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LIBERATE AND EMPOWER ABORIGINAL PEOPLE IN NEW SOUTH WALES THROUGH ECONOMIC AND SOCIAL INDEPENDENCE
31 October 2013

The Hon Victor Dominello
Minister for Aboriginal Affairs
Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Dear Minister

We present to you the New South Wales Aboriginal Land Council Annual Report for the year ended 30 June 2013, in accordance with the provisions of the NSW Aboriginal Land Rights Act 1983, the Public Finance and Audit Act 1983 and the Annual Reports (Statutory Bodies) Act 1984.

The Report reflects another busy year in the business of land rights.

We commend the contents of the document to the Government and to the Parliament.

Yours sincerely

Stephen Ryan
Chairman
New South Wales Aboriginal Land Council
CHAIRMAN’S WELCOME

This report marks my second year as elected Chairperson of the New South Wales Aboriginal Land Council.

It has been an honour and a privilege to lead the organisation during the 30th anniversary year of the proclamation of the Aboriginal Land Rights Act 1983.

This was particularly so as I moved among the hundreds of Local Aboriginal Land Council delegates, politicians and bureaucrats at our Statewide Conference in Cessnock.

The Conference was, in my view, an operational highlight of a hectic year.

The regional presentations from LALCs showed just how much positive work is going on every day at the community and regional level on economic and social development and in our care for country and community.

It was also particularly pleasing for Council to launch NSWALC’s Strategic Plan 2013-2017 at Conference following close consultation with the land rights network.

As you will read in more detail later, it sets out five strategic priorities underlined by a number of specific goals to achieve real progress over the next five years.

However, the Plan is more than that.

It sets out a long term vision for the NSWALC and the land rights network over the next 25 years. We want to build on the gains of the past and to ensure the land rights network will be thriving by becoming highly prosperous and self-sufficient while remaining culturally strong, well governed and democratically accountable to our people.

I’m confident working to the Plan in the new reporting period, and beyond, will see us continue to build at all levels within the network.

As most of you would be aware this report covers the activities and operations of the NSWALC from July 1, 2012 through to June 30, 2013.

I’m pleased to report it has been again been a year of sustained achievement for the nine-member Council in our ongoing work to further secure and progress the rights and the economic and social well-being of our people.

I’m sure you will agree the work of land rights will never finish.

But the achievements outlined in this document show we continue to meet the challenges posed by the unique legislation which governs so much of our operations.

We continue to make substantial progress in seeking to further secure our land, sea, and water rights to redress our dispossession, re-assert our ownership and control of culture and heritage and address the deplorable living conditions and lack of opportunity which continue to bedevil so many of our communities.

While our self-funding status and our need to work within our financial means has again presented particular challenges for Council and
I wish to take this opportunity to thank those LALC Board members and representatives who took the time and effort to attend the many meetings during the year to ensure their voices were heard in these important processes.

We all know consultation is not consent.

But it is vital the State Government, and other stakeholders, have a clear view of the progress we want to achieve over and above our statutory compliance obligations.

This is crucial in key areas such as the pace of land claim determinations, our right to manage and protect our culture and heritage, the scope and pace of economic and social development and the future sustainability of the network.

I thank my fellow Councillors for their ongoing support during a challenging but rewarding year.

They each bring a wealth of experience and energy to Council and have worked closely with Chief Executive Officer, Geoff Scott and his staff to deliver the gains outlined in these pages.

I look forward to continuing my work with all of them, my brothers and sisters in the network, and all other key stakeholders in the new financial year to further strengthen our organisation and to ensure land rights works better for our people.

I’d also like to thank those in my region for their ongoing support throughout the year.

In closing I pay tribute to all of those who have come before us.

Sadly, many of the generation who fought for, and won, our land rights are passing on and advancing in years.

We must increasingly look to a new generation to take up the fight and build on our gains.

It remains a key challenge if we are to sustain our hard won rights.

I commend this document to you.

Stephen Ryan
Chairperson
NSWALC
REPORT BY THE CHIEF EXECUTIVE OFFICER

This report is my seventh as Chief Executive Officer of the New South Wales Aboriginal Land Council.

The end of this reporting period marked my tenth calendar year working in a number of Executive positions within the organisation and a lifetime of work in, and around, the New South Wales land rights network.

Each year brings new reforms, challenges, and directions.

This has been particularly so in this reporting period.

I’m pleased to report the organisation has risen to those challenges, driven reform, and continued to set out in new directions while maintaining a clear focus on our core business and the core funding of Local Aboriginal Land Councils.

A key task has been to ensure all staff worked closely with Council, and the ever-evolving land rights network, to seek sustainable outcomes against the strategies outlined in our Corporate and Community, Land and Business Plans.

This will continue to be a key task in the new reporting period within the key priorities and goals identified in the NSWALC Strategic Plan 2013-2017.

I’d like to take this opportunity to thank Chairman Ryan and his fellow Councillors for their ongoing support throughout the year.

The Council provided clear guidance and direction in our work to improve the economic and social well-being of our people, particularly in the political environment reflected in Chairperson Ryan’s welcome.

From a management point of view I believe the clear separation between strategic and operational areas also assisted Council to better work with staff to reflect NSWALC’s advocacy and compliance roles and to improve our service to our principal clients, the network of Local Aboriginal Land Councils.

I’d also like to take this opportunity to thank Deputy Chief Executive Officer, Lesley Turner, for his continued support and counsel during the reporting period.

I have made it clear to staff since becoming CEO that the structure of our organisation needs to remain flexible to adapt to our ever changing operational landscape.

The operational gains over the past year, which are reflected throughout this report, suggest the structure is now just about right.

But we will continue to refine our operations as, and when, required as we seek to deliver the outcomes outlined in our new Strategic Plan, and work to amendments flowing from the ALRA Review, and other legislative change, to find new ways to underpin the financial and political sustainability of the land rights network.

I foreshadowed in this space last year that pursuit of economic development opportunities would be a key goal of the NSWALC Strategic Plan 2013-2017
which was being developed by Council and staff as the previous reporting period ended.

That goal now sits alongside our commitments to increase our land base, support to our people, continuing to improve our governance, seeking control over our culture and heritage and maintaining our self-funded status.

Economic development is the key to our future prosperity.

I’m pleased to report the value of the NSWALC Investment Account had increased to $591m at June 30, 2013 as a result of the ongoing prudent management by Council and staff.

It has again out-performed comparable State Government investment accounts.

But it should never been seen as the “gift” that keeps on giving. It is not.

We must find sustainable external revenue streams to augment our growth through land claims and land management and other forms of economic development.

This is why Council made the decision to seek to participate in the resources industry in recognition significant economic, social and cultural benefits can accrue from being an owner of resource rights.

Reliance on government for primary funding is not sustainable. It is benevolence.

The NSWALC’s self-funding status provides us a measure of operational independence from government but that is not to say we would not welcome supplementary financial support to assist us fund the compliance obligations placed on the network.

Countless Aboriginal and Torres Strait Islander organisations, including the NSWALC and LALCs, go about our business without recognition of the services and programs we provide to our people without much assistance from governments.

Over the past several years we have implemented a governance regime to become fiscally prudent. We have constituted independent expert committees to advise the Council in areas of investment, audit and risk, finance and governance.

We have also introduced a “spending rule” to smooth out costs against income generated from our investments to ensure we do not go through the peaks and troughs inherent in volatile investment markets.

Like others we are subject to auditors and regulators but we ensure our cultural ideals and ways of doing business are at the forefront.

But being fiscally prudent does not excuse levels of government from investing in Aboriginal governance structures.

For too long governments have acted as a vacuum and sucked all funding for administration and governance from our organisations.

Community controlled organisations are then left to operate on the passion and commitment of unskilled volunteers.

I believe it is crucial for governments to reinvest in Aboriginal people and communities to provide training opportunities to build capacity and allocate administration costs to community controlled programs and services.

The imposition by the Parliament of increasing administrative and procedural costs on the land council system continues to undermine the capacity of the system to progressively increase the real benefits flowing to Aboriginal people and to increase funding levels to LALCs.

The governance agenda is vital for progress and a challenge for all, not just Aboriginal community controlled organisations. It is about accepting responsibility and demonstrating that fact.

Effective governance requires three key components. Community, organisations and governments each playing a role in ensuring strong governance outcomes are delivered.

The United Nations Declaration on the Rights of Indigenous Peoples should underpin all levels and components of a strong and effective governance regime to enable sustainable economic, social and cultural outcomes.

But governance cannot be considered in isolation.

It is closely linked with accountability, capability and development.
I suspect we will never get the type of support we need from the State and Federal Government’s for the full autonomy we aspire to.

However we will continue to seek to build strategic alliances with them, and other key stakeholders, to gain what support we can.

Meanwhile we will continue to build the strong collaboration between our elected Council, Local Aboriginal Land Councils and our respective staff within the key priorities of our Strategic Plan.

This continued cooperation will be essential in meeting the NSWALC’s priorities and requirements in the new reporting period and over the term of the Plan.

We seek to deliver a range of social, economic and cultural outcomes against its priority areas and the achievements outlined in this document show we are making progress on all.

I’m confident successful implementation of the plan will ensure Aboriginal communities in NSW achieve and maintain social, economic and cultural rights within a framework of good governance and accountability.

I look forward to working in the new financial year with our elected representatives and staff at all levels of the land rights system to ensure we continue to build on the rights which have been hard won over the past 30 years.

Geoff Scott
Chief Executive Officer
ABOUT THIS REPORT
This document reports on the activities and financial dealings of the New South Wales Aboriginal Land Council for the period 1 July 2012 to 30 June 2013.

It includes the financial, and other reports, required under the NSW Government’s Annual Reports (Statutory Bodies) Act 1984 and also provides a summary and highlights of our activities and achievements during that period.

The normal functioning of Council described throughout this report assumes a model of elected representative members collectively setting policy direction.

Council is assisted by an experienced CEO, and a skilled team of senior managers and staff.

They work with Council to assist local Aboriginal communities strive to achieve economic and social independence.

Given the unique nature of the organisation, and for the benefit of new readers, it is important to place in context how the NSWALC came into being, what the Land Council system in New South Wales is designed to do, and how it goes about doing it.
The Constitution, Objects and Functions of NSWALC are set out in Part 7 of the ALRA.

In essence, these give the New South Wales Aboriginal Land Council the mandate to provide for the development of land rights for Aboriginal people in NSW, in conjunction with a network of Local Aboriginal Land Councils through:

• Land acquisition either by land claim or purchase

• Establishment of commercial enterprises and community benefit schemes to create a sustainable economic base for Aboriginal communities

• Maintenance and enhancement of Aboriginal culture, identity and heritage (including the management of traditional sites and cultural materials within NSW).

The NSWALC also acts as an advisor to, and negotiates with, Governments, and other stakeholders, to ensure the preservation of Aboriginal land rights.

As the peak Aboriginal representative body in NSW, it is charged with managing the NSWALC Investment Account, valued at $591 million at June 30, 2013.

It also oversees the development and management of a significant Aboriginal owned land estate.

Added to this are properties acquired by purchase or other transfer of land (such as former missions/reserves) into LALC ownership.

WHO WE ARE AND WHAT WE DO
The New South Wales Aboriginal Land Council is the peak Aboriginal representative body in New South Wales.

It was first established in the late 1970’s to assist in the fight for land rights.

It is a common misconception that the New South Wales Aboriginal Land Council was established as a direct result of the passage of the Aboriginal Land Rights Act (NSW) in 1983.

This is not the case.

A non-statutory NSW Aboriginal Land Council was established in 1977 as a specialist Aboriginal lobby on land rights.

It was formed when over 200 Aboriginal community representatives and individuals met for three days at the Black Theatre in Redfern to discuss land rights.

The organisation was formally constituted as a statutory corporation with the passage of the New South Wales Aboriginal Land Rights Act in 1983.

The purposes of the Act are as follows:
• To provide land rights for Aboriginal persons in New South Wales.
• To provide for representative Aboriginal Land Councils in New South Wales.
• To vest land in those Councils
• To provide for the acquisition of land, and the management of land and other assets and investments, by or for those Councils and the allocation of funds to and by those Councils.
• To provide for the provision of community benefit schemes by or on behalf of those Councils.

These should be read in conjunction with the preamble to the Act, which states:
• Land in the State of New South Wales was traditionally owned and occupied by Aborigines.
• Land is of spiritual, social, cultural and economic importance to Aborigines.
• It is fitting to acknowledge the importance which land has for Aborigines and the need of Aborigines for land.
• It is accepted that as a result of past Government decisions the amount of land set aside for Aborigines has been progressively reduced without compensation.
Council Structure and Membership
The New South Wales Aboriginal Land Council’s elected arm consists of nine Councillors democratically elected by registered voting members of Local Aboriginal Land Councils.

They are elected to serve a four year term.

The positions of Councillor are established under the NSW Aboriginal Land Rights Act, 1983 (as amended) with salaries determined by the Statutory and Other Offices Remuneration Tribunal for Public Office Holders.

The Council itself elects its Chairperson and Deputy Chairperson at the first meeting of Council following the election of Councillors.

Both hold office for a term of two years and are eligible (if otherwise qualified) for re-election.

An election for one Councillor to represent each of the nine regions on the New South Wales Aboriginal Land Council was held on August 6, 2011.

The positions of Chairperson and Deputy Chairperson were determined by elected Councillors in a secret ballot held under the auspices of the Registrar of the ALRA, Mr. Stephen Wright, on the first day of the first meeting of the newly elected Council on August 18, 2011.

The ballot resulted in the election of Central Region Councillor, Mr. Stephen Ryan, as Chairman.

Wiradjuri Region Councillor, Mr. Craig Cromelin, was elected Deputy Chair.

Both retained these positions during the reporting period.

The Role of Councillors
As a member of the governing body of the NSWALC, the role of each Councillor is:
• To direct and control the affairs of the Council in accordance with the Act, and
• To participate in the allocation of the Council’s resources for the benefit of Aboriginal people, and
• To participate in the creation and review of the Council’s policies and objectives, and
• To review the performance of the Council in the exercise of its functions and the achievement of its objectives.

In addition, the role of a Councillor is:
• To represent the interests and respond to the concerns of Local Aboriginal Land Council members, and
• To facilitate communication between the Local Aboriginal Land Council members and the New South Wales Aboriginal Land Council.
Councillor Profiles
Following are short profiles of each Councillor.

Chairman and Central Region Councillor

STEPHEN RYAN
Stephen is a Wiradjuri man who lives in Dubbo. Stephen has worked in a range of areas such as family violence and land management.

He has held several managerial and elected positions and has worked for NSW NTS in Native Title for 5 years.

He is a former Chairman and current member of the Dubbo Local Aboriginal Land Council. Stephen believes it is important that NSWALC focuses on securing land given its spiritual, social, cultural and economic importance to Aboriginal people. Councillor Ryan was elected Chairman of the NSWALC in August 2011.

Wiradjuri Region

CRAIG CROMELIN
Craig, an artist, is a descendant of the Ngiyampaa people of southwest New South Wales.

A former cotton picker, carpenter, welder, he describes himself as a “jack of all trades.” He is a member of the Murrin Bridge Aboriginal Land Council.

Craig has held several managerial positions, including Chairperson of the Murrin Bridge Aboriginal Advancement Corporation, the Murrin Bridge Local Aboriginal Land Council and the Wiradjuri Regional Land Council. He was re-elected in August 2011 and was subsequently elected to the position of Deputy Chairperson of the NSWALC.

Northern Region

TOM BRIGGS
Tom is a member of the Gumbainggir nation and has lived and worked in the Armidale District most of his life. He is a member of the Dorrigo Plateau Local Aboriginal Land Council. He previously worked with the Department of Education, Employment and Training for twenty years, gaining extensive experience in human resources and training issues. He is a former councillor with the Aboriginal and Torres Strait Islander Commission and the Armidale City Council. Councillor Briggs has a degree in administrative leadership. He served as Deputy Chairperson of NSWALC from May 2007 to August 2011. He did not nominate for the position on the new Council.
Sydney Newcastle Region

ROY AH-SEE
Roy is a Wiradjuri man who was born and bred on Nanima Reserve, near Wellington. He is a member of the Darkinjung Local Aboriginal Land Council.

He has previously worked at the NSW Aboriginal Housing Office and various government departments as a policy officer.

He worked at NSWALC as a policy officer before being elected. Councillor Ah-See has a Bachelor of Arts Degree (Social Welfare).

He was re-elected as Sydney-Newcastle Region Councillor in August 2011.

SouthCoast Region

NEVILLE “JACK” HAMPTON
A Yuin man, Jack, has been active in Aboriginal Affairs for more than 40 years. Before his election to NSWALC he was engaged in Aboriginal employment consultancy work at Mission Australia.

He also recently worked with his wife of 46 years, Eileen, to mentor Aboriginal Students in Hostels after more than 30 years work with JervisBayNational Park.

He has a Bachelor Degree in Adult Education and is a former deputy chair of Wreck Bay Aboriginal Community Council and former Treasurer of Nowra Local Aboriginal Land Council, of which he is still a member. Councillor Hampton was re-elected in August 2011.

Mid NorthCoast

PETER SMITH
Peter is a Dungutti man from Kempsey. He has lived and worked in the Taree region for nearly three decades. Peter has a strong connection to the New South Wales land rights system and is passionate about health equality, housing, land rights and culture and heritage.

He has a great deal of experience working with his local community in different capacities and has served as the Chairperson of the Purfleet-Taree Local Aboriginal Land Council for a total of ten years.

Peter also worked for the NSW police service for ten years, and worked with the Hunter New England Area Health Service for 11 years.
Councillor Profiles

North West Region

ANNE DENNIS
Anne is a Gamilaraay woman who has lived most of her life in Walgett. She has a strong background in education, having trained as a teacher, and has been heavily involved in the implementation of state Aboriginal education policies over the past three decades.

She has participated in the land rights system in many communities across NSW and has been an active member of Walgett Local Aboriginal Land Council for over ten years. She was CEO of Walgett LALC in 2009.

Anne is passionate about supporting Local Aboriginal Land Councils to be independent and self-sufficient and believes this can be achieved through employment, better educational outcomes and social justice for all Aboriginal people.

Western Region

DES JONES
Des is a Murrawari man, born in Brewarrina. He spent most of his youth in the Northern Territory before returning to live in western NSW for the past 34 years.

He has been involved in community, regional and state development issues over the past 30 years. He is the Chairperson of the Murdi Paaki Regional Housing Corporation and was Chairperson of Maari Ma health Aboriginal corporation for nine years. He was also a Board member of the NSW Aboriginal Housing Office for six years. Des is also an active representative of the Murdi Paaki Regional Assembly.

Des has been a solid supporter of Aboriginal rights and a strong advocate for land rights, economic development and good governance.

North Coast

TINA WILLIAMS
Tina is a Bundjalung woman born and raised in Lismore. Tina, a single mother, has been involved in the land council network for over 20 years at both the professional and political levels.

She is a longstanding member of the Ngulingah LALC. She was the elected Secretary before taking on the full time Coordinator’s position for some six years.

Tina has also worked in various positions at NSWALC, including more than six years as a LALC support officer in the Northern Zone office.

Tina has a Bachelor Degree in Community Management, a Certificate IV in Frontline Management, and tertiary qualifications in business management.
The administrative arm of NSWALC has been arranged in functional areas relating to the core business of the Council, particularly Land Rights, Investment, support to the Land Council network, and policy and advocacy.

The Council is supported in its work by a Head Office, located in Parramatta, and a Zone office structure established in five regional centres, Dubbo, Queanbeyan, Coffs Harbour, Broken Hill and Gosford.

The NSWALC administration is headed by a Chief Executive Officer with the delegated authority of the Council to assume responsibility for all aspects of the day to day operation of the Council’s affairs.

The administrative structure has undergone significant change in recent years in response to operational requirements, existing and emerging strategic opportunities, and amendments to the ALRA.

This work continued, to a much lesser degree, during this reporting period.

As at 30 June 2013, the actual staffing level, including Councillors, was 125 employees with 31 staff members working in the Zone Offices.

More than 53 per cent of NSWALC staff are Aboriginal.
Senior Executive Team
The NSWALC employs a four person Senior Executive team.

The Chief Executive Officer, Mr Geoff Scott, was appointed in November, 2007 and has retained this position ever since.

Mr. Lesley Turner, was appointed to the position of Deputy Chief Executive Officer in March 2011 and retained this position throughout the reporting period.

The appointment of Mr Turner allowed the Chief Executive Officer to complete a number of proposed changes to managerial reporting lines following a review of the administrative structure.

This coincided with a new investment objective endorsed by Council for the NSWALC Investment Account which placed greater fiscal discipline on operational expenditure.

These triggered a move to a flatter and more strategic structure with a clearer separation between the strategic/policy and operational areas.

The division was designed to better reflect NSWALC’s advocacy and compliance roles.

The revised structure established the positions of Director of Policy and Director of Corporate Services.

Under the restructure, the Director of Policy, Mr Malcolm Davis, assumed managerial oversight of the Legal Services Unit, the Land Rights Unit, the Policy and Research Unit, including Council and Strategic Initiatives, and the Media and Marketing Unit.

In turn he reports to the Chief Executive Officer.

The Corporate Governance Unit, Council Secretariat, and the Chief Investment Officer also report directly to the CEO.

The Director of Corporate Services, Mr Kumar Ganendran, assumed managerial responsibility for the Finance, Information Technology, Records Management, Human Resources, and Training and Development Units with a direct report to the Deputy Chief Executive Officer.

The Zone Offices, the Commercial Unit, and Program Management Unit also report directly to the Deputy CEO.

The new structure became fully operational during the last reporting period.

It remained largely unchanged during the 2012-13 financial year.

For ease of reference the structure is reflected in this Report under two sections, Strategic and Operational.

Our Clients
The principal client of NSWALC is a network of Local Aboriginal Land Councils which collectively manage the range of support services delivered at the local level to their communities.

These services include housing, legal affairs, employment, training, culture and heritage and property acquisition and management.

The NSWALC worked during the reporting period within five key objectives of a Council endorsed Community Land and Business Plan 2009-12.

This was implemented in accordance with the requirements of Division 5 of the Aboriginal Land Rights Act 1983 (as amended).

The NSWALC is required by law to ensure the Plan contains, amongst other things, the objectives and strategy of the Council for:
- The acquisition, management and development of land and other assets.
- The provision and management of community benefit schemes.
- The carrying out of business enterprises and investment.
- Aboriginal culture and heritage

The Plan also detailed, as required, the development or acquisition of human resources and skills to implement the proposals and timelines for the achievement of proposed strategies and proposals in the Plan together with particulars of the assets and liabilities of the Council.

It was implemented in conjunction with a NSWALC Corporate Plan 2008-2012.

This was adopted by Council in March 2008 and released to coincide with the 25th anniversary of the proclamation of land rights in New South Wales in June 2008.
New Strategic Plan
As foreshadowed in this space last year a new Strategic Plan was developed, in consultation with the land rights network, during the reporting period.

A draft was circulated to all Local Aboriginal Land Councils at a series of regional forums convened by Councillors in September and October, 2012.

A final draft was endorsed by Council in December 2012 and re-circulated to the LALC network for further comment.

The plan was formally approved by Council in February 2012 and launched as the first item of business at the NSWALC Statewide Conference held in Cessnock in June 2013 which coincided with the 30th anniversary of the ALRA.

The New South Wales Aboriginal Land Council Strategic Plan 2013-2017 replaces the previous Corporate Plan and serves as the organisation’s Community Land and Business Plan for the purposes of Part 7, Division 5 of the Aboriginal Land Rights Act 1983 (NSW).

The document sets out in plain English what NSWALC is, what we do, and what we seek to achieve.

NSWALC’s overarching aim is to work within the key goals of the Plan to provide leadership and guidance to the land rights network in the pursuit of sustainable cultural, political, social and economic rights.

The Plan sets out the strategic priorities and goals determined by Council for the life of the plan and the actions which should be pursued in its implementation and delivery.

It contains five key priorities identified by Council.

They are:
• To continue to secure and manage land for the benefit of Aboriginal people in NSW.
• To continue to improve the governance of the land rights network, including its financial and political sustainability, to ensure its long term viability and legitimacy.
• Drive economic development across the land rights network to support the Aboriginal people of NSW to achieve greater economic independence.
• To continue to ensure the benefits derived from the land rights network continue to support the social needs of our people.
• To protect and promote Aboriginal culture, heritage and the environment for the benefit of present and future generations.

All are of equal importance.

The strategic priorities are supported by a range of identified goals, actions and key performance indicators to ensure the NSWALC can transition to the new Plan and chart its implementation and outcomes.

Responsibilities for implementation of the Plan are assigned at a work unit level.

Local Aboriginal Land Councils
As noted earlier, the principal clients of NSWALC are the 120 Local Aboriginal Land Councils located across nine regions.

The Act established the land council structure in a way that has sought to achieve a high degree of participation and involvement by every Aboriginal person in the affairs of their local community.

A total of 120 Local Aboriginal Land Councils were registered across the State during the reporting period.

A complete list of Local Aboriginal Land Councils is located at Appendix 1.

Each LALC has elected its own Boards under changes to the ALRA which came into effect on July 1, 2007.

LALC Boards, staff and members are encouraged to access advice, information and support from the NSWALC in relation to all aspects of land rights.

The on-going priority for NSWALC is to ensure that all Local Aboriginal Land Councils are afforded timely advice and direction on matters relevant to the Aboriginal Land Rights Act.

They are supported financially and through high level training and development to build their capacity to strategically plan and manage their affairs at their local level.

The NSWALC also deals with a range of government, non-government and private sector stakeholders in carrying out its functions.
The nature and extent of our dealings with relevant stakeholders vary from time to time.

They are often dependent on what function each stakeholder represents and their significance to the operations of NSWALC and Local Aboriginal Land Councils.

The New South Wales Aboriginal Land Council is committed to working with all relevant stakeholders to improve outcomes for our people.

The NSWALC has worked throughout this reporting period to deliver on these commitments. In doing so it has been able to influence a number of major reforms which are reported on in this document.
STRATEGIC
Legal Services Unit
The work of the Legal Services Unit goes to the core purpose of the NSWALC, the return of land to the Aboriginal people of NSW.

The Unit provides legal advice and assistance to the NSWALC, and the network of Local Aboriginal Land Councils, to further the development of land rights in NSW.

It also provides advice to the nine-member elected Council and staff on a wide range of statutory, administrative and commercial issues to enable the organisation to operate, effectively and consistently, within its obligations under the Aboriginal Land Rights Act 1983.

The Unit's work during the reporting period included:

• Reviewing all land claim refusals in the reporting period, to assess whether they were correctly refused by the Ministers for Crown Lands.
• Close supervision of land claim appeals and other matters briefed out to external lawyers to ensure a co-ordinated and strategic approach and to obtain instructions from the relevant Local Aboriginal Land Council where appropriate.
• Legal advice on the Review of the Aboriginal Land Rights Act 1983 being undertaken by the Minister for Aboriginal Affairs and the Aboriginal Land Rights Amendment Bill 2013.
• Legal advice to the Council and NSWALC staff about the operation of the Aboriginal Land Rights Act 1983.
• Legal advice to NSWALC staff on a wide range of commercial and contractual matters and policies and guidelines.
• Providing assistance and advice to LALCs on matters of importance to the operation and effectiveness of the land rights network as a whole, particularly
• Overseeing all of the NSWALC’s legal risk management issues.

At the end of this reporting period, the Unit comprised a Principal Legal Officer, two Senior Legal Officers, one Legal Officer, one Paralegal and one Administrative Assistant.

The Unit was managed by Principal Legal Officer, Ms. Lila D'Souza.

The Senior Legal Officers, Mr Mark Dupuis and Ms Anna Harding, and the Administrative Assistant, Ms Madhu Gopal, worked in the Unit throughout the reporting period.

Legal Officer, Mr Paul Bertram, commenced duties on 11 July 2012. Paralegal, Ms Emma Lutwyche, commenced for two days a week on 9 April 2013.

The Unit was assisted by five volunteer legal interns during the reporting period.

They were placed in the Unit as part of the Aurora Project, which is run by the University of New South Wales. All provided invaluable assistance on a number of projects and legal matters.

Land Rights Unit
The Land Rights Unit plays a pivotal role in the research, lodgment and monitoring of land claims on behalf of NSWALC and LALCs.

Its work implements the core principle of the ALRA – that the provision of land rights is fundamental to Aboriginal self-determination and autonomy.

A viable land base is integral to the achievement of those principles.

After more than a quarter of a century building the land base, the land rights network is now able to use that land for the economic, cultural and environmental benefit of Aboriginal people in NSW.

The Unit provides support and assistance to LALCs in the land claims process as many do not have the resources to make claims on their own behalf.

It has provided training for LALC staff to assist them to understand the claims process and then make claims on their own behalf.

While NSWALC continues its leadership role in the claims process, with over 90% of all claims lodged by NSWALC, those LALCs that have participated in the training have taken on the responsibility of making claims. This is reflected in land claims lodged during the reporting period.

The Unit also maintains a Register of all land held by NSWALC and LALCs, pursuant to NSWALC’s obligations under section 106(2)(g) of the ALRA.

The Unit was staffed throughout the reporting period by Manager, Mr. Terry Millott and Senior Land Rights Officer Mr. Troy Lancaster.
Corporate Governance
This Unit provides corporate and administrative support to Council and the Chief Executive Officer.

There are five operational areas within the Unit: Secretariat, Complaints, Corporate Committees, Internal Audit and Planning and Risk Management.

The Director, Corporate Governance leads a small team in undertaking these functions.

Ms Jenny Bedford held the position until January 2013 when she took a secondment to the Australian Human Rights Commission.

Mr Frank Greathead has been Acting Director, Corporate Governance since February 2013.

Secretariat
The Unit is responsible for maintaining Council records, managing communications between the Council and the administrative arm, and providing advice to the CEO and the Council on governance issues.

These services were provided by the Secretariat Officer, Ms Evelyn Camilleri. Administrative support to the Chairperson and Council was also provided by the Assistant to the Chairperson, Ms Cassandra Marshall.

Complaints
The NSWALC is committed to maintaining an effective complaints handling system that aims to assist with difficulties, grievances and complaints in a prompt, impartial and just manner.

Through the handling of complaints NSWALC is able to review and improve its own service delivery to support the network of Local Aboriginal Land Councils.

A NSWALC complaints policy was finalised in 2012.

All complaints during the reporting period were managed by Ms Stevie Hayes in accordance with this policy.

The Unit is also responsible for receiving and managing allegations of corruption, or other serious allegations, and for ensuring these are reported to the Registrar of the ALRA, the Independent Commission Against Corruption, and/or Police, as appropriate.

Corporate Committees
The NSWALC has delegated certain functions to specialist Committees comprised of Councillors, NSWALC staff and independent members.

The Committees are established under Section 118 of the ALRA to complement the operational integrity of the organisation.

They are:
- Audit and Risk Committee
- Finance Committee
- Governance Committee
- Investment Committee.

A new Economic Development Advisory Committee was also being constituted in line with the strategic priorities outlined in the NSWALC Strategic Plan 2013-2017.

The work of each Committee is governed by a Committee Charter which sets out its terms of reference, composition, roles and responsibilities and its relationship with the NSWALC.

The secretariat services to the Corporate Committees were provided in this reporting period by Ms Marianne Linke.

Internal Audit, Planning and Risk Management
NSWALC is required by the Public Finance and Audit Act 1983 to maintain an effective system of internal controls including an effective internal audit function to assist in the identification, evaluation and management of risk.

NSW Treasury Policy TPP 09-05 also requires NSWALC to maintain an Enterprise Risk Management Plan.

NSWALC’s internal audit function is an independent and objective assurance system designed to add value by improving NSWALC’s operations.

The Internal Audit function assists in the identification, evaluation and management of risk.

The function is independent from operational management and the activities are reviewed by internal audit.
As part of an ongoing Student Internship Program managed by the Policy and Research Unit for the past four years, the team continued to be assisted with key projects by a range of university student interns from the Aurora Program and the University of Technology Sydney.

Media and Marketing Unit
This Unit has an important role in the ongoing development and promotion of NSWALC and the land rights network.

Its joint aim is to improve the profile of the organisation and to facilitate improved communication within the Land Council network and the broader community.

It seeks to do so by increasing awareness of the importance of land rights and attendant issues.

This underpins the advocacy work of the NSWALC, its staff, and Local Aboriginal Land Councils.

The Unit’s formal functions and responsibilities include:

- Providing strategic advice and briefings on media and marketing issues to Councillors, Local Aboriginal Land Councils and senior staff
- Media monitoring.
- Initiating positive stories and responding to inquiries and requests for information from mainstream and independent media, the community and government bodies
- Liaising with media, community and government organisations.
- Organising public and internal events and promotional activities
- Producing NSWALC publications, posters, flyers and online services.
- Producing and publishing the monthly magazine, Tracker.

As reported last year, the former and founding editor of the National Indigenous Times newspaper, Mr. Chris Graham, was appointed to the position of Director of Media and Marketing in January, 2010.

Mr. Graham recruited two young Aboriginal journalists with experience in print and broadcast journalism to assist in the production of Tracker magazine and to bolster NSWALC’s video production, and to work to converge both through NSWALC’s online facilities.
Former print and television journalist Chris Munro joined the staff in May 2010 to work on the convergence of print and broadcast media.

He was joined by Ms. Amy McQuire as Editor of Tracker in November 2010.

Ms. McQuire continued in this position throughout the reporting period.

During the last reporting period Mr. Munro was appointed in an acting capacity as the Director of Media and Marketing to allow Mr. Graham to concentrate on his duties as Managing Editor of Tracker.

Mr. Munro formally replaced Mr. Graham as the Unit’s Director of Media and Managing Editor of Tracker during this period.

This followed Mr. Graham’s decision to leave full time employment with the NSWALC.

He now works in a freelance capacity providing monthly features for Tracker and its LALC Land supplement which reports on the success of Local Aboriginal Land Councils across the state.

Ms. Shyamla Eswaran, who had been appointed Associate Publisher of Tracker in February 2011, also decided to leave to pursue a number of freelance opportunities.

The departure of both led to a reappraisal of work allocation within the Unit which resulted in an expansion of internal resources to accommodate the increasing workload from the monthly production of Tracker.

In turn, this resulted in a revamp of the magazine.

Talented graphic artist Darren Moss was employed as Tracker’s Production Manager.

Ms. Eswaran was replaced by Margot Bell in January 2013 in the position of Sales Manager.

Ms. Bell is now assisted by Sales Representative Youlianna Barsoom and Circulation Co-ordinator Rabea El-Masri who were employed as a result of the expansion.

The Unit’s video production work was bolstered by the appointment of journalist Josh Ridgeway and Special Projects media officer Sol Bellear.

The marketing and information effort continued to be conducted by a small team led by NSWALC Aboriginal Resource Centre Co-ordinator, Ms. Sarah Puckeridge.

Ms. Puckeridge supervised NSWALC marketing activities, assisted by Mr. Phillip Mundine, who also assumed the role as Tracker Sports Editor, and Ms. Coral See whose primary responsibilities are reception and switchboard duties.

As noted last year, all are long term NSWALC employees.

The Unit continued to be assisted in its strategic focus and initiatives by former Media and Marketing Director, Mr. Brian Johnstone.

**Investment**

The NSWALC’s Chief Investment Officer is Mr. Chadwick Pocock.

He has the overall responsibility for the establishment and oversight of risk management and reviews of the NSWALC’S investments.

Risk management policies are established to identify and analyse the risks faced by the Council, to set risk limits and controls, and to monitor risks.

As noted above, Mr. Pocock reports directly to Council through the Chief Executive Officer.

Compliance with policies is also reviewed by the Internal Auditor on a continuous basis.
OPERATIONAL

Lesley Turner
Deputy Chief Executive Officer
The Operational Division
This division is responsible for ensuring a comprehensive range of services is provided to the NSWALC and the land rights network with a series of direct and indirect reports by Unit managers to the Deputy Chief Executive Officer, Mr. Lesley Turner.

The division is responsible for all ongoing development and implementation of operational processes and procedures.

These are designed to guide the operations, and seek to fulfill the aspirations, of the network of 120 Local Aboriginal Land Councils.

The division monitors the compliance of Local Aboriginal Land Councils with their statutory reporting obligations to the Government under the ALRA.

This can be a difficult and complex task given the number of LALCs and the number of legislative changes in recent years.

Compliance statistics are outlined later in this report.

Sydney-based Units within the division work hand in hand with NSWALC’s small network of Zone offices on a continuous improvement program in relation to LALC compliance with the legislation while assisting LALCs build their capacity in delivering community benefits from their land base.

The Zone offices are located at Coffs Harbour, Dubbo, Queanbeyan, Gosford and Broken Hill.

The division houses the Program Management Unit and the Commercial Unit.

It also contains Corporate Services (formerly Finance and Administration) a core operational hub within NSWALC which contains four units integral to the effective and efficient operation of the organisation.

These units report directly to Mr. Ganendran who, in turn, reports to Mr. Turner.

All other Units, and the Zone Offices, report directly to Mr. Turner.

Details on the structure of each Unit and the Zone Offices follow.

The major activities and achievements of each Unit and Zone Office are reported upon in the Review of Operations section of this document.

Corporate Services
As noted earlier, Corporate Services houses the Finance, Record and Administration, Human Resources and Training and Information and Communications Technology Unit.

They provide a wide range of financial and administrative services to Council, management and staff in their dealings with Local Aboriginal Land Council’s.

They have the following functions and responsibilities.

Finance Unit
This Unit is directly responsible for the financial management and stewardship of the NSWALC.

Its key responsibilities include:
• The implementation of the Strategic Plan 2013-17 and Unit operational plans in association with the Corporate Governance and other business units;
• The preparation of the NSWALC annual budget;
• The provision of efficient and timely accounting services and information to all relevant stakeholders;
• Ensuring statutory and regulatory compliance on all financial matters that affect the NSWALC;
• Monitoring performance and reporting; and
• Facilitating the implementation of Business Continuity and Disaster Recovery plans.

The Finance Unit operated under a new structure during this reporting period.

It was endorsed by the Council in August 2012 based on a review by our Internal Auditor and an appraisal performed by Senior Management.

The new structure provided a more integrated approach to delivering outcomes whilst improving efficiency and performance in the provision of financial services to the organisation.

The Finance Unit is staffed by eight officers, split between Financial Accounting and Management Accounting.
The Senior Financial Accountant is Mr Eddie Song, Assistant Accountant, Harry Qu and four Finance Officers, Jodie Gale, Urvashi Umaria, Evonne Lin and Dan Dan Xie.

The Commercial Management Accountant is Harold Legaspi, assisted by two Finance officers, Grace Hwang and Herbet Wong.

**Human Resources and Training Unit**

This Unit provides a comprehensive range of human resources and training development services to the organisation.

It also undertakes the ongoing review of workplace related policies, procedures and practices to ensure the organisation follows best practice and meets its legislative and business requirements.

The Unit’s additional key responsibilities include:

- Planning to ensure a full complement of employees to meet the NSWALC’s priorities in line with the Strategic plan.
- The recruitment and induction of staff.
- The co-ordination of training and career development functions and programs in line with the Capacity Development Plan.
- Employment relations policies, strategies and programs, including the provision and processing of employee terms, conditions entitlements and salaries;
- Rights and Protections, including industrial relations and Workplace Health &Safety
- Performance planning and monitoring;
- Advocacy and dispute resolution.

The Unit also provides an extensive range of training and development services for Councillors, staff and the Local Aboriginal Land Council network in line with a five year Capacity Development Plan.

These services are aimed at improving governance and providing capacity building by achieving sustained improved efficiency and effectiveness in Land Council operations.

The training function includes:

- Development of the NSWALC Capacity Development Plan based on training need analysis.
- Working in collaboration with the Zone Offices to determine and provide training needs and materials for the LALC network.
- Sourcing external funding and/or related assistance.

- Provision of mandatory governance training.
- Monitoring and reporting of training and development activities.

The Unit is staffed by a small team who report to Manager, David Rawson.

They are Human Resources Co-ordinator Diane Lee, Human Resources Officer, Rose Gordon and Senior Training and Development Officer Padma Bharadwaj.

**Records and Administration Unit**

The purpose of this Unit is to provide administrative support in compliance with NSWALC policies and procedures to the Councillors’ and Councillor Support Officers, Head Office, and Zone Offices.

Specific duties include:

- Organising all travel arrangements
- Management of Cab Charge
- Procurement
- Management of Corporate Cards
- Motor Vehicle Management
- Tender & Contract Management
- Building Maintenance
- Maintenance of Councillors’ Regional Offices
- Staff Development

In addition, the other key service provided is the Record Management service to all NSWALC staff in compliance with State Records Act, Disposal Guidelines and NSWALC policies and procedures.

This includes:

- Records Management
- Mail Handling
- Use of an Electronic Document Management system TRIM

The Unit has four staff.

They are Travel and Administration Officer, Ms Lesley Smith, Senior Records Officer, John Toth and Archive and Disposal officer, Pratima Rohan.

They report to the Administration, Records and Procurement Manager Dianne Van Aken.
The Unit’s core functions and responsibilities include:
- Land dealing issues including the appraisal of all land dealing applications submitted to the NSWALC by LALCs.
- Financial and operational management of the NSWALC’s large property portfolio.
- Operational Management of the NSWALC’s large portfolio of land including vacant land and rural holdings.
- Commercial advice and assistance to all areas of the NSWALC.
- Establishment and management of leasing arrangements for multiple Zone and Councillors offices.

The Unit was staffed by a small team during this reporting period.

It comprised, Commercial Analysts, Jarrod Chapman and Vanessa Chau, Property Coordinator, Kelly-Ann West, Assistant Property and Land Dealing Coordinator, Hsiew Huang and Indigenous Money Mentor, Gordon Simon.

All report to the Unit’s Director, Julie Van Agten.

Program Management Unit
This reporting period marked the second full year of operations for the Program Management Unit.

The Unit is responsible for administering the NSWALC’s major funding programs.

These include:
- The Aboriginal Communities Water and Sewerage Program
- The Education Endowment Fund
- The Freddie Fricke Scholarship Scheme
- The Funeral Assistance Grants Scheme
- The Subdivision Program
- Discretionary Grants

It continued to work in close consultation with the NSWALC’s Zone Offices in the preparation of advice to Council on the approval of community land and business plans, community benefit schemes, the appointment of investigators and administrators when, and if, required and the approval of social housing schemes.

The Unit also managed a range of Local Government issues on behalf of Council in addition to its responsibility for the monitoring and state wide reporting of LALCs compliance with the requirements of the ALRA.
However, the ultimate power to approve such appointments rests with the Minister for Aboriginal Affairs. The NSWALC considers such appointments to be a measure of last resort.

Any such appointees are selected from a Joint List of Investigators and Administrators prepared by Aboriginal Affairs NSW (AANSW) and the NSWALC.

The Program Management Unit along with AANSW are together responsible for managing and monitoring the progress of the appointments, coordinating decision papers, the acquisition of approvals and maintaining the Joint List.

All staff in the Program Management Unit report to its Director, Mr. Robert Burgess.

Zone Offices of NSWALC

The NSWALC’s Zone offices, which were first put in place in 2004, provide a range of field services directly to Local Aboriginal Land Councillors.

The NSWALC had previously provided support to LALCs directly through a network of Branch Offices.

A lack of depth of skilled resources at the Branch level contributed in part to the decision to consolidate the 11 Branch Offices into Zone Offices, each with the resources to adequately service the particular needs of the LALCs in their Zone.

The Eastern, Western, Southern and Northern Region Zone offices all became fully operational in December 2004 and continued to consolidate their operations with the ALC network during this reporting period.

A decision was taken in April 2011 to locate a Far Western Zone office in Broken Hill to service eleven of the more remote LALCs in the Western Region.

The former Chief Executive Officer of the Murdi Paaki Regional Housing Corporation (Broken Hill) and Acting Deputy Chief Executive Officer of the NSW Aboriginal Housing Office, Mr. Ross Hampton, was appointed Zone Director.
THE YEAR IN REVIEW

All operational areas of NSWALC conduct regular internal reviews of their operations, as well as being subject to external review by a range of bodies, particularly the NSW Audit Office.

A review of operations and a summary of achievements during the reporting period are outlined in this section of the Report.

The achievement section begins with a report on a number of the major political initiatives of the nine member Council set against the prevailing political and economic climate as this reporting period began and ended.

The reporting period was a particularly hectic one for Council.

The Council continued to work to focus on its core business of land rights and its ongoing advocacy work at the local, national, state, regional and international level. and ongoing consultation with the network on the future financial sustainability of the self-funded land rights system.

The election of the current Council coincided with two major initiatives from the newly elected O’Farrell Government which both occupied considerable Council resources during the reporting period.

The first was the formation of a Ministerial Taskforce to find a new direction in Aboriginal Affairs; the second, formation of a Working Party to conduct a statutory review of the Aboriginal Land Rights Act (1983).

Council and management engaged in close consultation with Local Aboriginal Land Council Boards and members on the progress of both through a series of Regional Forums and the monitoring of government-initiated community consultations throughout this reporting period.

Council also continued to progress a number of new directions, in particular, its applications to the State Government for petroleum exploration licences and its economic development strategy to assist Aboriginal people to economic independence.

The reporting period also saw it continue its work with the State and Commonwealth Governments on a number of specific projects to improve the health and wellbeing of Aboriginal people in New South Wales.

Review of the ALRA

In December 2011, the Minister for Aboriginal Affairs, Victor Dominello, released terms of reference of the five yearly review of the ALRA, required by section 252A of the ALRA.

This section was introduced as one of the amendments made to the ALRA in 2006, following the 2004 Review.

The Terms of Reference for the Review are:

• Inquire into and make general recommendations as to whether the aims and objectives of the NSW Aboriginal Land Rights Act 1983 require expansion or change of the Act in light of developments since 1983.
• Inquire into and make recommendations as to whether administrative and operational provisions within the Act require any change to facilitate and improve the efficacy of the Act.
• Report all findings and recommendations by 1 November 2012 incorporating public responses following a period of public consultation.

The Minister appointed an expert Working Group in December 2011 to undertake research and consultations, and to make recommendations. The members of the Working Group were:

• Mr Stephen Wright – Registrar, ALRA
• Mr Geoff Scott – Chief Executive Officer, New South Wales Aboriginal Land Council.
• Mr Sean Gordon - Chief Executive Officer, Darkinjung Local Aboriginal Land Council
• Ms Stacey Meredith – Ngiyampaa Aboriginal owner and member of the Griffith LALC
• Dr Richard Sheldrake – Director General, Department of Primary Industries (“DPI”)
• Ms Kristy Masella – Group Manager, Social Justice, Aboriginal Affairs New South Wales (“AANSW”)

The Review Working Group completed its review in October and its report was tabled in Parliament on November 22, 2012.

That report contained a total of 47 recommendations on:

• Land claims;
• Housing;
• Targeted amendments (the 2010 Miscellaneous Amendments Bill); and
• Disqualification provisions for ICAC findings of corrupt conduct.
The NSWALC will continue to work in good faith with the NSW Government in the new reporting period to ensure that the proposed reforms result in better outcomes for Aboriginal peoples of NSW into the future.

**Aboriginal Land Rights Amendment Bill 2013**

In addition the *Aboriginal Land Rights Amendment Bill 2013* was introduced into the NSW Parliament by the Minister for Aboriginal Affairs in May, 2013.

The Bill contains miscellaneous amendments developed by the Working Group aimed at improving the administrative and operational efficiency of the ALRA and of Land Councils.

They deal with diverse operational matters such as employment and vacancies, LALC Board elections, membership, LALC member and Board functions, training, disqualifications and delegations of functions.

The NSWALC and LALCs have long agitated for these amendments to improve the administrative efficiency and effectiveness of the Act.

Minister Dominello acknowledged the “critical role,” of the NSWALC and LALC representatives in the development of the bill during his Second Reading speech in the NSW Legislative Assembly on May 29.

The bill, he said, represented the initial outcomes from the review.

More ambitious work on how the Act could deliver better outcomes for Aboriginal people in housing, land claims and the regulation of Land Councils was in train. He would report those outcomes to the Parliament later in the year.

The proposed changes captured in the Bill, he said, would promote good business administration and would make it easier for Aboriginal Land Councils to serve and develop their communities.

The amendments covered many parts of the ALRA and its regulations but could be categorised in three parts.

The bill contained amendments which would:

- Enhance administrative efficiency of Aboriginal Land Councils.
- Facilitate good governance.
- Reduce unnecessary costs borne by Land Councils.
It would also correct minor inaccuracies in the current legislation.

The Minister provided a number of key examples of the amendments.

Proposals to increase administrative efficiency included a suite of changes to clarify the delegation of functions.

These would allow Local Aboriginal Land Council Boards to delegate their functions to Chief Executive Officers and for them to delegate functions to other staff members.

This would significantly assist the expeditious management of Land Council affairs, including asset management, “in a way that is more aligned with a corporate separation of powers.”

This would not diminish the specific powers of members, such as in the disposal and dealing of land.

The amendments would also provide the NSWALC with flexibility and discretion in relation to the financial and administrative reporting obligations of Local Aboriginal Land Councils.

The Act currently required the NSWALC to cease funding LALCs even if, for example, they provided financial statements as late as one day after the due date set out in the Act.

The Minister acknowledged this imposed unnecessary red tape on the NSWALC and was an unfair burden on the running of small bodies corporate.

Many of the delays were not the fault of LALCs but external service providers, such as auditors.

The amendments also introduced a requirement that persons seeking election to a LALC board must have attended at least two of the council’s meetings during the previous 12 months.

It removes the requirement for members voting in Board elections to have attended two such meetings to ensure greater participation by members in Board elections.

Proposals to reduce the cost burden on LALCs included an amendment to allow Local Aboriginal Land Councils to choose their own auditors from a list kept by the NSWALC rather than have them appointed by the NSWALC.

This would allow LALCs greater flexibility while ensuring persons appointed were appropriately qualified.

The Minister said the amendments were designed to make that day to day activity of Aboriginal Land Councils more effective in delivering social and economic outcomes for their communities.

The Bill, which received bipartisan support in the Parliament, was expected to become law in the second half of 2013.

New Aboriginal Affairs Plan

Minister Dominello announced the formation of a Ministerial Taskforce for Aboriginal Affairs on August 25, 2011 to develop a new plan for Aboriginal Affairs in NSW.

It brought together senior NSW Government Ministers and key non-Government Aboriginal leaders and had been formed in response to scathing reports from the NSW Auditor-General and the NSW Ombudsman on the former Government’s failed Two Ways Together policy.

The Ministerial members of the Taskforce were:
- Minister Dominello, (Chair)
- Minister for Health, Jillian Skinner MP
- Minister for Education, Adrian Piccoli MP
- Treasurer, Mike Baird MP
- Attorney General, Greg Smith SC, MP
- Minister for Family and Community Services, Prue Goward MP
- Minister for Mental Health, Healthy Lifestyles and Western NSW, Kevin Humphries.

The Taskforce also included the Director General of the Department of Premier and Cabinet, Mr, Chris Eccles, and the Department of Education and Communities, Dr. Michelle Bruniges, and the Head of the Office of Aboriginal Affairs NSW.

Aboriginal members comprised the NSWALC Chairman, representing the Coalition of Aboriginal Peak Organisations (CAPO), Mr. Danny Lester, Chief Executive of the Aboriginal Employment Strategy, and Professor Shane Houston, Deputy Vice Chancellor (Indigenous Strategy and Services) of the University of Sydney.

Minister Dominello said the Taskforce, which would develop a draft policy strategy by mid-2012, provided a unique opportunity to involve Aboriginal leaders in the development of policy specific to Aboriginal people in NSW.
The strategy would include concrete reforms around the following Terms of Reference:

- To improve service delivery and accountability in Aboriginal Affairs across NSW with particular consideration of the recommendations of the Auditor General’s Report on Two Ways Together and other arising reports.
- To improve educational outcomes for Aboriginal people in NSW.
- To improve employment outcomes for Aboriginal people in NSW.

Minister Dominello said education and employment had been identified as vital to achieving generational change and were based upon the principles of early intervention and prevention.

There would be substantial public consultations involving public meetings, including in Aboriginal communities, and an online submission process. The Taskforce would actively seek the views of all Aboriginal leaders and communities and other stakeholders.

Minister Dominello released the Government’s new Aboriginal Affairs Plan on April 5, 2013. The state-wide plan is called OCHRE—Opportunity, Choice, Healing, Responsibility and Empowerment.

The Minister emphasised the Plan was not a quick fix.

Sustainable change would occur over a generation and young Aboriginal people would be at the centre of that change.

Key proposals of the Plan include the delivery of targeted key initiatives to improve service delivery to Aboriginal peoples across NSW in areas including:
- Aboriginal Culture and languages,
- Education and employment,
- Local leadership,
- Partnerships, and
- Accountability.

The NSW Government will roll out a number of initiatives in selected communities which will be evaluated ahead of a wider rollout.

These include Opportunity Hubs to provide school students pathways to real jobs by getting local employers involved in career planning early on at school.

Aboriginal Language and Culture Nests will provide a continuous pathway of learning from pre-school to tertiary education for Aboriginal language learners and teachers, at school and at home.

A Local Decision Making model will be used to develop the decision making skills of local Aboriginal governance bodies to make decisions about local service delivery.

These would augment the Connected Communities initiative which was rolled out in the previous reporting period.

It is designed to change the way educational services are delivered in 15 regional schools by working in partnership.

Minister Dominello said the government was committed to working in partnership with Aboriginal people in both the design and delivery phase of the new plan.

OCHRE includes the proposed establishment of a new Aboriginal Affairs Reform Council to support reforms to improve service delivery to Aboriginal peoples and assist and oversee the implementation of the strategy.

It will report publicly on the progress of the plan.

The NSWALC Chairman said the appointment of seven Cabinet Ministers to the Taskforce had demonstrated the State Government’s commitment to change.

The community, he said, did not expect miracles.

“We realise change takes time and we realise change for the better starts in our own hearts and homes. This government is willing to help us develop tools that can be used for positive change,” he added.

The Policy and Research Unit supported Councillor Ryan, Council and CAPO in their work with the Taskforce.

The Unit provided secretariat support to the CAPO.

It also provided advice and comments on a variety of Taskforce positions and materials in relation to the proposed OCHRE initiatives.
It will continue to provide input as the new OCHRE Strategy is implemented in Aboriginal communities across NSW in the new reporting period.

The NSWALC has encouraged government to recognise and support the roles of peak Aboriginal representative structures during the implementation of key OCHRE proposals.

These include an Aboriginal Economic Development Framework, Industry-Based Agreements, a Local Decision Making model (LDM), the proposed independent Aboriginal Council and the independent Coordinator General.

Chairman Ryan has previously called for the Federal Government to back the initiatives in NSW.

“It’s time the Federal Government acknowledged, as Premier O’Farrell has stated, that problems in Aboriginal communities are not just about Northern Australia but exist in the larger States such as NSW,” he added.

“This has been a constant theme of our public statements for years but NSW is continually ignored by the Federal Government when it comes to equity in funding for infrastructure and services in our communities.”

**Partnerships with Government**

Council views its partnerships with the State Government and its limited engagement with the Commonwealth Government as crucial opportunities to use the limited financial gains from land rights to deliver community benefit schemes to assist in closing a range of economic, social and opportunity gaps.

These include:
- The Aboriginal Communities Water and Sewerage Program, a $205 million dollar partnership with the NSW Government to improve and maintain the drinking water and sewerage services in many discrete Aboriginal communities to the same standard as that enjoyed by most of their fellow Australians.
- The Subdivision of Former Reserve Lands Project.

Council has expressed the hope its operational and financial involvement in these projects sends a clear message to all other stakeholders that Council is prepared to actively use its financial resources, and political and strategic advocacy functions, to take practical long term steps to increase the health and wellbeing of Aboriginal people.

It has a preparedness to do so independently, or in partnership, with Local Aboriginal Land Councils and both Governments.

Its financial involvement is clearly limited, however, by its self-funded status.

NSWALC is the biggest self-funded Aboriginal representative organisation in Australia but its financial base is dependent on:
- Movements in global monetary markets,
- Its ability to successfully add to the Aboriginal land bank.
- The call on recurrent expenditure to support the land rights network and
- The transactional costs incurred in ensuring NSWALC and LALC compliance with the machinery provisions of the ALRA.

However, Council’s pursuit of such agreements and initiatives is consistent with the objects of NSWALC as set out in the ALRA and with major priorities and goals of the new NSWALC Strategic Plan.

The NSWALC is committed to working with all relevant stakeholders to improve outcomes for Aboriginal people and to maintain and strengthen existing partnerships with our LALC network to optimise performance and maximise the potential for economic, social and cultural growth at the local level.

Council is also committed to maintaining and strengthening existing partnership arrangements with government and non-government stakeholders to optimise performance and maximise the potential for economic, social and cultural growth and prosperity across all regions of NSW.

It will work to ensure Aboriginal people enjoy a sustainable social and cultural environment by seeking to close the gap on poverty and improve health and living standards through tightly targeted community benefit schemes and evidence-based advocacy.

The provision of adequate services and resources for Aboriginal people and communities is essential to this task.

There can be few more critical priorities than the provision of basic safe drinking water and sewerage systems, improved services and facilities, and better education outcomes.
Water and Sewerage Management Plans had been developed for all 41 communities which receive four quarterly inspections per year.

The Office of Water undertakes these inspections with the LALC and service provider with staff from NSW Health, Office of Aboriginal Affairs Regional Staff and NSWALC Zone Staff.

The Program includes implementation of risk-based water and sewerage management plans for each community.

These plans improve the understanding of the risks to water supply and sewerage systems, leading to better management and fewer breakdowns.

Management Plans have been developed for 58 communities and drinking water quality is regularly monitored in all communities.

Monitoring has helped identify the communities that need improvements to water treatment such as disinfection.

Bellbrook is an example.

The chlorination unit was refurbished and a long-standing boil water alert was lifted.

Local councils/service providers regularly visit communities to check and, where necessary, adjust and correct system operations.

Approval has also been given for capital works at a total of 15 communities to improve services. Works have been completed at six communities and continue at the remaining nine.

**Need for the Program**

It is important to provide the general reader with a full appreciation of the crucial need for this program.

It was established after a review by the Department of Commerce identified inadequacies in the operation, maintenance and management of water supply and sewerage systems in many Aboriginal communities.

This placed the health of men, women and children in these communities at risk.

The review, which was completed in May 2008, found:
• The drinking water and sewerage services in many discrete Aboriginal communities are poor.
• They do not meet the basic standards expected in the wider community.
• There are inadequate skills and funding available to the communities for the ongoing operation and maintenance of these facilities.
• The operation, maintenance and monitoring of these systems was inadequate.
• The flow of effluent into houses is not uncommon.
• This situation puts the health of these communities at risk.

Many of these communities are former Government missions and reserves. They were handed back to Aboriginal people with the passage of the Aboriginal Land Rights Act (1983).

The infrastructure on these communities inherited by Local Aboriginal Land Councils, where it existed, was generally sub-standard with no adequate management plans.

Local Aboriginal Land Councils assumed responsibility for the provision of essential and municipal services and infrastructure for those living on the communities.

No provision was made with the passage of the ALRA for any funds for the operation and maintenance of essential health infrastructure, such as water and sewerage services.

Local Aboriginal Land Councils have never possessed the necessary funds or appropriate skills base to adequately operate and maintain this infrastructure.

As a result it has become increasingly rundown, as evidenced by the results of the Department of Commerce review and a subsequent business case for the program.

The NSWALC took the view it had to do whatever it could to assist the State and Federal Government in initiatives to close the health gap suffered by Aboriginal people.

Council’s decision to commit such long term funding meant the NSW Government would commit similar funds for the first time ever.

Drinking water quality
Studies have shown that the risk of diarrhoeal disease associated with sub-standard water and sewerage systems is between 2.5 and 3.85 times higher than in communities with well-managed systems.

There is also an elevated risk for many other diseases such as respiratory infections.

The national reference for drinking water quality is the National Health and Medical Research Council Australian Drinking Water Guidelines (2011).

The Guidelines recommend testing for the bacteria Escherichia coli (E. coli), which indicates faecal contamination and the possible presence of disease-causing micro-organisms.

The target is 98% of samples tested are free of E. coli.

Standards Equivalent to Non-Aboriginal Communities
Monitoring for E. coli was carried out in some Aboriginal communities from 2001, although there was no coordinated state-wide testing before the Aboriginal Communities Water and Sewerage Program.

Average results for the Aboriginal communities tested did not meet the Australian Drinking Water Guidelines target and were well below the quality provided to mainstream communities.

Water supplies in Aboriginal communities were more likely to be contaminated with E. coli bacteria.

The table below shows data collated before the Program to support the business case and after the commencement of the Program.

The state-wide results for Aboriginal communities are now comparable to mainstream communities.
Water quality before and after Program commencement (% samples free of E. coli)

<table>
<thead>
<tr>
<th>Water supplier</th>
<th>Before commencement (average 2001-07)</th>
<th>After commencement 2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal communities</td>
<td>80.1% A, B</td>
<td>98.73% B</td>
</tr>
<tr>
<td>Local water utilities (regional NSW)</td>
<td>97.7% B</td>
<td>99.32% B</td>
</tr>
<tr>
<td>Sydney Water Corporation</td>
<td>99.9% C</td>
<td>99.93% E</td>
</tr>
<tr>
<td>Hunter Water Corporation</td>
<td>99.7% D</td>
<td>100% F</td>
</tr>
</tbody>
</table>

How the Program Operates
The following steps are undertaken to ensure all participants are fully informed about the required works and services and their potential responsibilities:
- NSW Office of Water staff visit each eligible Aboriginal community to inspect water supply and sewerage facilities and to discuss what needs to be done
- The Local Aboriginal Land Council, community members, the local government council/local water utility, and other interested stakeholders, are invited to have their say and help develop a plan for operations, maintenance and repairs needed at each eligible Aboriginal community
- Each community visit also involves a site inspection to identify obvious backlog maintenance works required to return the existing infrastructure to its full service capacity
- Notes of the outcomes of each visit are prepared by the Office of Water and made available to the attendees of the community visit for review and additional comment
- Once the meeting notes have received the concurrence of the Local Aboriginal Land Council, the local government council/local water utility are invited to prepare a fee proposal to carry out the required operation and maintenance services and any backlog maintenance required
- Where appropriate, a local government council/local water utility has the opportunity to operate the water supply and sewerage systems in a community on an interim basis so a full condition assessment of the existing infrastructure and identification of the operational needs of the systems can be made before entering into a formal longer term Service Agreement.

What the Program Provides
The Aboriginal Water and Sewerage Program is managed by the NSW Office of Water and provides:
- Funding for the full routine operation and maintenance servicing of the water supply and sewerage systems in eligible Aboriginal communities.
- Funding for repairs or remedial maintenance to existing pipes, pumps, treatment plants and associated facilities to return them to full operational efficiency.
- Funding for emergency repairs to fix pumps or other equipment or infrastructure if it fails or breaks down.
- Regular inspection to ensure the water supply and sewerage systems are operating correctly.
- Regular maintenance, cleaning and servicing of the physical infrastructure, mechanical and electrical equipment, and treatment process units.
- Regular collection and testing of water samples to verify that the water quality meets the agreed standards.
- Preparation of management plans to identify any risks to the continued safe operation of the water and sewerage systems and identify what to do if something goes wrong.
- Limited funding for new capital infrastructure to upgrade systems to meet required standards.
Employment and Training

An Aboriginal Traineeship project has been established to ensure that Aboriginal people obtain the necessary skills for employment with local water utilities.

This initiative is being managed by Aboriginal Affairs NSW with funding approved for the training of up to eight Aboriginal people. Further recruitments are also being investigated by participating local government utilities.

Program Funding

A total of $20.09 million has been expended on the program since it began. The predicted expenditure for the 2013-14 financial year is $8.93 million.

The Subdivision Program

In NSW, approximately 49 Local Aboriginal Land Councils own and manage housing on 59 former Reserves and Missions.

The dwellings are typically located on a single title, with one legal boundary.

All land within the boundary is considered private land.

Across NSW, they are home to some 10,000 Aboriginal men, women and children.

These are not unlike mainstream communities. They feature houses and infrastructure, including community and recreational facilities, water, sewerage, power, street lighting, communications and roads.

Unlike their mainstream equivalents single legal title confers unique responsibilities on their owners, Local Aboriginal Land Councils.

LALCs are responsible for the management and future planning of everything inside the community boundary; including roads and services.

They are also responsible for the payment of local government rates and charges.

In order to address this situation, the NSWALC entered into a partnership project with the Commonwealth Department of FaHCSIA in June 2008 for the surveying and subdivision of former Aboriginal Reserves in NSW.

A total of $6m in funding was allocated to the project between the two funding bodies.
Stage One was a pilot phase that identified the challenges and issues of the program through work on four sites. They were Namoi, Gingie, Wongala and Corindi.

Stage Two commenced in June 2012 and aims to apply the lessons learned during the pilot stage to thirteen priority sites:

- Bellwood Reserve, Nambucca Heads LALC
- Bowraville Reserve, Bowraville LALC
- Box Ridge, Bogal LALC
- Coomaditchie Reserve, Illawarra LALC
- Crescent Head, Kempsey LALC
- Green Hill, Kempsey LALC
- Gulargambone Top, Weilwan LALC
- Gunnedah Hill, Coonabarabran LALC
- Narwan Village, Armidale LALC
- New Burnt Bridge, Kempsey LALC
- South West Rocks, Kempsey LALC
- Three Ways, Griffith LALC

Each of these sites was surveyed during the reporting period.

Planning reports and a rates investigation for each site were also completed.

This information was analysed to identify the benefits and risks of subdivision.

The analysis was then presented to each LALC Board for consideration.

Stage Two of this project has been a collaborative process between the LALCs that own the land, the NSWALC and the consulting firm Arup.

The primary goal of this phase has been the conduct of detailed investigations, including the sourcing and collating all of the available information on each site.

This information has been required to further assess the feasibility and likelihood of subdivision, to identify any barriers, and to provide a base of information upon which subdivision plans can be drawn up in subsequent phases.

The investigations have also provided a more detailed understanding of the required tasks and activities for each individual site.

A Planning Report has been completed for each site. These outline the planning framework relevant to each site.

These frameworks include information relating to the site locality, the zoning, site features, and relevant planning controls.

A detailed Site Survey was also conducted to establish and document the physical site features and will be used as a basis for subdivision plans in Phase Three.

A Road Condition Desk Study has also been completed for each site.

These outline the condition of any internal site roads and how they compare with current Local Council standards.

The project team has worked closely with each LALC during this reporting period to identify issues regarding the individual sites and to provide information and receive feedback on the overall program.

Relevant Local Government and Shire Councils have also been regularly consulted on zoning and planning matters and rates and charges.

These meetings were also used to sound out the views of Council’s on any proposed subdivisions.

A range of engagement activities have been undertaken during the reporting period to inform, involve and empower key stakeholders to assist in removing key barriers to subdivision.

The most significant barriers include the need for long term funding from the State and Commonwealth Governments to upgrade infrastructure and a range of State planning issues.

These engagement activities have included:
- Presentations to a Subdivision Steering Committee, which is chaired and hosted by FaHCSIA.
- Regular meetings with the Department of Infrastructure and Planning (DoPI) and Local Government NSW specifically focused on removing barriers to subdivision and advice on strategies for the effective engagement of Councils.
- Liaison with DoPI and Department of Local Government (DoLG) to discuss the feasibility of obtaining State level responses and assistance for the program.
Council recognised the implementation of this goal required two major initiatives, an Economic Development Policy and an Economic Development Advisory Committee.

Council resolved in August 2012 to establish an Economic Development Advisory Committee (EDAC), pursuant to section 118 of the Aboriginal Land Rights Act 1983.

Its roles and responsibilities are:

- To identify key private sector partnerships.
- To identify appropriate government and private sources of funding to support the development of commercial and wealth creation opportunities.
- To identify and develop strategies for economic development.
- Recommend policy frameworks Council could advocate to Government.
- Recommend improvements to processes and structures within the NSWALC to support the development and maintenance of key stakeholder relationships and economic development opportunities.
- Provide advice to Council on strategic and corporate planning relevant to its economic development functions.

The Committee will comprise:

- One NSWALC Councillor and one alternate (Councillors Briggs and Williams),
- The NSWALC’s Chief Executive Officer (or Delegate),
- Another staff member as appropriate (non-voting)
- Four external and independent Members, one of whom shall be the Economic Development Committee Chairperson
- One representative from a LALC (Brendan Moyle, chair of Ngambri LALC)

At the end of the reporting period, Council was in a process of review and assessment of suitable candidates for the four external representatives.

**Economic Development**

A major focus for Council’s strategic initiatives in the reporting period was on economic development and its mining and exploration.

The NSWALC believes land rights in New South Wales must support economic independence and participation of our people in the economies of their communities and regions.

Economic development is one of the five key strategic goals of the new Strategic Plan.
The people, the land and the Account are all contributing to the economic development of the network, but there is more to be done.

The challenge, not only for NSWALC, but the network as a whole, was to target resources in the most effective way.

Mr. Scott told the Conference the NSWALC would continue to consult with the land rights network to seek the views of LALCs on policy priorities.

It should be noted the importance of NSWALC’s role in facilitating economic development was acknowledged by the NSW Government in its new policy on Aboriginal Affairs which was released in April 2013.

It states:

“The NSW Government will work with the NSW Aboriginal Land Council network and other key stakeholders to explore and pursue opportunities to improve the management and economic potential of Aboriginal owned land and natural resources to generate employment on Country.

The NSW Government will also work with a new NSW Aboriginal Land Council Economic Development Committee, which is to be established to help identify, develop and support economic opportunities for Aboriginal land councils.”

During the reporting period, the Minister for Aboriginal Affairs also released consultation papers on the current statutory review of the ALRA.

Many proposed changes will have an impact on the capacity of the land rights network to pursue economic development goals.

Defining Economic Development

During deliberations in this area some in the network have asked what economic development is, or is not.

It is a pertinent question.

The term ‘economic development’ can be defined in different ways.

It can be defined as growth in material wealth, such as money and property.
Improvements in material wealth can be measured by growth in the Gross Domestic Product.

But human experience is more complex and national economies often do not have the same impact on citizens.

Economic development can be defined more broadly to reflect these complex circumstances, to include improvements in living standards, such as in health, housing and education.

Only through improvements in these aspects of human life can individuals and communities take up opportunities to make choices about their lives and achieve meaningful and sustainable ‘economic development’, and contribute to the social, economic and cultural wealth of their community and nation.

In this broad sense, the goal of economic development is self-determination.

That is, improving the capacity of individuals and communities to own and control the resources that allow them to make choices about their lives and to chart their own course for the future.

Economic development can focus on communities and individuals.

In Australia, government policies and programs have focused on the community through community control of service delivery and communal ownership of land.

Only recently has there been a shift in government policy towards the economic empowerment of individuals through employment and home ownership.

These approaches are complimentary, rather than conflicting.

Both are necessary to enable Aboriginal people to achieve their aspirations for themselves, their families and communities.

Importantly, however, the NSWALC has recognised it should not, and cannot, substitute itself for Government.

It has neither the money nor the human resources to do so, and has its own strategic priorities and goals to pursue which should complement Government programs.

NSWALC intends to release its Economic Development Policy in the next reporting period, following discussions with the network and the advice of the Economic Development Committee.

**Mining and Exploration**

As noted in this space last year, the NSWALC applied for a number of exploration tenements in the recognition that significant economic, social and cultural benefits would accrue from being an owner of resource rights, rather than a receiver of resource rent.

The NSWALC is also seeking to forge a new relationship between Aboriginal people and the resources industry.

Through ownership of these resource rights, the NSWALC and the network will be in a better position to create employment and contracting opportunities and to ensure environmental and cultural heritage management is a priority in the industry.

At the end of the reporting period, the NSWALC had the following applications for exploration tenements:

- Petroleum Special Prospecting Authority 55
- Petroleum Special Prospecting Authority 56
- Petroleum Special Prospecting Authority 57
- Petroleum Special Prospecting Authority 60
- Petroleum Exploration Licence 144
- Two Expressions of Interest to apply for an Exploration Licence for Uranium over the fly ash dams of the Vales and Munmorah and Liddell and Bayswater powers stations
- An expression of interest to apply for an Exploration Licence for Coal over land near Bulga in the Hunter Valley

At the end of the reporting period, the Minister for Resources and Energy was still considering the NSWALC’s expressions of interest in relation to both uranium and coal exploration licenses, and its four applications for Petroleum Special Prospecting Authorities.

The NSWALC’s application for a PSPA in the Illawarra region was declined by the Minister in September 2012.

In November 2012, NSWALC advertised its PSPA and PEL applications as required by NSW Government regulation and policy.
Some progress was made in seeking to resolve this issue during the reporting period.

However, there was not enough common ground for NSWALC to proceed with any confidence with this strategic long term economic development initiative as the financial year ended.

The Council has acknowledged its decisions in this area are not wholly supported across the land rights network.

Some Aboriginal people are opposed to any expansion of the resources industry at all.

Despite this, the NSWALC will continue to pursue opportunities in the resources industry where the result would be of overall benefit to the network.

Council will work in close consultation with the network, the Manager of Strategic Initiatives, Ms. Sally Skyring and management, to progress these areas in the new reporting period.

The Education Endowment Fund

As reported last year Council placed a moratorium on the award of scholarships under the NSWALC Education Endowment Fund to allow an independent review of the scheme.

Council had introduced the Education Endowment Fund in 2007.

The broad intent was to provide financial support for Aboriginal students enrolled in tertiary and trade courses.

Since it was established, the criteria for the EEF had been amended on a number of occasions to reflect the NSWALC’s direction for the administration of the fund.

This had included broadening eligibility to include funding for students from kindergarten to Year 12 within the school system.

In addition to the criteria changes, there had also been changes in government policy, legislation and funding allocations in regard to education that suggested the EEF could be duplicating available funding.

Whilst the criteria had been refined over time, there had not been any in-depth assessment of the overall performance of the EEF.

In addition to the policy and funding environment, the administration of the EEF required review.
The NSWALC engaged the Charities Aid Foundation (CAF) to manage, administer, distribute and report to NSWALC on the EEF. Discussions with CAF indicated a number of issues which required further investigation.

The NSWALC engaged a Victorian firm, PhillipsKPA, to conduct a review.

The firm was chosen for its experience in consultation on Aboriginal education issues and a demonstrated knowledge of Commonwealth and State educational policy environments.

The Review was established with two specific objectives:

- To identify options and make recommendations on future directions, management and the revenue-funding base of the EEF to ensure it was not duplicating the services and funding provision of government.
- To assess the performance and impact of the EEF to date and to recommend changes to strengthen its performance in future years. This assessment should include consideration of policy, design, management and implementation issues, and any contract variations necessary to give effect to recommendations.

The Review report was provided to the NSWALC in late 2012.

PhillipsKPA found there was:

- Escalating demand which was continuing to place strain on the NSWALC’s limited funding base.
- A high cost of administering the scheme against the outlay of funds on scholarships.
- Potential duplication with Commonwealth Government scholarship schemes and cash payments for Aboriginal students including the Schoolkids Bonus which commenced in January 2013.
- A Lack of take up of scholarships awarded under the EEF.
- A pressing need for improved communication with applicants, clear criteria for recommending the award of a scholarship, improved data collection and monitoring of outcomes.

Council gave careful consideration to these findings.

It subsequently developed the view that rather than providing scholarships with limited return to the NSWALC, doubts about the impact on educational outcomes, and the duplication with Commonwealth and State funding, all available funding for education and training should be directed to further capacity development within the LALC Network.

The EEF was discontinued from February 2013.

Council now intends to promote its priorities on LALC governance and economic development as outlined in its new Strategic Plan.

It should be noted, however, that the NSWALC’s Freddie Fricke Scholarship, which has been targeted at tertiary students since its launch in 2002, will continue.

Details on scholarships for this reporting period can be found in the Program Management Unit section of this report.

Briefings To Council

Council received regular briefings on the progress of these vital programs throughout the reporting period.

It will continue to closely monitor their progress in the new financial year.

It considers programs such as the Aboriginal Communities Water and Sewerage Program and the Subdivision Project to be practical measures to assist our communities and State and Federal Government’s to close the life and opportunity gaps between Aboriginal people and their fellow Australians.

Work to Close the Gap has become a permanent fixture of daily debate in Aboriginal Affairs since the election of the Rudd Labor Government in November 2007.

It came to power with a promise to use evidence based policy to seek to close the socio-economic opportunity and attainment gap, as well as the life expectancy gap, between Aboriginal and non-Aboriginal people.

It set a number of key objectives to close the gap on Indigenous disadvantage. They are:

- To close the life expectancy gap within a generation.
- To halve the gap in mortality rates for Indigenous children under five within a generation.
- To halve the gap in reading, writing and numeric achievements within a decade.
The welcome ceremony ended with the broadcast of a Land Rights Honour Roll video.

Produced by the NSWALC’s Media and Marketing Unit, in close consultation with Council and Local Aboriginal Land Councils, it acknowledges the contribution to land rights of LALC members who have passed on.

The Conference was officially opened the following morning by Chairman Ryan who thanked all delegates for their attendance.

He spoke of the need, 30 years on, to continue to build on the land rights gains of the past.

He identified the ongoing financial sustainability of the land rights network and economic development as key issues for the future.

It was imperative the NSWALC Investment Account continued to grow for current and future generations to ensure “they have more than we had,” and to try and improve some of the deplorable conditions “some of our people live in at the moment.”

Chairman Ryan said he believed political distrust was built into the ALRA from the start, as evidenced by its over-regulation.

It was hoped the current review of the ALRA would result in cutting sufficient red tape to ensure the NSWALC was not continually “looking over the shoulder” of the network.

His opening speech was followed by a pre-recorded video welcome to delegates from NSW Premier, Barry O’Farrell who acknowledged the conference was being held at an auspicious time—given the 30th anniversary of the proclamation of the NSW Aboriginal Land Rights Act.

“In the years I have been in the State Parliament I have taken part in many debates that set high aspirations for achieving fairness and equality for NSW Aboriginal residents,” he added.

“But debates and grand visions can only do so much—action is what is needed.

“Since being elected the State Government has sought to work in true partnership with Aboriginal people to forge new political and policy directions.

“We continue to do so.

NSWALC believes every Australian would hope they are achieved but it has made the point in this space in previous years that the targets remain heroic.

They are yet to be matched by long term Commonwealth and State funding commitments in New South Wales to programs framed in response to evidence based research and policies.

It is regrettable this point has had to be made again.

Government funding to assist the NSWALC with the compliance provisions of the ALRA has also yet to be fully addressed.

The NSWALC and the land rights network provide a significant employment and evolving participation base for Aboriginal people in New South Wales which, in Council’s view, has yet to be fully appreciated in Canberra and Macquarie Street.

Despite this the NSWALC will continue to pursue effective partnerships in the new reporting period with Local Aboriginal Land Councils, the O’Farrell Government, other stakeholders and whichever party forms the Australian Government following the September 2013 Federal Election.

**State Wide Conference**

More than 200 delegates from Local Aboriginal Land Councils attended a four day State Wide Conference at Cessnock from June 24-27.

The Conference, organised and funded by the NSWALC, fulfilled a Council promise to hold two such events during each four year term.

The event coincided with the 30th anniversary of the proclamation of the ALRA which provided the Conference theme and tone.

Chairman Ryan took the opportunity to introduce each member of Council at an official welcome reception before asking attendees to observe a minute’s silence in honour of those who fought for land rights in previous decades.

Mindaribba LALC representative Thomas Miller then observed the official Welcome to Country on behalf of the Wanaruah people on whose land the Conference was held. This was followed by a smoking ceremony conducted by Stephen Lombardi and a performance by the Danee Dancers.
As you would be aware the NSWALC is now working with Minister Dominello, Aboriginal Affairs NSW and the Registrar of the ALRA on the current review of the Act.

“I am confident the outcome, in consultation with the land rights network and key government agencies, will continue to deliver the reforms need to ensure the future of land rights over the next 30 years and beyond.

“I’m sure your Conference will assist in this process. I wish you well in your deliberations.”

Deputy Chairman Craig Cromelin presented an overview of the Conference agenda, noting how far the network had come in 30 years and how far the land rights movement still had to go in securing economic and social independence for its constituents.

The politics in the formative years were, at times bruising.

But it had largely been left to the land rights network to build the political experience at the local, regional and state level which now sustained the network.

Local activism was, and still is, the bedrock of the land rights movement.

In that regard he was pleased to report the overwhelming majority of LALCs were represented at the Conference and Council looked forward to input from their delegates.

Councillor Cromelin said Council had spent a considerable amount of time seeking to ensure the agenda captured some of the 30 year history “and reflected all of the key issues facing us now and into the future.”

The first day of business would be occupied by regional presentations on the activities of LALCs across the nine NSWALC regions following a short session to launch the NSWALC’s Strategic Plan.

There was a consensus among delegates this proved to be a Conference highlight.

A broad range of land use projects were showcased in each of the power point presentations introduced by the relevant NSWALC Regional Councillor(s) and presented by LALC delegates.

They profiled each region and showcased a broad range of LALC economic and social development projects and work to protect culture and heritage.

They demonstrated how numerous benefits were being effectively delivered to their communities.

Many of the projects reflected solid partnerships with state and local government agencies and private enterprise and were often self-funded from the proceeds of successful land dealing activities.

They included:

- Training and job creation partnerships which had led to skills development, job placement, income generating activities and building restoration.
- Partnerships with the State and Commonwealth Governments on the co-management of National Parks and Indigenous Protected Areas and in land clean up through the Caring for Country program.
- Partnerships with Local Government to provide input into urban, rural and remote planning issues and Rural Fire Services on the establishment of Aboriginal Bushfire Units
- Multi-function community centres, incorporating healing places, kindergartens, homework and youth justice centres, gymnasiums, and cultural centres and activities.
- A range of successful eco-tourism enterprises, campground management, Aboriginal Art Centres and shops, the production and distribution of bush tucker

Full copies of the presentations are available on the NSWALC website.

All Councillors and Mr. Scott participated in the launch of the NSWALC Strategic Plan.

Delegates were provided an overview of the Plan with two Councillors outlining each of the first four strategic priorities, goals and actions and Chairman Ryan the culture and heritage section.

Minister Dominello opened proceedings on the second day with the launch of the final round of network consultations on the ALRA Review.

This was followed by presentations from the NSW Aboriginal Housing Office, Aboriginal Affairs NSW on the new Aboriginal Affairs Plan and the Office of Environment and Heritage on the current review of the legislation governing Aboriginal culture and heritage.
The NSWALC now collects new and used books and donates them to the Library Services section of Corrective Services in NSW for use by prisoners in the State’s correctional services system.

**Materials Required**

Libraries in prisons have traditionally been a repository for old second hand books.

Corrective Services NSW are trying to change this with a number of innovative programs, including the donations program.

They have particular requirements on donated books and educational materials.

The Library will accept book donations if they are:
- Of interest to users.
- In good physical condition.
- Fairly current or, if not, have some historical value.
- Of a subject not already covered by existing materials in the collection.
- Already held in the library and are used sufficiently to warrant other copies.

The major collection point for books donated under the Books Behind Bars campaign is the NSWALC Aboriginal Resource Centre on the ground floor of NSWALC’s Parramatta headquarters.

Zone offices also accept donated books and educational materials.

Council believes Books Behind Bars is a small but practical initiative worthy of widespread support from across the land rights network and the wider Aboriginal community and has promoted the project across the network of Local Aboriginal Land Councils.

It will continue to do so in the new reporting period.

Further details on the specific activities of Council are contained within the achievements section for the Governance and other Units throughout this report.
We now turn to a review of operations and achievements within the NSWALC and across the network during the reporting period, and look at planned activities in the new financial year.

To reflect the new structure we begin with a review of operations from all Units in what is now the Strategic Division.

**Legal Services Unit and Land Claims**

Given the crucial importance of land rights in NSWALC’s operations, we begin this section with a review of the operations of the Land Rights Unit during this reporting period.

The Unit continued to assist Local Aboriginal Land Councils lodge land claims throughout the year.

NSWALC does so because many LALCs do not have access to the administrative resources, or the funding, to do so.

This includes researching, lodging and appealing land claims if their refusal is considered to have been unfair.

Before discussing the status of land claims at the end of this reporting period it is instructive to further consider how, and when, lands claims can be lodged, what can be claimed, and why these processes hold such intrinsic importance to Aboriginal people across New South Wales.

**Land Claims**

The granting of land under the ALRA remains the only form of compensation for dispossession of land for Aboriginal people.

Section 36 of the ALRA sets out the land claim process.

LALCS and NSWALC can claim land under the ALRA.

Land that can be claimed is called ‘claimable Crown lands’.

This is land that is:

- Able to be lawfully sold or leased, or is reserved or dedicated for any purpose
- Not lawfully used or occupied
- Not needed or likely to be needed for an essential public purpose
- Not, in the opinion of the Minister, needed or likely to be needed for residential land or an essential public purpose
• Not subject to a registered native title claim or a native title determination

The Ministers administering the Crown Lands Act are responsible for determining whether to grant or refuse a land claim.

The Ministers must grant the claim if the land is claimable crown land.

That determination involves the Ministers looking at the status of the land at the time the claim was made and making a decision about whether the land fits the definition of claimable crown land.

For example, the Ministers might determine that the land was needed for an essential public purpose like public recreation or that the land was lawfully used or occupied by a person who had a special lease for a market garden, and refuse the claim.

Or the Ministers might determine that the land is claimable and grant the claim.

LALCs and NSWALC are notified when the Ministers make a determination either to grant or refuse to grant the land.

All refusals are assessed by the Legal Services Unit.

Where an appeal is warranted, it is made to the Land and Environment Court which then makes a determination in place of the Ministers’ original decision.

Overview of Land Claims

The charts and statistical information below are based on the official figures provided by the Land Claims Investigation Unit of the Department of Primary Industries from the commencement of the ALRA until 30 June 2013:

Aboriginal Land Claims as at 30 June 2013

<table>
<thead>
<tr>
<th>Status</th>
<th>Number</th>
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</thead>
<tbody>
<tr>
<td>Granted</td>
<td>2530</td>
</tr>
<tr>
<td>Refused</td>
<td>7662</td>
</tr>
<tr>
<td>Withdrawn</td>
<td>1317</td>
</tr>
<tr>
<td>Undetermined</td>
<td>25815</td>
</tr>
<tr>
<td>Total Lodged</td>
<td>36523</td>
</tr>
</tbody>
</table>

Three claims lodged between 1983/84 and 1992/93 have not yet been determined.

These are the only claims remaining of the 166 oldest claims that the previous government made a public commitment to finalise by the end of 2010.

The NSWALC continues to negotiate with the Government to ensure the remaining land claims are determined.

1Pie Chart based on the LPI’s Aboriginal Land Claim statistics.
   (i.e. one claim may fall within different statistical categories if that claim is part granted and part refused).
New Land Claims
A total of 472 land claims were lodged by Aboriginal Land Councils in this reporting period.

The NSWALC lodged 187 land claims (39.6%).

LALCs lodged 285 land claims (60.4%).

The LALCs that lodged land claims were:
• Biraban 248
• Mindaribba 4
• Darkinjung 2
• Metropolitan 28
• La Perouse 2
• Wanaruah 1

Outstanding Claims
At the end of this reporting period approximately 25,815 land claims awaited a determination from the Crown Lands Ministers.

Of this number:
• 25,029 are land claims lodged between 01 July 2005 and 30 June 2013.
• 573 were lodged between 01 July 2000 and 30 June 2005.
• 213 were lodged before the 2000/2001 financial year.

The oldest outstanding land claim was lodged on 29 September 1984.

Lodgment periods for current undetermined Aboriginal Land Claims
Land Claims Granted
The Unit is notified of all determinations (grants and refusals) made by the Crown Lands Ministers.

The Crown Lands Ministers granted 66 land claims, in part or in full, during the reporting period.

This will significantly boost the portfolios of recipient LALCs.

Land claims by NSWALC are often made on behalf of a LALC.

Any land successfully obtained through a land claim lodged by NSWALC, whether or not the claim was made on behalf of a LALC, is transferred to the relevant LALC.

Land Claims Refused
A total of 425 land claims were refused or part refused during the reporting period, while 117 land claims were withdrawn – either in full or in part.

Legal Matters
The Legal Services Unit continues to provide strategic legal advice to the CEO and Council on a wide range of issues relating to the ALRA and to other commercial and policy matters.

Most significantly, the Unit has provided advice on the current review of the ALRA, required to be undertaken by the Minister for Aboriginal Affairs pursuant to section 252A.

The Unit continues to manage the processing of land claim appeals in the Land and Environment Court and the Court of Appeal.

It consults closely with the LALC in whose area the claim was made, particularly should any settlement discussions occur.

The Unit maintains a close working relationship with its external legal advisors, so that costs can be effectively managed and skills transfer can still occur.

It also deals with proposed activities on claimed land, for example, proposed compulsory acquisitions of claimed land and receives requests from public authorities regarding proposed compulsory acquisitions and consults with LALCs regarding those requests.
The Unit provides legal advice to the Commercial Unit on land dealings, statutory interpretation, compliance, and assists in reviewing and drafting Council Submissions and legal instruments such as leases, licences and deeds.

Legal services were also provided to Local Aboriginal Land Councils through the Zone Offices where specific advice had been requested on matters which the NSWALC considered to be of particular importance to the LALC Network as a whole.

**Inspections, Appeals and Settlements**
The Unit continued to fulfill its core function of managing the legal process for land claims, particularly appeals to both the Land and Environment Court and the Court of Appeal. This work is vital to the viability and continued growth of the land base for Aboriginal people in NSW.

**Land Claim File Inspections**
The Unit continues to review the Department of Primary Industries files relating to land claims that were refused by the Crown Lands Ministers whether the claims are lodged by NSWALC or by Local Aboriginal Land Councils.

The purpose of these reviews is to ascertain whether the refusals were lawful and should be appealed.

**Land Claim Appeals**
The NSWALC continues to provide support to the network, where appropriate, by managing and funding appeals against the Ministers’ refusals of land claims.

The Unit works closely with LALCs to obtain instructions for the conduct of appeals, including settlement.

In the reporting year, the Unit inspected the files of all claims refused or part refused by the Ministers.

As a result, six of the refusals were appealed.

This figure is lower than in previous reporting periods, and again demonstrates some improvement in the decision making processes of the Government.

Fourteen appeals from the previous reporting period were settled in favour of the land rights network during the reporting period.

There are seventeen appeals (representing 25 individual land claims) currently before the Land and Environment Court and one (representing two individual land claims) before the Court of Appeal (Limbri).

Eight have been ‘stayed’ pending the outcome of the Limbri Court of Appeal matter, and six have been heard and await judgment.

The network’s success rate in litigation continues to be high.

Over 80 per cent of the appeals were won in Court or settled in favour of the relevant land council.

The practice of reviewing the government files has enabled NSWALC to make more strategic and informed decisions about appeals.

Two appeals judgments were handed down during the reporting period.

The Land and Environment Court dismissed one in favour of the government, and upheld the other in favour of the NSWALC.

The Minister appealed the judgment in favour of the NSWALC to the Court of Appeal.

This is set down for hearing on 20 February 2014 (the Limbri case).

Six appeals were discontinued during the reporting period.

This was primarily due to the Minister producing evidence which was previously not available to NSWALC when it decided to file the appeal.

The NSWALC spends approximately $1.22 million a year on land claims file reviews and appeals, excluding the salary costs of the Legal Services Unit.

While this cost is borne by the NSWALC, the benefit is passed onto LALCs through land handed back and favourable precedents being set for future determinations.

If LALCs had to fund the costs of appeals, only a handful of the more wealthy LALCs in and around Sydney and Newcastle could afford to do so.
Some Land Claims Cases and Settlements
NSWALC continues to work with LALCs and the Government to develop mutually acceptable resolutions to outstanding litigation.

Since July 2012, the NSWALC has successfully settled fourteen appeals.

Of these, two matters settled directly as a result of the NSWALC win in the Goomallee case which is a good result for the network.

These settlements have resulted in land being returned to Tamworth, Kempsey, Metropolitan, Mindaribba, Darkinjung, Moombahlene, Merrimans, West Wyalong, Wamba Wamba, Nowra, Red Chief, Jana Ngalee and Cobowra LALCs.

Settlement discussions in other cases continued as the reporting period ended.

Greenpoint Case
Aboriginal Land Claim 3478 the (Greenpoint Case) was lodged over land located at Kincumber, NSW on 18 August 1989.

The Minister refused the land claim on December 23, 2009, more than 20 years after it was lodged.

The claim was refused on the grounds the land was “needed or likely to be needed for the essential public purpose of public recreation and nature conservation”

The refusal was appealed to the Land and Environment Court.

A key motivator for the appeal was that the claimed land comprised sites of significant cultural heritage.

Most had suffered significant damage and degradation under the ostensible care and control of the local government.

Darkinjung LALC, with the support of the Gosford City Council, was able to convince the Minister to consent to the land being transferred to it to enable its joint management by the LALC and the Council as part of the Kincumber Mountain Reserve.

This is a significant win for the Land Rights network as it provides a great example to support an argument that “nature conservation” should never be a reason to refuse a land claim.

Waratah Park Case
Aboriginal Land Claim 25574 (Waratah Park) was claimed by NSWALC on behalf of the Metropolitan LALC on 10 June 2010.

This land was formerly the setting for the filming of the popular television series “Skippy: The Bush Kangaroo”.

The Minister refused the claim on 28 September 2011.

The claim was refused on the grounds that “the land was lawfully used and occupied by the Duffy’s Forest Reserve Trust and was needed, or likely to be needed, for the essential public purposes of recreation, tourism, education, preservation of cultural heritage and rural residential lands”.

NSWALC appealed to the Land and Environment Court of NSW.

The matter did not proceed to hearing.

The Minister offered to settle the claim on reasonable terms, with conditions that addressed the heritage concerns given the Skippy television show.

This is a good example of a Minister taking a reasonable approach.

It resulted in land being transferred while the public purpose is protected.

Some settlements do not result in all of the land originally claimed being granted.

For example, some LALCs have agreed to the granting of easements or to the exclusion of some land in the claim.

The NSWALC acknowledges the legitimate concerns of LALCs in agreeing to something less than they sought through the claims, particularly where the claims have been outstanding for decades.

On the other hand, the grants of land that are made as a result of settlement are clearly preferable to an unsuccessful appeal.

The cost of a fully contested appeal is often more than $100,000.

The negotiation and settlement of claims represents a substantial saving to the land rights network while returning land to Aboriginal people.
Successful Land Claim Appeals

Following are two examples of successful appeals to the NSW Court of Appeal.

Goomallee Land Claim

The NSWALC lodged a claim on January 16, 2006, over a parcel of land at Uralla within a larger rural property called Goomallee.

The Minister refused the claim on August 26, 2010 on the basis the land was ‘lawfully held and used pursuant to [a licence] for the purpose of grazing’.

The NSWALC appealed the refusal and argued the grazing licence was invalid as it was not authorised by the public recreation reservation over the land, or in furtherance of the reserved purpose, or ancillary to the reserve purpose, in any way.

If the use and occupation was unlawful, then the land would be claimable Crown land, and must be transferred to NSWALC in accordance with the ALRA.

The Minister argued a lower threshold applied.

A licence, in this case a grazing licence, would be valid so long as the purpose of the licence was not inconsistent with the reserved purpose and that on that basis the licence issued for grazing in this case was not inconsistent with the reservation for public recreation.

His Honour Justice Biscoe of the Land and Environment Court held that the licence was invalid.

Justice Biscoe agreed with the NSWALC that a licence for grazing was not consistent with the reserved purpose, was therefore invalid, and the use or occupation of the licensee was unlawful.

The Minister took the matter to the NSW Court of Appeal.

The issue for determination on appeal was whether the grazing licence was validly granted over land reserved from sale for the purposes of public recreation.

All five judges of the NSW Court of Appeal dismissed the Minister’s appeal in favour of the NSWALC on August 1, 2012

A number of cases have been settled in favour of the network due to the Goomallee decision.

Malabar Police Station

This was an appeal by the Crown Lands Minister of Justice Sheahan’s decision in La Perouse Local Aboriginal Land Council v Minister Administering the Crown Lands Act [2012] NSWLEC 5 (‘Malabar’).

La Perouse LALC lodged a claim over the land after the Police Station had closed.

The land claim was made on February 16, 2010.

The Minister refused the claim on March 4, 2010—less than three weeks later.

The land, he determined, was “lawfully used and occupied” for the purposes of policing.

The Minister argued in court that the land and buildings had been re-occupied by the police force, that the police were using the station around the date of claim, and that the police station was therefore lawfully used and occupied as at the date of the land claim.

Justice Sheahan found the activity of the police force on the claimed land was not sufficient for him to hold that the land was lawfully used and occupied.

He characterised the visits by police to the premises as “miniscule or insignificant”, and found there was a distinct lack of evidence of the site “being used or occupied beyond a notional degree”.

The use of the site also needed to be considered “in light of the directives from senior officers that it be utilised to defeat the land claim”.

The Minister appealed Justice Sheahan’s decision to the NSW Court of Appeal.

The appeal was heard by five judges on August 2, 2012.

The Court found in favour of then NSWALC and unanimously upheld Justice Sheahan’s original decision.
External Legal Costs
Expenditure on external legal service providers during the reporting period can generally be broken down into the following categories showing LSU budget expenditure as a percentage of its budget (excluding salaries and administrative expenses):

- External legal review of land claim refusals: 3.17%
- Land claims litigation (appeals where land claims have been refused): 71.17%
- Legal advice relating to the LALC Network: 1.70%
- NSWALC general advice (including ALRA Review): 16.55%
- Other network related litigation: 2.27%
- Legal advice relating to mining: 5.14%

Limited Title
In previous Annual Reports, the NSWALC expressed its disagreement with the Government’s policy of transferring land with limited title following successful claim or appeal.

Of the 214 certificates of title issued in the reporting period, 180 have been limited.

The Real Property Act 1900 allows the Registrar General to place a limitation on title to land in circumstances where the boundaries of the land are not sufficiently defined.

This practice effectively shifts the responsibility for undertaking and paying for surveys to LALCs. The compensatory value of the land which is the primary purpose of the ALRA is reduced.

The NSWALC continues to call upon Government to work with it to develop and implement practical solutions that will enable LALCs to use their land for economic and community purposes in a more effective manner instead of LALCs receiving land which could be a financial burden or liability because of the costs involved in unlocking the economic potential of the land.

Compulsory Acquisition
Under the Land Acquisition (Just Terms Compensation) Act 1991 (the Land Acquisition Act), an ‘acquiring authority’ may issue a Proposed Acquisition Notice (PAN).

An acquiring authority can be a local government, a utility provider or a government agency.

The same processes apply to crown land.

Compulsory acquisition of land which is vested in an Aboriginal Land Council is prohibited under section 42B of the ALRA, except by an Act of Parliament.

But for the time between making the claim and it being determined, which is often many years, there is nothing that protects the land under claim from being compulsorily acquired.

There is no process by which claimants under the ALRA are notified of a compulsory acquisition or acquiring authorities alerted to the existence of a land claim.

This situation creates a lack of certainty for all parties and reactive negotiations.

LALCs are sometimes pressured to negotiate at the last minute and accused of holding up development.

Similarly, acquiring authorities are frustrated by the delays caused by ‘last minute’ negotiations.

In order to ensure the problems arising from the current legislative framework can be avoided, as far as possible, the Government and the NSWALC have agreed on an administrative process for notification and negotiation in relation to proposed acquisition of crown land.

While this process is a good start, it does not provide the certainty that amendment to the Land Acquisition Act would provide for all parties.

The process agreed is that DPI will notify the NSWALC of the issue of a PAN, which is the first step in the compulsory acquisition process.

The NSWALC will then work with the LALC to seek the agreement of all parties (the Government, the Acquiring Authority and the LALC) to extend the time for objection from 120 days to twelve months so that the Minister can then determine the claim.

Where appropriate, the LALC may sometimes agree to the withdrawal of the part of the claim that is the subject of the PAN.
This avenue at least preserves some part of the claim area.

In some instances, where the claim would clearly not succeed, NSWALC recommends to LALCs that the claims be withdrawn. It is, however, a matter for LALCs.

Throughout the reporting period, the practice has developed that, prior to the issuance of a PAN, the acquiring authority has contacted the relevant land council to commence negotiations in advance.

This has decreased the need to negotiate the extension of the period of the PAN.

During the Reporting Period, NSWALC received 57 inquiries from acquiring authorities relating to compulsory acquisition.

Forty of those inquiries were in relation to PANS and the remainder sought to negotiate with the LALC prior to the PAN being issued.

Of those 57 inquiries, 13 were over land that was subject to a land claim.

The NSWALC believes the claim should be determined before any proposed compulsory acquisition proceeds.

Nevertheless, the NSWALC and the LALCs concerned seek to engage positively with the acquiring authorities, particularly where the proposed acquisition is for a purpose that has some broader public benefit, such as better power supply, or upgraded community facilities.

### Land claims training for LALCs

The Land Rights Unit provided on-site LALC training during the course of the year as well as updating the Land Claims Tip sheet (an on-line training resource).

The Legal Services Unit developed a land rights training material, a PowerPoint Presentation and case summaries of the *Goomallee* and *Malabar* Court of Appeal decisions.

These were presented at a number of regional forums around the State.

The NSWALC hopes that by further educating and informing LALCs about section 36 of the ALRA, and recent land claims decisions, it will empower more LALCs to make land claims in their areas.

### Business enterprise and Investment

As noted earlier the Council made the decision to participate in the resources industry.

Due to a lack of clarity about certain aspects of investment, the Council decided to wind up the two corporations it had established specifically to participate in mining ventures.

However, the NSWALC’s negotiations with third parties regarding commercial opportunities, as well as its four Petroleum Special Prospecting Authorities and its two applications for consent to explore for uranium remain on foot and under consideration.

The Unit has provided advice to Council and the Chief Executive Officer on various commercial and economic development proposals that have arisen during the reporting period in order to assist Council to achieve its strategic objectives.

The Unit, through its involvement with the Review of the ALRA, is providing advice and assistance to ensure that any lack of clarity about the investment and business functions of Land Councils is clarified, and that any amendments support Land Councils that wish to operate flexibly and commercially in the 21st century.

NSWALC also continues its involvement and support of Social Enterprise Finance Australia, an organisation established to provide tailored finance to social enterprises (including Aboriginal enterprises) on commercial terms together with targeted business advice and support.

The NSWALC’s Deputy CEO, Les Turner, is a Director of SEFA.

### Native Title

The NSWALC has experienced a significant increase in demand from Local Aboriginal Land Councils, and the community more broadly, for assistance in understanding and working with the interaction between the ALRA and the *Native Title Act 1993* (NTA).

Land rights under the ALRA and native title are two very different systems, each with their own aims and benefits.

Native title offers recognition of rights and interests held under traditional laws and customs.

In most cases a native title determination in NSW is likely to recognise non-exclusive rights, such as the right to hunt and gather.
In contrast the grant of land under the ALRA is a form of compensation for dispossession, and does not require any traditional connection to land.

A land claim, if granted, will generally result in the Local Aboriginal Land Council having a freehold interest in the land.

The interaction between the ALRA and the NTA can be very complex.

The Legal Services Unit has worked with the Policy and Research Unit to develop a range of materials to assist people to understand the two systems.

Two fact sheets were developed and disseminated across the network in the reporting period.

The Unit has also provided extensive assistance to three Local Aboriginal Land Councils involved in specific native title matters, including:

- Nambucca Heads LALC and Unkya LALC, who are involved in the Gumbaynggirr (Gumma – Warrell Creek) native title claim (NSD6054/1998) which is a priority matter for resolution by the Federal Court
- Forster LALC, who became involved in a native title matter due to land claims they had on foot, and
- Jerrinja LALC, who became involved in protracted litigation as a result of the requirement under section 42 of the ALRA that a Land Council may not deal with land that is granted subject to any native title that existed immediately before the transfer of the land unless there is a determination of native title in relation to the land.

The demand for advice and assistance in native title matters is only likely to increase as more LALCs seek to deal with their land and larger areas of the State are covered by registered native title claims.

This is a significant issue for the network given most LALCs do not have the financial capacity to obtain legal advice in these matters, there is little or no pro bono capacity to provide that advice, and the NSWALC Legal Services Unit is currently not in a position to provide specific legal advice to LALCs given its role as advisor to the NSWALC.

Corporate Governance Unit
The Unit achieved a number of important outcomes during the reporting period.

Board Governance
The Unit planned, prepared and facilitated a total of eighteen meetings of the NSWALC during the reporting period.

Each of the meetings required the preparation, compilation and circulation, in consultation with the Chairperson and Chief Executive Officer, of meeting agendas, Board papers, and consequential minutes, resolutions and actions arising, to Board members and senior staff.

The NSWALC is required by legislation to meet at least four times a year.

The Minister for Aboriginal Affairs, the Hon Victor Dominello MP, attended one meeting of the NSWALC held on 20 February 2013.

The CGU also provided support to a number of Committee meetings during the reporting period as outlined below:

<table>
<thead>
<tr>
<th>Type of Meeting</th>
<th>Number of Meetings Held</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSWALC</td>
<td>18</td>
</tr>
<tr>
<td>Audit &amp; Risk Committee</td>
<td>5</td>
</tr>
<tr>
<td>Finance Committee</td>
<td>6</td>
</tr>
<tr>
<td>Governance Committee</td>
<td>5</td>
</tr>
<tr>
<td>Investment Committee</td>
<td>4</td>
</tr>
</tbody>
</table>

The Unit also provided support to eight Council Workshops which considered and discussed a range of major policy issues.

These included the long term sustainability of the land rights network, the ALRA Review, the Ministerial Taskforce on Aboriginal Affairs, the development of the NSWALC Strategic Plan 2013-17, the Education Endowment Fund, and Economic Development strategies.
**Internal Audit**

All internal audits are focused on identifying areas for improvement and the means by which the NSWALC can achieve and maintain best practices.

During the reporting period, the following internal audit reviews were completed:

<table>
<thead>
<tr>
<th>Internal Audits completed during 2012/2013</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review of Government Information Public Access Act</td>
<td>5</td>
</tr>
<tr>
<td>Review of Travel Claims Reimbursement</td>
<td>4</td>
</tr>
<tr>
<td>Review of Northern Zone Office</td>
<td>7</td>
</tr>
<tr>
<td>Review of Southern Zone Office</td>
<td>6</td>
</tr>
<tr>
<td>Review of Work Health and Safety Compliance</td>
<td>7</td>
</tr>
</tbody>
</table>

There were 29 findings with a range of recommendations.

Each finding was categorised by the Internal Auditor as a “People Issue” and/or a “Process Issue” and/or a “Technology Issue”:

<table>
<thead>
<tr>
<th>Primary cause</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>People</td>
<td>Persons performing the control activities do not have appropriate training and knowledge to perform the control activities effectively, or defined policies and procedures are not being followed</td>
</tr>
<tr>
<td>Process</td>
<td>Policies and procedures are out dated and do not reflect existing practice, or have not been defined in sufficient detail to address the risks to the business</td>
</tr>
<tr>
<td>Technology</td>
<td>Technology is not appropriately implemented or configured to mitigate the risks identified</td>
</tr>
</tbody>
</table>

The internal audit reviews identified: 14 People Issues, 15 Process Issues and no Technology Issues.

Each finding/issue was also given a Risk Ranking by the Internal Auditor to indicate to NSWALC Management the significance of the finding and the attention required to reduce its probability and/or impact.

The following table explains the risk categories:

<table>
<thead>
<tr>
<th>Residual risk rating</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant</td>
<td>Level of residual risk is significant in that it threatens the objectives of the process/area</td>
</tr>
<tr>
<td>High</td>
<td>Level of residual risk is important to the organisation and may threaten the objectives of the process/area</td>
</tr>
<tr>
<td>Medium</td>
<td>Level of residual risk is of concern to the organisation</td>
</tr>
<tr>
<td>Low</td>
<td>No issues or only minor opportunities for improvement to processes identified.</td>
</tr>
</tbody>
</table>

**BUSINESS IMPROVEMENT OPPORTUNITIES**

Business improvement opportunities arise where the internal audit considers that a recommendation, if implemented, would result in a benefit to NSWALC (for example, through more efficient and/or cost effective processes). These observations do not represent weaknesses in internal controls and are therefore allocated a low risk rating.

No Significant risks were identified among the 29 findings; 6 were ranked High risks; 12 Medium risks; 11 Low risks. Three business improvement opportunities were also identified during the reviews.
Audit and Risk Committee
The Audit and Risk Committee met on five occasions during the reporting period.

The Committee comprised the independent Chair, Ms Carolyn Walsh, independent member, Mr Garry Dinnie, and Council representative, Deputy Chairperson Craig Cromelin.

Councillor Peter Smith is an alternate Councillor.

The meetings of the Audit and Risk Committee were regularly attended by the NSWALC CEO, Deputy CEO, Director of Corporate Services, Director of Corporate Governance, the Planning and Risk Officer and representatives of the NSW Audit Office and Internal Auditors.

All meetings were supported by the Secretariat.

NSWALC is obliged to publish an Internal Audit and Risk Management Statement for the 2012-2013 Financial Year. This can be found at the end of this report.

Planning and Risk Management
The Unit also worked extensively with senior staff, the Audit and Risk Committee and Council to review the NSWALC’s Enterprise Risk Management Plan.

Complaints
The NSWALC recorded nineteen complaints during the reporting period. Seventeen related to LALCs and two to the NSWALC. All complaints were resolved to the NSWALC’s satisfaction.

One formal referral was made by the NSWALC to ICAC (pursuant to section 11 of the ICAC Act).

Changes to Complaints Policy
The complaints handled in this reporting period were undertaken in line with the NSWALC complaints policy. A new complaints policy was established in 2012 to better align complaints handling procedures with the NSWALC’s current resources and capabilities.

The NSWALC has no formal powers under the Aboriginal Land Rights Acts 1983 to investigate the conduct of a Local Aboriginal Land Council (LALC), its Board members, its staff or members.

The NSWALC is, however, committed to providing support and assistance to LALCs and LALC members to resolve their local issues.

The LALC Boards are responsible for directing and controlling the affairs of a LALC.

In the first instance, any person with a grievance about a LALC should approach the relevant LALC Chairperson to seek to resolve the issue(s).

A guide to making complaints to the NSWALC can be found on our website at www.alc.org.au.

Obligations under the Government Information (Public Access) Act 2009
1. Review of Proactive Release Program - Clause 7(a)

Under Section 7 of the Government Information (Public Access) Act (GIPA), agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months.

The NSWALC’s program for the proactive release of information involves an assessment of current policies and procedures by the Director of Corporate Governance.

The NSWALC reviewed this program during this reporting period and concluded the current management practice of proactively releasing information through our website was sufficient.

Some further refinements to NSWALC processes will be made following the internal audit review of our procedures for handling GIPA requests.

2. Number of Access Applications Received – Clause 7(b)

The NSWALC received a total of eleven formal access applications.

3. Number of Refused Applications for Schedule 1 Information – Clause 7(c)

During the reporting period, NSWALC refused two formal access applications because the information requested was information referred to in Schedule 1 to the GIPA Act. These applications were refused in part.
### Table A: Number of applications by type of applicant and outcome*

<table>
<thead>
<tr>
<th></th>
<th>Access granted in full</th>
<th>Access granted in part</th>
<th>Access refused in full</th>
<th>Information not held</th>
<th>Information already available</th>
<th>Refuse to deal with application</th>
<th>Refuse to confirm/deny whether information is held</th>
<th>Application withdrawn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Media</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Members of Parliament</td>
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<td>0</td>
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<td>0</td>
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<tr>
<td>Private sector business</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Not for profit organisations or community groups</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Members of the public (application by legal representative)</td>
<td>3</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Members of the public (other)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

*More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

### Table B: Number of applications by type of application and outcome

<table>
<thead>
<tr>
<th></th>
<th>Access granted in full</th>
<th>Access granted in part</th>
<th>Access refused in full</th>
<th>Information not held</th>
<th>Information already available</th>
<th>Refuse to deal with application</th>
<th>Refuse to confirm/deny whether information is held</th>
<th>Application withdrawn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal information applications*</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Access applications (other than personal information applications)</td>
<td>3</td>
<td>6</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Access applications that are partly personal information applications and partly other</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

*A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual). The total number of decisions in Table B should be the same as Table A.*
### Table C: Invalid applications

<table>
<thead>
<tr>
<th>Reason for invalidity</th>
<th>Number of applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application does not comply with formal requirements (section 41 of the Act)</td>
<td>0</td>
</tr>
<tr>
<td>Application is for excluded information of the agency (section 43 of the Act)</td>
<td>0</td>
</tr>
<tr>
<td>Application contravenes restraint order (section 110 of the Act)</td>
<td>0</td>
</tr>
<tr>
<td>Total number of invalid applications received</td>
<td>0</td>
</tr>
<tr>
<td>Invalid applications that subsequently became valid applications</td>
<td>0</td>
</tr>
</tbody>
</table>

### Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act

<table>
<thead>
<tr>
<th>Issue</th>
<th>Number of times consideration used*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overriding secrecy laws</td>
<td>0</td>
</tr>
<tr>
<td>Cabinet information</td>
<td>0</td>
</tr>
<tr>
<td>Executive Council information</td>
<td>0</td>
</tr>
<tr>
<td>Contempt</td>
<td>0</td>
</tr>
<tr>
<td>Legal professional privilege</td>
<td>2</td>
</tr>
<tr>
<td>Excluded information</td>
<td>0</td>
</tr>
<tr>
<td>Documents affecting law enforcement and public safety</td>
<td>0</td>
</tr>
<tr>
<td>Transport safety</td>
<td>0</td>
</tr>
<tr>
<td>Adoption</td>
<td>0</td>
</tr>
<tr>
<td>Care and protection of children</td>
<td>0</td>
</tr>
<tr>
<td>Ministerial code of conduct</td>
<td>0</td>
</tr>
<tr>
<td>Aboriginal and environmental heritage</td>
<td>0</td>
</tr>
</tbody>
</table>

*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

### Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act

<table>
<thead>
<tr>
<th>Issue</th>
<th>Number of occasions when application not successful</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible and effective government</td>
<td>3</td>
</tr>
<tr>
<td>Law enforcement and security</td>
<td>3</td>
</tr>
<tr>
<td>Individual rights, judicial processes and natural justice</td>
<td>0</td>
</tr>
<tr>
<td>Business interests of agencies and other persons</td>
<td>3</td>
</tr>
<tr>
<td>Environment, culture, economy and general matters</td>
<td>0</td>
</tr>
<tr>
<td>Secrecy provisions</td>
<td>0</td>
</tr>
<tr>
<td>Exempt documents under interstate Freedom of Information legislation</td>
<td>0</td>
</tr>
<tr>
<td>Table F: Timeliness</td>
<td>Number of applications</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Decided within the statutory timeframe (20 days plus any extensions)</td>
<td>10</td>
</tr>
<tr>
<td>Decided after 35 days (by agreement with applicant)</td>
<td>1</td>
</tr>
<tr>
<td>Not decided within time (deemed refusal)</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)</th>
<th>Decision varied</th>
<th>Decision upheld</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal review</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Review by Information Commissioner*</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Internal review following recommendation under section 93 of Act</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Review by ADT</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

*The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

<table>
<thead>
<tr>
<th>Table H: Applications for review under Part 5 of the Act (by type of applicant)</th>
<th>Number of applications for review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applications by access applicants</td>
<td>0</td>
</tr>
<tr>
<td>Applications by persons to whom information the subject of access application relates (see section 54 of the Act)</td>
<td>0</td>
</tr>
</tbody>
</table>

The NSWALC website includes information on the requirements of the GIPA Act such as the Publication Guide, the Register of Government Contracts, and the Register of Property Disposals.
Obligations under the Public Interest Disclosures Act 1994 (the PID Act)

The PID Act sets out the system under which people working within the NSW public sector (including individuals who are engaged as contractors), can make complaints about the functioning of the public sector in a way that minimises the risk of reprisal.

Complaints made under the PID Act are often referred to as “whistleblower” complaints.

NSWALC has developed policy guidelines on the requirements of the PID Act in an effort to outline how individuals can make complaints regarding “corrupt conduct”, “maladministration” and “serious and substantial waste” which the complainant honestly believes occurs, or has occurred at the NSWALC. The policy is on the NSWALC website.

The NSW Ombudsman has oversight of the PID Act.

Section 248 of the Aboriginal Land Rights Act 1983 makes the NSWALC a public authority, reviewable by the NSW Ombudsman.

The NSWALC received no PID complaints during the current reporting period.

The Policy and Research Unit

As noted earlier the work of this unit during the reporting period provided vital assistance to the Council in its ongoing advocacy, both in Australia and overseas, to provide more ownership and control to Aboriginal people in areas such as culture and heritage and land and water rights.

This work is carried out in line with the priorities set by Council and the land rights network.

Culture and Heritage Reform in NSW

The Aboriginal peoples of Australia maintain the oldest living cultures in the world.

The protection of our cultural and spiritual landscapes and materials, including sacred and significant sites, and objects, is vital to maintaining our cultures.

These are not given adequate legal protection in NSW.

NSWALC has a statutory role, pursuant to section 106(7) of the Aboriginal Land Rights Act 1983 (ALRA), in relation to Aboriginal culture and heritage.

The legislation states the NSWALC has a statutory duty to:

(a) to take action to protect the culture and heritage of Aboriginal persons in New South Wales, subject to any other law,
(b) to promote awareness in the community of the culture and heritage of Aboriginal persons in New South Wales.

Local Aboriginal Land Councils have a similar function, as it relates to their area, under section 52 (4) of the ALRA.

However, the NSWALC and LALCs are given no statutory power to enforce the laws.

This power currently resides with the State Government and its agencies.

The NSWALC believes this power should reside with Aboriginal people in stand alone legislation.

The main law for the protection of Aboriginal culture and heritage in NSW is the National Parks and Wildlife Act 1974 (NSW), the State’s flora and fauna legislation.

This Act provides that all Aboriginal objects are considered, with some exceptions, to be the ‘property of the Crown’.

It vests in the NSW Government the power to both protect Aboriginal culture and heritage and to approve its damage or destruction.

The Minister for the Environment and Heritage, the Minister for Aboriginal Affairs and the NSW Office of Environment and Heritage have been pursuing a process to reform Aboriginal culture and heritage laws for more than two years.

Over this time, the Unit has recommended:

• Consultation processes with Aboriginal peoples and their representative organisations be comprehensive;
• That the NSW Government engage an independent third party to carry out the consultation and review process;
• That Aboriginal peoples views on the reform of Aboriginal culture and heritage are prioritised above other stakeholders; and
• That any reform process, including the development of standalone legislation, recognises Aboriginal peoples as the rightful owners of Aboriginal culture and heritage in NSW.
In this reporting period the NSWALC has sought specific information from the Minister for the Environment and Heritage on the proposed content of reform options, progress of Working Party deliberations to date, options being considered by the NSW Government, details about proposed costing of models and engagement strategies going forward.

The NSWALC had not received comprehensive responses to the requests as this reporting period ended.

It is anticipated the intentions of the State Government will be made clear early in the new financial year.

Regional Workshops
As previously reported, the Unit conducted workshops in the nine NSWALC regions in May – July 2012 on proposed models for new Aboriginal culture and heritage laws.

The Unit received considerable feedback from LALC members and a number of interested individuals and groups during this process.

Three alternative models for new Aboriginal culture and heritage laws were canvassed during the workshops.

Specific feedback was sought from participants on the relative merit of each proposal.

Broadly the three proposals were:

1. NSW Aboriginal Culture and Heritage Commission:
   This model proposed the establishment of a NSW Aboriginal Culture and Heritage Commission controlled by Regional Councils nominated by Aboriginal groups. This model involves the establishment of new structures in addition to the current existing Aboriginal Land Council network.

2. Two tiered Aboriginal Land Councils:
   This model proposed to build on the existing Aboriginal Land Council structures under the Aboriginal Land Rights Act 1983 with the development of an Aboriginal Owners Council selected by Aboriginal Owners who are responsible for making decisions regarding Aboriginal culture, heritage and culturally significant lands and waters.

3. Registered Aboriginal Party model
   This model proposes a Registered Aboriginal Party (RAP) model with Aboriginal organisations able to nominate who can become responsible for managing Aboriginal heritage over a particular area and the establishment of a state wide Aboriginal culture and heritage Council to oversee these RAPs.

The feedback revealed:
- Participants were sceptical that the current government reform process would result in genuine reforms;
- Participants supported independent Aboriginal structures managing and protecting Aboriginal culture and heritage;
- Identified benefits in building on existing structures – the Aboriginal Land Council network (support of Model 2);
- Emphasised the need for increased resources and capacity should LALCs gain increased roles and responsibilities for culture and heritage

The Unit developed an outcomes paper at the conclusion of the workshops to reflect the discussions and feedback.

The outcomes paper was sent to the Minister for the Environment and Heritage and the Minister for Aboriginal Affairs.

It was hoped the views and ideas would contribute to the outcome of the reform process.

Copies of the outcomes paper are available on request from the Unit.

The NSWALC will continue its advocacy campaign in the new financial year for the development of standalone legislation.

The campaign is underpinned by the United Nations Declaration on the Rights of Indigenous Peoples, which recognises Aboriginal peoples as the rightful owners of Aboriginal culture and heritage in NSW.
NSW Planning Laws Review

NSW planning laws and instruments establish the framework by which all land uses and all developments in NSW are regulated.

In so doing they play a crucial role in land management, heritage protection and economic development.

As previously reported, the NSW Minister for Planning and Infrastructure announced a major review of the NSW planning system in July 2011.

During this reporting period the Unit developed a submission to the New Planning System for NSW Green Paper, and a submission to the New Planning System for NSW White Paper.

It also provided notices and updates to LALCs on issues related to the planning review and reforms.

While NSWALC has consistently made recommendations to the NSW Government regarding the planning review process, neither the Green paper nor White paper have addressed our recommendations.

The NSWALC submissions focused on:
• Consultation and engagement with Aboriginal peoples;
• Protections for Aboriginal culture and heritage;
• Economic development of Aboriginal lands; and
• Former Aboriginal reserves and missions.

More specifically, the submissions outlined issues relating to the proposed Community Participation Charter.

It advocated the Charter be enshrined in legislation, it should be enforceable, incorporate best practice minimum standards on community participation and specifically recognise Aboriginal peoples.

The submissions also canvassed issues in relation to the reduced ability for community participation at the development stage with no community review or appeal rights.

The NSWALC also recommended strategic planning include mechanisms to unlock the economic development potential of land through a coordinated approach involving Local Government and Local Aboriginal Land Councils.

The submissions also raised a range of issues relating to the significant and cumulative impacts the current planning system has on the protection of Aboriginal culture and heritage.

The Policy and Research Unit will continue to monitor developments in the review process on behalf of Council and its advocacy for reforms in the new financial year.

Local Government Act Review

The NSW Government is currently reviewing the Local Government Act as part of the State Governments overall strategic plan ‘Destination 2036’ and the NSW State Plan 2021.

A Local Government Acts Taskforce was established by the Local Government Minister.

The Taskforce released a discussion paper in April 2013.

The paper was based on input from the Independent Local Government Review Board and key stakeholders.

The Local Government Act review is occurring concurrently with reviews of other relevant legislation including the NSW Planning Laws.

The NSWALC provided submissions to the Independent Review Panel and the Local Government Act Taskforce during the reporting period.

The submissions highlighted concerns about the lack of engagement with Aboriginal people in NSW as key stakeholders in local government responsibilities.

Emphasis was placed on enabling effective engagement through proper resourcing and processes – including reporting and monitoring, and legislated requirements for effective engagement with Aboriginal people.

The Taskforce was expected to present its report to the Minister early in the new reporting period.

Network Sustainability

The Unit continued to support the NSWALC’s work on sustainability options for the land rights network during this reporting period.

The Unit considered modelling presented to the NSWALC by an external consultant in relation to funding options.
The CFI is a carbon offset scheme.

It has been established by the Australian Government to enable landowners to earn credits by storing carbon or reducing greenhouse gas emissions on their land.

The Unit developed a guide to the Carbon Farming Initiative during the reporting period.

It was distributed to the Local Aboriginal Land Council network.

A student intern also conducted a research project focusing on the Carbon Farming Initiative and risks and possibilities for the Aboriginal Land Council network.

The Unit applied for, and was awarded, a grant under the Indigenous Carbon Farming Fund Capacity Building and Business Support Stream.

The one year grant funds:

- An analysis of the legislation that underpins the carbon farming initiative and its relationship with the Aboriginal Land Rights Act 1983 and related regulations;
- Feasibility studies on select parcels of land;
- Project plans for select parcels of land; and
- The development of a scoping paper and case studies for dissemination to the Aboriginal Land Council network.

Other environmental issues

The Policy and Research Unit monitored changes in programs and initiatives and provided responses to a number of inquiries and reviews relating to environmental issues during the reporting period.

These included:

- Inquiry into the management of public land: The Unit provided two submissions to the General Purpose Standing Committee No. 5. These submissions recommended strategies be developed to inform and engage the Aboriginal Land Rights Network in any proposal related to such land, that the emphasis placed on the conversion of Crown land to National Park estate must not undermine the compensatory mechanisms of the Aboriginal Land Rights Act 1983, and that the protection of environmental values does not necessarily align with the protection of Aboriginal culture and heritage values as determined by Aboriginal peoples.

- Local Land Services: The Unit developed a number of submissions to the Local Land Services Stakeholder Reference Panel. From January 2014, Local Land Services will replace Catchment Management Authorities (CMAs), Livestock Health & Pest Authorities (LHPAs) and incorporate agricultural advisory services currently provided by Agriculture NSW (part of the Department of Primary Industries). The NSWALC submissions recommended that consultation processes fully support the engagement of Aboriginal peoples in the establishment of governance arrangements for Local Land Services and in their operation. The NSWALC proposed every Local Land Services should be required to have an Aboriginal Reference Group and that there should be an Aboriginal designated position on each Local Land Services Board.

Youth Engagement Research

The Unit began research a Youth Development Plan as part of the NSWALC 2013-2017 Strategic Plan.

The plan is being designed to capitalise on the input youth can have on the Aboriginal land rights network. This work will continue in the new reporting period.

Indigenous Water Advisory Committee

NSWALC continued to maintain its support for Policy and Research Unit staff member Phil Duncan’s role as Chairperson of the Indigenous Water Advisory Committee.

Detailed information on the work of the Committee can be found at http://www.environment.gov.au/water/australia/community-input/indigenous-committee.html.

Water

The Unit also developed the first in a series of fact sheets on water trading and licencing.

The fact sheet discusses what water licences are, different types of water licences, water sharing plans, water trading and Aboriginal water initiatives.
This includes the UN Declaration on the Rights of Indigenous Peoples, which affirms that Indigenous peoples have the right to participate in decision-making in matters which affect their rights.

In recent years the Council has sent delegations to the UNPFII and EMRIP to represent and to advocate on behalf of Aboriginal people in Australia, with particular emphasis on New South Wales.

Participation at these forums also presents a useful platform for capacity-building and networking with other First Nation peoples and Indigenous networks in the Pacific.

The Unit prepared a number of submissions and interventions for Councillors to present to forums held at the United Nations during the reporting period.

**UN Permanent Forum on Indigenous Issues (UNPFII)**

The NSWALC sent a four person delegation to the twelfth session of the United Nations Permanent Forum on Indigenous Issues (UNPFII) from the 18th – 29th May, 2013.

The UNPFII consists of 16 members elected to serve in their personal capacity as independent experts and has a mandate to act as an advisory body to the Economic and Social Council (ECOSOC) on Indigenous issues.

These include economic and social development, culture, the environment, education, health and human rights.

The body’s work seeks to contribute to the protection, respect and fulfilment of Indigenous peoples rights.

The Policy and Research Unit prepared the following interventions and reports for presentation at the UNPFII Forum.

- National Constitutions, (supporting report),
- The World Conference on Indigenous Peoples,
- Health, Education and Culture, and
- Implementation of the UN Declaration on the Rights of Indigenous Peoples into Australian domestic law.

The fact sheet was distributed at the 2013 NSWALC Statewide Conference.

Support was also sought from the Aboriginal Land Council network at the Conference for the adoption and implementation of the former First Peoples Water Engagement Council’s Federal Advice and Policy Framework.

This policy framework sets out six recommendations that call on the Minister to support the engagement of Indigenous peoples in water planning, allocations and management.

**Brewarrina Fish Ladder**

The Brewarrina Fish Ladder was completed during the reporting period.

A Senior Policy Officer from the Unit was involved in the project which restored fish passage through Brewarrina Weir.

In addition, the NSWALC assisted in Aboriginal Recreation Fishing Clinics at Brewarrina School.

**International Advocacy**

The New South Wales Aboriginal Land Council holds special consultative status with the United Nations Economic and Social Council (ECOSOC).

This status allows the NSWALC to advocate on behalf of Aboriginal peoples in NSW and in a collective capacity at the international level when participating at the United Nations through its various bodies and activities.

The NSWALC’s ongoing participation in the work of the United Nations and more particularly the United Nations Permanent Forum on Indigenous Issues (UNPFII) and Expert Mechanism on Indigenous Peoples (EMRIP) is in line with Council’s decision to adopt, and maintain a strategy of active engagement in international advocacy.

The development of networks through engagement at the international level also assists the NSWALC in the management of its broader statutory functions and allows it to shine a spotlight on domestic issues in the international arena.

At the same time the NSWALC seeks to engage in discussions on best-practice mechanisms to have human rights standards adopted and applied in Australia for the benefit of Aboriginal people.
Lobbying packages were also prepared on the submissions and the recent work of NSWALC.

The NSWALC has forged a good relationship with Indigenous networks and the United Nations Special Rapporteur on Indigenous Issues, Professor James Anaya, through its engagement with the UN and in hosting events at these forums.

**Expert Mechanism on the Rights of Indigenous Peoples (EMRIP)**

The EMRIP was established by the Human Rights Council, the UN’s main human rights body, in 2007 as a subsidiary body of the Council.

This mechanism was formed to continue the work of the Working Group on Indigenous Populations and provides thematic advice on the rights of Indigenous peoples.

The EMRIP holds an annual session to allow for states, Indigenous peoples, Indigenous peoples’ organisations, civil society, inter-governmental organisations and academia to take part.


NSWALC sent a four person delegation to attend the sixth session of the EMRIP in July, 2013. It focused on access to justice in the promotion and protection of the rights of indigenous peoples.

**The World Conference on Indigenous Peoples**

The World Conference on Indigenous Peoples will be held in New York in 2014.

In preparation for the conference, the NSWALC co-hosted a Pacific Preparatory meeting in Sydney from 19-21 March, 2013 which brought together Indigenous peoples from the Pacific region to determine the key issues to be discussed at the WCIP 2014.

The NSWALC presented a report on the human rights situation in Australia at the meeting.

This was one of seven regional preparatory meetings held around the world.

The issues covered included the involvement of Indigenous Peoples in the UN system, health equality, access to justice, women, self-determination, land and resources, decision making and the principle of free, prior and informed consent as outlined in the UN Declaration.

The NSWALC also attended the preparatory meeting held in June 2013 in Alta, Norway.

This meeting was held in order to seek collaboration across the seven regions on issues to be raised and to develop collective recommendations ahead of the WCIP.

**Australian Constitutional Reform**

All major political parties made commitments during the 2010 Federal election campaign to reform the Australian Constitution.

An Expert Panel on Constitutional Reform was subsequently appointed.

The Panel was requested to:

- Lead a broad national consultation and community engagement program to seek the views of a wide spectrum of the community.
- Work closely with organisations who have existing expertise and engagement in relation to the issue; and
- Raise awareness about the importance of Indigenous Constitutional recognition including by identifying and supporting ambassadors who will generate broad public awareness and discussion.

The Panel was also asked to report to the Australian Government on the possible options for Constitutional recognition, including the level of support from Aboriginal and Torres Strait Islander peoples and the broader community on options for changes.

The Panel released its report and recommendations in January 2012.

The Australian Government introduced the *Aboriginal and Torres Strait Islander Recognition Bill 2012 (Cth)* into Parliament on November 27, 2012 as an ‘Act of Recognition’

The Bill was an important step towards a referendum.

It recognised Aboriginal and Torres Strait Islander peoples as Australia’s First Peoples and contains a commitment from Government to obtain broad national support for constitutional recognition within two years of the Bill’s passage through Parliament.
It has been supported by all major parties.

The Policy and Research Unit has provided a constant flow of information to the land rights network through a series of fact sheets to set out the NSWALC’s position on constitutional reform. They are available on the NSWALC website.

It also prepared a submission on the introduction of the Bill.

The NSWALC has recommended the Australian Government move beyond symbolic recognition of Aboriginal and Torres Strait Islander peoples in the Australian Constitution.

It has supported the Bill with the provision it leads to substantive constitutional reform which reflects Australia’s international human rights obligations.

These include the right of Aboriginal and Torres Strait Islander peoples right to self-determination, the right to protect their distinct cultures and identities and the right to be protected from racial discrimination.

The NSWALC has strongly advocated for the Australian Government to move forward from its ‘commitment to formally support’ the UN Declaration on the Rights of Indigenous Peoples, to fully implement these principles into laws, policies and, most importantly, practical measures.

Meaningful engagement with Aboriginal and Torres Strait Islander peoples, peak bodies and organisations is also essential to inform the position of the Federal Parliament on the eventual model for Constitutional reform.

This means consultation processes with Aboriginal and Torres Strait Islander communities should be adequately resourced and designed to obtain their free, prior and informed consent to any proposal for constitutional change.

The Unit will continue to monitor this policy area in the new reporting period.

Australian Bureau of Statistics 2011 Census
The Unit commenced a project in 2012 relating to the ABS 2011 Census.

The project included obtaining and analysing NSW Aboriginal population data at the NSWALC and LALC geographic areas.

The project included the development of:
- A report – The Aboriginal Population of NSW: Analysis of the 2011 Census. The report discussed the age distribution of Aboriginal peoples in NSW, educational attendance and attainment, occupation, income levels, housing outcomes, employment participation and employment type, life-course analysis (the relationship between education, employment and income) and migration across NSWALC regions.
- Summaries of the above data for each NSWALC region and each Local Aboriginal Land Council area.

The Report, regional and LALC data was mailed to the network.

The report is available by request from the Unit.

Native Title
In this reporting period the Unit undertook work in relation to native title which included the development of a series of factsheets which compare native title and land rights and discuss the interaction between the two regimes.

In addition, the Unit in collaboration with the Legal Services Unit, began to develop a guide for LALCs to native title.

The guide will help to dispel common misunderstandings, outline the interaction between the ALRA and the Native Title Act 1993 (Cth) and contribute a basic understanding of how the Native Title Act 1993 (Cth) works.

The PRU also wrote a submission to the Inquiry into the Native Title Amendment Bill 2012.

The primary concern of the NSWALC in relation to the Amendment Bill was to ensure that Aboriginal Land Councils in NSW, as owners of lands including National Parks and other forms of nature reserves, are recognised and afforded rights to agreement making processes.

The submission urged the Inquiry to recognise the unique nature of land rights in NSW and to ensure any amendments to the Native Title Act 1993 (Cth) do not undermine or conflict with the purposes and operation of the ALRA.
Submissions

Formal submissions represent an important part of the work of the Policy and Research Unit.

A significant number of high quality submissions were produced in reporting period.

They included submissions to:
- The Independent Local Government Review Panel
- The Local Government Acts Review
- The Management of Public land in NSW Inquiry
- On the Native Vegetation Regulation and PNF Codes of Practice
- The Commonwealth Marine Parks review
- Inquiry into Native Title Amendment Bill 2012 (Cth)
- The NSW Planning Review Green and White Papers
- Submission to the NSW Planning Review White Paper
- The Crown Lands Review
- The Local Land Services Stakeholder Reference Panel
- The Caring for our Country program design review
- The Aboriginal and Torres Strait Islander Recognition Bill 2012 (Cth)
- EMRIP –Access to Justice
- The UNPFII on National Constitutions
- The Inquiry into Racial Vilification Laws in NSW
- The National Food Plan Green Paper
- The Graffiti Control Amendment (Racist Graffiti) Bill 2012

Workshops, events and meetings

Unit staff also attended a large number of workshops, events and meetings during the reporting period.

Policy and Research Unit staff received invitations to attend a number of the Councillor’s Regional Forums to present on issues related to Aboriginal Culture and Heritage, Water and the Aboriginal Land Rights Act Review.

Other events and meetings attended by staff included:

- Meetings with interested stakeholders regarding the reform of Aboriginal culture and heritage laws in NSW
- Presentation at UTS seminar on Culture and Heritage protection in NSW: options and strategies
- Ministerial Taskforce on Aboriginal Affairs consultations
- NSW Planning Review Green Paper Community Consultation, Sydney
- Constitutional reform seminars and meetings
- Cultural tour at Royal National Park with La Perouse LALC
- Land and Environment court hearing and site inspection- damage to rock engraving at Cromer
- Presentation to NAILSMA on Aboriginal Water Rights, Jabiru NT
- Presentation to the 2013 NNTC Conference Alice Springs on Aboriginal Water Rights
- Presentation at the Australian Water Congress Sydney 2013 on Aboriginal Water Rights
- Facilitating a workshop on Water Trading for Wiradjuri Region and Western Region LALCs Griffith
- Meetings with the Department of Primary Industry and the Local Land Services Stakeholder Reference Panel regarding the Local Land Services proposal
- Meetings with various stakeholders regarding the Carbon Farming Initiative
- Attendance at CAPO workshops
- Attendance at meetings regarding the Environment Protection Biodiversity Conservation Act water trigger.
Educational Resources
The Unit has also produced a large number of educational resources during the reporting period.

These included:
- NSWALC culture and heritage consultation outcomes report
- Guide to the Carbon Farming Initiative
- Fact sheet on water licences and trading
- Fact sheet on Constitutional reform progress
- Fact sheets on native title and land rights
- ABS 2011 Census report, regional profiles and LALC profiles

Additional policy advice and assistance
During the reporting period the Policy and Research Unit responded to a large number of requests for policy advice and assistance via phone, email and mail from the Aboriginal Land Council network and community members.

The issues covered included:
- Options for protecting Aboriginal heritage sites
- Assistance in developing responses in relation to Aboriginal heritage issues
- Consultation policies and procedures
- Advice to LALCs on planning, zoning and local council issues
- Regular notices to LALCs on opportunities to respond to key policy and legislative review and proposals, including the drafting of Local Environmental Plans (LEPs); and
- Referral letters to LALCs on culture and heritage and planning issues in addition to liquor licences

Media and Marketing
The NSWALC’s increased advocacy effort through the Council again increased the Unit’s workload throughout the reporting period, particularly with the growing impact and reach of a revamped Tracker magazine.

The Unit dealt with a constant stream of inquiries from Aboriginal and mainstream media on the national, state, local and international political activities of the Council, legislative change, and LALC matters.

It also dealt with a stream of email traffic from the NSWALC and Tracker websites seeking a wide array of information on Aboriginal Affairs issues.

Major activities included:
- Informing Local Aboriginal Land Council Boards, their members and staff, as well as NSWALC staff, on a range of issues by drafting and issuing a series of network messages in consultation with the Chairperson and the Chief Executive Officer.
- The preparation of a range of media statements, speeches, and background briefing and decision papers for Councillors and the Chief Executive Officer on a wide range of advocacy issues.
- The ongoing development, design and production of the monthly Tracker magazine.
- The marketing and media element of the NSWALC Statewide Conference in June 2013 which celebrated and commemorated the 30th anniversary of the proclamation of the ALRA.
- The upgrade and maintenance of the NSWALC’s Intranet and Internet sites, the Tracker website and new social media tools such as the Tracker Facebook page.
- The ongoing production of a range of videos.
- The production and distribution of the NSWALC’s 2011/12 Annual Report.
- The continuing development and promotion of the NSWALC’s Books Behind Bars campaign.
- The design, production and distribution of marketing materials.
- Maintaining a close liaison with relevant stakeholders.

The Unit also assisted the Council and the Chief Executive Officer with a range of strategic public affairs issues throughout the year.

It continued to work closely with the Policy and Research, Strategic Initiatives and Legal Services Units on specific key public awareness campaigns.

These included land rights, the NSWALC’s economic development issues and a culture and heritage campaign designed to secure the long promised stand-alone legislation to establish an Aboriginal Heritage Commission

Key Operational Highlights
Three major highlights during the reporting period were the ongoing development, production and promotion of Tracker Magazine, the Unit’s role in “badging” the NSWALC Statewide Conference 2013 and attendant marketing materials, and the roll out of material from the Video Production Unit.

While all resulted in a significant call on the Unit’s workload they augmented the NSWALC’s
advocacy work and the decisions taken in the previous reporting period to move the production of the Unit to multi-media platforms, in line with the rapidly changing nature of media in Australia.

Tracker Magazine

As noted elsewhere in this report the first edition of Tracker magazine was produced and launched at the NSWALC’s Statewide Conference in April 2011.

The publication grew out of a request from Councillors in late 2010 for the Media and Marketing Unit to consider the creation of a Council newsletter to solve the problem of providing direct information to LALC members across NSW.

The inability to provide direct, timely and factual information to LALC members has constantly plagued the organisation given the prohibitive cost of direct mail to more than 20,000 members.

Many have no, or unreliable, access to the internet.

Council agreed to a detailed proposal from the Unit to absorb that cost and seek to generate revenue by producing a news magazine which would operate like a normal business and be cost-neutral to the NSW Aboriginal Land Council.

The magazine, to be called Tracker, would be a rights-based monthly magazine, owned and produced by Aboriginal people which would campaign for the interests of Australia’s First Peoples.

Tracker would also:
(a) Promote key NSWALC messages to Aboriginal land council members;
(b) Key messages from LALCs to the land rights network.
(c) Promote key NSWALC messages to other Aboriginal and non-Aboriginal people across NSW, nationally and internationally;
(d) Advocate strongly for the rights and interests of Aboriginal people in NSW, and beyond.

It was proposed each LALC member would receive a free copy of Tracker by direct mail to their home.

In addition, the publication would be available to the general public through commercial sales in news agencies around the nation and by subscription.

It was pointed out the proposed circulation for Tracker would be at least three times larger than its nearest competitor from its first edition, due to the direct mail to LALC members.

It was proposed Council provide seed funding for the magazine ahead of the generation of revenue from advertising and a subscription base.

The publication would seek to:
• Advance the inherent rights of all Aboriginal and Torres Strait Islander peoples through evidence-based, balanced and culturally appropriate journalism.
• Promote the recognition of those rights, particularly as they apply to Aboriginal people as the First Nations of NSW through fair and accurate reporting and opinion and long form journalism.
• Would not subscribe to any given mainstream political viewpoint.
• Would seek to expose the use of mainstream media as anti-rights propaganda or to promote intolerance and conflict.
• Would express its opposition to discrimination of all kinds and seek to combat racism by promoting debate within all sectors of the community.

Council approved the development, production and launch of the magazine in February 2011.

An edition had been produced every month since April 2011 until a two month production hiatus in November and December 2012.

This allowed the new sales and production team to be put in place and a redesign of the magazine as part of the restructure.

The NSWALC CEO, Geoff Scott, described the decisions to publish and expand Tracker as landmark moments for land rights in NSW.

It was the first time in land rights history the NSWALC had been “able to communicate effectively with our members.”

“Tracker provides that vehicle,” he added.

“At the same time, it’s become a powerful instrument to advocate for the rights and interests of Aboriginal people, not just in NSW, but across the nation.

“We are enormously proud of that, and our continuing investment into Tracker is a reflection of that.”
Mr. Scott said while major media companies were reducing their investment in quality journalism, the NSWALC was taking the opposite approach.

“Journalism today does not serve the interests of Aboriginal people well. In fact, it is part of the problem,” he added.

“Tracker magazine is our attempt to help redress that imbalance and promote the success of land rights in the process.”

The decision of Council and management to expand internal resources to assist the production of Tracker has been vindicated by feedback from the land rights network.

A survey of Local Aboriginal Land Council delegates at the NSWALC Statewide Conference demonstrated the popularity of the revamped publication, particularly the expanded LALC Land supplement and its coverage of culture and heritage issues.

The majority of delegates also cited the importance of the news, sport, feature and opinion sections of the magazine.

This feedback was similar to that regularly received on the Tracker website with many readers acknowledging the fact the magazine and online content provided factual reporting and analysis of Aboriginal Affairs which could be found nowhere else.

Increased Focus on NSW

While Tracker continued its coverage of national and international issues there was a greater concentration in each print edition produced during the second half of this reporting period on long form features on land rights issues in NSW and stories for LALC Land.

The cover feature in the May 2013 edition, All Quiet on the Western Front, perhaps best echoed the remarks of Mr. Scott and illustrated the importance of the independent voice Tracker provides in the pursuit of informed coverage of issues in NSW which are often distorted by delinquent mainstream media coverage and some Indigenous specific media outlets.

The feature article exposed the false picture presented of Bourke in a series of “exclusive” articles in the Sydney Morning Herald in February 2013.

The Sydney Morning Herald claimed crime statistics showed Bourke was more dangerous per capita than any country in the world.

The Tracker articles, which included extensive interviews with residents, demonstrated the claim was plain wrong.

Cover features in previous and subsequent editions provided in depth analysis of proposed future changes to land rights in NSW outlined in the findings and recommendations in a 130-page report from the Aboriginal Land Rights Review Working Group 2012.

A further cover feature reported on the $200 million in unmet need in essential infrastructure in the more than 60 discrete Aboriginal communities in NSW.

A souvenir edition was produced to coincide with the NSWALC Statewide Conference and the 30th anniversary of the proclamation of the land rights legislation.

Advertising

As noted earlier Council agreed to establish Tracker magazine with the aim that it build to a point of being cost neutral to the organisation.

The primary source of external revenue to cover production costs is advertising.

Research by the Unit showed Tracker generated sufficient revenue in its first year of operation to cover half of its production costs.

This level of revenue was increased in comparative terms during this reporting period.

This is a positive result for a start-up publication, particularly one devoted to a niche market at a time when print media is losing both readership and advertising revenue to online media.

New magazines often take a considerable lead time to become established and trusted in the minds of advertising buyers and placement agencies.

Our analysis showed the lion’s share of Tracker’s advertising revenue came from the tertiary education and corporate sectors.

Advertising revenue from the Federal Government represented just 20 per cent of revenue with the NSW Government at 17 per cent during the initial stages of Tracker’s development.
Both governments are among the top ten advertisers in Australia with a particular responsibility to communicate their policies and programs to Aboriginal people.

Our research showed Aboriginal specific print media, including Tracker, was missing out on a considerable volume of campaign and non-campaign government advertising at state and federal levels.

This was particularly so with Government endorsed public awareness campaigns designed to improve the health and well-being of Aboriginal people.

The expanded Tracker sales team, led by Ms. Bell, spent a considerable amount of time building on this research to close this gap from January 2013 through to the end of the financial year.

They made it a priority to meet with the Federal and State Government planning and buying agencies and clients, particularly those with ongoing campaigns to improve the health and well-being of Aboriginal people, to expand awareness of the publication.

For instance, the Unit worked during the reporting period with the Strategic Communications Unit from the Department of Premier and Cabinet to raise Tracker’s profile with individual departments and agencies.

Individual NSW government department and agencies are responsible and accountable for the development and implementation of advertising within their areas of responsibility.

However, the Strategic Communications Unit is assigned a crucial role in coordinating and overseeing the planning of all NSW Government advertising to “maximise effectiveness and minimise crossover and duplication.”

The Unit met with Mr. Munro and Ms. Bell in May 2013 and agreed to circulate information to all departmental and agency heads about Tracker’s unique reach within the Aboriginal community in NSW and elsewhere.

Mr. Munro and Ms. Bell pointed out the direct mail to LALC members provided the magazine with a readership penetration in NSW alone of almost one third of the state’s total Aboriginal adult population.

The magazine, coupled with its online and social media offshoots, had grown to become an important direct voice for, and to, Aboriginal people and opinion makers in Aboriginal Affairs both in NSW and elsewhere.

No better vehicles were available for reaching this audience.

This was particularly so for NSW Government departments and agencies seeking to provide specific, and general, information to urban, rural and remote Aboriginal communities in NSW on government policies and programs in line with published NSW Government Advertising Guidelines.

This overarching strategy was complemented by successful individual briefings to major government advertisers.

This is best illustrated by the placement of a series of advertisements in Tracker by the Cancer Institute of NSW as part of its anti-smoking campaign “Breaking the Chain.”

Their placement resulted from detailed discussions between Tracker and the NSW Cancer Institute on the prevailing high incidence of smoking in Aboriginal communities and complemented the NSWALC’s own in-house anti-smoking campaign which has been a feature of the magazine since its inception.

The Unit also targeted specific Federal Government departments and agencies based on the research which showed many did not fully comply with Commonwealth advertising guidelines on the use of Indigenous specific media.

A strategic decision was taken to await the outcome of the September 2013 Federal Election before pursuing an overarching strategy with the Commonwealth Government.

However, revenue figures at the end of the reporting period showed the strategy pursued by Ms Bell and her small team had increased advertising revenue.

They showed Federal Government advertising had increased from 20 to 28 per cent of revenue with the NSW Government increasing from 17 to 21.8 per cent.
The forthcoming Federal Election and internal reviews of the NSW Government accounts were expected to have some impact on external advertising as the reporting period ended.

However, any adverse impacts were expected to be short term.

The Unit will continue to pursue its strategy to build print and digital advertising revenue with both governments and the private sector in the new reporting period.

The Tracker team is also conscious that sponsorship arrangements can also supplement advertising and subscription revenue.

A detailed sponsorship proposal was developed and sent to the NSW Health Commission in April 2013. No response had been received by the end of the reporting period.

Media Releases, Network Messages and Publications

The production of Tracker, the development of online services and the increasing use of social media has allowed the NSWALC to considerably increase its ability to keep the land rights network in touch with the issues, and each other.

It has also increased its advocacy reach to a general audience without frequent resort to mainstream third party print and electronic media.

Inevitably, this has led to a decrease in the number of media statements and network messages issued during the reporting period.

However, they are still considered essential in relaying news specific to the NSWALC and LALC activities given Tracker’s monthly production cycle.

Media statements, network messages and speeches also provide a valuable insight into the advocacy work of Council and management during each reporting period.

They focus on the contemporary and historical importance of land rights and the many challenges which lie ahead to build on the gains achieved over the past 30 years.

In addition, the Unit also assisted a number of Local Aboriginal Land Councils during the reporting period with media inquiries and the drafting of public statements.

All media statements, network messages and speeches are normally lodged on the NSWALC website.

They provide a useful historical reference point for those interested in charting the progress of land rights in NSW, particularly during the reporting period.

They also provide an opportunity to mark the passing of Aboriginal elders.

Such was the case with the passing of prominent Aboriginal activist Isobel Coe in November 2012.

Ms. Coe was a stalwart of the Aboriginal rights struggle, a leading figure in the establishment and maintenance of the Aboriginal Tent Embassy and a lead litigant in important legal challenge to assert the sovereignty of the Wiradjuri nation.

Chairperson Ryan pointed out in a media statement that the Aboriginal Nations of Australia owed a great debt to Ms. Coe.

“Many of us fight for our rights in boardrooms, or in our workplaces,” he said.

“Isobel Coe chose to fight for our rights at the community level. She led the battle on our streets for many years and, even as her health declined, she remained active.”

He noted that while the fight for Aboriginal equality went on, “younger Aboriginal people need to remember that the relative advantage they enjoy today is because of the fight in people like Isobel Coe.”

Chairman Ryan also issued a network message in April 2013 on the passing of Gamilaraay elder Dick Blair who played a major role in the establishment of the Aboriginal Legal Service and the Block in Redfern.

He was also the first registered Aboriginal lifeguard in New South Wales and a Pastor.

Chairman Ryan said Dick was a mentor and friend who would be missed by all in the land rights network.

A number of key operational issues were canvassed in network messages.

These included a call in December 2012 for network feedback on the NSWALC’s new draft
The NSWALC strongly encouraged families to contact Centrelink to establish their eligibility.

A further message in March informed the network of Council’s decision to no longer fund scholarships through the EEF given the number of similar grants schemes available, the high cost of administration, and the lack of take up of scholarships once awarded.

Council, Chairman Ryan said, would instead focus on the provision of opportunities for network-based training and development outcomes.

Improving and supporting the capacity of Local Aboriginal Land Council members, he added, “is essential to achieving genuine self-determination and economic independence.

Council took the view the NSWALC’s resources could be better utilised by “channeling funding back into our own network and for our own members.”

There needed to be sounder, smarter management of funding at every level if the land rights system was to grow, including the funding of community benefit schemes.

A network message was issued in April to announce the establishment of an Economic Development Committee to provide strategic advice and direction to Council on how it could identify, develop and support economic development opportunities for the land rights network.

The message sought nominations from land council network members and staff for appointment to the Committee.

This was followed by a message in mid-April informing the network Council had decided to increase its annual allocations to Local Aboriginal Land Councils to $133,900.

Chairman Ryan pointed out this was a three per cent increase, just above the inflation rate.

He also addressed the question of land claims being made over private freehold land.

Despite the best endeavours of the NSWALC and LALCs these claims were being lodged on non-claimable land.
Chairman Ryan said this was a problem as the determination of these claims used up considerable resources in Government that could be used to determine land claims that could be legitimately granted to LALCs.

In order to maximise resources and efficiency, as well as the focus on the granting of claims, the NSWALC was proposing to withdraw any claims over freehold land the Government could identify.

The claims would only be withdrawn once this information was verified by the NSWALC’s Legal Services and Land Rights Unit.

The NSWALC would notify affected LALCs about the proposed withdrawal of any claims made by the organisation on behalf of those LALCs.

The NSWALC’s political advocacy on culture and heritage issues resulted in the issue of a media statement in December 2012 which sought an urgent review of a decision by the Office of Environment and Heritage not to pursue the full force of the law over the destruction of Aboriginal rock engravings on Sydney’s north shore.

The destruction of a sensitive Aboriginal site at Cromer had been featured in a series of stories in Tracker magazine.

Despite this adverse publicity the OEH decided to prosecute the alleged perpetrator, Ausgrid, under a section of the National Parks and Wildlife Act which carried a maximum penalty of $220,000.

A more serious charge, which NSWALC maintained could be brought given the destruction, would carry a maximum penalty of $1.1 million.

The NSWALC CEO, Mr. Scott said the reluctance of the OEH to proceed on the more serious charge destroyed any confidence in recent amendments to beef up sanctions under the legislation.

It sent a clear message Aboriginal culture and heritage “does not matter.”

Chairman Ryan said the state government had failed a genuine opportunity to show they were serious about the protection of the oldest living culture in the world.

The case demonstrated how current laws were failing Aboriginal people.

This was the reason the NSWALC had consistently called for stand-alone legislation to establish an independent Aboriginal body to manage and protect Aboriginal culture in NSW.

The NSWALC also demonstrated its commitment to improved governance for Local Aboriginal Land Council in a media statement issued in September which welcomed the findings of the Independent Commission Against Corruption into corrupt dealings within the Wagonga LALC.

Mr. Scott noted the NSWALC had assisted the Inquiry and ICAC had noted in its report that the policies and procedures in place at the NSWALC had worked to effectively frustrate and prevent any improper outcomes from proposal put up by the LALC.

He also welcomed ICAC’s recommendations that resourcing issues needed to be addressed by the NSW Government to ensure the NSWALC continue to effectively carry out its regulatory functions under the ALRA.

“Importantly the recommendations from the ICAC recognise the resource implications of a proper, informed and comprehensive regulatory system and the need for adequate penalties in these circumstances,” he added.

He said these issues had been ignored by government in recent years.

Mr. Scott recommended the ICAC Report as “essential reading” for all Local Aboriginal Land Councils.

Tracker also carried a comprehensive cover feature on the ICAC Inquiry which found three individuals had corruptly accepted cash payments in exchange for trying to push through dubious land dealings from 2005 to 2010.

The coverage was presented as a ‘cautionary tale,’ for Local Aboriginal Land Councils.

Mr. Scott continued the NSWALC campaign for a greater government investment in developing Aboriginal governance structures as keynote speaker at the launch of the 2012 Social Justice and Native Title Reports in Sydney in November.

He told the audience it was no secret that strong and effective governance brought with it sustainable economic, social and cultural outcomes.
The video was warmly received by delegates during the opening session of the Conference.

Considerable work was also put into the Legends of Land Rights video which the Unit began developing during the last reporting period.

The video features interviews with those who fought for, and shaped, the land rights legislation and subsequent reforms.

Many of those who fought for Aboriginal rights, particularly during the 60’s, 70’s and 80’s, are now passing on, as illustrated above.

All too often, they do so before their histories can be recorded.

The video is designed to ensure much of that history is not lost to future generations particularly in light of the fact that 40 per cent of the Aboriginal population in NSW is under 15.

Mr. Bellear and Mr. Ridgeway took the opportunity of interviewing many Land Council stalwarts during Councillor Regional Forums and associated events during the reporting period.

A short trailer featuring a number of the leaders, William Bates, Jenny Munro, Gary Williams and Hewitt Whyman, was also warmly welcomed when unveiled at the Statewide Conference.

All of NSWALC’s video are streamed on the NSWALC and Tracker websites websites and via You Tube. The Unit also began updating the NSWALC website during this reporting period.

There needed to be a shift in focus back to developing credible and legitimate governance structures, and “governments must play their part.”

“That said, part of this drive is about accepting responsibility as the First Peoples of this country and demonstrating that fact,” he added.

“It’s an ongoing process for all of society but sound governance has obvious advantages for Aboriginal people in particular.

“With rock solid governance comes a stronger voice in decision making, greater equality before the law and increased opportunity to engage with the real economy.”

But he warned that being fiscally prudent and well organised did not mean governments could be excused from investing further in governance structures within Aboriginal organisations.

“Take the NSWALC for example,” he added.

“We have implemented best practice governance structures over the past several years to ensure our way of doing business is at the forefront.

“There are many community organisations like us too. But this does not mean government investment should fall by the way.

“Governments must provide training opportunity to develop capacity and allocate administration costs to community controlled programs and services.”

**Video Production**

As reported last year the Unit established an in-house video production unit to develop the NSWALC’s ability to increase its advocacy work across different media platforms and complement the print edition of Tracker.

One of its first productions was an electronic honour roll which pays tribute to those who fought for land rights, at State and LALC levels, who have passed away.

The video was updated during the reporting period to ensure its currency for the NSWALC Statewide Conference in June.

The Unit sent out a network message seeking input from all LALCs on members they wished to be honoured, particularly given the 30th anniversary of the ALRA.

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**Resource Centre**

Established in early 2008, the NSWALC Aboriginal Resource Centre has proved to be an increasingly valuable facility for NSWALC.

The Centre, on the ground floor of Head Office, incorporates the Unit’s work areas, NSWALC reception facilities, and a steadily growing reference library on Aboriginal Affairs issues.

The Unit produces and distributes a range of marketing materials to the ALC network, Aboriginal communities, and the wider public.

All are produced in-house.

The design and desktop publishing activities continued to produce a significant cost saving to the organisation during the reporting period.
The production and distribution of these materials is coordinated through the Resource Centre.

The management and operation of the Books Behind Bars program is also conducted from the Centre.

**Media Protocol**

As reported in this space in previous years one of the earliest decisions taken by the outgoing Council was to officially adopt a protocol for NSWALC’s dealings with all media.

The protocol sets out the procedure to be observed by NSWALC Councillors and all staff in dealing with media requests about NSWALC policy and its operations.

Under the protocol all Councillors and staff are requested to ensure that all media inquiries on NSWALC policy and operations are referred, in the first instance, to the Media and Marketing Unit.

The Council considers that this ensures the proper and appropriate preparation of co-ordinated responses for consideration and clearance by the Chairperson, and relevant Councillors, in consultation with the CEO.

The protocol does not impinge on the ability of individual Councillors to discuss issues of local or regional relevance to their duties and responsibilities as elected representatives with local and regional media.

**The Year Ahead**

As outlined in this report the work of the Media and Marketing Unit continued to intensify as this reporting period ended, particularly with the growth of Tracker magazine.

The media landscape is changing rapidly, and the NSWALC’s view is that it must also change not only how it deals with the media, but how it produces its own media.

The new financial year is expected to see all Media and Marketing Services expand given it will be the first reporting period with a small but committed editorial, sales and production team in place.

News stories of interest to our members, and to the broader Australian public, will be increasingly accompanied by online video stories and multimedia such as picture galleries.

The Media and Marketing Unit will continue to integrate the use of social media into the internal and external communications of the organisation.

The Resource Centre’s operations will also continue to expand, with an ever-increasing Library of material, and an expected steady increase in the Books Behind Bars program.
INVESTMENT
As noted earlier our Chief Investment Officer is Mr. Chadwick Pocock.

He has overall responsibility for the establishment, and oversight, of risk management and reviews of NSWALC’s investments within the goals set for growth of the fund.

Before reviewing the performance of the NSWALC’s Statutory Investment Fund we consider it to be in the public interest to outline the goals for the Fund and the strategies, principles and management behind it.

NSWALC STATUTORY ACCOUNT
How We Are Funded
A NSWALC Statutory Account was established under the NSW Aboriginal Land Rights Act (1983).

For fifteen years - from 1 January 1984 to 31 December 1998 - the Act provided for guaranteed payment into the account of an amount equivalent to 7.5 per cent of NSW Land Tax (on non-residential land) to NSWALC, as compensation for land lost by the Aboriginal people of NSW.

During this period, half of the funds were available for land acquisition and administration.

The remainder was deposited into the NSWALC Account to build a capital fund to provide ongoing funding in the future.

The total funds allocated were $537 million.

Of this amount, $268.5m was deposited in the Account.

The capital, or compensation, accumulated over the first 15 years of the Council’s existence stood at $281 million at December 1998 when the land tax payments stopped.

Since then, the NSW Aboriginal Land Council and the land council network have been self-sufficient.

The network is not, as is widely believed, funded by the taxpayers of NSW.

Current Management and Value
The value of the NSWALC Account was $591 million as at 30 June 2013, compared with a value of $546 million at the end of the previous reporting period.

This represents an increase of $45 million in value over the reporting period, primarily the result of the strong investment performance for the period.

There is a view, in some quarters that this money simply sits in a bank account.

This is given periodic credence by ill-informed reports, particularly in the mainstream media.

It does a great disservice to all of those in the land rights system who are working for the benefit of their people.

Where Our Money Goes
A major impact on NSWALC’s annual budget is the direct funding to Local Aboriginal Land Councils.

This funding is delivered, as noted above, in a direct grant allocation to each funded Local Aboriginal Land Council to assist with its administrative costs.

Indirect funding to the land rights network accounts for a considerable amount of the balance.

A drawdown of $37.9 million was made during the year to fund the operational expenditure of the land rights network, including the administrative costs of both NSWALC and Local Aboriginal Land Councils.

The required draw down for the new financial year is expected to be $31.9 million.

Many Local Aboriginal Land Councils face difficulty meeting their financial and reporting obligations.

NSWALC must support those under-performing Local Aboriginal Land Councils.

This places additional burdens on our financial resources - and those we can share within the land rights network - through the cost of appointing investigators, administrators, and for legal expenses, intensive assistance projects and the cost of meeting Local Aboriginal Land Council liabilities.

The transactional costs from the last round of reforms to the Act continue to have a major cost impost on NSWALC’s bottom line.
Sustaining Growth
There are those who believe the NSWALC should loosen its purse strings to bolster the administrative funds it provides to the network of Local Aboriginal Land Councils, particularly as they shoulder more service delivery functions and inflationary pressures place added burden on their bottom line.

It is also suggested a more aggressive investment strategy be adopted to gain a better return on our investments.

This ignores two fundamental points.

The NSWALC Account was established to provide compensation for future generations.

Prudent financial management is essential to maintain growth.

A less risk-averse strategy could increase returns.

It could also clearly increase the risk of losses.

It is important to understand that while the NSWALC has a great deal of money invested it is not able to spend more than the realised income and interest from investment--less the allowance for inflation.

To do so would be a breach of the Aboriginal Land Rights Act.

The Investment Mission
The Investment Mission for the NSWALC Account (the Fund) is:

• To at least maintain the purchasing power of the Fund over the long term, having regard to the specific nature of the underlying funding responsibilities of NSWALC;

• To provide a stable and growing level of distributions for funding the NSWALC’s ongoing activities;

• To at least preserve the indexed book value of the assets.

The Council has transferred this Investment Mission into a set of measurable Real Return and Downside Risk Objectives.

These are:

• **Real Return Objective**
  To invest so as to have a greater than 66% probability of achieving a return of the Consumer Price Index plus 4% over 5 year rolling periods.

• **Downside Risk Objective**
  To limit the probability of a negative return in any year to be less than 20%.

These objectives sit alongside the investment beliefs of the Council.
They are as follows:

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<tr>
<th>NSWALC Investment Beliefs</th>
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<tbody>
<tr>
<td><strong>Mission and Governance</strong></td>
</tr>
<tr>
<td><strong>Investment belief</strong></td>
</tr>
<tr>
<td>1. Investing</td>
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<tr>
<td>2. The Fund is a perpetual means of providing for future Aboriginal generations</td>
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<tr>
<td>3. The principal time horizon of the Fund is relatively long term.</td>
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<tr>
<td>4. Investing in a mixture of things will minimise the risk impact if one of them goes wrong</td>
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<tr>
<td>5. The Council is supported by the Investment Committee and Executive team in its decision making process</td>
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<tr>
<td>6. Beta is the principal driver of risk and return (rather than alpha)</td>
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<tr>
<td>7. Diversification into different risk premiums can increase the investment efficiency of the portfolio</td>
</tr>
<tr>
<td>8. Alpha exists, but the challenge is to find and successfully employ it</td>
</tr>
</tbody>
</table>

It is against these beliefs that all investment decisions are evaluated.

The technical aspects of the investment decisions are provided through the combined advice of the external asset consultant, the NSWALC’s Executive, and the Investment Committee.

Additionally, the “Drawdown Rule” adopted by Council provides a formal process for managing the NSWALC’s liabilities.

The Drawdown Rule is based on the following:
- Previous draw down
- Average asset value
- Long term spending rate

The annual future draw down is equal to 70% of the draw down in previous year and 30% of the average asset value in the previous year times the long term spending rate.

Therefore, the projected maximum draw down for expenditure in 2013/2014 is 6.63% of the investment balance.

This constraint on the draw down from the NSWALC’s investments will help to ensure that NSWALC is able to fund its activities in perpetuity.
Investment Committee
The Investment Committee remains the primary source of all investment recommendations to the Council.

Former NSW Deputy Premier, Treasurer and Minister for Aboriginal Affairs, Dr Andrew Refshauge, continued as the Independent Chairperson of the Investment Committee during the reporting period.

He continued to perform this role in a pro bono capacity.

NSWALC Chairman, Stephen Ryan, and Councilor Des Jones represented Council.

The Investment Committee held four meetings during the reporting period.

They were held on:
- 27th May 2013
- 15th March 2013
- 26th November 2012
- 24th August 2012

Investment Decisions
A number of important investment decisions were made during the reporting period amongst which was the appointment of Fund Managers Mercer and BT as well as the removal of the Fund Manager Vianova.

The Strategic Asset Allocation (SAA) remained unchanged for the period.

It is as follows

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Allocation</th>
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<tbody>
<tr>
<td>Australian Equities</td>
<td>12.0%</td>
</tr>
<tr>
<td>Int’l Equities</td>
<td>28.0%</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>5.0%</td>
</tr>
<tr>
<td>Global Listed Property</td>
<td>5.0%</td>
</tr>
<tr>
<td>Australian Fixed Interest</td>
<td>10.0%</td>
</tr>
<tr>
<td>Int’l Fixed Interest</td>
<td>7.5%</td>
</tr>
<tr>
<td>Australian Inflation Linked Bonds</td>
<td>7.5%</td>
</tr>
<tr>
<td>Diversified Fund of Hedge Funds</td>
<td>17.0%</td>
</tr>
<tr>
<td>Absolute Return</td>
<td>6.0%</td>
</tr>
<tr>
<td>Cash</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

The investment portfolio provided a return of 16.84% against a benchmark of 13.52% for the twelve months to June 30, 2013.
The table below details the investment in each asset class of the portfolio and its performance against the appropriate benchmark.

**Period Ended 30 June 2013**

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>FUM $000</th>
<th>Quarter %</th>
<th>Year % pa</th>
<th>3 Years % pa</th>
<th>5 Years % pa</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW ALC Fund</td>
<td>577,708</td>
<td>3.12</td>
<td>16.84</td>
<td>9.62</td>
<td>7.53</td>
</tr>
<tr>
<td>NSW ALC Fund Benchmark</td>
<td></td>
<td>2.13</td>
<td>13.52</td>
<td>8.35</td>
<td>6.32</td>
</tr>
<tr>
<td>Consumer Price Index + 5% pa</td>
<td></td>
<td>1.64</td>
<td>7.39</td>
<td>7.38</td>
<td>7.33</td>
</tr>
<tr>
<td>Consumer Price Index + 4% pa</td>
<td></td>
<td>1.39</td>
<td>6.39</td>
<td>6.38</td>
<td>6.33</td>
</tr>
<tr>
<td>Australian Equities</td>
<td>70,311</td>
<td>-0.77</td>
<td>25.21</td>
<td>8.40</td>
<td>4.06</td>
</tr>
<tr>
<td>S&amp;P/ASX 300 (All Ords before 1/4/2000)</td>
<td></td>
<td>-2.83</td>
<td>21.90</td>
<td>8.25</td>
<td>2.70</td>
</tr>
<tr>
<td>Excess Return Over Benchmark</td>
<td></td>
<td>2.06</td>
<td>3.31</td>
<td>0.15</td>
<td>1.36</td>
</tr>
<tr>
<td>International Developed Equities (unhedged)</td>
<td>190,048</td>
<td>13.54</td>
<td>33.83</td>
<td>13.19</td>
<td>2.80</td>
</tr>
<tr>
<td>MSCI World ex Aust (unhedged)</td>
<td></td>
<td>15.29</td>
<td>33.10</td>
<td>10.78</td>
<td>3.68</td>
</tr>
<tr>
<td>Excess Return Over Benchmark</td>
<td></td>
<td>-1.75</td>
<td>0.73</td>
<td>2.41</td>
<td>-0.88</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>29,739</td>
<td>2.76</td>
<td>12.12</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>MSCI EM (Free) NET WHT</td>
<td></td>
<td>4.69</td>
<td>15.19</td>
<td>0.65</td>
<td>0.52</td>
</tr>
<tr>
<td>Excess Return Over Benchmark</td>
<td></td>
<td>-1.93</td>
<td>-3.08</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total International Equities (including hedging)</td>
<td>217,911</td>
<td>7.13</td>
<td>24.63</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Composite International Equities Benchmark</td>
<td></td>
<td>8.89</td>
<td>28.27</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Global Listed Property</td>
<td>28,941</td>
<td>-0.95</td>
<td>21.54</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FTSE EPRA/NAREIT Dev (HDG)</td>
<td></td>
<td>-1.58</td>
<td>20.69</td>
<td>18.17</td>
<td>5.56</td>
</tr>
<tr>
<td>Excess Return Over Benchmark</td>
<td></td>
<td>0.63</td>
<td>0.85</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Australian Fixed Interest</td>
<td>54,667</td>
<td>0.34</td>
<td>4.72</td>
<td>6.07</td>
<td>7.01</td>
</tr>
<tr>
<td>Aggregate Fixed Interest</td>
<td>39,492</td>
<td>0.47</td>
<td>6.26</td>
<td>6.82</td>
<td>8.17</td>
</tr>
<tr>
<td>50% UBS Composite Bond All Mats, 50% Citigroup WGBI HDG AUD</td>
<td>94,159</td>
<td>0.39</td>
<td>5.38</td>
<td>7.00</td>
<td>8.12</td>
</tr>
<tr>
<td>Excess Return Over Benchmark</td>
<td></td>
<td>-0.28</td>
<td>3.66</td>
<td>7.00</td>
<td>8.12</td>
</tr>
<tr>
<td>Australian Inflation Linked Bonds</td>
<td>38,705</td>
<td>-1.18</td>
<td>3.27</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>UBS Inflation Linked Bond Index</td>
<td></td>
<td>-3.68</td>
<td>-0.73</td>
<td>8.32</td>
<td>6.31</td>
</tr>
<tr>
<td>Excess Return Over Benchmark</td>
<td></td>
<td>2.50</td>
<td>4.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Absolute Return</td>
<td>30,655</td>
<td>-8.33</td>
<td>0.92</td>
<td>10.49</td>
<td>5.14</td>
</tr>
<tr>
<td>UBS Bank Bill</td>
<td></td>
<td>0.75</td>
<td>3.28</td>
<td>4.32</td>
<td>4.46</td>
</tr>
<tr>
<td>Excess Return Over Benchmark</td>
<td></td>
<td>-9.08</td>
<td>-2.36</td>
<td>6.17</td>
<td>0.68</td>
</tr>
<tr>
<td>Diversified Fund of Hedge Funds</td>
<td>90,141</td>
<td>2.63</td>
<td>10.29</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>UBS Bank Bill</td>
<td></td>
<td>0.75</td>
<td>3.28</td>
<td>4.32</td>
<td>4.46</td>
</tr>
<tr>
<td>Excess Return Over Benchmark</td>
<td></td>
<td>1.88</td>
<td>7.06</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Performance Against Peers

The following table compares the performance of the NSWALC portfolio against two Tcorp Investment portfolios with comparable investment objectives.

These are run by the New South Wales Treasury.

This is an important comparison.

There has been much speculation over the years as to whether, or not, the funds should be invested solely with the NSW Treasury.

The NSWALC’s argument against this has always been one of diversity, not only across asset class but also across fund managers.

This argument is validated by this performance which clearly shows the NSWALC’s performance to be less volatile as well as better performing over the different market cycles than that of either of the comparable Tcorp investments.

<table>
<thead>
<tr>
<th></th>
<th>1 Year (%)</th>
<th>3 Years (% pa)</th>
<th>5 Years (% pa)</th>
</tr>
</thead>
<tbody>
<tr>
<td>T Corp Medium Term Growth (pre-tax)*</td>
<td>11.9</td>
<td>8.2</td>
<td>6.9</td>
</tr>
<tr>
<td>T Corp Long Term Growth (pre-tax)*</td>
<td>22.4</td>
<td>9.9</td>
<td>5.8</td>
</tr>
<tr>
<td>NSW ALC Fund Benchmark</td>
<td>13.5</td>
<td>8.3</td>
<td>6.3</td>
</tr>
<tr>
<td>NSW ALC Fund Actual</td>
<td>16.8</td>
<td>9.6</td>
<td>7.5</td>
</tr>
</tbody>
</table>

Following is a table that compares the performance of the NSWALC portfolio against two Mercer median portfolios.

This is provided so as to compare the performance of NSWALC’s portfolio against similar portfolios held by other institutions.
The NSWALC’s portfolio has performed extremely well relative to its peers. The following table provides a snapshot of the major operational calls on NSWALC funds during the financial year.
We now turn to a review of operations from the Operational Division.

### Revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of Goods and Services</td>
<td>2,544</td>
</tr>
<tr>
<td>Investment Revenue</td>
<td>13,527</td>
</tr>
<tr>
<td>Grants and Contributions</td>
<td>3,107</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>3,416</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>22,594</strong></td>
</tr>
</tbody>
</table>

### Expenses Excluding Losses

<table>
<thead>
<tr>
<th>Description</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Related Expenses</td>
<td>13,271</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,048</td>
</tr>
<tr>
<td>Amortisation</td>
<td>234</td>
</tr>
<tr>
<td>Doubtful Debts and Debt Write Off</td>
<td>1,683</td>
</tr>
<tr>
<td>Funding to Local Aboriginal Land Councils</td>
<td>14,367</td>
</tr>
<tr>
<td>Grants</td>
<td>1,886</td>
</tr>
<tr>
<td>Legal Expenses</td>
<td>1,549</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>8,798</td>
</tr>
<tr>
<td>Program Expenses</td>
<td>2,720</td>
</tr>
<tr>
<td><strong>Total Expenses Excluding Losses</strong></td>
<td><strong>45,586</strong></td>
</tr>
</tbody>
</table>

Gain / (Loss) on Disposal of Property, Plant and Equipment      | 33    |
Other Gains / (Losses)                                         | 71,938|

**NET RESULT**                                                  | **49,009** |

Other Comprehensive Income/(Expenses)                           | 143   |

**TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE YEAR**          | **49,152** |
Corporate Services

As noted earlier, the four units within the Corporate Services Division play an important strategic and operational role in the organisation.

All faced major challenges during the reporting period.

They included:

• Financial management and continuous enforcement of financial control for the long term sustainability of the NSWALC.
• Provision of various strategic and operational advice and services for the effective and efficient operations of the organisation.
• Continuous improvement in the provision of committed services to other stakeholders;
• Continuous improvement in internal control within the corporate governance framework;
• Active involvement in the implementation of the 2013-17 Strategic Plan with the Corporate Governance Unit and the resources from other units in relation to:
  o alignment of organisation structure and staff in relation to strategic priorities;
  o allocation of actions to appropriate business units;
  o agreement of performance indicators, risks and resource requirements and timing of delivery of strategic priorities;
  o ensuring appropriate enterprise collaborative systems and resources will be available to deliver strategic priorities;
  o ensuring other strategies such as ICT, Capacity Development, and Economic Development are aligned with the Strategic Plan and its priorities.
• Participation and advice in the statutory review of the ALRA.

Overall, the Division achieved many of the objectives of NSWALC during the reporting period. The achievements of each unit are set out below.

Finance Unit

This Unit took an active role in the development of the NSWALC Strategic Plan 2013-2017.

A key component in developing the new Plan was to ensure the required financial resources were available for all business units to achieve their strategic and operational objectives.

At the same time a balance needed to be struck between earnings and spending for the future sustainability of the NSWALC.

A key ongoing role for the unit is to monitor the requirements of both strategic and operational plans, to prioritise the requirements, and allocate resources.

Once measureable outcomes have been finalised, the Unit will be responsible for periodic reporting on outcomes as the Plan is fully implemented.

Budgeting

The Finance Unit analysed all key activities within the NSWALC and their impact on revenue and expenditure during the reporting period.

This provided a proper basis for the annual budgeting process.

The analysis of various core elements and their implications provided a good understanding for Council and senior management to make effective decisions on available financial resources.

The NSWALC Budget for the 2013-14 financial year was prepared after analysing the cost drivers, nature of expenses and the controllability of expenses.

The Unit faced a number of additional challenges during its formulation.

They included:

• The limitations placed upon expenditure by the ‘Drawdown Rule’ adopted by the Council for the financial sustainability of the NSWALC.
• The inherent volatility of financial markets.
• The inflationary impact on the cost of services delivered by the NSWALC.
• The expectation of additional resource requirements for unexpected and unplanned needs.
• The expectation of additional resource requirements from LALCs;
• Additional resource requirements for the implementation of the new Strategic Plan.

The Unit prepared the budget with an anticipated drawdown from the NSWALC investment funds of $39.2 million, compared with $37.9 million for the 2012-13 financial year.

This anticipated a spend of $7.3 million (2012-13: $5.0 million) more than the Drawdown Rule threshold, being $31.9 million (2012-13: $32.9 million).
The NSWALC’s expected shortfall of funds was amplified during the budget year because the drawdown limit had been reduced by $1.0 million, while an additional $1.3 million was quarantined for economic development.

Chairman Ryan again pointed out the NSWALC was dependent on investment income from the NSWALC Investment Account for its earnings and future viability.

This investment income was subject to significant fluctuation due to the volatility of financial markets.

He reminded the Minister the NSWALC had introduced its “Drawdown Rule,” financial policy to ensure future sustainability and expenditure control and had cut its expenditure accordingly.

Compliance with the rule required further review of expenditure without impacting service delivery to stakeholders.

In this context it was important to note that the legislative requirement, as well as committed expenditure for LALCs and the community, could not be further reduced.

He informed the Minister the NSWALC had made a number of commitments and assumptions in framing the 2013-14 Budget.

These included:

- No funding had been made available from the State or Commonwealth Governments for the services provided by the NSWALC to Local Aboriginal Land Councils or the community.
- Legal limitations to explore business ventures for the future sustainability of NSWALC and LALCs.
- Higher expectations of financial assistance from LALCs and the Aboriginal community.
- Legally enforced unpredictable expenditure burdens placed upon the NSWALC, including the need for additional resources to be spent on the ALRA Review.
- Legal constraints, lengthy government administrative procedures and delays which absorb significant financial resources to finalise or settle long standing land claims.

The NSWALC is now committed to take the necessary steps to further identify ways of reducing expenditure and inefficiencies without affecting the service level required for LALCs.

The budget for 2013-14 was framed as a transitional document with the aim of building the necessary infrastructure within NSWALC to implement the new initiatives in the Strategic Plan.

The budget was reviewed and recommended by the Finance Committee and approved by Council.

It was then submitted for the approval of the Minister for Aboriginal Affairs in compliance with s157 of the Aboriginal Land Rights Act 1983.

It was subsequently approved by the Minister.

Chairman Ryan told the Minister in the budget transmittal letter the Council was confident the budget maintained a sustainable and productive balance between the funding of new initiatives and prudent financial planning to further improve the efficiency and effectiveness of services delivered by the NSWALC.

He noted it was the third budget to be submitted to the State Government on behalf of the current Council but the first to be developed under the framework of the new Strategic Plan.

The budget had been formulated within a number of significant constraints.

These included:

- No funding had been made available from the State or Commonwealth Governments for the services provided by the NSWALC to Local Aboriginal Land Councils or the community.
- Legal limitations to explore business ventures for the future sustainability of NSWALC and LALCs.
- Higher expectations of financial assistance from LALCs and the Aboriginal community.
- Legally enforced unpredictable expenditure burdens placed upon the NSWALC, including the need for additional resources to be spent on the ALRA Review.
- Legal constraints, lengthy government administrative procedures and delays which absorb significant financial resources to finalise or settle long standing land claims.

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The budget was reviewed and recommended by the Finance Committee and approved by Council.

It was then submitted for the approval of the Minister for Aboriginal Affairs in compliance with s157 of the Aboriginal Land Rights Act 1983.

He informed the Minister the NSWALC had made a number of commitments and assumptions in framing the 2013-14 Budget.

These included:

- An expected rate of return of 8.7 per cent in revenue from investment funds,
- An expected inflation rate of 3 per cent and an increase to $133,900 in the annual allocation to LALCs.
- Unpaid rates from LALCs were expected to be reduced due to an arrangement with the Aboriginal Housing Office and regional agricultural properties would be transferred to respective LALCs.
- Additional financial resources would be allocated with the aim of developing necessary infrastructure to focus on LALCs economic development activities.

He informed the Minister ongoing financial sustainability was the crucial issue which the NSWALC “must address, particularly given our ongoing cost of ensuring the regulatory obligations are met.”

Unpaid rates from LALCs were expected to be reduced due to an arrangement with the Aboriginal Housing Office and regional agricultural properties would be transferred to respective LALCs.

Additional financial resources would be allocated with the aim of developing necessary infrastructure to focus on LALCs economic development activities.

Chairman Ryan said the NSWALC would exceed the drawdown amount in order to provide services imposed on NSWALC under the ALRA as well as achieving the objectives and initiatives for the land rights network and the Aboriginal community in line with the new Strategic Plan.

He informed the Minister ongoing financial sustainability was the crucial issue which the NSWALC “must address, particularly given our ongoing cost of ensuring the regulatory obligations are met.”
“The NSWALC stands ready, within the limitations of the financial resources available, to drive our Strategic Priorities and to deliver community benefits to our constituents while entering into genuine partnership with stakeholders who share our determination to address the many issues facing Aboriginal people and communities at large,” he added.

“Prime examples of dealing with sustainability are our efforts to explore economic opportunities such as mining and engaging in business ventures with LALCs.”

Chairman Ryan commended the budget to the Minister and thanked him for his ongoing support of the NSWALC and the land rights network.

Council looked forward to continuing to work with the Minister in the new financial year to improve the wellbeing of all Aboriginal people and communities in NSW.

The Annual Audit
The Finance Unit is responsible for the co-ordination of the annual external audit of the NSWALC.

This is conducted by the Audit Office of NSW.

The Unit is responsible for providing all necessary information to ensure the audit is completed within the statutory deadline.

NSWALC received an unqualified audit report for the 2012-13 financial year.

Accounting Services
The Unit is also responsible for ensuring all relevant stakeholders are provided efficient and timely accounting services and the relevant financial information required for them to manage their operations.

This includes:
- The timely processing of invoices, salaries, LALC allocation and grants within the approved policies and procedures;
- Accounting for payments;
- Raising necessary invoices for goods and services provided by the NSWALC;
- The collection and accounting of money received;
- The recognition of assets purchased by the NSWALC;
- Accounting for non-cash transactions.

- Providing all relevant information internally as well as externally for efficient management of NSWALC or as per the requirements of legislation.

The Unit worked throughout the reporting period to ensure financial transactions complied with the policies and procedures established by the NSWALC.

The Unit also conducted an ongoing review of the financial policies and procedures to ensure their compliance with all statutory and regulatory requirements.

The Unit also had key input into a number of internal audit reviews.

Monitoring performance and reporting
The Unit draws on a number of important reporting tools to monitor and report on the NSWALC’s performance against its key plans, strategies and targets.

Tighter budget controls continued to be put in place to ensure spending was kept within budget to meet the challenges on fiscal discipline imposed by the Drawdown Rule.

The Unit prepared monthly management accounts which were submitted by the Director of Corporate Services at each Council meeting.

Business Continuity and Disaster Recovery Plans
One of the challenges faced by the NSWALC is how to remain operational during a disaster, whatever the nature of the disaster.

The Finance Unit has taken an active role in developing a Business Continuity Policy and updated the Business Continuity Plan for implementation.

The final step is the development of a Disaster Recovery Plan for the NSWALC.
Improvement in Management Reporting System
The Finance Unit has also taken an active role in the improvement of the NSWALC’s management reporting system.

This allows Council, senior management and all business units to periodically assess their financial performance against their operational performance and actively monitor the risks and compliance issues faced by them.

The implementation of new internal procedures has led to an improvement in the quality of information utilised within the organisation.

The focus of the Finance Unit during this reporting period has been on the analysis and interpretation of NSWALC’s financial data to improve its ability to guide decision making and forecast future financial results.

The Unit will continue to participate in the overall implementation of the Strategic Plan during the new financial year with input from the rest of the organisation. The Unit will also work to continuously improve the reporting and information flow within the organisation.

It will also work to obtain periodic reports from all business units.

These will be compiled into a consolidated report and presented to Council and senior management on a regular basis.

Human Resources and Training
The Unit continued throughout the reporting period to provide a comprehensive range of services to Councillors, management and staff as well as providing support and advice to Zone Offices in their dealings with Local Aboriginal Land Councils.

Organisation and Establishment Structure
Council endorsed the NSWALC Organisational and Establishment structure in August 2012.

Regular monitoring and updating of the Organisational Establishment took place during the reporting period, detailing all of the approved variations to Unit/Zone structures, position titles, classification, grading; and employment arrangements.

Recruitment
There was minimal recruitment action throughout the reporting period.

This reflected the continued low employment activity within the organisation and elsewhere.

Recruitment was restricted to critical positions together with a number of short term temporary appointments to back-fill vacancies.

Industrial Relations
There were no reported industrial relation matters raised during the reporting period.

Employment Conditions
A new Enterprise Agreement was being developed as the reporting period ended.

The new agreement will replace the 2010-2013 Enterprise Agreement which ceased on 30 June 2013.

NSWALC began the necessary bargaining and negotiations by establishing an Enterprise Agreement Committee in February 2013 from nominated staff representatives.

The Committee included a management representative.

Regular bargaining and negotiation meetings took place from March to June to assist in the preparation and endorsement of a new 2013-2016 Enterprise Agreement.

Payroll and Salaries
The NSWALC passed on salary entitlement increases during the year which had been determined under the NSWALC Enterprise Agreement, Senior Manager Salary Framework and the Gardening & Landscaping Services Award 2010.

The Unit also developed a set of “Payroll Business User Needs.”

These included a range of proposed new payroll related services.

A preferred provider for these services had not been determined at the end of the reporting period.

Comparative forecast and actual staff salary projection schedules were also prepared during the year for inclusion into the Budget process for the current financial year and out years.
Workplace Health and Safety

A NSWALC Workplace Health and Safety Committee held regular meetings throughout the year in accordance with new legislation.

The Committee’s main focus involved the provision of Workplace Health and Safety Information sessions to all staff and the LALC network, updating hazard reporting and inspections for all NSWALC offices and finalisation of the organisation’s policies and procedures.

The NSWALC organised information sessions for LALCs in eight regional centres between May and June 2013.

Further training for LALC Board members and staff is anticipated.

Deloitte undertook an assessment of NSWALC’s compliance with Work Health and Safety obligations as part of the 2013 Internal Audit Plan.

The Compliance and Assessment Report findings were endorsed by the NSWALC Executive and a reporting regime was put in place to detail the adoption of the audit recommendations.

Policy Reviews

The Unit undertook a number of significant policy reviews and development processes during the year.

These involved the finalisation of a Working At Home policy which was approved by the Executive and commenced in March 2013.

The submission of a new Code of Conduct to the Audit and Risk and the Governance Committees for their endorsement prior to it being submitted to the NSWALC Council for approval.

Reviews of policies relating to Private Employment and Study Assistance were completed in line with the development of the new Enterprise Agreement.

The NSWALC’s Travel, Meal and Other Allowances policy was also reviewed and updated.

Work Experience and Internships

During the year opportunities and exposure to our work environment were provided under an Internship Program to four candidates within the Finance Unit.

This enabled them to gain additional financial skills while supporting our operational services.

At the end of their internship, the NSWALC offered temporary employment to two of them.

The NSWALC also engaged the services of a number of Interns in the Policy and Research and Legal Units and temporarily created a part-time para-legal position.

Governance Training for Local Aboriginal Land Councils

The NSWALC continued to deliver ongoing mandatory governance training to LALC Board members and staff.

All the participants achieved a Statement of Attainment in the Australian Quality Framework unit of competency: Roles and Responsibilities of a Board member.

The following graphs detail the level of governance training provided in the previous and current reporting periods.

*Total number of Board members includes the Board members trained in the previous years*
Staff Training
Several training initiatives for NSWALC staff were organised and delivered during the reporting period. These included:

- August and November 2012 - Management Training for Senior Managers - Groups 1 & 2
- August 2012 - Business Writing Skills Training
- October 2012 - Project Management Training
- March 2013 - GST Training from the Australian Taxation Office (ATO)
- May 2013 - Time Management Training
- June 2013 - Cultural Awareness Training

Staff were also enrolled in government and non-funded Accredited Training courses.

These included Diploma of Information Technology, Diploma of Human Resources and Diploma of Project Management courses and Certificate courses in Business Management and Accounting and Training and Assessment Upgrade.

Records and Administration
The Records and Administration Unit undertook or assisted in a number of projects during the reporting period.

These included:
- The implementation of a Business Continuity Plan (BCP) as per AS/NZS 5050:2010
- Introduction of the Functional Retention & Disposal Authority as it relates to state records.
- Implementation of the Emergency Evacuation Management plan in collaboration with the Commercial Unit to ensure compliance with AS3745-2010.
- Providing a quality Fleet Management service in a cost effective manner.

Councillors Training
The following enhancement training was provided to Councillors during the reporting period:

- August 2012 - Workplace Health & Safety Information Session
- February 2013 - Management Essentials Training
- April 2013 - Accounting for Non Accountants

Other Regional Training Initiatives
The NSWALC also delivered a range of training initiatives on a needs basis.

The NSWALC Zone offices coordinated the delivery of the following training initiatives in the reporting period:

- Indigenous Leadership Training (Wiradjuri Region)
- Taxation Essentials and Compliance Code (North West and Central Regions)
- Land Dealings (Northern, North Coast and Mid North Coast)
- MYOB Training (Sydney/Newcastle Regions)

Diploma of Management (Leadership)
NSWALC also had an opportunity to nominate LALC CEOs to a Government-funded Diploma of Management course, facilitated by BSI Learning.

Eleven participants from the South Coast and Sydney Newcastle Regions enrolled and were expected to complete the course before the end of the calendar year.

LALC Training Needs Analysis
The NSWALC is now looking to broaden the training needs for the LALC Network by providing additional support to enhance their capability in line with the new Strategic Plan.

Training to improve skills is an important support to building capacity within the LALC Network.

A Training Needs Analysis was initiated during the reporting period to identify future need ahead of the development of appropriate training programs.

Procurement and Contract Management
A comprehensive Contract Register is maintained and monitored by the Administration, Records and Procurement Manager in collaboration with the relevant Business Unit to ensure the information is consistent and current.

The majority of procurement for NSWALC is centralised within the Records and Administration Unit.

The Unit liaises on a regular basis with Councillors, their Support Officers, and Zone Offices to ensure compliance with procurement procedures.
**Functional Retention and Disposal Authority**
One of the main objectives of the Records and Administration Unit in recent years has been to obtain a Functional Retention and Disposal Authority from the State Records Authority of New South Wales.

The Unit was successful in achieving this during the reporting period.

This assists staff to correctly sentence and archive records to preserve information for future generations.

**General Recordkeeping**
The Unit continued to conduct regular audits of information stored at the NSWALC’s Head Office, Zone Offices and the Government Records Repository and also assumed responsibility for managing electronic records registered in TRIM.

It was also responsible for the transfer of documents to and from the Government Records Repository (GRR) for storage or those required for operational purposes.

The Unit is now working very closely with the ICT Unit to facilitate the upgrade of TRIM.

The process of evaluating, registering, storage and where appropriate, disposal of NSWALC records is a continual process.

Regular reviews are conducted to ensure compliance with current standards in the industry.

**Staff Development**
The Records and Administration Unit continue to train new and existing staff in the use of TRIM for record management and the web based Flexi Purchase systems for the reconciliation of the NAB Corporate Card. Staff are provided with the opportunity to attend training initiatives relative to their respective roles.

**Information and Communication Technology Unit**
The ICT Unit is faced with a constant challenge to maintain the sustainability of the NSWALC’s IT infrastructure without affecting the day to day operations of the organisation.

The provision of technical support is a key function.

The Unit fielded a total of 1,789 requests and incidents from Councillors, management and staff during the reporting period.

A total of 1,761 were resolved.

The remainder have been carried forward into the new reporting period.

Invaluable technical assistance and advice was provided during FY2012-13 for a range of business activities including:

- A Review of the Payroll System and expansion to a Self Service Portal
- Changes to the Finance and Accounting System
- The NSWALC Statewide Conference
- Implementation of a Spatial Information (Mapping) System

The Unit also contributed to the development of a Business Continuity Plan and commenced development of an ICT Disaster Recovery Plan during the period.

They are designed to sustain the NSWALC’s core business processes and the continuity of support and services to Local Aboriginal Land Councils.

An ICT Strategy is being developed aimed at supporting the NSWALC in achieving strategic outcomes and legislative reform through effective application of ICT systems and processes.

An Information Architecture has been designed to support current and future information needs.

**Electronic Board Papers**
The Unit plans to work with Councillors, the Corporate Governance Unit and Secretariat to implement the use of electronic board papers during the new reporting period.

These would replace or augment paper based documents and board packs for use on tablet computers such as the iPad.

It is anticipated this will streamline the production and handling of voluminous Board papers with associated efficiency and cost benefits over current processes.
IT Asset Management Plan
The provision of technical support in the reporting period revealed an increasing number of problems with desktop computers and an ageing laptop fleet.

The unit will develop an IT asset management plan in the next financial year which will include a refresh of one third of its fleet every 12 to 18 months.

The plan will support NSWALC’s prudent financial management by reducing the annual costs of asset maintenance while enabling the NSWALC to adopt new technologies more frequently for efficiency gains.

Electronic Document Records Management System
As noted earlier, an upgrade of the Electronic Document Records Management System (EDRMS) ‘TRIM’ is planned.

Testing of the latest TRIM version was underway as this reporting period ended to confirm effective and stable functions in processing records in accordance with Records Management processes and compliance with the State Records Act (1998).

Enterprise Performance Management and Resource Planning
In partnership with the Corporate Governance Unit and the Director of Corporate Services, the Unit will also assess the need for new systems to support enterprise resource planning, management and performance, and the implementation of IT solutions to support the implementation and delivery of the Strategic Plan.

Policies and Procedures
A review of Information Security Management will also be undertaken in the new financial year.

IT Policies and Procedures will also be reviewed to ensure they are relevant and consistent with the NSWALC’s current environment, strategy and key systems and operational activities.

The Commercial Unit
The Commercial Unit was established in recognition of the emerging value of the land estate now held by Local Aboriginal Land Councils and the NSWALC, the emerging commercial interest in it, and the need for its sustainable development and management.

The Unit performs a dual role on land dealings for Local Aboriginal Land Councils.

It administers the NSWALC’s statutory duty to approve proposed land dealing transactions in line with its obligations as set out in the ALRA.

The Unit also assists LALCs and the NSWALC in land and commercial matters.

Land Dealings
As reported last year, significant changes to the land dealing provisions of the Aboriginal Land Rights Act came into effect on March 31, 2010 through the Aboriginal Land Rights Amendment Act 2009.

At the same time, the NSWALC developed a new assessment and approval policy to comply with its revised statutory obligations.

The detailed policy and procedures seek to ensure LALCs can effectively use the land dealing application process.

It also seeks to ensure a consistent and transparent NSWALC assessment process.

The NSWALC seeks to refine the complex processes involved and is modifying them in line with feedback from the LALC network.

The land rights network has now been operating under the new provisions, policy and procedures for three years.

A number of issues have been identified which the NSWALC believes justify further amendments.

A series of workshops with LALCs was being planned to discuss the proposed amendments as the reporting period ended. They were expected to be held in August – September 2013.

A consultation output paper would then be drafted with final recommendations to be put before the Minister for Aboriginal Affairs.

Scope and Approval of Land Dealings
Local Aboriginal Land Councils across the State continue to analyse their land holdings and to develop strategic plans for their utilisation with a focus on delivering commercial, social and cultural benefits to their communities.

LALCs sought and were granted approval during the reporting period for the following activities:
• Lodging of development applications for multi-lot residential subdivision, mixed residential and commercial development and construction of child care facilities
• Entering into Property Vegetation Plans, logging and carbon sequestration activities
• Construction and refurbishment of Aged Care facilities and residential dwellings
• Granting of easements to assist with installation of government infrastructure benefiting the whole of community
• Commercial leasing activities
• Transfer of land and land swaps with local government and other entities
• Head leasing of residential housing stock and entering into of funding agreements for upgrade of existing facilities
• Acquisition of land / mortgage
• Disposal of land
• Various other activities

As mentioned earlier many of these land use projects were showcased at the NSWALC Statewide Conference just before the end of the financial year.

Significant land development projects included:

Birrigan Gargle Joint Venture
This project involves the proposed subdivision of land at Iluka into more than 160 residential lots.

An eight stage development is planned over a 10 year period.

The development has been “on the drawing board” since 2004.

The project was held back for a number of years due to the lack of sewerage treatment infrastructure available to the site.

This was upgraded during the reporting period.

Negotiations with the Joint Venture partner were finalised after the upgrade and the NSWALC granted approval for the project.

Birrigan Gargle LALC anticipates the project will deliver positive financial returns, together with employment outcomes for the community, through each stage of construction.

Like other major subdivision projects put before the NSWALC for approval, some components of the BGLALC land dealing application were referred to a panel of property experts.

The panel was constituted pursuant to Section 42I (1) of the ALRA and Clause 108 of the Aboriginal Land Rights Regulation 2002.

The report provided by the expert panel gave the NSWALC a level of comfort that BGLALC’s land dealing application could be approved.

It reflected the work of the BGLALC Board and CEO and specialist advisors in developing the project.

Menindee Ridge Subdivision
Another significant residential subdivision project approved during the reporting period was the Darkinjung Local Aboriginal Land Council’s “Menindee Ridge” project at Blue Haven on the NSW Central Coast.

Planning for the project began in 2009.

The DLALC engaged the services of the firm, ADW Johnson to assist with the project.

The firm provides expertise in project management, town planning, civil engineering and property consultation.

Development consent for a 110 lot residential subdivision was achieved in February 2011, with the project planned to be delivered over three stages.

However, the Blue Haven project was adversely affected by the global financial crisis, changing market conditions and land values.

DLALC moved forward cautiously.

It completed a feasibility analysis for each stage of the development and only proceeded to obtain both members and NSWALC approval where these indicated it was financially sensible to do so.

The NSWALC have now approved stages 1a, 1b & 1c of the project.

The DLALC anticipates the Blue Haven development will deliver positive financial returns from each stage and additional housing stock for the community.

Individual lots within the development were selling well as the reporting period ended and DLALC were preparing further development applications for the construction of community housing.
The DLALC was also progressing with the Halekelani Project.

This project was approved by the NSWALC in the previous reporting period.

The project anticipates the construction of a home estate that will provide more than 250 low cost housing options on the Central Coast of NSW for land council members and the broader community.

Ngambri Development

The Ngambri Local Aboriginal Land Council was working its way through a major mixed use land development project as this reporting period ended.

The proposal is for the construction of thirty two high quality residential apartments and 360 sqm of commercial office space in the heart of Queanbeyan.

At the time of writing NSWALC understood a development application was before the Queanbeyan City Council for determination.

The NLALC is also well advanced with plans for the development of an aged care facility within the Queanbeyan city centre and nearby parkland.

The Commercial Unit has provided significant support to Birrigan Gargle, Darkinjung and Ngambri Local Aboriginal Land Councils and their advisors in progressing these developments.

Regular meetings have been held to discuss each project and the assessment and approval processes necessary to achieve legislative compliance and to deliver the intended outcomes for the community.

Good progress was also reported with other significant LALC projects.

Lightning Ridge Child Care Centre

The NSWALC granted approval in September 2012 for the Lightning Ridge Local Aboriginal Land Council to enter into long term leasing arrangements with the Department of Family and Community Services (FCS) for the construction of a purpose built child care centre for the benefit of the entire community.

Construction of the facility, which has commenced, is due for completion in October 2013.

It is understood the centre is unique.

Nine other facilities have been funded by FCS around the State but this is the first to be built on LALC owned land.

Sand Extraction

Two Local Aboriginal Land Councils in the Sydney-Newcastle region are involved in lucrative sand extraction.

The Deerubbin Local Aboriginal Land Council has been successful in securing a large site in the Maroota area, suitable for sand extraction activities following a successful land claim.

The site is likely to deliver long term income streams for the Deerubbin community as existing sand reserves in the Penrith lakes and Kurnell areas are depleted, and new sand deposits are brought on line.

Worimi Land Aboriginal Land Council has already achieved success with sand extraction operations over the past few years on WLALC land in the Port Stephens area.

A further site is due to be put into production in the near future.

The ongoing income stream generated from these activities is being used to deliver a broad range of community benefits to WLALC members.

North Hawks Nest Project

The Karuah Local Aboriginal Land Council is continuing to progress a significant beachside residential land development project “Karuah Village” at North Hawks Nest.

The development was originally intended to involve land held by a number of adjoining land owners but agreement could not be reached.

The project is now proceeding on LALC owned land.

Expert town planners have been assisting the LALC and a concept plan has now been developed for low impact, eco friendly housing adjoining the beach front.
LALC Head Leasing
There has been a strong focus during the reporting period on head leasing and funding agreements between Local Aboriginal Land Councils and the NSW Aboriginal Housing Office (AHO).

As previously reported, Clause 45 of Schedule 4 of the ALRA requires LALCs to consider the future of existing Social Housing Schemes.

A LALC may not operate an existing social housing scheme beyond June 30, 2014 unless it has the approval of the NSWALC.

The Commercial Unit and NSWALC Zone offices have continued to work closely with LALCs to assist them in the assessment of their housing stock and with the lodgment range of land dealing applications for head leasing and funding agreements with AHO.

Many LALCs have entered into Head Leases with the AHO.

Others have preferred to retain the management of their housing stock as approved Aboriginal Housing Service Providers and have entered into funding agreements with the AHO to access funding for repairs and maintenance of Land Council homes.

At the end of the reporting period, NSWALC had approved a further 26 head leases and funding agreements for the year.

It was assisting a further twelve LALCs with proposing head leasing and funding arrangements.

The AHO anticipated a further 58 transactions were expected to be finalised in the new financial year.

Number of land dealings approved by the NSWALC Council during the four financial years to 30 June 2013

<table>
<thead>
<tr>
<th></th>
<th>Fin year ended 30 June 2010</th>
<th>Fin year ended 30 June 2011</th>
<th>Fin year ended 30 June 2012</th>
<th>Fin year ended 30 June 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>LALC land dealing with AHO</td>
<td>0</td>
<td>2</td>
<td>12</td>
<td>26</td>
</tr>
<tr>
<td>LALC other land dealings</td>
<td>12</td>
<td>17</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>NSWALC land dealings and other approvals</td>
<td>5</td>
<td>16</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Total</td>
<td>17</td>
<td>35</td>
<td>50</td>
<td>67</td>
</tr>
</tbody>
</table>

Number of Dealing Approval Certificates (DACs) and Registration Approval Certificates (RACs) issued by NSWALC during the previous 3 financial years

<table>
<thead>
<tr>
<th></th>
<th>Fin year ended 30 June 2010</th>
<th>Fin year ended 30 June 2011</th>
<th>Fin year ended 30 June 2012</th>
<th>Fin year ended 30 June 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>DACs issued</td>
<td>2</td>
<td>26</td>
<td>50</td>
<td>47</td>
</tr>
<tr>
<td>RACs issued</td>
<td>4</td>
<td>62</td>
<td>25</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>88</td>
<td>75</td>
<td>77</td>
</tr>
</tbody>
</table>

This table shows the increasing volume of land dealing activities by LALCs in NSW.

The Commercial Unit is increasingly engaged with LALCs on a multitude of options being considered by LALCs for the use of their land in addition to the work involved in the approval of formal land dealing applications,

The Commercial Unit was assisting LALCs in a range land dealing applications as the reporting period ended.

The NSWALC declined to approve one Local Aboriginal Land Council land dealing application during the reporting period.

A small number of land dealing applications were withdrawn prior to a determination by the NSWALC.
Land Dealing training module
The Commercial Unit also developed a comprehensive land dealing training module to further assist LALCs.

The first presentation of the training module was made to LALCs in the North Coast Region in May 2013. It was well received.

The training module is now available for delivery to LALCs across the state.

The Unit anticipated rolling out multiple training sessions at Regional Forums during the next reporting period.

The training module includes details of:
- The types of land dealing activities that need to be approved by LALC members and the NSWALC and the sections of the legislation that apply;
- What is involved with lodging a land dealing application to the NSWALC and the type of supporting documentation required in an application;
- The mandatory requirements under the legislation relating to land dealing meeting notices and resolutions;
- The Expert Panel, how it operates and what type of land dealing matters are likely to be referred to the panel;
- The Community Development Levy, what is it, when does it apply, how it is intended to benefit land councils in the future;
- How the NSWALC assesses applications, what matters form part of the NSWALC’s considerations, how the NSWALC applies its discretionary powers and how conditions may be applied to land dealing approvals;
- How the NSWALC will communicate with LALCs through the entire process.
- How to access land dealing fact sheets and other resources available on the NSWALC website;
- The broad range of practical guidance and assistance which can be provided by the Commercial Unit.
- The benefits of communicating with the Commercial Unit early in the process.

Asset Management
A NSWALC-owned nine storey commercial building in the Parramatta Central Business District in Western Sydney is the organisation’s chief operational base.

It leases the office space which is not required by the organisation.

A new lease was negotiated for an entire floor during the reporting period following an amalgamation of the space occupied by the NSWALC.

This reduced the NSWALC occupied space by 6.56% while decreasing the overall vacancy rate in the building to 4.87%.

The current rate is a substantial improvement from the end of the previous reporting period.

The vacancy rate then stood at 13.36%.

As this report was being prepared the NSWALC was negotiating with a proposed new tenant and one of our larger tenants, Aboriginal Legal Services, for the leasing of additional space.

Successful negotiations would see a further reduction in the vacancy rate.

Overall rental income for this reporting period (including the NSWALC’s occupied space) totalled approximately $1.69 million.

This represented a small decrease on the previous reporting period.

Overall expenditure on repairs and maintenance was $732,000.

Non-performing Property Assets
A comprehensive review of all NSWALC owned properties was completed in the 2011-2012 reporting period.

It recommended the rationalisation of non-performing property assets. This was endorsed by Council and the NSWALC Investment Committee.

The review included property assets purchased by now defunct Regional Aboriginal Land Councils which had been transferred into the ownership of the NSWALC in amendments to the ALRA in the 1990s.
Many of these properties have consistently failed to achieve satisfactory financial returns on investment.

The rural properties include Appin Station, Barooga Karrai, Calooma / Nulty Springs and Kaituna Uno and a number of former RALC offices.

As a result of the review Council passed “in principle” resolutions to dispose of, or transfer ownership of a number of these properties.

Consultation with affected LALCs was to be conducted in accordance with section 42D of the ALRA.

This reflected a concern the transfer of these properties might represent a financial burden to recipient LALCs.

Council required interested LALCs to provide the NSWALC with comprehensive business plans to demonstrate that a transferred property would not become a liability to the community.

The NSWALC has conducted extensive consultation across the network, particularly through Regional Forums, on the future of these properties.

The transfer or sale of many of these properties has now been formally approved by the NSWALC and work continued on the rationalisation project as the reporting period ended.

Rural Properties

The NSWALC has facilitated a number of regional forums to provide LALCs the opportunity to discuss options for the future ownership and operation of each of the rural properties.

From the outset, it has been the intention of the NSWALC to transfer both the non performing property assets (land and improvements to the land) together with any non fixed assets such as machinery, vehicles and other operational equipment.

Planning for the future use of each property has been complex and time consuming. It has often involved consultation being undertaken with a large number of LALCs.

The current status of each property is summarised below:

Appin Station

The transfer of Appin Station was discussed by all LALC representatives in the Western Region at a Regional Forum in March 2011.

It was unanimously agreed the property be transferred to the Menindee Local Aboriginal Land Council.

The LALC subsequently developed a comprehensive business plan with the assistance of the Murdi Paaki Regional Enterprise Corporation.

It was provided to NSWALC in July 2011 and Council approved the transfer of Appin Station subject to LALC members voting to accept the transfer from the NSWALC.

LALC members voted to accept the property in August 2011.

An application was then lodged with the Minister for Lands seeking permission for the transfer pursuant to the requirements of the Western Land Lease Act 1901.

Ministerial approval was granted just before the reporting period ended and arrangements were being made for the handover in the financial year.

Calooma Nulty Springs and Kaituna Uno

The proposed divestment of these rural properties involved lengthy consultation with the seventeen LALCs in the North Western Region and the development of detailed business planning around the future use of each property.

In May 2012, through NSWALC’s involvement with Social Enterprise Finance Australia an opportunity was identified to partner the LALCs with the University of Sydney.

The proposal involved assistance being provided for community consultation processes and business planning as part of the university’s programs, Rural & Remote Enterprise (RARE) and Innovation and Enterprise Programs (IEP).

The IEP at the University runs a postgraduate unit of study on Social Entrepreneurship.
Students are required to complete a Major Project, working with a real client to address a specific business need (governance, marketing, business planning etc) for the development of a new product or venture.

The proposed transfer of Calooma Nulty Springs and Kaituna Uno from NSWALC to LALCs and the planning around governance and business operations made it an ideal subject for a student Ms Jacqui Gilligan.

She agreed to make it the subject of her Major Project and her offer was gratefully accepted by LALCs in the region.

A planning session, facilitated by the NSWALC, was held in June 2012 and resulted in the establishment of a working party. A legal advisor was also engaged to assist with the project.

A number of further forums were held over the next six months and agreement was reached on how the ownership of the properties would be held and how they would operate.

The issues for each property were complex, particularly for Kaituna Uno.

The NSWALC has continued to operate broad acre cropping and cattle programs on the property which resulted in good profits being generated during this reporting period, for the first time in many years.

Detailed “start up” business plans were developed in close consultation with the LALCs.

The NSWALC approved the transfer of the properties in December 2012 to a Regional Charitable Trust, to be known as the North West Land Corporation subject to a number of “implementation activities” being undertaken by no later than 31 July 2013.

At the time of writing this report, NSWALC had received advice the implementation activities had been completed and the project could move to the next stage—the lodging of applications to the Minister for Lands seeking approval for the transfer.

**Barooga Karrai**

LALCs in the Wiradjuri Region have agreed Barooga Karrai should be transferred to the Murrin Bridge Local Aboriginal Land Council.

The NSWALC has indicated its support subject to the LALC submitting a suitable business plan.

The LALC advised the NSWALC in November 2012 it had started preparing its plan with the assistance of Sydney University.

**Support provided to the NSWALC Councillors and Zone Offices**

The Commercial Unit provided assistance with lease arrangements for the offices of Councillors and staff during the reporting period.

It exercised the option to renew the office lease for Councillor Williams.

It also negotiated market rent payable for the Northern Zone office at Coffs Harbour, Eastern Zone office at Gosford and the Western Zone office at Dubbo as part of lease renewals.

**Vacant land and property management**

The NSWALC property portfolio expanded with the dissolution of the Quambone and Koompahtoo Local Aboriginal Land Councils.

It now includes a number of properties subject of residential tenancy arrangements.

Residential homes in Quambone and Evans Head have now been transitioned to head leasing arrangements with the AHO.

The NSWALC was also expected to enter into head leasing arrangements with the AHO on four homes in the Lake Macquarie area as the reporting period ended following consultation with the newly constituted Biraban Local Aboriginal Land Council.

The NSWALC owns a further twelve properties in the Yamba area which continue to be managed under head leasing arrangements with Birrigan Gargle Local Aboriginal Land Council.

The organisation is also responsible for approximately 120 parcels of vacant land across NSW.
Indigenous Money Mentor Program
The National Australia Bank (NAB) funded an Indigenous Money Mentor has hosted at NSW Aboriginal Land Council since February 2011.

The key responsibilities of the IMM role are to:
- Undertake one-on-one client management;
- Build financial literacy and consumer confidence via community capacity building and financial education; and
- Create access to community microfinance products.

Mr Gordon Simon is employed by NSWALC in the IMM role in a full time capacity, and is providing real assistance to community members.

During the reporting period, the IMM established good working relationships with Indigenous clients and with the other community agencies and programs which refer people to the Indigenous Money Mentor service.

Developing community capacity by improving understanding of money matters is an integral part of the role, with community visits as well as face-to-face client work important in building trust with local communities in NSW to address money problems.

The IMM position will be co-funded by NAB and NSWALC in the next financial year.

Program Management Unit
As noted last year this Unit now takes in much of the work of the former Network Services Unit which was a key operational arm of the organisation.

The key activities for the Aboriginal Communities Water and Sewerage Program, the Subdivision Project and the Education Endowment Fund can be found in the Council Year In Review section of this report.

All constituted a major call on the operations of the Unit during the reporting period.

Compliance and Evaluation
As noted earlier this Unit is the compliance and evaluation hub of the NSWALC’s financial and regulatory oversight of the land rights network.

It supports Councillors, management and Zone Offices in their delivery of services to Local Aboriginal Land Councils to ensure compliance with part 8 of the ALRA, relevant Regulations and the NSWALC’s policy on LALC Funding and Financial Obligations.

State-wide LALC Funding Category Report
The funding category of the LALCs is based on their compliance with their statutory and policy obligations with risk levels assessed and determined under the NSWALC’s LALC Management Support System (LMSS).

This determines the frequency of cash allocations to LALCs and their financial reporting obligations.

A LALC in absolute compliance with all regulatory requirements and an LMSS assessment score equal to, and above, 50 per cent is fully funded.

Those found to be in breach of a compliance requirement or which record an LMSS assessment score below 50 per cent are placed in an unfunded category.

This table illustrates the entitlements and responsibilities attached to each funding category;

<table>
<thead>
<tr>
<th>Funding Category</th>
<th>Risk Level</th>
<th>LMSS Assessment Rating</th>
<th>Basis of Grant Remittance</th>
<th>Financial Report Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funded</td>
<td>Low Risk</td>
<td>Equal to and above 90%</td>
<td>Cash on quarterly basis</td>
<td>Half Yearly</td>
</tr>
<tr>
<td>Funded</td>
<td>Medium Risk</td>
<td>Equal to 70% to below 90%</td>
<td>Cash on quarterly basis</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Funded</td>
<td>High Risk</td>
<td>Equal to 50% to below 70%</td>
<td>Cash on monthly basis</td>
<td>Monthly</td>
</tr>
<tr>
<td>Unfunded</td>
<td>High Risk</td>
<td>Below 50%</td>
<td>Essential payments, at discretion of NSWALC</td>
<td></td>
</tr>
</tbody>
</table>
LALCs that have an Administrator appointed by the Minister for Aboriginal Affairs are automatically treated as if they are in a funded category.

Grant releases are made quarterly to the Administrator who reports in accordance with the terms of appointment.

This graph compares the number of LALCs in each funding category at the end of this financial year compared with the same point last year and at the end of December 2012.

**Graph 1 - Funding Category Section** - at each report point, Funded + Unfunded = 120 LALCs.

**LMSS Risk Level Section** – shows the risk level at each report point, risk category + Under administration + No Current Assessment = 120 LALCs

It shows the number of LALCs in the funded category has decreased by four at the end of this financial year.

A total of 98 LALCs were in the funded category compared with 102 at the end of last report date.

One LALC was under administration at the end of last financial year and one was in the same situation at the end of this financial year.
The following pie graphs compare the number of LALCs in LMSS Risk Level at the end of the last financial year with the end of this reporting period.

**Graph 2** - State-wide LMSS Risk Level at the end of Last Financial Year – 30 June 2012

**Graph 3** - State-wide LMSS Risk Level at the end of this Financial Year – 30 June 2013
The table below shows the movements in LMSS risk level of the LALCs between the past two financial years. It shows the number of LALCs in the high risk level dropped by 21 during this period.

<table>
<thead>
<tr>
<th>Category</th>
<th>30 June 2012</th>
<th>30 June 2013</th>
<th>Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Risk Level</td>
<td>41</td>
<td>49</td>
<td>Increased by 8</td>
</tr>
<tr>
<td>Medium Risk Level</td>
<td>36</td>
<td>49</td>
<td>Increased by 13</td>
</tr>
<tr>
<td>High Risk Level</td>
<td>34</td>
<td>13</td>
<td>Decreased by 21</td>
</tr>
<tr>
<td>Under Administration</td>
<td>1</td>
<td>1</td>
<td>No movement</td>
</tr>
<tr>
<td>No Current Assessment</td>
<td>8</td>
<td>8</td>
<td>No movement</td>
</tr>
<tr>
<td><strong>Total LALC</strong></td>
<td><strong>120</strong></td>
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**Statewide Grant Allocations Report**

Section 106(8) (e) of the ALRA requires the NSWALC to grant funds for the payment of the costs and expenses of LALCs, whether under funding agreements or otherwise.

The ALRA prescribes this function to Council.

Council approved allocation grants to 117 Local Aboriginal Land Councils of $130,000 each during the 2012-13 financial year.

This amounted to a total grant allocation of $15,210,000.

The column graph measures the actual outgoings, comprising of cash allocations and the essential payments, against the approved grant for the LALCs in each region. Any other payments, such as administrators fees, and rates are not included.

The payments under sections 106(8)(e) and 163(4) of ALRA are made against the grants approved by the NSWALC Council for each functional LALC.

The approved grants are remitted in cash allocations to compliant LALCs in accordance with their funding categories.

The NSWALC may make essential payments to non-compliant LALCs under assistance agreements for the operation of their essential functions.

Essential payments may also be granted to unfunded LALCs without an assistance agreement, if the payment is for protection or preservation of LALC assets or to avoid significant liabilities.

The annual grant for each LALC that remain unpaid at the end of the financial year is forfeited by the LALC, as a new annual grant is approved by Council for each LALC.
### DETAILS OF FUNDS GRANTED AND PAYMENTS TO EACH LALC

**Financial Year Ending 30 June 2012**

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<th>No.</th>
<th>Region</th>
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</table>

$15,210,000.00  $13,650,795.51  $716,009.25  $843,195.24
Changes to LALC Grant Funding
The LMSS assesses the performance of a LALC against a series of questions to measure performance in the following areas:
- Financial Management;
- Administration Management;
- Housing Management;
- Staffing
- Board and Members.

It had become clear by the end of the reporting period that a series of amendments to the ALRA would flow from the statutory review of the legislation.

These would have an impact on the approach to monitoring the performance of LALCs and providing funding to them.

In light of this, the PMU and senior Zone staff were giving consideration as this reporting period ended to modifications to the LMSS and the regulatory framework, which was originally developed in 2009.

Considerable attention has been applied to reducing the regulatory burden on LALCs, refocussing the LMSS, simplifying funding agreements and promoting self-assessment in line with the expected amendments.

Investigation and Administration of Aboriginal Land Councils
As outlined earlier, the State Government and the NSWALC are intermittently required to intervene into the affairs of a LALC which has demonstrated a failure to comply with the provisions of the ALRA.

This is seen by the NSWALC as a measure of last resort.

The NSWALC’s primary strategy is to ensure such interventions are not used as an alternative to other more cost effective and efficient mechanisms that are available to achieve the same result.

The financial cost of Investigators and Administrators is prohibitive. Such interventions are a financial and administrative drain on the entire land rights network.

External intervention also has a significant operational and political cost on affected LALCs, and their members.

The roles and responsibilities of the NSWALC, the Minister, AANSW, and the Registrar on interventions are set out in Part 11 of the Aboriginal Land Rights Act 1983.

In cases where a LALC is not compliant the Minister may appoint an investigator pursuant to s 216(1) of the ALRA or an administrator pursuant to s 222(1) of the ALRA.

Of the 120 Local Aboriginal Land Councils across the state of NSW two were subject to an administrator during the reporting period.

One administration had been carried over from the previous year and was completed during this reporting period. The other was ongoing as the financial year ended.

One investigation was conducted and completed.

Investigation of Gandangara, Walgett and La Perouse LALCs
The Minister for Aboriginal Affairs appointed Mr Kelvin Kenny from O’Conner Marsden to investigate the affairs of Gandangara, La Perouse, and Walgett LALCs on October 15, 2012.

He was appointed to investigate all of the affairs of the three LALCs.

This included the efficiency and effectiveness of their governance and management of their financial operations and any controlled entities and the relationships, payment and services between any related or controlled entities of the LALCs.

The initial appointment was for a term of three months to January 14, 2013.

The Minister extended the appointment of the investigator for one month to February 14.

The investigation of La Perouse and Walgett concluded on that date.

The Minister extended the appointment of the investigator to March 28 to conclude the investigation of Gandangara LALC with a final extension granted to April 12.

A final report was provided to the Minister on April 11.

The contents of the report are confidential and subject to legal professional privilege.
The NSWALC developed a Policy on the Approval of LALC Social Housing Schemes (Rental Accommodation) to ensure the land rights network comply with these obligations.

The policy was then used to develop a tool for the assessment of existing social housing schemes. This is known as the Social Housing Assessment and Provider Evaluation (SHAPE) Guide.

At the end of the reporting period nine LALCs had been approved to continue to operate their social housing schemes.

However, the NSWALC and LALCs faced considerable uncertainty in this area during the financial year due to the statutory review of the ALRA.

The review has foreshadowed a reduction in the duplication of assessments conducted by NSWALC and those deemed necessary by the NSW Government’s Aboriginal Housing Office under its Build and Grow Strategy for Aboriginal Community Housing.

It is hoped the uncertainty over assessment and funding arrangements can be resolved over the course of the new reporting period.

Community Land and Business Plans
Each LALC is also required by law to prepare and adopt a Community, Land and Business Plan.

Failure to do so, or a substantial failure to comply with an approved CLBP, is considered a substantial breach of the requirements of the ALRA.

At the end of the reporting period, 43 LALCs had approved current plans and 62 LALC plans were due for renewal.

Eight LALC plans awaited the approval of the NSWALC at the end of the financial year.

Discretionary Grants
The NSWALC approved a limited number of grants in the 2012/13 financial year as part of a specific community benefit scheme for state-wide discretionary grants.

These included grants to the Aboriginal Rugby League Knockout, the Aboriginal Golf Day and the Saltwater Freshwater and Yabun festivals.
Details of these grants can be found later in this report.

The NSWALC has sought to limit its discretionary grants given its limited funding base and the availability of funds from other sources, particularly the Commonwealth and NSW governments.

It advises the land rights network on the prospect and availability of funds from these sources, and others, through its website.

Council had called for the development of a grants policy to guide decision making on discretionary grants during the next financial year.

This was expected to be developed early in the new reporting period.

**The Funeral Assistance Grants Scheme**

The NSWALC has been providing funeral assistance grants to support bereaved Aboriginal families for over a decade.

The scheme is uncapped, with the NSWALC responding to the demand for funeral assistance from year to year.

A two year contribution of $200,000 to the “funding pool” was made by the NSW Government through Aboriginal Affairs NSW (AANSW) in 2011.

This enabled the NSWALC to increase contributions to each funeral by an amount of $300.

As a result, members of the original NSWALC Funeral Fund were granted $5,300 to assist with funeral costs. Non-members were granted $1,300.

The contribution from AANSW was fully expended during the reporting period.

It was not renewed.

This forced the NSWALC to reduce the funeral grants to their original levels of $5000 to contributors to the original insurance scheme and $1000 to non-members.

A total of 526 grants were made during the reporting period at a total cost of $816,116.

These included 71 grants to members of the original Funeral Fund and 455 grants to non-members.

The cost of funerals, and the financial impact on bereaved families, is high.

Loss is often unexpected and, as is frequently the case for many Australians, financial provision for the cost of funerals has not been made.

The NSWALC’s commitment to contributing to the cost of the funerals for Aboriginal people any review of its expenditure must be conducted with sensitivity and an appreciation of its value to bereaved families.

The NSWALC continues to review the options for the financing and improved administration of the Funeral Assistance Grants Scheme with this basic principle in mind.

**Freddie Fricke Scholarships**

Once the EEF was discontinued the PMU was able to focus greater attention on the Freddie Fricke Scholarship Scheme that it conducts with the assistance of the Charities Aid Foundation (CAF).

Two Aboriginal tertiary students Jake Witchard (University of Technology) and Kendall Draper (University of Canberra) were the scholarship winners in 2013.

Each received a scholarship to the value of $10,000.

The Unit was in negotiations with a new management team at CAF as the reporting period ended.

These are aimed at improving the administration of the Freddy Fricke Scholarship Scheme.

A key objective is to increase a student’s flexibility in spending scholarship funds so that their individual needs and requirements are met sufficiently to support them in the completion of their studies.

**Local Government**

The NSW Local Government Association and the Shires Association of NSW amalgamated during the reporting period.

The new association is known as Local Government NSW (LGNSW).

The NSWALC is an “ordinary” member of the new association.

This allows the NSWALC full voting rights at the association’s annual conference.
These provisions are coupled with mandatory training requirements, the legislative requirement upon Local Aboriginal Land Councils to develop Community Land and Business Plans and Community Benefit schemes, including Social Housing Schemes, and new land dealing provisions.

The amendments also made significant consequential changes to LALC membership rights.

Much of the work in effectively communicating these changes to the land rights network has continued to fall to Zone office staff in this reporting period.

The further series of amendments flowing from the Aboriginal Land Rights Amendment Bill 2013, which is expected to be passed into law in the first half of the new reporting period, will again have a significant impact on the operations of LALCs and their interaction with the NSWALC.

Northern Zone

PURPOSE, AIMS AND FUNCTIONS

The general purpose, aims and functions of the Northern Zone during this reporting period were primarily focused on the key objectives in the Northern Zone Operational Plan 2010-2012.

This is linked to the NSWALC Community Land and Business Plan.

The key objectives are:
1. Advocacy and Rights
2. Strong Leadership and Governance
3. Productive and Meaningful Partnerships
4. Community Health and Well-Being
5. Land, Cultural Heritage and Environmental Management

LOCAL ABORIGINAL LAND COUNCILS IN THE ZONE

During the reporting period, the Northern Zone comprised thirty eight Local Aboriginal Land Councils.

- North Coast Region (comprising 13 Local Aboriginal Land Councils) represented by NSWALC Councillor Tina Williams;
- Mid North Coast Region (comprising 11 Local Aboriginal Land Councils) represented by NSWALC Councillor Peter Smith;
- Northern Region (comprising 14 Local Aboriginal Land Councils) represented by NSWALC Councillor Tom Briggs.

NSWALC will exercise nine votes rather than the 27 votes it exercised before the amalgamation.

However the NSWALC retains a significant bloc of votes as a member of LGNSW.

Zone Offices

The NSWALC Zone offices have become an integral part of NSWALC’s interface with the land rights network, particularly with the elected Boards and staff of Local Aboriginal Land Councils, key stakeholders, and with the wider Aboriginal community and the general public.

The activities of each Zone office are set out below.

All Zone offices reported that many of their normal activities were again augmented in this reporting period by the need to assist the land council network implement ongoing changes to their structure and operations and NSWALC funding policies.

The legislative changes arose, as noted in this space last year, from the significant amendments to ALRA which came into effect on July 1, 2007, and subsequently, which were primarily designed to improve the structure, representation, and governance of LALCs.

Section 61 of the ALRA requires each LALC to have a Board consisting of not less than five, and not more than 10 members.

Section 64 of the ALRA states a Chairperson and Deputy Chairperson of the Board are to be elected from among the Board members at the first meeting of the Board after its election.

These provisions replaced the previous LALC Office Bearer structure, which provided for LALC members to elect a Chairperson, Secretary and Treasurer.

The LALC Board structure is designed provide even greater transparency and accountability for members, and improve opportunities for representation on the Board.

Section 78A of the ALRA also requires a LALC to employ a member of staff to exercise the functions of the Chief Executive Officer.

Section 80 requires appointments to the staff of a LALC, and promotions for members of staff, to be merit based.
HUMAN RESOURCES

The staffing structure of the Northern Zone during the reporting period is depicted below:

It conducted its operations from offices in Coffs Harbour and Tamworth.

The Tamworth office is staffed by a Senior LALC Support and a LALC Support Officer who work exclusively with LALC’s located in the Northern Region.

Achievements and Review of Operations

The reporting period resulted in another year of outstanding achievements and operations by the LALCs in the North Coast, Mid North Coast and Northern Regions assisted by Northern Zone office staff.

ZONE SUPPORT TO LALCS

LALC Support Unit staff have primary responsibility for day to day dealings with LALCs on a broad range of issues including general governance, housing management, land claims and dealings and assisting LALCs to fulfil their responsibilities under the Act.

LCSU staff also provided significant amounts of advice and support to LALCs during the reporting period in relation to the requirements of the Act and Regulations, operational matters, planning, preservation and protection of Aboriginal culture and heritage, land dealing matters, human resource functions and assistance with negotiations with government and other stakeholders.
They also provide significant ongoing advice and assistance to LALCs in relation to social housing management and NSWALC’s policies and the requirements of the ALRA in relation to LALC management of social housing.

A major component of this work is undertaken in partnership with staff from the NSW Aboriginal Housing Office-- the primary funders of Aboriginal housing in NSW.

These meetings provide an opportunity for LALC members to obtain information in relation to the AHO “Build and Grow” strategy, along with NSWALC’s Social Housing Policy and related guidelines.

Finance Unit staff provide support to LALCs on budgeting, financial management systems and controls, release of NSWALC grant funds, processing of “essential payments” along with LALC financial performance monitoring and assistance.

They also make frequent visits to LALCs to assist them in financial management as well as assisting LCSU staff to undertake regular risk assessments.

The Finance Unit also provided internal services to ensure the efficient and effective operations of the Northern Zone office.

Zone staff undertook comprehensive risk assessments of all LALCs during the reporting period in line with NSWALC policy and procedures.

The LALC Management Support System (LMSS) was used to undertake the assessments.

The LMSS is a diagnostic tool.

It assesses LALC performance across five operational areas and gives each LALC a score out of a possible 100% which, in turn, gives the LALC a risk rating.

It also produces a management support plan.

This is achieved by extracting data from the LMSS assessment where it is identified a LALC is not reaching a minimum performance level.

This information forms the basis of a support plan and identifies actions required by NSWALC to assist the LALC and actions required to be undertaken by the LALC to address the identified areas of deficiency.

Further details of LALC performance in this regard can be found below.

COMPLIANCE MONITORING AND ASSISTANCE

Local Aboriginal Land Councils have many and varied responsibilities under the ALRA.

A major focus for the Northern Zone Office since its establishment has been to assist LALCs with their compliance reporting as required by the ALRA.

It is pleasing to report no Administrators were appointed to LALCs within the Zone during the reporting period.

This is the fourth consecutive year all LALCs have conducted their operations without such intervention.

This is a significant achievement given the statutory compliance obligations LALCs must observe.

It can be attributed to the hard work of LALC Boards, CEO’s and Northern Zone staff.

LALC AUDIT RESULTS

The audited 2012-13 financial statements were received during the reporting period for 37 of 38 LALCs.

All but one was unqualified.

The related management letters again reflected improved internal control and financial management procedures.

They are a testament to the work of LALC Boards and CEO’s and follow the excellent outcomes reported in this space last year.

RISK BASED FUNDING POLICY AND LMSS RISK ASSESSMENT PROCESSES

This reporting period was the fourth year since the implementation of NSWALC’s risk based funding policy, including the LALC Management Support System.

As noted earlier, LALCs are categorised as Funded or Unfunded based on their compliance with the ALRA and their most recent LMSS assessment score.

A LALC with an LMSS score of less than 50% is deemed by NSWALC to fall into an unfunded category.
Based on the LMSS assessment score, each LALC is then assigned a risk category according to the result in the following manner:

<table>
<thead>
<tr>
<th>LMSS/RISK ASSESSMENT SCORE</th>
<th>FUNDING CATEGORY</th>
<th>RISK CATEGORY</th>
<th>REPORTING REQUIREMENTS/FUNDS RELEASE</th>
<th>ASSESSMENT FREQUENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 50%</td>
<td>Unfunded</td>
<td>None applied</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>50% - 69%</td>
<td>Funded</td>
<td>High Risk</td>
<td>Monthly financial reporting and monthly funding releases</td>
<td>Quarterly</td>
</tr>
<tr>
<td>70% - 89%</td>
<td>Funded</td>
<td>Medium Risk</td>
<td>Quarterly financial reporting and quarterly funds releases</td>
<td>Quarterly</td>
</tr>
<tr>
<td>90% and above</td>
<td>Funded</td>
<td>Low Risk</td>
<td>Six monthly financial reporting and quarterly funds releases</td>
<td>Six Monthly</td>
</tr>
</tbody>
</table>

The funding and risk category of each LALC then guides the terms and conditions attached to a Funding Agreement offered by the NSWALC to a Funded LALC.

Apart from the LMSS assessment process, if a LALC breaches a section of the NSW Aboriginal Land Rights Act that prevents NSWALC from providing funds directly to that LALC, then the LALC automatically falls into the Unfunded category.

The LALC does not return to a funded category until the legislative breach has been cleared.

The graph below shows the status of LALCs in the Northern Zone as at the beginning of the reporting period and also at the end of the reporting period.
The graph indicates the following:

- As at 1/7/12, 92.1% of LALCs in the Zone were in a funded category.
- As at the 30/6/13 there were 81.6% of LALCs in a funded category with seven LALCs in an unfunded category. The majority of these LALCs returned to a funded category within a relatively short period of time.
- On the 1/7/12 there were 7.1% of LALCs in the High Risk Category, 38.8% in Medium Risk Category and 47.4% in the Low Risk Category.
- On the 30/6/13 there were 2.6% in the High Risk Category, 31.6% in the Medium Risk Category and 47.4% in the Low Risk Category.

**LALC CAPACITY BUILDING INITIATIVES**

Zone staff attended numerous LALC Board and members meetings to provide ongoing information, guidance and support for Board and LALC members on the requirements of the ALRA.

**LALC BOARD CASUAL VACANCY ELECTIONS:**

During the reporting period Northern Zone staff acted as Returning Officers for numerous casual vacancy elections to LALC Boards. The most common cause of the vacancies was the resignation of Board members.

**LALC BOARD MEMBER GOVERNANCE TRAINING**

Northern Zone staff also conducted numerous Board member Governance Training workshops.

They provided an opportunity for newly elected LALC Board members to undertake mandatory governance training required by the ALRA.
MYOB TRAINING FOR NORTHERN REGION LALCS
The Northern Region LALCs have an MOU with the New England Institute of TAFE which is linked to the Northern Region LALC Partnership Agreement. During the reporting period TAFE operated a MYOB training course for the 14 LALCs in the region. Participants are making great headway on the completion of the course. It will result in significant increases in the capacity of the participating LALCs to manage their computer based accounting processes.

TRAINING NEEDS ANALYSIS FOR LALC STAFF
Northern Zone staff met with 37 of 38 LALCs during the period and completed a training needs analysis for the LALC CEO and in some instances, other LALC staff. This information will be used by the NSWALC to inform a network wide Capacity Development Plan.

REGIONAL PARTNERSHIP AGREEMENTS AND ALLIANCES
Regional Partnership agreements and alliances continued to play an important role for LALCs in the Mid North Coast and Northern Regions during the reporting period.

NORTHERN REGION LALC PARTNERSHIP AGREEMENT
A Regional Partnership Agreement (RPA) has been successfully negotiated between the 14 Northern Region LALCs and NSWALC Councillor Tom Briggs with NSW and Australian Government agencies through their relevant Ministers. The RPA is underpinned by a Regional Economic Development Strategy and Implementation Plan which was developed by the LALCs. A schedule of agreed actions forms part of the RPA.

The initial focus of the RPA is on increasing Aboriginal employment outcomes within the Northern Region. It seeks to reduce barriers to employment for Aboriginal people.

The Warra-Li Resource Unit Inc. Aboriginal Corporation (formally the Rations Exchange Technical Resource Unit) has been established by the 14 LALCs to coordinate, facilitate and deliver some of the strategies and actions documented in Schedule 1 of the agreement.

Australian Government agencies provide funding and support for the delivery of a range of these and other strategies and actions.

A Regional Partnership Committee meets regularly to monitor progress.

The Committee comprises a number of Australian and NSW Government agency representatives, delegates from the 14 LALCs, Councillor Briggs and Northern Zone staff.

Good progress was made on a range of governance and capacity building initiatives during the reporting period. These included a Leadership Workshop, Elders Gathering, and training delivered to LALCs.

A Youth Leadership Initiative is currently being planned.

Work is also underway to negotiate Aboriginal Employment Strategies with several regional industries.

Further schedules will be negotiated with government during the next reporting period for inclusion in the RPA.

MANY RIVERS AGREEMENT
The NSWALC is a formal signatory to this Regional Partnership Agreement.

NSWALC Councillors Smith and Williams from the Mid North Coast are active participants on the Regional Partnership Committee (RPC) which has been formed to review the strategy and focus of the agreement.

Representatives from LALCs in the Mid North Coast and North Coast Regions are also active participants in the RPC.

A review of employment and enterprise development strategies in the RPA led to a change in strategy and focus when the initial implementation failed to deliver the anticipated development of employment and enterprise initiatives.
The strategy is now focused on forming relationships with major mainstream employers within the RPA boundaries in a bid to increase Aboriginal employment opportunities.

Meanwhile, LALCs and individual members continue to investigate the establishment of other viable enterprises.

Good progress has been made in the area of Aboriginal cultural heritage promotion.

This has occurred primarily through the operations of the Saltwater Freshwater organisation—-an operational arm of LALCs in the Mid North Coast Region.

THE SALTWATER FRESHWATER ALLIANCE
This Alliance is made up of LALCs from the Mid North Coast Region and Arts Mid North Coast.

As reported previously, it was established in 2009 to conduct a range of arts based cultural activities.

These are documented in a regional arts and culture strategy, Foundations For Our Future.

The 2012-13 reporting period was one of significant activity for the Alliance.

SALTWATER FRESHWATER FESTIVAL
The Saltwater Freshwater Festival is emblematic of the work carried out within the Alliance and a showcase for its projects.

It is a catalyst for a number of emerging regional Aboriginal cultural practitioners, performers and artists to step up, develop their capacity, and work and perform with professional prominent acts such as Coloured Stone, Buddy Knox and the Medics.

Each Australia Day it is held in a different town on the Mid North Coast.

The 2013 Festival was held in Taree, after a wash-out in 2012.

More than 3,500 people enjoyed an array of activities, workshops, performances, panel discussions, food and markets, all focused around Aboriginal culture.

Revivals of NSW dance, canoe building, weaving and textile arts brought new works and stories this year.

The Alliance believes the legacy of the Festival will be long felt in Taree.

It was a celebration of Biripi community and culture in the heart of their town.

Many local young people volunteered to work on the festival, shared their totems and art, and discovered the pride and commitment of helping create something greater than themselves.

The Alliance also reports a new conversation in the community around Eldership and protocols of culture and country.

A range of musicians, dancers, weavers, artists, Elders, cultural workers and community leaders were recognised for their talent and knowledge and discovered their capacity to take on a challenge.

Other projects run by Saltwater Freshwater in the 2012-13 year included:

- Saltwater Freshwater Stories (launched in October 2012)
- Saltwater Freshwater Stitching Workshops
- Saltwater Freshwater Dance project (choreographing a new Mid North Coast of NSW dance work)
- Birpai Canoes
- Saltwater Freshwater Dance & Cultural Camp
- National Aboriginal Design Agency.

INDIGENOUS PROTECTED AREAS
Aboriginal people have managed their country for tens of thousands of years.

Many continue to do so through the declaration of Indigenous Protected Areas over Aboriginal land or sea.

These are formal agreements with Government to promote bio-diversity and cultural resource conservation.

Indigenous Protected Areas deliver more than environmental benefits.

Managing Indigenous Protected Areas helps Aboriginal communities to protect their significant cultural values for future generations and receive spin-off health, education economic and social benefits.

A number are in operation in the Northern Region.
An IPA operates on lands owned by the Glen Innes LALC known as The Willows.

The LALC purchased The Willows in 1987 after a successful application to the NSWALC.

The IPA was declared in March 2010

The Glen Innes LALC is now implementing a Plan of Management for the IPA.

A number of LALC members undertook traineeships in land management and allied industries on the property during the reporting period.

The Guyra LALC also have an IPA over two parcels of LALC owned land.

The LALC have established a separate entity to undertake land management and conservation activities on these lands.

Up to 12 local Aboriginal people are now employed through this important project.

The Nambucca Heads LALC continued to operate an IPA known as the Gumma Indigenous Protected Area which was declared in November 2011.

The LALC have established a Gumma IPA Advisory Committee.

It works closely with other stakeholders in the management of the IPA and the nearby Gaagal Wanggaan National Park.

During the reporting period an IPA was declared over lands owned by the Jali LALC near Wardell.

The Ngynya Jargoonat IPA covers approximately 1000 hectares of land owned by the LALC and a Plan of Management is being implemented.

OTHER REGIONAL ACHIEVEMENTS: North Coast Region

• Ngulingah LALC (Lismore) will receive funding of $2.8M over the next 5 years to continue a Working on Country Program that focuses on restoring the biodiversity and traditional knowledge related to land and sites in the Nimbin Rocks area.

• Birrigan Gargle LALC (Yamba) received NSWALC approval to enter into a land dealing joint venture with an external partner to jointly develop LALC owned land at Iluka. The project will deliver about 164 residential housing lots at Iluka over the course of the next 10 years. Further reports are required prior to a development application being lodged with the Clarence Valley Council. The project will generate employment opportunities for LALC members and an income stream from the sale of developed lots to the joint venture partners.

• Bogal (Coraki) and Grafton Ngerrie LALC received housing management accreditation from the NSW Aboriginal Housing Office (PARS)

• FaHCSIA approved the transfer of housing assets from Malabuglimah Aboriginal Corporation to the Jana Ngalee LALC that is also located at the village of Malabugilmah. This transfer has resulted in a significant increase in the LALCs land and asset holdings;

• The North Coast Region LALC CEO’s Forum continued to meet during the reporting period.

Mid North Coast Region

• Five of 11 LALCs achieved housing management accreditation with the AHO (PARS);

• Four of 11 LALCs have entered into head lease agreements with the AHO under the Build and Grow program. These LALCs obtained NSWALC approval to enter into the head leases as required under the ALRA.

• Coffs Harbour and District LALC opened a homework centre in the LALC offices. The establishment and operation of the homework centre is supported by Leightons Contractors.

• Nambucca Heads and Unkya LALCs formally joined as parties to the Gumbayngirr Native Title Claim. The LALCs were assisted by the Zone office and the NSWALC Legal Services Unit.

• Forster LALC worked in partnership with Native Title claimants (the Lakari Worimi Native Title Claim) to assist in settling a native title claim. This resulted in land being granted to the FLALC via the ALRA provisions and the Lakari claimant group also being granted land in settlement of their native title claim.

• Eight LALCs in the Mid North Coast region form the Wallung Trust. During the period the Trust disbursed funds to those LALCs and the remaining asset (a building in Kempsey) was put up for sale. The sale proceeds will be shared amongst the member LALCs.

• Kempsey LALC were granted title to an ex-quarry through the ALRA land claims process. The claim was initially refused but was granted after the refusal was appealed by the NSWALC on behalf of the KLALC.
Northern Region
• Several land claim refusals were appealed by LALCs in the Northern Region with the assistance of the the NSWALC Legal Services Unit. These successful appeals (Goomalee/Armidale LALC and Limbri/Tamworth LALC) established valuable legal precedents for the land rights network;
• Tamworth LALC established a partnership with Back Tracks to operate a program targeting young people at risk of disengaging with the education system or coming into contact with the justice system. The program provides mentoring, training in rural skills and focuses on skills development and improvements in self esteem. The partnership of the LALC and Back Tracks have successfully negotiated a lease over an ILC owned property known as Trelawney Station located at Somerset, some 45 kilometres from Tamworth. The program is targeting young persons from the Tamworth, Gunnedah, Quirindi and Walhollow communities. The program is gaining support from a number of government and non government agencies;
• The Ashford LALC continued to operate an art gallery and cultural museum from their premises at Ashford;
• Coonabarabran LALC raised finance to purchase a commercial building within the township. The LALC intends to locate their offices in this new building and to generate income from leasing office space to local organisations and businesses;
• The Red Chief LALC at Gunnedah successfully operated a cultural program that culminated in the production of a ceremonial cloak made from possum skins;
• Guyra and Tamworth LALCs have scored 100% in their LMSS assessments;
• The following LALCs attained AHO PARS accreditation: Tamworth, Wanaruah, Red Chief, Moombahlene and Guyra;
• The Red Chief LALC received approval from the NSWALC to continue to manage their social housing scheme as required under the ALRA.
• The following LALCs received members and NSWALC approval to enter into housing head lease arrangements with the AHO: Coonabarabran, Amaroo and Armidale;

Southern Zone
This Zone Office operates from Queanbeyan, servicing a total of 34 Local Aboriginal Land Councils within its boundaries.

Its purpose, aims and objectives are consistent with that of all Zone offices and are delivered in line with the key objectives of NSWALC’s Business and Corporate Plans.

The Zone boundaries encompass two NSWALC regions:

South Coast Region – comprising 13 LALCs
Wiradjuri Region – comprising 21 LALCs

Mr. Neville “Jack” Hampton and Mr. Craig Cromelin are the duly elected NSWALC Councillors for the South Coast and Wiradjuri Regions.

Southern Zone staff meet regularly with each Councillor to provide briefings on operational aspects of the Zone office and LALCs and any issue which may require the Councillors attention.
**ZONE STAFFING**

There were nine staff positions in the Zone Office as this reporting period ended.

The Zone office is made up of two operational units, the LALC Support Unit and Finance Unit which work interdependently to provide efficient and effective service and support to the 34 LALCs within the Zone.

The staffing structure for the reporting period was as follows:

![Staffing Structure Diagram]

The Zone office was successful in recruiting, Mr. Wesley Fernando to the position of Senior LALC Support Officer.

**SUPPORT TO LALCS**

The prime responsibility of all staff in the Southern Zone office is the provision of support and advice to the LALCs.

This includes providing advice in relation to general operational matters, to preservation and protection of Aboriginal culture and heritage, land dealings matters, human resource matters, and providing assistance with negotiations with government on a range of issues.

All staff have a responsibility to deliver accurate and timely advice to assist LALCs to meet their responsibility under the Aboriginal Land Right Act (as amended) and NSWALC Policies.

**REGIONAL ADVISORY COMMITTEE FORUMS**

Three Regional Forums were convened in the Southern Zone area during 2012/13.

- Wiradjuri Regional Advisory Committee Forum, 12 & 13 September 2012, Wagga Wagga
- Wiradjuri Regional Advisory Committee Forum, 10 & 11 April 2013, Wagga Wagga
- South Coast Regional Advisory Committee Forum, 29 & 30 May 2012, Wagga Wagga

Participants were presented with information relating to services and programs that could benefit LALC operations and LALC membership.

These included presentations from Social Enterprise Finance Australia, NSW Office of Water, Department of Education, Employment and Workplace Relations, Aboriginal Housing Office and the Australian Indigenous Leadership Centre.

Participants discussed the Aboriginal Land Rights Act (ALRA) Review, the Ministerial Task Force consultations, Sustainability of the land rights network, the NSWALC Investment Fund, the Draft NSWALC Strategic Plan 2013-2017 and the NSWALCs Mining Exploration Licence Applications.

Discussions were also held on developments relating to the land claims appeal process and determinations, LALC training needs, Community Land & Business Plans, and the NSWALC Social Housing Approval and Provider Evaluation (SHAPE) policy, the LALC Management Support System and the NSWALCs Policy and Procedures on Local Aboriginal Land Council Funding and Financial Obligations.
**STRATEGIC PLAN CONSULTATIONS**
Two forums were also held during the reporting period to seek feedback from LALCs on the draft NSWALC Strategic Plan 2013-2017.

- South Coast Regional Forum, 5 October 2012, Batemans Bay
- Wiradjuri Regional Forum, 8 October 2012, Wagga Wagga

**LALC BOARD ELECTIONS**
The reporting period did not cover a full LALC Board election year.

As a result the staff in the Southern Zone was only required to assist with conducting casual vacancy elections as they arose.

A total of sixteen casual vacancy elections were held in the reporting period.

They resulted in the election of 33 new Board members--18 females and 15 males.

**LALC TRAINING**
Southern Zone staff continued to focus on the internal governance training of LALCs in 2012-13.

A total of 10 Board Members throughout both Wiradjuri and South Coast regions completed the online governance training on an individual basis.

The following tables represent the breakdown of governance training completed in each region:

<table>
<thead>
<tr>
<th>Wiradjuri</th>
<th>No. Board Members completed</th>
<th>Completion date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orange</td>
<td>1</td>
<td>3rd August 2012</td>
</tr>
<tr>
<td>Wagga Wagga</td>
<td>1</td>
<td>2nd September 2012</td>
</tr>
<tr>
<td>Condobolin</td>
<td>1</td>
<td>5th September 2012</td>
</tr>
<tr>
<td>Brungle Tumut</td>
<td>2</td>
<td>12th November 2012, 6th May 2013</td>
</tr>
<tr>
<td>Onerwal</td>
<td>1</td>
<td>16th October 2012</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>South Coast</th>
<th>No. Board Members completed</th>
<th>Completion date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merrimans</td>
<td>1</td>
<td>12th July 2012</td>
</tr>
<tr>
<td>Cobowra</td>
<td>1</td>
<td>17th July 2012</td>
</tr>
<tr>
<td>Batemans Bay</td>
<td>1</td>
<td>31st July 2012</td>
</tr>
<tr>
<td>Mogo</td>
<td>1</td>
<td>5th April 2013</td>
</tr>
</tbody>
</table>

The Southern Zone office also conducted workshops to assist LALCs in the preparation for the 2013-2014 Budget Application process.

A total of fifteen participants attended the budget training which is provided each year to LALC CEO’s.

Indigenous Leadership training was also conducted by the Australian Indigenous Leadership Centre.

The training was held on the 22nd of May 2013.

Ten participants from both the Wiradjuri and South Coast regions attended and the feedback was positive.
LALC MANAGEMENT SUPPORT
As noted earlier the LALC Management Support System (LMSS) program promotes an effective level of compliance by LALCs with the ALRA, the funding policy and the individual funding agreement.

The LMSS acknowledges that different LALCs pose different levels of risks to the network.

The following graphs outlines LALC risk ratings achieved in the 2011-2012 & 2012-13 financial years, within the Wiradjuri and South Coast regions utilising the LMSS:
Significant results were achieved within both the South Coast Region and the Wiradjuri region in the 2012/13 financial year.

A total of 73 LMSS assessments were conducted with LALCs in both regions in the 2012/13 financial year.

The chart below provides an overarching comparison of LALC movements in terms of risk rating over the 2011/12 – 2012/13 financial years.

<table>
<thead>
<tr>
<th>End of Financial Year Risk Rating - South Coast LALC's</th>
<th>2011-12</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Risk: 50-69%</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Medium Risk: 70-80%</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Low Risk: 90-100%</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Unfunded</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Administrator</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>End of Financial Year Risk Rating- Wiradjuri LALC's</th>
<th>2011-12</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Risk: 50-69%</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Medium Risk: 70-80%</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Low Risk: 90-100%</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Unfunded</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Administrator</td>
<td>1</td>
<td>0</td>
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</table>

The Southern Zone works collectively with LALCs to adapt to the environment of change to meet compliance requirements whilst maintaining LALC operations.

LALC SOCIAL HOUSING ACTIVITY
The Southern Zone continued to finalise assessments of SHAPE applications for LALCs seeking NSWALC approval during the reporting period.

The Southern Zone staff also attended LALC members meetings to provide detailed information and support in relation to NSWALC Social Housing Approval and Provider Evaluation (SHAPE) to all LALCs who are considering the future management of their Social Housing Schemes.

Information workshops on SHAPE were provided to LALCs in conjunction with staff from New South Wales Aboriginal Housing Office on the AHO’s “Build and Grow” Strategy.

Southern Zone received a total of fourteen pre-assessments from LALCs in 2012/13.

Of these, three applications graduated to final assessment with one LALC receiving NSWALC approval under SHAPE during the reporting period.

A number of LALCs were still considering their options in relation to the ongoing management of their social housing scheme at the end of the reporting period.

COMMUNITY LAND AND BUSINESS PLANS
All but two of the 34 Southern Zone LALCs had NSWALC Approved Community Land and Business Plans in place during this reporting period.

Twelve had expired, with two receiving member and NSWALC approval for revised plans.

The remainder were reviewing their plans. These were expected to be completed and approved by December 2012.

One of the others LALCs had submitted its CLBP to NSWALC for approval. The remaining LALC is expected to have its plan completed during 2013/14.

Nine CLBP’s are scheduled to expire during the next reporting period.

Those LALCs are currently reviewing their plans in order to seek NSWALC approval.
LAND CLAIMS, DEALINGS AND MANAGEMENT

A priority for the Southern Zone office during 2012/13 was assisting and guiding LALCs, in conjunction with NSWALC Commercial Unit, with the Land Dealings process in relation to Head Leasing of LALC Social Housing Scheme to the Aboriginal Housing Office (AHO).

During the reporting period the Southern Zone provided advice and support to the following LALCs who successfully held land dealing decisions in relation to Head Leasing proposals:

**Batemans Bay LALC** – Approved by NSWALC, February 2013

**Griffith LALC** – Approved by NSWALC, June 2013

**Murrin Bridge LALC** – Approved by NSWALC, December 2013

**Young LALC** – Approved by NSWALC, May 2013

The Southern Zone also provided guidance to LALCs who are considering Head Leasing to AHO but did not submit a proposal to their members at the time the reporting period ended.

In addition to Land Dealings decisions regarding Head Lease the Southern Zone continued to provide advice and support to LALCs throughout the reporting period to with regards to the following successful Land Dealings decisions:

**Eden LALC – Land Dealings**
Proposed grant of easement and land swap with the State Government to correct conveyancing errors by the State Govt

**Ngambri LALC – Land Dealings**
Multi lot residential subdivision and development in Lowe Street, Queanbeyan.

**Young LALC – Land Dealings**
Lease to NBN Co.

The Southern Zone also provided support to LALCs throughout 2012/13 with regards to identifying, protecting and preserving culture and heritage within their boundaries and secure areas of land through successful land claims. The following Land Claims were successfully appealed by NSWALC on behalf of the following LALCs in the Southern Zone area during the reporting period:

**Wamba Wamba LALC**
The Land and Environment Court (LEC) issued consent orders on 31 May 2013 settling a land claim appeal in favour of Wamba Wamba LALC in relation to a parcel of land reserved for “public pound” adjacent to the Wamba Wamba reserve.

**Nowra LALC**
On 5 April 2013 the LEC made orders settling a land claim appeal known as ‘Budgong’ over two large parcels of land covering 240 hectares near Bugong Road near the Shoalhaven River in Nowra on behalf of Nowra LALC. Nowra LALC claimed the land on 23 March 2000 and the Minister refused the claim in February 2011.

**West Wyalong LALC**
On 15 March 2013 the LEC made orders upholding NSWALC’s appeal of ALC 15509 over Lot 7002 in DP1127140 to be transferred to West Wyalong LALC.

The Minister refused this claim on the grounds that the claimed lands were lawfully used and occupied under licences for grazing.

The NSWALC appealed the Minister’s refusal because the lands were reserved for Trigonometrical (ALC15509) and Public Recreation (ALC 8248 & 8249) purposes, and asserted that the grazing licences were, therefore, not lawful.

**Cobowra LALC**
The LEC upheld NSWALC’s appeal of ALC 7484 which was lodged by NSWALC over land on Lake Tuross, on the Princes Highway, on 14 February 2006.

The Minister for Crown Lands refused a small part of ALC 7484 on 12 October 2011 for the reason that when the claim was lodged the land was lawfully used and occupied pursuant to a Crown licence for activities related to commercial oyster farming.
MONITORING AND COMPLIANCE

A total of thirty three Funding Agreements and four Assistance Agreements were offered to LALCs during the reporting period.

The status of LALC funding categories are outlined in table below:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funded Low Risk</td>
<td>18</td>
<td>12</td>
</tr>
<tr>
<td>Funded Medium Risk</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Funded High Risk</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Unfunded</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Administrator</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

The graph represents comparative funding between the 2011/2012 financial year and the prior reporting period.

It demonstrates a decrease in the number of both low and medium risk rated LALCs and an increase in the number of high risk rated and unfunded LALCs.

This is considered a reflection of the deployment of the new version of the LALC Management Support System during the reporting period and an increase in the number of LALCs unable to elect a Board.

The Southern Zone office developed and implemented a strategy during the current reporting period to make operational payments to three LALCs with ongoing audit qualification issues.

Two were assisted under the discretionary power of the delegate under the Funding Policy.

This involved providing assistance agreements to each LALC to enable payments of operational expenditure, and also to assist each LALC in recruiting Chief Executive Officers and/or the election of Board members, this in turn assisted with the resolution of outstanding compliance matters.

Southern Zone staff provided intensive support to all LALCs during the reporting period to resolve issues.

As a result the LALC that was under an administrator now has an elected Board in place.

It was expected to return to a funded position early in the new reporting period.

Another unfunded LALC under an assistance agreement was also expected to return to a funded category early in the 2013-2014 period.
Western Zone
The Western Zone office covers a large area of New South Wales.

Its administrative reach extends from Toomelah and Boggabilla in the north, Bourke in the west and to Mudgee in the east.

The purpose, aims and functions of the Western Zone are focused on implementing the objectives of the NSWALC Corporate Plan, through the Western Zone Operational Plan.

There are 25 Local Aboriginal Land Councils within two regions (Central - 9; and, North West - 16). Councillor Stephen Ryan represents the Central Region; and Councillor Anne Dennis, the North Western Region.

The Zone Office Staff, under the leadership of Director, Tony Sutherland, worked closely with the two NSWALC Councillors throughout the reporting period.

The staff also provided regular and extended outreach services to LALCs in the Western Zone during the reporting period.

HUMAN RESOURCES
The staffing structure is depicted below:

SUPPORT TO LALCS
Zone staff members have responsibility for delivering two primary, and at times, competing roles to LALCs.

The first is to monitor LALC compliance with their responsibilities under the ALRA.

The second is to provide support and advice to LALCs to assist with capacity development.

MONITORING AND COMPLIANCE
The NSWALC utilises two key monitoring and compliance processes:

1. The LALC Compliance database; and
2. The LALC Management Support System

These tools enable the NSWALC to determine whether a LALC has met their compliance responsibilities; and, have a performance / risk rating that allows the NSWALC to provide funds to LALCs in a legal and responsible manner.
Compliance and Funding Status

The Western Zone staff provides monitoring and support to LALCs to assist them meet their responsibilities and obligations under the Aboriginal Land Rights Act (1983).

Compliance with the ALRA is a critical consideration in proving funding to LALCs.

• A total of twenty funding agreements and three assistance agreements were offered to LALCs during the reporting period.

LALC MANAGEMENT SUPPORT SYSTEM

As noted earlier in this report, the LALC Management Support System (LMSS) is a risk and performance tool utilised by the NSWALC to assess LALC operations in a number of critical operational areas.

LMSS risk assessments for the Western Zone are depicted below.
The graph shows a considerable and overall improvement in performance and the mitigation of risk areas.

It should be noted the decrease in medium risk LALCs and the subsequent increase in the number of high risk LALCs in the fourth quarter were predominately a result in the changeover of LALC staff.

It is anticipated that the number of high risk LALCs will reduce in the next quarter as new staff become more familiar with LALC operations.

**SUPPORT AND CAPACITY DEVELOPMENT**

A number of capacity development initiatives were provided to LALCs during the reporting period.

These included the provision of mandatory governance training to LALC Board members and operational training to LALC CEO’s.

Western Zone staff and the NSWALC Training and Development Unit conducted a number of workshops to provide this training to new Board Members.

Zone staff also acted as returning officers during mandatory LALC Board and casual vacancy election.

Significant training was also provided to LALC CEO’s in many operational areas.

This training has been provided in conjunction with LMSS assessments, or if necessary, in between assessments for LALCs that need more intensive assistance.

Training has been provided to LALCs in the following areas:

1. Office Administration;
2. Property Management;
3. Financial Management;
4. Human Resource Management; and
5. Governance

The provision of training and other capacity building initiatives has resulted in significant improvement in operational performance and ALRA compliance.

**REGIONAL FORUMS**

A number of Regional Forums were conducted during the reporting period and were attended by representatives from Local Aboriginal Land Councils in each Region.

The forums provided information about NSWALC’s Social Housing application and assessment processes and provided LALCs with an opportunity to voice concerns on issues of particular interest to them. They are also a valuable opportunity to share information.

**WATER AND SEWERAGE**

As noted earlier, the NSWALC and the NSW Government have combined to fund the Aboriginal Communities Water and Sewerage Program to ensure the water and sewerage services in Aboriginal communities are operated and maintained to the standard normally provided in the wider community.

As a result of an extensive consultation and infrastructure / service review, fourteen Water and Sewerage Management Plans have been developed across this region.

The development of these plans is crucial to ensure the water and sewerage infrastructure requirements in each community are met.

Zone staff continues to monitor the roll out of the program and work with LALCs and the New South Wales Office of Water to resolve issues as required.

**COMMUNITY LAND AND BUSINESS PLANS**

Over the past four years, the Western Zone has been largely focused on monitoring and compliance, early intervention through LMSS and, capacity building.

As a result, LALC governance and operational performance has improved considerably; and, this now provides an opportunity to focus on improving communities in the Western Zone through economic development.

This focus on economic development was underpinned by a review of all LALC CLBP’s.

It identified that 20 out of 25 LALC CLBP’s were either expired or about to expire.

The Western Zone successfully sought support from DEEWR to engage a consultant to provide training to all LALC boards and CEO’s to enable them to:
• Develop and review plans
• Implement plans
• Monitor plans
• Evaluate Plans
• Report on Plan

To undertake this training it was necessary to:
• Conduct training workshops with individual LALC Boards and CEOs
• Use the current CLBP’s as a practical exercise to achieve training outcomes

The outcomes achieved include:
• LALC Boards and CEOs have attained skills in all aspects of planning;
• The development of practical and realistic CLBP that all have a uniformed structure; and
• The development of Regional Mapping document of all CLBP’s to identify individual and regional initiatives

The Regional Mapping document will be beneficial for future reference to funding bodies such as DEEWR to identify economic and employment opportunities in the two regions, either on an individual LALC’s or regional basis.

This initiative is an important progression towards future development and growth of LALCs in both the Central and North West Regions.

A SNAPSHOT OF LALC INITIATIVES
Following is a snapshot of some of the initiatives taken at LALC level in the Western Zone during the reporting period.

TRANSFER OF RURAL PROPERTIES
As noted in the Commercial Unit’s section of this report Council made a decision in September 2010 to grant “in principle” approval for the disposal of a number of rural properties in the North West Region (Kaituna / Uno / Calooma / Nulty Springs); and, transfer the properties to all North West LALCs (including Cobar – formerly in the NW Region).

The transfer was conditional on a good governance structure being established and the production of a sustainable business plan.

The NSWALC engaged the University of Sydney to develop a business plan and a legal firm to consider a number of legal entity options to provide good governance and management.

A business plan was developed and a Regional Trust (North West Land Corporation) has been established to enable the transfer of the properties.

Council formally approved the transfer of the properties to the North West Land Corporation in December 2012.

The Regional Trust has the capacity to undertake broader regional development that will provide significant economic and social outcomes for the communities within the North West Region.

LIGHTNING RIDGE INTEGRATED CHILD CARE CENTRE
It was announced in early 2010 that Lightning Ridge had been a community identified to receive funding for an Integrated Aboriginal Child and Family Centre.

The Centre is one of nine across New South Wales initiated by the Council of Australian Government and funded by the NSW Government through its Department of Family and Community Services.

The Lightning Ridge Integrated Aboriginal Child and Family Centre is unique.

It is the only Centre to be constructed on Aboriginal owned land.

This project shows how both levels of Government can work together with local Aboriginal communities on important projects to enhance the lives of Aboriginal children and families.

MUDGEE LALC - MUNNA RESERVE PROJECT
The Munna Reserve Project is a collaborative initiative managed by the Mudgee LALC and supported by the NSWALC, Murong Gialinga Aboriginal and Torres Strait Islander Corporation, and the Mid-Western Regional Shire Council.

The aim of this program is to improve the environmental conditions on the project site and to create a place that can be utilised by the Aboriginal and wider community for cultural activities.

An Aboriginal Cultural Heritage assessment has been conducted and the ground works will be monitored for the presence of surface or subsurface cultural heritage materials to ensure that there are no impacts.
The Far Western Zone
The Western Region consists of 11 Local Aboriginal Land Councils; Cobar, Wanaaring, Winbar, Wilcannia, Tibooburra, Mutawintji, Broken Hill, Menindee, Ivanhoe, Balranald and Dareton.

The Far Western Zone Office is located in Broken Hill.

Its purpose, aim and objectives are consistent with all other Zone offices with services delivered during this reporting period in accordance with the key objectives of NSWALC’s Community Land and Business Plan and its Corporate Plan.

The Office works closely with the elected Councillor for the region, Councillor Des Jones.

Zone staff meet with Councillor Jones at regular intervals to provide briefings on operational and strategic issues.

HUMAN RESOURCES
The staffing structure for the Zone Office is outlined in the graph below.

These included:
• Acting as Returning Officers in the conduct of LALC Board elections at their Annual Meetings
• Assisting with Casual Vacancy for LALC Board members throughout the year
• Delivering mandatory governance training for LALC Board members.
• Implementation of a new LALC Management Support System (LMSS)
• Conducting assessments for LALCs against NSWALC’s Social Housing Policy

LAND CLAIMS AND LAND MANAGEMENT
Zone staff continued to provide advice and support to LALCs on land claims and culture and heritage.

Figures compiled for the NSWALC Statewide Conference as this reporting period ended showed a total of 422 land claims had been lodged in the region.

Thirty five had been granted, 103 had been refused, four finalised and 280 yet to be determined.

Zone staff will continue to work with LALCs and the NSWALC Land Claims and Legal Services Unit in the new reporting period to resolve outstanding claims and pursue further claims.

Menindee LALC is also expected to take title to Appin Station in the new reporting period.

This land was transferred to the NSWALC when Regional Aboriginal Land Councils were abolished.

The previous Council agreed to transfer Appin Station, and other properties, back to LALCs where it could be shown a LALC could sustain the assets.

Menindee LALC subsequently completed a Business Plan approved by NSWALC.

The NSWALC’s Commercial Unit and Zone Office have worked with the LALC during this process.

It is anticipated formal title transfer will occur before the end of 2013.

SOCIAL HOUSING
Local Aboriginal Land Councils own more than 200 housing properties in the region.

Broken Hill and Tibooburra Local Aboriginal Land Councils achieved social housing registration.
through the NSWALC policy evaluation process in the reporting period.

This means they can manage their own housing portfolios in line with the requirements of the ALRA.

Broken Hill Local Aboriginal Land Council has also achieved NSW Aboriginal Housing Office registration through their Provider Assessment Registration System (PARS).

This allows the LALC to apply to the Aboriginal Housing Office for subsidy assistance as part of performing their housing management functions.

Wilcannia and Dareton Local Aboriginal Land Councils signed the management of their housing portfolios over to the NSW Aboriginal Housing Office under head lease arrangements.

As part of these arrangements, the NSW Aboriginal Housing Office has worked to clear a backlog on repairs and maintenance on the properties owned by the LALCs.

The Balranald and Menindee Local Aboriginal Land Councils submitted land dealing applications to the NSWALC seeking approval to enter into head lease arrangements with the NSW Aboriginal Housing Office.

It is expected these will be approved and head leases signed in the second half of 2013.

Broken Hill, Tibooburra, Balranald, Menindee and Balranald Local Aboriginal Land Councils have also been recipients of the NSW Government’s Housing for Health program.

It has a focus on improving the environmental health of housing, including electricity, water, sewerage, kitchen and bathrooms.

The program has been well supported by the LALCs.

They have been heavily involved in selecting community members to undertake supervised scoping surveys on all houses as a lead into a works program.

WATER AND SEWERAGE PROGRAM

The NSWALC/NSW Government partnership program on water and sewerage infrastructure maintenance for Land Council Reserves has a direct impact for the Wilcannia, Dareton and Balranald Local Aboriginal Land Councils.

Expressions of interest have now been advertised for service delivery under this program.

The respective LALCs will be involved in the selection process where Local Shire Councils and/or private contractors have expressed an interest in the delivery of the maintenance and monitoring of this vital infrastructure.

REGIONAL FORUMS

Three Regional Forums were held during the reporting period.

They were organised and conducted by Councillor Jones and Zone staff and were well attended by LALC Board members and CEO’s.

- 3rd – 4th July 2012 - Balranald - Culture and Heritage
- 10th – 11th October 2012 - Wentworth - Strategic and Operational
- 10th – 11th April 2013 - Broken Hill - Strategic and Operational

These forums continue to be an essential resource for both the NSWALC and LALCs to come together and share information on important issues from a State, Regional and Local level.

The April forum coincided with the Broken Hill NAIDOC Ball.

The NSWALC played a significant role in promoting, highlighting and recognising 30 years of Aboriginal Land Rights at this event.

The highlights included a speech by long time land rights activist, Sol Bellear on the history of the land rights movement.

Councillor Jones presented each Local Aboriginal Land Council with a plaque recognising and acknowledging their contribution to the Land Rights struggle throughout this 30 year period.

LOCAL ABORIGINAL LAND COUNCIL ACTIVITIES

During this reporting period, the Local Aboriginal Land Councils were active in supporting and delivering community activities.

A wide range of these activities were highlighted in the presentation to the NSWALC Statewide Conference mentioned earlier.

The presentation made the point that in the majority of communities in the region the Local Aboriginal Land Council was one of a few, if
not the sole Aboriginal organisation, with true representation through an elected body.

All had a responsibility to work with service providers such as Government and other non-government organisations to seek to improve the socio-economic and cultural outcomes for their communities.

Examples of their work showed how LALCs embraced this.

**WILCANNIA LALC - COMMUNITY LITERACY PROGRAM**

This program proved to be a major success.

It was designed to increase the literacy of community members.

It was conducted in partnership with the University of New England, the Aboriginal Housing Office, Brookfield Multiplex, Central Darling Shire, Murdi Paaki Regional Enterprise Corporation, the Ambassador for Cuba, the NSWALC, the Wilcannia Central School, the NSW Police.

Key outcomes included the employment of two Aboriginal women in administration positions within the Central Darling Shire and the Local Aboriginal Land Council.

**DARETON LALC - DESERT MEETS THE RIVERS FESTIVAL**

In partnership with the Barkindji Maraura Elders Environment Team Limited, the Dareton LALC hosted a visit by Pitjanjtjara Elders from the APY Lands on country at the Namatjira Reserve.

Over the course of a weekend, the LALC hosted a community welcome barbecue and cultural exchange day including art and craft, bush foods and medicines, bush skills and traditional songs and dances.

Such was its success there are now plans to turn it into an annual event.

**MENINDEE LALC - COMMUNITY NAIDOC ACTIVITIES**

Menindee LALC hosted a number of NADOIC activities.

The highlight was the launch of the LALC office cultural garden, which was achieved through grant funding from the Catchment Management Authority under their Caring for Country program.

Work on the cultural garden was undertaken by community members.

A further highlight was the attendance of Canberra Raiders ARL player, David Shillington, who led a youth activity session and engaged with the community members throughout the day.

A number of other cultural and heritage activities were highlighted including the Keeping Place Museum which is maintained by Tibooburra LALC.

The Museum maintains a recorded history of the forced relocation of Aboriginal people from Tibooburra to the Brewarrina Mission.

Delegates to the Statewide Conference were also reminded that 2013 was the 30th anniversary of the blockade which resulted in the NSW Government handing title to the Mutawintji Local Aboriginal Land Council to what is now the Mutawintji National Park.

The Park became the first in NSW to be jointly managed by Aboriginal traditional owners and the State Government.

**COMPLIANCE MONITORING AND ASSISTANCE**

A major focus for Zone staff during the reporting period was the provision of assistance and support to LALCs on compliance issues regularly identified as concerns through the LALC Support Management System (LMSS).

The following table and graph provides a summary of the respective LALC Risk Ratings for the 1st and 4th quarters of the 2012/2013 financial year.

<table>
<thead>
<tr>
<th>LALC</th>
<th>1st Quarter Rating</th>
<th>4th Quarter Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balranald</td>
<td>98.20</td>
<td>75.88</td>
</tr>
<tr>
<td>Broken Hill</td>
<td>100.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Cobar</td>
<td>100.00</td>
<td>93.00</td>
</tr>
<tr>
<td>Dareton</td>
<td>100.00</td>
<td>72.72</td>
</tr>
<tr>
<td>Menindee</td>
<td>98.20</td>
<td>100.00</td>
</tr>
<tr>
<td>Mutawintji</td>
<td>78.40</td>
<td>80.76</td>
</tr>
<tr>
<td>Tibooburra</td>
<td>93.00</td>
<td>93.00</td>
</tr>
<tr>
<td>Wilcannia</td>
<td>88.61</td>
<td>84.08</td>
</tr>
</tbody>
</table>
COMMUNITY LAND AND BUSINESS PLANS
There were two LALCs with unapproved Community Land and Business Plans as this reporting period ended.

The first has had difficulty with the approval process from the NSWALC.

Zone staff continued to work with the LALC as we entered the new reporting period to review the plan ahead of its re-submission.

The second LALC has been in the unfunded category for some time.

However it had re-established through an improved working relationship with NSWALC at the end of the reporting period.

It was developing its CLBP for NSWALC approval as the financial year ended.

LALCs with approved plans are due for review in late 2013.

The challenge of these reviews will be for NSWALC to work closely with the LALCs on achievable goals, as opposed to aspirations, to ensure they reconcile with available resources.
Community Land and Business Plan Status

- Exemption Granted: 6
- Not Approved: 3
- Approved: 2
**Eastern Zone**
The Eastern Zone is, geographically, the smallest of the five Zones. In many respects, however, it deals with a range of more complex issues than many of those dealt with by the other Zone offices given the size and strength of Local Aboriginal Land Councils and their land holdings in the region.

There are eleven LALCs in the Eastern Zone.

**ORGANISATIONAL STRUCTURE**
The staffing structure during the reporting period is outlined in the graph below.

![Organisational Structure Diagram]

The Zone operated with four staff members for most of the reporting period recruitment action required after the resignation of the Finance Officer and maternity leave for the Support officer late in the year.

The skill and dedication of staff enabled the Zone to continue to provide efficient and effective service and support to the Sydney Newcastle Councillor, Roy Ah See and LALCs despite the turnover in personnel.

Eastern Zone Staff participated in a number of internal and external learning and development opportunities such as MYOB, Diploma of Accounting, and Diploma of Management during the reporting period.

Zone staff worked with other staff from other Zones throughout the reporting period to be prepared for the likely changes after the review of the Aboriginal Land Rights Act, this included participation of Zone staff in working groups to update and amend the Funding Agreement and its policy and procedures.

Zone staff also participated in working groups to prepare Policy and Procedures which needed review in line with the recommended amendments.

**SUPPORT TO LALCs**
The Eastern Zone staff is responsible for the monitoring of LALC compliance with their statutory responsibilities under the ALRA.

The staff also provides ongoing support and advice to LALCs in relation to the requirements of the ALRA, operational matters, planning, land dealing matters, human resource functions and assistance with negotiations with government and other stakeholders.

Frequent visits are made to LALCs to provide support on budgeting, the release of grant funds and any financial performance monitoring and assistance which is required.

This support led to improved LMSS scores for LALCs during the reporting period.

The Biraban Local Aboriginal Land Council, which takes up the boundaries of the former Koompahto LALC, was constituted and established by the Minister of Aboriginal Affairs, in 2011.

Zone Staff provided support during the establishment phase of the LALC, including the recruitment of a Chief Executive Officer and election of a Board.

The LALC initially operated out of the Zone’s office at Gosford but then moved to its own office in Bolton Point on the Lake Macquarie.

Biraban LALC was fully operational as this reporting period ended, with a growing membership base.

**BOARD ELECTIONS**
The Zone staff officiated as Returning Officers at eleven LALC elections during the reporting period and numerous casual vacancy elections.

Mandatory governance training was delivered to all new Board Members within the specified times.

**LALC TRAINING**
Zone staff also continued to attend a range of meetings throughout the year designed to build the capacity of LALCs.
These included training on the respective roles and responsibilities of LALC Chairperson and Deputy Chairperson Roles.

This was training often provided in conjunction with LMSS assessments.

A number were held in conjunction with the Registrar of the ALRA to deliver specific training to those LALCs who required additional assistance with Board functions and other operational issues.

**SOCIAL HOUSING**

Zone staff attended each LALC to assist with gathering information on the NSWALC’s Social Housing Policy.

Two LALCs in the Region are SHAPE approved and a number of others were close to lodging applications as the reporting period ended.

**LAND DEALINGS**

Eastern Zone staff continued to work in conjunction with the Commercial and Legal Services Unit to inform LALCs on a wide range of land dealing matters.

Staff also continued to work closely with the Governance Unit to deal with complaints made by LALC members in the Sydney/Newcastle region.

**REGIONAL FORUMS**

Councillor Ah-See conducted a number of Regional Forums in the Zone during the reporting period.

These brought together representatives from each of the Local Aboriginal Land Councils.

The forums were attended by LALC Chairpersons and Chief Executive Officers or their delegates.

These have become important forums for NSWALC Councillors to report on their activities and provide LALCs an opportunity to voice concerns and issues across the Zone since the abolition of Regional Aboriginal Land Councils.

The following Forums were attended by all LALCs in the Zone during this reporting period.

- 24/08/12 - Meeting re: Forum Head Office
- 11/09/12 - Strategic Planning Workshop
- 14/12/12 - Regional Planning Workshop
- 15/03/13 - Regional Forum – Shifting Regulations
- 11/06/13 - 66 Showground Road Meeting
- 17/06/13 - Land Dealings Meeting Oasis Centre

All Zone staff and all LALC CEO’s also held a one day meeting to discuss a range of operational issues including a regional presentation from LALCs at the NSWALC State Wide Conference and a Training Needs Analysis for the CEO’s and LALC staff.

Councillor Ah See also organised a number of planning days with the Zone staff to ensure a consistent approach to the LALCs within the Region.

**MANY RIVERS REGIONAL PARTNERSHIP AGREEMENT**

The NSWALC is a formal signatory to this Regional Partnership Agreement.

The implementation of phase one of the agreement is focused on developing sustainable Green Team units across the region.

The Green Team Development Unit established under the RPA embarked on a strategy to secure a number of large commercial contracts for land regeneration activities, particularly related to several stages of the ongoing Pacific Highway upgrade.

Moves were underway as this reporting period ended to try to strengthen the RPA by seeking to establish employment and business options throughout the Many Rivers area.

**COMMUNITY LAND AND BUSINESS PLANS**

The Zone Office coordinated a number of CLBP workshops to assist LALCs in preparing to update their CLBP’s during the reporting period,

All LALCs were working towards the goals and strategies outlined in the plans as the reporting period ended.

**ECONOMIC AND COMMUNITY DEVELOPMENT**

There is a diverse range of LALC economic and social developments within the Sydney Newcastle Region.

These include lucrative sand extraction operations, large scale residential estate developments, and tourism developments such as sand dune adventure tours.

Details of the scale of a number of the economic developments can be found in the land dealing section in the Commercial Unit’s contribution to this report and in the Sydney/Newcastle regional presentation to the NSWALC Statewide Conference which can be found on the NSWALC website.
LALCs had a core function under the legislation to provide economic, social and cultural benefits to Aboriginal communities.

This could only be achieved through the development of LALC owned lands and other sustainable management practices.

Proper engagement with LALCs was required to achieve this.

REGIONAL LAND HOLDINGS
The LALCs pointed out they covered a collective area of more than 24,000 kilometres across the Lower Hunter, Upper Hunter and adjoining areas.

Together, they possessed the ability to accelerate government plans for growth and deliver joint strategic outcomes through overarching regional planning.

At the same time, each LALC represented discrete communities. This gave them a unique appreciation of the needs and aspirations of the communities.

The submission noted the LALCs, in many cases, represented the largest single private land owner in each Local Government area across the region. In the case of the Lower Hunter, and adjacent LALC areas, there were more than 2,000 undetermined land claims.

These covered thousands of hectares.

They should be seen as key stakeholders in any planning processes.

The LALCs pointed out they had a unique appreciation of the benefits of their lands.

They welcomed the opportunity to provide input towards a review of policy that would guide the pace and location of regional growth, including future residential and conservation land use, infrastructure, and employment.

They pointed out the NSW Land Rights Act was established to compensate Aboriginal people for the loss of their lands.
ELDERS OLYMPICS
The Worimi Wuburay (Black Dolphin) Elders won the Elders Olympics at Taree in 2012.

This accorded them hosting rights in 2013.

Together with the Worimi Local Aboriginal Land Council they hosted the 2013 event at Port Stephens during Seniors Week.

The event has grown significantly with over 450 Aboriginal Elders from around New South Wales in attendance at Port Stephens.

The Zone staff attended and assisted on the day.

LALC FUNDING
The Zone continued throughout the reporting period to assist LALCs build their operational capacity, including their financial reporting, asset management, business planning and compliance with the provisions of the ALRA.

The LALCs progressed through a range of funding categories.

This graph sets out the number of LALCs in each funding category at the end of this reporting period, compared with the end of last financial year, and at the end of December 2012.

All but one LALC was funded as the reporting period ended.
PAYMENTS TO LALCS
This graph shows the type of allocations and expenses paid to, or on behalf of, LALCs.

The total approved grant for LALCs in the Zone was $1,300,000.00.
The total cash outgoings for the financial year are based on 10 LALCs.

The essential payment of $21,581 was to the fledgling Biraban LALC.

Funds Granted to Community Organisations
There are two major categories of NSWALC grant funds, the first and by far the largest category is the annual allocation of funds to Local Aboriginal Land Councils, totaling $14.37m in 2012/2013 compared to $14.42m in 2011/2012.

These allocations are used primarily as a contribution toward the annual operational expenses of the Councils, and also for Council approved capital acquisitions.

The second category is other grants to community organisations and individuals in several categories, totaling $1.8m during this reporting period, compared to $1.3m in the 2011/2012 financial year.

These included a total of $840,717 in grants to assist with funerals.

Aggregated details of grants less than $5,000 are provided below, as well as a listing of individual grants of $5,000 or more and a brief description of the purpose of each of these grants.
## Grants Paid - 2012/2013

### Major Grants (> $5,000 / Each)

<table>
<thead>
<tr>
<th>Payee</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBA-Capital Investment Bank Account</td>
<td>Payment of $70,000 from funds held by NSWALC on behalf of the Wallung Trust</td>
<td>560,000</td>
</tr>
<tr>
<td>KEMPSEY</td>
<td>8 LALCS</td>
<td></td>
</tr>
<tr>
<td>COONAMBLE LALC</td>
<td>Net Proceeds of Sale - 95 Wilga Street to CLALC in order to purchase an office and</td>
<td>127,301</td>
</tr>
<tr>
<td></td>
<td>fund repairs and maintenance to the building</td>
<td></td>
</tr>
<tr>
<td>NSWALC COMMUNITY FUND ACCOUNT</td>
<td>NSWALC share to ComFund account for levies received from OSR</td>
<td>100,060</td>
</tr>
<tr>
<td>Discretionary (PRIME PROMOTIONAL PRODUCTS)</td>
<td>Prime Promotional Products</td>
<td>17,550</td>
</tr>
<tr>
<td></td>
<td>10,000 x congo pen</td>
<td></td>
</tr>
<tr>
<td>Discretionary (LLOYD MCDERMOTT RUGBY DEVE</td>
<td>LMRDT Inc Rugby 7’s Indigenous Elite Development Pathways Program and</td>
<td>20,000</td>
</tr>
<tr>
<td>LOPMENT TEAM INC)</td>
<td>Sponsorship</td>
<td></td>
</tr>
<tr>
<td>Discretionary (MERCIFAN)</td>
<td>10,000 x shirt handle calico bag</td>
<td>11,400</td>
</tr>
<tr>
<td>Discretionary (NSW ABORIGINAL GOLF INCORPOR</td>
<td>Sponsorship for 2012/2013 &amp; 2013/2014 Golf Championship</td>
<td></td>
</tr>
<tr>
<td>INATED)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discretionary (SALTWATER FRESHWATER ARTS</td>
<td>Sponsorship for freshwater festival 2013</td>
<td>10,000</td>
</tr>
<tr>
<td>ALLIANCE)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discretionary (GADIGAL INFORMATION SERVICE</td>
<td>Sponsorship for Yabun Festival 2013</td>
<td>10,000</td>
</tr>
<tr>
<td>ABORIGINAL CORPORATION)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discretionary (NSW POLICE FORCE)</td>
<td>Funding for Youth Camp</td>
<td>5,849</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Major Grants</strong></td>
<td></td>
<td>882,160</td>
</tr>
</tbody>
</table>

### Minor Grants (<&= $5,000 / Each)

<table>
<thead>
<tr>
<th>Payee</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funeral</td>
<td></td>
<td>840,717</td>
</tr>
<tr>
<td>Rugby Knockout Team</td>
<td>69 Teams (Final Payment and Prize Money)</td>
<td>64,000</td>
</tr>
<tr>
<td>Discretionary (Holden Leasing)</td>
<td>MV Rental &amp; Petrol</td>
<td>805</td>
</tr>
<tr>
<td>Discretionary (Others)</td>
<td></td>
<td>11,638</td>
</tr>
<tr>
<td><strong>Total Minor Grants</strong></td>
<td></td>
<td>917,161</td>
</tr>
</tbody>
</table>

### Summary Total of Grants

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Individual Paid Unit</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funeral</td>
<td>509</td>
<td>840,717</td>
</tr>
<tr>
<td>CBA-Capital Investment Bank Account KEMPSEY</td>
<td>1</td>
<td>560,000</td>
</tr>
<tr>
<td>COONAMBLE LALC</td>
<td>1</td>
<td>127,301</td>
</tr>
<tr>
<td>NSWALC COMMUNITY FUND ACCOUNT</td>
<td>1</td>
<td>100,060</td>
</tr>
<tr>
<td>Rugby Knockout Team</td>
<td>69</td>
<td>64,000</td>
</tr>
<tr>
<td>Discretionary</td>
<td>19</td>
<td>107,243</td>
</tr>
<tr>
<td><strong>Total All Grants Paid</strong></td>
<td>600</td>
<td>1,799,321</td>
</tr>
</tbody>
</table>
Economic Factors
Modest gains on world stock markets during the reporting period continued to assist the NSWALC recover from the decline in global markets which had eroded the base value of the NSWALC Investment Account in recent years.

Council and the Executive continued to exercise expenditure restraint and seek to reduce operational expenditure, where possible.

They sought to do so without sacrificing the level of service to the land rights network.

Like many other organisations with a diversified portfolio, NSWALC managed to trim costs and rein in spending, where possible, in order to keep trading successfully while seeking to increase its capacity and cope with the compliance costs on the land rights network.

Remuneration of Councillors
Under Section 161 of the ALRA, NSWALC is obliged to publish the total remuneration (including travelling expenses) paid to each Councillor by the organisation during the reporting period.

Councillor salaries are determined by the Statutory and Other Offices Remuneration Tribunal as part of its Public Office Holders Group.

The rate of travelling allowances is determined by the Minister for Aboriginal Affairs.

The base salaries of Councillors were first determined by the Statutory and Other Offices Remuneration Tribunal on August 3, 2007.

The Tribunal determined Councillors should receive an annual salary of $106,365, effective from July 1, 2007.

The Tribunal also determined, as submitted by NSWALC, that an additional loading of ten per cent be paid to the Chairperson and a loading of five per cent to the Deputy Chairperson.

It determined these levels would provide appropriate differentiation from other Councillors in recognition of the additional responsibilities they would carry following amendments to the ALRA which abolished the previous positions of Chairperson, Secretary and Treasurer.

Section 13 of the Statutory and Other Offices Remuneration Act 1975 requires the Tribunal to make a determination of the remuneration paid to office holders on and from October 1 each year.

The Tribunal’s Report and Determination for October 2010 provided for a four per cent salary increase to be paid from the beginning of that month.

This determination set the base annual salary of a member of the NSWALC at $121,340 with consequential increases for the Chairperson and Deputy Chairperson.

The Tribunal’s Report and Determination for October 2011 provided for a two and a half per cent salary increase to be paid from the beginning of that month.

This increased the base annual salary of a member of the NSWALC to $124,375.

A determination in November 2012 increased the base annual salary of a NSWALC Councillor to $127,485 per annum with consequent increases in the salary of the Chairperson and Deputy Chairperson in line with their respective responsibility loadings.

The following table sets out particulars of domestic and overseas travelling expenses paid to each NSWALC Councillor during the 2012/13 financial year.
<table>
<thead>
<tr>
<th>Councillor Name</th>
<th>Direct Travel Exp</th>
<th>Travel Acco. &amp; Meal Allowance</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>S Ryan</td>
<td>35,980.97</td>
<td>45,813.13</td>
<td>81,794.10</td>
</tr>
<tr>
<td>P Smith</td>
<td>928.24</td>
<td>34,248.75</td>
<td>35,176.99</td>
</tr>
<tr>
<td>A Dennis</td>
<td>17,686.49</td>
<td>27,050.69</td>
<td>44,737.18</td>
</tr>
<tr>
<td>Tom Briggs</td>
<td>6,655.54</td>
<td>16,598.35</td>
<td>23,253.89</td>
</tr>
<tr>
<td>N Hampton</td>
<td>163.00</td>
<td>27,185.72</td>
<td>27,348.72</td>
</tr>
<tr>
<td>Roy Ah-See</td>
<td>11,088.53</td>
<td>28,674.44</td>
<td>39,762.97</td>
</tr>
<tr>
<td>D Jones</td>
<td>11,377.55</td>
<td>29,165.45</td>
<td>40,543.00</td>
</tr>
<tr>
<td>C Cromelin</td>
<td>13,078.83</td>
<td>50,422.79</td>
<td>63,501.62</td>
</tr>
<tr>
<td>T Williams</td>
<td>13,800.29</td>
<td>29,261.16</td>
<td>43,061.45</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>110,759.44</strong></td>
<td><strong>288,420.48</strong></td>
<td><strong>399,179.92</strong></td>
</tr>
</tbody>
</table>
## Councillor Attendance

### Summary of Councillor Attendance at Board Meetings and Training Workshops as Required by Legislation

From 1 July 2012 to 30 June 2013

**Key:** LOA Medical | LOA Sorry Business | LOA Regional Business | LOA Representing NSWALC / Absent W/out Leave /

<table>
<thead>
<tr>
<th>Meeting</th>
<th>No Meeting Days</th>
<th>Date</th>
<th>Cr Ryan</th>
<th>Cr Cromelin</th>
<th>Cr Ah-See</th>
<th>Cr Briggs</th>
<th>Cr Dennis</th>
<th>Cr Smith</th>
<th>Cr Hampton</th>
<th>Cr Jones</th>
<th>Cr Williams</th>
<th>Total</th>
<th>Comments</th>
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<td><strong>2012/2013 Financial Year Attendances</strong></td>
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<tr>
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<tr>
<td>279th Extraordinary Council Meeting (teleconference)</td>
<td>1</td>
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<td></td>
<td></td>
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<tr>
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<td>1</td>
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<td>1</td>
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</tr>
<tr>
<td>283rd Extraordinary Council Meeting (teleconference)</td>
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<td>23-Sep-12</td>
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<tr>
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<td>Cr Briggs unable to connect to teleconference</td>
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<tr>
<td>Meeting</td>
<td>No Meeting Days</td>
<td>Date</td>
<td>Cr Ryan</td>
<td>Cr Cromelin</td>
<td>Cr Ah-See</td>
<td>Cr Briggs</td>
<td>Cr Dennis</td>
<td>Cr Smith</td>
<td>Cr Hampton</td>
<td>Cr Jones</td>
<td>Cr Williams</td>
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<td>Cr Cromelin unable to attend due to illness</td>
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<td>Cr Cromelin unable to attend due to illness</td>
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<tr>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>28</strong></td>
<td><strong>26</strong></td>
<td><strong>26</strong></td>
<td><strong>27</strong></td>
<td><strong>29</strong></td>
<td><strong>27</strong></td>
<td><strong>29</strong></td>
<td><strong>27</strong></td>
<td><strong>27.5</strong></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
List of Consultants
During 2012/13 NSWALC engaged a total of twenty consultants on projects at a total value of $1,415,689.

This compared with a total of twenty four consultants during the previous reporting period who were engaged on projects at a total value of $632,417.

The major area of work was on the Subdivision Program and the NSWALC Investment Fund.

The following breakdown is supplied in accordance with the requirements of the Annual Reports (Statutory Bodies) Act 1984, as amended

<table>
<thead>
<tr>
<th>NAME OF CONSULTANTS</th>
<th>PROJECTS ($30,000 &amp; ABOVE)</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARUP PTY LTD</td>
<td>Consulting for Subdivision Program</td>
<td>544,762</td>
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<tr>
<td>MERCEI INVESTMENTS (AUST) LTD</td>
<td>Investment Adviser</td>
<td>314,496</td>
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<tr>
<td>PHILLIPS KPA</td>
<td>Education Endowment Fund Review</td>
<td>156,160</td>
</tr>
<tr>
<td>DELOCTTE ACCESS ECONOMICS</td>
<td>Fees for professional services Engagement No. 411333 for Mining</td>
<td>64,463</td>
</tr>
<tr>
<td>PAUL HWORTH</td>
<td>Review of NSWALC Corporate Plan &amp; CLBP</td>
<td>44,847</td>
</tr>
<tr>
<td>THE AUSTRALIAN NATIONAL UNIVERSITY - CENTRE FOR ABORIGINAL ECONOMIC POLICY RESEARCH</td>
<td>CAEPR ABS Census Data Analysis</td>
<td>43,388</td>
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<tr>
<td>CAF (Charities Aid Foundation) AUSTRALIA</td>
<td>Management of NSWALC Scholarship Program for period: Jan to Dec 2012</td>
<td>40,000</td>
</tr>
<tr>
<td>MALUGAN &amp; CO</td>
<td>Valuation of NSWALC’s equity interest in Social Enterprise Finance Australia Ltd</td>
<td>39,541</td>
</tr>
<tr>
<td>ERNST &amp; YOUNG</td>
<td>Valuation services in relation to NSWALC’s investment in SEFA &amp; Treatment of properties to LALC</td>
<td>34,750</td>
</tr>
<tr>
<td>CORPORATECONNECT AB PTY LTD</td>
<td>Consultant Contract to develop relationships with Corporate Partners</td>
<td>30,000</td>
</tr>
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TOTAL AMOUNTS PAID > $30,000: 1,312,446

<table>
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<tr>
<th>CONSULTANTS &lt; $30,000</th>
<th>NUMBER OF CONSULTANTS</th>
<th>TOTAL PAID $</th>
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<tr>
<td></td>
<td>10</td>
<td>103,244</td>
</tr>
</tbody>
</table>

TOTAL ALL CONSULTANTS FEES: 1,415,689

Equal Employment Opportunity
(A) STATISTICAL INFORMATION ON EEO TARGET GROUPS.
Table 1. Trends in the Representation of EEO Target Groups in %

<table>
<thead>
<tr>
<th>EEO Group</th>
<th>Benchmark or Target</th>
<th>2009/10</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>50%</td>
<td>45.5%</td>
<td>47.5%</td>
<td>48.0%</td>
<td>49.0%</td>
</tr>
<tr>
<td>Aboriginal people and Torres Strait Islanders</td>
<td>2.6%</td>
<td>50.5%</td>
<td>54.5%</td>
<td>53.0%</td>
<td>52.0%</td>
</tr>
<tr>
<td>People whose first language was not English</td>
<td>19%</td>
<td>7.0%</td>
<td>6.0%</td>
<td>10.0%</td>
<td>16.0%</td>
</tr>
<tr>
<td>People with a disability</td>
<td>N/A%</td>
<td></td>
<td></td>
<td>7.5%</td>
<td>14.0%</td>
</tr>
<tr>
<td>People with a disability requiring work-related adjustment</td>
<td>1.1% (2011)</td>
<td>1.3% (2012)</td>
<td>1.5% (2013)</td>
<td>1.6%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

*Excludes casual staff.
Table 2. Trends in the Distribution of EEO Target Groups

<table>
<thead>
<tr>
<th>EEO Target Group</th>
<th>Distribution Index¹</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Benchmark or Target</td>
</tr>
<tr>
<td>Women</td>
<td>100</td>
</tr>
<tr>
<td>Aboriginal people and Torres Strait Islanders</td>
<td>100</td>
</tr>
<tr>
<td>People whose first language was not English</td>
<td>100</td>
</tr>
<tr>
<td>People with a disability</td>
<td>100</td>
</tr>
<tr>
<td>People with a disability requiring work-related adjustment</td>
<td>100</td>
</tr>
</tbody>
</table>

(ª) COMMENTARY ON INITIATIVES TO ELIMINATE DISCRIMINATION IN EMPLOYMENT AND PROMOTE EQUAL EMPLOYMENT OPPORTUNITY (EEO)

B.1 Major policies/programs and their outcomes during the reporting period accounting for planned outcomes set in the previous year

The NSWALC adheres to Anti-discrimination and Equal Employment Opportunity & Diversity legislation that requires employers to provide a discrimination free workplace for their employees, and is central to the development of equitable employment practices.

It has developed a recruitment policy that incorporates Equal Employment Opportunity (EEO), in that staff are employed, trained, promoted and paid according to their merit rather than on the basis of their sex, race, ethnicity, disability, marital status, age or sexual preference; demonstrating NSWALC’s commitment to EEO principles.

Training and Development initiatives by the NSWALC and external organisations are widely advertised both within Head Office and Branches, where appropriate, to ensure that all target groups are given equal opportunity to attend. This is to ensure that information is distributed to all possible participants and actively encourage EEO target group members to attend.

There are a number of activities conducted by EEO target group networks and units, both within and outside the NSWALC, for example, Spokeswomen’s Network, Aboriginal Employees Network, Women’s Action Groups.

These are communicated to all the target groups within the NSWALC.

The organisation provides its services throughout NSW through its regional zone offices and resources from its Parramatta Head office. Our clients and stakeholders have fair and equitable opportunity to access our services, and our offices are designed to enhance this. We also provide access to our publications on-line.

Major activities and outcomes planned for the following year.

The NSWALC has commenced the development of an Aboriginal Employment Plan (AEP) which details and explains the organisation’s overall policy on Aboriginal employment and career development.

The Plan aims to bring together previous Aboriginal employment initiatives as well as “identifying” Aboriginal positions and creating new positions, establishing recruitment, training and selection policies and mentoring support and career development programs.

¹A Distribution Index of 100 indicates that the centre of the distribution of the EEO groups across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels. A distribution index based on an EEO based survey response rate of less than 80% may not be completely accurate. The 2012/2013 EEO survey response rate for the Organisation was 65%.
The AEP will provide diverse and interesting opportunities for Aboriginal job seekers, and will establish Aboriginal employment targets that better reflect the organisation’s stakeholder and client base and its objectives of increasing Aboriginal employment opportunities for Aboriginal people.

The organisation has also drafted a new Code of Conduct.

The Code has been supported by the Audit and Risk and Governance Committees and once approved by Council, it will provide clear guidelines and establishes a common understanding of the standards of behaviour expected of all employees, including zero tolerance to workplace bullying and discrimination.

The organisation is also proposing Bullying and Harassment training for the entire workplace and will be drafting new policies to assist staff and managers in dealing with these issues.

Service Standards
The major part of NSWALC’s effort during this reporting period has again been directed toward improving service delivery to its major client group, the network of 120 Local Aboriginal Land Councils, particularly in relation to capacity building.

Improved accountability and reporting standards are now mandated under the ALRA.

The NSWALC has taken the view that it must be able to provide a high standard of support to LALCs.

This is to help ensure they can comply with the requirements of the Act and that, where they are compliant, that there is no undue delay in processing payments of their operating grants, in determining applications for financial or legal assistance, or in providing suitable training to assist new office bearers and staff to meet the demands of their position.

WORK RELATED INJURY
WORKERS COMPENSATION
AND REHABILITATION 2012/2013

WORK RELATED INJURY & ILLNESS

Number reported 9

Nature of Accidents
Slips, Trips & Falls 1
Mental Health (anxiety, stress) 1
Cuts/Scratches 1
Motor Vehicle Accident 0
Ergonomics/Overuse 1
Sprain/Strain 2
Manual Handling 0
Bites 0
Sickness 3
Total 9

Where Injuries Occurred
At the Workplace 9
On the journey to/from work 0
At work away from the normal workplace 0
Total 9

WORKERS COMPENSATION CLAIMS

Claims brought forward from 2011/2012 1
New claims this period 2
Total 3

Claims status at 30.6.13

Claims finalised 2
Claims declined/under investigation 1
Liability accepted& claim continuing 0
Provisional Liability 0
Total 3

Open claims carried forward to 2013/2014 0

REHABILITATION

Cases brought forward from 2011/2012 1
New cases this period 0
Total 1

Cases completed 0
Cases continuing & carried forward to 13/14 1
Total 1
Accounts Payment Policy & Practice
NSWALC continues to take steps to expedite payments by encouraging regular service providers to register for EFT payment of their accounts to enable prompt payment.

A systematic approach to the development and implementation of internal controls has helped reduce the number of items in the Management Letter accompanying the Auditor General’s Audit Report.

All points raised in Management Letters over several previous Audit Reports were considered and action incorporated into a series of “checklists” to ensure compliance.

Risk Management/Insurance
NSWALC holds the following insurance:

<table>
<thead>
<tr>
<th>Name of Insurer</th>
<th>Type of Policy</th>
<th>Sum Insured $ ’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>QBE</td>
<td>Umbrella (anything not covered below)</td>
<td>20,000</td>
</tr>
<tr>
<td>QBE</td>
<td>Industrial Special Risks</td>
<td>50,140</td>
</tr>
<tr>
<td>Allianz</td>
<td>Motor Vehicles</td>
<td>Market Value</td>
</tr>
<tr>
<td>Allianz</td>
<td>Public /Products liability</td>
<td>50,000</td>
</tr>
<tr>
<td>ACC Health</td>
<td>Personal Accident/Sickness - Councillors</td>
<td>250 / 1.5</td>
</tr>
<tr>
<td>Allianz</td>
<td>Machinery Breakdown</td>
<td>100</td>
</tr>
<tr>
<td>LondonAustralia</td>
<td>Professional Indemnity</td>
<td>10,000</td>
</tr>
<tr>
<td>Liberty International</td>
<td>Professional Indemnity, Commercial &amp; Legal Services</td>
<td>10,000</td>
</tr>
<tr>
<td>Liberty International</td>
<td>Directors Officers</td>
<td>10,000</td>
</tr>
<tr>
<td>LondonAustralia</td>
<td>Directors Officers</td>
<td>10,000</td>
</tr>
<tr>
<td>ACC Health</td>
<td>Travel</td>
<td>500</td>
</tr>
<tr>
<td>AFA</td>
<td>Group Personal Accident</td>
<td>100</td>
</tr>
<tr>
<td>Vero</td>
<td>Homes</td>
<td>5,940</td>
</tr>
<tr>
<td>AFA</td>
<td>Voluntary Workers</td>
<td>50</td>
</tr>
<tr>
<td>ACC Health</td>
<td>Personal Accident</td>
<td>200</td>
</tr>
<tr>
<td>ING Life Limited</td>
<td>Salary Continuance</td>
<td>0.84% of salary. Max benefit available $30,000 per month</td>
</tr>
<tr>
<td>LondonAustralia</td>
<td>Media Professional Indemnity</td>
<td>5,000</td>
</tr>
</tbody>
</table>

Internal Audit and Risk Management Statement for the 2012-13 Financial Year for the NSW Aboriginal Land Council
I am of the opinion that the New South Wales Aboriginal Land Council has an internal audit and risk management processes in place that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 Internal Audit and Risk Management Policy.

I am of the opinion that the Audit and Risk Committee for the New South Wales Aboriginal Land Council is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

Ms. Carolyn Walsh (Independent Chair) appointed 1 April 2011 until 31 March 2014.
Mr Garry Dinnie (Independent Member) appointed 17 April 2013 until 31 March 2015.
Cr. Craig Cromelin (Non-independent Member) appointed 19 August 2011.

These processes provide a level of assurance that enables the senior management of the New South Wales Aboriginal Land Council to understand, manage and satisfactorily control risk exposures.

Mr. Geoff Scott
Chief Executive Officer
NEW SOUTH WALES ABORIGINAL LAND COUNCIL
ANNUAL REPORT 2012-2013
FINANCIAL STATEMENTS
INDEPENDENT AUDITOR’S REPORT

New South Wales Aboriginal Land Council

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the New South Wales Aboriginal Land Council (the Council), which comprise the statement of comprehensive income, the statement of financial position as at 30 June 2013, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Council as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the Public Finance and Audit Act 1983 (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

The Council Member’s Responsibility for the Financial Statements

The Council Members are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Council Members determine is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council’s preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Council, as well as evaluating the overall presentation of the financial statements.
I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does not provide assurance:

• about the future viability of the Council
• that it has carried out its activities effectively, efficiently and economically
• about the effectiveness of its internal control
• about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
• about other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

• providing that only Parliament, and not the executive government, can remove an Auditor-General
• mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

Karen Taylor
Director, Financial Audit Services

21 October 2013
SYDNEY
Pursuant to Section 41C of the Public Finance and Audit Act 1983, we state that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the New South Wales Aboriginal Land Council as at 30 June 2013 and its performance for the year ended on that date in accordance with Australian Accounting Standards and interpretations and the provisions of the Public Finance and Audit Act 1983, The Public Finance and Audit Regulation 2010 and the Treasurer’s Directions.

2. At the date of this statement, there are reasonable grounds to believe that the New South Wales Aboriginal Land Council will be able to pay its debts as and when they fall due.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Craig Cromelin
Deputy Chairperson

Des Jones
Councillor

Date: 18/10/2013
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

<table>
<thead>
<tr>
<th>Note</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
</tbody>
</table>

**REVENUE**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of Goods and Services</td>
<td>2,544</td>
<td>1,329</td>
</tr>
<tr>
<td>Investment Revenue</td>
<td>16,265</td>
<td>15,352</td>
</tr>
<tr>
<td>Grants and Contributions</td>
<td>3,107</td>
<td>1,211</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>3,416</td>
<td>4,577</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>25,332</strong></td>
<td><strong>22,469</strong></td>
</tr>
</tbody>
</table>

**EXPENSES EXCLUDING LOSSES**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Related Expenses</td>
<td>13,271</td>
<td>12,193</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,048</td>
<td>1,201</td>
</tr>
<tr>
<td>Amortisation</td>
<td>234</td>
<td>312</td>
</tr>
<tr>
<td>Doubtful Debts and Debt Write Off</td>
<td>1,683</td>
<td>568</td>
</tr>
<tr>
<td>Funding to Local Aboriginal Land Councils</td>
<td>14,367</td>
<td>14,418</td>
</tr>
<tr>
<td>Grants</td>
<td>1,886</td>
<td>2,572</td>
</tr>
<tr>
<td>Legal Expenses</td>
<td>1,549</td>
<td>1,764</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>8,798</td>
<td>8,819</td>
</tr>
<tr>
<td>Program Expenses</td>
<td>2,720</td>
<td>2,252</td>
</tr>
<tr>
<td><strong>Total Expenses Excluding Losses</strong></td>
<td><strong>45,556</strong></td>
<td><strong>44,099</strong></td>
</tr>
</tbody>
</table>

**Gain / (Loss) on Disposal of Property, Plant and Equipment**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gain / (Loss) on Disposal of Property, Plant and Equipment</td>
<td>33</td>
<td>31</td>
</tr>
</tbody>
</table>

**Other Gains / (Losses)**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Gains / (Losses)</td>
<td>68,698</td>
<td>3,855</td>
</tr>
</tbody>
</table>

**NET RESULT**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET RESULT</td>
<td><strong>48,507</strong></td>
<td><strong>(17,744)</strong></td>
</tr>
</tbody>
</table>

**Other Comprehensive Income/(Expenses)**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Comprehensive Income/(Expenses)</td>
<td>143</td>
<td>(401)</td>
</tr>
</tbody>
</table>

**TOTAL COMPREHENSIVE INCOME/(EXPENSES)**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL COMPREHENSIVE INCOME/(EXPENSES)</td>
<td><strong>48,649</strong></td>
<td><strong>(18,145)</strong></td>
</tr>
</tbody>
</table>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.
## STATEMENT OF FINANCIAL POSITION
### AS AT 30 JUNE 2013

### ASSETS

<table>
<thead>
<tr>
<th>Note</th>
<th>Current Assets</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>18</td>
<td>Cash and Cash Equivalents</td>
<td>6,017</td>
<td>6,326</td>
</tr>
<tr>
<td>19</td>
<td>Restricted Assets</td>
<td>4,979</td>
<td>1,606</td>
</tr>
<tr>
<td>20</td>
<td>Receivables</td>
<td>2,499</td>
<td>2,307</td>
</tr>
<tr>
<td>21</td>
<td>Biological Assets</td>
<td>380</td>
<td>356</td>
</tr>
<tr>
<td>22</td>
<td>Financial Assets at Fair Value</td>
<td>578,053</td>
<td>530,186</td>
</tr>
<tr>
<td>23</td>
<td>Derivatives</td>
<td>41,192</td>
<td>35,199</td>
</tr>
<tr>
<td>24</td>
<td>Other Assets</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>633,133</strong></td>
<td><strong>575,992</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note</th>
<th>Non-Current Assets</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Receivables</td>
<td>351</td>
<td>1,441</td>
</tr>
<tr>
<td></td>
<td>Other Financial Assets</td>
<td>397</td>
<td>377</td>
</tr>
<tr>
<td></td>
<td>Property, Plant and Equipment</td>
<td>43,396</td>
<td>44,670</td>
</tr>
<tr>
<td></td>
<td>Intangible Assets</td>
<td>370</td>
<td>568</td>
</tr>
<tr>
<td></td>
<td>Artefacts</td>
<td>634</td>
<td>634</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td><strong>45,148</strong></td>
<td><strong>47,690</strong></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL ASSETS** | **678,281** | **623,682** |

### LIABILITIES

<table>
<thead>
<tr>
<th>Note</th>
<th>Current Liabilities</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Payables</td>
<td>3,846</td>
<td>7,255</td>
</tr>
<tr>
<td></td>
<td>Derivatives</td>
<td>43,068</td>
<td>33,948</td>
</tr>
<tr>
<td></td>
<td>Provisions</td>
<td>2,004</td>
<td>2,012</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>48,918</strong></td>
<td><strong>43,215</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note</th>
<th>Non-Current Liabilities</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Provisions</td>
<td>675</td>
<td>428</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td><strong>675</strong></td>
<td><strong>428</strong></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES** | **49,593** | **43,643** |

**NET ASSETS** | **628,688** | **580,039** |

### EQUITY

<table>
<thead>
<tr>
<th>Note</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserves</td>
<td>20,217</td>
<td>20,216</td>
</tr>
<tr>
<td>Accumulated Funds</td>
<td>608,471</td>
<td>559,823</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td><strong>628,688</strong></td>
<td><strong>580,039</strong></td>
</tr>
</tbody>
</table>

The above statement of financial position should be read in conjunction with the accompanying notes.
# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 30 JUNE 2013

<table>
<thead>
<tr>
<th>Note</th>
<th>Accumulated Funds</th>
<th>Revaluation Reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Balance at 1 July 2012</td>
<td>559,823</td>
<td>20,216</td>
<td>580,039</td>
</tr>
<tr>
<td>Net Result for the year</td>
<td>48,507</td>
<td>-</td>
<td>48,507</td>
</tr>
<tr>
<td>Other Comprehensive Income/(Expenses)</td>
<td>142</td>
<td>1</td>
<td>143</td>
</tr>
<tr>
<td>Total Comprehensive Income/(Expenses) for the year</td>
<td>48,648</td>
<td>1</td>
<td>48,649</td>
</tr>
<tr>
<td>Balance at 30 June 2013</td>
<td>608,471</td>
<td>20,217</td>
<td>628,688</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note</th>
<th>Accumulated Funds</th>
<th>Revaluation Reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Balance at 1 July 2011</td>
<td>577,947</td>
<td>20,236</td>
<td>598,183</td>
</tr>
<tr>
<td>Net Result for the year</td>
<td>(17,744)</td>
<td>-</td>
<td>(17,744)</td>
</tr>
<tr>
<td>Other Comprehensive Income/(Expenses)</td>
<td>(381)</td>
<td>(20)</td>
<td>(401)</td>
</tr>
<tr>
<td>Total Comprehensive Income/(Expenses) for the year</td>
<td>(18,125)</td>
<td>(20)</td>
<td>(18,145)</td>
</tr>
<tr>
<td>Balance at 30 June 2012</td>
<td>559,823</td>
<td>20,216</td>
<td>580,039</td>
</tr>
</tbody>
</table>

The above statement of changes in equity should be read in conjunction with the accompanying notes.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Note</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Receipts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of Goods and Services</td>
<td>3,828</td>
<td>2,127</td>
</tr>
<tr>
<td>Interest and Investment Income</td>
<td>195</td>
<td>880</td>
</tr>
<tr>
<td>Grants and Contributions</td>
<td>84</td>
<td>136</td>
</tr>
<tr>
<td>Recovery of Rates and Administrators Cost Paid on behalf of LALCs</td>
<td>721</td>
<td>1,251</td>
</tr>
<tr>
<td>GST Received from ATO</td>
<td>2,205</td>
<td>2,763</td>
</tr>
<tr>
<td>Other</td>
<td>315</td>
<td>2,522</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td><strong>7,348</strong></td>
<td><strong>9,679</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payments</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Employee Related Expenses</td>
<td>(12,884)</td>
<td>(12,011)</td>
</tr>
<tr>
<td>Grants and Subsidies</td>
<td>(1,799)</td>
<td>(2,255)</td>
</tr>
<tr>
<td>Funding to LALCs</td>
<td>(14,420)</td>
<td>(15,860)</td>
</tr>
<tr>
<td>Rates and Administrators Cost Paid on behalf of LALCs</td>
<td>(715)</td>
<td>(1,433)</td>
</tr>
<tr>
<td>Payment for Goods and Services</td>
<td>(15,346)</td>
<td>(12,776)</td>
</tr>
<tr>
<td><strong>Total Payments</strong></td>
<td><strong>(45,164)</strong></td>
<td><strong>(44,335)</strong></td>
</tr>
</tbody>
</table>

**NET CASH FLOWS FROM OPERATING ACTIVITIES** 34 | **(37,816)** | **(34,656)** |

CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Proceeds from Sale of Land and Buildings, Plant and Equipment</td>
<td>11</td>
<td>184</td>
</tr>
<tr>
<td>Proceeds from Sale of Financial Assets</td>
<td>43,768</td>
<td>278,660</td>
</tr>
<tr>
<td>Purchases of Property, Plant and Equipment</td>
<td>(47)</td>
<td>(243)</td>
</tr>
<tr>
<td>Purchases of Financial Assets</td>
<td>(3,025)</td>
<td>(242,260)</td>
</tr>
<tr>
<td><strong>NET CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td><strong>40,880</strong></td>
<td><strong>36,243</strong></td>
</tr>
</tbody>
</table>

**NET INCREASE/(DECREASE) IN CASH**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Opening Cash and Cash Equivalents</td>
<td>7,573</td>
<td>5,985</td>
</tr>
<tr>
<td><strong>CLOSING CASH AND CASH EQUIVALENTS</strong></td>
<td><strong>10,637</strong></td>
<td><strong>7,572</strong></td>
</tr>
</tbody>
</table>
NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2013

1. REPORTING ENTITY

New South Wales Aboriginal Land Council (the Council) is a Statutory Body constituted by the Aboriginal Land Rights Act 1983. The Council is a not-for-profit entity (as profit is not its principal objective).

The Council, as a reporting entity, comprises all the entities under its control including A.C.N. 159 268 041 PTY LTD and A.C.N. 159 272 992 PTY LTD (The companies). A.C.N. 159 268 041 PTY LTD is a wholly-owned subsidiary of the Council and A.C.N. 159 272 992 PTY LTD is a wholly-owned subsidiary of A.C.N. 159 268 041 PTY LTD. These companies were incorporated on 29 June 2012. The companies did not engage in commercial activities in the financial year ended 30 June 2013. NSWALC has successfully applied to ASIC for the voluntary deregistration of the two companies.

The financial statements for the year ended 30 June 2013 have been authorised for issue by the Council on 18 October 2013.

2. BASIS OF PREPARATION

(a) Basis of Preparation of Financial Statements

As there were no commercial activities in A.C.N. 159 268 041 PTY LTD and A.C.N. 159 272 992 PTY LTD, they are not disclosed separately. As a result, the consolidated financial statements of the Council are the same as the financial statements of the ultimate parent entity.

(b) Statement of Compliance

The Council’s financial statements are general purpose financial statements which have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations) and the requirements of the Public Finance and Audit Act 1983 and Regulation, Treasurer’s Directions, the New South Wales Aboriginal Land Rights Act 1983 and its Regulation.

In accordance with the interpretation of the Crown Solicitor regarding S150 of the Aboriginal Land Rights Act 1983 which was tabled to the Parliament in Volume One of the Auditor-General’s Report 19 March 2003, the Council has maintained the minimum required capital value of $485,340,000 throughout the year.

(c) Profit status of the Council

The Council has assessed its profit status for the financial year ended 30 June 2013 and determined its status as not-for-profit for financial reporting purposes.

(d) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items:

- Financial instruments that are classified as ‘at fair value through profit and loss’ and ‘available for sale investment’ are measured at fair value
- Biological assets are measured at fair value less costs to sell
- Property, plant and equipment are measured at fair value
- The defined benefit asset is measured as the net total of the defined benefit plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation

(e) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Council’s functional currency. All amounts are rounded to the nearest one thousand dollars unless otherwise stated.
Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that effect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- Note 3(a)(iii), 3(c)(iii), 3(c)(v) & 3(c)(viii)
- Note 8 – Investment Revenue
- Note 20 – Receivables
- Note 26 – Property, Plant and Equipment
- Note 27 – Intangible Assets

Information about assumptions and estimations that may result in adjustments in the future financial year is included in the following notes:

- Note 2(b), 3(c)(iv), 3(c)(v), 3(c)(viii) & 3(d)(ii)
- Note 22 – Financial Assets at Fair Value
- Note 23 – Derivatives
- Note 25 – Other Financial Assets
- Note 31 – Provisions
- Note 36 – Financial Instruments

Changes in accounting policy

In the current year, the Council has reviewed all of the new and revised Accounting Standards and Interpretations that are relevant to its operations and effective for the annual reporting period beginning on 1 July 2012. As a result, the Council has determined that its accounting policies and disclosures in relation to the presentation of these financial statements are appropriate and there are no changes in accounting policies.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Council to all periods presented in these financial statements.

(a) Revenue Recognition

The Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met for each of the Council’s activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction, and the specifics of each arrangement. Revenue is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

(i) Contributions

Contributions received (including grants and donations) are recognised as revenue when the Council obtains control over the assets comprising the contributions unless proved otherwise as per the agreement. Control over contributions is normally obtained upon the receipt of cash.
(ii) Sale of Goods and Services

Revenue from the sale of goods and services is recognised as revenue when the Council transfers the significant risks and rewards of ownership of the assets. It is measured at the fair value of consideration received or receivable, net of returns, trade discounts and volume rebates.

(iii) Investment Revenue

Investment revenue comprises of:
- interest income on funds invested;
- dividend income; and
- changes in the fair value of financial assets at fair value through the profit and loss account.

Interest income is recognised using the effective interest method as set out in AASB 139 Financial Instruments: Recognition and Measurement. Dividend revenue is recognised in accordance with AASB 118 Revenue when the Council’s right to receive payment is established. Changes in the fair value of financial assets at fair value through the profit and loss account refer to Note 3 (c) (v) for details.

(iv) Foreign currency gain and losses

During the year the Council held investments denominated in foreign currencies and transitional funds held in foreign currency as a result of moving funds between fund managers. Transactions in foreign currencies are translated to Australian dollar at exchange rates at the dates of the transactions. Monetary assets denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at balance date. Foreign currency differences arising on translation are recognised in the Statement of Profit or Loss and Other Comprehensive Income. Foreign currency gains and losses are reported on a net basis.

(v) Rental income

Rental income is included in other income in the Statement of Profit or Loss and Other Comprehensive Income. Rental income is recognised with AASB 117 Leases on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

(vi) Land Claims

The Council claims land under the Aboriginal Land Rights Act 1983. Land claimed from State or Commonwealth government is valued at fair value, recognised as income and capitalised as land asset.

(vii) Other revenue

Other revenue is recognised in the profit and loss when the right to receive the revenue has been established.

(b) Expenses

All expenses incurred on an accrual basis are recognised as expenditure for the year to the extent that the Council has benefited by receiving goods or services and the expenditure can be reliably measured.

(i) Employee expenses

Employee expenses includes salaries and wages for the year, workers compensation insurance premium for the year, 9% defined contribution incurred for employees under defined contribution scheme and amounts nominated by the fund managers in respect of defined benefit schemes. Annual leave and long service leave expenses are charged as stated in Note 3 (d) (ii).

(ii) Depreciation expenses

Depreciation expenses are charged as stated in 3 (c) (viii)
(iii) Maintenance expenses

Maintenance expenses are charged as stated in 3 (c) (viii)

(iv) Insurance expenses

The Council holds insurance policies covering property, public liability, workers compensation, Councillors’ liability and other contingencies. After analysing the insurable risks, the Council has taken necessary insurance cover against these risks. The premium is determined by the Insurer.

(v) Funding expenses for Local Aboriginal Land Councils

Funding for Local Aboriginal Land Councils (LALCs) is charged to the profit and loss as per the agreed amount of allocation for the year in accordance with the funding agreement. If a LALC is in breach of the statutory requirements, only essential payments are made pursuant to the *Aboriginal Land Rights Act 1983* these are expensed in the profit and loss as funding of LALCs.

(c) Assets

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Council has no bank overdrafts.

(ii) Restricted assets

Restricted assets include cash and cash equivalents and property held by the Council for special projects or as a trustee. These assets cannot be used for operating purpose.

(iii) Receivables

Receivables include trade and other receivables and statutory debts.

Trade and other receivables (including loans) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the surplus/(deficit) for the year when impaired, derecognised or through the amortisation process. An allowance for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due. Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off.

The Council has a debtor management policy and guidelines to manage and recover statutory debts incurred by the Council on behalf of LALCs. The policy and guidelines established how to assess the recoverability of debts, the amounts to be written-off or waived and the recoverability of outstanding debts. The policy has been implemented during the year and the movement in the allowance for impairment with the outstanding debt is disclosed in Note 20.

Short-term receivables with no stated interest rate are measured at the original invoice amount as the effect of discounting is immaterial.

(iv) Biological Assets and Agricultural Produce

NSW Aboriginal Land Council owns and operates rural properties throughout the Western region of NSW. Crops are planted, grown and harvested on an annual basis. The products of these activities are used for a combination of profit making purposes including: marketed and sold for food; used for future plantings; and fodder for livestock.
The livestock asset cycle from acquisition to disposal is dependent on seasonal conditions including quality of feed. Livestock is valued at fair value less estimated point-of-sale costs. Gains or losses arising on initial recognition of biological assets at fair value less estimated point-of-sale costs and from changes in fair value less estimated point-of-sale costs are included in the Statement of Profit or Loss and Other Comprehensive Income.

Fair value of livestock is determined as the best available estimate for livestock with similar attributes such as weight and condition.

Where the fair value of biological assets cannot be obtained, the biological assets are measured at their cost less any accumulated depreciation and any accumulated impairment losses.

The cropping asset cycle from planting to harvest is also dependent on seasonal conditions and disease including annual rainfall, temperature and ground preparation. Cropping input costs are measured on initial recognition and capitalised at each reporting date as cost of production.

The fair value of grain on hand is determined as the best available estimate for grain with similar attributes such as quality, size and variety less any point-of-sale costs.

Grain on hand includes all grain stored in silos on Council’s properties or at the point nominated by the funding company at reporting date.

(v) Investments

Investments are initially recognised at fair value plus transaction costs for those investments that are not at fair value through profit or loss. The Council determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

- **Fair value through profit or loss** - The Council subsequently measures investments classified as “held for trading” or designated upon initial recognition “at fair value through profit or loss” at fair value. Financial assets are classified as “held for trading” if they are acquired for the purpose of selling in the near term. Gains or losses on these assets are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

- **Held to maturity investments** – Non-derivative financial assets with fixed or determinable payments and fixed maturity that the Council has the positive intention and ability to hold to maturity are classified as “held to maturity”. These investments are measured at amortised cost using the effective interest method. Changes are recognised in the Statement of Profit or Loss and Other Comprehensive Income when impaired, derecognised or through the amortisation process.

- **Available for sale investments** - Any residual investments that do not fall into any other category are accounted for as available for sale investments and measured at fair value directly in equity until disposed of or impaired, at which time the cumulative gain or loss previously recognised in equity is recognised in the Statement of Profit or Loss and Other Comprehensive Income. However, interest calculated using the effective interest method and dividends are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Purchases or sales of investments under contract that require delivery of the asset within the timeframe established by convention or regulation are recognised on the trade date i.e. the date the entity commits itself to purchase or sell the asset.

The fair value of investments that are traded at fair value in an active market is determined by reference to quoted current bid prices at the close of business on the Statement of Financial Position date.

- **Fair value hedges**

The Council faces foreign currency exposure from investing in international equities. The Council enters into derivatives to mitigate this exposure. Derivatives are initially recognised at fair value on the date a
derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Any changes in the fair value are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

- **Impairment of financial assets**

  All financial assets, except those measured at fair value through the profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

- **De-recognition of financial assets and financial liabilities**

  A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Council transfers the financial asset:
  
  - where substantially all the risks and rewards have been transferred; or
  
  - where the Council has not transferred substantially all the risks and rewards, if the entity has not retained control.

  Where the Council has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Council’s continuing involvement in the asset.

  A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

  (vi) **Trust Funds**

  The Council receives monies in a trustee capacity for the Gumbaynggir Tribal Aboriginal Elders Corporation as set out in Note 35. The Council has no control of the funds and the funds cannot be used for the achievement of the Council’s own objectives. The Council performs as a custodial role in respect of these funds. Therefore, these funds are not recognised in the financial statements.

  (vii) **Other Assets**

  Other assets include superannuation assets and prepayments. Other assets are recognised on a cost basis.

  If a surplus exists in the employer's interest in the defined benefit fund, the Council recognises this amount as superannuation asset and takes advantage of it in the form of a reduction in the required contribution rate on the advice of the Fund's actuary. Where a deficiency exists, the employer is responsible for any difference between the employer’s share of Fund assets and the defined benefit obligation, this is recognised as a liability.

  (viii) **Property, Plant & Equipment**

  - **Acquisitions of Assets**

    The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Council. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

    Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

    Fair value is the amount for which an asset could be exchanged between knowledgeable and willing parties in an arm’s length transaction.
Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted at an asset-specific rate.

- **Capitalisation Thresholds**

Property, plant and equipment and intangible assets costing $1,000 ($1,000 in 2011-2012) and above individually (or forming part of a network costing more than $1,000) are capitalised.

- **Revaluation of Property, Plant and Equipment**

Physical non-current assets are valued in accordance with the “Valuation of Physical Non-Current Assets at Fair Value” Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with AASB 116 Property, Plant and Equipment.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset’s fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for the fair value. The Council reviews the estimated useful lives for major plant and equipment at the end of each annual reporting period. Property is revalued at least every five years or with sufficient regularity to ensure that the carrying amount does not differ materially from its fair value at reporting date. The revaluation of property was completed on 30 June 2009 based on an independent assessment and management considered that there is no significant movement in relation to the current market value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued, adjusted to reflect the present condition of the assets, the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset class previously recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income, in which case the increase is credited to the Statement of Profit or Loss and Other Comprehensive Income to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

As a not-for-profit entity, the Council’s revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

- **Impairment of Property, Plant and Equipment**

As a not-for-profit entity, the Council is exempt from AASB 136 Impairment of Assets and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.
Depreciation of Property, Plant and Equipment

Depreciation is provided on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Council. All material separately identifiable components of assets are depreciated over their shorter useful lives.

Land is not a depreciable asset. Certain original artwork and collections have a long useful life and depreciation for these items cannot be reliably measured because the useful life and the net amount to be recovered at the end of the useful life cannot be reliably measured. In these cases, depreciation is not recognised. The decision not to recognise depreciation for these assets is reviewed annually.

The depreciation rates used for each class of depreciable assets for the estimated useful lives are:

<table>
<thead>
<tr>
<th>Class of Fixed Assets</th>
<th>Depreciation Rate</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land is not depreciated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings*</td>
<td>3.33% – 5.00%</td>
<td>20 – 30 years</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>20.00%</td>
<td>5 years</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>33.33%</td>
<td>3 years</td>
</tr>
<tr>
<td>Other Equipment, Furniture and Fittings</td>
<td>20.00%</td>
<td>5 years</td>
</tr>
</tbody>
</table>

Useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

* Fittings classified as buildings may have varying depreciation rates and useful lives (i.e. 20% Depreciation Rate and 5 years Useful Life).

Maintenance

Day-to-day servicing costs or maintenance are charged as expenses incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

Artefacts

Artefacts include aboriginal artwork, sculptures carvings and painted rocks. These assets are not depreciated, but are revalued on a regular basis by an expert valuer. Any change in value is accounted as explained in Note 28.

Leased Assets

A distinction is made between finance leases which substantially transfer from the lessor to the lessee the risks and benefits incidental to ownership of the leased assets and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the commencement of the lease term. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the Profit and loss in the periods in which they are incurred.

Intangible Assets

The Council recognises intangible assets only if it is probable that future economic benefits will flow to the Council and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the fair value as at the date of acquisition is capitalised in the fixed asset register.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.
The useful lives of intangible assets are assessed to be finite. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Council’s intangible assets, the assets are carried at cost less any accumulated amortisation.

The Council’s intangible assets are amortised using the straight line method over a period of between three and twenty years.

In general, intangible assets are tested for impairment where an indicator of impairment exists. However, as a not-for-profit entity, the Council is effectively exempted from impairment testing.

(d) Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to the Council. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(ii) Employee Benefits and Other Provisions

- Salaries and Wages, Annual Leave and On-Costs

Liabilities for salaries and wages (including non-monetary benefits) and annual leave that fall due wholly within twelve months of the reporting date are recognised and measured in respect of employees’ services up to the reporting date at nominal based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 Employee Benefits. A market yield on 10 year government bonds of 3.76% (2011-2012 3.04%) was applied to discount long-term annual leave.

The outstanding amounts of workers’ compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

- Long Service Leave and Superannuation

Long service leave is measured at present value in accordance with AASB 119 Employee Benefits. This is based on the application of certain factors (specified in NSWTC 12-06) to all employees using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

In respect of defined contribution schemes (i.e. Basic Benefit and First State Super), expense is calculated as percentage of the employees’ salary. For the defined benefit schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees’ superannuation contributions.

- Other Provisions

Other provisions exist when the Council has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A make good provision for the lease of the Zone and Councillor Offices is discounted at 2.58%, 2.67% and 2.96%, which reflects the current market assessment of the time value of money and the risk specific to the liability.
(e) **Incorporation of Local Aboriginal Land Council**

Pursuant to section 49 (1) of the *Aboriginal Land Rights Act 1983* and clause 18 (1) (a) of the *Aboriginal Land Rights Regulation 2002*, the Minister of Aboriginal Affairs has incorporated Biraban Local Aboriginal Land Council on 15 May 2012. There was no incorporation of LALCs in 2012-2013 financial year.

(f) **Transfer of property to Local Aboriginal Land Councils**

During the year ended 30 June 2013, the Council transferred properties to Onerwal Local Aboriginal Land Council, Wanaruah Local Aboriginal Land Council and Wilcannia Local Aboriginal Land Council at fair value. The net amount transferred after adjusting for the revaluation reserve is disclosed in the Statement of Profit or Loss and Other Comprehensive Income (See Note 15).

(g) **Accounting for the Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except when:

- The amount of GST incurred by the Council as a purchaser is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense, and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office are classified as operating cash flows.

(h) **Tax Exemptions**

The Council is a Public Benevolent Institution (PBI) under the *Income Tax Assessment Act 1997*. Therefore the Council is exempt from income tax from 1 July 2000. The Council is also exempt from the Payroll Tax under Payroll Tax Act 2007.

(i) **Comparative information**

Except when an Australian Accounting Standard permits or requires otherwise, comparative balances were restated to improve clarity and effective presentation of financial statements.

(j) **New Australian Accounting Standards issued but not yet effective**

At the date of authorisation of the financial statements, the Standards and Interpretations listed in Note 39 (b) were in issue but not yet effective. NSW Treasury has mandated not to early adopt any of the new Standards / Interpretations through Treasury Circular NSWTC13/02.

4. **DETERMINATION OF FAIR VALUES**

A number of accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods:

(i) **Property, plant and equipment**

The fair value of property, plant and equipment is based on market values less selling costs. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction. The market value of items of furniture and fittings is based on the market approach for similar items when available and replacement cost when appropriate.
(ii) Trade and other receivables

The fair value of trade and other receivables is based on the net realisable value after considering any possible risks of impairment. All trade and other receivables, after impairment, are expected to be received within a short period of time and considered as fair values.

(iii) Trade and other payables

Trade and other payables are expected to be paid within a short period of time and considered as fair values.

When applicable, further information about the assumptions made in determining fair values are disclosed in the notes specific to the asset or liability.

5. FINANCIAL RISK MANAGEMENT

The Council has exposure to the following risks from the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Council’s exposure to each of the above risks, their objectives, policies, and processes for measuring and managing risk and their management of capital. Further quantitative disclosures are included through these consolidated financial statements.

Risk Management framework

The Councillors have the overall responsibility for the establishment and oversight of the risk management framework. The Director for Corporate Governance is responsible for developing and monitoring the overall risk management strategy and policies for the Council. The Chief Investment Officer is responsible for the establishment and oversight of risk management and reviews of the Council’s investments. The Director for Corporate Governance reports to the Audit Committee in the capacity of the Chief Audit Executive, which in turn reports regularly to the Council on its activities. The Chief Investment Officer reports to the Investment Committee, which in turn reports regularly to the Council on its activities.

Risk management policies are established to identify and analyse the risks faced by the Council in setting appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Council’s activities. The Audit Committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to risks faced by the Council. The Director for Corporate Governance in the capacity of the Chief Audit Executive manages the internal audit function by conducting scheduled and ad hoc reviews of risk management control procedures, the results of which are reported to the Audit Committee.

The Council’s principal financial instruments comprise cash, short term deposits and portfolio of investments. The main purpose of these financial instruments is to fund Council’s operations and its future sustainability. The Council has various other financial instruments such as debtors and trade creditors, which arise directly from its operations. The main risks arising from the Council's financial instruments are interest rate risk, liquidity risk and credit risk. The Council reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Credit Risk

Credit risk is the risk of financial loss to the Council if a Council’s debtor or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from the financial assets of the Council, including cash, receivables, term deposits and investment in unit trust deposits. In regards to investments in unit trusts, this credit risk is reflected in the unit prices when the underlying securities are marked to market.
The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment). The Council has not granted any financial guarantees.

(i) Cash

Cash comprises cash on hand and bank balances with the National Australia Bank, Westpac Banking Corporation and the Commonwealth Bank of Australia. Interest is earned on daily bank balances at the monthly average cash rate. It is the Council’s practice to deal with banks with the highest ratings. The Council monitors the financial stability of the banks that hold its funds, by reviewing their Annual Reports.

(ii) Receivables

The Council’s exposure to credit risks is influenced mainly by the individual characteristics of each debtor. The Council has statutory debts, trade debts and other debts.

- **Statutory debts**

  The Council incurred significant amounts of debt as a result of the application of legislation for Local Aboriginal Land Councils. These debts are grouped as statutory debts and not categorised as financial instruments as per the NSW Treasury Policy and Guideline TPP08-1. The Council assess the collectability of such debts on a case by case basis in accordance with Debtor Management Policy.

- **Trade debts**

  All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis from the monthly aged analysis report. The Director of Corporate Services is responsible for the credit control function of all outstanding trade debtors. Debts which are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the Council will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions. The credit risk is the carrying amount at the balance date net of any allowance for impairment. No interest is earned on trade debtors. Sales are made on 30 day terms.

- **Other debts**

  The Council is exposed to various concentrations of credit risk through other debts (other than statutory debts) receivable from Local Aboriginal Land Councils. These debts were incurred as a result of the payment of minor loans and advances repayable within a short period of time. Credit risk exposure is reported in the monthly aged analysis report. The Director of Corporate Services, in conjunction with Zone Directors, is responsible for the collection of debts due from Local Aboriginal Land Councils. The counterparty risk that arises from mortgage loans is considered to be not significant. The amounts due were reviewed on an individual basis and provision made for any impairment.

(iii) Investments

The Council limits its exposure to credit risks by investing in banks by direct deposits, equities and in unit trusts with fund managers whose portfolio of investments are within the risk limits disclosed by the fund managers in the offer documents of their trusts. This risk is monitored by our investment consultant. The selection of asset classes into which the Council invests is researched and recommended by the Council’s investment consultant. The investment consultant provides a periodic review of all credit risks relating to different asset classes of investment and monitors the value of investments held as per the benchmark stated in the Investment Policy. This research takes into account such matters as counterparty and credit risk. The Council’s investments, as disclosed in note 24, are managed by the Council in conjunction with its approved investment consultant and are not guaranteed from credit risk.
The Council has placed funds on deposit with a commercial bank with the highest rating for a fixed term. It monitors the financial stability of the bank to determine any credit risk that might affect the Council by reviewing its Annual Reports and other financial publications. For fixed term deposits, the interest rate payable by the bank is negotiated initially and is fixed for the term of the deposit.

(b) Liquidity Risk

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The Council continuously manages the risk through monitoring and planning future cash flows and (maturities planning) to ensure adequate holding of liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of appropriate investment strategies.

The liquidity risk that might arise from various classes of financial assets held by the Council and its management is explained under the credit risk of each class of financial asset.

The only line of credit the Council has is a corporate card facility of $300K with the National Australia Bank.

During current and prior years, there were no defaults or breaches on any amounts payable to creditors. No assets have been pledged as collateral. The Council’s exposure to liquidity risk is deemed insignificant based on prior periods’ data and a current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer’s Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer’s Direction 219.01 allows the Minister to award interest for late payment. No interest was paid during the year.

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the income or value of the holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within in acceptable parameters, while optimising the return.

The Council’s exposures to market risk are as follows:

- Growth: the depth and length of the global economic downturn, and its impact on the investments held by the Council
- Systematic risk: liquidity and counterparty risks in financial markets
- Lack of Corporate Governance: Universal lack of corporate governance leads to fraud and bankruptcies.

The Council manages its market risk exposure by construction of risk framework that quantifies the risks in the portfolio and the probable outcomes from the portfolio given different events.

(i) Currency Risk

The Council has direct exposure to foreign currency risk by investing into funds denominated in foreign currencies. In addition, the Council is also exposed to indirect foreign currency risk by the depositing of its funds in international investments by its fund managers. It also has some foreign currency exposure when foreign currency funds are held by the transitional custodian. Investment in foreign currency and foreign currency funds held by the transitional custodian are comprehensively monitored.

The Council has adopted a policy to hedge the risk on currency exposures for its international equity investments by entering foreign exchange contracts. The Council’s Banker, the National Australia Bank, reviews the funds where the Council has international equity investments. They are then benchmarked against the MSCI World ex Australia weightings to determine the currency composition. A decision was
endorsed by the Council’s Investment Consultant along with the Chief Investment Officer. The Council track its exposure on a daily basis, making the hedge results more transparent.

(ii) Interest rate risk

Exposure to interest rate risk arises primarily through the Council’s term deposits and fixed income unit trust investment that have marked to market exposure. The Council accounts for any fixed rate financial instruments at fair value through profit or loss. Therefore, for these financial instruments, a change in interest rates would affect the profit and loss and equity. A reasonable possible change of rate provided by investment advisors is used, consistent with current trends in interest rates. This is reviewed quarterly and amended where there is a structural change in the level of interest rate volatility.

The interest rate risk in respect of corporate card facility is considered to be negligible.

(iii) Other price risk

Exposure to ‘other price risk’ primarily arises through investments with fund managers that are held for strategic rather than trading purposes. Investments within the portfolio are managed on an individual basis and all buy and sell decisions are recommended by the Investment Committee for the approval of the Council. The primary goal of the Council’s investment strategy is to maximise investment returns in order to meet Council’s operating expenses and preserve the funds. Management is assisted by external advisors in this regard. In accordance with this strategy, investments are designated at fair value through the profit and loss because their performance is actively monitored and they are managed on a fair value basis.

In 2009, the Council entered into a Grower Co-Production (GCP) contract to maximise their agricultural production and seek options to mitigate production risks. Any reduction in prices for agricultural produce is mitigated by this contract.

(d) Operational risk

The Council manages its operational risk as part of the risk management strategy. Operational risk is the direct and indirect losses arising from a wide variety of causes associated with the Council’s processes, personnel, technology, legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risk arises from all of the Council’s operations.

The Council’s objective is to manage operational risk so as to balance the avoidance of financial losses and damages to the Council’s reputation with overall cost effectiveness and to avoid control procedures that restricts initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. The responsibility is supported by the development of standards, policies and procedures in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions
- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and legal requirements
- Documentation of controls and procedures
- Requirements for the periodic reporting to senior management, relevant committees and Councillors.
- Training and professional development
- Risk mitigation, including insurance where this is effective.

Compliance with established standards, policies and procedures is supported by a program of periodic review undertaken by Internal Audit. The results of the internal audit reviews are discussed with management of the business unit to which they relate, with reports submitted to Senior Management, the Audit Committee and the Council.
6. CAPITAL MANAGEMENT

As per the legislative requirement, the Council has to maintain its capital value of $485,340,000. The Council monitors its return on investments and operating expenditure to maintain its capital value.

It has developed two key strategies for its capital management:

a) Strategic Asset Allocation - to generate revenue and mitigate risks relate to investments.

b) Drawdown Rule - to control operating expenditure.

The Minister for Aboriginal Affairs supports the Drawdown Rule developed by the Council. These strategies have been implemented and are closely monitored by the Council to maintain the capital value.

The Drawdown Rule is based on the following key elements:

- Previous drawdown
- Average asset value
- Long term spending rate

This rule was adopted on advice from the Council’s former investment advisor, Towers Watson Australia Pty Ltd. The annual expected future draw down is equal to 70% draw down in previous year and 30% of the average asset value in previous year times the long-term spending rate. Therefore, the projected maximum drawdown for expenditure is 6.63% of the investment balance in 2013-14 (5.85% of the investment balance in 2012-13). The draw down is projected to be reduced progressively from 4.4% to 4% over the next 3 years.
### 7. Sale of Goods and Services

<table>
<thead>
<tr>
<th>Service</th>
<th>2013 $'000</th>
<th>2012 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Properties Crop and Cattle Sales</td>
<td>1,985</td>
<td>721</td>
</tr>
<tr>
<td>Tracker Advertising Income</td>
<td>296</td>
<td>298</td>
</tr>
<tr>
<td>Tracker Subscriptions Income</td>
<td>19</td>
<td>37</td>
</tr>
<tr>
<td>K2 Greenies Project</td>
<td>244</td>
<td>274</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,544</strong></td>
<td><strong>1,329</strong></td>
</tr>
</tbody>
</table>

### 8. Investment Revenue

<table>
<thead>
<tr>
<th>Source</th>
<th>2013 $'000</th>
<th>2012 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>238</td>
<td>182</td>
</tr>
<tr>
<td>Dividends</td>
<td>15,731</td>
<td>28,208</td>
</tr>
<tr>
<td>Realised Gains/(Losses)</td>
<td>296</td>
<td>(13,091)</td>
</tr>
<tr>
<td>Realised Foreign Exchange Gains/(Losses)</td>
<td>-</td>
<td>53</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16,265</strong></td>
<td><strong>15,352</strong></td>
</tr>
</tbody>
</table>

### 9. Grants and Contributions

<table>
<thead>
<tr>
<th>Source</th>
<th>2013 $'000</th>
<th>2012 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Alive</td>
<td>-</td>
<td>148</td>
</tr>
<tr>
<td>Funeral Assistance</td>
<td>25</td>
<td>200</td>
</tr>
<tr>
<td>Walgett Repair and Maintenance</td>
<td>9</td>
<td>160</td>
</tr>
<tr>
<td>The Estate of Samuel Chandler</td>
<td>-</td>
<td>176</td>
</tr>
<tr>
<td>Subdivision - Restricted Use</td>
<td>2,931</td>
<td>348</td>
</tr>
<tr>
<td>Other</td>
<td>143</td>
<td>179</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,107</strong></td>
<td><strong>1,211</strong></td>
</tr>
</tbody>
</table>

### 10. Other Revenue

<table>
<thead>
<tr>
<th>Source</th>
<th>2013 $'000</th>
<th>2012 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental Income</td>
<td>1,162</td>
<td>1,294</td>
</tr>
<tr>
<td>Rural Properties Other Income</td>
<td>106</td>
<td>114</td>
</tr>
<tr>
<td>Investment Managers Fees Rebates</td>
<td>778</td>
<td>521</td>
</tr>
<tr>
<td>Movement in Impairment</td>
<td>625</td>
<td>338</td>
</tr>
<tr>
<td>Legal Expenses Recovered</td>
<td>265</td>
<td>173</td>
</tr>
<tr>
<td>Assets Received at Nil Consideration</td>
<td>-</td>
<td>1,378</td>
</tr>
<tr>
<td>Refund from Charities Aid Foundation (CAF)</td>
<td>39</td>
<td>480</td>
</tr>
<tr>
<td>Other</td>
<td>442</td>
<td>279</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,416</strong></td>
<td><strong>4,577</strong></td>
</tr>
</tbody>
</table>

### 11. Gain/(Loss) on Disposal of Property, Plant and Equipment

<table>
<thead>
<tr>
<th>Source</th>
<th>Land $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 Proceeds from Disposal</td>
<td>184</td>
<td>184</td>
</tr>
<tr>
<td>2013 Written Down Value of Assets Disposed</td>
<td>(151)</td>
<td>(151)</td>
</tr>
<tr>
<td>2013 Net Gain/(Loss) on Disposal</td>
<td>33</td>
<td>33</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Source</th>
<th>Land $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 Proceeds from Disposal</td>
<td>86</td>
<td>86</td>
</tr>
<tr>
<td>2012 Written Down Value of Assets Disposed</td>
<td>(55)</td>
<td>(55)</td>
</tr>
<tr>
<td>2012 Net Gain/(Loss) on Disposal</td>
<td>31</td>
<td>31</td>
</tr>
</tbody>
</table>
### 12. OTHER GAINS/(LOSSES)

<table>
<thead>
<tr>
<th>Changes in Fair Value of Investments</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net change in fair value of Hedge Instrument</td>
<td>(1,876)</td>
<td>1,251</td>
</tr>
<tr>
<td>Net change in fair value of Financial Assets classified as held for trading</td>
<td>70,573</td>
<td>3,605</td>
</tr>
<tr>
<td>Impairment of SEFA investment</td>
<td>-</td>
<td>(1,000)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>68,698</strong></td>
<td><strong>3,855</strong></td>
</tr>
</tbody>
</table>

### 13. EMPLOYEE RELATED EXPENSES

<table>
<thead>
<tr>
<th>Expense Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages (Including Recreation Leave)</td>
<td>10,747</td>
<td>10,049</td>
</tr>
<tr>
<td>Superannuation - Defined Contribution Plans</td>
<td>959</td>
<td>897</td>
</tr>
<tr>
<td>Leave Expenses</td>
<td>1,130</td>
<td>979</td>
</tr>
<tr>
<td>Workers' Compensation Insurance</td>
<td>435</td>
<td>269</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13,271</strong></td>
<td><strong>12,193</strong></td>
</tr>
</tbody>
</table>

### 14. FUNDING TO LOCAL ABORIGINAL LAND COUNCILS

<table>
<thead>
<tr>
<th>Funding Type</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully Funded</td>
<td>12,740</td>
<td>12,559</td>
</tr>
<tr>
<td>Partially Funded</td>
<td>911</td>
<td>1,205</td>
</tr>
<tr>
<td>Essential Expenses Paid for LALCs</td>
<td>716</td>
<td>654</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,367</strong></td>
<td><strong>14,418</strong></td>
</tr>
</tbody>
</table>

### 15. GRANTS

<table>
<thead>
<tr>
<th>Grant Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funeral Assistance</td>
<td>841</td>
<td>986</td>
</tr>
<tr>
<td>Education Assistance</td>
<td>-</td>
<td>234</td>
</tr>
<tr>
<td>Community Development Levy</td>
<td>100</td>
<td>748</td>
</tr>
<tr>
<td>Properties Transferred to LALCs</td>
<td>86</td>
<td>522</td>
</tr>
<tr>
<td>Others</td>
<td>859</td>
<td>82</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,886</strong></td>
<td><strong>2,572</strong></td>
</tr>
</tbody>
</table>
16. OTHER OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Expense Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Fees - The Audit Office of NSW</td>
<td>175</td>
<td>190</td>
</tr>
<tr>
<td>Audit Fees - Internal Auditor and Investigator</td>
<td>300</td>
<td>180</td>
</tr>
<tr>
<td>Consultants Fees</td>
<td>871</td>
<td>632</td>
</tr>
<tr>
<td>Enterprise and Farm Expenses</td>
<td>1,455</td>
<td>898</td>
</tr>
<tr>
<td>Motor Vehicle Expenses</td>
<td>594</td>
<td>741</td>
</tr>
<tr>
<td>Maintenance Expenses*</td>
<td>375</td>
<td>471</td>
</tr>
<tr>
<td>Travel Expenses and Meal Allowances</td>
<td>904</td>
<td>928</td>
</tr>
<tr>
<td>Councillor Election Costs</td>
<td>-</td>
<td>524</td>
</tr>
<tr>
<td>Insurance</td>
<td>453</td>
<td>487</td>
</tr>
<tr>
<td>Rent and Outgoings</td>
<td>628</td>
<td>764</td>
</tr>
<tr>
<td>Postage, Printing and Stationery</td>
<td>348</td>
<td>533</td>
</tr>
<tr>
<td>Contractor Fees</td>
<td>325</td>
<td>342</td>
</tr>
<tr>
<td>Electricity, Gas &amp; Power</td>
<td>278</td>
<td>208</td>
</tr>
<tr>
<td>Telephone &amp; Communications</td>
<td>218</td>
<td>377</td>
</tr>
<tr>
<td>Statewide Conference Expenses</td>
<td>457</td>
<td>-</td>
</tr>
<tr>
<td>Leased Property Other Expenses</td>
<td>147</td>
<td>148</td>
</tr>
<tr>
<td>IT Related Expenses</td>
<td>159</td>
<td>178</td>
</tr>
<tr>
<td>Photocopying Expenses</td>
<td>187</td>
<td>122</td>
</tr>
<tr>
<td>Staff Training, Development and Recruitment</td>
<td>109</td>
<td>124</td>
</tr>
<tr>
<td>Miscellaneous Expenses</td>
<td>813</td>
<td>972</td>
</tr>
<tr>
<td>Total Other Operating Expenses</td>
<td>8,798</td>
<td>8,819</td>
</tr>
</tbody>
</table>

* All maintenance work carried out by the external contractors and there is no employee related expenses included.

17. PROGRAM EXPENSES

<table>
<thead>
<tr>
<th>Expense Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of Contribution to Water and Sewerage Infrastructure Program*</td>
<td>1,700</td>
<td>1,746</td>
</tr>
<tr>
<td>Repair and Maintenance Project**</td>
<td>6</td>
<td>159</td>
</tr>
<tr>
<td>Subdivision Project***</td>
<td>994</td>
<td>347</td>
</tr>
<tr>
<td>Other Program Expenses</td>
<td>20</td>
<td>-</td>
</tr>
<tr>
<td>Total Program Expenses</td>
<td>2,720</td>
<td>2,252</td>
</tr>
</tbody>
</table>

Note:

*The Council paid 50% share of its contribution in relation to operation, maintenance and monitoring of water and sewerage services for Aboriginal Communities. The payment was made to the New South Wales Office of Water who manages the project as per the agreement between New South Wales State Government and the Council.

**The Council received grants from the Commonwealth Government by entering into a Program Funding Agreement with the Department of Families, Housing, Community Services and Indigenous Affairs to undertake a repairs and maintenance project on seventy homes owned by the Walgett Local Aboriginal Land Council. The Council manages this through appointing Arup Pty Ltd as the project consultant and Max Ryan Buildings Pty Ltd as a contractor. The project was completed in 2011-12 financial year.

***In 2008, NSWALC and the Commonwealth entered into a partnership agreement to facilitate subdivision of former Aboriginal reserves in NSW. The pilot and research phase completed in 2010. After obtaining agreement with LALCs in the area, Stage 2 of the project which includes 13 ex-reserve sites to be subdivided through a standard Development Application (DA) process.
### 18. CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at Bank and in Hand</td>
<td>5,703</td>
<td>6,023</td>
</tr>
<tr>
<td>Funeral Fund - Cash at Bank</td>
<td>314</td>
<td>304</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,017</td>
<td>6,326</td>
</tr>
</tbody>
</table>

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short-term deposits. Also, include cash and cash equivalents under Restricted Assets (Refer to Note 19).

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows.

### 19. RESTRICTED ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subdivision Project - Cash at Bank</td>
<td>3,170</td>
<td>-</td>
</tr>
<tr>
<td>Community Development Levy - Cash at Bank</td>
<td>1,386</td>
<td>632</td>
</tr>
<tr>
<td>Wallung Trust - Cash at Bank</td>
<td>63</td>
<td>614</td>
</tr>
<tr>
<td>Wallung Trust - Property*</td>
<td>360</td>
<td>360</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,979</td>
<td>1,606</td>
</tr>
</tbody>
</table>

*The Council has resolved to dispose the property at 54 Belgrave Street Kempsey and to distribute the proceeds equally to the eight LALCs within the region. The depreciation expenses of the property have been adjusted in the Council's accounts.

### 20. RECEIVABLES

#### a) Current

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Debtors</td>
<td>901</td>
<td>716</td>
</tr>
<tr>
<td>Statutory Debts (Local Aboriginal Land Council)</td>
<td>248</td>
<td>161</td>
</tr>
<tr>
<td>Prepayments</td>
<td>325</td>
<td>437</td>
</tr>
<tr>
<td>Franking Credit Rebates</td>
<td>1,028</td>
<td>1,006</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,501</td>
<td>2,320</td>
</tr>
<tr>
<td>Less: Allowance for Impairment</td>
<td>(2)</td>
<td>(13)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,499</td>
<td>2,307</td>
</tr>
</tbody>
</table>

#### b) Non-Current

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory Debts (Local Aboriginal Land Council)</td>
<td>3,061</td>
<td>5,764</td>
</tr>
<tr>
<td>Loans on Demand (Local Aboriginal Land Council)</td>
<td>266</td>
<td>276</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,327</td>
<td>6,041</td>
</tr>
<tr>
<td>Less: Allowance for Impairment</td>
<td>(2,976)</td>
<td>(4,599)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>351</td>
<td>1,441</td>
</tr>
</tbody>
</table>

#### Movement in the allowance for impairment

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July</td>
<td>4,613</td>
<td>5,082</td>
</tr>
<tr>
<td>Amounts written off during the year</td>
<td>(1,649)</td>
<td>(156)</td>
</tr>
<tr>
<td>Increase in allowance recognised in Statement of Comprehensive Income</td>
<td>638</td>
<td>25</td>
</tr>
<tr>
<td>Decrease in allowance recognised in Other Revenue</td>
<td>(625)</td>
<td>(338)</td>
</tr>
<tr>
<td><strong>Total Balance at 30 June</strong></td>
<td>2,978</td>
<td>4,613</td>
</tr>
</tbody>
</table>

**Represented by:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>2</td>
<td>13</td>
</tr>
<tr>
<td>Non-Current</td>
<td>2,976</td>
<td>4,599</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,978</td>
<td>4,613</td>
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</table>
21. **BIOLOGICAL ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2013 $’000</th>
<th>2012 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livestock</td>
<td>275</td>
<td>122</td>
</tr>
<tr>
<td>Grain and Other Rural Stock</td>
<td>105</td>
<td>234</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>380</strong></td>
<td><strong>356</strong></td>
</tr>
</tbody>
</table>

**Reconciliation of carrying amounts of livestock**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 $’000</th>
<th>2012 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying Amount at 1 July</td>
<td>122</td>
<td>574</td>
</tr>
<tr>
<td>Increases due to Purchases</td>
<td>773</td>
<td>170</td>
</tr>
<tr>
<td>Decrease due to Sales</td>
<td>(620)</td>
<td>(622)</td>
</tr>
<tr>
<td><strong>Carrying amount at 30 June</strong></td>
<td><strong>275</strong></td>
<td><strong>122</strong></td>
</tr>
</tbody>
</table>

22. **FINANCIAL ASSETS AT FAIR VALUE**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 $’000</th>
<th>2012 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Fixed Income</td>
<td>54,667</td>
<td>56,063</td>
</tr>
<tr>
<td>Australian Equities</td>
<td>69,284</td>
<td>59,760</td>
</tr>
<tr>
<td>International Equities</td>
<td>189,545</td>
<td>148,068</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>29,739</td>
<td>27,464</td>
</tr>
<tr>
<td>Global Listed Property Trusts</td>
<td>28,940</td>
<td>29,227</td>
</tr>
<tr>
<td>Hedge Fund</td>
<td>90,141</td>
<td>83,314</td>
</tr>
<tr>
<td>International Fixed Income</td>
<td>39,492</td>
<td>41,320</td>
</tr>
<tr>
<td>Absolute Return Funds</td>
<td>30,655</td>
<td>32,714</td>
</tr>
<tr>
<td>Inflation - Linked Bond</td>
<td>38,705</td>
<td>39,452</td>
</tr>
<tr>
<td>Cash Fund</td>
<td>6,820</td>
<td>12,716</td>
</tr>
<tr>
<td>Term Deposits</td>
<td>65</td>
<td>87</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>578,053</strong></td>
<td><strong>530,186</strong></td>
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</tbody>
</table>

23. **DERIVATIVES**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 $’000</th>
<th>2012 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign Currency Forward Contracts</td>
<td>41,192</td>
<td>35,199</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41,192</strong></td>
<td><strong>35,199</strong></td>
</tr>
</tbody>
</table>

24. **OTHER ASSETS**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 $’000</th>
<th>2012 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superannuation Assets</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13</strong></td>
<td><strong>12</strong></td>
</tr>
</tbody>
</table>

25. **OTHER FINANCIAL ASSETS**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 $’000</th>
<th>2012 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgages</td>
<td>397</td>
<td>377</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>397</strong></td>
<td><strong>377</strong></td>
</tr>
</tbody>
</table>
### 26. PROPERTY, PLANT AND EQUIPMENT

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Building</th>
<th>Plant and Equipment</th>
<th>Motor Vehicle</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>At 1 July 2012 - fair value</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross carrying amount</td>
<td>32,146</td>
<td>14,286</td>
<td>3,750</td>
<td>215</td>
<td>50,397</td>
</tr>
<tr>
<td>Accumulated depreciation and impairment</td>
<td>-</td>
<td>(2,249)</td>
<td>(3,277)</td>
<td>(200)</td>
<td>(5,727)</td>
</tr>
<tr>
<td><strong>Net Carrying Amount</strong></td>
<td>32,146</td>
<td>12,037</td>
<td>473</td>
<td>15</td>
<td>44,670</td>
</tr>
<tr>
<td><strong>At 30 June 2013 - fair value</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross carrying amount</td>
<td>31,954</td>
<td>14,222</td>
<td>3,673</td>
<td>215</td>
<td>50,064</td>
</tr>
<tr>
<td>Accumulated depreciation and impairment</td>
<td>-</td>
<td>(2,941)</td>
<td>(3,514)</td>
<td>(213)</td>
<td>(6,668)</td>
</tr>
<tr>
<td><strong>Net Carrying Amount</strong></td>
<td>31,954</td>
<td>11,281</td>
<td>159</td>
<td>2</td>
<td>43,396</td>
</tr>
</tbody>
</table>

#### Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Building</th>
<th>Plant and Equipment</th>
<th>Motor Vehicle</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Year ended 30 June 2013</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at 1 July 2012</td>
<td>32,146</td>
<td>12,037</td>
<td>473</td>
<td>15</td>
<td>44,670</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>11</td>
<td>-</td>
<td>11</td>
</tr>
<tr>
<td>Disposal</td>
<td>(120)</td>
<td>(25)</td>
<td>(6)</td>
<td>-</td>
<td>(151)</td>
</tr>
<tr>
<td>Transfer to LALCs</td>
<td>(72)</td>
<td>(14)</td>
<td>-</td>
<td>-</td>
<td>(86)</td>
</tr>
<tr>
<td>Write off</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>-</td>
<td>(716)</td>
<td>(319)</td>
<td>(12)</td>
<td>(1,048)</td>
</tr>
<tr>
<td><strong>Net Carrying Amount at 30 June 2013</strong></td>
<td>31,954</td>
<td>11,281</td>
<td>159</td>
<td>2</td>
<td>43,396</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Building</th>
<th>Plant and Equipment</th>
<th>Motor Vehicle</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>At 1 July 2011 - fair value</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross carrying amount</td>
<td>31,490</td>
<td>14,506</td>
<td>3,691</td>
<td>215</td>
<td>49,902</td>
</tr>
<tr>
<td>Accumulated depreciation and impairment</td>
<td>-</td>
<td>(1,506)</td>
<td>(2,866)</td>
<td>(182)</td>
<td>(4,553)</td>
</tr>
<tr>
<td><strong>Net Carrying Amount</strong></td>
<td>31,490</td>
<td>13,000</td>
<td>825</td>
<td>33</td>
<td>45,348</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Building</th>
<th>Plant and Equipment</th>
<th>Motor Vehicle</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>At 30 June 2012 - fair value</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross carrying amount</td>
<td>32,146</td>
<td>14,286</td>
<td>3,750</td>
<td>215</td>
<td>50,397</td>
</tr>
<tr>
<td>Accumulated depreciation and impairment</td>
<td>-</td>
<td>(2,249)</td>
<td>(3,277)</td>
<td>(200)</td>
<td>(5,727)</td>
</tr>
<tr>
<td><strong>Net Carrying Amount</strong></td>
<td>32,146</td>
<td>12,037</td>
<td>473</td>
<td>15</td>
<td>44,670</td>
</tr>
</tbody>
</table>
Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Building</th>
<th>Plant and Equipment</th>
<th>Motor Vehicle</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Year ended 30 June 2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at 1 July 2011</td>
<td>31,490</td>
<td>13,000</td>
<td>825</td>
<td>33</td>
<td>45,348</td>
</tr>
<tr>
<td>Additions</td>
<td>1,378</td>
<td>81</td>
<td></td>
<td></td>
<td>1,459</td>
</tr>
<tr>
<td>Disposal</td>
<td>(55)</td>
<td>(55)</td>
<td></td>
<td></td>
<td>(110)</td>
</tr>
<tr>
<td>Transfer to Restricted Assets - Wallung Trust</td>
<td>(150)</td>
<td>(210)</td>
<td>(360)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to LALCs</td>
<td>(517)</td>
<td>(5)</td>
<td></td>
<td></td>
<td>(522)</td>
</tr>
<tr>
<td>Write off</td>
<td>(462)</td>
<td>(462)</td>
<td></td>
<td></td>
<td>(1)</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(749)</td>
<td>(433)</td>
<td>(19)</td>
<td></td>
<td>(1,201)</td>
</tr>
<tr>
<td>Net Carrying Amount at 30 June 2012</td>
<td>32,146</td>
<td>12,037</td>
<td>473</td>
<td>15</td>
<td>44,670</td>
</tr>
</tbody>
</table>

27. INTANGIBLE ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross carrying amount</td>
<td>1,637</td>
<td>1,540</td>
</tr>
<tr>
<td>Accumulated amortisation and impairment</td>
<td>(1,267)</td>
<td>(1,034)</td>
</tr>
<tr>
<td>Work in progress of software development</td>
<td>-</td>
<td>62</td>
</tr>
<tr>
<td>Carrying amount</td>
<td>370</td>
<td>568</td>
</tr>
</tbody>
</table>

Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net carrying amount at 1 July</td>
<td>507</td>
</tr>
<tr>
<td>Additions</td>
<td>97</td>
</tr>
<tr>
<td>Amortisation</td>
<td>(234)</td>
</tr>
<tr>
<td>Net carrying amount at 30 June</td>
<td>370</td>
</tr>
<tr>
<td>Work in progress of software development</td>
<td>-</td>
</tr>
<tr>
<td>Carrying amount at 30 June</td>
<td>370</td>
</tr>
</tbody>
</table>

28. ARTEFACTS

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying value at 1 July</td>
<td>634</td>
</tr>
<tr>
<td>Carrying value at 30 June</td>
<td>634</td>
</tr>
</tbody>
</table>

Artefacts were revalued on the 7th of November 2009 by an independent specialised valuer. There are no additions and write off during the year.
Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Year ended 30 June 2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at 1 July</td>
<td>31,490</td>
<td>45,348</td>
</tr>
<tr>
<td>Additions</td>
<td>1,378</td>
<td>1,459</td>
</tr>
<tr>
<td>Disposal</td>
<td>(55)</td>
<td>(55)</td>
</tr>
<tr>
<td>Transfer to Restricted Assets - Wallung Trust</td>
<td>(150)</td>
<td>(210)</td>
</tr>
<tr>
<td>Transfer to LALCs</td>
<td>(517)</td>
<td>(522)</td>
</tr>
<tr>
<td>Write off</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(749)</td>
<td>(1,201)</td>
</tr>
<tr>
<td><strong>Net Carrying Amount at 30 June 2012</strong></td>
<td><strong>32,146</strong></td>
<td><strong>44,670</strong></td>
</tr>
</tbody>
</table>

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

### 27. INTANGIBLE ASSETS

#### 2013 2012

<table>
<thead>
<tr>
<th></th>
<th>$'000</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross carrying amount</td>
<td>1,637</td>
<td>1,540</td>
</tr>
<tr>
<td>Accumulated amortisation and impairment</td>
<td>(1,267)</td>
<td>(1,034)</td>
</tr>
<tr>
<td>Work in progress of software development</td>
<td>62</td>
<td></td>
</tr>
<tr>
<td><strong>Carrying amount</strong></td>
<td>370</td>
<td>568</td>
</tr>
</tbody>
</table>

#### 28. ARTEFACTS

- Carrying value at 1 July: 634
- Carrying value at 30 June: 634

Artefacts were revalued on the 7th of November 2009 by an independent specialised valuer. There are no additions and write off during the year.

### 29. PAYABLES

- Accrued Salaries, Wages and On-Costs: 329
- Creditors: 1,816
- Community Development Levy: 1,386
- Funeral Fund - Refundable Contributions: 314
- Unexpended Grants: -

#### 2013 2012

<table>
<thead>
<tr>
<th></th>
<th>$'000</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued Salaries, Wages and On-Costs</td>
<td>329</td>
<td>316</td>
</tr>
<tr>
<td>Creditors</td>
<td>1,816</td>
<td>2,815</td>
</tr>
<tr>
<td>Community Development Levy</td>
<td>1,386</td>
<td>889</td>
</tr>
<tr>
<td>Funeral Fund - Refundable Contributions</td>
<td>314</td>
<td>304</td>
</tr>
<tr>
<td>Unexpended Grants</td>
<td>-</td>
<td>2,931</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,846</strong></td>
<td><strong>7,255</strong></td>
</tr>
</tbody>
</table>

### 30. DERIVATIVES

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign Currency Forward Contracts</td>
<td>43,068</td>
<td>33,948</td>
</tr>
</tbody>
</table>

### 31. PROVISIONS

#### Current

**Current Employee benefits and related on-costs**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for Annual Leave-Short Term</td>
<td>726</td>
<td>686</td>
</tr>
<tr>
<td>Provision for Long Service Leave - Short Term</td>
<td>91</td>
<td>99</td>
</tr>
<tr>
<td>Provision for Annual Leave-Long Term</td>
<td>401</td>
<td>385</td>
</tr>
<tr>
<td>Provision for Long Service Leave - Long Term</td>
<td>382</td>
<td>276</td>
</tr>
<tr>
<td>Provision for Unfunded Superannuation (refer to Note 31(a))</td>
<td>404</td>
<td>566</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,004</strong></td>
<td><strong>2,012</strong></td>
</tr>
</tbody>
</table>

#### Non-Current

**Non-Current Employee Benefits**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for Long Service Leave</td>
<td>552</td>
<td>320</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>552</strong></td>
<td><strong>320</strong></td>
</tr>
</tbody>
</table>

**Other Non-Current Provisions**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for Make-Good</td>
<td>123</td>
<td>108</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>123</strong></td>
<td><strong>108</strong></td>
</tr>
</tbody>
</table>

**Aggregate Employee Benefits and Related On-Costs**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provisions - Current</td>
<td>2,004</td>
<td>2,012</td>
</tr>
<tr>
<td>Provisions - Non Current</td>
<td>552</td>
<td>320</td>
</tr>
<tr>
<td>Accrued Salaries and Wages (refer to Note 29)</td>
<td>329</td>
<td>316</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,885</strong></td>
<td><strong>2,648</strong></td>
</tr>
</tbody>
</table>

#### Movements in provisions (other than employee benefits)

Movements in each class of provision during the financial year, other than employee benefits are set out below:

**Provision for Make-Good**

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount at 1 July</td>
<td>108</td>
<td>56</td>
</tr>
<tr>
<td>Additional Provisions Recognised</td>
<td>15</td>
<td>52</td>
</tr>
<tr>
<td><strong>Carrying amount at 30 June</strong></td>
<td><strong>123</strong></td>
<td><strong>108</strong></td>
</tr>
</tbody>
</table>

Provision for make-good has been provided for the leased offices by the Council at the end of the lease terms.
(a) Defined Benefit Superannuation

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. All the Schemes are closed to new members.

<table>
<thead>
<tr>
<th>Reconciliation of the present value of the defined benefit obligation</th>
<th>SANCS 30-Jun-13 $'000</th>
<th>SSS 30-Jun-13 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present value of partly funded defined benefit obligation at beginning of the year</td>
<td>- 1,259</td>
<td></td>
</tr>
<tr>
<td>Interest cost</td>
<td>- 38</td>
<td></td>
</tr>
<tr>
<td>Actuarial (gains)/losses</td>
<td>- (84)</td>
<td></td>
</tr>
<tr>
<td>Benefits paid</td>
<td>- (39)</td>
<td></td>
</tr>
<tr>
<td>Present value of partly funded defined benefit obligation at end of the year</td>
<td>- 1,173</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reconciliation of the fair value of Fund assets</th>
<th>SANCS 30-Jun-13 $'000</th>
<th>SSS 30-Jun-13 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value of Fund assets at beginning of the year</td>
<td>12 693</td>
<td></td>
</tr>
<tr>
<td>Expected return on Fund assets</td>
<td>1 57</td>
<td></td>
</tr>
<tr>
<td>Actuarial gains/(losses)</td>
<td>1 58</td>
<td></td>
</tr>
<tr>
<td>Benefits paid</td>
<td>- (39)</td>
<td></td>
</tr>
<tr>
<td>Fair value of Fund assets at end of the year</td>
<td>13 769</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reconciliation of the assets and liabilities recognised in Statement of Financial Position</th>
<th>SANCS 30-Jun-13 $'000</th>
<th>SSS 30-Jun-13 $'000</th>
<th>Total 30-Jun-13 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present value of partly funded defined benefit obligation at end of year</td>
<td>- 1,173</td>
<td>1,173</td>
<td></td>
</tr>
<tr>
<td>Fair value of Fund assets at end of year</td>
<td>(12) (769)</td>
<td>(780)</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>(12) 404</td>
<td>393</td>
<td></td>
</tr>
<tr>
<td>Net liability/(Asset) recognised in balance sheet at end of year</td>
<td>(12) 404</td>
<td>393</td>
<td></td>
</tr>
</tbody>
</table>
NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2013

Expense recognised in Statement of Comprehensive Income

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest cost</td>
<td>-</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>Expected return on Fund assets (net of expenses)</td>
<td>(1)</td>
<td>(57)</td>
<td>(58)</td>
</tr>
<tr>
<td>Expense/(income) recognised</td>
<td>(1)</td>
<td>(20)</td>
<td>(21)</td>
</tr>
</tbody>
</table>

Amounts recognised in other comprehensive income

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest cost</td>
<td>-</td>
<td>(38)</td>
<td>(38)</td>
</tr>
<tr>
<td>Expected return on Fund assets (net of expenses)</td>
<td>(1)</td>
<td>(57)</td>
<td>(58)</td>
</tr>
<tr>
<td>Expense/(income) recognised</td>
<td>(1)</td>
<td>(20)</td>
<td>(21)</td>
</tr>
</tbody>
</table>

32. COMMITMENTS FOR EXPENDITURE

Operating Lease Commitments

<table>
<thead>
<tr>
<th>Future Non-Cancellable Operating Lease Rentals not Provided for and Payable:</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Later Than One Year</td>
<td>654</td>
<td>84</td>
</tr>
<tr>
<td>Later Than One Year and Not Later Than Five Years</td>
<td>581</td>
<td>586</td>
</tr>
<tr>
<td>Total (Including GST)</td>
<td>1,235</td>
<td>670</td>
</tr>
</tbody>
</table>

GST of $112K ($61K 2011-2012) has been included in the total above.

Operating Lease Commitments:

These operating leases are not recognised in the financial statements as liabilities. The figure for operating lease does not include the residual value that may lead to a potential liability at the end of the lease term depending on the movement in the market value for motor vehicles.

33. CONTINGENT LIABILITIES

(a) Contingent liabilities

<table>
<thead>
<tr>
<th>Legal Claims</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>850</td>
</tr>
</tbody>
</table>

There is no known contingent liability as at the balanced date.
34. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET SURPLUS

<table>
<thead>
<tr>
<th></th>
<th>2013 $'000</th>
<th>2012 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Surplus/(Deficit) from Ordinary Activities</td>
<td>48,507</td>
<td>(17,744)</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>(16,805)</td>
<td>(15,170)</td>
</tr>
<tr>
<td>Unrealised gains</td>
<td>(68,698)</td>
<td>(4,855)</td>
</tr>
<tr>
<td>Impairment of SEFA investment</td>
<td>-</td>
<td>1,000</td>
</tr>
<tr>
<td>Depreciation &amp; amortisation</td>
<td>1,282</td>
<td>1,512</td>
</tr>
<tr>
<td>Allowance for impairment</td>
<td>1,045</td>
<td>568</td>
</tr>
<tr>
<td>Land claims at fair value</td>
<td>-</td>
<td>(1,378)</td>
</tr>
<tr>
<td>Superannuation actuarial (gain)/loss directly charged to accumulated funds</td>
<td>(21)</td>
<td>(15)</td>
</tr>
<tr>
<td>Non cash items adjustment - GST</td>
<td>(28)</td>
<td>(111)</td>
</tr>
<tr>
<td>Reversal of prior years impairment</td>
<td>(625)</td>
<td>(338)</td>
</tr>
<tr>
<td>(Gain)/loss on sale of non-current assets</td>
<td>(33)</td>
<td>(31)</td>
</tr>
<tr>
<td>Properties transferred at fair value</td>
<td>86</td>
<td>522</td>
</tr>
<tr>
<td>Other non cash transactions</td>
<td>(3,012)</td>
<td>(1,086)</td>
</tr>
<tr>
<td><strong>Net Cash Inflows from Ordinary Activities</strong></td>
<td><strong>(37,816)</strong></td>
<td><strong>(34,656)</strong></td>
</tr>
</tbody>
</table>

Other Changes in Assets and Liabilities in respect of Ordinary Activities

<table>
<thead>
<tr>
<th>Change Description</th>
<th>2013 $'000</th>
<th>2012 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase/ (decrease) in leave and other provisions</td>
<td>401</td>
<td>339</td>
</tr>
<tr>
<td>Increase/ (decrease) in provisions for doubtful debts</td>
<td>638</td>
<td>(131)</td>
</tr>
<tr>
<td>Decrease/ (increase) in receivables</td>
<td>(28)</td>
<td>877</td>
</tr>
<tr>
<td>Decrease/ (increase) in other financial assets</td>
<td>(20)</td>
<td>(23)</td>
</tr>
<tr>
<td>Decrease/ (increase) in prepayment</td>
<td>113</td>
<td>(285)</td>
</tr>
<tr>
<td>Increase/ (decrease) in creditors</td>
<td>(595)</td>
<td>1,366</td>
</tr>
<tr>
<td>Decrease/ (increase) in inventories</td>
<td>(24)</td>
<td>327</td>
</tr>
<tr>
<td><strong>Net Cash Inflows from Ordinary Activities</strong></td>
<td><strong>(37,816)</strong></td>
<td><strong>(34,656)</strong></td>
</tr>
</tbody>
</table>

35. LIABILITY AS TRUSTEE

The Council acts as trustee for the Gumbaynggir Tribal Aboriginal Elders Corporation.

The movement in the Trust bank account is:

<table>
<thead>
<tr>
<th></th>
<th>2013 $'000</th>
<th>2012 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance at 1 July</td>
<td>112</td>
<td>107</td>
</tr>
<tr>
<td>Add: Receipts</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>Closing balance at 30 June</td>
<td>127</td>
<td>112</td>
</tr>
</tbody>
</table>

Manager for a reserve trust (R52164)

As per the NSW Government gazette notice dated 27 January 2006 at Folio 504, the former Koompathoo Local Aboriginal Land Council (KLALC) was appointed to manage the Awaba Community Hall (R52164) Reserve Trust by the Minister for Lands as the Minister administering the Crown Lands Act 1989. The Reserve Trust was dissolved by the Minister for Regional Infrastructures and Services on 20 July 2012 listed on NSW Government Gazette No.73. There are no known risks or liabilities faced by NSWALC.
36. FINANCIAL INSTRUMENTS

The carrying amounts of the Council’s principal financial instruments are outlined below. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. During the year Council invested through a number of fund managers as recommended by the Investment Consultant.

(a) Financial Instrument categories

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>Note</th>
<th>Category</th>
<th>Carrying Amount</th>
<th>Carrying Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class:</td>
<td></td>
<td></td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>18</td>
<td>N/A</td>
<td>6,082</td>
<td>6,326</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>19</td>
<td>N/A</td>
<td>4,619</td>
<td>1,246</td>
</tr>
<tr>
<td>Receivables¹</td>
<td>20</td>
<td>Loans and receivables</td>
<td>897</td>
<td>830</td>
</tr>
<tr>
<td>Financial assets at fair value</td>
<td>22,23</td>
<td>Investment at fair value through profit or loss – classified at held for trading</td>
<td>619,180</td>
<td>565,385</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>25</td>
<td>Loans and investments not for trading</td>
<td>397</td>
<td>377</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Liabilities</th>
<th>Note</th>
<th>Category</th>
<th>Carrying Amount</th>
<th>Carrying Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class:</td>
<td></td>
<td></td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td>Payables²</td>
<td>29</td>
<td>Financial liabilities measured at amortised cost</td>
<td>3,747</td>
<td>6,904</td>
</tr>
<tr>
<td>Financial liabilities at fair value</td>
<td>30</td>
<td>Hedged instruments at fair value through profit or loss – classified at held for trading</td>
<td>43,068</td>
<td>33,948</td>
</tr>
</tbody>
</table>

Notes
1. Excludes statutory receivables and prepayments (i.e. not within the scope of AASB 7).
2. Excludes statutory payables and unearned revenue (i.e. not within the scope of AASB 7).

Fair Value Recognised in the Statement of Financial Position

The Council uses the following hierarchy for disclosing the fair value of financial instruments by valuation techniques.

Level 1 - Derived from quoted prices in active markets for identical assets
Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly
Level 3 - Derived from valuation techniques that include inputs for the asset not based on observable market data (unobservable inputs)

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>2013 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets at fair value</td>
<td>$'000's</td>
<td>$'000's</td>
<td>$'000's</td>
<td>$'000's</td>
</tr>
<tr>
<td>Managed funds</td>
<td>-</td>
<td>577,988</td>
<td>-</td>
<td>577,988</td>
</tr>
<tr>
<td>Derivatives - Assets</td>
<td>-</td>
<td>41,192</td>
<td>-</td>
<td>41,192</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>619,180</td>
<td>-</td>
<td>619,180</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial liabilities at fair value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>2013 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivatives - Liabilities</td>
<td>-</td>
<td>43,068</td>
<td>-</td>
<td>43,068</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>43,068</td>
<td>-</td>
<td>43,068</td>
</tr>
</tbody>
</table>
(b) Credit Risk

The Council’s maximum exposure to credit risk at the reporting date was:

(i) Cash

The Council has placed funds on deposit with commercial bank with the highest rating for a fixed term. For fixed term deposits, the interest rate payable by the bank is negotiated initially and is fixed for the term of the deposit. The deposits at balance date were earning an average interest rate of 3.30% (5.09% in 2011-2012), while over the year the weighted average interest rate was 3.19% (4.66% in 2011-12) on a weighted average balance during the year of $9.7M ($13.9M in 2011-12). None of these assets are past due or impaired.

(ii) Receivables – trade debtors

The only financial assets that are past due or impaired are listed below:

<table>
<thead>
<tr>
<th></th>
<th>Total¹,²</th>
<th>Past due but not impaired¹,²</th>
<th>Considered impaired¹,²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>360</td>
<td>360</td>
<td>-</td>
</tr>
<tr>
<td>&gt; 3 months overdue</td>
<td>271</td>
<td>269</td>
<td>2</td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>238</td>
<td>238</td>
<td>-</td>
</tr>
<tr>
<td>&gt; 3 months overdue</td>
<td>315</td>
<td>302</td>
<td>13</td>
</tr>
</tbody>
</table>

Notes
1. Each column in the table reports ‘gross receivables’.
2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the ‘total’ will not reconcile to the receivables total recognised in the statement of financial position.

(iii) Other Financial Assets

The only financial assets that are past due or impaired are listed below:

<table>
<thead>
<tr>
<th></th>
<th>Total¹,²</th>
<th>Past due but not impaired¹,²</th>
<th>Considered impaired¹,²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&gt; 3 months overdue</td>
<td>664</td>
<td>438</td>
<td>226</td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&gt; 3 months overdue</td>
<td>653</td>
<td>402</td>
<td>251</td>
</tr>
</tbody>
</table>

Notes
1. Each column in the table reports ‘gross receivables’.
2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the ‘total’ will not reconcile to the receivables total recognised in the statement of financial position.
(c) Liquidity risk

The table below summarises the maturity profile of the Council’s financial liabilities, together with the interest rate exposure.

<table>
<thead>
<tr>
<th>Maturity analysis and interest rate exposure of financial liabilities</th>
<th>Interest Rate Exposure</th>
<th>Maturity Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Weighted Average Effective Int. Rate</td>
<td>Nominal Amount $'000</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>-</td>
<td>3,433</td>
</tr>
<tr>
<td>Funeral Fund-Contributions Refundable</td>
<td>-</td>
<td>314</td>
</tr>
<tr>
<td>Unexpended Grants</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities at fair value</td>
<td>-</td>
<td>43,068</td>
</tr>
<tr>
<td></td>
<td></td>
<td>46,815</td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>-</td>
<td>3,668</td>
</tr>
<tr>
<td>Funeral Fund-Contributions Refundable</td>
<td>-</td>
<td>304</td>
</tr>
<tr>
<td>Unexpended Grants</td>
<td>-</td>
<td>2,931</td>
</tr>
<tr>
<td>Financial Liabilities at fair value</td>
<td>-</td>
<td>33,948</td>
</tr>
<tr>
<td></td>
<td></td>
<td>40,852</td>
</tr>
</tbody>
</table>
Market risk

(i) Currency risk

The Council has direct exposure to foreign currency by investing in International Equities. To mitigate this risk, the Council has entered into forward foreign exchange contracts with National Australia Bank. The carrying value of foreign currency exposure is AU$83.06M as at 30 June 2013. ($67.39M as at 30 June 2012).

(ii) Interest rate risk

<table>
<thead>
<tr>
<th>Year</th>
<th>Carrying Amount</th>
<th>-1% Profit</th>
<th>Equity</th>
<th>1% Profit</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash and cash equivalents</td>
<td>6,082</td>
<td>(61)</td>
<td>6,021</td>
<td>61</td>
</tr>
<tr>
<td></td>
<td>Restricted cash and cash equivalents</td>
<td>4,619</td>
<td>(46)</td>
<td>4,573</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>Receivables</td>
<td>897</td>
<td>(9)</td>
<td>888</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Financial assets at fair value</td>
<td>619,180</td>
<td>(6,192)</td>
<td>612,988</td>
<td>6,192</td>
</tr>
<tr>
<td></td>
<td>Other financial assets</td>
<td>397</td>
<td>(4)</td>
<td>393</td>
<td>4</td>
</tr>
<tr>
<td>2012</td>
<td>Payables</td>
<td>3,747</td>
<td>(37)</td>
<td>3,710</td>
<td>37</td>
</tr>
<tr>
<td></td>
<td>Financial liabilities at fair value</td>
<td>43,068</td>
<td>(431)</td>
<td>42,637</td>
<td>431</td>
</tr>
<tr>
<td></td>
<td>Cash and cash equivalents</td>
<td>6,326</td>
<td>(63)</td>
<td>6,263</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td>Restricted cash and cash equivalents</td>
<td>1,246</td>
<td>(12)</td>
<td>1,234</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Receivables</td>
<td>830</td>
<td>(8)</td>
<td>821</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Financial assets at fair value</td>
<td>565,385</td>
<td>(5,654)</td>
<td>559,731</td>
<td>5,654</td>
</tr>
<tr>
<td></td>
<td>Other financial assets</td>
<td>377</td>
<td>(4)</td>
<td>374</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Payables</td>
<td>6,904</td>
<td>(69)</td>
<td>6,835</td>
<td>69</td>
</tr>
<tr>
<td></td>
<td>Financial liabilities at fair value</td>
<td>33,948</td>
<td>(339)</td>
<td>33,609</td>
<td>339</td>
</tr>
</tbody>
</table>
(iii) Other price risk

Exposure to ‘other price risk’ primarily arises through the investment with fund managers which are held for strategic rather than trading purposes. The Council has the following investments:

<table>
<thead>
<tr>
<th>Facility</th>
<th>Investment Sectors</th>
<th>Investment Horizon</th>
<th>2013 $'000</th>
<th>2012 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term facility</td>
<td>Cash, money market instruments</td>
<td>Up to 1.5 years</td>
<td>47,274</td>
<td>42,771</td>
</tr>
<tr>
<td>Strategic cash facility</td>
<td>Cash, money market and other interest rate instruments</td>
<td>1.5 years to 3 years</td>
<td>-</td>
<td>87</td>
</tr>
<tr>
<td>Long-term growth facility</td>
<td>Cash, money market instruments, Australian, International Bonds and Shares</td>
<td>3 years and over</td>
<td>577,988</td>
<td>530,098</td>
</tr>
</tbody>
</table>

The selection of funds for investment is based on the research carried out on various critical success factors of each fund manager by the Council’s investment consultant. The performance of investment fund managers is continually monitored by our asset consultant who reports on a regular and exceptional basis to Chief Investment Officer, the Investment Committee and the Council.

The various types of investments held by the Council with the actual rate of return are provided in the following table:

<table>
<thead>
<tr>
<th>Analysis of Price Risks</th>
<th>Carrying value as at 30 June 2013</th>
<th>Percentage Spread</th>
<th>Actual rate return 30 June 2013</th>
<th>Carrying value as at 30 June 2012</th>
<th>Percentage Spread</th>
<th>Actual rate return 30 June 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Equities</td>
<td>69,284</td>
<td>11.99</td>
<td>25.21</td>
<td>59,760</td>
<td>11.27</td>
<td>-8.59</td>
</tr>
<tr>
<td>International Equities</td>
<td>189,545</td>
<td>32.79</td>
<td>31.92</td>
<td>148,068</td>
<td>27.93</td>
<td>-1.84</td>
</tr>
<tr>
<td>Global Listed Property</td>
<td>28,940</td>
<td>5.01</td>
<td>21.54</td>
<td>29,227</td>
<td>5.51</td>
<td>23.28</td>
</tr>
<tr>
<td>Australian Fixed Income</td>
<td>54,667</td>
<td>9.46</td>
<td>4.73</td>
<td>56,063</td>
<td>10.57</td>
<td>8.09</td>
</tr>
<tr>
<td>International Fixed Income</td>
<td>39,492</td>
<td>6.83</td>
<td>6.26</td>
<td>41,320</td>
<td>7.79</td>
<td>9.78</td>
</tr>
<tr>
<td>Australian Inflation-linked Bond Fund</td>
<td>38,705</td>
<td>6.70</td>
<td>3.27</td>
<td>39,452</td>
<td>7.44</td>
<td>11.55</td>
</tr>
<tr>
<td>Absolute Returns</td>
<td>30,655</td>
<td>5.30</td>
<td>0.92</td>
<td>32,714</td>
<td>6.17</td>
<td>20.81</td>
</tr>
<tr>
<td>Fund of Hedge Fund</td>
<td>90,141</td>
<td>15.59</td>
<td>10.29</td>
<td>83,314</td>
<td>15.71</td>
<td>2.18</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>29,739</td>
<td>5.14</td>
<td>12.11</td>
<td>27,464</td>
<td>5.18</td>
<td>3.41</td>
</tr>
<tr>
<td>Cash Fund</td>
<td>6,820</td>
<td>1.18</td>
<td>3.23</td>
<td>12,716</td>
<td>2.40</td>
<td>4.65</td>
</tr>
<tr>
<td>Term Deposit</td>
<td>65</td>
<td>0.01</td>
<td>3.47</td>
<td>87</td>
<td>0.02</td>
<td>5.54</td>
</tr>
</tbody>
</table>

| Total                                  | 578,053                           | 100.00            | 16.83                           | 530,186                           | 100.00            | 3.46                            |

Funds other than direct deposits in banks do not have direct holdings in underlying assets, ‘interest rate risk’ or ‘currency risk’ and are therefore not individually analysed other than ‘other price risk’. The sensitivity analysis in relation to ‘other price risk’ is determined using standard deviation based on stochastic Global Asset Model provided by the investment consultants, and the percentage allocation of funds of the portfolio of investments held by the Council as at the year end. The following table provides the overall other price risk of the Council with the sensitivity analysis.
Analysis of Price Risks

<table>
<thead>
<tr>
<th>Carrying value</th>
<th>Estimated Risk</th>
<th>Profit Impact</th>
<th>Equity Impact</th>
<th>Profit Impact</th>
<th>Equity Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>578,053</td>
<td>2.10%</td>
<td>35,475</td>
<td>613,528</td>
<td>(35,475)</td>
</tr>
<tr>
<td></td>
<td>530,186</td>
<td>2.10%</td>
<td>29,802</td>
<td>559,988</td>
<td>(29,802)</td>
</tr>
</tbody>
</table>

(a) Interest rate risk will only affect the short term deposits
(b) Estimated risk is based on Mercer’s Capital Market Assumptions as at 30 June 2013.

37. OTHER COMPREHENSIVE INCOME/ (EXPENSES)

<table>
<thead>
<tr>
<th>Accumulated Funds</th>
<th>Revaluation Reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actuarial gain on defined super</td>
<td>143</td>
<td>-</td>
</tr>
<tr>
<td>Properties transferred to Local Aboriginal Land Council</td>
<td>(1)</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>142</strong></td>
<td><strong>1</strong></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actuarial gain on defined super</td>
<td>(401)</td>
<td>-</td>
</tr>
<tr>
<td>Properties transferred to Local Aboriginal Land Council</td>
<td>20</td>
<td>(20)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(381)</strong></td>
<td><strong>(20)</strong></td>
</tr>
</tbody>
</table>

38. SUBSIDIARIES

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Country of Incorporation</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.C.N. 159 268 041 PTY LTD</td>
<td>Australia, NSW</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>A.C.N. 159 272 992 PTY LTD</td>
<td>Australia, NSW</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

The above companies were incorporated in Australia on 29 June 2012 in order to explore any commercial potential for mining in the future. A.C.N. 159 268 041 PTY LTD issued 100 shares of $1.00 each to the Council and A.C.N. 159 272 992 PTY LTD issued 1000 shares of $1.00 each to A.C.N. 159 268 041 PTY LTD. Apart from the issue of shares, there was no activity carried out during the financial year 2013. The Council has passed the resolution to deregister the two companies.

39. CHANGES TO ACCOUNTING STANDARDS

(a) Impact of new and revised Accounting Standards

In the current year, NSWALC has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:
AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASBs 1 & 7] – This Standard introduces additional disclosure relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are not derecognised and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.

AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASBs 1, 5, 101, 107,108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113] – this Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standards to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.

AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] – This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). There is no financial impact.

AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, AASB 2009-11, AASB 2010-7, AASB 2011-7 & AASB 2011-8] – This Standard amends the mandatory effective date of AASB 9 Financial Instruments so that AASB 9 is required to be applied for annual reporting periods beginning on or after 1 January 2015 instead of 1 January 2013. There is no financial impact.

(b) Impact of new and revised Accounting Standards yet to be applied

The following applicable Standards have been issued by the AASB and are yet to be applied:

AASB 9 Financial Instruments – This Standard supersedes AASB 139 Financial Instruments: recognition and Measurement, introducing a number of changes to accounting treatments. The Standard was reissued in December 2010. The Standard was issued in August 2011 but is not yet available for application by not-for-profit entities. The application or potential impact of the Standard has not yet been determined.

AASB 10 Consolidated Financial Statements – This Standard supersedes requirements under AASB 127 Consolidated and Separate Financial Statements and Interpretation 112 Consolidation – Special Purpose Entities, introducing a number of changes to accounting treatments. The Standard was issued in August 2011 but is not yet available for application by not-for-profit entities. The application or potential impact of the Standard has not yet been determined.

AASB 11 Joint arrangements – this Standard supersedes AASB 131 Interest in Joint Ventures, introducing a number of changes to accounting treatments. The Standard was issued in August 2011 but is not yet available for application by not-for-profit entities. NSWALC has no potential impact of application the application of the standard.

AASB 12 Disclosure of Interests in Other Entities – This Standard supersedes disclosure requirements under AASB 127 Consolidated and Separate Financial Statements and AASB 131 Interests in Joint Ventures. The Standard was issued in August 2011 but is not yet available for application by not-for-profit entities. The application or potential impact of the Standard has not yet been determined.

AASB 13 Fair Value Measurement – This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 Fair Value Measurement sets out a new definition of 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of the NSWALC’s assets and liabilities.

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(excluding leases), that are measured and/or disclosed at fair value or another measurement based on fair value. While NSWALC is yet to complete this review, no substantial changes are anticipated, based on the fair value methodologies presently used. Therefore, at this stage, no consequential material impacts are expected for the Department's property, plant and equipment as from 2013-14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. To the extent that any fair value measurement for an asset or liability uses data that is not 'observable' outside the NSWALC, the amount of information to be disclosed will be relatively greater.

- **AASB 119 Employee Benefits** – This Standard supersedes AASB 119 Employee Benefits, introducing a number of changes to accounting treatments. The Standard was issued in September 2012. NSWALC has no significant as a result of the application of the standard.

- **AASB 127 Separate Financial Statements** – This standard supersedes requirements under AASB 127 Consolidated and Separate Financial Statements, introducing a number of changes to accounting treatments. The Standard was issued in August 2012. The application or potential impact of the Standard has not yet been determined.

- **AASB 128 Investments in Associates and Joint Ventures** – This Standard supersedes AASB 128 Investments in Associates and introduces a number of changes to accounting treatments. The Standard was issued in August 2011 but is not yet available for application by not-for-profit entities. The application or potential impact of the Standard has not yet been determined.

- **AASB 1053 Application of Tiers of Australian Accounting Standards** – This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. The Standard does not have any financial impact on NSWALC. However, it may affect disclosures if reduced disclosure requirements apply as per future Treasury Directions.

- **AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements** – This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.

- **AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)** – This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. It is not anticipated that there will be any financial impact.

- **AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements** – This Standard removes disclosure requirements from other standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no expected financial impact of applying these changes, as NSWALC is a Tier 1 entity.

- **AASB 2011-6 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation** – This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting standards or Australian Accounting Standards – Reduced Disclosure Requirements. It is anticipated that there will not be any financial impact.

- **AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards** – This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 Separate Financial Statements and AASB 128 Investments in...
1038, 1039, 1049 & 2011-7 and Interpretation 12]

Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 14, 17, 19, 131 & 132] – This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. It is anticipated that there will not be any financial impact.

AASB 2011-9 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB1, 8, 101, 124, 134, 1049, & 2011-8 and Interpretation 14] – This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. It is anticipated that there will be limited financial impact.

AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) arising from Reduced Disclosure Requirements – This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). It is anticipated that there will not be any financial impact.

AASB 2012-1 Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements [AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141] – This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. It is anticipated that there will not be any financial impact.

AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132] – This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position. It is anticipated that there will not be any financial impact.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] – This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. It is anticipated that there will not be any financial impact.

AASB 2012-4 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 2, 3, 4, 5, 7, 101, 116, 117, 118, 119, 120, 121, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] – This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. It is anticipated that there will not be any financial impact.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2] – This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. It is anticipated that there will not be any financial impact.

AASB 2012-6 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASBs 127, 128 & 131] – This Standard extends relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. It is not expected to have a financial impact.

AASB 2012-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASBs 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 and 17] – This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2012. It is not expected to have a financial impact.

AASB 2012-10 Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12] – This Standard makes amendments to AASB 10 and related Standards to revise the transition guidance relevant to the initial application of those Standards, and to clarify the circumstances in which adjustments to an entity’s previous accounting for its involvement with
other entities are required and the timing of such adjustments. The Standard was issued in December 2012. The application or the potential impact of the Standard has not yet been determined.

- AASB 2012-11 Amendments to AASB 119 (September 2012) arising from Reduced Disclosure Requirements – This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2012). There is no financial impact.

- AASB 2013-1 Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements – This Standard removes the requirements relating to the disclosure of budgetary information from AASB 1049 (without substantive amendment). All budgetary reporting requirements applicable to public sector entities are now located in a single, topic based, Standard AASB 1055 Budgetary Reporting. Budgetary Reporting. There is no financial impact.

40. EVENT AFTER THE BALANCE DATE

On 22 July 2013, the Minister for Land approved the transfer of Western Lands Leases 2180, 2902 & 4404 for the property known as ‘Appin Station’ from the Council to Menindee Local Aboriginal Land Council. The Council has provided the undertaking to the NSW Department of Trade and Investment, Regional Infrastructure and Services that the Council will pay half share costs to replace/renovate approximately 80 km of boundary fence of Western Lands Leases 2180, 2902 & 4404 and the full cost to replace/renovate approximately 12 km of fencing on the western boundary of the property to ensure the fencing is in a stock proof condition as prescribed by the lease conditions, the Western Lands Act, 1901 and the Dividing Fences Act, 1991 with twelve (12) months of the Ministers consent being granted.

End of Audited Financial Statement
## NEW SOUTH WALES ABORIGINAL LAND COUNCILS

<table>
<thead>
<tr>
<th>North Western</th>
<th>Northern</th>
<th>South Coast</th>
<th>North Coast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brewarrina</td>
<td>Amaroo</td>
<td>Batemans Bay</td>
<td>Baryulgil Square Birrigan</td>
</tr>
<tr>
<td>Collanrenебri</td>
<td>Anaiwan</td>
<td>Bega</td>
<td>Gargle</td>
</tr>
<tr>
<td>Coonamble</td>
<td>Armidale</td>
<td>Bodalla</td>
<td>Bogal</td>
</tr>
<tr>
<td>Goodooga</td>
<td>Ashford</td>
<td>Cobowra</td>
<td>Casino-Boolangle</td>
</tr>
<tr>
<td>Lightning Ridge</td>
<td>Coonabarabran</td>
<td>Eden</td>
<td>Grafton-Ngerrie</td>
</tr>
<tr>
<td>Moree</td>
<td>Dorrigo Plateau</td>
<td>Illawarra</td>
<td>Gugin Gudduba</td>
</tr>
<tr>
<td>Mungindi</td>
<td>Glen Innes</td>
<td>Jerrija</td>
<td>Jali</td>
</tr>
<tr>
<td>Narrabri</td>
<td>Guyra</td>
<td>Merrimans</td>
<td>Jana Ngalee</td>
</tr>
<tr>
<td>Nulla Nulla</td>
<td>Moombahlene</td>
<td>Mogo</td>
<td>Jubullum</td>
</tr>
<tr>
<td>Pilliga</td>
<td>Nungaroo</td>
<td>Ngambri</td>
<td>Muli Muli</td>
</tr>
<tr>
<td>Toomelah</td>
<td>Red Chief</td>
<td>Nowra</td>
<td>Ngulingah</td>
</tr>
<tr>
<td>Walgett</td>
<td>Tamworth</td>
<td>Ulladulla</td>
<td>Tweed/Byron</td>
</tr>
<tr>
<td>Wee Waa</td>
<td>Walhallow</td>
<td>Wagonga</td>
<td>Yaegl</td>
</tr>
<tr>
<td>Weilmoringle</td>
<td>Wanaruah</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Western</th>
<th>Wiradjuri</th>
<th>Central</th>
<th>Sydney/Newcastle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balranald</td>
<td>Albury &amp; District</td>
<td>Dubbo</td>
<td>Awabakal</td>
</tr>
<tr>
<td>Broken Hill</td>
<td>Bathurst</td>
<td>Gilgandra</td>
<td>Bahtabah</td>
</tr>
<tr>
<td>Cobar</td>
<td>Brungle - Tumut</td>
<td>Mudgee</td>
<td>Darkinjung</td>
</tr>
<tr>
<td>Dareton</td>
<td>Condobolin</td>
<td>Narromine</td>
<td>Deerubbin</td>
</tr>
<tr>
<td>Ivanhoe</td>
<td>Cowra</td>
<td>Nyngan</td>
<td>Gandangara</td>
</tr>
<tr>
<td>Menindee</td>
<td>Cummeragunja</td>
<td>Trangie</td>
<td>La Perouse</td>
</tr>
<tr>
<td>Mutawintji</td>
<td>Deniliquin</td>
<td>Warren-Macquarie</td>
<td>Metropolitan</td>
</tr>
<tr>
<td>Tibooburra</td>
<td>Griffith</td>
<td>Weilwan</td>
<td>Mindaribba</td>
</tr>
<tr>
<td>Wannararing</td>
<td>Hay</td>
<td>Wellington</td>
<td>Tharawal</td>
</tr>
<tr>
<td>Wilcannia</td>
<td>Leeton &amp; District</td>
<td></td>
<td>Worimi</td>
</tr>
<tr>
<td>Winbar</td>
<td>Moama</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Murrin Bridge</td>
<td></td>
<td></td>
</tr>
<tr>
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Be Informed. Be Involved. Be Inspired.