

DJIRRA'S SUBMISSION ON THE NIAA CONSULTATION ON THE EXPOSURE DRAFT OF AMENDMENTS TO THE CATSI REGULATIONS 2017

November 2021



Djirra thanks the National Indigenous Australians Agency (NIAA) for the opportunity to respond to the exposure draft of the schedule of amendments to the Corporations (Aboriginal and Torres Strait Islander) (CATSI) Regulations 2017.

Established 19 years ago, Djirra is a Victorian Aboriginal Community Controlled Organisation with state-wide reach, specialising in family violence. Djirra is a corporation registered under the CATSI Act.

Djirra provides culturally safe and holistic support and specialist family violence legal assistance and representation through Djirra's Aboriginal Family Violence Legal Service. Djirra also designs and delivers early intervention and prevention programs, delivers specialist case management and counselling services, and undertakes policy and advocacy work to identify systemic issues for reform and strengthen Aboriginal and Torres Strait Islander women's access to justice, safety and equality.

Djirra makes the recommendations and submissions detailed below.

Register of members and former members (Reg 12A(3)(d))

Recommendations:

1. Proceed with the inclusion in the prescribed purposes (relating to inspecting and accessing copies of a register of members or former members) the following: "*a purpose that may put at risk the personal safety of a member or former member of the corporation*".

Djirra's diverse Aboriginal membership includes women who have experienced, or are experiencing, family violence. As a result, their personal contact information is highly sensitive, and therefore Djirra strongly supports:

- the CATSI Act amendment which requires directors to redact the contact information of members or former members from the register of members and former members upon request, and that this redacted register will be provided to any individual who has requested a copy of the register;
- the provisions in the draft CATSI Regulations to prescribe in the prohibited purposes for inspecting or making copies of a register of members or register of former members "*a purpose that may put at risk the personal safety of a member or former member of the corporation*".

Remuneration report (Reg 22A)

Recommendations:

2. Remove the requirement for CATSI corporations to prepare remuneration reports detailing the total remuneration during the financial year of key management personnel. Neither companies limited by guarantee nor proprietary limited companies incorporated under the Corporations Act 2001 (Cth) need to disclose remuneration of their key management personnel. It is therefore submitted that CATSI corporation should not be subject to more onerous remuneration reporting requirements than these companies.
3. If, notwithstanding the above recommendation, the requirements for the provision of a remuneration report remains, then it is recommended that such report only requires the remuneration for key management personnel be disclosed on an aggregate basis (i.e. the sum of all key management personnel remuneration), in bands that does not enable members and others to identify the remuneration of individual key management personnel.

Djirra has serious concerns about the proposed approach in the CATSI Regulations to implement the amendments to the CATSI Act to disclose senior management remuneration arrangements.

Firstly, the proposed requirements to provide remuneration reports appears to align the requirements for CATSI corporations with the requirements for listed public companies, which are of a different nature, usually different size, and which have a duty of disclosure to their shareholders and the public, unlike CATSI corporations. Requiring the provision of a remuneration report for key management personnel of CATSI corporations is inconsistent with the reporting requirement for companies limited by guarantee and proprietary limited companies which do not have to produce a remuneration report for their key management personnel.

Secondly, we have concerns about the detailed proposals in the draft CATSI Regulations, specifically that the remuneration report include the names, positions, and total remuneration during the financial year for each of the key management personnel of the corporation, given that the remuneration report will be required to be laid before the Annual General Meeting (AGM). The disclosure of the total annual remuneration for individual employees who are senior managers to members thorough the AGM raises several areas of concern as follows:

- Djirra conducts AGMs with a clear commitment to inclusion, with employees who are not members able to attend to better understand the achievements and work of Djirra;
- the disclosure of individual remuneration at the AGM (which includes members who are community members, family members and employees, along with invited guests) creates the potential for community and/or family pressures; given that many corporations registered under the CATSI Act are led by Aboriginal women, requiring the disclosure of their total remuneration package may lead to them being targeted by others;
- the likely impact on the capacity to recruit and maintain key management personnel; specifically, it may act as a disincentive for Aboriginal community members, in particular women, to seek employment with Djirra in leadership or management roles;
- the potential for the information to become public once it is known to the full membership.

Overall, we do not believe that the proposal strikes the correct balance between transparency, employment obligations, and privacy. Djirra's recommendation is therefore that the requirement for CATSI corporations to prepare remuneration reports detailing the total remuneration during the financial year of key management personnel is removed. However, if notwithstanding Djirra's recommendation, this requirement remains, that the remuneration for key management personnel be disclosed in any required remuneration report on an aggregate basis, in bands that does not enable members and others to identify the remuneration of individual key management personnel.