

**New South Wales**

# **Aboriginal Land Council**

**2003-2004 ANNUAL REPORT**

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“Liberate  
and *Empower*  
Aboriginal People  
in  
New South Wales  
through  
Economic and Social  
Independence.”



# New South Wales Aboriginal Land Council



29 December 2004

The Hon Dr Andrew Refshauge  
Deputy Premier  
Minister for Aboriginal Affairs  
Level 31  
Governor Macquarie Tower  
1 Farrer Place  
Sydney, NSW 2000

Dear Deputy Premier

We present to you the draft New South Wales Aboriginal Land Council Annual Report for the year ended 30 June 2004, 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. Note that this is the first NSWALC Annual Report presented in respect of a complete financial year ending 30 June, the change made last year to bring NSWALC into line with the majority of bodies reporting under the above legislation.

It is regrettable that there has once again been a delay in providing this Report. There was a number of small discrepancies associated with reconciling the very large amounts transferred within the NSWALC Statutory Fund during the reporting period to simplify the Fund structure and thereby reduce management fees. These small discrepancies delayed completion of the Audit of the NSWALC financial statements by the Auditor General which in turn delayed completion of this Annual Report beyond the statutory date of end October.

Based on past experience, however, some Audit delay was anticipated and the Treasurer's approval was successfully sought for an extension to end December 2004. It is pleasing to note that the Auditor-General has issued an unqualified audit opinion.

Yours sincerely

Murray Chapman  
Administrator



## Administrator's Report



Murray Chapman, Administrator

I was appointed as NSWALC's administrator by the Minister for Aboriginal Affairs, the Hon Dr Andrew Refshauge MP, on 23 November 2003 after the Minister had considered a report into NSWALC by Mr Wayne Beauman of the accounting firm, Bentleys MRI. The investigator's report highlighted a number of problems in the council's administration.

I regard my role at NSWALC as being partly that of a caretaker pending the return of an elected NSWALC council in 2005 but also as a "change manager" for the organisation. My intention is that, when an elected council does return, it is able to work with better policies, more efficient management systems and structures and a financial foundation that better fits the organisation as it serves our people into the twenty-first century.

In this regard, I owe a debt of gratitude to the former Chairperson, Mr Les Trindall who (along with other members of the council) recognised the need for change and improvement at NSWALC and made steps toward implementing that change.

I also wish to thank Mr Stephen Wright, the Registrar appointed under the *Aboriginal Land Rights Act 1983* for his consistently helpful counsel and support for NSWALC since I was appointed.

NSWALC's Chief Executive Officer, Mr William "Smiley" Johnstone and NSWALC's staff have provided practical, principled professional advice and support for the reform process that is underway at NSWALC. While the process of reform at NSWALC has a way to go, NSWALC may well have continued to fall short of its potential without a quality chief executive and staff.

Finally, I should also thank the Minister, Dr Refshauge, for his support and for his commitment to the return of an elected NSWALC.

The past financial year has been one of substantial change and considerable challenge. Restructuring the organisation to meet current and emerging needs and priorities has been a source of concern and some confusion to existing staff and to NSWALC's constituency. Substantial effort is being made through community forums, through circulars, through visits to LALCs, to explain proposed reforms in some detail.

Having said that, I accept that there is often room for improvement and I undertake to maintain NSWALC's efforts to keep its constituency abreast of what is happening with the best land rights legislation in the nation. Change is often unpopular: the comfortable forms and certainties of the past are often preferred over change. I sincerely hope, however, that the reform process will eventually be seen as delivering better results to the Aboriginal people of NSW.

The reform process inside NSWALC is to be complemented by reforms to the *Aboriginal Land Rights Act* itself. Most of you would be aware that in May 2003 Minister Refshauge announced a comprehensive review of the legislation. At one level, this review is simply the latest in a series of reviews over the past two decades. This review, however, has the potential to deliver a land

rights system in NSW that allows Aboriginal people in NSW to build on the gains of the past two decades and to establish new levels of transparency and participation in the various components of the land council network.

The existing and future land base of land councils provides Aboriginal people in NSW with a degree of economic influence that too few of us appreciate fully. My view is that the current legislative arrangements for land dealings by local land councils are too open to abuse by people both inside and outside the land council system. Using this land base as leverage while protecting hard won land council assets will be a challenge for local land councils as well as for NSWALC itself.

Ultimately, the land rights legislation and the land council system in NSW is the “property” of the Aboriginal people of NSW. All of us (not to mention our future generations) have a stake in the future of that system. Accordingly, I urge people to make their views known during the course of the review. The consultation process on reform to the land rights legislation will be extensive and will ensure that everybody who wishes to can have a say.

I want also to mention briefly the Statutory Fund, as this was at the heart of the reasons given by the Minister for my appointment. Before I was appointed, NSWALC had made a conscious decision to cut discretionary expenditure. Put simply, NSWALC had the choice of spending freely and watching its funds gradually disappear over time. Or, it could strike a balance involving continued limited discretionary funding and financial restraint. Only the second course guarantees a stable future for the fund. Once again, that financial restraint has not always been popular but it has certainly been necessary.

I think it is telling that despite unbudgeted costs associated with the investigation, NSWALC ran within budget in 2003-04 and - for only the second time in its history - without recourse to its cash reserves.

In a year when the Federal Government set a collision course with ATSIC, announcing its intention to abolish and absorb funding back within an overwhelmingly non-Indigenous bureaucracy, we should also remember that while the NSW Government acted dramatically to remove the Council, it has also committed itself to the return of popularly elected NSWALC councillors.

Our job over the past year and into the coming year is to ensure that once an elected Council is returned, there are the staff and the financial resources in place to support Council and to ensure that Aboriginal concerns and Aboriginal views continue to be heard.



Murray Chapman

## Report by the Chief Executive Officer

The drafting of this report has coincided with the completion of my first nine months as Chief Executive Officer of the New South Wales Aboriginal Land Council.

I was selected to take up the position in September last year by the former State Council of NSWALC. I had previously held senior management positions with the Indigenous Land Corporation and the Aboriginal and Torres Strait Islander Commission which, like NSWALC, combines both an elected and administrative arm.



*William Johnstone, Chief Executive Officer*

I spent the first three months working in close consultation with the State Council under the leadership of the then Chairperson, Mr Les Trindall and with a clear separation of powers between the administrative and elected arms of the organisation enshrined in my contract of employment.

Our major focus was the development of new governance policies and procedures in response to the introduction of major amendments to the Aboriginal Land Rights Act in October 2002 and in the wake of the appointment of an Investigator by the State Government.

We also developed the framework for a major restructure of NSWALC's administrative arm to address deficiencies in expertise and strategic focus in most key management positions, low staff morale and redundant operating systems, all of which had an adverse impact on NSWALC's operations, particularly in servicing the network of Local Aboriginal Land Councils.

There was unanimous recognition within Council, under Mr Trindall's leadership, of the need for fundamental change. This led to the endorsement by Council of the administrative restructure and a suite of new governance policies and procedures.

Following receipt of a report from the Investigator, The Minister for Aboriginal Affairs, Doctor Andrew Refshauge, decided in November 2003 to appoint an Administrator, Mr Murray Chapman, to assume all of the functions of the State Council.

There was a major re-adjustment over the Christmas-New Year period as Mr Chapman, an Aboriginal man with substantial experience in Indigenous Affairs, took up his appointment and we set about developing what is, and continues to be, a close and constructive working relationship.

The Administrator saw his role as both caretaker, pending the return of an elected council, and as a "change manager."

We agreed to continue with the implementation of the restructure in line with the key objectives of the NSWALC Business Plan and to continue development and implementation of the new governance policies and procedures.

I'm pleased to report substantial progress has been made, as detailed later in this report, toward an improved capability to deliver support services to our constituents, while eliminating wasteful practices of the past.

Changes in the way we do business led to two rounds of voluntary redundancy allowing long-serving staff to move on and, where appropriate, the recruitment of senior managers with a

broad experience of the business world and of program administration and financial control.

This has been labour intensive given the scope of the task, and the need and desire for constant consultation and communication with all major stakeholders, particularly branch and head office staff, the LALC network, DAA and Minister Refshauge.

I have also collapsed the eleven Branch Offices down into four Zones, each with the capacity and technical skills to provide “hands on” support to struggling LALCs.

With accountability and sound financial planning at the heart of long term economic stability, Zone Offices will each have trained accountants and experienced field staff to help avoid, as far as is possible, the expensive and self-destructive cycle of Administration which is a less than ideal tool for reviving the fortunes of an under-performing LALC.

Such substantial change has not been without its frustrations, particularly amongst long serving staff, but I’m committed to delivering a successful restructure, with our corporate goals and objectives as the driving force.

It will, in my view, lead to a re-recognition of NSWALC as the peak Aboriginal organisation in NSW.

It should allow NSWALC to reassert its position and authority by meeting the challenges in policy development and program delivery and in further developing and defending the hard won rights of our constituents.

In this regard we also began preparing for a major role in a Government-initiated review of the Land Rights Act which will see the Act further amended next year. A key task is to ensure the voice of the land council network and the wider Aboriginal community is clearly heard.

I would hope the anticipated amendments complement the administrative changes within NSWALC, reflect the views of our people, and build on the gains of the past two decades.

This reporting period was also marked by an increasing number of complex issues which have often required urgent daily attention, particularly in relation to land dealings by Local Aboriginal Land Councils.

These also included the appointment of a number of investigators and administrators, the negotiation and implementation of assistance agreements with LALCs, the provision of intensive assistance advice and budget templates to LALCs, ongoing communication with the Registrar and the Auditor General’s Office, the discussion of policy development and operational issues with ICAC, and a heavy legal caseload.

In closing I’d like to turn to the NSWALC Statutory Fund which provides all of our operating income.

There is a considerable amount of misinformation circulating within our community about the fund. It appeared late last year as though its book value was in danger of falling below the prescribed minimum amount of \$485.3m.

This followed world-wide falls in all major investment funds flowing from the September 11 terrorist attacks on New York, heavy losses on an ill-considered mortgage fund and continuing drought conditions adversely affecting NSWALC’s rural holdings.



The Statutory Fund is not allowed under the Aboriginal Land Rights Act 1983 (NSW) to fall below this minimum figure and the Minister chose to exercise his prerogative under advice from the NSW Attorney General to sack the Council for breach of the statutory requirements of the Act.

Two years on, the world stock markets have bounced back.

Combined with prudent management, NSWALC's investment portfolio has gained more than \$60m in book value during the current financial year. At the time of writing, it sits at around \$540m.

It is pleasing to report that despite significant external unbudgeted impacts on the organisation such as the cost of the investigation and the ALRA review, we operated within budget this financial year and without recourse to any draw down on the Fund.

Our constituents must understand that strong growth of the Fund must be maintained to ensure the long term financial sustainability of the land rights system in New South Wales for future generations.

Fundamental change is required to ensure NSWALC remains relevant, makes a positive difference to Aboriginal people, and provides security to future generations. Prudent management of the Fund is an essential component of this.

We must remember the past and our traditions and our culture but we must also apply that knowledge and strength to plan for the future.

While many things have and will continue to change, the NSWALC Business Plan identifies five core objectives that will continue to form the focus of our effort in the year ahead:

- > Fully support LALCs so they operate effectively and efficiently and provide relevant services to meet the needs of members.
- > Help LALCs acquire and develop assets to become financially viable and self sufficient.
- > Ensure NSWALC is operationally sound and above reproach and this is seen both internally and externally
- > Maximise the return on investment portfolio while minimising the risk through prudent investment and increase the capital base
- > Influence Government policy and community attitude to create improvements for Aboriginal peoples

Each of these objectives is now underpinned by a range of strategies and tasks and activities to support the achievement of these objectives.

Further details and a report on progress are set out in the body of this Report.



William Johnstone  
Chief Executive Officer

# New South Wales Aboriginal Land Council





# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

For the benefit of new readers, it is important to place in context the way in which this organisation came into being. It is also important to make clear for the benefit of the wider community – both Aboriginal and non-Aboriginal – what the Land Council system in New South Wales is designed to do and how it actually goes about doing that.



This report covers the activities and financial dealings of the New South Wales Aboriginal Land Council for the period 1 July 2003 to 30 June 2004. It provides a summary and highlights of our activities and achievements during that period, as well as the financial and other reports required under the NSW Government's Annual Reports (Statutory Bodies) Act 1984.

Although the Council is at present in the hands of an Administrator acting for the Council, the Minister for Aboriginal Affairs has affirmed his commitment to an elected Council and it is for this reason that the normal functioning of Council is described herein in terms which assume a model of elected representative members collectively setting policy direction, with an experienced CEO and skilled team of senior managers administering the support systems to assist local Aboriginal communities to achieve economic and social independence.

## Background

The New South Wales Aboriginal Land Rights Act 1983 gives the New South Wales Aboriginal Land Council (NSWALC) the mandate to provide for the development of Land Rights for Aboriginal people in NSW. The Council is committed to the ongoing provision of high quality support and advice to the Local Aboriginal Land Council network and empowerment of Aboriginal communities through:

- > Land acquisition either by land claim or purchase
- > Establishment of commercial enterprises 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).

In addition, NSWALC acts as an advisor to and negotiates with Governments at all levels to ensure the preservation of Aboriginal rights.



The Aboriginal Land Rights Amendment Act (2001), finally proclaimed on 25 October 2002, sets out an improved set of accountability requirements while at the same time in theory permitting a greater degree of autonomy by LALCs in their dealings with land. For example, under the new Act, LALCs can, within guidelines, purchase, dispose of and lease land without specific prior approval from NSWALC or the Minister.

Recent events have highlighted the need for a careful re-examination of those sections of the ALR Act dealing with the mechanics of disposal of land to ensure that where a development opportunity with real and lasting benefits to the local community has been successfully negotiated, the constraints of the Act do not defeat or unduly frustrate the achievement of these worthwhile goals.

An emerging issue for debate and resolution is the comparative “wealth” of some local Aboriginal communities in prime coastal land assets while others with traditional outback holdings have little prospect of securing similar multi-million dollar development deals. It needs to be discussed how poorer communities can benefit from the runaway success of some of the richer ones.



At the same time, it also needs to be resolved how some asset-rich LALCs are quietly “starving to death” through lack of income-producing enterprise while the burden of huge local government authority rates debt on their prime undeveloped land threatens a second wave of dispossession through compulsory sell-ups.

## Our Clients

The Council normally consists of 13 democratically elected members who represent the 13 Aboriginal land council regions in New South Wales. The Council is supported in its work by a Head Office, located in Parramatta, 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.



During the reporting year, NSWALC has restructured the distributed support for Local Land Councils. From what was an 11 Branch structure with minimal staffing, a new 4 Zone Structure (Northern, Southern, Eastern, Western) is being implemented. Offices are to be based in 3 regional centres (Dubbo, Queanbeyan, Coff’s Harbour) and Sydney. The principal client of NSWALC and its Zone Offices is the network of 121 Local Aboriginal Land Councils which collectively manage the range of support services delivered at local level to their communities. These services include housing, legal, employment, training and property acquisition and management.

## Aims & Objectives

NSWALC is empowered under legislation to:

- i) administer the NSWALC Account and Mining Royalties Account
- ii) grant funds for payment of the administrative costs and expenses of Regional and Local Aboriginal Land Councils
- iii) acquire land on its own behalf or on behalf of, or to be vested in, Local Aboriginal Land Councils
- iv) determine and approve/reject the terms and conditions of agreements proposed by Local Aboriginal Land Councils to allow mining or mineral exploration on Aboriginal land
- v) make claims on Crown lands, either on its own behalf or at the request of Local Aboriginal Land Councils
- vi) with the agreement of the particular LALC, manage any of the affairs of that Council

- vii) conciliate disputes between Aboriginal Land Councils or between Councils and individuals or between individual members of those Councils
- viii) make grants, lend money to or invest money on behalf of Aborigines
- ix) hold, dispose of or otherwise deal with land vested in or acquired by NSWALC
- x) ensure that Regional and Local Aboriginal Land Councils comply with the Act in respect of the establishment and keeping of accounts and the preparation and submission of budgets and financial reports
- xi) ensure that elections for the Chairpersons and other officers of Regional and Local Aboriginal Land Councils are conducted in accordance with the Act
- xii) advise the Minister on matters relating to Aboriginal land rights, and
- xiii) exercise such other functions as conferred or imposed on it by or under the Aboriginal Land Rights Act (1983) or any other Act.

The NSW Aboriginal Land Rights Amendment Act (2001), proclaimed on 25 October 2002, provides for NSWALC to carry out the following additional functions:

- (i) to mediate, conciliate and arbitrate disputes relating to the operation of the Principal Act between Aboriginal Land Councils, between those Councils and individuals, or between individual members of those Councils and to refer such disputes to the Registrar or independent mediators, conciliators and arbitrators
- (ii) with the approval of the Minister, to make grants or lend money to a funeral scheme established for the benefit of Aboriginal persons
- (iii) to compile and maintain a consolidated roll of all members of Local Aboriginal Land Councils
- (iv) to compile and maintain a register of all land held by Local Aboriginal Land Councils
- (v) to make prescribed information contained in the land register or consolidated membership roll that relates to a Local Aboriginal Land Council available on request to members of that Local Aboriginal Land Council.

The key aims within this framework for NSWALC in 2003/2004 were as follows:

1. Fully support LALCs so they operate effectively and efficiently and provide relevant services to meet the needs of members
2. Help LALCs acquire and develop assets to become financially viable and self sufficient.
3. Ensure NSWALC is operationally sound and above reproach and that this is acknowledged both internally and externally
4. Maximise the return on investment portfolio while minimising the risk through prudent investment and increase the capital base
5. Influence Government policy and community attitude to create improvements for Aboriginal peoples



Each of these objectives is underpinned by a range of strategies for each of the key players in NSWALC and tasks and activities to support the achievement of these objectives have been spelled out, as follows:

- > to further develop the economic management skills of staff and councillors to support NSWALC's investment strategy and healthy financial operation
- > to conduct a comprehensive review of staffing and structures to ensure an optimal delivery of services to clients
- > to review basic financial arrangements and practices to ensure the most prudent and timely handling of accounts and the avoidance of potential conflicts of interest
- > to review Rural Property holdings with a view to establishing more efficient management practices and production techniques to improve productivity
- > to establish a number of strategic precedents in land rights claims upon which to build a model for future claims
- > to build on a resolution by the Local Government and Shires Association of NSW in August 2000 to admit NSWALC representatives into membership of the LGSA, and
- > to continue to provide a comprehensive range of suitable training and development programs for Local Aboriginal Land Councils and our own staff.

### Regional Aboriginal Land Councils (RALCs)

There are 13 RALCs located across New South Wales. Each regional Aboriginal land council is made up of representatives elected by the various Local Aboriginal Land Councils. RALCs are designed to play an advisory role in the management of the land council network and do not have direct authority over any Local Aboriginal Land Council (although a RALC can make recommendations for consideration by a LALC or the NSWALC). Importantly, the RALC provides a local support base for LALCs and their elected Councillor.

The RALC is a statutory authority with the responsibility to:

- a. compile and maintain a register of all Local Aboriginal Land Councils within its area
- b. provide assistance to Local Aboriginal Land Councils in the preparation of claims on Crown land or the negotiation of the purchase or sale of land
- c. assist Local Aboriginal Councils in the establishment and keeping of accounts and submission of budgets and financial reports
- d. provide advice and further assistance as required by Local Aboriginal Land Councils in its area
- e. assist the NSWALC to conciliate any disputes between Local Aboriginal Land Councils, or between those councils and individuals, or between individual members of Councils, and
- f. exercise such other functions as are conferred or imposed on it by or under the Aboriginal Land Rights Act (1983) or any other Act.

The 2001 Amendments to the Act brought some changes to these responsibilities designed to streamline their operation and allow a greater focus on support to LALCs to help them meet their more onerous responsibilities under the new Act.

Regional Aboriginal Land Councils operated during 2003/2004 from the following locations:

<b>Armidale</b>	Northern Tablelands Region
<b>Gosford</b>	Sydney/Newcastle Region
<b>Lismore</b>	North Coast Region
<b>Moama</b>	Murray River Region
<b>Nowra &amp; Bateman's Bay</b>	South Coast Region
<b>Wagga Wagga</b>	Wiradjuri Region
<b>Coonamble</b>	North West Region
<b>Kempsey</b>	Central Coast Region
<b>Liverpool &amp; Gosford</b>	Western Metropolitan Region
<b>Batemans Bay</b>	Far South Coast Region
<b>Quirindi</b>	Northern Region
<b>Menindee</b>	Western Region
<b>Dubbo</b>	Central Region

A map setting out the boundaries of each Local Aboriginal Land Council may be found on the rear cover of this report.



### Local Aboriginal Land Councils (LALCs)

Local Aboriginal Land Councils are located across New South Wales. The number within each Region varies and ranges from three to 16, and the current total is 121. Each LALC elects its own office bearers (chairperson, secretary and treasurer) and also elects two regional representatives to attend meetings at their RALC. Staff and members are encouraged to access advice, information and support from the NSWALC.

LALCs work for their members and the wider Aboriginal community living in their local area. They assist in matters relating to the areas of housing, legal, employment and other day-to-day matters involving Aboriginal people in accordance with functions detailed under the Act.

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

The Amendment Act clarified the reporting standards expected by the NSW Government for Land Councils and set in place a general framework for increased public accountability.

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

### Zone Offices of NSWALC

NSWALC provides support to LALCs directly and during the reporting period, through a network of Branch Offices. Lack of depth of skilled resources at the Branch level contributed in part to the decision taken during the reporting period to consolidate the 11 Branch Offices into 4 Zone Offices, each with the resources to adequately service the particular needs of the LALCs in their Zone.

As at 30 June 2004, 4 Branch Offices had been closed, leaving 7 Offices complemented by 3 Parramatta-based Intensive Field Officers pending the establishment of the new Zone structure.

### Council Structure & Membership

The New South Wales Aboriginal Land Council's elected arm normally consists of 13 Councillors, democratically elected by Local Aboriginal Land Council members to serve four year terms. The Council itself elects office bearers. During the first 4 months of 2003 -2004, prior to the Minister's decision to sack the Council and appoint an Administrator, these positions were filled as follows:

<b>Chairperson</b>	<b>Les Trindall</b>
<b>Secretary</b>	<b>Ivern Ardler</b>
<b>Treasurer</b>	<b>Robert Lester</b>

# Councillor Profiles



**Chairman**  
**Councillor Les Trindall**  
North West Region

Les Trindall was elected NSWALC Chairman on 10 September 2002, having been elected Councillor for the North West Region at the 1999 election. While a first term Councillor, his association with the region and the Land Council network dates back another 11 years, during which time Les served as North West Region Branch Manager at Coonamble, offering support to a large number of Local Aboriginal Land Councils. Prior to his Land Council career, Les worked for many years as a drover and fencing contractor.

As Chairman, Les brings to the job a firm belief in the need to deliver the best possible dividend to Local Land Councils from a professionally run, secure investment portfolio. He acknowledges that times are tough right now but looks towards a return to good times in the year ahead. Les has always tried to make himself available at all times to his Region and as Chairman, despite the extra workload, will be making every effort to keep the door open for anyone that needs his help.

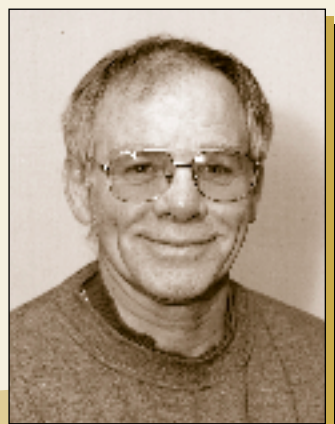


**Secretary**  
**Councillor Ivern Ardler**  
South Coast Region

*(Elected 23 September 2002. Formerly Treasurer until 26 August 2002)*

Ivern has served NSWALC in various capacities since 1983, joining the Nowra LALC as Secretary, and progressing through election to the job of Councillor in 1996, culminating in election as Secretary for 1998/99. He currently serves NSWALC as Treasurer. Whilst he has had a long involvement in Aboriginal affairs at state level, Ivern's strongest commitment is to his local area. During his term of office Ivern achieved increased funding arrangements for LALCs and funding for improved housing for south coast land councils.

Ivern has spent most of his life on the NSW south coast, father of six children to Maureen Ardler. Born in Berry, Ivern spent his childhood at Wreck Bay, moving to Nowra in 1997. Ivern believes that land is central to the functions of all land councils and created the first land needs strategy for NSWALC.

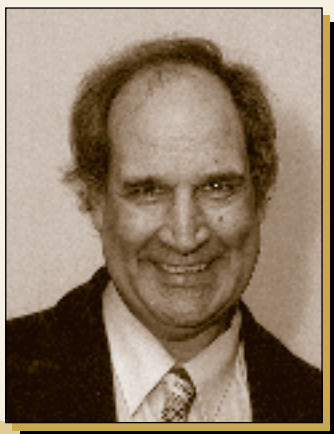


**Treasurer**  
**Councillor Robert Lester**  
Western Metropolitan Region  
*(elected 26 August 2002)*

As Aboriginal Community Development Officer with the Department of Education, Employment and Training, Robert learned about the workings of government. He sees the experience as invaluable preparation for negotiations with government bodies and political parties on major issues such as cultural heritage protection and native title. Robert says work during his term on NSWALC has given him extensive involvement with isolated Aboriginal communities, especially in the areas of cultural heritage protection. Robert is positive about forging the independent future of NSWALC.

Councillor Robert Lester is a member of the Wanaruah nation, the area known as the Hunter Valley. Robert was raised in Redfern, later moving to live and work in Sydney's western suburbs where he resides with wife, Carol. Robert has four children and three grandchildren.





**Councillor Rod Towney**  
Central Region

Rod served as Chairman of NSWALC from December 1999 until September 2002. Rod sees an independent economic base that sustains cultural and financial independence as the key priority for NSWALC. Rod maintains a keen interest in Council portfolios including International Issues, Local Government, Heritage and Culture and Employment and Training. Rod has an extensive involvement with Aboriginal Land Councils, dating back to 1985. He was motivated to take on a leadership role in the community from his early years when he saw the poor treatment of Aboriginal people by the police and in schools.

Rod is a member of the Wiradjuri Nation as was his mother and father and lives in Dubbo. Rod is a qualified teacher and has taught all levels - infants, primary, secondary and tertiary education. He went to university as a mature age student, graduating with a Bachelor of Education. He later went on to gain his Graduate Certificate in Adult Education.



**Councillor Veronica Graf**  
Sydney Newcastle Region

Veronica has been involved in Aboriginal Affairs for 25 years, is a strong believer in Land Rights, and is a staunch supporter of Aboriginal art, encouraging Aboriginal artists in her region.

Veronica was elected to NSWALC in 1999 and currently serves as Councillor for the Sydney Newcastle region, having served as Secretary during 2001/2002. Prior to her election, Veronica served 11 years with the Sydney Newcastle Office in Gosford.

In addition to her work with the Land Council Network, Veronica established the first Aboriginal Homework Centre in Gosford and founded the first medical service at Wyong, for which she is now Chairperson.

She secured funding for Darkinjung Local Aboriginal Land Council's Community Development Enterprise Project (CDEP) and currently serves as the CDEP Project Chairperson.

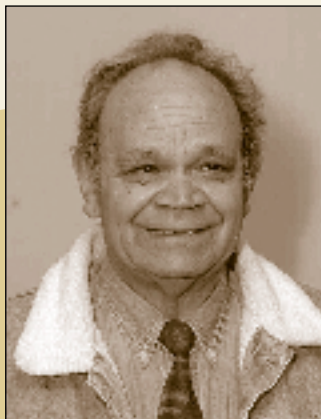


**Councillor David Clark**  
Murray River Region

David has maintained active involvement in Aboriginal Affairs since the age of 18. David's strong belief in improving options for Aboriginal families guides his decisions at the Council level. David was part of the push in 1990 for changes to the Aboriginal Land Rights Act 1983 to include flexible provisions for local land council property and served as NSWALC Chairman during the early 1990s.

David's long-held vision of private home ownership for Aboriginal people resulted in the 'First Homes for the First People' housing scheme, established in 1999. David also sees youth-police relations as an important issue in rural Australia. David lives in Albury with wife, Justine, and is the proud parent of five children.





**Councillor Ossie Cruse**  
South East Coast Region

Ossie has served NSWALC in various capacities since 1983, culminating in his term as Chairman during 1998/1999. He oversaw the difficult period of transition where the Sunset Clause took effect, ending the land tax income stream and placing NSWALC on the path to financial independence. Ossie now maintains active portfolio interests in International Issues, ICAC and Housing, having represented Indigenous issues at a number of international forums, such as the United Nations, as well as at the grass roots local level.

Ossie Cruse is a veteran of Aboriginal affairs. A member of the Monaro people of the far south coast, Ossie has spent most of his life on his traditional country in and around the small town of Eden. Ossie and wife Beryl have three children and numerous grandchildren.



**Councillor Tom Briggs**  
Northern Tablelands Region

A member of the Gumbaynggirr people, Councillor Tom Briggs has spent most of his life in the Armidale district and was elected for his first term in 1996. Tom holds a degree in administration and leadership. He previously worked with the Department of Education, Employment and Training for twenty years which has enabled him to gain extensive experience in human resources and training issues.

Tom's community involvement includes roles within local government, the Northern Regional Aboriginal and Torres Strait Islander Commission (ATSIC) and the Armidale Community Development Employment Program (CDEP), one of the largest and most successful in NSW. Tom believes that Regions should be better resourced to allow them to act as catalysts for initiatives at the local level to help meet the economic, social and cultural development needs and aspirations of our people. Building greater autonomy at the Regional level means that there would be greater capacity to support and help fund innovation at the local from a variety of sources, not just from NSWALC.



**Councillor James Morgan**  
Wiradjuri Region

Born in Sydney and raised in Leeton, James Morgan has been actively involved in the Land Council Network in NSW since its early years. James was elected to NSWALC as Councillor of the Wiradjuri Region at the 1999 election. Before his term as a Councillor he was Branch Manager at Wagga Wagga, supporting Wiradjuri's numerous Local Aboriginal Land Councils. Prior to that, James served for eight years as Chairperson of the Tumut Brungle Local Aboriginal Land Council.



**Councillor Manul Ritchie**  
Central Coast Region

Manul Ritchie is a long serving Councillor having been elected to the first Council in 1984. A member of the Dunghutti and Birpai nations, Manul was born in Coffs Harbour and grew up in Taree. Manul became involved in Aboriginal affairs in 1965, actively lobbying Australian governments throughout the 60s and 70s. Alongside Faith Bandler and the late Oodgeroo Noonuccal (Kath Walker), Manul was a member of the Federal Council of Aborigines and Torres Strait Islanders (FCAATSI), a key organisation in national Aboriginal affairs.

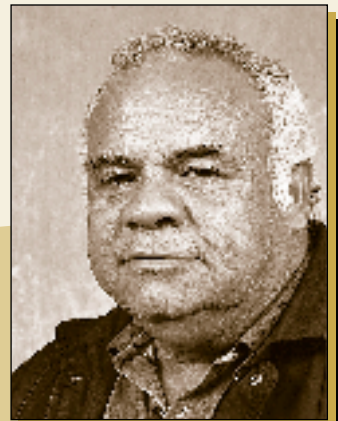
Manul believes the NSW Land Rights Act and the Native Title Act can be used together to extend Aboriginal rights and to increase the amount of land claimable in NSW. He believes native title can also revive culture in the Aboriginal communities and restore pride to the Elders in each area. Manul has served NSWALC previously as both Treasurer and Interim Chairman during the early 1990s.



**Councillor Wayne Griffiths**  
Northern Region

The son of veteran land rights activist, George Griffiths, and a member of the Corben clan (Namoi River) of the Kamilaroi nation, Councillor Wayne Griffiths has lived and worked in the Gunnedah region all his life. He and wife, Michelle, have four children. Wayne became committed to taking a leadership role during his young life - vowing that his children would never be treated as he was as a youngster.

One of the key areas for Wayne during his term on Council is home ownership, and he cites the success of the mortgage fund in the Northern Region. Wayne's top priorities for NSWALC include the continued growth of the investment fund and development of and amendments to the NSW Aboriginal Land Rights Act.



**Councillor William Murray**  
Western Region

William Murray was born in Balranald, of the Nari Nari people. He has spent most of his life in the Wilcannia area. Currently serving his second term as Councillor to NSWALC, William is also into his fourth term as Aboriginal and Torres Strait Islander Commission (ATSIC) Councillor for the Murdi Paaki Region. William has enjoyed a long involvement with various Aboriginal organisations. After joining Wilcannia Local Aboriginal Land Council he went on to be Chair of the Western Regional Aboriginal Land Council when it formed in 1985.

William's priorities are a commitment to his local area and the good running of rural properties and heritage and cultural protection. He has been active in the Ancestral Remains program based at NSWALC.



**Councillor David Brown**  
Far North Coast Region

Councillor David Brown belongs to two of the north coast's largest language nations, through his mother's Gumbaynggirr people and the Bundjalung people of his father. David has spent all his life on his traditional country. He has been involved with Land Councils since 1989.

David intends to further LALC independence and develop community plans. He says that land and cultural heritage combined with responsible economic development and Aboriginal involvement in local business enterprises are critical for Aboriginal communities. He also plans to secure better resources for land councils and maintain links with local industry groups for the further success of land councils in the Far North Coast.

## Councillor Attendance At Meetings

2003 - 2004

Councillor	No.* Meeting Days Eligible to Attend	No. Attended	Notes
I. Ardler	23	23	
T. Briggs	23	21	
D. Brown	23	20	Illness (2)
D. Clark	23	21	Annual Leave (2)
O. Cruse	23	22	Illness (1)
V. Graf	23	19	Illness (4)
W. Griffiths	23	20	Annual Leave (2)
R. Lester	23	19	Illness (4)
J. Morgan	23	23	
W. Murray	23	12	Annual Leave (4) Illness (5)
M. Ritchie	23	17	Illness (4)
R. Towney	23	20	Illness (3)
L. Trindall	23	23	

\* Council was dismissed in October 2003 and an Administrator appointed in November 2003 for an initial period of 12 months.

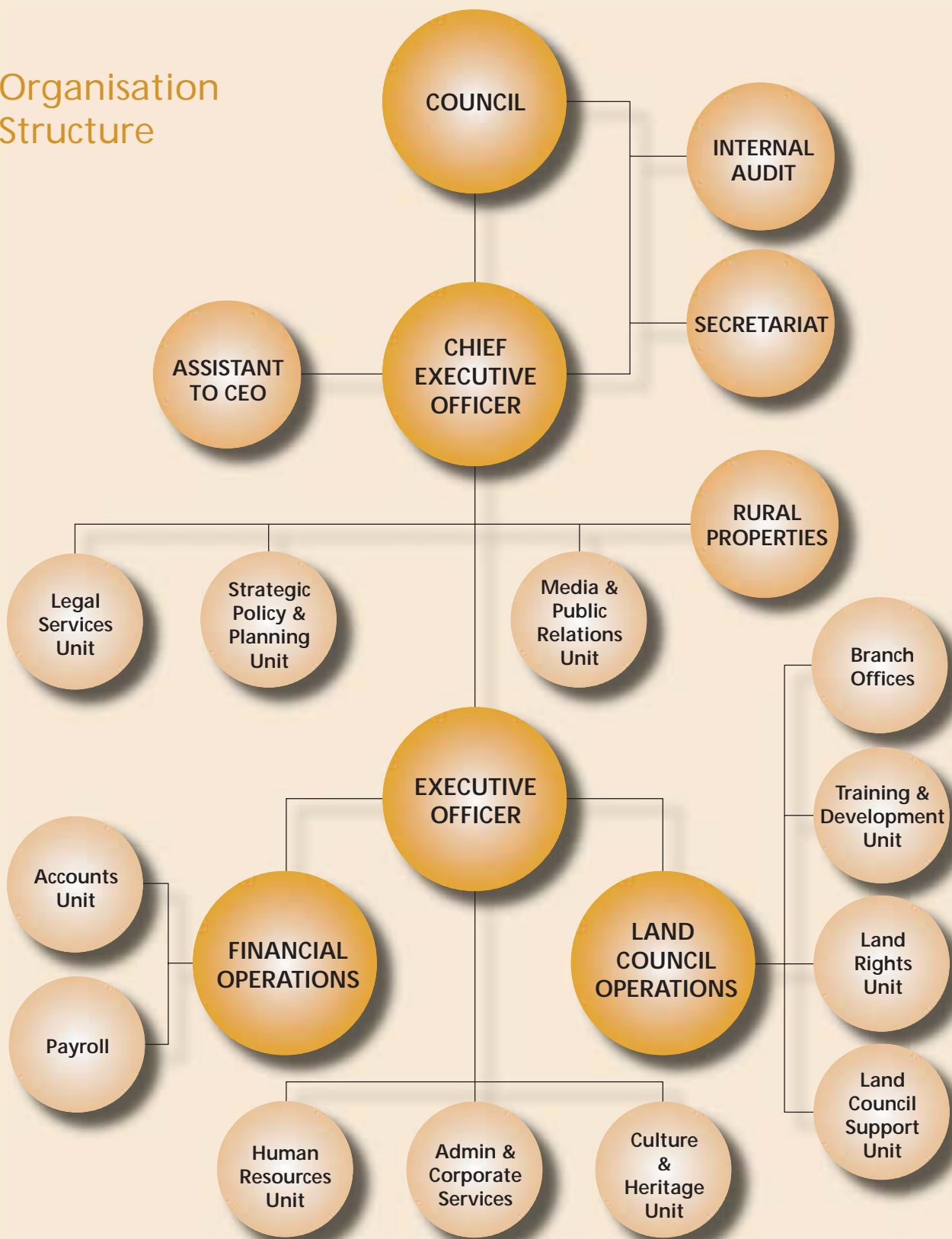




# New South Wales Aboriginal Land Council Overview



## Organisation Structure



NSWALC is arranged in functional areas relating to the core business of the Council - namely, Land Rights and Investment. There is a range of management and support areas including Executive, Human Resources, Training & Development, Accounts, Purchasing, Fleet Management, Field Liaison and Internal Audit. Strategic priorities as well as structures

have been determined in response to the requirements of the long-awaited Amendment Act (2001) which was finally proclaimed (with Regulations) on 25 October 2002.

Some downsizing of Head Office was forecast with the announcement of the new Zone Office structure, which was designed to ensure more



skilled resources were being placed closer to the client group they were designed to support. A simplified corporate structure with boosted support for LALCs and a rationalised corporate finance area was achieved during the reporting period. Substantial capability was also added to the organisation in terms of policy development and project management, much of this via short term contracts and consultants for specific tasks, pending a recruitment campaign to fill positions on a permanent basis.

As at 30 June 2004, actual staffing level was 72 persons with 17 of these functioning in 6 remaining Branch Offices, and 3 operating out of Parramatta as Intensive Field Officers. Overall, this represents a 20 per cent reduction on actual numbers at the close of the previous reporting period.

### Executive

During 2003/2004, NSWALC had only one position at a level of Executive Officer. That position, Chief Executive Officer (originally Executive Director) was created in 1994 and although not part of the NSW Public Sector Senior Executive Service, was established at a level equivalent to SES Level 2.

Ms Kerri Wilkinson acted in the position from March 2003 until September 2003 when, following an extensive advertising campaign and a rigorous selection process, Mr William Johnstone took up his appointment as CEO.

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

### Media & Marketing Office

The Media & Marketing functions were not staffed for part of the reporting period following the departure of the former Media Manager to a job in Canberra. However, Mr Brian Johnstone was engaged in August 2003 to perform a wide variety of publicity and promotional tasks.

The formation of the Unit was originally made in response to an identified need to better manage media issues - both positive and negative. Nothing has changed. With the joint aims of improving the organisation's profile as well as facilitating improved communication with the broader community and also within the Land Council network, the Media & Marketing Office has an important role in the ongoing development of NSWALC.

Functions of the Media and Marketing Office include:

- > The development and implementation of specific public awareness campaigns to promote the work of NSWALC and the land council network to the wider community and specific interest groups (particularly the education sector).
- > Media liaison.
- > Production of corporate publications, display and marketing material.
- > Provision of speeches and briefings,
- > Media monitoring and issues management.
- > Media awareness training for both the elected and administrative arms of the organisation.
- > Management and maintenance of the NSWALC website.

### Human Resources Unit

The Human Resources Unit was established to provide an extensive range of services to Management, staff and Councillors as well as providing advice to Regional & Local Aboriginal Land Councils.

Within NSWALC, the Unit is responsible for all matters relating to personnel functions, Occupational Health & Safety, Industrial Relations, Recruitment and Selection.

The Unit also provides advice and support with performance management issues and coordinates the implementation of disciplinary action where considered necessary.

The accurate maintenance of all staff and establishment records, providing counseling and advice to staff and the processing of conditions of employment in accordance with the NSWALC Staff Award, Policies and Procedures and legislative requirements are fundamental functions of the Unit.

A major additional responsibility of the Unit during the reporting period has been associated with the NSWALC review and restructure. The Unit has had significant involvement in the development of strategies and policies associated with the restructure as well as coordinating the development and evaluation of position descriptions, commencement of recruitment action together with the management of affected staff.

During the reporting period, the Unit has also been involved in the consultative process and the development of strategies and time frames for the improved management of NSWALCs rural properties.

It is anticipated that the future will see the Unit evolve to meet the new demands placed on the NSWALC and to work in consultation with the Zone Offices to assist RALCs & LALCs in the development and implementation of sound human resource practices.

### **Training & Development Unit**

One of the major responsibilities of NSWALC is the provision of an extensive range of Training and Development opportunities to staff and management of NSWALC and to Local and Regional Aboriginal Land Councils. Training & Development needs are constantly analysed and reviewed to ensure client needs are being met with the introduction of new of modified courses and programs.

Regrettably, new programs of Training & Development for all staff was curtailed for the greatest part of the reporting period owing to financial constraints. However, in the final 3 months of 2003/2004, the unit resumed normal training activities and there were a large number of trainees in long term programs that continued training throughout 2003, despite the wind back of the training & development budget. Details are reported overleaf in "Achievements" .

### **The Land Council Services Unit**

The results of an organisational restructure conducted during 2000/2001 led to the creation of this Unit. Consistent with the focus on providing a range of support services to LALCs, the Land Council Services Unit incorporates the functions of the former Land Rights Unit and the former Field Liaison Unit. The Land Council Services Unit remained substantially unchanged during the reporting period, although impacted on adversely with the loss of a number of long term staff through take up of voluntary redundancy offers.

Ever since the inception of the Land Rights Act, the centre of NSWALC's operations has been the support of LALCs in their pursuit of legitimate land rights claims. For many years, the Unit has also sought to have the large number of unresolved claims determined by Government. The Unit provides technical support and assistance to LALCs in lodging claims under the ALRA and has worked hard during the reporting period to refine and expand procedural guidelines to improve LALC accountability and procedural effectiveness, in anticipation of the introduction of the new Zone structure.

It has also been responsible over a number of years for overseeing the Ancestral Remains Project whereby research was conducted and proper procedures put in place to repatriate ancient skeletal remains and cultural material held in museums, private collections and other institutions. When invited, NSWALC negotiates on behalf of and alongside of

LALCs to achieve a return of remains for reburial and handover of artefacts to the Aboriginal communities from which they were taken.

### Strategic Planning & Policy Unit

A new unit was created at NSWALC during the previous reporting period. The structure of the unit was designed to:

- > Provide policy and research advice to Council and the CEO
- > To monitor and advise on parliamentary legislation
- > To promote the rights and interests of Aboriginal people and communities in both private and public arenas
- > Promote the functions of the NSW ALC through promotions, advisory committees and conferences, and
- > Provide support and advice to the local and regional land councils.

The Unit was one of three that reported directly to the CEO. The Unit assumed responsibility for land management issues affecting Aboriginal lands, including Native Vegetation, Salinity, Water Catchment and Forestry. It was broadly responsible for ensuring that NSWALC's interests in emerging areas such as water rights and fishing rights were protected and that NSWALC made an informed contribution to the ongoing debate of how to preserve the sustainability of these precious resources and, in that context, influence positively how rights are to be assigned into the future.

Following a 12 month period where the Unit was inactive due to downsizing, NSWALC has in the latter part of the reporting period recruited a Director on a temporary basis to re-activate the important work of the Unit.

### Legal Services Unit

The Legal Services Unit (LSU) came into being in January 2002 as a discrete entity. Formerly part of the Land Rights Unit, the LSU was to not only continue the work previously

undertaken by legal officers working in the Land Rights Unit (briefing barristers on significant Land Claims and assisting LALCs to decide whether or not to pursue a particular claim), but was also to provide legal services more strategically to the CEO and Council. The plan, therefore, was that as a dedicated Unit, the LSU would have been capable of providing better managed, comprehensive legal services both to NSWALC and to various Regional and Local Aboriginal Land Councils within NSW.

When fully staffed, the Unit was able to:

- > manage internally a higher number of legal matters (hence reducing the reliance on and cost of an array of barristers and solicitors);
- > provide closer management and supervision of matters briefed out (to reduce the incidence of double handling and unnecessary duplication);
- > monitor/oversee all NSWALC legal issues; and
- > deal with a broader range of legal issues by virtue of acquired expertise in a wider field of legal experience.

Prior to the establishment of the LSU, various units engaged legal practitioners independently of the Legal Officers. There were numerous problems arising from obtaining advice in such an ad hoc fashion: duplication of (or conflict with) advice already obtained; legal costs not properly negotiated; advice being retained by one officer and not being made available to other staff or Council; inappropriate selection of legal practitioners with insufficient expertise on the particular point of law in question; no central conduit for managing the growing in-house legal knowledge of NSWALC.

For most of the reporting period, the Legal Unit consisted only of a single Senior Counsel, with the attendant need to outsource much Legal work to reputable, suitably experienced lawyers.

During the latter part of the reporting period, the LSU was supplemented by a Senior Legal Officer allowing more of NSWALC's legal work to be conducted in house.

The Principal Legal Officer currently reports directly to the CEO.

### Internal Audit

The Council established the Internal Audit Section in May 1991 to provide independent management oriented advice to Council and management on accounting and audit issues. It conducts regular appraisals of the adequacy of and compliance with the system of internal control, reviews operations and programs, and ascertains whether results are consistent with established objectives and goals.

### Financial Operations

The Finance Unit deals with all financial reports to management and also looks after the debtors and creditors of NSWALC. The Unit also assists Branches/Zones and locals with accounts queries and allocations to LALCs. Accounts section also deals with grants including funeral assistance to the Aboriginal community in NSW as per council approval. It has been responsible for initiating a series of reviews of major cost items during the reporting period and the outcomes are reported later under "Review of Operations".

### Payroll Unit

A discrete Payroll Unit was established to ensure that data from the new EPMS was used directly to determine necessary payroll variations due to unpaid leave or unaccounted absences. It remains staffed under the new structure.

### Administration and Corporate Services (Now Corporate Governance)

Corporate functions such as property management, fleet, purchasing, reception and IT support are coordinated through the Administration and Corporate Services area.

This area has carried prime responsibility during the reporting year for the development of an IT strategy for roll-out of electronic services to Zone Offices and to the LALC network generally. It has been responsible for managing the commercial rental of Parramatta Head Office.

It has been of considerable concern to Council that the largest part of the building at 33 Argyle Street has remained vacant since NSWALC staff were consolidated on the 4<sup>th</sup> floor almost two years ago. However, following a review of commercial property management rights, and steady negotiation with known potential clients, 2 full floors have been leased at competitive commercial rates while another floor is earmarked for take up in the new financial year.

Further details of other achievements throughout the year may be found below in "Review of Operations"..

### Restructure

By far the most ambitious restructure of NSWALC in its 20 year history has been foreshadowed by incoming CEO, Mr William Johnstone.

Concerned that the existing Head Office/ Branch Office /Regional Aboriginal Land Council structure did not provide the best methods of support for the 121 Local Aboriginal Land Councils, it was determined that a simplified 4 Zone structure with substantial management and financial management expertise would better provide the necessary base to build LALC planning and budgeting capacity and, where appropriate, intervene prior to the point where traditionally an Administrator would have been brought in to deal with the affairs of an insolvent LALC.

Further details of the implementation of the restructure will be available with next year's Annual Report.





**2003 – 2004**

Review of  
Operations



## Review of Operations

The various operational areas of the Council conduct regular internal reviews of their operations, as well as being subject to external review by a range of bodies. The following is a summary of major business items transacted during the reporting period.

### Achievements in Media & Marketing

NSWALC's media and marketing unit was revived during this reporting period following its closure due to financial constraints and the departure of the former Media Manager.

The State Council sought assistance in dealing with a campaign about its activities by mainstream media, particularly the Sydney Morning Herald, which they considered to be ill-informed and biased.

This led to the development of a media and public awareness strategy which was endorsed by Council.

The strategy emphasised the need for the unit to provide timely and accurate advice to the elected and administrative arms of the organisation and other stakeholders, including the Minister for Aboriginal Affairs, on all media and communication matters.

The key objectives of the media and public awareness strategy are:

- > To clearly position NSWALC to influence public debate on Aboriginal Affairs across all media.
- > To clearly articulate the roles and responsibilities of NSWALC.
- > To promote the achievements of NSWALC.
- > To identify and strategically advocate on key issues as they arise.
- > Establish an effective network of all stakeholders through strategic alliances

with Indigenous and non-Indigenous organisations and all relevant media.

- > Ensure the elected officials of NSWALC play a key role in the implementation of such a strategy at the community, state and national level by assisting in the identification of key issues and working in close consultation with the Chief Executive Officer and the administrative arm to develop public awareness strategies on these issues and in the public prosecution of them.
- > The implementation of all individual public awareness strategies should take care to promote the distinct identity and rights of Aboriginal people and the principles of self determination upon which NSWALC was founded.

The strategy is designed to position NSWALC as a credible and authoritative voice in keeping with its status as the peak representative Indigenous organisation in New South Wales.

In that capacity NSWALC aims to protect the interests and further the aspirations of its members and the broader Aboriginal community.

The media strategy notes the NSWALC is committed to ensuring a better future for Aboriginal people by working for the return of culturally significant and economically viable land, pursuing cultural, social and economic independence for Aboriginal people and voicing the position of Aboriginal people on issues that affect them.

Its structure, aims and objectives provide it a clear mandate to advocate on behalf of the Aboriginal people of New South Wales. Importantly it also provides a mandate for the Council to develop policy and advocacy positions on behalf of all Aboriginal people if it so wishes.

The strategy notes that NSWALC must

ensure through leadership, advocacy and presentation that it sets the public affairs agenda on Aboriginal Affairs in NSW and beyond and that its public profile has the support of its constituent stakeholders.

The overarching strategy was used to inform the Council's official responses to the report of the Government appointed Investigator which was released in September 2003 and the ensuing public debate before the appointment of an Administrator in November.

It was complemented by a specific strategy which sought to inform the NSWALC network, and other key stakeholders, of the major reform steps taken by NSWALC in developing new governance policies and procedures and to highlight major flaws in the report of the Investigator which had been used to sustain his main recommendations.

The key message of this campaign, articulated in media statements and internal network messages, was that a new governance regime for the State's peak body could only be sustained through direct ownership by Aboriginal people.

The dismissal of Council in November effectively silenced the public political voice of the organisation. This, in turn, allowed the media and marketing unit to concentrate on rebuilding its resources and assisting the Administrator, the Chief Executive Officer and other senior managers in their communications with the NSWALC network.

Provision was made in the 2004-05 Budget for the permanent appointment of a Media Manager, a public affairs officer and an information officer.

Recruitment processes were underway at the time of writing this report.







The announcement by Minister Refshauge in May 2004 that a Taskforce had been appointed to conduct a review of the ALRA review led to the development of a further specific public awareness campaign in consultation with the Administrator and the Chief Executive Officer.

The strategy was based on two key messages; the Review was an opportunity to improve the current land council structure and system to improve outcomes for NSWALC constituents and an opportunity for those constituents to have a voice on the future of the land rights system in NSW and the principles of self determination and self management which underpin it.

The key target audiences were Aboriginal people and organisations in NSW, Indigenous media, and mainstream media and organisations in NSW.

At the time of writing this report a series of fact sheets were being produced to stimulate debate about the future direction of NSW land rights system, while a special sub-site was being constructed on the NSWALC website to provide ready access to source materials on the Review and, importantly, to provide a community feedback mechanism on the issues.

An audit was also being conducted on all internal and external communication tools available to NSWALC and its constituents in readiness for the return of an elected arm.

## Achievements in Financial Management

The substantial achievements of NSWALC in sound financial management during the reporting period are all the more commendable in that they came at a time of manifest uncertainty for the organisation.

With considerable input from staff, and despite delays caused by the need to expend extensive resources on support of the Investigator, reviews of all major account items were undertaken during the reporting period, including:

- > Statutory Fund management
- > Banking
- > Fleet management
- > Insurances
- > Information Technology
- > Property Management & Co-ordinating Lease Management of building, and
- > Consultancy arrangements.

In each applicable case, options for cost reduction were explored. Where it was determined to test the market, an open tender and selection process was used every time to ensure that the best possible value for money was achieved.



## Statutory Fund Management (Financial Operations)

The decision to rationalise the investment fund management arrangements has meant a major reduction in handling fees. Our investment portfolio performed acceptably well during a time where many funds were simply recovering some of the extensive losses previously sustained on international shares, but the simplified Fund arrangements now in operation will save many thousands of dollars annually in fees while continuing to produce acceptable levels of return.

## Banking (Financial Operations)

A shift from the Commonwealth Bank to Westpac has allowed us to achieve better returns on cash accounts and a lower overall fee structure.

## Fleet Management (Financial Operations/ Corporate Governance)

The decision to outsource fleet management (NSWALC had purchased, operated and sold vehicles in its own right) to an expert fleet leasing firm is expected to offer cost savings and a far less "hands on" approach which is less resource-intensive. The tender process was initiated during the reporting period and finalized shortly thereafter.

## Insurances (Financial Operations)

An open tender was advertised for a range of Insurance services, resulting in Omega Insurance Brokers offering a package of cover meeting or exceeding our minimum specification at a lower cost than in previous years. The new policies come into force from 1 July 2004.

## Information Technology (Corporate Governance)

The move to a Zone-based structure and the need for a complete revamp of the office technology at Parramatta saw a great deal of work done in conjunction with the Corporate Governance area to secure a "best fit" solution to the NSWALC's information and communication needs,





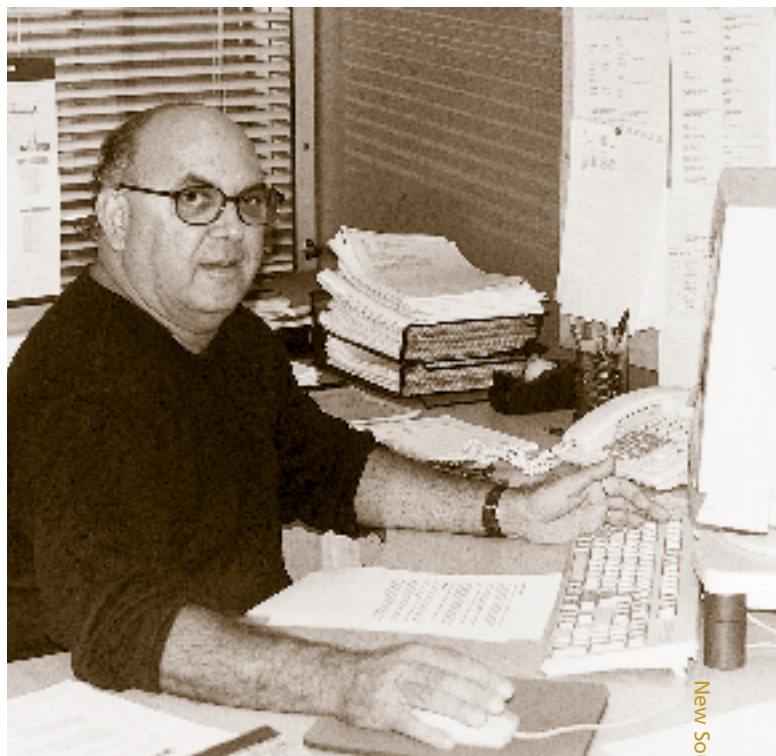
#### *Property Management/Co-ordinating Lease Management Agency Rights (Corporate Governance)*

After many years with Colliers Jardine, it was determined that a market test was needed to ensure that NSWALC was receiving the best possible assistance, not only with Building Management Services, but with Commercial Rental, and a range of Commercial Agents were invited to tender for the provision of one or both services. While all Commercial Agents can refer clients, one is appointed Co-ordinating Lease Manager to ensure a holistic view of the owners' needs and "best fit" of commercial tenants.

The result of that process was the receipt of 8 tenders from which we appointed Finch Freeman under an initial 3 year contract covering both Property Management & Co-ordinating Leasing Agency Agreement.

#### *Consultancy Arrangements*

Finance Unit promoted consistent arrangements across NSWALC to help ensure value for money in the appointment of various consultants and implemented minimum payment approval and acquittal requirements for all services delivered. The Unit also provided an improved recording and reporting system so that the true cost of the variety of consultants used could be reported against the appropriate cost item.



#### *Other Matters*

A simple to read summary of NSWALC financial position was prepared for constituents and a copy is enclosed overleaf:

# NSWALC Investment Funds

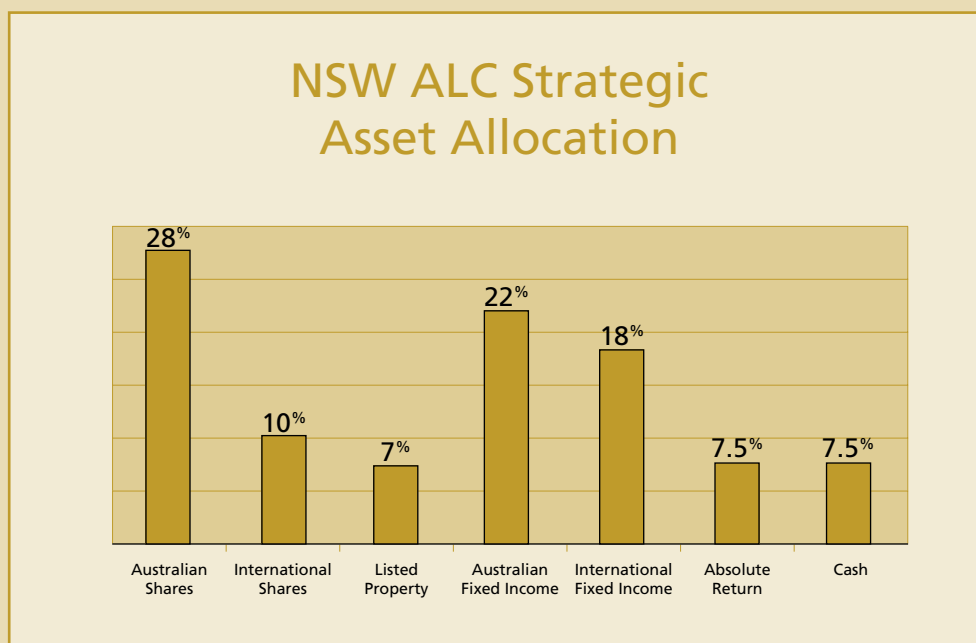
The NSW Aboriginal Land Council (NSWALC) has the responsibility of ensuring that the money in the Statutory Investment Fund is properly managed. The objective of the Fund is to:

- > Provide sufficient income to meet the expenses of Local Aboriginal Land Councils and the administration of NSWALC.
- > Ensure enough funds are put aside so that the value of the fund increases with inflation.

To help achieve these objectives the NSWALC has invested in "CHIF Trust " via Chifley Financial Services (Chifley) as an investment advisor.

The Council has, on advice from Chifley, diversified the investments of the investment account. This means that the money is invested in different areas so that when one area is not performing that well the other areas will support it to ensure the overall objectives are met.

The money is currently invested as follows:



Chifley also provides assistance on choosing investment managers in each of the asset classes. These managers then choose the best areas in their field of expertise to invest in. The investment fund is then reviewed on a regular basis to take into account changing circumstances.

## How the money is spent

The Council then has the task of ensuring that competing priorities are balanced so that all are given a fair go.

It is reasonable to say that whilst NSWALC has a great deal of money invested (some \$540 million as at June 2004) it is not able to spend more than the realised income less the allowance for inflation; or it will be in breach of the NSW Aboriginal Land Rights Act.

More importantly if overspending occurred on a regular basis, future generations would suffer as the real value of the fund will be diminished.

# NSWALC Investment Funds

The amount earned and spent this year was as follows:

<b>Revenues from ordinary activities</b>	<b>\$ '000</b>
Interest and Investment Income	28,404
Rent	159
Net Increment on Investment Revaluation	6,439
Other Income	1,561
	36,563
<b>Revenues from government</b>	
Grants and Subsidies	113
<b>Total Revenues</b>	<b>36,676</b>
<b>Expenses from ordinary activities</b>	
Audit Fees	195
Investigators fees	838
Consultants Fees	414
Investment Fees	284
Depreciation and Amortisation	1,073
Bad Debts & Doubtful Debts	1
Employee Expenses	6,000
Funding of Regional and Local Aboriginal Land Councils	11,948
Grants	813
Legal Expenses	604
Loss on Disposals of Property Plant & Equipment	34
Motor Vehicle Expenses	340
Repairs and Maintenance	370
Other Expenses	2,824
<b>Total Expenses from ordinary activities</b>	<b>25,738</b>
<b>OPERATING SURPLUS FROM ORDINARY ACTIVITIES</b>	<b>10,938</b>
<b>Net Increase In Asset Revaluation Reserve</b>	<b>22,258</b>
<b>TOTAL CHANGES IN EQUITY</b>	<b>33,196</b>

NSWALC takes its obligations to both current and future generations of Aboriginal people seriously. It is important that we all recognise the constraints placed on us in relation to the investment fund.

## Achievements in Human Resources

### *Industrial Relations*

Although NSWALC experienced a period of significant change as a result of the review and subsequent restructure, through the advice and contribution of the Unit there were no adverse industrial implications, with NSWALC experiencing a period of industrial harmony with the Public Service Association & Professional Officers Association Amalgamation Union of NSW.

### *Restructure*

The Unit has played a significant role in the NSWALC restructure through the provision of the following:

- > Assistance with the development of strategies and policies to ensure the transition process is progressed in an open and professional manner;
- > Commenced coordination of the development and evaluation of Position Descriptions for the new structure;
- > Management of all issues associated with affected or potentially displaced employees.

### *Significant Recruitment Action*

The reporting period saw the completion of an exhaustive recruitment process, which culminated in the appointment of the Chief Executive Officer, William Johnstone who commenced employment on 1 September 2003.

In mid 2004, NSWALC commenced an extensive recruitment campaign for the newly created positions of Zone Directors for new offices at Coffs Harbour, Dubbo, Queanbeyan and Parramatta.

Subsequent selection action has resulted in the appointment of the four Zone Directors in August 2004 who will play a pivotal role in the NSWALC's immediate and long term future.

## Achievements In Occupational Health & Safety, Workers' Compensation & Rehabilitation

Policies, procedures and programs which had been developed and approved in the previous reporting period, continued to be implemented. In particular, there were several initiatives undertaken by the OH&S&R coordinator to demonstrate NSWALC's capacity and intent for compliance with the NSW Occupational Health & Safety Act 2000 and the Occupational Health & Safety Regulation 2001, which came into effect from 1 September 2001.

Amendments to the Workers Compensation legislation continued to be addressed through implementation of appropriate policies, procedures and training programs.

### *Achievements in Staff Training & Development*

The revitalised Training & Development Unit commenced the development & delivery of new programs in March 2004, for participants from Local Aboriginal Land Councils.

An introductory training program '**Working in a LALC**' for LALC staff and Officers, is being delivered in the essential skills for working in a Local Aboriginal Land Council. The program is adapted specifically for the use of Local Aboriginal Land Councils and was a collaborative effort by the NSWALC Training Unit and the training providers.

This introductory course is: workplace focussed and includes provision for assessment based on the demonstration of competence at the workplace skills and competencies to work effectively in LALCs

- > To enhance Land Council employee's skills to improve the LALCs operation and project planning;
- > To enhance the governance and management skills of Officers, to improve the effective operation of LALCs;
- > To provide skills & knowledge for those in paid and unpaid positions, who work



within the relevant legislation and policy guidelines for the development and co-ordination of LALCs;

- > To improve career and recognition pathways within the community services industry, including the capacity to enhance the work opportunities for paid staff.

The program provides an overview of organisational skills and knowledge for working in a range of positions in a local Land Council. The modules, which are part of the TAFE Community Management course, will be offered through two workshops approximately four to six weeks apart.

- > **LALC Management** - Accountability & Ethical Practice, Governance, Employment Issues
- > **Occupational Health and Safety** - Follow OH&S Act & Regulations. Develop & follow LALC workplace OH & S policies.
- > **Legal Requirements** (ALR Act) Roles & responsibilities of Officers and Coordinators, Legal Obligations & Managing Finances
- > **Work Documents** - Effective writing of letters, reports, memos, faxes & e-mail.

The course is delivered using a mix of two workshops, individual learning activities and the provision of resources and support material to assist in the development of assessment items, the modules will be presented as a seamless set of inter-related skills at the workshops. Successful participants will receive the Statement of Attainment in Community Management. A total of seventy eight (78) LALC staff participated in Block 1 of the program, delivered in Dubbo, Tamworth, Coffs Harbour and Queanbeyan.

Nineteen (19) LALC staff also completed Block 2 in May, which was delivered in Dubbo.

A two day workshop on Cash Payments & Wages was conducted in June at Dubbo for LALCs being administered by NSWALC under Assistance Agreements. Nineteen (19) LALC employees from the North West & Wiradjuri Regions successfully completed this program. The overall aim of this training was to equip participants with the necessary knowledge and skills so that they can exercise control over cash payments and accurately maintain accounting and payroll records.



## **LALC STAFF ACHIEVE CERTIFICATE II & III IN ABORIGINAL SITES CONSERVATION**

The preservation of Indigenous sites and lands is that much more secure for the next generation following the graduation of ten students in the Certificate II Aboriginal Sites Conservation and Land Management program. The students come from LALCs across the State and they accepted their Certificates in June this year at Ryde College of TAFE.

The graduating students received their awards while attending their final block of studies for the Certificate III in Aboriginal Sites Conservation and Land Management. The successful participants were from the Central Coast, Far North Coast, Northern Tablelands, North West and Sydney/ New Castle Regions.

These students began their studies in 2001, as part of a joint initiative between NSWALC and the Northern Sydney Institute of TAFE.

The aim of this program was to train a group of land council participants to become qualified sites officers for their respective LALCs. The program, run through the Ryde College, was conducted as a block release program requiring the students to attend 6 block release programs over a period of 12 months. In June of this year, seven students completed their final block program of the Certificate III in Aboriginal Sites Conservation and Land Management.

Several of the students have expressed their desire to continue onto further studies and undertake the Certificate IV and possibly the Diploma in the Land Management Program.

## LALC Community Plans Developed by ALC staff

Following months of negotiations in 1996/97 between NSWALC Training & Development Unit and the Community Services Faculty of the Nirimba College of TAFE, an existing TAFE course (Community Management) was customised to provide relevant training that would enable LALC Coordinators and Office Bearers to develop their own strategic plans. The principal aim of the training is to “skill up” LALC staff and provide the communities to whom they are responsible with a three or five year plan of management. These community plans are developed **by** the local community **for** the local community. Using this “bottom-up” approach, the resultant Plan is community owned. It draws on a wider range of resources, with the trained planners working in partnership with participants who have experience and expertise in their respective communities.

The course is offered over a number of months using a mixed mode format of delivery, including field trips, block release, face-to-face learning, small groups, workshops, one-to-one learning, self-paced learning, project completion, workplace assessment and challenge testing (to identify skills already used in the workplace), recognition of prior learning where other courses have been completed (RPL).

These alternative delivery methods have made the course more accessible to participants who are currently juggling existing work and family commitments or who reside in isolated or remote communities, who may require a more supported learning environment or who may have different learning styles.

Each student is treated as an individual and their different training needs are assessed and every attempt is made to meet them. This has included the provision of extra tutorial time at work or at TAFE, regular telephone support, particularly in regard to assessment tasks, allowing students to progress at their own pace. All assessment activities are linked to workplace activities relating to the three

or five year community plans drawn up for participating land councils.

The modules in the TAFE Community Management Course are designed for people in management and supervisory positions in community services, including Board members. The course was designed to facilitate maximum customisation of accredited modules, to assist community organizations to increase management skills and operate in an environment which demands increased transparency and accountability. It draws on workplace-based experiences to meet the needs of a wide range of community organizations. Learners can complete short courses with flexible arrangements that articulate into a Certificate 4 and Diploma in Community Management.

The course recognises the needs of the members of the Aboriginal Land Councils of NSW by offering a number of elective modules in other areas of Community Management, to enable participants to develop their strategic plans and also gain qualifications in other areas such as Aboriginal Cultural & Heritage Sites Conservation, Property Management, and Managing Finances. Other elective modules address the skills and knowledge needed by staff employed in clerical positions. The course also allows members of the Local Aboriginal Land Council to gain qualifications in one area eg. Property Management and gain credits towards another area of specialized study eg. Aboriginal Cultural & Heritage Sites Conservation.

Strategic plans have been built into both the Certificate 4 in Community Management (where learners undertook 6 blocks of training) and the shorter Statement of Attainment in Community Management (where learners undertook 2 blocks of training). While the longer course offered learners more opportunity to undertake a broader analysis of their region and community, both areas of training required learners to work with their community on the strategic plan, and evaluate their proposed

plans for the following three -five years as well as cost each proposal.

Both the Statement of Attainment and Certificate 4 in Community Management allow learners to achieve the outcomes consistent with the Community Services National Training Package competencies, and give learners portable qualifications, recognised throughout Australia. Learners receive credits in a range of diplomas and degrees in Community Management in universities across Australia, should they wish to undertake further study. This opportunity has already been taken up by a number of LALC learners who have successfully completed their TAFE training and received credits in their university studies. A few have now successfully completed higher degrees and diplomas in Community Management, which is a very valuable thing for their communities.

Sixteen (16) Aboriginal Land Council staff completed Certificate IV in Community Management in 2003. The successful participants were from the Far North Coast, Central, North West, Far South Coast and Wiradjuri Regions. These participants now have the necessary skills and knowledge and are keen to assist other LALCs to develop their Community Plans.

### **ALC staff achieve Certificate II & III in Property Management**

The Property Management course offered jointly through NSWALC and TAFE was successfully completed by a nine (9) LALC staff who graduated with Certificate 11 Property Management (Aboriginal Communities) and seventeen (17) ALC graduated in Certificate 111 Property Management (Real Estate ) in July 2003. The successful participants were from the Central, Central Coast, Far North Coast, Northern, North West, Far South Coast, South Coast and Sydney /Newcastle Regions.

Each subject studied and all the activities relate to the work of the Housing / Property Officer dealing with housing / property issues. The course is designed to meet the specific needs of Aboriginal people and the training was tailored to support the LALCs to establish and maintain successful housing programs.

### **Achievements in Land Rights**

The passage of the Aboriginal Land Rights Act (NSW) 1983 by the Wran Government marked a watershed in recent Aboriginal history. Quoting from the Preamble, we see the essential intent of the Act:





“Whereas:

- (a) Land in the state of New South Wales was owned and occupied by Aborigines
- (b) Land is of spiritual, social, cultural and economic importance to Aborigines
- (c) It is fitting to acknowledge the importance which land has for Aborigines and the need for Aborigines of land
- (d) 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.”

### Defining the Aboriginal Land Rights Act

The right to claim land under the Aboriginal Land Rights Act (NSW) is based on the most fundamental rights of the Aboriginal community - the right to ownership of their own land in Australia, from which they were dispossessed by white settlement. Aboriginal people have been able to make land claims since the commencement of the Act in 1983. Land councils lodge land claims over NSW Crown land, which are then determined by the relevant Minister or on appeal through the NSW legal system.

Under the Act, claimable Crown land is defined as:

- (a) Land able to be lawfully sold or leased, or reserved or dedicated for any purpose under the Crown Lands Consolidation Act 1913 or the Western Lands Act 1901
- (b) Land that is not lawfully used or occupied
- (c) Lands which are not, in the opinion of the Minister administering the Crown Lands Act, needed or likely to be needed as residential lands.

- (d) Lands which are not needed or likely to be needed for an essential public purpose.
- (e) Lands that are not subject of an application for a determination of Native Title or subject of an approved determination of Native Title.

If land satisfies the above tests, it is granted to the claimant land council. Land councils have a right of appeal against the Minister’s decision if a claim is refused. The appeal is heard by the NSW Land and Environment Court.

### The Function and Purpose of Land Claims

The making of a claim and the granting of land is now the sole remaining form of compensation for dispossession of land available under the Act. This follows the sunset of a provision of the Act which for 15 years made available to NSWALC an amount equivalent to 7.5% of commercial land tax collected in NSW, of which half has been invested on behalf of the Aboriginal peoples of this state to help secure our economic, social and cultural future.

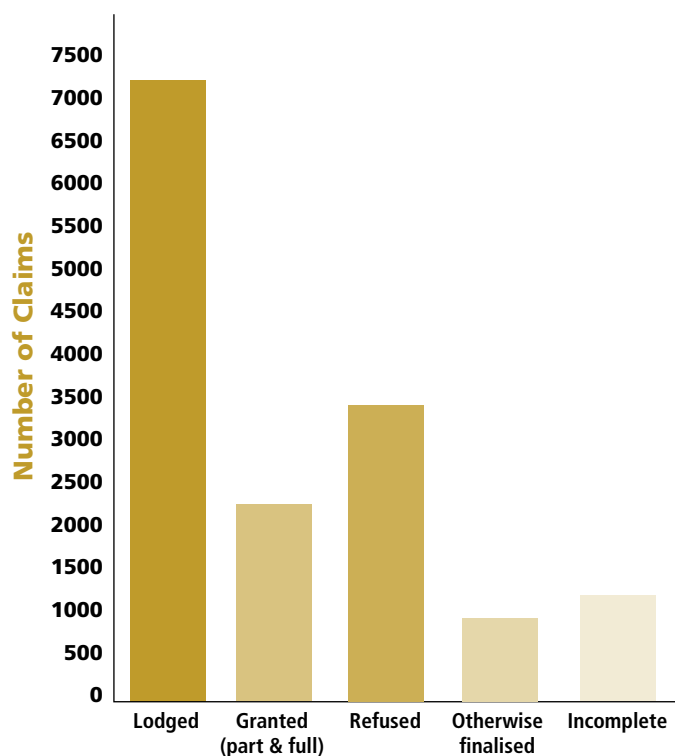
### Claims Progress

Over the period 1983 to end June 2004 there have been 2124 claims land granted out of a total lodgement of 7103, with more than 3460 declined. The total area of these granted properties comprises 79,117 hectares with an estimated value of \$741,271,904.

Even though the preamble of the Aboriginal Land Rights Act 1983 states that land in New South Wales was traditionally owned and occupied by Aborigines and that land set aside for Aborigines has been progressively reduced without compensation, there is still only a 30 per cent success rate in reclaiming Crown land from the Government.

In the 2003/2004 reporting year, statistics show that a total of 117 claims were lodged.

As at 30 June 2004, 1108 claims were still outstanding (down slightly from 1147 last year) but with 52 of these outstanding claims having been lodged with the Minister before June 1990 (down from 66 at June 2003).



### Functions and Responsibilities of NSWALC under the Land Rights Act

The statutory responsibilities carried out by NSWALC under the Act in relation to Land Rights are:

- (a) Land Claims;
- (b) Disposal, leasing, purchasing and changing the use of LALC land pursuant to S40D, S40B, Reg 24 & S40B of the ALR Act, respectively;
- (c) NSWALC Policy relating to property matters within the ALRA regarding LALCs, RALCs and NSWALC;
- (d) Management & disposal of NSWALC properties including transfers to LALCs and investment properties;
- (e) Safekeeping of the Common Seal;
- (f) Rates policy including exemptions and S44A debts;
- (g) Policy matters relating to interaction

with Federal, State, and Local Government;

- (h) Interaction between Land Rights and Native Title issues;
- (i) Monitoring & advising the Council on legislative change;
- (j) Planning law issues on LALC properties and where proposed development affects Aboriginal people;
- (k) Protection of Aboriginal Cultural Heritage matters and policy;
- (l) Areas of NSW not constituted by LALCs;
- (m) Policy and representation regarding Government advisory committees;
- (n) Briefing external professionals such as Solicitors and ensuring co-ordination with LALCs;
- (o) Natural resource issues such as mining, hunting & gathering agreements, fishing rights and policy regarding forestry issues;
- (p) NSWALC housing policy (including the Housing disposal Project) and involvement with the Aboriginal Housing Office;
- (q) Assistance with negotiations under the Aboriginal Ownership of National Park provisions of the National Park & Wildlife Act;
- (r) Applying for external grants for specific projects including ILC, Regional Forest Agreement process, Indigenous protected areas and Landcare;
- (s) Providing advice to LALCs.

These functions are now carried out by the Strategic Planning & Policy Unit, the Legal Services Unit and the Land Council Support Unit.

### Legal Matters on hand

The 2003/2004 reporting year was one of intense activity for the Legal Unit.

Prime among the varied and challenging issues NSWALC faced during the reporting period was the emergence of new property development methods on Aboriginal Land, with NSWALC being at pains to ensure that the benefits derived from the successful land

claims of the past 20 years are not lost in a single generation but rather preserved for future generations to share in.

To this end, NSWALC has sought to ensure that appropriate steps are taken in seeking the release of title to land sold, that measures to protect the resultant revenue are in place and that LALCs are fully accountable for the proceeds of sales and leases so that all of the community benefits, not just a privileged few. Revised Draft Guidelines were released as an aid to that debate.

### **Revised Guidelines for Disposal of Aboriginal Held Land**

There has been considerable debate within the land council network in recent years about the development and disposal of land which is successfully claimed under the ALRA and then subject to proposals for sale and or development.

The debate has been generated as the commercial demand for development on Aboriginal owned land has intensified. Successful claims have created a large bank of Aboriginal owned land around the State, all of it having spiritual significance, only some of it deemed “valuable” by property developers and the like. Much of the “valuable” land is situated on the rich coastal belt. Development along the coast has ensured that much of this undeveloped coastal land is now in high demand.

This has presented NSWALC and local aboriginal land councils with a range of sensitive and complex issues.

Section 40D of the NSW Aboriginal Land Rights Act 1983 requires NSWALC approval before local land council property can be sold, exchanged or mortgaged. S40B governs leasing, while S38 governs acquisition.

Given its statutory obligations in this regard, and given the intensifying interest from developers, NSWALC moved during the reporting period to ensure greater scrutiny of all land dealings and particularly commercial

development proposals. This has included the establishment of a Commercial Unit staffed with appropriately experienced advisory staff.

New policy guidelines were introduced to tighten the assessment process by NSWALC of applications received under Section 40, as well as clarifying acceptable arrangements under Sections 40B and 38.

A critical related issue for ongoing debate and for which some resolution must be found will be the means to ensure that the asset-poor inland dwelling Aboriginal people are not prevented from somehow sharing the massive financial benefits accrued by asset-rich coastal dwelling people who derive land sales income and in some cases, ongoing leasehold revenue and other benefits from developers for whom the profit motive will always be central to their plans.

### **Rates Exemption**

Rates exemption applications for vacant land owned by Local Aboriginal Land Councils are accepted by the Minister for Aboriginal Affairs, Dr Andrew Refshauge. The Minister has a set of guidelines for Section 43, NSW Aboriginal Land Rights Act, (1983) in order to apply for rates exemption on vacant land. These guidelines assist in the determination of applications by Local Aboriginal Land Councils for vacant land claimed through the NSW Aboriginal Land Rights Act.

The amendments to the NSW Aboriginal Land Rights Act, (1983) and Regulations included the introduction of rates exemption on former Aboriginal Reserves. All former Aboriginal Reserves are listed in Schedule 1 under Land Exempt from certain rates and charges. Although this list was to be inclusive of all former Aboriginal Reserves, several land parcel have been left off the list which will hopefully be modified to include all former Reserves in the very near future.

*77 Local Aboriginal Land Councils have applied for rates exemption under the new guidelines since the guidelines introduction*

## Revised Guidelines for Disposal of Aboriginal Held Land

NSWALC Administrator, Mr Murray Chapman, and NSWALC CEO, Mr William Johnstone, publicly released the guidelines in April 2004.

They were designed, they said, to protect the interests of all parties, but particularly those of Local Aboriginal Land Council members.

Mr Johnstone said issues around Section 40D development applications had long been contentious but, to date, had been treated in an ad hoc fashion.

He had worked with the Administrator Mr Chapman to develop a framework for development approvals and disposal of land which would maximise the input from, and commercial returns to, Aboriginal land council members. He announced the new policy guidelines, which would apply to all current and future applications, would ensure that applicants provided NSWALC with a more comprehensive overview of proposals to better inform the assessment process.

This would include a community business plan and supporting financial projections with detailed explanations of proposed sales and transactions. Explanations would include the commercial structure of the venture, the reasons driving the development proposals, the proposed application of any financial proceeds and their consistency with the community business plan.

The guidelines had been adopted as the first step in the development of a comprehensive policy document on such applications.

It had been decided to release the interim guidelines to send a clear signal to all parties that NSWALC intended to ensure the benefits of commercial developments on Aboriginal land flowed to those it was designed to assist---current and future generations of Aboriginal people in NSW.





*in May 2000. 577 determinations have been made by the Minister to date granting rates exemption to the value of approximately \$840,000 per year for some 1,167 parcels of land across NSW. Exemptions may only be claimed for a maximum period of five years at this stage, however, at that time Local Aboriginal Land Councils may re-apply.*

*The percentage of applications for rates exemption processed by the Minister is just under 50 per cent. This means that slightly more than half of applications received (some dating back two years or more) have not been determined by the Minister. The progress of exemptions for many Local Aboriginal Land Councils is far too slow, and NSWALC is continuing to place pressure on the Department to "fast track" the processing of these applications.*

NSWALC strongly encourages all Local Aboriginal Land Councils to make application to their local government authority for rates exemption on all vacant land to assist in relieving at least some of the unfair burden of Local Government rates. As former Crown Land and prior to the introduction of the NSW Aboriginal Land Rights Act, (1983), Local Governments were unable to charge rates, yet once title passes to a LALC, many Local Government Authorities have opportunistically invoiced for rates even though the land is not serviced and non-income producing.

The Aboriginal Land Rights Amendment Act (2001) contains a schedule of all Aboriginal Land in NSW which is to be exempted from rates and this potentially offered some reassurance for those LALC members who have made the effort to seek exemptions in the past. However, in view of the Government's decision to reverse the exemption policy and require LALCs to argue in each case cultural significance as a grounds for exemption, we will likely continue to see the already marginal financial status of many LALCs further eroded, with some becoming unsustainable.

## Reports to Council

A Report regarding Land Rights is generally presented to every Council Meeting, and since November 2003 to the Administrator. Inclusions in these reports during the 2003/2004 reporting period consisted of:

- > 3 Section 40B Submissions (to do with lease and use of land owned by LALCs)
- > 27 Section 40D Submissions (to do with disposal of land by LALCs)

It should be noted that the Aboriginal Land Rights Amendment Act (2001) allows for the acquisition, lease and disposal of LALC land without the need for Ministerial approval, but provided these things are done within a set of guidelines prescribed in the legislation.

## Achievements by the Strategic Planning & Policy Unit

In the latter part of 2003/2004 NSWALC reactivated the role and function of the Strategic Planning and Policy Unit by recruiting for the position of Director on a short term contractual basis.

Plans for the new unit are well advanced. It will take primary responsibility for providing NSWALC's advocacy services. It is anticipated that the new unit will have a staff of five policy officers for a policy portfolio that includes the management of issues relating to health and human services, economic development, culture and heritage and natural resources.

Matters relating to Aboriginal rights and interests are spread across a broad spectrum of government legislation and agencies. NSWALC's Planning and Policy Unit has been extensively involved with the whole of government planning approach sponsored by the Department of Aboriginal Affairs. This coordinated approach to planning for Aboriginal people is known as "Two Ways Together" and NSWALC is an active participant in the process.

The Planning and Policy Unit provides support to the Chief Executive Officer in his role as member of the Natural Resources Advisory Council. The Unit has contributed to the development of the Indigenous Fishing Task Force, the Review of the Land Rights Act and represents NSWALC in a range of planning and policy development activities.

Key issues for 2004/05 will include recruitment of policy staff, campaigning for Indigenous fishing rights, promoting Aboriginal rights and interests in natural resource management, continuing participation in the review of the Land Rights Act and monitoring the effect of changes to Commonwealth and State funding and service delivery arrangements in the post ATSIC period.

### NSW Framework Agreement

The NSW Framework Agreement was administered on NSWALC's behalf by the SPPU. The framework has two purposes, namely

1. To commit to achieve a standard of living for Aboriginal peoples in New South Wales that is equal to that of the average of the rest of the State's population, through implementation of measurable improvements in the quality of life of Aboriginal people in their communities by a combination of their own initiatives and by public policies and programs of the NSW State Government; and
2. To further enhance and consolidate practical recognition of the Indigenous Rights of the Aboriginal peoples of NSW:
  - a) Right to Autonomy or Self Determination: The right of Indigenous peoples to determine the way in which they live and control their social, economic and political development
  - b) Right of Peoplehood or Identity: The right of Indigenous peoples to exist as distinct peoples with distinct cultures

- c) *Right to Territory and Resource:*  
The right of Indigenous peoples to land entitlement, to the resources of that land, and to the use of those resources.

### Acknowledgement

The Parties acknowledge that the NSW State Government has already provided some practical and valued recognition of these Indigenous Rights.

New initiatives for program and service coordination outlined in Schedule 1 to this NSW Framework Agreement reflect the NSW State Government's recognition of Autonomy or Self Determination Rights and are an attempt to consolidate that recognition into more effective planning, implementation and evaluation arrangements.

Culture and heritage programs, activities and initiatives already operational reflect the NSW State Government's recognition of Peoplehood or identity rights.

The *NSW Aboriginal Land Rights Act 1983* and its 2002 amendments constitute a significant recognition of Territory and Resource Rights. Current negotiations over future arrangements in regard to Aboriginal access to water resources are a contemporary test of the ongoing commitment to recognition of Territory and Resource Rights.

### NSW Framework Principles

The Parties agree that the following five Principles will determine the implementation arrangements of the NSW Framework Agreement:

1. Recognition of and Support for the Indigenous Rights of Autonomy/Self-Determination, Peoplehood/Identity, and Territory and Resources.

These Indigenous Rights were first articulated in this form in Australia by the Aboriginal and Torres Strait Islander Commission in 1994 in an official report

of a nationwide consultation process amongst Indigenous communities, entitled *Recognition, Rights and Reform*.

2. Recognition of two State Elected Indigenous Bodies as the appropriate Indigenous Parties, namely NSW Aboriginal Land Council and NSW Aboriginal and Torres Strait Islander Commission.

Though there exists a range of advisory bodies to Agencies of the NSW State Government on specific functions such as health, housing and education; and though there is a range of specialist Aboriginal organisations legitimately pursuing their interests and activities in domains such as law, culture, heritage, health, sport and recreation; none of these bodies or organisations can claim to be democratically elected on a State-wide basis as representative of the aspirations and needs of the two Indigenous peoples of New South Wales.

Accordingly, these two Indigenous elected organisations are the appropriate Indigenous Parties to this NSW Framework Agreement.

3. Increased Aboriginal participation in decision-making processes in new partnership arrangements and increased Aboriginal and control of decisions made over the scope, focus and delivery of public sector policies and programs aimed at improving practical outcomes in the quality of life of Aboriginal peoples, communities and families.

The dimensions of quality of life include: economic, physical, social, cultural and emotional.

Schedule 1 to this NSW Framework Agreement identifies innovative partnership arrangements that increase Aboriginal participation and control at local, regional and State levels, whilst respecting existing legislative, regulatory and audit requirements for privacy and for probity in public administration and finances.

4. Support for Aboriginal Community Capacity Building commensurate with the rights and obligations of the NSW Framework Agreement. The Parties are committed to the ongoing performance improvement of Aboriginal organisations, and the ongoing development of the competencies (knowledge, skills, attributes) of their managers and leaders, so that they both can fulfil the opportunities afforded through the NSW Framework Agreement.

The Parties acknowledge that capacity building has both organisational and personnel dimensions and both dimensions must be addressed. In regard to these two dimensions, Schedule 1 contains an initial checklist for upgrading in the period 2002-2005.

5. Establishment of a State-level Accountability Framework of undertakings in the NSW Framework Agreement, encompassing surveillance, monitoring, review and continuous improvement of performance.

The NSW Framework Agreement is a 'living document' intentionally designed so that partnership arrangements described in Schedule 1 can be modified to reflect achievements, changed requirements, and changes in political and institutional realities. A comprehensive Accountability Framework is essential to ensure that the NSW Framework Agreement does not atrophy.

## Achievements by the Corporate Governance Area

With Corporate Governance in focus at all levels of the organisation, it was logical to have arrangements to do with Administrators/Investigators, with IT, with facilities management and with Purchasing all arranged under one head for a short period up to a proper restructure of Head Office. In addition, reviews of all major contracted corporate services were put up for tender during the reporting period with the result that substantial savings have been realised in a range of areas.

Working closely with the Financial Services Area, our banking, insurance, building management, building rental, car fleet, IT and legal service providers were all put out to tender to test the market and ensure that NSWALC was getting value for money.

Details are spelled out at the Financial Services achievements report. Other notable achievements include:

- > The securing of further tenants for vacant floorspace at Parramatta Head Office
- > The development of an IT strategy as a prelude to a rollout of improved IT services to the new Zone structure and the network of LALCs

## Complaints

NSWALC has a Complaints section which was set up to receive complaints from LALCs and individuals who are concerned with issues and behavior that may contravene the NSW Aboriginal Land Rights Act, 1983, as well as other complaints that may be more general.

NSWALC employs Aboriginal field officers within the NSWALC Branch Offices who may on occasions work with the LALCs to resolve a complaint or dispute, as the field officers have a better understanding of the local community and the dynamics within the local community and how the issue can be best resolved.

Whilst NSWALC handles some of the complaints internally, the majority are referred out to other government and non-government agencies. These range from referrals on to the organisations for tenancy advice, to mediators, to the NSW Department of Industrial Relations and more serious referrals are sent on to the Registrar.

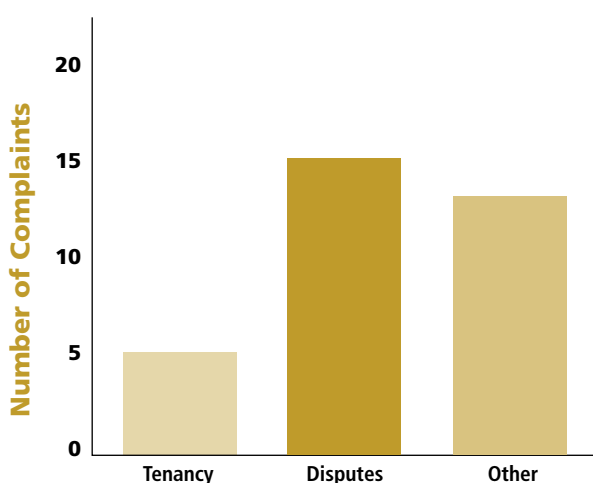
The Registrar and NSWALC work closely in trying to resolve a complaint or dispute.

Complainants are encouraged to put their complaints in writing:

- > as this practice helps the complainant to set the complaints out clearly, as often when complaints are made in an emotional state, the complainant may forget to express all their concerns;
- > in case legal action eventuates; and
- > to safeguard the complaints officer.

Before a complaint is considered by NSWALC, we encourage Local Aboriginal Land Council members to make use of the complaint mechanisms already in place at their Local Aboriginal Land Councils. Only where this has failed or cannot meet their needs does NSWALC get involved directly.

## COMPLAINTS RECEIVED 2003 - 2004





## Intervention into the affairs of Land Councils

Part 11 of the Act gives powers which allow for the intervention into the affairs of Land Councils. Division 1 deals with the appointment of Investigators, Division 2 with the appointment of Administrators and Division 3 with non-functioning land councils and dissolution.

In the year in review the Minister has appointed an Administrator to the NSW Aboriginal Land Council. This followed the Investigation report of Bentley's MRI which looked into allegations of mismanagement in NSWALC. The Administrator, Mr Murray Chapman, was appointed by the Minister

9 Administrators were appointed in 2003/04:

Local Land Council	Administrator	Start of Appointment	Status at 30 June
Birpai	Andrew Hoholt	19 March 2004	In progress
Kempsey	Andrew Hoholt	9 January 2004	In progress
Ngunnawal	Peter Hillig	24 June 2004	In progress
Purfleet/Taree	Terry Lawler	7 October 2003	In progress - extended
Thungutti	Andrew Hoholt	19 March 2004	In progress
Trangie	Andrew Hoholt	16 January 2004	In progress
Wagga Wagga	Eddie Senatore	24 June 2004	In progress
Wagonga	Simon Byrne	22 October 2003	In progress - extended
Worimi	1. Terry Lawler 2. Peter Hillig	16 January 2004 13 April 2004	Finished 13 April 2004 In progress

2 Administrators were in place as at 1 July 2003:

Local Land Council	Administrator	Start of Appointment	Status at 30 June
Koompahtoo	Terry Lawler	25 February 2003	In progress - extended
Moree	Paul Gidley Replaced another who resigned	13 August 2003	In progress - extended

The reasons for appointment vary. Failure to comply with statutory reporting requirements, possible disposal of land without proper approval, possible fraudulent activity, unsatisfactory audit reports are some reasons. Section 222 of the ALR Act specifies the grounds on which an Administrator may be appointed.

for Aboriginal Affairs on 20 November 2003. He was in place at the end of the period in review.

Since 1986 47 LALCs have been subject to Investigation but no administration, 10 have had Administration but no Investigation and 40 have had both Administrators and Investigators.

Section 234(1) gives the Minister authority to dissolve Regional or Local Aboriginal Land Councils where they request it or where NSWALC is of the view that the relevant Council has ceased to function. No Land Council was dissolved in the period of review.

### *Birpai Local Aboriginal Land Council*

Birpai LALC came under administration due to a failure to furnish satisfactory audited financial statements.

### **Kempsey Local Aboriginal Land Council**

Andrew Hoholt was appointed Administrator as Council failed to comply with sections 153, 158 and 159 of the ALR Act. It had previously been under Administration for 12 months up to October 2003.

### **Koompahtoo Local Aboriginal Land Council**

Mr Terry Lawler was appointed Administrator based on recommendations of the Investigators report in relation to alleged ultra vires payments, loans to members and cash payments and land dealings that possibly contravened the ALR Act.

### **Moree Local Aboriginal Land Council**

Mr. Paul Gidley appointed as Administrator due to the resignation of previous Administrator Mr. Rees.

### **Ngunnawal LALC**

Mr. Peter Hillig appointed as Administrator for failure to furnish satisfactory audited financial statements and other documents required under the Act, substantial breaches of the Act, arising mainly from the alleged misconduct of the NLALC's Chairperson and other officers, failure to provide NSWALC with an annual report for the year ended 30 June 2003, and failure to provide NSWALC with its budget for year commencing 1 July 2004 by the due date.

### **Purfleet Taree LALC**

Mr. Terry Lawler appointed as Administrator due to an unsatisfactory audit for the financial year ended 30 September 2002, general lack of internal controls and failure to keep proper accounts and records. The LALC had received qualified audits over a number of years, with rent collection continually being commented on by the Auditor as insufficient.

### **Trangie LALC**

Mr. Andrew Hoholt appointed as Administrator due to several qualifications on their accounts from their auditor.

### **Thungutti LALC**

Mr. Andrew Hoholt appointed as Administrator due to unsatisfactory audited financial statements for period ending 30<sup>th</sup> September 2001 and a range of other reporting issues.

### **Wagga Wagga LALC**

Mr. Eddie Senatore was appointed Administrator following on from an Internal Review conducted by the firm Smith Hancock in April 20004. The LALC had a number of major Breaches of the Act.

### **Wagonga LALC**

Mr. Simon Byrne was appointed Administrator due to three (3) years worth of outstanding audits and constant breaches of reporting requirements.

### **Worimi LALC**

Mr. Peter Hillig appointed as Administrator due to Council failing to furnish satisfactory audited financial statements.

Out of the hundred and twenty one (121) Local Aboriginal Land Council, only nine (9) at the time of this report are under Administration.

## **Achievements of the Legal Services Unit**

As mentioned elsewhere in this Report, the Legal Services Unit consisted of one person for the greatest part of the reporting year and that person was heavily involved in providing advice in relation to the appointment of an Investigator to NSWALC, in forming the NSWALC response to the Minister's questions following the Investigator's report, and in briefing senior Counsel on matters before the ICAC and Land & Environment Court.

## **LALC property developments**

The needs of the land council network has undergone considerable change over the last 20 years. One of the most notable and pleasing changes has been the increase in property ownership by Local Aboriginal Land

Councils. As a result of this accumulation of property, many LALCs now require assistance with legal aspects of asset management. In particular, there is an increasing complexity associated with LALC property transactions. This shift means that the nature and focus of legal assistance required by the network has changed and hence requires a dramatic and immediate re-think by the LSU to deal with these emerging needs.

One area of asset management that has proven to be most problematic and time consuming for NSWALC staff is that of (proposed) property development such as joint ventures and the subsequent obligations upon both the LALC and NSWALC in relation to their respective responsibilities under Part 6 Division 4 of the *Aboriginal Land Rights Act (NSW) 1983*.

In recognition of the fact that NSWALC is the peak body for Aboriginal people in NSW and as such needs to take a leadership and advisory role, the LSU is attempting to develop NSWALC's corporate knowledge to guide LALCs in achieving "best practice" in terms of sustainable outcomes and help realise optimum results for the community from property development and management.

### Legislative Reform

As part of the NSWALC plan to become more pro-active in the area of policy development, NSWALC has two years ago formed a Strategic Planning & Policy Unit (SPPU), the role and functions of which are discussed in more detail elsewhere in this report.

The announcement by the Government of a major review of the Aboriginal Land Rights Act (ALRA) is potentially the most significant opportunity afforded for legislative reform since the original ALR was proclaimed way back in 1983.

Experience has demonstrated that time is the most critical issue. NSWALC needs to respond adequately in such developments. The recent amendments to the Aboriginal

Land Rights Act are a good example. The LSU will endeavour to facilitate constructive and beneficial responses to these changes. It is anticipated that the LSU will work closely with other units in NSWALC such as the Land Council Services, Strategic Policy and Planning and the Media Unit to deliver the best outcomes. These units and the LSU will, with the help of the Media Unit, in turn consult with the Land Council network as appropriate so that real grass roots Aboriginal voices are heard in the corridors of power.

### Land Claims

During the reporting period, there were no significant land claims resolved.

### Commercial Activity

As mentioned above, NSWALC has worked during the reporting period to establish a higher level of expertise in property matters in particular and commercial activity in general. The Commercial Unit is able to provide advice to LALCs at early stages of development to help avoid inappropriate developments.

The NSWALC Statutory Fund has held for many years a prime asset (building located at 33 Argyle Street Parramatta) which houses its Head Office, but which is also rented out to a range of commercial tenants, all of whom (including NSWALC itself) pay commercial rent to the Fund. Substantial capital gain has proven this to be a sound financial investment.

Similarly, about 12 years ago NSWALC acquired responsibility for the operation of 4 rural properties in marginal farming country formerly owned by a number of Regional Land Councils on behalf of a larger number of constituent LALCs at a time when amendments to the ALR Act focused ownership of assets in the hands of LALCs. After 10 years of trading losses accumulated to more than \$8m, NSWALC appointed independent farm management experts, Riverina FARM Pty Ltd, initially to provide advice and expert assistance.

## Rural Properties

After many years of drought and difficult conditions, a number of Aboriginal-owned rural properties located in marginal farming country in the North West and Far West of the State had accumulated significant operating losses, a fact commented on by the Auditor General in several of his reports.

These properties, owned by NSWALC on behalf a number of LALCs since 1992, had some potential, both in terms of capital growth and productive capacity, to offer a measure of financial security and direct employment for at least a small number of Aboriginal stock and crop workers.

In 2002, action was taken to appoint professional advisers on a retainer to see if expert advice would assist in the more effective management of the properties. Riverina F.A.R.M Pty Ltd, a specialist farm management business operating successfully for a number of years out of Wagga Wagga was selected for the job.

While some improvements were achieved in the short term, it was determined that nothing

short of a fully professional, ongoing farm management program would produce the best results, with direct supervision of all stages of the production cycle.

Over the reporting period, massive improvements were made to farm infrastructure, with unused, derelict and inoperative farm equipment being repaired, sold or traded as appropriate. Fencing repairs and soil preparation on a substantial scale were undertaken to ensure that new stock could be contained and crops would have the best chance of success.

At the time of writing, the properties had a total of 8000 acres under a mix of cash and feed crops and stock numbers – mostly Western Beef Cattle – had been re-built to pre-drought levels. Unexplained stock losses and crop shortfalls were progressively eliminated. Subject to favourable weather conditions, and putting aside one-off capital items, an operating surplus is anticipated for the first time in the coming fiscal year.



*Riverina FARM is a substantial enterprise boasting extensive agricultural expertise and a proven track record in efficient farm management for a range of clients. Its Wagga storage and holding facilities are among the largest in the region and ideally located on major train and road routes.*



# Riverina Farm Commerce Park



## Rural Properties



*Kaituna Wheat Crop 03-04 Season*



*Barooga Karrai hand fed calves during the drought*



*Drafting Damara sheep Calooma - for sale, as part of introduced cattle program.*



*Appin Station Main Homestead*

Following the success of this arrangement in improving productivity and minimising preventable losses, the role of Riverina FARM has been strengthened to include a far more active role. The immediate benefit has been to stem the flow of losses, to repair fences, to pasture improve and re-stock key areas of each property to the point where future trading surpluses may now be anticipated with reasonable certainty. While this result will always be at the mercy of sufficient rainfall, NSWALC has turned the corner and acted decisively to eliminate entrenched loss-making behaviours.

However, further amendments to the ALR Act may be needed to allow NSWALC to continue to develop these assets and ensure their preservation for the benefit of future generations.

### Achievements of the Internal Audit Unit

The principal function of the Internal Audit Section is to issue recommendations to Council and management in audit reports through the Audit Committee in order to improve internal controls, systems and procedures. The audits included investigations into possible fraud and corruption issues, systems performance evaluations, and the provision of advice to NSWALC Units and to Local Aboriginal Land Councils. Internal Audit advice assisted managers solve accounting and audit problems. There was an increased emphasis on the follow-up and correction of issues raised by the Audit Office of New South Wales in the external audit process.

The Internal Audit Plan for the 2004-year put more emphasis on special projects as NSWALC is still in the transition stage of restructure. Projects included advice on a Local Aboriginal Land Council CDEP program, probity of the various tender committees within NSWALC and a preliminary risk assessment as a preamble to audits and the organisation's Corruption Prevention Plan.

During the year, a Complaints Officer was appointed to handle and monitor all the

complaints.. Many of the complaints were directed through the Independent Commission Against Corruption (ICAC) and are referred in some cases to Internal Audit for investigation or advice or are referred from NSWALC to ICAC as a result of audits conducted.

### Audit Committee

Internal Audit Section reports are tabled at Audit Committee. The Audit Committee met 5 times in the 12 months to 30 June 2004.

### Funds Granted to Community Organisations

There are two major categories of funds, the first and by far the largest category is the annual allocation of funds to Regional and Local Aboriginal Land Councils, totalling some \$11.9m in 2003/2004 (\$0.378m to RALCs and \$11.5m to LALCs). These allocations are used primarily as a contribution toward the annual operational expenses of the Councils, and also for Council approved capital acquisitions (\$64,000).

The second category is other grants to community organisations and individuals in several categories, totalling some \$0.812m in 2003/2004 (compared with \$0.689m in 2002/2003). 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 - 2003/2004

Account Code	Account Name	Amount
SU003262	Grants - Hardship	2,899.28
SU003264	Grant Council Approved	17,602.32
SU003264001	Regional Grant	9,113.16
SU003264002	Regional Grant	12,461.57
SU003264003	Regional Grant	12,842.53
SU003264004	Regional Grant	8,462.69
SU003264005	Regional Grant	15,160.67
SU003264006	Regional Grant	10,761.35
SU003264007	Regional Grant	12,902.54
SU003264008	Regional Grant	6,794.67
SU003264009	Regional Grant	14,034.58
SU003264010	Regional Grant	11,090.38
SU003264011	Regional Grant	2,799.07
SU003264012	Regional Grant	19,825.77
SU003264013	Regional Grant	12,477.69
SU003270	Council Approved Projects	6,113.64
20023280	Expenditure of Grants	15,000.00
CS003280	Funeral Grant	1,000.00
SU003280	Funeral Grant	621,170.65
<b>Total Grants Paid</b>		<b>812,512.56</b>



### Major Grants (>\$5000)

Payee	Purpose	Amount
<b>Council Approved Projects*</b>		
<b>Council Approved Grants</b>		
ATSIC Sports Council	Waive the Debt	6,114
Cyril Rhodes	Waive the Debt	10,919
Red Chief LALC	RL Test	8,000
L Uluikadavu	Refund - Australian Immigration	-6000
<b>Total Major Grants</b>	<b>3</b>	<b>19,033</b>

### Minor Grants (<=\$5000)

Category	Number	Amount
Councillor Discretionary#	171	151,626
Council Approved Projects*	3	4,683
Funeral	372	622,171
<b>Total</b>	<b>546</b>	<b>778,480</b>

### Accrued Unexpended Grants

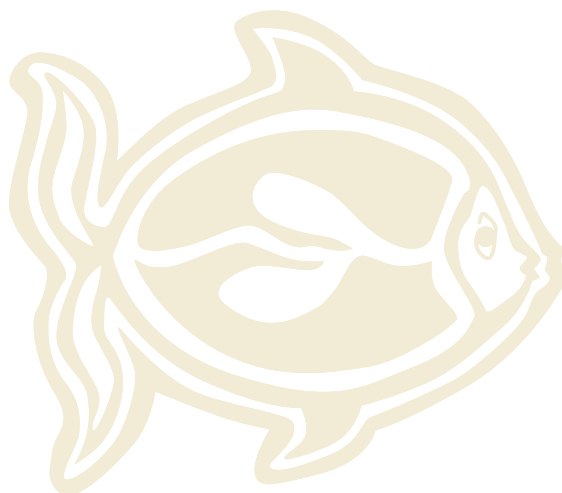
Milage for Delegates - Central Branch	15,000
<b>Total</b>	<b>15,000</b>

<b>Total of All Grants</b>	<b>812,513</b>
----------------------------	----------------

### Explanatory Notes:

\* = Written proposals submitted to Council seeking specific amounts for one-off purposes.

# = Small grants made at Regional level in response to local emergency requests.





## Legal Changes

No actual amendments were enacted to legislation governing NSWALC during the reporting period however there was a major review performed within NSWALC on Section 40D, which deals with the circumstances and procedures for disposal of land and foreshadows possible legislative amendments. See "Legal Issues" for details.

It should be noted that the Registrar issued a Compliance Direction in December 2004 requiring NSWALC to cease involvement in some aspects of NSWALC's operating of its Rural Properties as it currently contravenes the ALR Act. It is foreshadowed that legislative amendment may be required to remove doubt and allow certain forms of commercial activity to continue and thereby avoid substantial losses for breach of contract in this regard.

## Economic Factors

World Stock Markets continued to recover during 2003/2004, bringing a considerable improvement in the base value of the NSWALC Statutory Fund. However, a poor commercial rental market in the Parramatta CBD and continuing drought conditions across NSWALC's rural holdings combined to reduce earnings potential from both Head Office rental and farm income.

NSWALC has significantly reduced its expenditure across the board and, like many other organisations with a diversified portfolio, managed to trim costs and rein in spending in order to keep trading successfully.

Major reviews mentioned elsewhere covering all significant corporate cost items will produce substantial savings and deliver increased efficiencies in service delivery in the coming year

## Management and Activities

The 2003/2004 reporting year saw perhaps the greatest changes of NSWALC's 20 year history, with a range of initiatives put in place by the incoming CEO.

Foremost among these has been the revamping of the senior management ranks and the adoption of a new corporate structure which focuses on the Local Aboriginal Land Council as our key clients.

Also important has been the adoption of more rigorous accounting standards, consistent with our aim to have an unqualified Audit Report and at the same time to rein in certain areas of unproductive spending.

Consolidation of staff onto one complete floor of the Parramatta Head Office allows 3 floors to be freed up for commercial rental and brings greater efficiencies and a closer level of supervision to the entire administration by virtue of having functional areas located logically and managers located closer to the staff they have to manage.

## Research & Development

From within NSWALC, the SPPU had assumed the principal role in relation to research and development in both a policy and political sense. The gathering together of skilled staff to service an array of committees, to develop draft policy positions for Council endorsement, and to identify emerging issues and deal with them before they get out of hand is an approach NSWALC will continue to follow in future years in an attempt to stay at the forefront of new "land rights" areas such as natural resources.

In order to do this, it will be necessary to reinstate at least some elements of the defunct SPPU and, finances permitting, dedicate a suitable resource to ensure its preservation.

## Human Resources

The most significant developments in HR during the reporting period have been:

- > the adoption of a new, streamlined corporate structure
- > the strengthening of NSWALC field representation through the creation of 4 new Zones
- > the devolution of staffing responsibilities for rural property workers to an external expert manager

- > the emergence of a new Award to govern future employment conditions for NSWALC staff.

Each of these matters is discussed at length elsewhere in this report.

## Industrial Relations developments

No significant developments during the reporting period. All staff have been consulted regarding the potential impact of the restructure and rounds of voluntary redundancies have thus far accommodated all who wish to leave.

## List of Consultants

During 2003/2004, NSWALC engaged consultants on a total of 19 projects at a total value of \$607,287. The major areas of work in general terms were organization restructure, financial advice, media relations and Farm Management. The following breakdown is supplied in accordance with the requirements of the Annual Reports (Statutory Bodies) Act 1984, as amended.

List of Consultants		
Name of Consultant (Projects \$30,000 & above)	Title of Project	Amount Paid \$
Brian Johnstone	Media	54,817
Hawkless Consulting Pty Ltd	Staff Review	31,250
Smith Hancock	Audit Evaluation	39,450
Geoffrey Scott	Restructure	129,600
Creative Key Solutions	Rural Property Management & other	56,580
Riverina F.A.R.M. Pty Ltd	Rural Property Management	179,361
<b>Total amounts paid \$30,000 &amp; above</b>	<b>6</b>	<b>491,059</b>
<b>Consultants &lt;\$30,000</b>	<b>Number of Consultants</b>	<b>Total Paid \$</b>
	<b>13</b>	<b>116,229</b>
<b>Total All Consultants</b>	<b>Number of Consultants</b>	<b>Total Paid \$</b>
	<b>19</b>	<b>607,287</b>

## EEO

NSWALC continued to be successful in promoting the participation of women and Aboriginal people in senior management positions and more generally within the organisation during 2003/2004

Year	2000/2001	2001/2002	2002/2003	2003/2004
<b>Councillors</b>				
Male	12	12	12	0*
Female	1	1	1	0*
<b>Total Council</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>0*</b>
<b>Executive &amp; Senior Management</b>				
Male	15	15	14	12
Female	7	8	7	5
<b>Total Senior Management</b>	<b>22</b>	<b>23</b>	<b>21</b>	<b>17</b>
Aboriginal	17	14	13	9
<b>Administrative Staff</b>				
Male	33	30	20	22
Female	42	41	36	33
<b>Total Administrative</b>	<b>75</b>	<b>71</b>	<b>56</b>	<b>55</b>
Aboriginal	33	37	29	29
<b>All Staff Plus Councillors</b>				
Male	60	57	46	34
Female	50	50	44	38
<b>Total Staff</b>	<b>110</b>	<b>107</b>	<b>90</b>	<b>72*</b>
Aboriginal	63	64	55	38
NESB	4	4	4	4
Disability	4	4	3	1

\* Please note that previous editions of the NSWALC Annual Report (to 2002) have included Councillors within the staff count. The figures for each of the years above have been amended to separately reflect both Councillors and NSWALC staff. Note that all 13 NSWALC Councillors were dismissed by Minister Refshauge in October 2003.

## Land Disposal

No land valued at more than \$5m was disposed of by means other than public auction during the reporting period.

## Promotion

The 2003-04 financial period has been marked by a change in emphasis in seeking to achieve a higher public profile for the NSW Aboriginal Land Council.

In recent years the main achievement of the Media and Public Relations Unit in promoting the activities, objectives and policies of NSWALC to the Aboriginal people of NSW has been through the publication of a quarterly magazine, Pen Wurru.

Production of the magazine lapsed due to the closure of the branch.

The revitalised Media and Marketing Section has sought to engage the land council network through a series of regular internal network messages from the Chief Executive Office and, occasionally, the Administrator.

The Unit has received positive feedback from this strategy, particularly during the highly publicised appointment of an Investigator and subsequent installation of an Administrator.

There were no plans to revive Pen Wurru at the time of writing this report.

The NSWALC website has proved popular with government departments, educators, students and the general public since its launch in June 2003. The website contains valuable source information on the role, objectives and organizational structure of NSWALC.

The currency of this source material has suffered, however, due to the effective closure of the media section during much of the reporting period.

A major web site refresh is planned for the new financial year.

The sponsorship of Survival Day 2004, the annual Rugby League Knockout carnival, and the award of the Freddy Fricke Scholarships were three of NSWALC's most highly visible promotional events during the year.

Activities at both events were designed to raise general public awareness about the work of the NSWALC through the distribution of information packs and a number of promotional items.

A number of small grants were also provided to a range of sporting and community groups to assist them in their activities. Many promoted NSWALC's sponsorship contribution during those activities and events.

The Media and Marketing Section has sought to inform the public debate on Aboriginal Affairs in New South Wales with the constant release of targeted media statements and the provision of briefings to journalists, particularly the Indigenous media.

It has also sought to counter a negative perception of the organisation within certain elements of the mainstream media and will continue to do so.

It considers this to be one of its major ongoing tasks in the year ahead.

## Service Standards

The major part of NSWALC's effort during the previous reporting period had been directed toward improving service delivery to our major client group, the network of 121 Local Aboriginal Land Councils. While improved accountability and reporting standards are now mandated under the amended ALRA, NSWALC has taken the view that it must be able to provide a high standard of support to LALCs to help ensure that 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 to meet the demands of their position.

The progress made by NSWALC during the reporting period is detailed at some length under the "Achievements" section above.

### Accounts Payment Policy & Practice

During the previous reporting period NSWALC took a number of further steps to expedite payments. The most notable of these has been encouragement of regular service providers to register for EFT payment of their accounts, making prompt payment more readily achievable for our most regular suppliers and service providers.

During the reporting year, 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.

Among other things, these checklists help ensure both timeliness and accuracy of payments to creditors and avoid duplicated payments where clients lodge duplicate invoices.

### Risk Management/Insurance

NSWALC holds the following insurances (as at 30 June 2004)

Name of Insurer	Type of Policy	Sum Insured \$ '000
Elders	Umbrella (anything not covered below)	20,000
	Industrial Special Risks	24,500
	Motor Vehicle (80 vehicles)	Replacement Value
	Professional Indemnity, D&O liability	20,000
	Personal Accident	200
	Machinery Breakdown	50

Note that insurance services from 1 July 2004 are provided by Omega Insurance Brokers



## Occupational Health & Safety

WORK RELATED INJURY & ILLNESS	
Number reported	17
<b>Nature of Accidents</b>	
Assault	1
Manual Handling	2
Striking stationery object	1
Environment	1
Motor vehicle accident	4
Mental health(e.g. depression, anxiety)	3
Ergonomics/Occupational Overuse	5
<b>Total</b>	<b>17</b>
<b>Where Injuries Occurred</b>	
At the Workplace	10
On the journey to/from work	6
At work away from the workplace	1
<b>Total</b>	<b>17</b>
<b>WORKERS COMPENSATION CLAIMS</b>	
Claims brought forward from 2002/2003	10
New claims this period	8
<b>Total</b>	<b>18</b>
<b>Claims status at 30.6.04</b>	
Claims finalised	7
Claims declined/under investigation	1
Liability accepted& claim continuing	7
Provisional Liability	3
<b>Total</b>	<b>18</b>
Open claims carried forward to 2003/2004	10
<b>REHABILITATION</b>	
Cases brought forward from 2002/2003	3
New cases this period	5
<b>Total</b>	<b>8</b>
Cases completed	5
Cases continuing & carried forward to 2004/2005	3
<b>Total</b>	<b>8</b>

In this reporting period, the number of work related injuries/illnesses reported were in line with the previous 3 years. There was no significant change in the number of workers' compensation claims compared to previous years.



# 2003 – 2004 Financial Reports

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**Previous Page:** Harold Love and staff at Far North Coast Branch Office. After long service in support of Aboriginal Land Rights, Harold passed away in late 2004. His name and image are used here in his memory, with the kind permission of his family.





GPO BOX 12  
SYDNEY NSW 2001

## INDEPENDENT AUDIT REPORT

### New South Wales Aboriginal Land Council

To Members of the New South Wales Parliament

#### Audit Opinion

In my opinion, the financial report of the New South Wales Aboriginal Land Council:

- (a) presents fairly the Council's financial position as at 30 June 2004 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 41B of the *Public Finance and Audit Act 1983* (the Act).

My opinion should be read in conjunction with the rest of this report.

#### The Administrator's Role

The financial report is the responsibility of the Administrator of the New South Wales Aboriginal Land Council. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes.

#### The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Administrator in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does not guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that Administrator had not fulfilled his reporting obligations.

My opinion does not provide assurance:

- about the future viability of the Council,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

#### Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- 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 are not compromised in their role by the possibility of losing clients or income.



R Hegarty, FCPA  
Director of Audit

SYDNEY  
22 December 2004

**NEW SOUTH WALES ABORIGINAL LAND COUNCIL**

**YEAR ENDED 30 JUNE 2004**

**STATEMENT BY ADMINISTRATOR**

Pursuant to Section 41C of the Public Finance and Audit Act, 1983, I declare that in my 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 2004 and transactions for the 12 months then ended.

2. The statements have been prepared in accordance with the provisions of the Public Finance and Audit Act, 1983, the Public Finance and Audit Regulation, 2000 and the Treasurer's Directions.

Further, I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

**Dated 22nd day of December 2004**

A handwritten signature in black ink, consisting of a large, stylized 'P' followed by a series of loops and a long horizontal stroke ending in a small dot.

.....  
**Administrator**

**STATEMENT of FINANCIAL POSITION**

As at 30 June 2004

	Note	2004 \$'000	2003 \$'000
<b>CURRENT ASSETS</b>			
Cash	2	1,689	1,588
Inventories	3	540	329
Receivables	4	3,699	10,499
Other Financial Assets	5	36,902	131,243
<b>Total Current Assets</b>		<b>42,830</b>	<b>143,659</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	6	28,405	19,176
Artefacts	7	239	239
Other Financial Assets	5	484,162	357,545
Receivables	4	1,605	3,119
<b>Total Non-Current Assets</b>		<b>514,411</b>	<b>380,079</b>
<b>TOTAL ASSETS</b>		<b>557,241</b>	<b>523,738</b>
<b>CURRENT LIABILITIES</b>			
Payables	8	4,258	3,645
Employee Benefits	10	324	508
<b>Total Current Liabilities</b>		<b>4,582</b>	<b>4,153</b>
<b>NON CURRENT LIABILITIES</b>			
Employee Benefits	10	434	556
<b>Total Non-Current Liabilities</b>		<b>434</b>	<b>556</b>
<b>TOTAL LIABILITIES</b>		<b>5,016</b>	<b>4,709</b>
<b>NET ASSETS</b>		<b>552,225</b>	<b>519,029</b>
<b>EQUITY</b>			
Reserves	9	28,060	5,802
Accumulated Funds	9	524,165	513,227
<b>Total Equity</b>		<b>552,225</b>	<b>519,029</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



**STATEMENT of FINANCIAL PERFORMANCE**

For the year ended 30 June 2004

		2004 \$'000	2003 \$'000
	Note		
<b>Revenues from ordinary activities</b>			
Interest and Investment Income	13	28,404	27,661
Rent	15	159	96
Grants		0	2
Net Increment on Investment Revaluation	14	6,439	11,465
Other Income	16	1,561	1,136
		<b>36,563</b>	<b>40,360</b>
<b>Revenues from government</b>			
Grants and Subsidies	18	113	146
<b>Total Revenues</b>		<b>36,676</b>	<b>40,506</b>
<b>Expenses from ordinary activities</b>			
Audit Fees	19	195	195
Investigators Fees		644	320
Consultants Fees		608	356
Investment Fees	20	284	1,019
Depreciation and Amortisation	6	1,073	898
Bad Debts & Doubtful Debts		1	0
Employee Expenses	21	6,000	4,726
Funding of Regional and Local Aboriginal Land Councils	22	11,948	8,761
Grants		813	809
Legal Expenses		604	185
Loss on Disposals of Property Plant & Equipment	17	34	209
Motor Vehicle Expenses		340	311
Repairs and Maintenance		370	536
Other Expenses	23	2,824	1,788
<b>Total Expenses from ordinary activities</b>		<b>25,738</b>	<b>20,113</b>
<b>OPERATING SURPLUS FROM ORDINARY ACTIVITIES</b>		<b>10,938</b>	<b>20,393</b>
<b>Non Owner Transaction changes in equity</b>			
Net Increase in Asset Revaluation Reserve	9	22,258	0
<b>Total revenues, expenses and valuation adjustments recognised directly in equity</b>		<b>22,258</b>	<b>0</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<b>33,196</b>	<b>20,393</b>

The above Statement of Financial Performance should be read in conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS**

For the year ended 30 June 2004

	Note	2004 \$'000	2003 \$'000
<b>Cash flows from operating activities</b>			
Interest and Investment Income		35,571	19,759
Rent and Outgoings		159	106
Other receipts in course of operations		4,517	2,080
Cash flows from government		113	163
Payments in course of operations		(26,344)	(19,372)
<b>Net cash provided by operating activities</b>	<b>25</b>	<b>14,016</b>	<b>2,736</b>
<b>Cash flows from investing activities</b>			
Purchase of Other Financial Assets		(23,861)	(20,273)
Purchases of Property, Plant and Equipment		(683)	(347)
Proceed from Disposals of Other Financial Assets		10,055	18,000
Sale Proceeds Property, Plant and Equipment		574	260
<b>Net cash used in investing activities</b>		<b>(13,915)</b>	<b>(2,360)</b>
<b>Net increase in cash held</b>		<b>101</b>	<b>376</b>
Cash at the beginning of the year		1,588	1,212
<b>Cash at end of year</b>	<b>25</b>	<b>1,689</b>	<b>1,588</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

## Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2004

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

The Council's Financial Statements are a general purpose financial report and have been prepared in accordance with applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Public Finance and Audit Act 1983, the Regulations and Treasurer's Directions and the New South Wales Aboriginal Land Rights Act 1983.

The Statement of Financial Performance and the Statement of Financial Position are prepared on an accruals basis. The Statement of Cash Flows is prepared on a cash basis using the "direct method".

Except for certain investments and property, plant and equipment which are recorded at valuation, the Financial Statements are prepared in accordance with the historical cost convention. The accounting policies adopted are consistent with those of the previous period.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

#### (a) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised :

##### (i) Income on Other Financial Assets

Control of a right to receive consideration for the provision of, or investment in, assets has been attained.

##### (ii) Rent

Control of the right to be compensated for the services has been attained.

##### (iii) Disposal of Non-Current Assets

Control of the goods has passed to the buyer.

##### (iv) Grants and Subsidies

Grants and subsidies from other bodies are recognised as revenue when the entity obtains control over the assets comprising the grant or subsidy. Control is normally obtained upon the receipt of cash.

#### (b) Financial Instruments

Financial Instruments give rise to positions that are financial assets or liabilities (or equity instruments) of the Council. These include cash at bank, debtors, other financial assets and payables.

Classes of instruments are recorded at cost and are carried at net fair value.

##### (i) Cash at bank

Cash comprises cash on hand and bank balances including 11 AM at call accounts. Interest is earned on daily balances on current accounts at the Commonwealth Bank of Australia at agreed rates depending on the balance of the account. Interest is earned on 11 AM accounts at agreed rates at the Commonwealth Bank of Australia.

**(ii) Receivables**

All receivables are recognised as amounts receivable at balance date. Collectability of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). Term loans to Local Aboriginal Land Councils carry interest at an agreed rate, whilst other receivables earn no interest. Weighted average interest rate applicable was 5.72% (4.35% in 2002-2003).

All amounts due at 30 June 2004 have been reviewed and are considered to be collectable, other than the amounts provided at Note 4.

Receivables include rates paid on behalf of Local Aboriginal Land Councils in accordance with Section 44A of the New South Wales Aboriginal Land Rights Act 1983 and approved loans.

**(iii) Other Financial Assets**

Current Other Financial Assets comprise of short term commercial paper, Chifley Investment Fund short term investments and cash holdings. Interest is earned on all these Other Financial Assets on the basis specified in Note 5.

Non-Current Other Financial Assets comprise of units in the Chifley Investment Fund. Income is earned on these Other Financial Assets on the basis specified in Note 5.

The credit risk of Other Financial Assets is limited to the amount carried in the Statement of Financial Position at 30 June 2004

**(iv) Payables and Accruals**

Liabilities (other than for employee entitlements) are recognised for amounts due to be paid in the future for goods and 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, which allows the Minister to award interest for late payment.

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 statement, is received.

**(c) Inventories**

Inventories are valued at the lower of cost or net realisable value. Livestock natural increases included in stock on hand are valued using the average cost method.

**(d) Other Financial Assets****(i) Current Other Financial Assets**

All realised gains/losses (interest received) and unrealised gains/losses (revaluation to market value) are recognised in the Statement of Financial Performance.

**(ii) Non-Current Other Financial Assets**

These Other Financial Assets comprise units acquired in the Chifley Investment Fund, an individually managed portfolio and a mortgage fund owned by the Council.

All revaluations to market value, including revaluation of unit prices are brought to account as a revaluation of non current assets in accordance with Australian Accounting Standard AASB 1041 "Accounting for the Revaluation of Non-Current Assets".

Distributions by unit trusts (net of management fees) received are recognised as income in accordance with industry practice.



In deriving Other Financial Assets income from the wholly owned fixed interest portfolio, coupon receipts subject to the amortisation of premiums and accretion of discounts, are recognised as income.

**(e) Property, Plant and Equipment**

Land and buildings are revalued within three yearly intervals. Revaluation represents an independent assessment of the fair market value of land and buildings based on existing use. Valuations adopted in the Financial Statements do not exceed the independent assessment. Revaluation increments are credited directly to an Asset Revaluation Reserve.

All properties were valued by the Australian Valuation Office as at 30 June 2004.

Plant and Equipment costing \$500 and above individually are capitalised.

Plant and Equipment (Furniture & Fittings, Computer Systems and Computer Equipment) are carried at cost less accumulated depreciation. The net book value represents fair market value as at the balance date.

Other Plant and Equipment and Motor Vehicles in relation to Rural Properties were independently revalued by Bowen Agricultural Machinery on 24 March 2004.

**(f) Employee Entitlements**

**(i) Superannuation**

The liability for accrued benefits represents the value of the present obligation to pay benefits to members and other beneficiaries and is determined as the present value of expected future payments which arise from membership of the fund to balance date. The present value is measured by reference to expected future wage and salary levels and by application of a market determined, risk adjusted discount and appropriate actuarial assumptions.

**(ii) Long Service Leave**

The long service leave liability has been provided for all employees who have five or more continuous years of service and has been calculated at the expected settlement rates. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

**(iii) Sick Leave**

No liability is recognised in the financial statements for non-vesting sick leave as the Council does not consider it probable that sick leave taken in the future will be greater than the entitlements accrued in the future.

**(iv) Wages, Salaries and Annual Leave**

Liabilities for Wages and Salaries are recognised and measured as the amount unpaid at the reporting date at the current pay rates in respect of employee services up to that date. Annual leave liabilities, expected to be settled within twelve months of the reporting date, are calculated at the expected settlement rates.

**(g) Funeral Fund Liability**

The Council collected fees from persons of Aboriginal descent with the intention of establishing a Funeral Fund in 1992. Since the Fund has not been approved by the Department of Fair Trading all fees collected have been included under payables.

## (h) Mortgages

### (i) Provision for Loss on Mortgages

Note 5(j) refers to a number of mortgage loans made by the Council as part of its investment operations. Where settlement date has passed and the loan is considered to be in default, the Council provides for a loss on these mortgages on the basis of the difference between the mortgage balance owing and the advised likely realisable value obtained at a mortgagee sale.

### (ii) Interest and Costs

Once a mortgage loan has defaulted, the Council does not continue to accrue interest charges on the balance outstanding. Similarly, where the margin between recent valuations of the mortgaged property and the balance outstanding is narrow, or, in deficit, legal and other costs associated with investigating and negotiating settlement of balances owed to the Council are not accrued as part of the balance outstanding.

## (i) Statutory Fund

All income and expenses of the Statutory Fund and its assets and liabilities are reported in Note 24 of the Financial Statements. For internal disclosure purposes we are dissecting between Statutory and Administration Fund.

## (j) Depreciation

Depreciation is provided on a straight line basis so as to write off the depreciable amount of each asset as it consumed over its anticipated useful life. Assets at valuation are depreciated on a straight line basis over the remaining anticipated life as follows.

	2004	2003
Buildings :-		
Head Office	3.33%	4.00%
Others	3.33% - 100%	2.857% to 100%
Motor Vehicles	20.00%	20.00%
Computer Equipment	33.33%	33.33%
Other Equipment, Furniture & Fittings	20.00%	20.00%

## (k) Previous Period Comparative Information

**Comparative information is reclassified where appropriate to enhance comparability.**

The financial year reflected in the Financial Statements is from 1 July 2003 to 30 June 2004. The comparative figures included are for the period 1 October 2002 to 30 June 2003.

## 2. CASH

	2004	2003
	\$'000	\$'000
Administrative Fund	1,406	663
Statutory Fund	72	715
Funeral Fund	211	210
	<b>1,689</b>	<b>1,588</b>

The Funeral Fund collections have been maintained in a separate bank account and as a result of a judgement of the High Court of Australia are refundable to former members of the fund.

Interest rate at year end on cash at bank ranged from nil up to 5.1% (nil to 4.6% in 2002-2003)

## 3. INVENTORIES

	2004	2003
	\$'000	\$'000
Livestock	503	277
Grain and Other Rural Stock	37	52
	<b>540</b>	<b>329</b>

## 4. RECEIVABLES

	2004	2003
	\$'000	\$'000
<b>Current</b>		
Council Members	3	9
Other Debtors	2,573	9,735
Other Debtors - Prepaid Superannuation - (Note 10)	115	125
Prepayments	1	2
Local Aboriginal Land Councils	1,151	773
	3,843	10,644
Less Provision for Doubtful Debts	144	145
	<b>3,699</b>	<b>10,499</b>
<b>Non-Current</b>		
Loans and Advances to Local Aboriginal Land Councils	4,355	5,869
Less Provision for Doubtful Debts	2,750	2,750
	<b>1,605</b>	<b>3,119</b>

A provision for doubtful debts is raised when doubt as to collection exists. A review of amounts owing by local aboriginal land councils in respect of rates debtors is undertaken annually. Those councils that have not made a significant reduction in their rate debtor balance in recent years have been classified as doubtful. All other debtors have been reviewed as to whether they are collectable and a provision has been made accordingly.

<b>Statutory Fund</b>	1,937	9,138
<b>Administrative Fund</b>	3,367	4,480
	<b>5,304</b>	<b>13,618</b>

## 5. OTHER FINANCIAL ASSETS

	2004 \$'000	2003 \$'000
<b>Current</b>		
Commercial Bills / Promissory Notes	0	3,994
Money Market Funds	0	14,979
International Fixed Interest Securities	0	112,270
Cash - Chifley Investment Fund	36,902	0
	<b>36,902</b>	<b>131,243</b>

Given the nature of Other Financial Assets, the Council considers the book value to be a fair approximation of market value.

### Non-Current

Australian Fixed Interest	0	55,337
Units in Australian Fixed Income	115,705	46,869
Units in Managed Australian Equities	152,917	131,121
Units in International Equities	57,009	30,746
Units in Australian Listed Property Trusts	38,871	48,400
Units in International Fixed Income	78,052	0
Absolute Return Funds	40,511	36,805
Mortgages	1,270	11,817
	<b>484,335</b>	<b>361,095</b>

Provision for Loss on Mortgages (Refer Note 5(j))

Mortgages)	(173)	(3,550)
	<b>484,162</b>	<b>357,545</b>

Non-Current Other Financial Assets are revalued to market value.



## 5. Other Financial Assets (continued)

### Current

#### (a) Commercial Bills/ Promissory Notes

These are short dated instruments issued by a Corporation, which is responsible for repayment at due date, having a short term credit rating of A1 or better.

These instruments at balance date were earning an average interest rate of 5.35% (2002/2003 4.8%), whilst over the period the sum of monthly weighted average interest rates was 5.12% (2002/2003 4.85%) The Reserve Bank of Australia increased the official overnight cash rate to 5.25% during the year under review (2002/2003 4.75%).

#### (b) Money Market Funds

These are short term funds managed by First Nations Advantage Credit Union. The sum of monthly weighted average returns over the period in which they were invested is as follows :-

First Nations Advantage Credit Union 5.29 % (2002/2003 5.16%)

#### (c) Cash - Chifley Investment Fund

Chifley Investment Fund manages the Cash Trust on behalf of the Council which earns income and produces capital gains or losses, both realised and unrealised, in accordance with market conditions.

These instruments over the year under review resulted in a positive return of 5.34% per annum after taking net capital profits both realised and unrealised into account.

### Non-Current

#### (d) Units Australian Fixed Income

Chifley Investment Fund manages Australian Fixed Income on behalf of the Council which earns income and produces capital gains or losses, both realised and unrealised, in accordance with market conditions.

These instruments over the year under review resulted in a positive return of 3.30% (2002/2003 9.92%) per annum after taking net capital profits both realised and unrealised into account.

#### (e) Units in Managed Australian Equities

The Council has units in the Chifley Investment Fund. Equities (Shares) earn income (dividends) and produce capital gains or losses, both realised and unrealised, in accordance with market conditions.

These Other Financial Assets over the year under review resulted in a return of 21.95% (2002/2003 2.3%) per annum after taking net capital profits and losses both realised and unrealised into account.

**(f) Units in International Equities**

The Council has units in the Chifley Investment Fund International Equities Trust which earn income (dividends) and produce capital gains or losses, both realised and unrealised, in accordance with market conditions.

These Other Financial Assets over the year under review resulted in a positive return of 21.27% (2002/2003 negative return of 19.65%) per annum after taking net capital profits and losses, both realised and unrealised into account.

**(g) Units in Australian Listed Property Trusts**

The Council has units in the Chifley Investment Fund which earn income (dividends) and produce capital gains or losses, both realised and unrealised, in accordance with market conditions.

These Other Financial Assets over the year under review resulted in a positive return of 16.87% (2002/2003 positive return of 13.1%) per annum after taking net capital profits both realised and unrealised into account.

**(h) Units in International Fixed Income**

Chifley Investment Fund manages International Fixed Interest Securities on behalf of the Council which earn income and produce capital gains or losses, both realised and unrealised, in accordance with market conditions.

These instruments over the year under review resulted in a positive return of 3.42% (2002/2003 10.66%) per annum after taking net capital profits both realised and unrealised into account.

**(i) Absolute Return Funds**

The Council has units in the Chifley Investment Fund. With the current market situation the return for the twelve months under review resulted in a return of 11.69% (2002/2003 9.2%).

**(j) Mortgages**

The Council lent funds on first mortgage on real property up to a maximum of two-thirds of independent market valuation. These mortgages have been introduced mainly by mortgage brokers and to a lesser extent have been advanced to Local Aboriginal Land Councils.

Weighted average return on mortgages advanced at 30/6/04 was 2.8% (2002/2003 was 1.3%) per annum, including amounts written off as bad. Where delinquent mortgages have been placed in the hands of solicitors for collection, these mortgages are regarded as non performing loans and interest is no longer accrued, but all effort is made to collect this interest as well as the principal.

At 30 June 2004, the balance outstanding amounted to \$1.3 M. The Council assessed these mortgages, comparing each balance outstanding to a current valuation of the mortgaged property, in order to provide for possible losses.

Of advances totalling \$25.6M made since the inception of the scheme, the Council has advanced \$11.7M to eight mortgagors without obtaining independent valuations of the properties. This action does not comply with Section 18(2) of the Trustee Act 1925 which requires the value of the property used as security for the mortgage loan to be subject to a valuation by a registered valuer instructed and employed by the mortgagee.

## 6. PROPERTY, PLANT & EQUIPMENT:

	Land \$'000	Buildings \$'000	Plant and Equipment \$'000	Motor Vehicles \$'000	Total \$'000
Opening Balance at fair value	6,769	11,924	4,580	2,339	25,612
Revaluation Change for year ended 30/06/2004	10,258	(2,274)	(435)	(264)	7,285
Additions	0	0	161	522	683
Disposals	0	0	(28)	(925)	(953)
<b>Closing Balance at Fair Value</b>	<b>17,027</b>	<b>9,650</b>	<b>4,278</b>	<b>1,672</b>	<b>32,627</b>

### Accumulated Depreciation

Opening Balance	0	(1,198)	(4,028)	(1,210)	(6,436)
Charge for the Year	0	(517)	(300)	(256)	(1,073)
Adjustment for Revalued Assets	0	1,715	825	402	2,942
Disposals	0	0	26	319	345
	<b>0</b>	<b>0</b>	<b>(3,477)</b>	<b>(745)</b>	<b>(4,222)</b>

### Written Down Value

2004	17,027	9,650	801	927	28,405
2003	6,769	10,726	552	1,129	19,176

	2004 \$'000	2003 \$'000
Statutory Fund	15,000	11,051
Administrative Fund	13,405	8,125
	<b>28,405</b>	<b>19,176</b>

The original cost of fully depreciated assets included in the total of property, plant and equipment is \$4.9M consisting of 177 items of Furniture and Fittings, 386 items of Plant and Equipment, 354 items of Computer Equipment and 1 Building (2002/2003 \$3M).

In terms of the Aboriginal Land Rights Act 1983, the NSW Aboriginal Land Council is able to lodge land claims with the Crown Lands Minister. The Minister may grant all or part of the claim.

Where it is the intention of the NSW Aboriginal Land Council to transfer property granted by the Minister to the Local Aboriginal Land Council in which the property is situated, the property is regarded as being held in trust. The property is therefore not regarded as an asset of the NSW Aboriginal Land Council in the period before the transfer is effected.

At 30 June 2004 the Council held title to 45 properties with a total value of \$954,450 which were awaiting transfer to Local Aboriginal Land Councils.

## 7. ARTEFACTS

	2004	2003
	\$'000	\$'000
Cost	239	239
<b>Book Value at 30 June</b>	<b>239</b>	<b>239</b>

No depreciation is charged, as these assets are considered to maintain their value.

## 8. PAYABLES

	2004	2003
	\$'000	\$'000
Sundry Payables and Accruals	4,047	3,435
Funeral Fund - Contributions Refundable	211	210
	<b>4,258</b>	<b>3,645</b>
<b>Statutory Fund</b>	<b>71</b>	<b>327</b>
<b>Administrative Fund</b>	<b>4,187</b>	<b>3,318</b>
	<b>4,258</b>	<b>3,645</b>

## 9. TOTAL EQUITY

	Accumulated Funds		Asset Revaluation Reserve		Total Equity	
	2004	2003	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance	513,227	492,631	5,802	6,005	519,029	498,636
Property Disposals	0	203	0	(203)	0	0
<b>Total</b>	<b>513,227</b>	<b>492,834</b>	<b>5,802</b>	<b>5,802</b>	<b>519,029</b>	<b>498,636</b>

Changes in Equity - other than transactions with owners as owners

Operating Surplus from Ordinary Activities	10,938	20,393	0	0	10,938	20,393
Increment on Revaluation of Other Financial Assets	0	0	12,031	0	12,031	0
Increment on Revaluation of Property, Plant and Equipment	0	0	10,227	0	10,227	0
<b>Total</b>	<b>10,938</b>	<b>20,393</b>	<b>22,258</b>	<b>0</b>	<b>33,196</b>	<b>20,393</b>
<b>Closing Balance</b>	<b>524,165</b>	<b>513,227</b>	<b>28,060</b>	<b>5,802</b>	<b>552,225</b>	<b>519,029</b>



## 10. EMPLOYEE BENEFITS

	2004 \$'000	2003 \$'000
Current Provisions		
Provision for Annual Leave	324	508
	<b>324</b>	<b>508</b>

Non-Current Employee Benefits		
Provision for Long Service Leave	434	556
	<b>434</b>	<b>556</b>

The Superannuation Schemes relating to Council employees are the State Superannuation Scheme (SSS), State Authorities Superannuation Scheme (SASS), and State Authorities Non Contributory Scheme (SANCS).

The assessed liability for the Council at 30 June 2004 and funds held in the reserve accounts at Pillar Administration (including accrued income) are :-

				2004 Totals	2003 Totals
<b>Superannuation (Liability)/ Prepaid Superannuation Contributions</b>	<b>SASS</b>	<b>SANCS</b>	<b>SSS</b>		
Number of contributors	1	2	1	4	4
<b>Monetary Value</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Assessed Liability	(60)	(38)	(207)	(305)	(235)
Less Estimated Reserve Account Closing Balance	69	65	286	420	360
<b>Prepaid Contributions at 30 June 2004</b>	<b>9</b>	<b>27</b>	<b>79</b>	<b>115</b>	<b>125</b>

The 2004 assessment of SANCS, SASS and SSS is based on the full requirements of AAS25 "Financial Reporting by Superannuation Plans." This requires that a market determined risk adjustment discount rate be applied as the valuation interest rate in the calculation of the value of accrued benefits. The financial assumptions that have been applied for the calculations for 2004 and thereafter are :-

	Year 2004/5	Year 2005/6 and thereafter	Year 2006/7 and thereafter
Rate of Interest per annum	7.00%	7.00%	7.00%
Rate of Salary Increase per annum	4.00%	4.00%	4.00%
Rate of Increase in CPI per annum	2.50%	2.50%	2.50%

Assumptions with regard to the rates of mortality, resignations, retirement and other demographics are as for the 2003 triennial valuation.

	2004 \$'000	2003 \$'000
<b>Aggregate employee benefits and related on-costs</b>		
Provisions - Current	324	508
Provisions - Non Current	434	556
Accrued Salaries and Wages	0	516
	<b>758</b>	<b>1,580</b>

## 11. COMMITMENTS

Commitments in relation to non cancellable operating leases are payable as follows :-

	2004 \$'000	2003 \$'000
Not later than one year	36	51
Between one and two years	19	31
Between two and five years	0	24
<b>Total Operating Lease Commitments (including GST)</b>	<b>55</b>	<b>106</b>

These operating leases are not recognised in the financial statements as liabilities.

Commitments for goods and services of \$73K are not recognised in the financial statement as liabilities.

The figures include goods and services tax (GST) of \$7K, which is recoverable from the Australian Taxation Office.

## 12. CONTINGENT ASSETS AND LIABILITIES

The Council has no contingent assets or liabilities as at 30 June 2004 other than those stated below :-

### (i) Fringe Benefits Tax

The Australian Taxation Office (ATO) provided an advice in January 2001 that the Council is not a benevolent institution and section 57A of the Fringe Benefits Tax Assessment Act does not apply. However, the ATO suggested that an objection can be lodged by way of applying for a private ruling for exemption. If necessary the Council will apply for a private ruling for exemption.

However, in view of changes to the Aboriginal Land Rights Act, which was assented to by Parliament in 2002, the Council has submitted a new application under section 57A of the Fringe Benefits Tax Assessment Act. The changes to the Aboriginal Land Rights Act include objectives that more fully describe the Council's role as a benevolent institution.

In view of other precedents, the advice obtained from a Queens Counsel in 1996 and changes to the Aboriginal Land Rights Act, the Council believes that it has a strong case to obtain an exemption from fringe benefits tax (FBT). As this matter is now in the hands of the Council's attorneys, no liability for FBT has been recognised in the Financial Statements.

It is estimated that any potential FBT liability for 2000-2004 would be \$200,000. It is not practicable to estimate any potential liability for the years 1993-1999.

### (ii) Litigation

The Council is a party to a number of cases currently before the courts. The Council's solicitors have advised that if successful the Council has the potential to receive amounts totalling \$2.2 million (2003 Nil) and the maximum possible legal claims and costs may amount to \$390K as at 30 June 2004 (2003 \$104K).

### 13. INTEREST AND OTHER FINANCIAL ASSETS INCOME

	2004 \$'000	2003 \$'000
Administrative Fund	165	126
Statutory Investment Fund	28,239	27,535
	<b>28,404</b>	<b>27,661</b>

### 14. OTHER FINANCIAL ASSETS AND PROPERTY REVALUATIONS

In accordance with Australian Accounting Standard AASB1041, revaluations of Non-Current Other Financial Assets that result in increments are credited to an asset revaluation reserve, except to the extent that the increment reverses a revaluation decrement previously expensed. In these circumstances the increment must be recognised as income.

	<b>6,439</b>	<b>11,465</b>
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### 15. RENT

	2004 \$'000	2003 \$'000
<b>Administrative Fund</b>		
Regional Offices	16	25
State Office	0	0
	<b>16</b>	<b>25</b>
<b>Statutory Investment Fund</b>		
Head Office	413	347
	429	372
Less Elimination of Inter Fund Transactions	270	276
	<b>159</b>	<b>96</b>

### 16. OTHER INCOME

	2004 \$'000	2003 \$'000
Enterprise Gross Income	911	181
Investment Managers Fees Rebates	547	742
Other	103	196
Assets not identified previously	0	17
	<b>1,561</b>	<b>1,136</b>

### 17. PROFIT (LOSS) ON DISPOSAL OF PROPERTY, PLANT & EQUIPMENT

	2004 \$'000	2003 \$'000
Proceeds from sale	574	260
Written down value of assets disposed	(608)	(469)
Net profit( loss) on disposal of property, plant and equipment	<b>(34)</b>	<b>(209)</b>

## 18. REVENUES FROM GOVERNMENT

	2004	2003
	\$'000	\$'000
Commonwealth Government Grants & Subsidies	14	51
New South Wales Government Grants & Subsidies	99	95
<b>Total Revenues from Government</b>	<b>113</b>	<b>146</b>

## 19. AUDIT FEES

	2004	2003
	\$'000	\$'000
Fees paid to Audit Office of New South Wales	195	195
<b>Total</b>	<b>195</b>	<b>195</b>

The auditors received no other benefit.

## 20. INVESTMENT FEES

	2004	2003
	\$'000	\$'000
Investment Advisor's Fees	0	75
Investment Managers' Fees	180	815
Custodian Fees	104	129
<b>Total</b>	<b>284</b>	<b>1,019</b>

In addition to the above fees, management fees on unit trusts are included in the value of the trust units and ultimately in the distribution received from these trusts. Therefore, both unit valuations and distributions are net of management fees. In accordance with the investment fund contract a number of management fee rebates, charged in the previous period, were received in 2003-2004 (refer Note 16).

## 21. EMPLOYEE EXPENSES

	2004	2003
	\$'000	\$'000
Salaries & Wages	4,774	4,031
Superannuation	372	319
Annual and Long Service Leave	541	62
Workers Compensation Insurance	313	314
<b>Total</b>	<b>6,000</b>	<b>4,726</b>

## 22. FUNDING OF REGIONAL AND LOCAL ABORIGINAL LAND COUNCILS

	2004	2003
	\$'000	\$'000
Regional Aboriginal Land Councils	378	299
Local Aboriginal Land Councils	11,506	8,435
Capital Allocations - Local Aboriginal Land Councils	64	27
<b>Total</b>	<b>11,948</b>	<b>8,761</b>



## 23. OTHER EXPENSES

	2004 \$'000	2003 \$'000
Staff Training, Development and Recruitment	118	169
Telephone	238	241
Enterprise and Farm Expenses	874	271
Insurance	104	93
Rates	70	43
Rent and Outgoings	59	47
Advertising	32	6
Public Relations and Publicity etc	39	24
Travel Expenses and Allowances	275	213
Postage, Printing and Stationery	160	133
Office and Administration Expenses	192	147
Equipment Hire and Lease	31	27
Meeting Costs	5	9
State Wide Conference	1	0
Workshop and Conference Costs	100	67
NSWALC Focus reconciliation	5	140
Accounting	26	4
World Indigeneous Expenses	53	28
Other Expenses	442	126
	<b>2,824</b>	<b>1,788</b>



## 24. STATUTORY INVESTMENT FUND

	Notes	2004 \$'000	2003 \$'000
Statutory Fund Opening Balance		509,365	487,860
<b>Add Income</b>			
Interest and Other Income on Other Financial Assets	13	28,239	27,535
Rent	15	413	347
Increment on Other Financial Assets Revaluation	14	6,439	0
Investment Managers' Fees Rebates	16	547	742
Expenses (Including Transfers to the Administrative Fund, Provision for Loss on Mortgages, Loss on Mortgages written off and Net Decrement on Other Financial Assets Revaluation)		(22,108)	(7,119)
<b>Operating Surplus for the Year</b>		<b>13,530</b>	<b>21,505</b>
<b>Reserves Movements</b>			
Gain on Real Property Revaluation Transferred Reserves		3,076	0
Revaluation of Other Financial Assets Transferred Reserves	9	12,031	0
<b>Statutory Fund Closing Balance</b>		<b>538,002</b>	<b>509,365</b>

### Statutory Fund Represented by :-

Cash	2	72	715
Other Financial Assets Current	5	36,902	131,243
Other Financial Assets Non-Current	5	484,162	357,545
Property Plant & Equipment	6	15,000	11,051
Receivables	4	1,937	9,138
		538,073	509,692
Payables	8	(71)	(327)
<b>Net Statutory Fund</b>		<b>538,002</b>	<b>509,365</b>



## 25. NOTE TO STATEMENT OF CASH FLOWS

	2004 \$'000	2003 \$'000
<b>(a) Cash at Bank and in hand</b>		
For the purposes of the Statement of Cash Flows the Council considers the following as cash :-		
Cash at bank	1,684	957
Cash in hand	1	1
11 AM Deposits with banks	4	630
	<b>1,689</b>	<b>1,588</b>

### **(b) Reconciliation of net cash flows from Operating Activities to Operating Surplus from Ordinary Activities**

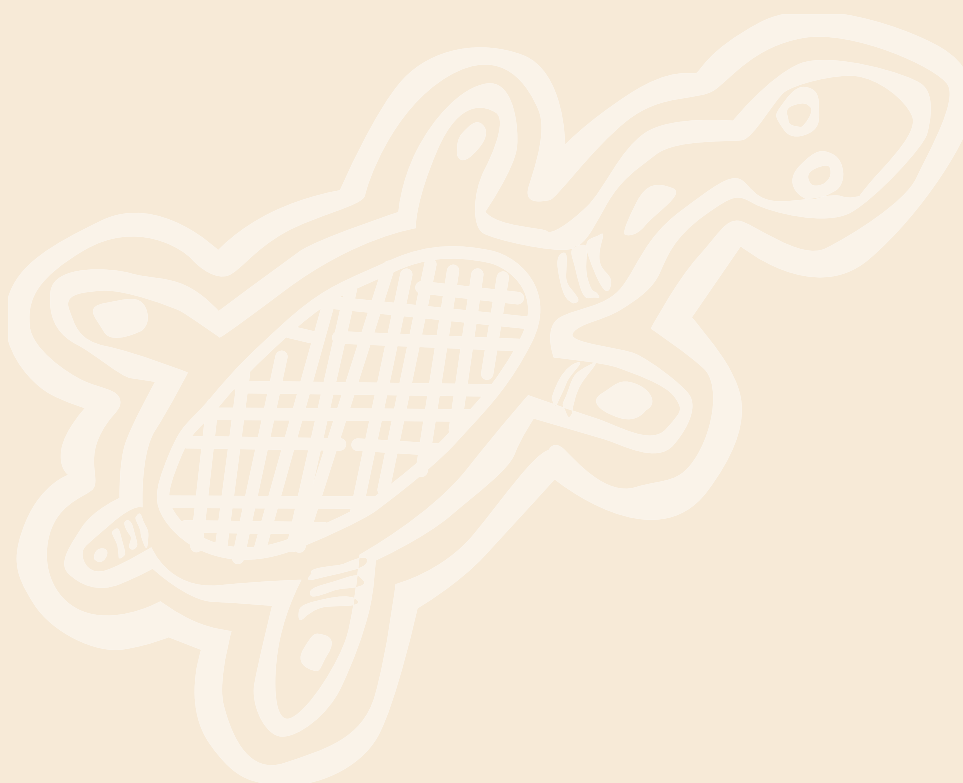
Operating Surplus from Ordinary Activities	10,938	20,393
Depreciation & Amortisation	1,073	898
Net (Increment)/Decrement on Other Financial Assets Revaluation	(6,439)	(11,465)
Loss (Profit) on disposal of non Property, Plant & Equipment	34	209

### **Other Changes in assets and liabilities in respect of ordinary activities.**

Receivables decrease ( increase)	8,314	(7,833)
Inventories decrease (increase)	(211)	98
Payables (decrease) increase	613	364
Employee Benefits (decrease) increase	(306)	72
<b>Net cash inflows from ordinary activities</b>	<b>14,016</b>	<b>2,736</b>

### **(c) Credit standby arrangements and unused loan facilities.**

The Council had no credit standby arrangements or unused loan facilities.



## 26. LIABILITY AS TRUSTEE

The New South Wales Aboriginal Land Council acts as trustee for various Trusts. The assets of the Trusts which lie behind the rights of indemnity are not directly available to meet any liabilities of the New South Wales Aboriginal Land Council acting in its own right. The assets of the Trusts were sufficient to discharge all the liabilities of the Trusts at 30 June 2004.

The positions of the Trusts are :-	<b>2004</b>	<b>2003</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>CURRENT ASSETS</b>		
Dungutti Elders Council Aboriginal Corporation		
Cash at Bank	931	916
Gumbaynggir Tribal Aboriginal Elders Co.		
Cash at Bank	32	26
<b>TOTAL TRUST FUNDS HELD</b>	<b>963</b>	<b>942</b>

## 27. OUTBACK BEEF PROJECT

The Council had previously entered into arrangements with private sector companies to acquire cattle to condition feedlot the cattle for the Japanese market. The Independent Audit Report for the period ended 30 June 2003 was qualified based on advice that the Council did not have the mandate under the Aboriginal Land Rights Act 1983 to enter into these arrangements. The stock on hand at 30 June 2003 valued at \$124,000 were sold during the year ended 30 June 2004. The Council has no further interests in the Outback Beef Project.

## 28. THE IMPACTS OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Council will apply the Australian equivalents to the International Financial Reporting Standards (AIFRS) from the reporting period beginning 1 July 2005. The Council is managing the transition to the new standards by allocating internal resources to analyse the Pending Standards and Urgent Issues Group Abstracts to identify key areas regarding policies, procedures, systems and financial impacts affected by the transition.

As a result of this exercise, the Council has taken the following steps to manage the transition to the new standards:

The Council's Audit Committee is overseeing the transition. The IFRS Project Team is responsible for the project and will report regularly to the Audit Committee on progress against the plan.

The Council has identified a number of significant differences in accounting policies that will arise from adopting AIFRS. Some differences arise because AIFRS requirements are different from existing AASB requirements. Other differences could arise from options in AIFRS. To ensure consistency at the whole of government level, NSW Treasury has advised agencies of options it is likely to mandate, and will confirm these during 2004-05. This disclosure reflects these likely mandates.

The Council's accounting policies may also be affected by a proposed standard designed to harmonise accounting standards with Government Finance Statistics (GFS). This standard is likely to change the impact of AIFRS and significantly affect the presentation of the income statement.



However, the impact is uncertain, because it depends on when this standard is finalised and whether it can be adopted in 2005-06.

The Council has identified based on the current information, the following key differences in accounting policies that are expected to arise from adopting the AIFRS:

**a) AASB 1 First-time Adoption of Australian Equivalents to Internal Financial Report Standards**

AASB 1 requires retrospective application of the new AIFRS from 1 July 2004, with limited exemptions. Similarly, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors requires voluntary changes in accounting policy and correction of errors to be accounted for retrospectively by restating comparatives and adjusting the opening balance of accumulated funds. This differs from current Australian requirements, because such changes must be recognised in the current period through profit or loss, unless a new standard mandates otherwise.

**b) AASB 102 Inventories for not-for-profit entities**

The policy requires inventory "held for distribution" at no or nominal cost to be valued at the lower of cost and current replacement cost rather than the lower of cost and net realisable value. This may increase the amount of inventories recognised.

**c) AASB 116 Property, Plant and Equipment**

The policy requires the cost and fair value of property, plant and equipment to be increased to include restoration costs, where restoration provisions are recognised under AASB137 Provisions, Contingent Liabilities and Contingent Assets.

Major inspection costs must be capitalised and this will require the fair value and depreciation of the related asset to be re-allocated.

**d) AASB 1004 Contributions**

The Council will continue to apply the current requirements in AASB 1004 where grants are normally recognised on receipt.

**e) AASB 136 Impairment of Assets**

The Council will be required to assess at each reporting date whether there is any indication that an asset (or cash generating unit) is impaired and if such indication exists, the Council must estimate the recoverable amount. However, the effect of this Standard should be minimal because all the substantive principles in AASB 136 are already incorporated in Treasury's policy Valuation of Physical Non-Current Assets at Fair Value.

**f) AASB 139 Financial Instrument Recognition and Measurement**

This policy results in the recognition of financial instruments that were previously off balance sheet, including derivatives. The standard adopts a mixed measurement model and requires financial instruments held for trading and available for sale to be measured at fair value and valuation changes to be recognised in profit or loss or equity, respectively. Previously they were recognised at cost. This may increase the volatility of the operating result and balance sheet.

The standard also includes stricter rules for the adoption of hedge accounting, and where these are not satisfied, movements in fair value will impact the income statement.

To achieve full harmonisation with GFS, entities would need to designate all financial instruments at fair value through profit or loss. However, at this stage it is unclear whether Treasury will mandate this option for all agencies.

**g) AASB140 Investment Property**

The policy requires investment property to be measured at cost or fair value. NSW Treasury is likely to mandate the adoption of fair value. In contrast to current treatment as an asset classified within property, plant and equipment, investment property recognised at fair value is not depreciated and

changes in fair value are recognised in the income statement.

NSW Treasury is likely to mandate that any investment property interest held by a lessee under an operating lease should be classified and accounted for as investment property. Previously such operating lease payments were accounted for as an expense over the lease term based on the pattern of benefits.

#### **h) AASB119 Employee Benefits**

The policy requires the defined benefit obligation to be discounted using the government bond rate as at each reporting date rather than the long-term expected rate of return on plan assets. Where the unfunded superannuation liability is not assumed by the Crown, this will increase the amount and the future volatility of the unfunded superannuation liability and the volatility of the employee benefit expense.

#### **End of Audited Financial Statements**



## Location of NSWALC Branch Offices

Note: Branch Offices were progressively wound back during 2003/04 in anticipation of the new Zone Structure. 6 Branch Offices remained in operation as at 30 June 2004

### CENTRAL

Cnr Wingewarra & Darling St  
PO Box 1196  
Dubbo NSW 2830  
Phone: 0268829350  
Fax: 0260029371  
Councillor: Rod Towney  
Manager: Robert Barnes

### FAR NORTH COAST

25 Orion St  
PO Box 494  
Lismore NSW 2480  
Phone: 0266221010  
Fax: 0266221931  
Councillor: Dave Brown  
Manager : Harold Love

### MURRAY RIVER

52 Chanter St  
PO Box 201  
Moama NSW 2731  
Phone: 0354809155  
Fax: 0354809117  
Councillor: David Clarke  
Manager: Robert Walker

### NORTH WEST

87 Wilga St  
PO Box 449  
Coonamble NSW 2829  
Phone: 0268222119  
Fax : 0268222322  
Councillor: Les Trindall  
Manager: Angela Fernando

### NORTHERN TABLELANDS

93 Faulkner St  
Armidale NSW 2350  
Phone: 0267727666  
Fax: 0267727342  
Councillor: Tom Briggs  
Manager: Lee Paterson

### SOUTH EAST COAST

Chapman House 2-34D Orient St  
PO Box 388  
Batemans Bay NSW 2536  
Phone: 0244729955  
Fax: 0244729950  
Councillor: Ivern Ardler (South Coast Region)  
Councillor: Ossie Cruise (Far South Coast Region)  
Manager: Lana Callaghan

The following Branch Offices ceased to operate during the reporting period.

### CENTRAL COAST

Suite 7 Second Floor  
Cnr John & Belgrave St  
PO Box 305  
Kempsey NSW 2440  
Phone: 0265627322  
Fax: 0265624223  
Councillor: Manul Richie  
Manager: Colin (Cody) Campbell

### NORTHERN

143 Loder St  
PO Box 327  
Quirindi NSW 2343  
Phone: 0267461668  
Fax: 0267462525  
Councillor: Wayne Griffiths  
Manager: Bob Maynard

### SYDNEY NEWCASTLE - METROPOLITAN

66 Showground Rd  
PO Box 1389  
Gosford NSW 2250  
Phone: 0243250205  
Fax: 0243233082  
Councillor: Veronica Graf  
(Sydney Newcastle Region)  
Councillor: Robert Lester  
(Western Metropolitan Region)  
Manager: Carole DiFranco

### WESTERN

1 Yarlta St  
PO Box 47  
Menindee NSW 2879  
Phone: 0880914114  
Fax: 0880914445  
Councillor: William Murray  
Manager: Jenny Edwards

### WIRADJURI

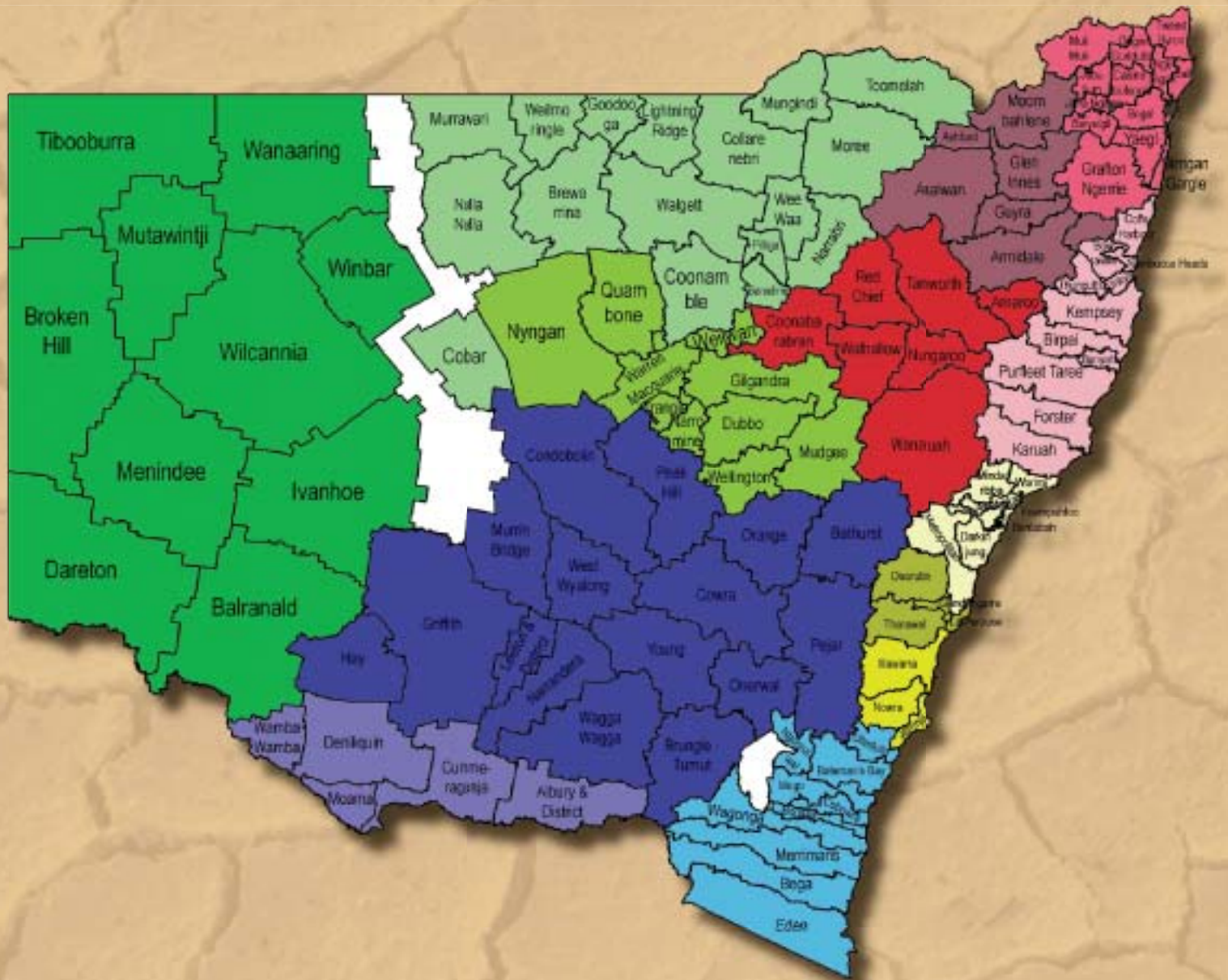
153 Docker St  
PO Box 5515  
Wagga Wagga NSW 2650  
Phone: 0269216544  
Fax: 0269217903  
Councillor: James Morgan  
Manager: Roland Williams

# Local Aboriginal Land Councils by Region

<b>Albury and District LALC</b>	<b>MURRAY RIVER</b>	<b>Lightning Ridge LALC</b>	<b>NORTH WEST</b>
<b>Amaroo LALC</b>	<b>NORTHERN</b>	<b>Menindee LALC</b>	<b>WESTERN</b>
<b>Anaiwan LALC</b>	<b>NORTHERN TABLELANDS</b>	<b>Merrimans LALC</b>	<b>FAR SOUTH COAST</b>
<b>Armidale LALC</b>	<b>NORTHERN TABLELANDS</b>	<b>Metropolitan LALC</b>	<b>SYDNEY/NEWCASTLE</b>
<b>Ashford LALC</b>	<b>NORTHERN TABLELANDS</b>	<b>Mindaribba LALC</b>	<b>SYDNEY/NEWCASTLE</b>
<b>Awabakal LALC</b>	<b>SYDNEY/NEWCASTLE</b>	<b>Moama LALC</b>	<b>MURRAY RIVER</b>
<b>Bahtabah LALC</b>	<b>SYDNEY/NEWCASTLE</b>	<b>Mogo LALC</b>	<b>FAR SOUTH COAST</b>
<b>Balranald LALC</b>	<b>WESTERN</b>	<b>Moombahlene LALC</b>	<b>NORTHERN TABLELANDS</b>
<b>Baradine LALC</b>	<b>NORTH WEST</b>	<b>Mootwingee LALC</b>	<b>WESTERN</b>
<b>Baryulgil Square LALC</b>	<b>FAR NORTH COAST</b>	<b>Moree LALC</b>	<b>NORTH WEST</b>
<b>Batemans Bay LALC</b>	<b>FAR SOUTH COAST</b>	<b>Mudgee LALC</b>	<b>CENTRAL</b>
<b>Bega LALC</b>	<b>FAR SOUTH COAST</b>	<b>Muli Muli LALC</b>	<b>FAR NORTH COAST</b>
<b>Birpai LALC</b>	<b>CENTRAL COAST</b>	<b>Mungindi LALC</b>	<b>NORTH WEST</b>
<b>Birrigan Gargle LALC</b>	<b>FAR NORTH COAST</b>	<b>Murray River LALC</b>	<b>MURRAY RIVER</b>
<b>Bodalla LALC</b>	<b>FAR SOUTH COAST</b>	<b>Murrin Bridge LALC</b>	<b>WIRADJURI</b>
<b>Bogal LALC</b>	<b>FAR NORTH COAST</b>	<b>Nambucca Heads LALC</b>	<b>CENTRAL COAST</b>
<b>Bowraville LALC</b>	<b>CENTRAL COAST</b>	<b>Narrabri LALC</b>	<b>NORTH WEST</b>
<b>Brewarrina LALC</b>	<b>NORTH WEST</b>	<b>Narrandera LALC</b>	<b>WIRADJURI</b>
<b>Broken Hill LALC</b>	<b>WESTERN</b>	<b>Narromine LALC</b>	<b>CENTRAL</b>
<b>Bunyah LALC</b>	<b>CENTRAL COAST</b>	<b>Ngulingah LALC</b>	<b>FAR NORTH COAST</b>
<b>Casino Boolangle LALC</b>	<b>FAR NORTH COAST</b>	<b>Ngunnawal LALC</b>	<b>FAR SOUTH COAST</b>
<b>Cobar LALC</b>	<b>NORTH WEST</b>	<b>Nowra LALC</b>	<b>SOUTH COAST</b>
<b>Cobowra LALC</b>	<b>FAR SOUTH COAST</b>	<b>Nulla Nulla LALC</b>	<b>NORTH WEST</b>
<b>Coffs Harbour LALC</b>	<b>CENTRAL COAST</b>	<b>Nungaroo LALC</b>	<b>NORTHERN</b>
<b>Collarenebri LALC</b>	<b>NORTH WEST</b>	<b>Nyngan LALC</b>	<b>CENTRAL</b>
<b>Condobolin LALC</b>	<b>WIRADJURI</b>	<b>Onerwal LALC (Yass)</b>	<b>WIRADJURI</b>
<b>Coonabarabran LALC</b>	<b>NORTHERN</b>	<b>Orange LALC</b>	<b>WIRADJURI</b>
<b>Coonamble LALC</b>	<b>NORTH WEST</b>	<b>Peak Hill LALC</b>	<b>WIRADJURI</b>
<b>Cowra LALC</b>	<b>WIRADJURI</b>	<b>Pejar LALC</b>	<b>WIRADJURI</b>
<b>Cummeragunja LALC</b> (formerly Yota Yota)	<b>MURRAY RIVER</b>	<b>Pilliga LALC</b>	<b>NORTH WEST</b>
<b>Dareton LALC</b>	<b>WESTERN</b>	<b>Purfleet/Taree LALC</b>	<b>CENTRAL COAST</b>
<b>Darkinjung LALC</b>	<b>SYDNEY/NEWCASTLE</b>	<b>Red Chief LALC</b>	<b>NORTHERN</b>
<b>Deerubbin LALC</b>	<b>WESTERN METROPOLITAN</b>	<b>Tamworth LALC</b>	<b>NORTHERN</b>
<b>Deniliquin LALC</b>	<b>MURRAY RIVER</b>	<b>Tharawal LALC</b>	<b>WESTERN METROPOLITAN</b>
<b>Dorrigo Plateau LALC</b>	<b>NORTHERN TABLELANDS</b>	<b>Thungutti LALC</b>	<b>CENTRAL COAST</b>
<b>Dubbo LALC</b>	<b>CENTRAL</b>	<b>Tibooburra LALC</b>	<b>WESTERN</b>
<b>Eden LALC</b>	<b>FAR SOUTH COAST</b>	<b>Toomelah LALC</b>	<b>NORTH WEST</b>
<b>Enngonnia (Murrumbidgee) LALC</b>	<b>NORTH WEST</b>	<b>Trangie LALC</b>	<b>CENTRAL</b>
<b>Forster LALC</b>	<b>CENTRAL COAST</b>	<b>Tumut Brungle LALC</b>	<b>WIRADJURI</b>
<b>Gandangarra LALC</b>	<b>WESTERN METROPOLITAN</b>	<b>Tweed Byron LALC</b>	<b>FAR NORTH COAST</b>
<b>Gilgandra LALC</b>	<b>CENTRAL</b>	<b>Ulladulla LALC</b>	<b>FAR SOUTH COAST</b>
<b>Glen Innes LALC</b>	<b>NORTHERN TABLELANDS</b>	<b>Unyka LALC</b>	<b>CENTRAL COAST</b>
<b>Goodooga LALC</b>	<b>NORTH WEST</b>	<b>Wagga Wagga LALC</b>	<b>WIRADJURI</b>
<b>Grafton/Ngerrie LALC</b>	<b>FAR NORTH COAST</b>	<b>Wagonga LALC</b>	<b>FAR SOUTH COAST</b>
<b>Griffith LALC</b>	<b>WIRADJURI</b>	<b>Walgett LALC</b>	<b>NORTH WEST</b>
<b>Gugin Gudduba LALC</b>	<b>FAR NORTH COAST</b>	<b>Walhallow LALC</b>	<b>NORTHERN</b>
<b>Guyra LALC</b>	<b>NORTHERN TABLELANDS</b>	<b>Wamba-Wamba LALC</b>	<b>MURRAY RIVER</b>
<b>Hay LALC</b>	<b>WIRADJURI</b>	<b>Wanaaring LALC</b>	<b>WESTERN</b>
<b>Illawarra LALC</b>	<b>SOUTH COAST</b>	<b>Wanaruah LALC</b>	<b>NORTHERN</b>
<b>Ivanhoe LALC</b>	<b>WESTERN</b>	<b>Warren LALC</b>	<b>CENTRAL</b>
<b>Jali LALC</b>	<b>FAR NORTH COAST</b>	<b>Wee Waa LALC</b>	<b>NORTH WEST</b>
<b>Jana Ngalee LALC</b>	<b>FAR NORTH COAST</b>	<b>Weilan LALC</b>	<b>CENTRAL</b>
<b>Jerringa LALC</b>	<b>SOUTH COAST</b>	<b>Weilmoringle LALC</b>	<b>NORTH WEST</b>
<b>Jubullum LALC</b>	<b>FAR NORTH COAST</b>	<b>Wellington LALC</b>	<b>CENTRAL</b>
<b>Karuah LALC</b>	<b>CENTRAL COAST</b>	<b>West Wyalong LALC</b>	<b>WIRADJURI</b>
<b>Kempsey LALC</b>	<b>CENTRAL COAST</b>	<b>Wilcannia LALC</b>	<b>WESTERN</b>
<b>Koompahtoo LALC</b>	<b>SYDNEY/NEWCASTLE</b>	<b>Windradyne (Bathurst) LALC</b>	<b>WIRADJURI</b>
<b>La Perouse LALC</b>	<b>SYDNEY/NEWCASTLE</b>	<b>Worimi LALC</b>	<b>SYDNEY/NEWCASTLE</b>
<b>Leeton LALC</b>	<b>WIRADJURI</b>	<b>Yaegl LALC</b>	<b>FAR NORTH COAST</b>
		<b>Young LALC</b>	<b>WIRADJURI</b>







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 Facsimile: 02 9687 1234  
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