

Building communities through Aboriginal trusts

Simon Nish
Rio Tinto

Community Wealth Creation

- **Community Vision**
- **Community Controlled**
- **Relationship to Land**
- **Broader Community**

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Other features of strong of Aboriginal Trusts

- Purpose is for community benefit rather than individuals
- Trust includes a capital accumulation fund to provide for intergenerational benefit
- Multiple specific-purpose buckets rather than one bucket
- Dynamic: flexibility to meet changing circumstances
- Independent Trustees bringing capacity, networks and built-in mentoring into the Trust Board

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Other features of strong Aboriginal Trusts (cont)

- Sufficient resources allocated for the doing work
- Trust decision making transparent to entire TO group and beneficiary community
- Trust funds earmarked for leveraging other funds
- Ongoing and culturally appropriate training for Trustees
- Tax effective

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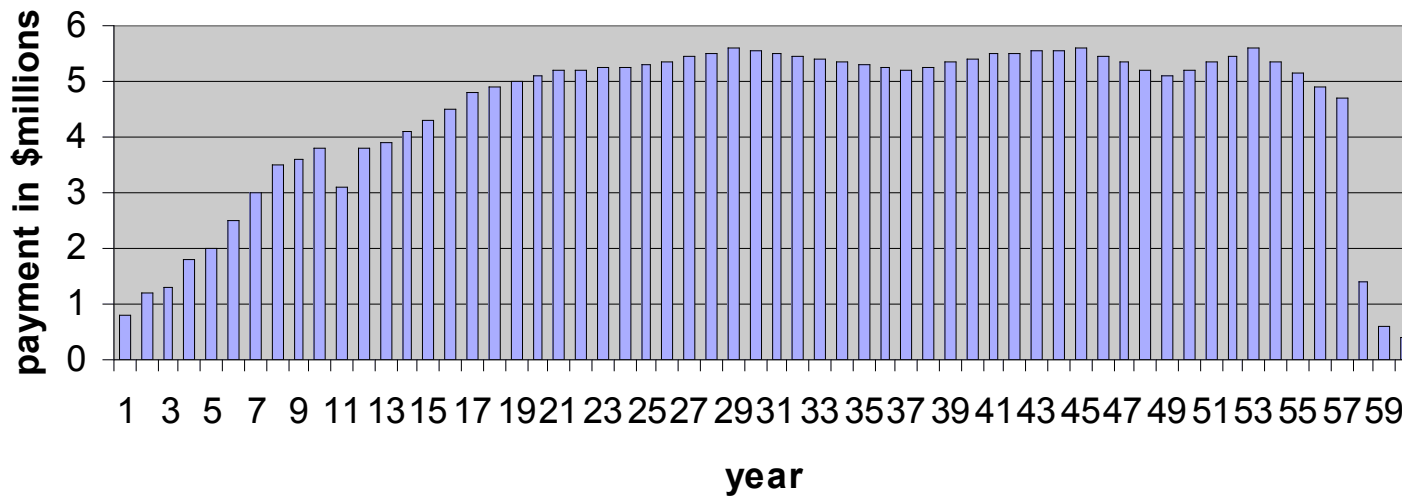
Aboriginal Community Development Corporation (ACDC) model

- Limitations of charitable trusts
- MCA developing alternative model
- ACDC proposed as 'opt in' alternative

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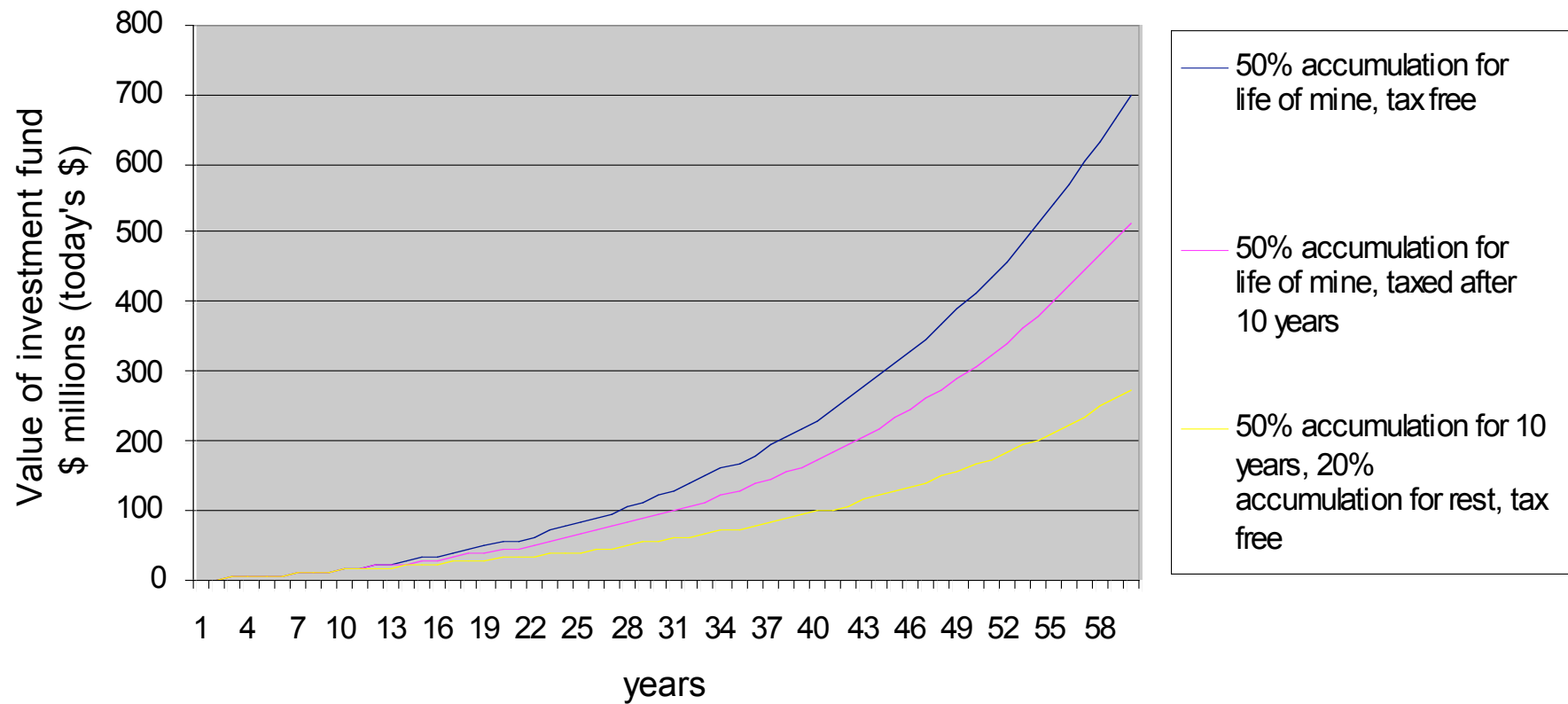
Tax and accumulation of mining agreement benefits

**Mine benefit payments over 60yr life of the mine
(payments total \$267.4 million)**



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Accumulation of mine benefit investment over 60 years



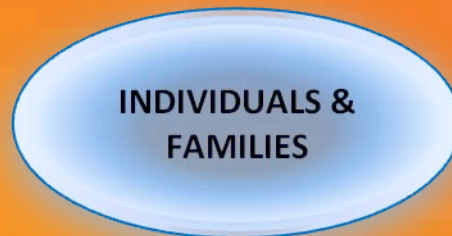
Why do we need something new?

- Current categories of **tax exemption** are awkward and inadequate to meet challenges for regional Indigenous Australia
- Encouragement to maximise the benefits of the mining boom by building social capital
- Encouragement to create intergenerational benefits from the mining boom and mining impacts
- Trusts are, in many cases, carrying out the work of governments – tax represents a double impost

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THE ACTIVITIES



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ACDC Features:

- Register of ACDCs maintained by relevant Minister
- Tax Exemption & DGR status
- Public Company Limited by Guarantee
- Model Constitution with all usual integrity measures
- No individual cash benefits

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ACDC Features (cont):

- Clear guidelines for acceptable activities
- Long term Accumulation of funds permitted
- Multi-purpose objectives that include existing charitable purposes plus community development purposes
- Annual returns to Registrar allow assessment of effectiveness of ACDCs

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ACDC Features (cont):

- Existing charitable trusts have an incentive to transition into new structure, through expanded category of tax exempt community development purposes
- Flexibility for structure to include funds from single source or multiple sources (e.g. group with a number of mining agreements) within the one governance framework

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Thankyou

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2008 Aboriginal Enterprises in Mining, Energy and Exploration