SANTS is concerned with the sharing of data and protected information with external agencies and organisations without further information and the free and prior informed consent of CATSI corporations.

### ***Contact information***

SANTS supports the addition of electronic contact information for corporations and individuals. However, this should not necessarily be a requirement and ORIC must protect the privacy of this personal information.

### ***False and/or misleading information and whistleblower protection***

SANTS supports amendments to align with the Corporations Act with regard to these matters.

### ***ORIC examinations***

SANTS supports amendments to require ORIC to issue a finalisation letter at the conclusion of an examination and similarly for the Registrar to issue a Compliance Outcome letter.

### ***Accounting standards, Auditor provisions and Payment controls***

SANTS supports reporting entities under the CATSI Act in preparing general purpose financial statements in accordance with the accounting standards. However, for small entities this may include only a balance sheet and income statement.



SANTS supports inclusion in the CATSI Regulations relating to the replacement of an auditor following resignation. The appointment should be made consistent with the current CATSI regulations which require it be done at a General Meeting or, if it has not been done by the members, the Directors of the Corporation.

SANTS also supports the amendments to provide auditors with qualified privilege. We also agree with the proposed payment controls to be broadened to include modern payment methods.

### **Registered Native Title Bodies Corporate (Chapter 7)**

As the NTSP for South Australia, the bulk of our work with corporations is with RNTBCs. As the Draft Review Paper highlights, there are unique circumstances for RNTBCs including in owing a duty to not just members but also native title holders. These duties arise from obligations under the *Native Title Act* and *PBC Regulations*.

SANTS view is that we believe that these unique requirements of RNTBCs warrant specific attention in the CATSI Act. We support the position of the NNTC for a separate division of the CATSI Act to be established to provide a cohesive framework which brings together the relevant provisions.

We are also concerned with what appears to be the basis of the discussion and proposals outlined in the Draft Review Report. SANTS certainly supports strengthening transparency between RNTBCs, members and native title holders and actively works with RNTBCs to put some practices and measures in place. As new and establishing corporations, there is much to do in setting strategic directions, putting in place good governance, encouraging membership amongst native title holders, keeping members informed, implementing agreements, and making native title or other decisions.

The focus on the Draft Review Report appears to be on increasing regulation to address the challenges that have largely been imposed on native title groups and corporations. Our strong preference is not to look at increasing regulatory and reporting requirements, but to address the lack of investment in RNTBCs in supporting establishment and operations. There is a critical need to increase funding to RNTBCs and existing support mechanisms in NTSPs and Native Title Representative Bodies. There also needs to be more acknowledgement of the good governance of many RNTBCs across the country and the many social, cultural, environmental and economic contributions they are making.

### ***Transparency around native title monies***

While SANTS supports transparency around native title monies, we have reservations on extending the role of the Registrar in overseeing trust entities. Existing frameworks are available to establish such trusts and they are subject to regulation depending on the nature of establishment. A further option of a trust under CATSI is unnecessary and would stretch the regulatory capability of ORIC. The idea of a register of trust deeds may be of value, but an obligation for a corporation to report to members on trust entities and subsidiaries, should not necessarily stem from or be imposed by the incorporating legislation. Reporting arrangements and accountability to RNTBCs or native title holders needs to be built into such arrangements rather than legislatively imposed.

SANTS also questions (as highlighted above) the basis on which these proposals are being put forward. The growth of RNTBCs in recent years is significant, and as new and rather complex entities it is expected that member queries and complaints are high. The context also is that a majority of RNTBCs are small corporations with little to no money, complex governance arrangements, evolving strategic directions, responsibility for managing native title rights and interests, obligations to native title holders, and developing membership base. The underinvestment in RNTBCs is a far more pressing need to address to support RNTBCs in strengthening governance including accountability to members and native title holders.

### ***Benefits management structures***

The Draft Review Paper raises whether or not the available benefit structures are sufficient. In our experience, the current structures are appropriate for managing benefits for RNTBCs. However, they are typically costly and thus become less cost effective when capital or income is low. The main issues arise in relation to the administrative and regulatory costs of maintaining such structures as opposed to restrictions on the application of funds. For a number of RNTBCs, costs are an issue and thus SANTS remains open to alternative benefit management structures. In this regard, we note the submission of the NNTC and the Prescribed Bodies Corporate Economic Vehicle Status (PBC EVS) model.

### ***Recording, reporting and decision-making***

SANTS experience differs from that outlined in the Draft Review Report. In our experience, RNTBCs either directly or indirectly report on, consult and take instructions from members and native title holders with regard to the management and use of native title benefits. Despite any perceived regulatory gap, RNTBCs are aware of and comply with PBC Regulations. We acknowledge some of the potential issues raised in the Draft Review Paper including knowledge (or lack thereof) of native title benefits over time, but do not think increased regulation and reporting is the most appropriate response. Any additional requirements need to consider the right to self-determination and transactional costs.

SANTS does not support the proposal to make decisions with respect to native title benefits a 'native title decision' under the PBC Regulations. Such decisions require consultation with, and the consent of, native title holders. This often involves lengthy and costly consultation and decision-making processes being undertaken by RNTBCs. It would be highly restrictive for all financial decisions relating to native title benefits to be considered the equivalent of native title decisions. The PBC Regulation requirement "to invest or otherwise apply money held in trust as directed by the common law holders" provides a potentially far broader mandate for RNTBCs to take carriage of, then that which may arise from a native title decision and the requirement to "consult with, and obtain the consent of, the common law holders". It is not appropriate that the ongoing management of a native title benefit, including the iterations or revisiting of such decisions that follow over the course of the benefit management, be considered a native title decision under the PBC Regulations.

With respect to regulatory oversight of PBC Regulations and native title decisions, SANTS suggests that filling any regulatory gap needs further consideration. The need for this regulatory oversight is raised in the Draft Review Report but not quantified. We also understand that this area of law is relatively new with minimal jurisprudence and thus are mindful of establishing regulatory frameworks without those being fully informed – particularly given the complexities of native title law.

### ***Dispute Resolution***

SANTS supports the submission of the NNTC with respect to arbitration and dispute resolution.

### ***RNTBC Model Rule book***

SANTS supports the development of a model Rulebook for RNTBCs. This, along with a separate Chapter in CATSI for RNTBCs, would give due recognition to the specific requirements and obligations of RNTBCs. Any such model Rulebook should be developed in consultation with the sector and subject to regular review and refinement.

## **Special administration, insolvency and winding up of CATSI corporations (Chapter 9)**

### ***Title of Special Administration***

SANTS supports changing the name given to 'special administration' to distinguish it from 'administration' under the Corporations Act.

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**Show cause process**

SANTS supports that the 'show cause' process be removed if all of a corporation's directors request the appointment of a special administrator. If it is a simple majority decision, then the current requirements should remain.

**Examinable affairs and financial matters**

SANTS is concerned with a broadening of powers for the Registrar to place a corporation into special administration by including subjective matters such as irregularities in the management of a corporation's financial affairs. SANTS does not necessarily object to the examination of financial affairs, but a more suitable threshold for administration with respect to financial matters needs to be arrived at.

**Rebuttable presumptions of insolvency**

SANTS supports the proposed provisions where the corporation has failed to keep adequate financial records for a period of seven years.

SANTS appreciates the opportunity to provide input into this important review of the CATSI Act. Please do not hesitate in contacting me should you wish to discuss anything further in relation to our submission.

Yours sincerely



**Keith Thomas**  
**Chief Executive Officer**