

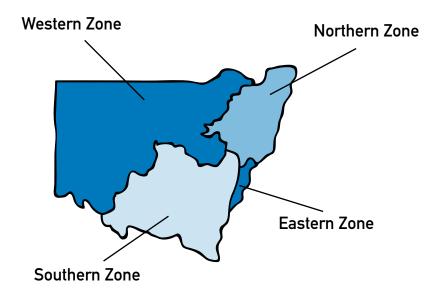
NEW SOUTH WALES ABORIGINAL LAND COUNCIL

ANNUAL REPORT 2006 - 2007

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"Liberate and EMPOWER
Aboriginal People in
New South Wales through
ECONOMIC and SOCIAL
INDEPENDENCE."





NEW SOUTH WALES ABORIGINAL LAND COUNCIL

31 October 2007

The Hon Paul Lynch Minister for Local Government Minister for Aboriginal Affairs Minister Assisting the Minister for Health (Mental Health) Governor Macquarie Tower 1 Farrer Place Sydney NSW 2000

Dear Minister

We present to you the draft New South Wales Aboriginal Land Council Annual Report for the year ended 30 June 2007, 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.

Yours sincerely

Bev Manton Chairperson

New South Wales Aboriginal Land Council

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CHAIRPERSON'S REPORT



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

As all of our constituents would be aware the election of a new nine-member Council in May this year ended a period of more than three years in which the NSWALC was under the control of a State Government-appointed all-functions administration.

This period of administration began with the dismissal of the former 13-member New South Wales Aboriginal Land Council in November, 2003 and the immediate appointment of the late Mr. Murray Chapman as Administrator.

The induction of the new Governing Council has heralded a new beginning and a new era for the New South Wales Aboriginal Land Council and the land rights network.

I was humbled, honoured and excited to be elected as the first woman Chairperson of NSWALC by a clear majority of my fellow Councillors at our first Board meeting in Sydney on May 30.

As a Worimi woman I have had an active life long commitment to improving the economic, social and cultural well-being of our people.

I have been involved with NSWALC since its inception.

I have been a member of the Karuah Local Aboriginal Land Council since its inception, was its Chairperson for six years in the 1990's, and worked as its co-coordinator for four years before being elected as Councillor for the Central Coast Region.

I'd like to take this opportunity to formally thank everyone who have supported and assisted me, and continue to do so, in my efforts to build a better future, particularly for our children and grandchildren.

As many readers of this report will know my fellow Councillor Tom Briggs, a Gumbainggir man, who was one of the previous Council members sacked by the State Government, was elected Deputy Chairperson at the first meeting of the new Council.

The new Council is acutely conscious of the fact that we have been elected at a crucial time in the history of land

rights in New South Wales.

We are also acutely conscious of the enormous responsibility we have to our people and are determined to ensure we deliver.

There have been significant changes to the system through the recent amendments to the Aboriginal Land Rights Act (1983) and enormous changes to NSWALC during the period of administration. It will be our job to build upon them.

I take great pride in the fact that I was actively involved as a member of the Northern Alliance (of Local Aboriginal Land Councils) in making a positive contribution to the amendments to the ALRA to better secure our future.

But before I talk about those changes I want to take this opportunity to formally and sincerely acknowledge, on behalf of Council, the building blocks put in place by the former Council under the leadership of its then chairperson, Mr. Les Trindall and all of those who worked with them, and before them, to build land rights in NSW as we know it today.

The new Council, and all members of the land rights network, owes them an enormous debt of gratitude. I have also kept a close and watchful eye from my position at Karuah LALC on developments at NSWALC during the years of administration.

Again, I want to sincerely acknowledge, on behalf of Council, the positive contributions made to the operations of the organisation during this turbulent time by the late Mr. Chapman and his successor, and former NSWALC Chief Executive Officer, Mr. William Johnstone.

Both were ably supported by our current Chief Executive, Mr. Geoff Scott, particularly in ensuring the voice of the land rights network was heard in the changes to the legislation.

Given Council only came into office a month or so before the end of this reporting period much of the progress reported in these pages results from their work and effort and that of NSWALC staff and the network.

Among the many gains was solid growth in the value of the Statutory Investment Fund, a fourth successive unqualified

audit, the bedding down of the new regional structure designed to re-connect with the network, the welcome return to the core business of land claims, and an increase in funding to LALCs.

Council has directly expressed its gratitude to Mr. Scott, his senior management team, and all staff for the professional, efficient and courteous manner in which they have handled the induction of the new Council.

This should be a matter of public and parliamentary record. I take this opportunity to do so again.

It has been noted elsewhere in this report that Mr. Chapman constantly stated in this space that he regarded his role at NSWALC as being that of a caretaker pending the return of an elected NSWALC council and as a "change manager" for the organisation.

His clear intention was to ensure that, when an elected council did return, it was able to work with better governance policies and procedures, more efficient management systems and structures, and a financial foundation that "better fits the organisation and the land council network as it serves our people into the twenty-first century."

He also noted that new policy formulation, the introduction and implementation of new management systems and structures, and consolidation of NSWALC's Statutory Investment Fund had all been key features of that reporting period.

NSWALC's achievements had demonstrated an increasingly effective and efficient organisation firmly engaged with an ever increasing number of internal and external stakeholders, mindful that it was the remnant peak Aboriginal representative body on the eastern seaboard.

The new Council is conscious that an enduring tribute to Mr. Chapman and NSWALC's senior management team and the network is to ensure we steadily build on those gains.

He also noted the Aboriginal Land Rights Act had delivered significant and valuable assets to the ALC network with the existing and future land base of land councils providing our people with a degree of economic influence that too few of us appreciate fully.

The structure, however, was not geared to carry the system into the next phase of land rights, the sustainable development and management of our land base for the benefit of the present and future generations.

It was simply not geared to help us overcome the administrative overload and lack of capacity of Aboriginal land councils.

I agree.

The new Council recognises it will be one of our primary tasks to ensure that structure is put in place.

The legislative amendments which paved the way for our election also provided for new and much needed levels of transparency and participation in the various components of the land council network, particularly in governance, structure and representation.

They delivered much needed change and clarity. The first major impact of these changes on the future shape and scope of Local Aboriginal Land Councils at both the political and administrative level were being felt at LALC AGM's around the state just as this reporting period came to a close.

The new Council was working hard, alongside the office of the Registrar and the network, to ensure all LALCs were fully aware of how, when and why those changes would impact on their operations.

NSWALC was also working to ensure our legislative obligations for governance training and capacity building within the network would be fully met.

As noted previously in this space the current legislative arrangements for land dealings by local land councils are inadequate. We need an improved framework for managing, selling and developing land council land assets, particularly in regard to large scale commercial developments.

The ALRA Review Taskforce, appointed by the State Government, has proposed a much more comprehensive and holistic approach to the management of land dealings, which will result in a second round of amendments to the legislation which are expected to be introduced into State Parliament later this year.

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Council will seek to ensure the network is closely involved in this process.

We are looking forward to working over the next four years with, and on behalf of, Aboriginal people, their organisations, the State Government and other major stakeholders to improve the economic, social and cultural outcomes for our people, both for this generation and those to come.

The NSW Aboriginal Affairs Minister, Paul Lynch, made it clear during a presentation to the first meeting of the new Council that he was looking to developing a constructive working relationship with us to improve outcomes for our people.

He agreed that this was a new beginning for all of us and we are now in the middle of the biggest changes in land rights in New South Wales since the Act was first proclaimed in 1983.

I believe the return of an elected Council has brought a new sense of purpose and direction to this organisation. I'm conscious of the inherent contradictions between NSWALC's advocacy role and its compliance role under the ALRA. I know this continues to create tensions within the land rights network but I'm confident we can work together to manage those tensions.

We need to build capacity.

Be Mach

We need to build unity.

Council is well aware we have much to do.

Let me assure you we look forward to the challenge, particularly in the coming 2008 calendar year which will mark the 25th anniversary of land rights in New South Wales.

Bev Manton

REPORT BY THE CHIEF EXECUTIVE OFFICER



This report marks my first year as Chief Executive Officer of the New South Wales Aboriginal Land Council.

I am sure everyone will agree it has been a momentous year in the history of land rights in New South Wales. The highlight for me, and I am sure many in the land rights network, has been the return of a Governing Council.

It was also the year in which we finally saw legislation flowing from all of the hard work throughout the land rights network during the review of the Aboriginal Land Rights Act.

I'd like to take this opportunity to thank everyone, both at NSWALC and throughout the network who put in the hard yards during the review.

We did not get everything we wanted in the first round of legislative amendments. You rarely do in politics.

But, importantly, we did have a number of significant wins on the way through.

The first tranche of the new legislation also provides all of us with major challenges.

The workability of the legislation will be fully tested in the new financial year when the changes with the highest impact, particularly on the structure and operations of Local Aboriginal Land Councils, begin to take effect.

I am in complete accord with the observations contained within this report from our new Chairperson, Councillor Bev Manton. It is unarguable. We are at a crucial stage in the history of land rights in New South Wales.

I firmly believe we are at a crossroads.

The past twenty four years have delivered substantial assets, in both financial compensation and in land.

However we remain at the whim of government. We should never lose sight of this fact.

And what the government can give, it can take away.

Thankfully, it would appear land rights, still enjoys tri-partisan political support in the New South Wales Parliament.

This was particularly evident during debate on the amendments to the ALRA on the floor of the Parliament in the first half of this financial year.

All parties, major and minor, spoke in solid support of the fundamental principles of our land rights system. This was in stark contrast to the position taken at the Commonwealth level.

We must continue to strive in the new financial year to consolidate that support.

The solid and steady growth in the Statutory Investment Fund continued during this financial year. It has helped us fund modest increases in our administrative funding to the land council network.

It has assisted us in making some of the necessary changes to the NSWALC administrative structure as we prepare to seek to bed in the most recent major legislative changes to our operating environment since the legislation was first enacted.

But despite sound management and a prudent investment strategy we remain at the whim of the domestic and international financial markets.

We must, and will, continue to build. However, we must do so ever conscious of the real constraints upon the system.

NSWALC is acutely conscious of the increasing administrative demands on the land council network, particularly Local Aboriginal Land Councils.

The financial and political sustainability of the system is the key issue not just in the new financial year but over the next 20 years.

It is essential in my view that we adopt decade-long plans and strategies to ensure our sustainability.

My key task as CEO of NSWALC is to ensure, under direction from the Governing Council, we have those plans and strategies in place. We must learn the lessons of the past.

NSWALC is also acutely conscious that many members in the land rights network see little benefit flowing directly to them from the hard won gains of the past 20 years or so.

I can understand this sentiment but I do not agree with it.

Our members should not make the same mistake which is made by many outside of the land rights system by blaming Land Councils and the legislation for the lack of progress in improving socioeconomic outcomes for Aboriginal people in News South Wales.

No funding was provided for the socioeconomic and welfare roles that were assumed in the original legislation and by those who framed it. The land council system has been subjected to increasing demands for non-land related services and has borne the brunt of progressive responsibility and cost shifting.

This has been described in an independent analysis of the ALC system commissioned by NSWALC as "scope creep."

It has continued with the most recent amendments to the legislation and will require careful attention in the new financial year.

I am seeking to ensure NSWALC staff work closely with our new Governing Council to maintain our focus on core business, land claims and sustainable land management.

This will continue to be our key focus as we head into the new financial year.

However, as the financial year came to a close, NSWALC was well advanced in planning a major benefits initiative related to education. A public announcement was due to be made early in the new financial year.

The new Council has also made it clear capacity building must be a major focus. That is, building human capital and capability.

On an operational level, NSWALC staff are firmly committed to working with the new Governing Council to ensure we comply with our statutory obligations to provide the governance training to Council which is required by section 131 of the Act, as amended, within the statutory time limit of six months from the date of the election of Councillors.

This is required to be completed within the first half of the new financial year.

Chairperson Manton and her fellow Councillors have made clear their absolute commitment to this task.

A major task will be the election of new Local Aboriginal Land Council Boards which are due to begin in the first quarter of the new financial year and the recruitment of codified Chief Executive Officers.

This could see more than one thousand elected representatives at the local level with a new separation of responsibilities which did not exist before.

NSWALC is charged with their governance training within six months of their election under these new legislative provisions. This will be a formidable task on top of our core business of land claims and land management to ensure we comply with all of the provisions of the Act as amended.

In conclusion I think it is fair to say, as we head towards the 25th anniversary of land rights in New South Wales, that the original legislation, which was proclaimed on June 10, 1983, is now one of the most heavily amended statutes in the State.

So much so, many in the land council system are struggling to keep fully abreast of the changes.

There have now been seven different sets of amendments to the legislation since 1986, and many have resulted in significant imposts to the requirements placed upon NSWALC, and Local Aboriginal Land Councils. In my view they have significantly increased inbuilt tensions within the Act.

I often hear people ask why a particular local Aboriginal land council might not support the NSWALC. This normally illustrates a profound ignorance of the significant tensions within the Act. NSWALC Councillors and staff walk a fine line at all times, balancing the inherent tensions within the Aboriginal Land Rights Act.

The legislation stipulates when NSWALC can and cannot fund a Local Aboriginal Land Council. It requires NSWALC to approve LALC annual budgets, annual reports, six monthly reports, and ensure all appropriate records have

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been maintained without any provision for discretion. At the same time NSWALC has the responsibility to advocate and represent the interest of LALC's and their members.

This presents an ongoing dilemma, particularly for elected representatives.

As reported elsewhere in this document the new amendments have also seen a whole range of new misbehaviour, suspension and pecuniary interest provisions which essentially bring the legislation into line with the Local Government Act and introduced codified requirements for community land and business plans and community benefit schemes.

NSWALC is fully committed to ensuring it makes the system work and seeks to provide sustainable community benefits.

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

Geoff Scott

Chief Executive Officer

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MESSAGE FROM OUTGOING ADMINISTRATOR WILLIAM JOHNSTONE



I was appointed Administrator of the New South Wales Aboriginal Land Council (NSWALC) from 1 March, 2007 by the then Minister for Aboriginal Affairs, the Hon. Reba Meagher, following the sudden and untimely death of Murray Chapman.

My term officially expired on May 19, 2007 and effectively upon the public declaration of the election which saw a new Governing Council in office.

As part of the Instrument of Appointment I was required to provide the Minister for Aboriginal Affairs with a residual Plan of Management for the short period of my administration.

I provided that plan to the then Minister for Aboriginal Affairs, Mr. Paul Lynch in mid-May, 2007.

It covered:

- Property Management
- Corruption prevention
- Employment of NSWALC staff
- Capacity Building for NSWALC Staff, Councillors and LALC members
- The future operations of the NSWALC.

It essentially documented NSWALC's transition from an all-functions administration to the election of a Governing Council and reported on outcomes achieved against the Plan of Management submitted by Mr. Chapman in February 2005.

I informed the Minister that there had been many advances in the governance arrangements and the administration of the NSWALC during the period of Mr. Chapman's administration from November 2003 until his passing in February 2007.

Happily, I reported that most of the matters reported to be in progress in Mr. Chapman's Plan of Management had been implemented.

Importantly, I went one step further.

I informed the Minister that it was my belief that Mr. Chapman, and the Council he replaced, would have expected me to provide the NSW Government with a frank assessment of the state of NSWALC, and, more generally, land rights in the transmittal of my Plan of Management.

I consider it important that I share that assessment with the land rights network through this Annual Report.

As most readers of this report would be aware I was appointed as Chief Executive Officer of the NSWALC in September 2003 by the former 13-member Council just months before it was dismissed.

I joined the organisation as it worked to respond to the findings of a State Government appointed Investigator.

When Mr. Chapman was appointed he made it clear to me as CEO, and in public statements, that he regarded his role at NSWALC as being partly that of a caretaker pending the return of an elected NSWALC Council but also as a "change manager" for the organisation.

His intention, clearly articulated in each of the succeeding NSWALC Annual Reports, was 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."

He also expressed a debt of gratitude to the former Council Chairperson, Mr. Les Trindall, "who (along with other members of Council) recognised the need for change and improvement at NSWALC and made steps toward implementing that change."

Mr. Chapman and I made a conscious decision to retain the conservative investment strategy put in place by the Council to ensure growth in the NSWALC Account, the suite of new governance policies and procedures adopted by the outgoing Council, and to implement a major administrative restructure endorsed by Council just before its dismissal.

These have been the essential building blocks we used to rebuild and consolidate NSWALC's operations during the period of administration.

I informed the Minister that I considered it important these matters be placed on the record as NSWALC moved out of administration.

I also informed him that I considered myself to have been in a unique position over the past three years to consider the progress of NSWALC. In my letter of transmittal I informed the Minister it was my considered view, and one shared by Mr. Chapman, that NSWALC may be a far stronger organisation today had an all-functions Administrator not been appointed.

I noted that I was clearly not in a position to make a judgment on the political pressures being brought to bear within the State Government at the time, but with the benefit of hindsight, it may have been more constructive to have appointed a part-functions Administrator with specific financial powers.

This would have allowed the Council, led by Mr. Trindall, to fully implement the governance policies and procedures it had adopted late in its term of office.

This is essentially what the Council recommended the State Government do in response to the Investigator's Report when it proposed the placement of an officer from the NSW Audit Office at NSWALC.

I raised this matter not to make a political point but rather to urge the State Government to carefully consider such matters should a similar situation ever arise.

I reminded the Minister that the State Government appointed Investigator had found no evidence of fraud or misappropriation within the outgoing Council.

In my considered view, having made the decision to appoint an Administrator, it would have been more constructive for the Government to have allowed a fully elected Council to work through a period of part-functions administration to ensure full Aboriginal ownership of the changes which had been effected over the past three years, particularly during a major Government initiated review of the Aboriginal Land Rights Act.

I urge the Government to carefully consider these questions as it conducts its assessment of the operations of NSWALC in coming years under a new Council.

Given all of the above I was pleased to report that the administrative arrangements at NSWALC were now in place to support the imminent return of a fully elected New South Wales Aboriginal Land Council.

Major improvements had been made to all areas covered in the Plan of Management but I noted that major

challenges still lay ahead for an incoming Council and the administrative arm of the organisation as we enter a new era of land rights.

I urged the new Minister to be conscious of the fact that the administrative arm of NSWALC was in a poor state when I arrived in September 2003 to take up the position of CEO.

The organisation had been without a Chief Executive Officer for a considerable period of time, there was a clear lack of skills and strategic direction among the ranks of senior management, and all of the organisation's operating systems were redundant.

It had not, for example, received an unqualified audit on its annual accounts for the previous nine years but had received an unqualified audit for each of the three financial years of administration

I reported a new sense of purpose and direction within the organisation.

NSWALC was an increasingly effective and efficient organisation firmly engaged with an ever increasing number of internal and external stakeholders

The organisation was making a positive difference to Aboriginal people in New South Wales but prudent management of the NSWALC account and ongoing renewal and reform had to be essential elements of the new Council's forward agenda.

I also expressed my profound disappointment that the State Government had yet to determine the salary levels of incoming Councillors and requested this matter be dealt with as soon as possible.

In my view the Government had a responsibility to assist in every way possible to keep the reform agenda going.

NSWALC was now an organisation which could readily adapt to rapid political and administrative change within its operating environment and continue to seek and obtain sustainable outcomes for our constituents.

Mr. Chapman and I both worked with NSWALC staff during the period of administration to ensure the incoming Council could operate within a streamlined legislative structure supported by skilled and experienced staff and with the necessary financial resources to ensure that Aboriginal concerns and Aboriginal views continued to be heard.

The legislative structure, in my view, was not yet geared to carry the system into the next phase of land rights—the sustainable development and management of our land base for the benefit of present and future generations.

It was not yet geared to help us overcome the administrative overload and lack of capacity of Local Aboriginal Land Councils.

Much work had been done. There was still much to do.

I believe, however, that the next phase of land rights will consolidate the gains of the past, especially given the bipartisan political support land rights enjoys in NSW and the emerging strength of a restructured NSWALC.

I wish the new Council well as they take the organisation in to a new financial year---the 25th anniversary year of land rights---and a new era.

William Johnstone

al Julian

Former Administrator and Chief Executive Officer

October, 2007

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COUNCIL STRUCTURE AND MEMBERSHIP

The New South Wales Aboriginal Land Council's elected arm consists of nine Councillors democratically elected by Local Aboriginal Land Council members to serve four year terms

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

Tribunal for Public Office Holders
The Council itself elects its Chairperson and Deputy
Chairperson.

A secret ballot for these positions was conducted under the auspices of the Registrar of the ALRA, Mr. Stephen Wright, on the first day of the first meeting of the newly elected Governing Council on May 30, 2007.

The ballot resulted in the election of Central Coast Region Councillor, Ms. Bev Manton, as Chairperson.

Northern Region Councillor, Mr. Tom Briggs, was elected Deputy Chairperson.

The secret ballot was conducted in accordance with written procedures recommended by NSWALC Chief Executive Officer, Mr. Geoff Scott, and endorsed by Council.

COUNCILLOR PROFILES

The following are short profiles of each of the nine members of the Governing Council



CENTRAL COAST REGION Bev Manton Chairperson

A member of the Worimi nation, Ms Manton, is a strong and respected advocate for community development, particularly in relation to employment, housing, health and education.

Involved with NSWALC since its inception, Bev is a founding member of the Karuah Local Aboriginal Land Council and worked as the LALC Cocoordinator for four years before being elected to NSWALC.

She represents her people on a number of Boards including the Worimi Conservation Lands, Aboriginal Community Environment Network and the Northern Alliance.



NORTHERN REGION Tom Briggs Deputy Chairperson

Tom is a member of the Gumbainggir nation and has lived and worked in the Armidale District most of his life. He is a member of the Dorrigo Plateau Local Aboriginal Land Council. He previously worked with the Department of Education, Employment and Training for twenty years, gaining extensive experience in human resources and training issues.

He is a former councillor with the Aboriginal Torres Strait Islander Commission and the New South Wales Aboriginal Land Council and the Armidale City Council. He is Chair of the NSW Aboriginal Justice Advisory Council and has a degree in administrative leadership.



SYDNEY NEWCASTLE REGION Roy Ah-See

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

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

He worked at NSWALC as a policy officer before being elected.

Roy has a Bachelor of Arts Degree (Social Welfare).





WIRADJURI REGION Craig Cromelin

Craig, an artist, is a descendant of the Ngiyampaa people of south west New South Wales.

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

Craig has held several managerial positions, including Chairperson of the Murrin Bridge Aboriginal Advancement Corporation, the Murrin Bridge Local Aboriginal Land Council and the Wiradjuri Regional Land Council.



NORTH WEST REGION Steve Gordon

Steve has been involved with Aboriginal affairs for about 35 years both in a voluntary and professional capacity. A member of the Brewarrina Aboriginal Land Council, he was the first Aboriginal Ombudsman in New South Wales and in June 1997, was the first Aboriginal representative to address the NSW State Parliament.

In 2002 he was voted national NAIDOC Person of the Year. He was a former Commissioner with the now defunct Aboriginal and Torres Strait Islander Commission.

He lives in Brewarrina where he has served as a Shire Councillor.



SOUTH COAST REGION Neville "Jack" Hampton

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

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

He has a Bachelor Degree in Adult Education and is a former deputy chair of Wreck Bay Aboriginal Community Council and former Treasurer of Nowra Local Aboriginal Land Council, of which he is still a member.



NORTH COAST REGION Patricia Laurie

Patricia, a Yaegl woman and member of the Bundjalung nation, has been active in Aboriginal Affairs for more than two decades and has been involved with the NSWALC network since its formation 24 years ago. She is an accredited Community Planning and Trained Mediator.

She is Deputy Chairperson of the Northern Alliance representing four regions and 38 Local Aboriginal Land Councils (LALCs) and was Treasurer for nine years of the Far North Coast Regional Council.

She is a member of the Birrigan Gargle Local Aboriginal Land Council at Yamba.



WESTERN REGION William Murray

William is a member of the Nari Nari nation and was born in Balranald.

He has spent most of his life in the Wilcannia area. William has previously held positions on the New South Wales Aboriginal Land Council and the Murdi Paaki Regional Council.

He has enjoyed a long involvement with various Aboriginal organisations.

He is an active member of the Wilcannia Local Aboriginal Land Council.



CENTRAL REGION Stephen Ryan

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

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

He is a former chairman and current member of the Dubbo Local Aboriginal Land Council. Stephen believes it is important that NSWALC focuses on securing land given its spiritual, social, cultural and economic importance to Aboriginal people.

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Councillor's Attendance at Meetings

COUNCILLOR ATTENDANCE AT MEETINGS 2007								
Councillor	No. Meeting Days Eligible To Attend	No. Attended	Notes					
R. Ah-See	5	5	Ü					
T. Briggs	5	5	Ü					
C. Cromelin	5	5	Ü					
S. Gordon	5	5	Ü					
J. Hampton	5	5	Ü					
P. Laurie	5	4	Illness recorded for 1 Day					
B. Manton	5	5	Ü					
W. Murray	5	4	Illness recorded for 1 Day					
S. Ryan	5	5	Ü					

New South Wales Aboriginal Land Council OVERVIEW

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

This report covers the activities and financial dealings of the New South Wales Aboriginal Land Council for the period 1 July 2006 to 30 June 2007. It provides a summary and highlights of our activities and achievements during that period.

The report also includes the financial and other reports required under the NSW Government's Annual Reports (Statutory Bodies) Act 1984.

As recorded in last year's Annual Report, the Council had been in the hands of an Administrator since 20 November 2003.

The Administration effectively ended with the election on May 19, 2007 of a fully elected nine-member Governing Council and declaration of the poll four days later.

The normal functioning of Council is described throughout this report 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.

For the benefit of new readers, it is important to place in context the way in which this organisation came into being, what the Land Council system in New South Wales is designed to do, and how it goes about doing it.

WHO WE ARE AND WHAT WE DO

The New South Wales Aboriginal Land Rights Act 1983 (as amended) gives the New South Wales Aboriginal Land Council (NSWALC) the mandate to provide for the development of Land Rights for Aboriginal people in NSW.

A self funding Statutory Authority, 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, and other stakeholders, to ensure the preservation of Aboriginal rights.

It is the peak Aboriginal representative body in NSW charged with managing a Statutory Investment Fund, valued at just under \$700m at June 30, 2007 and oversees the development and management of a significant Aboriginal owned land estate.

The total area granted under the ALR Act is 82,050 hectares, or just under one per cent of the New South Wales land area. It has a value conservatively estimated at just over \$800 million.

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

The Aboriginal Land Rights Amendment Act (2001), proclaimed on 25 October 2002, set 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, LALCs can, within guidelines, purchase, dispose of and lease land without specific prior approval from NSWALC or the Minister. All major commercial developments must be approved by NSWALC.

A number of major amendments to the Aboriginal Land Rights Act were passed through both Houses of the NSW Parliament on 4 December, 2006 in the form of the Aboriginal Land Rights (Amendment) Act.

These amendments flowed from a comprehensive review of the ALR Act announced by the then Minister for Aboriginal Affairs, Doctor Andrew Refshauge on May 26, 2004.

The Minister established a three-person Taskforce to conduct the review.

The Taskforce released a detailed Issues Paper on the land dealing provisions of the ALR Act in August 2005 and a second Issues Paper on Structure, Representation, Governance and Benefits in November, 2005.

New South Wales Aboriginal Land Council • Annual Report 2006-2007

The two Issues Papers contained a total of 76 recommendations/options to streamline the ALR Act.

The first tranche of amendments to the ALRA which passed through the Parliament in December, 2006, contained a range of fundamental changes to the structure and operational requirements of both NSWALC and Local Aboriginal Land Councils.

These flowed from the Issues Paper on Structure, Representation, Governance and Benefits which had, or were being implemented as this reporting period drew to a close.

Those sections of the ALR Act which govern land dealings were still the subject of a second tranche of legislative amendments which were due to go before State Parliament as this reporting period ended.

An exposure draft of the proposed land dealings regime contained in the second tranche of amendments was due to be released in the first half of the new financial year and was expected to be introduced to Parliament in the first half of the 2007 calendar year.

The amendments adopted by Parliament, and those proposed in the second tranche, are reported upon later in the section of this report on the Review of the Aboriginal Land Rights Act.

OUR CLIENTS

The Council had consisted of 13 democratically elected members to represent the 13 Aboriginal land council regions in New South Wales before the Council was placed in administration.

The amendments to the ALRA which passed through the New South Wales Parliament in December 2006 made provision for nine democratically elected members to represent nine new land council regions in NSW.

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 and a Zone office structure with offices established in three regional centres (Dubbo, Queanbeyan, Coff's Harbour) and Sydney.

The principal client of NSWALC 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 affairs, employment, training and property acquisition and management.

During the reporting year, NSWALC has continued to refine its management structure and to restructure the distributed support for Local Aboriginal Land Councils.

AIMS & OBJECTIVES

NSWALC is empowered under legislation to:

- i) administer the NSWALC Account and Mining Royalties Account
- 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
- 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
- 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.

There were five key objectives within this framework for NSWALC in 2006/2007, as articulated in the NSWALC Business Plan. They were as follows:

- NSWALC will provide leadership to influence the policy of government and other stakeholders to preserve Aboriginal culture and heritage and create economic, social and cultural improvements for Aboriginal people.
- (Create) A network of fully functional, transparent, well governed Regional and Local Aboriginal Land Councils.
- 3. To help the LALCs acquire and develop assets to become financially viable.
- 4. To improve the internal operations of NSWALC
- To maximise the return on the investment portfolio while maintaining an acceptable capital risk profile.

Strategies and actions have also been developed to assist the Purpose, Objectives, and Key Performance Indicator targets in the Plan. Responsibilities for implementation are assigned at a work unit level.

The strategies included:

- Take a leadership role in the promotion, protection and preservation of Aboriginal culture and heritage.
- To secure and enhance the current legislative rights to land.
- Take a leadership role with Governments and other stakeholders to work to improve the economic and social well being of Aboriginal people.
- Ensure the appropriate organisation structures, staffing, policies and procedures are in place to promote effective and efficient internal operations
- Ensure NSWALC's organisational culture is based on performance and continuous improvement, foster a culture of shared information, and develop and maintain an effective risk management culture.
- Work to increase NSWALC's public advocacy position informed by evidence based research, respond to

- emerging issues, and improve the communication between NSWALC, LALC's and RALC's.
- Work to maximise the participation of NSWALC's constituents and the wider Aboriginal community in all relevant political processes.
- Provide support, assistance and relevant training to RALC's and LALC's to enable them to better manage their administration and to meet their obligations under the ALRA.
- Monitor the financial and non-financial performance of the RALC's and LALC's
- Assist LALC's to prepare community business plans and facilitate the provision of best quality professional business advise and mentoring to LALC's and assist them evaluate potential business opportunities.
- Develop clear funding guidelines to provide equitable funding to all LALC's and RALC's.

REGIONAL ABORIGINAL LAND COUNCILS (RALCS)

There were 13 RALCs located across New South Wales but these bodies were abolished as a result of amendments to the Aboriginal Land Rights Act in December, 2006.

The Aboriginal Land Rights (Amendment) Act 2006 ("the amending Act") passed through both Houses of the NSW Parliament on December 4, 2006 and was proclaimed (with Regulations) on February 7, 2007

Each Regional Aboriginal Land Council had been made up of representatives elected by the various Local Aboriginal Land Councils.

RALCs were designed to play an advisory role in the management of the land council network and did not have direct authority over any Local Aboriginal Land Council.

The RALCs were statutory authorities 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
- 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
- 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
- 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 abolition of RALCs was effected by a new clause 44 (1) of Schedule 4 of the Act which provided that:

A Regional Aboriginal Land Council constituted under this Act immediately before the commencement of Part 6, as inserted by the Amending Act, ceases to exist on that commencement and the officers of the Council cease to hold office.

The new regulations provided that "the assets, rights and liabilities of a RALC immediately before the commencement of (clause 6) are transferred to NSWALC.

NSWALC notified each RALC Chairperson by correspondence, dated February 5, 2007, of the proposed actions to be taken by NSWALC to secure the assets of their Council.

Regional Aboriginal Land Councils operated during most of the 2006/2007 financial year from the following locations:				
Armidale	Northern Tablelands Region			
Gosford	Sydney/Newcastle Region			
Lismore	North Coast Region			
Moama	Murray River Region			
Nowra & Bateman's Bay	South Coast Region			
Wagga Wagga	Wiradjuri Region			
Coonamble	North West Region			
Kempsey	Central Coast Region			
Liverpool & Gosford	Western Metropolitan Region			
Batemans Bay	Far South Coast Region			
Quirindi	Northern Region			
Menindee	Western Region			
Dubbo	Central Region			

A further set of Regulations, largely affecting the future operations of Local Aboriginal Land Councils, were expected to be proclaimed in July 2007.

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.

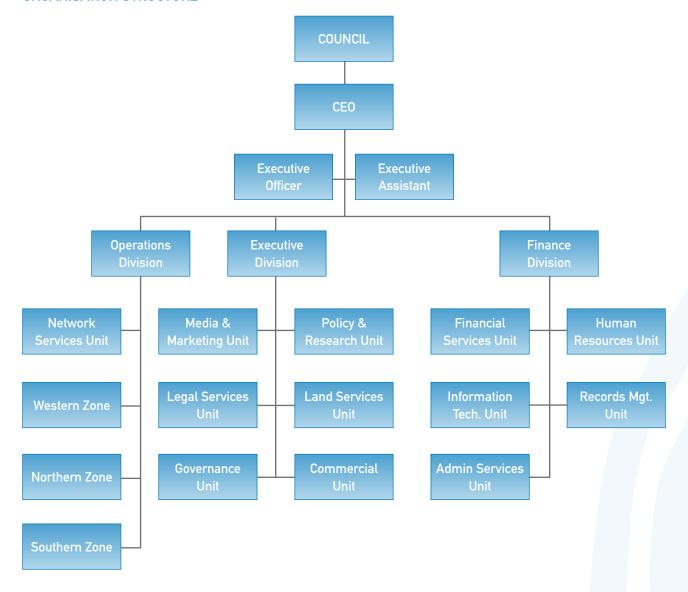
LALCs work for their members and the wider Aboriginal community living in their local area. They assist in matters relating to the areas of housing, legal affairs, employment and other day-to-day matters involving Aboriginal people in accordance with functions detailed under the Act.

The Act established the land council structure in a way that has sought to 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. Further amendments flowing from the changes in December 2006 were expected to come into force on July 1, 2007. These are detailed later in this report.

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

ORGANISATION STRUCTURE



The administrative arm of NSWALC has been arranged in functional areas relating to the core business of the Council, particularly Land Rights, Investment and support to the Land Council network.

The organisation has traditionally been structured around a range of management and support areas including Executive, Human Resources, Training & Development, Accounts, Purchasing, Fleet Management, Field Liaison and Internal Audit.

Strategic priorities in recent years, as well as structures, have been determined in response to the requirements of long-awaited amendments to the ALRA including the Amendment Act (2001) which was finally proclaimed (with Regulations) on 25 October 2002 and the Aboriginal Land Rights Amendment Act 2006 which passed through both Houses of the NSW Parliament on December 4, 2006 and was proclaimed (with Regulations) on February 7.

A further set of Regulations, largely affecting the future operations of Local Aboriginal Land Councils, were expected to be proclaimed in July 2007.

The organisational structure of the administrative arm has undergone significant change in recent years and this work continued during the reporting period.

This entailed a simplified corporate structure with boosted support for LALC's.

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.

Recruitment of suitable qualified and specialist staff has always been problematic for unique hybrid organisations such as NSWALC.

As at 30 June 2007, actual staffing level was 90 persons with 25 of these functioning in the Zone Offices. This represents a slight increase on actual staff numbers (74) at the close of the previous reporting period.

More than 50 per cent of NSWALC staff are Aboriginal employees.

EXECUTIVE

During 2006/2007, the NSWALC had four positions at the Senior Executive Level. Those positions were Chief Executive Officer, Deputy Chief Executive Officer, Chief Operating Officer and Senior Finance Officer.

Mr William Johnstone, who had been appointed Chief Executive Officer by the former State Council in September 2003, announced on December 4, 2006 that he had decided to resign his position effective from December 20 to pursue private business interests. (see Network Messages: Media and Marketing Section)

Mr Johnstone announced that Mr. Geoff Scott, who had been appointed to the position of Deputy Chief Executive Officer in a temporary capacity in June 2006, would succeed him in an interim capacity ahead of it being filled on a permanent basis through the normal selection processes upon the return of an elected Governing Council in May, 2007.

As noted elsewhere in this report Mr Johnstone was recalled to service at NSWALC by the Minister for Aboriginal Affairs to replace the late Mr Chapman as Administrator from March 1, 2007 until the election of the new Governing Council on May 19.

The position of Deputy CEO remained vacant throughout the remainder of the financial year pending permanent recruitment to these two principal management positions within the organisation by the new Governing Council.

The other two senior executive positions were occupied by Ms Margaret Palmer, who took up the position of Chief Finance Officer in June 2005 and Mr Malcolm Davis who took up the permanent position of Chief Operating Officer in March 2006.

Mr. Davis had previously acted in the position to assist in the bedding down of the new Zone structure.

A number of positions at the Executive Level were also established and filled as part of the on-going restructure of the organisation.

FINANCE AND ADMINISTRATION DIVISION

As part of the ongoing restructure, the Finance, Administration, Human Resources, Information Technology and Commercial Services Units was brought together to form the Finance & Administration Division.

The Senior Finance Officer position had been established to take responsibility for the Finance & Administration Division, including the following functions and responsibilities:

Finance

- · Strategic and operational planning and budgeting
- Financial and management reporting
- Financial accounting services
- Statutory and regulatory compliance
- · Treasury and investment funds management
- Payroll
- Funeral grants
- Insurance
- Records Management

Administration

- Fleet management
- Purchasing
- Reception
- General administration

Human Resources

- Occupational Health & Safety
- Industrial relations
- Personnel records & administration
- Policies & procedures
- Recruitment & selection
- · Organisation design
- Performance management processes
- Training & development
- Pay & benefits

Information Technology

Support for all information technology and management information systems

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 Local Aboriginal Land Councils. The unit is managed by Mr. Geoff Binns and comprises a small team.

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

The Unit also provides advice and support with performance management issues including coordinating the implementation of strategies that assist in addressing identified performance deficiencies.

The implementation and ongoing monitoring and reporting on the NSWALC's Performance Planning System for all staff has provided a new and vital responsibility for the Unit in this reporting period.

Although an ongoing responsibility the recent appointment of a specialist Learning & Development Coordinator has provided the Unit with a greater capacity to plan, develop and coordinate a range of developmental and internal training activities for both staff and management.

The accurate maintenance of all staff and establishment records, inducting new staff, 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 all fundamental functions of the Unit.

The Unit has the responsibility for the ongoing review of NSWALC human resource practices to ensure they are effective and in accordance with best practice.

The provision of accurate and timely advice and a pro-active approach is critical in enabling management to make informed decisions on human resource matters and strategies.

A continuing responsibility of the Unit during the reporting period has been associated with the NSWALC restructure.

The Unit has had significant involvement in coordinating the development and evaluation of position descriptions, commencement of recruitment action together with the management of affected staff.

Another major area of activity in this reporting period was preparation for the return of a Governing Council.

The reporting period saw a number of other significant achievements in the Human Resources area including the progressive implementation of a new Payroll/Human Resources system, the Performance Planning System, and an Income Protection Policy for staff. These are covered in more detail later in the Report.

RECORDS MANAGEMENT UNIT

A Records Management Unit was established at NSWALC in response to a number on inquiries which found the organisation had a poor history of official record keeping.

The Unit is responsible for the security and ongoing access to the New South Wales Aboriginal Land Council's corporate history in a timely and efficient manner and to ensure best practice in electronic document management.

Records Management is now considered to be an integral business function within NSWALC to ensure the effective and efficient capture of the organisation's corporate and cultural history.

COMMERCIAL UNIT

As previously reported a Commercial Unit was established in April 2004. It has four principal functions and responsibilities:

- 1. Commercial advice and assistance to all areas of NSWALC;
- 2. All "land dealing" issues;
- 3. Commercial advice and assistance to all LALCs; and
- 4. Management of NSWALC's properties.

Since its formation the Commercial Unit has engaged appropriately qualified and experienced personnel. They are focused on ensuring the purposes outlined above are addressed professionally and expeditiously.

They bring to NSWALC extensive experience in property development and management, residential real estate management, financial, commercial and strategic management, business planning and accounting.

As at 30 June 2007, the Unit consisted of a Manager, Ms.Julie Van Agten, a Commercial Analyst, Ms Julie Fawcett, and a Property Manager, Rebecca Mitchell.

NETWORK SERVICES

This is the core operational and compliance arm of NSWALC.

It is responsible for ensuring a comprehensive range of services is provided to the land rights network through the NSWALC Zone Offices.

It does so through the ongoing development and implementation of operational processes and procedures.

These are designed to guide the operations, and seek to fulfill the aspirations, of the network of 121 Local Aboriginal Land Councils.

Network Services must monitor the compliance of Local Aboriginal Land Councils with their statutory reporting obligations to the Government under the ALRA.

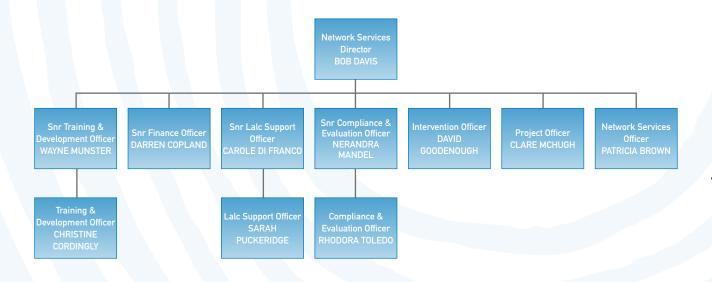
This can be a difficult and complex task given the number of LALCs and the number of legislative changes in recent years. Compliance statistics are outlined later in this report.

Network Services works hand in hand with NSWALC's small network of Zone offices on a continuous improvement program in relation to compliance with the legislation while assisting the LALCs build their capacity as they seek to build on their land base.

The Chief Operating Officer, Mr Malcolm Davis works closely with the Director, Network Services, Mr Bob Davis, to increase efficiency and effectiveness in the operational core of NSWALC.

The Zone offices are located at Coffs Harbour, Dubbo, Queanbeyan and Sydney, The major activities of each Zone are reported separately in this section.

The staffing structure of the Network Services Unit is depicted below



ZONE OFFICES OF NSWALC

As reported earlier NSWALC had previously provided support to LALCs directly through a network of Branch Offices.

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

The Zone offices all became fully operational in December 2004 and gradually consolidated their operations with the ALC network during the current reporting period.

The recruitment of Zone staff with considerable experience in Aboriginal Affairs complemented the range and depth of skills brought to the organisations in the staff appointments during the reporting period in Head Office.

LEGAL SERVICES UNIT

The Legal Services Unit (LSU) came into being in January 2002 as a discrete entity and was fully staffed throughout the reporting period allowing much of NSWALC's legal work to be conducted in house.

The Legal Services Unit (LSU) is currently made up of three solicitors (Principal Legal Officer, Senior Legal Officer and Legal Officer) and one administrative assistant.

Ms Linda Whelan, who joined NSWALC in August 2005, has oversight of the LSU as Principal Legal Officer with Ms Gina Georgiou, Senior Legal Officer, and Ms Romi Slaven, Legal Officer. Ms Jessica Bamblett provided valuable administrative support to the unit.

Ms Georgiou moved into the role of Acting Director of Governance as this financial year drew to a close. A recruitment process to replace her was underway as this report went to press.

It was also proposed that recruitment commence in the new financial year for an additional Legal Officer to bring the total number of solicitors to four to increase NSWALC's inhouse capacity to conduct litigation.

Over the reporting period, the LSU also had the benefit of two students being placed as interns as part of the Aurora Project, which is run by the University of New South Wales.

These students (Ms Claire Cantrall and Ms Sophie Crosbie) provided invaluable assistance working within the unit on a number of projects.

The LSU has continued to provide NSWALC with a wide variety of legal services with a view to furthering the aims and objectives of the organisation.

The LSU has had ongoing involvement in the land claim appeals being run in the Land and Environment Court as well as providing legal services more strategically to the CEO and the former Administrator and new Council.

The LSU provided a range of legal services which included:

- undertaking the ongoing management of a high number of legal matters;
- · providing closer supervision of matters briefed out, and
- · monitoring and overseeing all of NSWALC legal issues.

The organisation's expenditure on external legal service providers over the period from 1 July 2006 can be generally broken down into the following percentages:

•	Litigation relating to Mr Michael Solari	37%
•	Review of the Aboriginal Land Rights Act	5.9%
•	Darkinjung LALC related litigation	14.5%
•	LALC Land Claim Appeals	33%
•	Other	9.3%

The LSU has also continued to have ongoing involvement with the Land Rights Unit by providing direct assistance and by direct involvement with external solicitors in the assessment of refusals of land claims and the running of appeals of refused land claims.

The LSU has also been increasingly involved in many of the commercial activities of NSWALC and the LALCs, in concert with the Commercial Unit of NSWALC.

For example, the LSU has been involved in the analysis and assessment of the more complex applications for approval under sections 40B and 40D of the Act.

Legal services have also been provided by the LSU to LALCs through the Zone Offices of NSWALC where advice has been requested on matters which NSWALC considers to be of particular importance.

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.

This included 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.

CORPORATE GOVERNANCE UNIT

This Unit was originally established in the 2004/05 financial year under the reformed structure. It was established to provide an improved focus on corporate governance within NSWALC and the network.

The historical impetus for this was a succession of inquiries, reports and reviews of the organisation, operations of the Act and the performance of land councils.

Many of these raised a number of concerns about the governance of the three tiered system of Land Councils and the handling of complaints

The NSWALC position is that it has always responded positively and constructively, within the limits of its resources, to external scrutiny and criticism of its operations.

Many of the shortcomings identified by investigations have been administrative in nature and, while perhaps identifying a failure to meet modern best practice standards, have not been indicative of malpractice or corruption.

Rather, they have been symptomatic of administrative overload and lack of capacity.

The formation of this unit was a further step to improve internal governance procedures at NSWALC and in the wider land rights network.

The unit had been established and managed by a highly experienced Federal and State Government officer, Mr. Colin Plowman.

Mr. Plowman resigned from NSWALC in July 2006 to take up a senior position with the Commonwealth Government.

He was replaced on a temporary basis by Mr. Trent Lynwood who was seconded from NSWALC's Northern Zone to manage the Unit for a 3 month period.

In September 2006, the then Director of the Strategic Policy and Planning Unit, Mr. Robert Burgess was seconded to manage the CGU for the remainder of the reporting period.

Specific functions and responsibilities of the unit are:

- Development and implementation of a sound risk framework including strategies to mitigate risks.
- Developing, implementing, managing, evaluating and monitoring procedures for decision making that ensure establishment and maintenance of satisfactory Governance systems and practices including assisting in the effective functioning of the NSWALC Board;

- Developing an effective internal complaints handling and management process for NSWALC in accordance with transparent policies and procedures and best practice standards.
- Developing and maintaining effective and productive relationships between NSWALC and external agencies with responsibility for effective governance. In particular the Ombudsman, Independent Commission Against Corruption (ICAC), the Audit Office of NSW, the Department of Aboriginal Affairs (DAA) and the Registrar of the ALRA. All reporting, actions and internal procedures must adequately address the requirements of the Ombudsman Act 1974, Independent Commission Against Corruption Act 1988 and other relevant legislation.
- In the longer term to ensure LALCs have appropriate risk management, governance, fraud control and complaints handling mechanisms in place.
- Ensure effective internal audit services to NSWALC.
- Ensure quality assurance of NSWALC policies and procedures in accordance with best practice standards.
- Oversight of NSWALC Business and Corporate Planning
- Ensure effective and efficient Secretariat services to the Governing Council and its various committees.

The Governance Unit had been responsible for the management of NSWALC's responsibilities with regard to LALC membership rolls.

It was charged with maintaining a consolidated roll and ensuring that LALCs met their statutory responsibilities in relation to their individual membership rolls

This function was effectively transferred to the Media and Marketing Unit which established an Electoral Information Unit in January, 2007 to prepare for the election of a new State Council on May 19, 2007.

A key task of the Unit was to ready the certified LALC membership rolls ahead of that election and to provide a consolidated State-wide voting roll to the NSW Electoral Commission to enable it to conduct the election.

POLICY AND RESEARCH UNIT

During September 2006, what had been known as the Strategic Policy and Planning Unit became the Policy and Research Unit.

This change in name coincided with a change in the Director of the Unit.

Mr. Robert Burgess, who had held this position since November, 2005 was transferred in a temporary capacity to the position of Director of Governance and the Senior Policy Officer, Mr. Jason Field took on an acting role as Director.

This change in title also coincided with a number of adjustments in the staffing arrangements for the unit and in some key positions.

There was some change to the functions performed by the unit.

The most significant of these involved the unit taking on a research role with respect to Aboriginal housing issues – maximising the expertise provided through the personnel recruited from the Aboriginal Housing Office.

Consistent with the NSWALC business plan, the unit also maintained its focus on the issues of culture and heritage with an increasing emphasis on natural resource rights, use and management.

Throughout the year the unit also held responsibility for managing some of NSWALC's relationships with and between government and community.

This role involved frequent participation in meetings related to the development and evolution of government policy and the engagement of Aboriginal people with respect to its implementation.

Part of this function also involved the collection of various published and recorded information resources for holding in a library being established by NSWALC.

In May 2007 the Unit's director also led a NSWALC delegation which attended the sixth session of the United Nations Permanent Forum on Indigenous Issues, following on from the delegation led by the then CEO that attended the fifth session in 2006.

Engagement with the work of the Permanent Forum has become a cornerstone for the international work that is now managed by the unit.

This work also includes monitoring developments at the international level for their potential to affect the rights of Aboriginal peoples across the world and ensuring that NSWALC maintains an effective dialogue with international agencies particularly, those within the UN system.

The Policy and Research Unit maintains a multidimensional focus with a diverse range of functions.

In performing these functions the unit primarily seeks to:

- Provide a source of accurate and timely advice to the CEO and Council on matters within its scope of functions;
- Serve as a resource for the Aboriginal community through the collection and dissemination of information, particularly as it relates to developments in government policy; and
- Act as a source of direct advice to government through, and in addition to their various policy and program forums.

MEDIA & MARKETING UNIT

The Media & Marketing Office has an important role in the ongoing development of NSWALC and the land rights network.

Its joint aim is to 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's functions and responsibilities include:

- Providing strategic advice and briefings on media and marketing issues to Councillors and senior staff
- Monitoring of Indigenous issues in the media.
- Initiating positive stories and responding to media inquiries and requests for information from community and government bodies
- Liaising with community and government organisations.
- Organising events and promotional activities
- Producing NSWALC publications and Online services.

The position of Director, Media and Marketing was held by Mr. Brian Johnstone throughout the reporting period. Mr. Johnstone also performed a dual role as Executive Officer to the CEO.

New South Wales Aboriginal Land Council THE YEAR IN REVIEW

THE YEAR IN REVIEW

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

The following is a review of operations and a summary of achievements during the reporting period.

FINANCE & ADMINISTRATION DIVISION

The Finance & Administration Division reported a hectic workload during the 2006/07 financial year under the management of the Chief Finance Officer.

A highlight of operations was the attainment of NSWALC's fourth successive unqualified audit from the NSW Audit Office.

The financial statements for the 2006-07 financial year were signed off within the statutory time frame.

It is pleasing to report that the net assets of the New South Wales Aboriginal Land Council were \$721 million as at June 30, 2007.

This compared with \$655 million as at June 30, 2006.

The increase in net assets during this reporting period was predominantly due to an increase in the fair value of financial assets by \$58million, an increase in the fair value of property, plant and equipment by more than four million dollars, and an increase in the fair value of NSWALC's investment property in Parramatta by \$1.1m

Futher achievements of this division are outlined below.

BUDGETING

The Finance Unit developed a new budget model for submission to the Minister for Aboriginal Affairs as required under the ALRA.

It has moved NSWALC to a triennial budget.

The three year rolling budgeting was developed and implemented during this reporting period to cover the 2007/2008 to 2009/2010 financial years.

It provides a fuller picture of projected NSWALC operations for the next three years and includes projections for earnings from the Statutory Investment Fund, debt recovery and a more detailed Capital Budget.

The Triennial Budget was submitted to the Minister by the statutory deadline in May 2007.

As mentioned earlier it contained projections from NSWALC's fund managers, Chifley Financial Services, which indicated projected earnings from the Statutory Investment Fund and In House investments is likely to be in the region of \$61 million next financial year.

Earnings for the subsequent financial year are projected to be \$59million with a marginal increase to \$60 million in the final out year.

It should be noted that these are conservative estimates and projected earnings remain above the projected draw down required from the Statutory Investment Fund to meet operational expenses.

NSWALC has advised the Minister the draw down required to meet operational expenses next financial year is expected to be \$35 million.

This would represent an increase of \$5 million over the draw down required in the 2006/2007 financial year.

The projected increase in operating costs in the new financial year stem from the likely impact on NSWALC's operations of the legislative amendments which flowed from the State-Government-initiated Review of the ALRA.

NSWALC has yet to conduct a full analysis of the transactional costs of the amendments to the land rights network but they will clearly have an impact.

NSWALC has previously noted the State Government made it clear when announcing its review of the ALRA that any changes to the Act should be cost neutral to Government.

The first major impact on NSWALC's budget has been the administrative costs to support an (albeit smaller) elected arm.

The budget for the 2007/2008 financial years, and out years, contains a provision of up to \$2.1 million to cover the cost of the elected arm.

The budget for next financial year also contains a provision of \$580,000 to meet the projected cost of LALC training to meet NSWALC's legislative requirements to provide training to the land council network in the areas of governance, finance procedures, mediation-conflict, grant application and community land and business planning.

A provision of \$400,000 has also been made to assist in the continued rebuilding of the organisation, including

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the creation of new positions to meet the core business objectives of NSWALC in line with legislative amendments.

Provision has also been made for up to ten Advisory Committees to meet our obligations under section 118 of the ALRA.

A provision has also been made for costs associated with the next stage of the review of the ALRA of \$500,000 in 2007/2008, scaling down to \$100,000 in 2009/2010.

NSWALC again decided during this reporting period to increase the annual administrative allocation from NSWALC to the Local Aboriginal Land Council network.

An additional \$16,000 was provided to each LALC on top of their normal annual administrative allocation. This is the second successive year in which NSWALC has been able to provide increased administrative allocations to LALCs.

AUSTRALIAN EQUIVALENT TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AEIFRS)

The unit developed and implemented a new format for the Financial Statement for the year ended 30 June 2007 in accordance with AEIFRS.

The impact of the adoption of the AEIFRS requires a lot of analysis on the financial accounts and reclassification of assets and liabilities.

The new format will provide more disclosure on the information reported in the financial statement.

POLICIES AND PROCEDURES

The Finance Unit continued to review and update the financial policies and procedures in operation during the reporting period to enable the organisation to move towards best practice.

NEW ACCOUNTING SOFTWARE

As foreshadowed in last year's report the Finance Unit implemented a new accounting system (SAP Business One) from July 2006.

SAP B1 provides an up-to-the-minute picture of NSWALC's financial situation and has allowed the organisation to consolidate financial and asset management.

The preparation time for management reports has been reduced as the data entered into the accounting software is in real time.

It also has the facility to save transactions entered into Accounts Payable module, therefore, reducing time to enter data for invoices that are of the same nature on a monthly basis.

The Accounts Receivable module is in real time with

general ledger and reduces time for manual integration. Reminder letters are automatically generated and emailed to customers, reducing paper wastage and duplication.

The bank reconciliation module is automatically enhanced and reduces processing time.

The Asset register has been integrated with the general ledger and monthly depreciation journals can be automated.

Online purchase orders and approvals will be integrated by the end of the new reporting period reducing time and simplifying the purchasing function.

RECORDS MANAGEMENT UNIT

There were three major long term projects underway within the Records Management Unit as this reporting period drew to a close.

ELECTRONIC DOCUMENT MANAGEMENT (EDM)

The EDM project is perhaps the most important and complex. It focuses on the implementation of TRIM and the introduction of electronic recordkeeping practices across the organisation.

ARCHIVING

This project is aimed at the identification, repatriation, and archiving of all of NSWALC's records.

The project will enable NSWALC to gain a clearer picture on the value of in-house records and create a solid base for the ongoing storage of these records.

CLASSIFICATION SCHEME/DISPOSAL AUTHORITY

RMU has redesigned the existing classification scheme to title files within TRIM.

The new scheme is functional and based exclusively on NSWALC business activities.

This allows more accurate naming of files, and helps create an organisation-centric language that can evolve as the recordkeeping needs of the NSWALC change over time.

It is also creating a Functional Disposal Authority which will allow the NSWALC to more accurately "sentence" its records by creating a set of guidelines that are specific to the organisation's business activities.

ACHIEVEMENTS

Some of the achievements stemming from these projects and the restructuring of the Records Management Unit include:

- Creation of functional areas for the storage of records,
- Creation of a systematic process for the storage of records in both electronic and hardcopy formats.
- Vastly improved retrieval processes,

- Improved service times for creations, searches and general enquiries.
- Implementation of electronic document management practices including scanning of documents and registration of e-mail into TRIM,

HUMAN RESOURCES

The reporting period saw a number of significant achievements in the Human Resources area.

PERFORMANCE PLANNING SYSTEM

Following consultation with management, staff and the Public Service Union, the 2006/2007 financial year saw the introduction of the NSWALC's Performance Planning System.

The overall objectives of the System are to enable the direct linkage between the Corporate Objectives and those of each employee, to provide a mechanism to measure performance across the organisation and to provide a framework for recognising good performance and identifying developmental needs and opportunities.

The system has been developed to facilitate ongoing participation and consultation between managers and their staff without excessive reporting requirements.

The key components of the system focus on:

- Core Functions
- Key Business Results
- Behavioural Competencies
- Learning & Career Plans
- Review & Assessment Processes

The implementation of the Performance Planning System will complement the Business Planning Process and is intended to provide all employees with the opportunity to:

- Actively contribute to the NSWALC achieving its corporate goals.
- Participate in setting work objectives and time frames.
- Improve communication and feedback between managers and their team.
- Clear understanding of job requirements and expectations.
- Identification and pursuit of personal learning and development opportunities.
- Performance assessment through agreed formal processes.
- Recognition for meeting performance requirements.

To assist managers and staff with implementation a Behavioural Skills & Competencies Guide was developed during the reporting period.

It was also recognised that the success of the program needed to be linked to effective and ongoing communication at all levels.

Prior to its implementation NSWALC staff and management received structured training on the program together with a module dealing with effective communication.

NSWALC's Performance Planning System was proving to be an invaluable strategy in the monitoring of organisational performance and in meeting corporate goals.

PAYROLL AND HUMAN RESOURCES INFORMATION SYSTEMS

As previously reported, NSWALC introduced a new integrated payroll system, PayGlobal, at the beginning of this reporting period due to a number of identified inefficiencies with its previous system.

Following a brief transition program the new system was introduced to enable all payroll and entitlement functions to be processed through PayGlobal in the first pay period of the new financial year.

This was also targeted to coincide with the introduction of the SAP Business One finance system.

The transition from the previous system to PayGlobal was successfully completed.

During the reporting period the Human Resources staff continued to acquire greater competencies with the system as well as identifying options for improved services and to address any issues not initially identified during the preliminary scoping phase.

The transfer of additional data and information was also completed together with comprehensive training to enable the first "end of year requirements" to be achieved within strict deadlines.

Immediate benefits provided through the new system have included improved efficiencies in processing, an increased capacity to provide comprehensive reports, the electronic distribution of pay advices and the provision of up to date leave accruals to staff.

The second phase of the implementation was also commenced during this reporting period.

This involved the identification of NSWALC needs with respect to the individual Human Resource Modules available through PayGobal.

Following this process staff were provided with preliminary training on each of the modules. The process also included identifying the extent of the module capacities and there applicability to the NSWALC requirements.

The Human Resources Unit also developed a "HR One Stop Shop" Intranet service during this reporting period.

The site provided staff with a corporate resource which aggregates and provides easy access to a range of HR Policies, information, web links, forms and online business processes.

INDUSTRIAL RELATIONS

NSWALC continued to experience a period of industrial harmony with staff and representatives organisations, the Public Service Association & Professional Officers Association.

No industrial problems arose despite a continuous refinement of the organisational structure and the introduction of new initiatives such as the Performance Planning System.

RESTRUCTURE

The two previous reporting years have effectively seen the creation of the Zone Offices and the completion of the restructure within the Parramatta Office.

As noted earlier the current period has seen a refining of that structure.

The Unit has provided assistance through the development and evaluation of Positions Descriptions, the implementation of recruitment strategies, and continued management of all issues associated with affected or potentially displaced employees.

RECRUITMENT

The need to attract and retain quality staff to meet new initiatives and increasing demands within the NSWALC has continued to provide particular challenges.

Previous initiatives such as the introduction of salary packaging, a meal and entertainment program and a group salary continuance insurance policy have all been designed to enable NSWALC to be more competitive in the recruitment market.

The additional benefits offered at minimal cost to the organisation are assisting to raise awareness of NSWALC as an employer of choice and to assist in the retention and attraction of valued staff.

However the continued demonisation of Aboriginal organisations by conservative politicians, particularly at the Federal level, and general community ignorance about what we are, and what we do, is an ongoing issue in attracting and retaining staff for organisations such as NSWALC.

It is heartening to note however that more than fifty per cent of our staff complement now comprise Aboriginal employees. During the reporting period the Human Resources Unit coordinated a number of recruitment strategies which resulted in the appointment of skilled, qualified and experienced staff to key permanent positions within the NSWALC.

Many of these appointments were to newly created positions.

They included the following senior positions.

- Director Network Services
- Director Southern Zone Office
- Director Commercial Unit

In addition to the above mentioned management positions the NSWALC was also successful in filling a number of other key positions which will have significant impact on future operational requirements. They included:

- Senior Training & Development Officer
- Senior Records Officer
- Commercial Analyst
- Media & Marketing Officers
- Various Zone Office positions

A major focus as this reporting period drew to a close was the induction process for new members of the NSWALC Governing Council and commencement of a recruitment campaign to fill the Chief Executive position on a permanent basis. As mentioned earlier this position had been filled in a temporary capacity by the Acting Chief Executive Officer, Mr. Geoff Scott, pending the return of a fully elected Council.

This recruitment process was expected to be completed by the end of the 2007 calendar year.

GROUP SALARY CONTINUANCE INSURANCE POLICY

As noted earlier, NSWALC introduced a Group Salary Continuance Insurance Policy during the reporting period.

The policy provides a set level of income protection to all eligible employees against total disability, partial disability or specific injury.

NSWALC undertook a formal tendering process through Chifley Financial Services to identify the most suitable and cost efficient Insurance provider.

The process resulted in NSWALC approving the implementation of the policy from 1 November 2006. It should be noted that benefits under this policy may have been either inaccessible or cost prohibitive if sought by staff on an individual basis.

LEARNING AND DEVELOPMENT

The NSWALC has continued to provide staff and management with a range of learning and development opportunities during the reporting period.

We have identified and implemented a range of training initiatives to assist staff to more effectively perform their duties as a result of ongoing consultation within the organisation and through the outcomes of the Performance Planning System.

Training was provided in a range of computer programs, including Excel, Word, and MYOB.

Training was also provided in time management, PayGlobal, SAP Business One, OH&S, Basic Accounting, CATSOFT, TRIM, FBT and Performance Planning.

SPRINGBOARD TRAINING

One initiative which received enthusiastic support during the reporting period was Springboard Training. This program was attended by sixteen female employees, who were provided an opportunity to develop greater self awareness.

Working as group, and in small teams with support from trained mentors, the participants undertook a structured training/information program which resulted in participants gaining confidence, becoming more focused and learning to better value both themselves and their abilities.

Participant feedback was extremely positive.

NSWALC will continue to undertake to provide specific and specialist training to employees targeted at increasing core skills and further enhancing individual development. These training programs were being extended to members of the Governing Council as the financial year drew to a close.

NSWALC has continued to provide ongoing assistance to many staff continuing or commencing tertiary studies at external institutions and/or attending external seminars and training courses.

Additional developmental opportunities were provided through secondments and work experience.

During the period a number of employees were given the opportunity to gain invaluable experience through acting in more senior positions or through secondments.

The NSWALC also provided opportunities for external people to undertake unpaid work experience within the NSWALC.

TRAINEESHIP

NSWALC targeted a trainee opportunity within the IT area with an aboriginal trainee commencing in March 2007.

The next reporting period will see an additional trainee employed and the introduction of a pilot program to establish an Aboriginal Graduate Entry Program.

OCCUPATIONAL HEALTH & SAFETY

A number of strategies have been identified in previous years to seek to improve the effective management of Occupational Health & Safety and to reduce the cost of workers compensation premiums.

The implementation of these strategies, which continued during this reporting period, has enabled the NSWALC to continue to maintain an excellent Occupational Health & Safety record.

While there has been an increase in work related injuries and illnesses during this reporting period it largely reflects the fact that staff and managers are more aware of the need to report and maintain accurate records of incidents than anything else.

None of the reported accidents were of a serious nature, and none resulted in lost time or in a Workers Compensation claim.

The anticipated substantial reduction in the workers compensation premium for the 2006/2007 financial year was realised and represents a substantial cost saving on the previous financial year.

This improvement will also be reflected in low premiums for the new financial year.

NSWALC began formal and mandatory OH&S Awareness Training during the reporting period. An OH&S Training Program specifically targeting Managers and Supervisors will be introduced in late 2007.

The NSWALC will continue during the next reporting period to ensure that OH&S is recognised as an essential and critical responsibility.

We will do so through ongoing training, improved work processes, consultation at all levels and effective risk management.

STAFF AWARD

As reported last year a new NSW Aboriginal Land Council Staff Award was finalised and passed through the NSW Industrial Relations Commission in March, 2006.

The award provided for an initial wage increase of 6 per cent—backdated to October 25, 2005 with automatic increases of four per cent per year from 2006 to 2008—in line with current National Wage Case determinations and the three year duration of the new Award.

Subsequent wage increases were passed on in the 2006 calendar year.

NSWALC was also able to offer salary packaging to all staff flowing out of the award negotiations, while not an award provision. The take up rate has been considerable.

Members of the new Governing Council are not classified as staff members. Details of their remuneration and conditions are covered in the industrial relations development section of this report.

INFORMATION AND TECHNOLOGY UNIT

The creation of a dedicated Information Technology Unit was identified as a critical strategic need in the NSWALC structure.

NSWALC had previously adopted a fragmented approach to IT functions through both internal and external sources targeted towards individual Unit needs.

Specialised in- house capacity and expertise was required to meet increasing demand and initiatives across the organisation.

The full establishment of an IT Unit during the reporting period addressed many of these concerns and provided the NSWALC with the capacity to ensure that IT priorities are directly linked to organisational objectives.

A Manager of IT; a Senior Network Adminstrator and a Senior Records Officer were all appointed during the reporting period.

The Unit provided support to all business Unit activities and provided invaluable technical advice and assistance with the implementation of many new initiatives.

These included SAP Business One; Payglobal; and the development and implementation of a Records Management function which had been identified in regulatory reports as a major deficiency within the organisation.

PROPERTY AND ADMINISTRATION

Responsibility for all NSWALC properties continued with the CFO during the reporting period and resulted in the further development of a Property and Administration Unit. Its responsibilities included:

- Management of all NSWALC properties, including the head office at 33 Argyle Street, Parramatta.
- Renewal of insurances for property, machinery breakdown vehicles, public liability and umbrella liability.
- Advice and assistance on housing policies and tenancy issues.
- Administration of funeral grants.
- Travel.

HEAD OFFICE

NSWALC's Head Office is situated at 33 Argyle Street Parramatta.

The nine storey building in the Parramatta commercial hub is a major NSWALC asset.

It was purchased in December 1992 at a cost of \$9.75 million.

The property is now valued at \$16.6m.

The following table shows the growth in occupancy from 2003/2004 to 2006/2007.

As the graph illustrates occupancy of the building during the 2006-07 reporting period rose by more than 23 per cent.

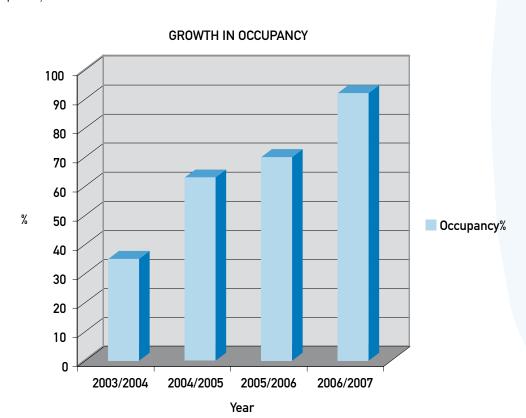
This took the occupancy rate from 69.26% to 92.9%, with three suites being occupied totaling 858.1m2.

NSWALC took occupancy of a second suite on level 5 of the building with an area of 282m2.

This suite is occupied by the Network Services Unit and also provides a large training and IT training room for the organisation, particularly important given the new training requirements of NSWALc which are contained in the new legislative provisions.

The Aboriginal Legal Service took occupancy of 250m2 of office space on level eight of the building, while Cash Stop Financial Services took occupancy of 326.1m2 on level 9.

Rental income for the reporting period was \$756370; a notional rent of \$458,080 has also been accounted for, representing the space occupied by NSWALC.



AUDIT OF HOLDINGS

In the Plan of Management provided to the Minister by the outgoing Administrator on May 22, 2007 he pointed out NSWALC owned a total of 102 properties.

He also pointed out the property portfolio contained a combination of residential, rural, commercial and industrially zoned properties, including Argyle Street.

He further noted that a comprehensive audit of all holdings was currently being updated with a view to "minimising vacancy and increasing income."

He informed the Minister that Egan National Valuers had been appointed to revalue all NSWALC owned property following a competitive tendering process.

The revaluation exercise was expected to be completed by 30 June, 2007

NSWALC had invited Egans National Valuers, MVS Valuers, Benchmark Valuers and the Australian Valuation Office to submit quotation proposals.

Egans National Valuers proved to be the most reasonably priced and included other value adds in their assessment.

They were selected and completed the project by the due date.

Their reports were comprehensive and crucial to assisting the commercial unit in assessment of the property portfolio.

The valuations were also being used for financial reporting and insurance purposes.

Based upon these valuations, an initial brief was presented to the incoming Council regarding the NSWALC owned properties.

The assets can be summarised as:

Total Assets (as per Egans) = \$33.3 million

	Egans Valuation 2007
Former RALC Properties	2,110.0
Rural Properties	9,695.0
Granted Land Claims	2,083.3
Granted Land Claims - Evans Head Unconstituted Area	1,025.0
Purchased by NSWALC	116,835.0
Transferred to NSWALC - 26 Booyong St/59 Heath Street	790.0
Transferred to NSWALC - Other Evans Head	640.0
Transferred to NSWALC - Wilcannia	129.8
	33,308.1

NSWALC INSURANCES

As in previous years Omega Insurance Brokers arranged renewal of relevant insurance policies for NSWALC.

Whilst premiums payable for all existing policies saw another reduction, the total premiums paid increased from \$136,849.60 paid in the 2005/06 financial year to \$196,962.10 during this reporting period.

This increase was for the purchase of a new Directors & Officers Liability policy for a limit of \$20,000,000.

STATUTORY INVESTMENT FUND

HOW WE ARE FUNDED

A NSWALC Statutory Investment Fund was established under the NSW Aboriginal Land Rights Act (1983).

For fifteen years, the State paid an amount equivalent to 7.5 per cent of NSW Land Tax (on non-residential land) to NSWALC, as compensation for land lost by the Aboriginal people of NSW. This annual payment ceased in December 1998.

Since then, the NSW Aboriginal Land Council and the land council network have been self sufficient.

The network is not, as is widely believed, funded by the taxpayers of NSW.

The capital or compensation accumulated over the first 15 years of the Council's existence stood at \$281 million as at December 1998 when the land tax payments stopped.

OBJECTIVES OF THE FUND

There are two primary objectives for the fund.

To provide sufficient income to meet the basic administrative expenses of Local Aboriginal Land Councils and the administration of NSWALC.

To ensure sufficient funds are put aside so that the value of the fund increases with inflation.

CURRENT MANAGEMENT AND VALUE

The Statutory Investment Fund is managed by Chifley Financial Services, a company established by Unions NSW (formerly the NSW Labor Council).

The company is now owned by the Local Government Superannuation Scheme, the Energy Industries Superannuation Scheme and the Labor Council of NSW.

The value of the Statutory Investment Fund was \$699 million as at 30 June 2007, compared with a value of \$638 million at the end of the previous reporting period.

This is well above the statutory limit of \$485m prescribed in the ALRA and represents an increase of \$214 million in the value of the fund over 10-year period (ie since 1997-98). During 2006/2007 financial year, the Statutory Investment Fund increased by \$61 million.

A drawdown of \$27.9 million was made during the year to fund the operational expenditure of NSWALC and the network of Local and Regional Aboriginal Land Councils.

NSWALC's direct funding to the land council network comprises more than \$11 million of its annual operational expenditure.

Indirect funding to the network accounts for a considerable amount of the balance.

THE INVESTMENT STRATEGY

NSWALC has adopted a conservative investment strategy for the fund.

It has an annual growth target of 5 percent plus CPI.

This strategy was put in place by the State Council and has since been adopted by the NSWALC Management.

WHY GROWTH IS IMPORTANT

There is a view often expressed that NSWALC should loosen the purse strings on the Statutory Fund to bolster the administrative funds it provides to the land council network.

It is also suggested a more aggressive investment strategy be adopted to gain a better return on its investments

This ignores two fundamental points.

The fund is to provide compensation for future generations. Prudent financial management is essential to maintain growth.

A less risk-averse strategy could increase returns but could clearly increase the risk of losses.

It is important to understand that while NSWALC has a great deal of money invested it is not able to spend more than the realised income and interest from investment less the allowance for inflation or it will be in breach of the NSW Aboriginal Land Rights Act.

FUTURE FUNDING

NSWALC agrees with the view that a new formula for the funding of Aboriginal Land Councils is required. There has been considerable debate about alternative funding models as part of the review into the Aboriginal Land Rights Act.

WHERE DOES THE MONEY GO

Revenue Interest and Investment Income	\$'000 67,535
	67,535
Interest and Investment Income	67,535
Grants and Contributions	49
Other Income	2,487
Gains on Disposal of Property Plant & Equipment	15
Other Gains/ (Losses)	22,449
Total Revenue	92,535
Expenses	
Audit Fees	237
Administrator's Fees – NSWALC	263
Consultants Fees	838
Enterprise and Farm Expenses	2,222
Election Costs	486
Depreciation	548
Amortisation – Intangible Assets	71
Bad and Doubtful Debts	2,401
Employee Expenses	7,355
Funding of Regional and Local Aboriginal Land Councils	11,162
Grants	654
Legal Expenses	1,566
Motor Vehicle Expenses	387
Repairs and Maintenance	135
Other Expenses	3,085
Total Expenses	31,410
SURPLUS FOR THE YEAR	61,125

COMMERCIAL UNIT

As noted previously, this unit was established in recognition of the emerging value of the land estate now held by Local Aboriginal Land Councils and NSWALC, the emerging commercial interest in it, and the need for sustainable development and management of that land base.

The Unit performs a dual role for the Land Council Network.

It administers NSWALC's statutory obligations regarding the approval of proposed land dealing transactions and, perhaps more importantly, assists LALC's and NSWALC in land and commercial matters.

The unit worked with an increasing number of LALC's during the 2006/07 financial year to seek to achieve beneficial outcomes from their land bases.

Many LALC's are now seeking the advice of NSWALC prior to entering into any arrangements to ensure they obtain the best possible outcome and to minimise the need to modify agreements following their submission to NSWALC for approval.

During the year the Commercial Unit visited many LALC's to discuss a range of land dealings and community business planning issues.

Most LALCs now acknowledge that NSWALC is attempting to ensure they obtain the best possible outcome from any proposed land dealing, rather than looking to prevent the dealings from occurring.

The latter, as reported previously, was a common misconception when the Commerical Unit was first established.

LAND DEALINGS

The Commercial Unit provides advice to the Administrator and the Chief Executive Officer on applications received from Local Aboriginals Land Councils under s.38, 40B and 40D of the Aboriginal Land Rights act 1983 for approval to deal in land.

When a land council seeks to sell, transfer, mortgage, lease or "otherwise dispose" of land it must fulfill certain requirements under the Act.

One of those requirements is to gain the approval of NSWALC.

As a result NSWALC receives a constant stream of land dealing applications, including acquisitions, disposals, leases for a period of three years or greater, the granting of easements and other transactions that result in a change of use to the land.

During 2006-07, the Commercial Unit was involved in more than 80 proposed or completed land dealings, involving land with an estimated value of more than \$200 million.

This compared with 60 proposed or completed land dealings during the previous reporting period, involving land with an estimated value of more than \$124 million

Assistance to LALC's ranged from advice on complying with the Act and NSWALC's land dealing policies to advise on the appropriate processes to follow to enter into major joint development projects with external builders and developers.

Land dealing applications received during the year ranged from the sale of individual lots to rezoning / residential subdivision of major land holdings.

Applications were also received for retail development of land, sand mining and exploratory petroleum drilling on LALC land.

The unit also continued to assist Zone offices and the Network Services Unit with a range of issues including reviews of LALC budgets and annual reports, auditor matters, IFRS technical matters and land dealings. Technical advice and other contributions were made on various issues to the Ministerial Taskforce reviewing the ALRA.

The unit also dealt with a range of accounting, audit and legal issues and provided assistance and advice in relation to the NSWALC Statutory Investment Fund.

COMMUNITY BENEFIT SCHEMES

Amendments to the ALRA during the reporting period increased NSWALC's responsibility for the business planning of LALC resources.

NSWALC must now approve any Community Benefit Scheme proposed to be undertaken by a LALC, including Social Housing Schemes established for the benefit of members.

The Commercial Unit now has responsibility for developing policies around Community Benefit Schemes.

The Commercial Unit team was working closely with other NSWALC units in order to achieve this as this reporting period drew to a close.

This promises to be an intense area of activity in the 2007-08 financial year as NSWALC works with LALCs to achieve viable housing models.

ASSET MANAGEMENT

One of the many areas of responsibility for the Commercial Unit is the management of NSWALC owned property assets.

This includes the nine storey NSWALC-owned building at 33 Argyle Street Parramatta which serves as our key operational base.

Much hard work has been done throughout the year to reduce vacancy and maximise returns on the building as noted earlier.

A whole of life asset management plan is being developed for the building and a new managing agent was due to be appointed early in the new financial year to assist in the long term strategic management of the building.

RURAL PROPERTIES

As a result of earlier amendments to the Aboriginal Land Rights Act, the New South Wales Aboriginal Land Council has assumed ownership and operational responsibility for certain rural properties which had been owned by various Regional Aboriginal Land Councils.

These properties are located in marginal farming country and for many years incurred substantial operating losses apparently as a result of a lack of farming expertise, climatic conditions, inadequate capital investment and general mismanagement.

In 2002 NSWALC appointed independent agribusiness management experts, Riverina FARM Pty Ltd, to provide advice and assistance.

In 2004 this role was consolidated so that Riverina FARM is now currently contracted as the manager of NSWALC's rural properties.

The rural properties managed by Riverina FARM are:

Appin Station Menindee 31,704ha
Barooga Karrai Eubalong 9,890ha
Calooma/ Nulty Springs Bourke 35,609ha
Kaituna Uno Coonamble 5,184ha

CURRENT OPERATIONS

NSWALC moved during the previous reporting period to reduce the dependency of the majority of the properties on cereal cropping, and resultant risk exposure, particularly to adverse climatic conditions, by moving to an active cattle trading programme supplemented by a reduced cropping schedule.

This strategy was implemented at Barooga Karrai, Calooma / Nulty Springs and at Kaituna Uno.

The strategy proved to be effective during the current reporting period as the portfolio was able to minimise its exposure to the severe drought conditions which affected most of NSW.

No cereal crop sales were realised in the reporting period.

The extreme high temperatures in late spring resulted in a non-commercial quality and quantity but rather than incur harvesting costs, the crops were used as feed to supplement the cattle programme.

The drought also affected the cattle programme.

It forced a reduction in the carrying capacity of the properties due to diminished feed and water as well as the suitable cattle to purchase at an appropriate price.

In summary, the movement in stock numbers was as follows:

During the financial period a total of 1867 head of cattle were purchased.

It had been planned to buy more stock but market conditions proved to be unfavourable.

During the same period natural stock increases added a further 72 head to the stock numbers.

A total of forty four head were lost during the same period.

A total of 1662 cattle were fattened and sold at market.

The closing stock balance at the end of the financial year was 1342 head.

AGISTMENT

Appin Station made a positive cash contribution to the portfolio as a result of the agistment arrangement entered into in 2006.

This has proven to be a prudent financial and operational decision.

It has significantly reduced NSWALC's exposure to this property and reduced direct management costs while at the same time ensuring that improvements to the property's infrastructure, including fences and dams, continue to be made.

While significant capital expenditure is required to bring all properties up to established best practice, minimal cost are being incurred until the properties become cash positive.

Expenditure is being directed principally at essential works such as fencing, yards, windmills and accommodation and vehicles.

Negotiations continued during this reporting period on a proposed carbon sequestration programme on Barooga – Karrai.

The various legislative requirements are still in the process of being resolved.

NSWALC and Riverina FARM continue to consider opportunities for diversification into other income producing schemes or the utilisation of the properties for social or cultural purposes.

Regular management meetings were held between NSWALC and Riverina FARM during the reporting period to discuss strategy and agree on short, medium and long term operational decisions.

As reported last year current operations continue to be focused on the following core principals:

- Management of properties on a complementary basis so as to maximise efficiencies and returns through effective utilisation of management skills, employees, machinery and equipment and the different environmental features of each property.
- Engagement of quality, experienced personnel, principally Aboriginal, to improve competency, integrity and flexibility through selection, training and active management.
- Improving infrastructure fences, outbuildings, windmills, dams, yards, etc.
- Vehicle and machinery rationalisation and replacement.
- Implementation of good farming techniques, including paddock preparation, cropping programme, stock programme.
- Maintaining the security of the properties and assets.
- Ensuring that Occupational Health and Safety standards are maintained.

ACHIEVEMENTS IN LAND RIGHTS

Land in the State of New South Wales was traditionally owned and occupied by Aborigines. Land is of spiritual, social, cultural and economic importance to Aborigines. It is fitting to acknowledge the importance which land has for Aborigines and the need of Aborigines for land. It is accepted that as a result of past Government decisions the amount of land set aside for Aborigines has been progressively reduced without compensation. 1

The NSW Aboriginal Land Rights Act 1983 (ALRA) had its beginnings in a recommendation of the "Select Committee Report upon Aborigines" in 1980.

The Committee included representatives of all political parties and was headed by Mr. Maurie Keane, MP.

A key recommendation of the Report was that Aboriginal Land Rights was fundamental to Aboriginal selfdetermination and autonomy, and the economic base needed for Aboriginal self-management depended on providing a viable land base.

The Aboriginal Land Council was established as a non-Government statutory corporation under the NSW Minister for Aboriginal Affairs.

Its purpose was to acquire, manage, and develop land to meet the social, spiritual and economic needs of the Aboriginal people of NSW.

It was intended that NSWALC also serve the function of overseeing and supporting the operations of all Aboriginal Land Councils in NSW.

Today, NSWALC continues to fulfill the fundamental role as the peak representative body for Aboriginal people in NSW as well as ensuring the rightful return of land, along with the intention of alleviating the ongoing social and economic disadvantages faced by the Aboriginal people of NSW.

These important roles are undertaken and achieved through the land claims process (or other types of land acquisitions) as provided by the ALRA.

THE PURPOSE OF LAND CLAIMS AND DEFINING THE ALRA

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 on from 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.

As outlined above the right to claim land under ALRA is based on the most fundamental rights of the Aboriginal community, that is, the right to ownership of their own land from which they were dispossessed by white settlement.

Since the commencement of the Act in 1983, the Aboriginal people of NSW have been able to lodge land claims.

¹Pre-amble - Aboriginal Land Rights Act (NSW)

All land claims in NSW are reviewed and determined by the relevant Minister or via the appeals process of the NSW legal system (Land and Environment Court). If the land that has been claimed satisfies those tests as outlined in the Act, the claimed land is then granted to the particular Aboriginal Land Council in which the land is geographically situated.

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.

1. Functions and Responsibilities of NSWALC under the Land Rights Act

The statutory responsibilities carried out by NSWALC & the Land Services Unit under the Act in relation to Land Rights is:

- (a) Investigate and lodge land claims;
- (b) Assist the NSWALC Commercial Unit in the disposal, leasing, purchasing and changing the use of LALC land pursuant to S38, S40D, & S40B of the ALR Act, respectively;
- (c) NSWALC Policy relating to property matters within the ALRA regarding LALCs, RALCs and NSWALC;
- (d) Assist the NSWALC Commercial Unit in the management & disposal of NSWALC properties including transfers to LALCs and investment properties;
- (e) Policy matters relating to interaction with Federal, State, and Local Government;
- (f) Interaction between Land Rights and Native Title issues;
- (g) Monitoring & advising the Council on legislative change;
- (h) Planning law issues on LALC properties and where proposed development affects Aboriginal people;
- Assist in protection of Aboriginal Cultural Heritage matters and policy;
- (j) Areas of NSW not constituted by LALCs;
- (k) Policy and representation regarding Government advisory committees;
- (l) Briefing external professionals such as Solicitors and ensuring co-ordination with LALCs;

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- (m) Assist in natural resource issues such as mining, hunting & gathering agreements, fishing rights and policy regarding forestry issues;
- (n) Provide assistance on NSWALC housing policy (including the Housing disposal Project) and involvement with the Aboriginal Housing Office;
- (o) Provide assistance with negotiations under the Aboriginal Ownership of National Park provisions of the National Park & Wildlife Act;
- (p) Providing advice to LALCs.

STATUS OF LAND CLAIMS

NSWALC noted in its last Annual Report that a reemphasis was to be given in the 2005/06 financial year to the core business of claiming, and where possible returning, vacant Crown land to the Aboriginal people of NSW pursuant to the preamble and land claims provisions of the ALRA.

In reviewing the strategic operations of land claims, NSWALC recognised and acknowledged that the Local Aboriginal Land Councils of NSW did not have the expertise, resources or funding to undertake the land claim process on a scale that was required.

In response to the need to return to an emphasis of the core-business of land claims, a review and restructure of the NSWALC Land Rights Unit was completed during the financial year, however all positions within the Unit were not filled as the reporting period came to a close.

Given the discrepancy in the manning of the Unit, and the need to respond to a State Government-initiated review of the ALRA, NSWALC determined that the most strategic and financially viable approach to land claims at that stage was to outsource an extensive land claims project to an external team of lawyers and researchers.

NSWALC entered into a funding agreement with the Jumbunna Indigenous House of Learning at the University of Technology in Sydney to undertake the project

The primary objective of the Land Claims Research Project 2005-2006 was to undertake a complete identification and preparation of land claims on all possible claimable Crown land in NSW (to the exclusion of the Western Lands Area).

The Land Claims Project, as previously reported, resulted in the filing of more land claims in the Project period than what had been achieved in the previous two decades of the ALRA being in operation.

As a result of the Land Claims Project, over 7500 Parish and County maps were searched in all 14 Crown land offices throughout NSW resulting in the submission of 7865 new land claims.

All 7865 land claims were reviewed, completed and lodged by the Land Rights Unit (NSWALC) and the Land Claims Project Team with the Registrar ALRA on 1 May 2006.

NSWALC continued its land claims project throughout this reporting period as it awaited determination by the State Government of the outstanding claims.

As at June 30 2007, a total of 15,580 land claims have been lodged by NSW Aboriginal Land Councils since 1983.

Only 2,211 land claims have been granted.

A total of 4,019 land claims have been refused.

At the end of this reporting period NSWALC and the land rights network awaited the outcome of the 8,945 land claims that are yet to be determined by the Minister.

As well as the significant numbers of recent land claims lodged by NSWALC, there remains over 550 land claims that are outstanding for the period 1983-1999.

In response to these outstanding claims, the Office of the Registrar (ALRA) has now undertaken a review and resubmission process of the oldest of those outstanding land claims in that period.

At the end of this reporting period, 100 of the oldest land claims were in the process of being reviewed.

LAND CLAIMS APPEALS

One of the primary concerns for NSWALC in relation to the land claims process and LALCs is the fact that they do not have sufficient funds to legally challenge the decision of the Minister in regards to the refusal of their land claims.

NSWALC, as part of the functions of the Legal Services Unit, undertakes an assessment and advisory role on all land claims refusals, and whether or not a case has a likely success of an appeal.

During the period of 2006/2007, a total of 109 land claim refusals had been assessed by NSWALC lawyers resulting in over 10 appeals being lodged in the Land and Environment Court.

In the normal course of events, if the land claim was lodged by a LALC, NSWALC received their authority to instruct the lawyers on their behalf.

NSWALC has funded the appeals up to the discovery stage in which all evidence relied upon by the Minister to make his decision is made available to NSWALC.

A decision is then made on further funding of the appeal if there is a likely chance of success. NSWALC will be devising further strategies in the new financial year to resolve outstanding land claims.

They will pay particular attention to the time taken by the Government to process them and the time taken to grant title to claims which have been granted because of the need to complete surveying of the claimed land.

The Land Services Unit also has a number of other key strategies in place to assist the land claims effort.

PROPERTY REGISTER

At the present, NSWALC is complying with S106 (q) of the ALRA by compiling and maintaining a Register of all land held by Local Aboriginal Land Councils.

As reported previously, NSWALC has negotiated a 5 year Property Warehouse Data Licence Agreement with the Department of Lands for the supply of data whenever there is any acquisition or disposals of properties by a Local Aboriginal Land Council.

The Land Services Unit updates the Property Register Database daily when information is received through the Department of Lands Webgov Portal.

As a result of the amendments to the ALRA during the reporting period and the outcomes of the Land Claims Project, a review of the existing Lands Database was undertaken as this financial year drew to a close.

NSWALC was planning to commence the operational roll-out of a new updated and more comprehensive Lands Database in then new financial year.

The new operating systems will reduce overheads, be compliant with statutory reporting requirements, will allow for on-demand reporting and is designed for any future expansion.

The rollout of the new NSWALC Land Database will provide NSWALC with a resource to assist it in its future operations and strategic planning by having all information relating to Aboriginal land accurate, secure and readily available.

ONLINE ACCESS FOR TITLE SEARCHES

NSWALC also made an agreement with the Department of Lands for access to the Webgov Portal for online title searches and plans. This access allows the Unit to quickly respond to any land inquiries from within NSWALC, Zone Offices and LALCs.

DEALINGS WITH LAND SUBJECT TO S38 & S40 ALRA

The Land Services Unit continues to assist NSWALC, namely the Commercial Unit, in providing assistance with inquiries and applications from the Zone Offices and LALCs in regards to all matters affecting S38 & S40 of the ALRA.

FUTURE OPERATIONS

The 2008 calendar year will signal the attainment of a significant milestone in the history of land rights in NSW.

It will mark the 25th anniversary of the legislation.

During the past 25 years, NSWALC and the land rights network have ensured progress has been made for the advancement of Aboriginal people of NSW through the processes set out in land rights regime and land claims processes.

But there is still much to be done.

The review of the NSWALC Land Rights Unit and changes to its composition and responsibilities will ensure it is sufficiently equipped to provide for the rightful return of Aboriginal land, as well as alleviating the ongoing social and economic disadvantages faced by Aboriginal people.

Part of the restructure of the NSWALC Land Services Unit is to ensure that focus remains on the core business function of claiming vacant Crown land.

It is important that land claims and land rights remain at the forefront of any Local Aboriginal Land Council strategy in addressing, and redressing, the injustices of the past and this Unit will continue to focus on a work plan to ensure this happens.

GOALS AND SERVICES BY THE LAND SERVICES UNIT

The Land Services Unit has recognised through its internal review that there are a number of key forces that need to be addressed to ensure its own sustainability.

Some of those key forces include a skills shortage in the field of land rights and land claims, the generational shift (Generation Y and after), community complacency as well as a lack of communication and education surrounding land rights in all sectors of the community.

There has also been a lack of trust and professional working relationships between a number of the LALCs and NSWALC on land rights and land claims issues.

These issues will need to be addressed within the land rights network in the future to ensure that the ALRA operates effectively in providing another successful 25 years of land rights in NSW.

The Land Services Unit has now incorporated a number of goals and corporate behaviours into its operations to assist in this process.

These include the further education and empowerment of all Local Aboriginal Land Councils on the process of land claims especially given the widespread changes in

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personnel at LALCs which are expected to flow from the new provisions of the ALRA early in the new financial year.

NSWALC plans a continual education campaign as LALC Boards move into place and select their new Chief Executive Officers.

The Unit is also committed to the further development of specific programs and material to educate both NSWALC and each LALC with basic, but fundamental, information on land rights and the submission of land claims (web based and hard copies),

Land Rights and Land Claims training programs and guides will be upgraded for NSWALC and LALCs staff as well as other relevant Aboriginal land specific materials (National Parks, native title and land/council developments) where required for each of Local Aboriginal Land Councils.

The Land Service Unit, in conjunction with other key Units, was in the initial stages of investigating the impacts of, and potential roles, all Aboriginal Land Councils could play in the development of environmental and climate change initiatives as this reporting period came to a close.

In addition to a new Land Database, each LALC will be provided with an Individual Parish Map Register that outlines the claims made in relation to each Parish in their Local Aboriginal Land Council boundary.

The intention of the Parish Map Register is to ensure each LALC is aware of what has been claimed to date to avoid duplicating the process and to conserve resources.

In addition to the Register, a comprehensive Land Claims Manual had been completed at the end of the reporting period.

Work was underway as this report was being compiled to format a hard copy work book and an online version.

Both of these resources are intended to compliment ongoing face to face land rights and land claims training for each LALC which will get underway during the next reporting period.

The Land Rights Portal on the NSWALC Website is also earmarked for review and updating with a range of new information and fact sheets.

The Unit intends to provide relevant external resource links as well as more substantial information and discussion papers on areas affecting Aboriginal people and land rights with the intention that these resources be freely available through the internet.

REVIEW OF THE ABORIGINAL LAND RIGHTS ACT

As noted in this space last year NSWALC has been obliged to devote considerable time and resources over the past two financial years responding to a major review of the Aboriginal Land Rights Act.

This continued to be the case during this reporting period.

NSWALC's response continued to require a significant allocation of both financial and physical resources during this reporting period.

However the Administrator(s), the new Governing Council and senior management have been determined to ensure the voice of the land council network was heard by government and all other stakeholders on the need for key reform to the ALRA.

As the previous reporting period drew to a close NSWALC reported there appeared to be little progress from within Government on a response to the ALRA Review.

The Government had confirmed a Cabinet minute was due to go forward in Late August 2006 with consequential legislation introduced into the Spring Session of the Parliament in September 2006.

NSWALC is pleased to report that timetable was largely observed.

Significant amendments to the Aboriginal Land Rights Act were passed through both Houses of the NSW Parliament on 4 December, 2006 in the form of the Aboriginal Land Rights (Amendment) Act.

The amendments prescribed fundamental changes to the operations of both NSWALC and Local Aboriginal Land Councils and abolished Regional Aboriginal Land Councils

They flowed from one of two Issues Papers released by a Government-appointed Review Taskforce which related to Structure, Representation, Governance and Benefits.

An effective eleventh-hour lobbying campaign by NSWALC and LALC representatives combined with the bi-partisan approach taken by the major and minor political parties in the NSW Parliament enabled significant amendments to be made to the government legislation on the floor of the Parliament.

These are reported later in this section of the report.

The background to the latest round of amendments is provided to place them in their proper context as a matter of public record.

BACKGROUND TO THE ALRA REVIEW

On May 26, 2004 the Deputy Premier and Minister for Aboriginal Affairs, Doctor Andrew Refhauge announced the establishment of a taskforce "responsible for overhauling the NSW Aboriginal land council system."

The Minister said he was not satisfied that four previous reviews, and subsequent amendments, to the Aboriginal Land Rights Act 1983 had gone "far enough in fixing fundamental financial management and governance problems within the NSW Land Council system."

He announced the taskforce would comprise the Director-General of the Department of Aboriginal Affairs, Ms Jody Broun, the then NSW Aboriginal Land Council Administrator, Mr. Murray Chapman and the Registrar of the Aboriginal Land Rights Act, Mr Stephen Wright.

The taskforce would report to the Minister on issues including:

- Examining the three tiered-structure of the land council system to see if there is a better way of delivering outcomes to Aboriginal people;
- Clearer separation of powers between the administrative and elected arms of local councils – to avoid nepotism and conflicts of interest;
- Attracting more qualified people with relevant managerial and financial expertise;
- Improved intervention strategies to avoid the costly and often ineffective appointment of administrators and investigators to local land councils – in the past five years administrators have been appointed to 21 of the State's122 local land councils;
- An improved framework for managing, selling and developing land council assets – in particular the sale and commercial development of land holdings; and
- Clarifying the role of elected representatives including attracting highly qualified individuals through the option of part-time elected positions.

The Minister acknowledged the Land Council system had delivered enormous benefits to Aboriginal people in its 20 years of operation but said he wanted it to do better given the "critical responsibility," of Land Councils to support local Aboriginal communities and the fact they were charged with managing substantial funds – sometimes multi-million dollar budgets.

The Minister pledged his commitment to a "democratic and representative structure for Aboriginal people in NSW."

Change was critical, however, to ensure land councils remained relevant into the future.

As noted in this space last year NSWALC welcomed the Minister's public commitment to a democratic and representative structure for Aboriginal people in NSW through the land council system.

It noted this commitment would not be lost on the many Aboriginal people in NSW and Australia who were defending the right of our people to maintain and reform, where necessary, democratically elected structures rather than see them abolished.

Despite initial misgivings about the conduct of a major review of the legislation in the absence of an elected Council NSWALC decided it would failing the land council network if it did not welcome the opportunity the review afforded to remedy fundamental flaws in the legislation.

Substantial resources were diverted to ensure the voice of the land rights network was heard in the deliberations of the Taskforce and the subsequent legislation.

As noted in this space last year the Taskforce released two detailed discussion papers. The first, on Land Dealings, was released in August 2005, the second, on Structure, Representation, Governance and Benefits, was released in November, 2005.

Both reports are available on NSWALC's website.

The Taskforce was abolished by the then Minister for Aboriginal Affairs, Milton Orkopoulos, upon the release of the second Discussion Paper.

Their public release was followed by a short government community consultation phase.

NSWALC had begun community consultations ahead of the government's "formal" consultation process to promote awareness of the review and encourage feedback.

It had held two rounds of community consultations ahead of the Government consultation process.

A third round of community forums was held by NSWALC to follow up on the Government consultation process to ensure an opportunity for participants to provide further advice on the positions and views contained in both Discussion Papers.

Forums were held in Coffs Harbour, Campbelltown, Wagga and Dubbo.

NSWALC had held a total of 20 community forums in its three rounds of consultation at this point in the review, attended by more than 1200 participants.

It also convened a State-wide meeting of LALC delegates in Sydney on February 28 and March 1, 2006. The meeting ended with agreement on about 90 per cent of the recommendations flowing from the two Taskforce Discussion Papers.

This largely accorded with the views expressed during the three rounds of regional community consultations.

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INTRODUCTION OF THE LEGISLATION

NSWALC maintained close contact with all major stakeholders throughout this period but it was not until the beginning of September that we were advised State Cabinet had agreed to take forward proposed amendments to the Act.

This was communicated to the land rights network.

The then Administrator, Mr Chapman, and then CEO, Mr. Johnstone advised the network the proposed amendments were expected to be introduced during the Spring session of the State Parliament "in the next few weeks."

They noted the NSWALC and State Government consultation processes had, so far, stimulated an informed debate on the current deficiencies in the Aboriginal Land Rights Act.

They had also raised the expectation of the successful passage through the State Parliament of constructive amendments to build on the hard won rights gained by Aboriginal people over the past quarter century.

The message acknowledged there was still a great deal of apprehension within the LALC network about the final outcome of the review.

There was also still a view in the network that the process had been long, and, at times, ill-defined, allowing unnecessary anxiety to develop.

The advice from Government meant the network was now at the "pointy end of the process." which was an opportune time to restate what NSWALC wanted to see flow from the Review.

They said the outcome of the review would be crucial if the land rights movement was to fully realise the future capacity of the land rights system in NSW to deliver real and lasting positive outcomes for the Aboriginal people of New South Wales.

Previous amendments over the past 20 years had not allowed the development of a system that had delivered benefit and incorporated the necessary governance and oversight processes which had been required.

Little attention had been given to the original intent of the Act and the resources available to ensure the success of the system

This had created a cumbersome, prescriptive scheme, which was lacking in cohesion and structural integrity.

Many people, both inside and outside the land Council system, had expressed real concerns about the operations of land councils, about the integrity and legitimacy of the

system, and about the benefits for Aboriginal people which should flow from the system itself.

The review was not about diminishing the gains made.

It was about improving the Land Council system, to make it open and transparent, to ensure modern management systems were in place and, to realise the potential of the ALRA to deliver real benefits to Aboriginal people in New South Wales.

The organisation was committed to the fundamentals of the ALRA including:

- · Elected representative structures, and
- · Retaining the three tiered structure

The message said NSWALC had made it clear to all parties that a number of real issues needed to be captured and dealt with in amendments to the Act.

These included:

- the sustainability of the system itself,
- the current resource base available to the ALC system which "is stretched to the limit."
- rationalisation in the number of Regional Aboriginal Land Councils, and Local Aboriginal Land Councils.
- the current governance regimes. They are problematic and need urgent attention to ensure members and Aboriginal people see real and lasting benefits from the ALRA and
- The introduction of more and transparent decision making processes that can withstand the scrutiny that we all require.

The ALRA had delivered to the Aboriginal people of New South Wales a resource base which was second to none but the demands in the current environment were far beyond the original intent of the legislation, and the structure and resources devoted to it.

The system now required amendment and supplementation if it was to meet these demands and/or a rationalisation of activity within the constraints of the legislation and funding.

The current scheme was not relevant to the current needs of the Aboriginal Land Councils, and could be characterised as:

- A system with <u>problematic governance</u> structures and arrangements, and
- A system loaded with <u>sanctions and reporting</u>
 <u>obligations</u>, which the LALC's did not see as relevant to
 their situation, and
- A <u>lack of required expertise</u>, <u>skills and competencies</u> to fill the numerous positions
- Not seen to be delivering the benefits that Aboriginal people expected.

There was also a need to reconsider NSWALC's role within the system.

Should it be a "steward" in respect of the entire ALC system.

There also had to be an acknowledgment that:

- The compensation delivered by the ALRA must be protected and available for current and future generations of Aboriginal people.
- Investment provided a benefit and an income stream in perpetuity
- That the land assets were managed to ensure a benefit and an income stream at all levels.

To realise this aspiration the following must be in place, as a minimum, in amending legislation:

- an appropriate regime is in place to deal with land.
- an appropriate <u>governance</u> regime is in place at all levels of the network.
- an appropriate <u>benefits</u> regime is in place at all levels of the Network.

The completion of the review would provide the framework for the transition to a newly elected Council and, hopefully, would finally provide the necessary tools and systems to enable the full potential of the NSW South Wales Land Rights Act to be realised.

NSWALC looked forward to continuing to work with the ALC network, the Government and all other key stakeholders to ensure a successful completion of the Review process with major changes to increase the workability of the legislation.

NSWALC had not been provided the detail of Cabinet's deliberations and were requested by the State Government not to discuss any details of the legislation until the amending Act had been introduced to the Parliament.

DETAIL OF PROPOSED AMENDMENTS

NSWALC understood, however, that the great majority of the proposed amendments as identified in the ALRA Review Task Force Discussion papers had been adopted by Government.

The majority of those had been endorsed at the State wide meeting convened by NSWALC earlier in the year with the exception of those related to the number of regions and the shape and structure of the NSWALC.

In summary these included

- Boards for LALC's (Chair & Deputy only plus 5-9 LALC Councillors)
- Separation of Responsibilities for LALC's
- Regulatory Regimes (Land, Benefits, Business and Investment and Social Housing)
- Electoral College Elections for NSWALC
- Six Regions aligned to the former ATSIC boundaries (therefore six Councillors)

- NSWALC Chair Fulltime, others Part Time
- Two optional Ministerial appointees to the NSWALC Board
- Regional Forums to replace Regional Aboriginal Land Councils
- Introduction of a Land Dealing levy to be set at 3%
- Legislative provision for Community Land & Business plans to be required of all LALCs.
- Statutory requirement for NSWALC to ensure that LALC membership should increase by 3% a year for the 5 years after any amending legislation was proclaimed.
- Divestment of social housing where a LALC could not demonstrate capacity for sustainable management
- Application of a "fit & proper person" test (Local Government Association as a guide) to all office holders
- Expansion of the Pecuniary Interest Tribunal to address corrupt and unacceptable conduct.

In addition a Cease to Function definition and criteria for LALCs was to be inserted but had yet to be fully defined.

It was understood the Government also proposed to give LALCs a culture and heritage function under the Environmental Protection Act (first and only port of call for clearances).

The Government also intended to clarify section 150 of the Act

It would seek to have this amended to measure the lower limit for the Statutory Investment Fund to be the 31 December 1998 figure plus Annual CPI indexation.

NSWALC had raised a number of matters which it was understood were not in the proposals considered by Government.

These included:

- Repeal of s.40 (1) (c) (a) –The requirement for NSWALC to obtain the approval of a LALC to deal in NSWALC land within its area.
- Returning the process for Appointment of Auditors to the pre-2002 legislative process whereby NSWALC maintained a Schedule of Auditors and LALC's could select from that Schedule.
- The need to either provide a regulation to determine what constituted a "satisfactory audit" or remove the assessment requirement altogether.
- The repeal of s.163 of the Act to allow for more flexible funding of LALCs.
- The repeal of s.233 which was a cease to function provision upon NSWALC.

NSWALC put the view that the effect of this section, if enacted, would amount to the abolition of the ALRA.

Such a decision should more properly be one for the Parliament rather than a Minister or the State Government of the day.

SECOND READING DEBATE

The network was advised on October 25 that the Aboriginal Land Rights Amendment Bill had been introduced into the State Parliament the night before by the Minister for Aboriginal Affairs, Milton Orkopoulos.

NSWALC had been provided with a copy of the 90 page bill and the 15 page explanatory notes, just after it was introduced.

NSWALC obtained a copy of the Minister's second reading speech from the NSW Parliament website that morning.

Both the bill and the explanatory notes, together with a copy of the Minister's second reading speech, were attached to a network message in keeping with NSWALC's commitment to keep the network informed of developments.

Mr Chapman and Mr Johnstone informed the network that "the devil is always in the detail in these matters," and NSWALC would be carefully analysing the political, legal and operational implications in each of the provisions in the bill and their proposed impact on the network.

NSWALC would also track the passage of the legislation through the Parliament.

Given the current political climate and the importance and complexity of this legislation, particularly to the land rights movement, intense scrutiny and debate was expected in both Houses of Parliament, with a range of possible amendments.

Mr Chapman and Mr Johnstone advised that a number of LALC's were lobbying the opposition and minor parties on the proposed reduction of regions from 13 to 6.

This was in line with resolutions at the NSWALC-convened State wide meeting at Brighton Le Sands which proposed there be nine regions which would see a nine member State Council, with the possibility of two Ministerial appointees in place once the current administration ended.

They further advised that although the ALRA Review Taskforce had recommended six regions and councillors NSWALC would not oppose an amendment to increase the number to nine on the floor of the Parliament.

On first reading, the bill, on balance, appeared to be a constructive attempt by the NSW Government to improve what was already widely regarded as the best land rights legislation in existence.

All members of the land council network were urged to speak to relevant parliamentarians and stakeholders to make them aware of the importance of the legislation to the rights of Aboriginal people and the need for constructive and informed debate on this bill. All recipients were also reminded that NSWALC had established an ALRA Review feedback facility on its website to receive responses from LALCs.

The network was advised in a follow up message on October 27 that the second reading debate had resumed the day before in the Legislative Assembly.

The relevant record of Parliamentary debate was attached to the message to keep the network informed. It was clear the legislation was at risk of being jammed in the Parliament.

The Government's failure to publicly release a draft exposure of the complex legislation ahead of its introduction in the Legislative Assembly and the manner in which it had been tabled in the Parliament angered the Liberal Opposition in particular.

The Shadow Minister for Aboriginal Affairs, Mr Brad Hazzard, accused the Government of a lack of transparency, decency and integrity, particularly towards the Aboriginal community.

He told the Parliament the Liberal and National parties both agreed the Land Rights Act was "extremely significant" legislation and there was a need to get it right, but the Land Rights review had not been "open and transparent."

The Opposition would reserve its position on the legislation until it reached the Legislative Council the following month given the Government's inability to provide a copy of the bill before its introduction to allow more time for consultation with the Aboriginal community.

The resumption of debate on the bill was scheduled for November 14 in the Legislative Assembly.

The position of the Opposition cast real doubt on the Government's ability to have the legislation passed through both Houses of Parliament given the limited amount of sitting days before it rose in December ahead of the State Election on March 24.

On November 8 Minister Orkopoulos was arrested by police and charged with a number of offences. He was immediately sacked from Cabinet, disendorsed by the ALP and effectively forced out of politics. He would later plead not guilty to the offences.

Community Services Minister Reba Meagher was appointed to replace him.

Following a series of meetings with NSWALC and LALC representatives with the new Minister, the Opposition, and the minor parties, particularly the Greens, a number of key amendments were negotiated ahead of the resumption of debate.

Mr Chapman and Mr Johnstone issued a rare media statement on the eve of the resumption of the debate.

The statement said NSWALC believed it essential the Bill "go forward as the first tranche of a two-step amendment process to allow new governance procedures to pass into law before the March 2007 state election and to allow NSWALC to prepare for the return of a duly elected State Council.

"In order for this to occur," they said, "there needs to be a return to the bi-partisan approach to Aboriginal Affairs which has, until recently, been a key feature of the approach of all parties in the state parliament."

They also revealed NSWALC had presented a large number of technical amendments to the new Minister to correct drafting errors in the legislation presented to Parliament on October 24 and she had provided an assurance she was committed to the passage of the Bill.

Mr Chapman and Mr Johnstone reported to the network on November 17 that the Aboriginal Land Rights Amendment Act passed through all stages of the Legislative Assembly the night before.

The legislation contained a number of "significant and substantive" policy and technical amendments introduced by Minister Meagher to the legislation which had been tabled by the former Minister less than a month before.

The thirty eight amendments ran to six pages.

These were a direct result of lobbying of the government, the opposition and the cross benches by NSWALC and ALC representatives and "the preparedness of the new Minister for Aboriginal Affairs, Reba Meagher to listen to, and respond to our concerns."

They thanked the NSWALC drafting and negotiating team, led by NSWALC Deputy Chief Executive Officer, Geoff Scott, and those LALC representatives who travelled to Sydney to join NSWALC in putting the case directly to politicians.

Mr Chapman and Mr Johnstone noted the amendments clearly reflected the outcomes from the State-wide ALC meeting convened by NSWALC at Brighton-Le-Sands in February and represented a win for self determination.

They noted NSWALC had a slightly different view on some second order issues which had not been reflected in the legislation.

NSWALC was of the view, however, that the amended legislation represented real gains for the network as a whole over the current legislation.

In essence the bill now provided for:

- Nine regions, instead of the six provided for in the original bill.
- Nine full time councilors, instead of six part-time as provided for in the original bill.
- No ministerial appointees to State Council.
- Direction election of representatives.

The Government also agreed to further consultation to determine the appropriate method of indexing the minimum level of the Statutory Investment Fund in a second round of amendments which would need to capture the land dealing provisions which were not contained in the first tranche of amendments.

They advised the legislation, as amended, would go before the Legislative Council the following week and was expected to pass with the support of the Greens and the cross benches.

A copy of the Hansard debate was attached to the message.

Mr. Chapman and Mr. Johnstone noted that one highlight of the debate was the return to a bi-partisan approach on Aboriginal Affairs in the Parliament after the heavily politicised debate upon the introduction of the bill.

They noted that it was pleasing to see Shadow Minister Brad Hazzard acknowledge the LALC representatives who traveled to Sydney and their impact on the debate and the bill, look beyond the partisan lobbying of Darkinjung Local Aboriginal Land Council who sought to have the bill hived off to a committee, and acknowledge the need for a return to bi-partisanship.

They expressed the hope the amended bill would pass through the Parliament before it was prorogued ahead of the State Election "to enable NSWALC and the network to begin preparing for the return of a duly elected State Council."

PASSAGE OF BILL IN LEGISLATIVE COUNCIL

The legislation passed through all stages in the Legislative Council in late November with a number of minor technical amendments and was proclaimed in December.

All of the significant and substantive policy and technical amendments to the bill which were made by the Government in the lower house were preserved.

This was again communicated to the land rights movement in a network message from Mr. Chapman and Mr. Johnstone.

They advised that the passage of the legislation now placed NSWALC in a new phase----the transition to a newly elected Council with the forthcoming election on May 19, 2007.

They advised NSWALC would be working carefully through the operational implications of the new legislation and intended to seek any amendments which arise from "any concerns in this regard," when a second round of amendments was due to be negotiated to cover the land dealing provisions of the Act.

There was now a clear expectation among all parties in the Parliament, they said, that there would be a radical improvement in the consultation process with the ALC network for the next round of amendments.

ELECTION OF A NEW GOVERNING COUNCIL

With the passage of the first round of amendments the statutory machinery was put in place to begin work on the transition from administration to a new Governing Council with the election in May, 2007.

NSWALC immediately began a series of meetings to plan and execute the mechanics of the election with the Registrar of the ALRA and officials from the New South Wales Electoral Commission. This ranged from selection of polling booth locations, arranging postal vote forms and guidance to scrutineers.

The organisation also lost no time in informing individual members of the network and in seeking to maximise the vote on the forthcoming election.

NSWALC FROMINGS Summer Sold Su

A letter was sent in mid-December by the Deputy Chief Executive

Officer, Mr Geoff Scott, to the 13,000 members of Local Aboriginal Land Councils who were registered as voting members.

The letter said NSWALC considered it crucial to ensure the maximum number of eligible LALC members turned out to vote to ensure the best representation possible was achieved for Aboriginal people throughout the State.

It urged each member to ensure they exercise their right to be heard on election day, May 19, 2007.

The letter informed them that NSWALC would be working with the duly elected Secretaries of all LALC's between then and the close of the rolls to encourage the enrolment of as many voting members as possible.

Active Local Aboriginal Land Council membership underpinned the aspirations and decision making of land council business throughout New South Wales.

The letter said changes to the ALRA in October 2002, which took effect last year, required all LALC members to have more detailed personal information recorded on the roll, including date of birth and residential address.

NSWALC believed many existing members may not have updated their details to comply with those provisions. Many young people may have also become eligible to vote since the last NSWALC election in 1999 and may not be aware of this.

If the required details were not provided they would not be able to vote.

The letter asked them to check with friends and relatives to ensure they had complied with the new rules.

The letter also informed them that the close of rolls for the election would be on Tuesday, March 6, 2007.

NSWALC also began a "Get On a Roll" campaign which involved a series of advertisements in Indigenous newspapers, media statements, and flyers.

It also embarked on a fourth round of community consultations on in keeping with its promise to keep the ALC network fully informed of issues arising from the review of the ALRA and the subsequent passage of legislation.

A series of one day forums around the State, which began in late January, were designed to provide as much information as possible about the legislative changes, particularly the process for the State Council election, the voting rights of LALC members, and a range of companion issues.

The timetable was particularly tight but had been framed conscious of the need to consult with as many LALC members as possible ahead of the close of membership rolls. The schedule was based on the nine new regions.

SCHEDULE OF NSWALC COMMUNITY CONSULTATIONS				
Date	Region	LALC's	Location	Venue
30 Jan 2007	North West	16	Walgett	Walgett RSL Club
01 Feb 2007	Central	10	Dubbo	West Dubbo Bowling Club
05 Feb 2007	Northern	14	Tamworth	Tamwoth Services Club
07 Feb 2007	North Coast	13	Lismore	Lismore Worker's Club
09 Feb 2007	Central Coast	12	Kempsey	Kempsey Macleay RSL Club
13 Feb 2007	Wiradjuri	21	Wagga Wagga	Wagga Wagga Commercial Club
15 Feb 2007	South Coast	13	Narooma	Narooma Golf Club
20 Feb 2007	Western	11	Broken Hill	Broken Hill Democratic Club
22 Feb 2007	Sydney Newcastle	11	Sydney	Pacific International Hotel (opp Parramatta Railway Station)

ELECTORAL INFORMATION UNIT

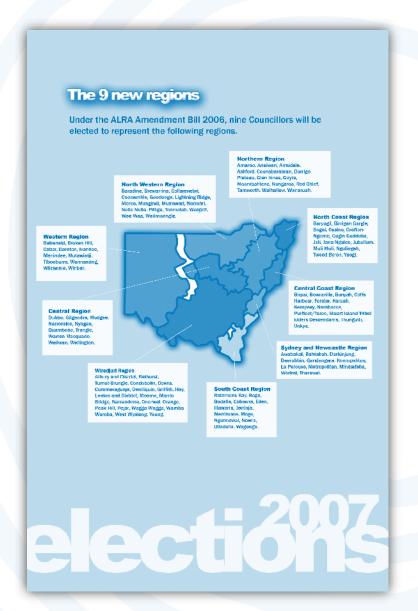
NSWALC also established an Electoral Information Unit to assist officers and members of Local Aboriginal Land Councils with general inquiries about the forthcoming election for State Council.

The decision to establish the unit was triggered by a large number of inquiries flowing into the NSWALC head office and zone offices from LALC members and office bearers about the forthcoming election for a new Governing Council.

The Unit, which was staffed by NSWALC Officers and an officer from the office of the Registrar of the ALRA, provided a central contact point for all such inquiries during general office hours and could be accessed through a free call number.

Members were reminded, however, that the first port of call for individual inquiries about the status of their particular membership (e.g. voting or non voting status) should be the relevant LALC Secretary.

The unit operated up until the close of business on May 18, with a daily information log having recorded more than 500 phone inquiries. In addition to fielding calls staff within the unit worked on updating membership rolls.



MEMBERSHIP ROLLS

Under the Aboriginal Land Rights Act the NSWALC was obliged to provide certified voting rolls for each of the nine new regions to the State Electoral Commission by the final week in March.

Mr. Johnstone and Mr. Scott were able to advise the network on March 26 that NSWALC had complied with its statutory obligations in this regard.

They also advised that a record number of voting members have been registered for the May 19 poll.

The certified rolls contained more than 16-and a half thousand registered voting members from 116 Local Aboriginal Land Councils across the state---the highest number of voting members recorded since the amendments to the ALRA in October 2002.

They informed the network that this was a tremendous achievement given that LALC membership and voting were voluntary.

They expressed their thanks to everyone involved, particularly LALC Secretaries and other office bearers, and NSWALC staff, both in Parramatta and Zone offices, particularly all of those who were temporarily seconded to the NSWALC Electoral Information Unit to assist in updating, consolidating and certifying the LALC membership database.

They also thanked the NSW Aboriginal Housing Office, the Redfern Medical Service and other Aboriginal organisations who assisted the NSWALC enrolment drive

They noted that the magnitude of the work involved in updating, consolidating and certifying the rolls could be gauged from the fact that only 6,000 voting members were on the roll when the State Council was replaced by an Administrator in November 2003.

This had increased to just over 10,000 following a joint campaign on membership conducted by NSWALC and the Registrar ahead of the 2002 amendments coming into effect on April 21, 2006.

In effect, more than six and a half thousand new voters had been added to the consolidated voting roll in a few months as a result of the 'Get On A Roll' campaign.

They also noted the LALC membership rolls now had just over three thousand registered non voting members—a consolidated LALC membership base of just under 20,000 members.

The combined efforts of everyone concerned had resulted in the rolls being in their best shape ever. They were all fully contained, for the first time ever, within one electronic database.

They had established a solid foundation for a solid voter turnout on May 19 and for the consequent LALC elections later in the year

Mr. Johnstone and Mr. Scott noted the delivery of the consolidated voting roll to the NSW Electoral Commission brought the Get on A Roll campaign to an end.

The campaign for the State Council election would now enter another crucial phase.

NSWALC would now turn its attention to the nominations phase of the campaign and to the promotion of a maximum voter turnout on May 19.

Nominations were due to open on Friday, March 30 and close at 6p.m. on Monday, April 23.

Mr. Johnstone and Mr. Scott noted that all appropriate literature on nominations was available on the NSWALC website by clicking on a special ballot box icon on the home page.

This had been created at the beginning of the campaign to provide an electronic one stop shop for appropriate membership forms, nominations forms, postal vote application forms and other literature which had been developed in consultation with the Electoral Commission and the Registrar of the ALRA.

The NSW Electoral Commission recorded 52 nominations for the nine Council positions.

The voter turnout at the May 19 election was disappointing with less than a third of registered voters exercising their right to do so. NSWALC believes a complex range of factors, including the long period of administration, had an impact on the poor turnout.

The poll was declared, pursuant to clause 81(b) of the Aboriginal Land Rights Regulation by the NSW Electoral Commission on May 22. The full results of the poll can be found on the website of the NSW Electoral Commission.

As the NSWALC administration prepared for the induction of the incoming Council it also began assisting the Registrar of the ALRA to plan for elections within each Local Aboriginal Land Council in line with regulations which would come into force on July 1, 2007. It was also proposing to transfer the responsibility for maintenance of the consolidated roll to the Registrar in line with the new legislation.

LIBERATE AND EMPOWER ABORIGINAL PEOPLE IN NEW SOUTH WALES THROUGH ECONOMIC AND SOCIAL INDEPENDENCE.



This Saturday [19 May 2007] all registered voting members of Local Aboriginal Land Councils across NSW are encouraged to have a say and vote.

The future of Land Rights in NSW is in your hands.

For a full list of polling places visit www.alc.org.au

LAND RIGHTS: OUR BIRTHRIGHT.

SECOND WAVE OF REFORM

NSWALC and the Registrar also worked together to make the land rights network fully aware of a second wave of reform which would have a major impact on the structure and governance of Local Aboriginal Land Councils from July 1.

A series of fact sheets were prepared and distributed.

They provided information on:

- The election of LALC Boards.
- · Community, Land and Business Plans
- Community Benefit Schemes.
- Social Housing Schemes.
- Appointment of LALC Chief Executive Officers.
- Important changes in LALC membership rights.
- NSWALC assistance to LALCs on training
- Increased powers of the Minister for Aboriginal Affairs

Both the Registrar and NSWALC urged all LALC office bearers to ensure the fact sheets were distributed as widely as possible within the land rights network.

NETWORK SERVICES

As noted earlier in this report this is the core operational and compliance arm of NSWALC.

The achievements within each unit are set out below.

COMPLIANCE & EVALUATION UNIT

The role of the Compliance and Evaluation Unit is to provide support to the Zone Offices in delivering services to the Local Aboriginal Land Councils.

While the unit works under the responsibility of the Director Network Services, it reports quality assurance matters directly to the Chief Operating Officer.

It provides for:

- Quality assurance on compliances with the regulations and funding policy
- Quality assurance on evaluation of reports from the Aboriginal Land Council
- Maintenance of an effective and efficient Aboriginal Land Council Status Database, which holds the compliances and breaches of the Local Aboriginal Land Councils (LALCs).
- Business Intelligence Applications for use by the Network Services and the Aboriginal Land Councils to deliver their obligations to remain in compliance.
- Submission of comprehensive half-yearly Breach and Allocations Report to the Minister for Aboriginal Affairs.

The unit has also assisted in the review of Network Services Policies and in the restoration of the document systems and procedures in the Zone Offices.

New South Wales Aboriginal Land Council FINANCIAL STATEMENTS

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GPO BOX 12 Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

New South Wales Aboriginal Land Council

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the New South Wales Aboriginal Land Council, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of recognised income and expense and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the New South Wales
 Aboriginal Land Council as of 30 June 2007, and of its financial performance and its cash
 flows for the year then ended in accordance with Australian Accounting Standards (including
 the Australian Accounting Interpretations)
- is in accordance with section 41B of the Public Finance and Audit Act 1983 (the PF&A Act) and the Public Finance and Audit Regulation 2005.

Members' Responsibility for the Financial Report

The members of the Council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Council, as well as evaluating the overall presentation of the financial report.

New South Wales Aboriginal Land Council • Annual Report 2006-2007

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does not provide assurance:

- about the future viability of the Council,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

Independence

In conducting this audit, the Audit Office has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A 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, Financial Audit Services

30 October 2007 SYDNEY

STATEMENT BY THE CHAIRPERSON

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

YEAR ENDED 30 JUNE 2007 STATEMENT BY THE CHAIRPERSON

Pursuant to Section 41C of the Public Finance and Audit Act, 1983, we declare that in our opinion:

- 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 2007 and its performance for the year ended on that date in accordance with Australian Accounting Standards.
- At the date of this statement, there are reasonable grounds to believe that the New South Wales Aboriginal Land Council will be able to pay its debts as and when they fall due.

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

BEVERLY MANTON CHAIRPERSON Jack Hampton COUNCILLOR

Dated: 22 October 2007

INCOME STATEMENT

For the year ended 30 June 2007

		2007	2006
REVENUE	Note	\$'000	\$'000
Investment Revenue	2	67,535	71,057
Grants and Contributions	3	49	5
Other Income	4	2,383	2,929
Total Revenue		69,967	73,991
Gains on Disposal of Property Plant & Equipment	5	15	-
Other Gains/(Losses)	6	22,449	4,023
Total Gains		22,464	4,023
Total Income		92,431	78,014
EXPENSES			
Audit Fees	7	237	248
Administrators Fees - NSWALC		263	231
Consultants Fees		838	436
Enterprise and Farm Expenses		2,222	2,100
Election Costs		486	-
Depreciation	17	548	510
Amortisation – Intangible Assets	19	71	18
Bad & Doubtful Debts		2,401	2,497
Employee Expenses	8	7,292	7,335
Funding of Regional and Local Aboriginal Land Councils	9	11,162	10,128
Grants		654	598
Legal Expenses		1,566	1,422
Loss on Disposal of Property Plant & Equipment	5	-	90
Motor Vehicle Expenses	10	387	302
Repairs and Maintenance	11	135	551
Other Expenses	12	3,095	2,935
Total Expenses		31,357	29,401
SURPLUS FOR THE YEAR		61,074	48,613

The accompanying notes form part of these financial statements.

		2007	2006
ASSETS	NOTE	\$'000	\$'000
Current Assets			
Cash and Cash Equivalents	13	4,238	1,401
Receivables	14	1,286	3,295
Biological Assets	15	740	541
Financial Assets at Fair Value	16	679,500	621,480
Total Current Assets		685,764	626,717
Non-Current Assets			
Receivables	14	3,819	2,842
Property, Plant and Equipment	17	17,722	13,633
Investment Property	18	16,600	15,500
Intangible Assets	19	134	131
Artefacts	20	217	217
Total Non-Current Assests		38,492	32,323
Total Assests		724,256	659,040
LIABILITIES Current Liabilities			
Payables	21	2,553	2,783
Provisions	22	751	793
Total Current Liabilities		3,304	3,576
NON-CURRENT LIABILITIES			
Provisions	22	127	67
Total Non-Current Liabilities		127	67
Total Liabilities		3,431	3,643
Net Assets		720,825	655,397
EQUITY			
Reserves	23	15,282	11,032
Accumulated Funds	23	705,543	644,365
Total Equity		720,825	655,397

The accompanying notes form part of these financial statements.

STATEMENT OF RECOGNISED INCOME AND EXPENSEFor the year ended 30 June 2007

		2007	2006
	NOTE	\$'000	\$'000
Assets transferred from Regional Aboriginal Land Councils Net Increase/(Decrease) in Property, Plant and Equipment Asset		104	
Revaluation Reserve		4,250	-
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	23	4,354	
Surplus/(Deficit) for the Year		61,074	48,613
TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR		65,428	48,613
EFFECT OF CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS	29		
Accumulated Funds		2,244	23,052
Reserves		(2,244)	(23,052)
		-	-

The above Statement of Recognised Income and Expenses should be read in conjunction with the accompanying notes.

CASH FLOWS STATEMENT

For the year ended 30 June 2007

		2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES	Note	\$'000	\$'000
Receipts			
Interest and Investment Income		91,186	72,538
Sale of Goods and Services		3,495	4,650
Grants and Subsidies		138	5
Other		867	839
Total Receipts		95,686	78,032
Payments			
Employee Related		7,458	7,339
Other		24,573	23,738
Total Payments		32,031	31,077
NET CASH FLOWS FROM OPERATING ACTIVITIES	26	63,655	46,955
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of Land and Buildings, Plant and Equipment		94	209
Proceeds from sale of Financial Assets		35,143	16,842
Purchases of Land and Buildings, Plant and Equipment		(410)	(461)
Purchases of Other Financial Assets		(95,645)	(68,349)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(60,818)	(51,759)
		(==/===/	(- //
NET INCREASE/(DECREASE) IN CASH		2,837	(4,804)
Opening Cash and Cash Equivalents		1,401	6,205
CLOSING CASH AND CASH EQUIVALENTS	13	4,238	1,401

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(A) REPORTING ENTITY

The financial report covers the New South Wales Aboriginal Land Council as an individual entity.

New South Wales Aboriginal Land Council is a Statutory Body constituted by the *Aboriginal Land Rights Act 1983*. The Council is a not-for-profit entity (as profit is not its principal objective).

This financial report for the year ended 30 June 2007 has been authorised for issue by the Council on 22 October 2007.

(B) BASIS OF PREPARATION

The Council's financial report is a general purpose financial report which has been prepared in accordance with applicable Australian Accounting Standards (which include Australian Equivalents to International Financial Reporting Standards (AIFRS) and the requirement of the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2005, Treasurer's Directions and the New South Wales Aboriginal Land Rights Act 1983).

Property, plant and equipment, investment property, financial asset and biological asset are measured at fair value. Other balances are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management have made are disclosed in the relevant notes to the financial report.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency. Where necessary comparative information has been reclassified to ensure consistent presentation for the current year.

(C) STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Australian Accounting Standards which include AIFRS.

In the current year, the Council has adopted all of the new and revised Standards and Interpretations that are relevant to its operations and which are effective for annual reporting periods beginning on 1 July 2006. At the date of authorisation of these financial statements, the following Standards and Interpretations were issued but not yet effective:

- AASB 7 Financial Instruments: Disclosures
 Effective for annual periods beginning on or after 1
 January 2007
- AASB 132 Financial Instruments: Presentation Effective for annual periods beginning on or after 1 January 2007
- AASB 139 Financial Instruments: Recognition and Measurement
 Effective for annual periods beginning on or after 28
 February 2007.

The Council anticipate that the adoption of these Standards and Interpretations in future will have no material financial impact on the financial statements of the Council.

The Council complies with s150 of the *Aboriginal Land Rights Act 1983* – Preservation of money in the NSW Aboriginal Land Council Account by maintaining the capital value of \$485,340,000 as at 31 December 1998. In order to ensure that the capital value is maintained since that date, the Council has applied the annual rate of inflation on a compounding basis and compared with all funds held by the Council as at 30 June of each year as disclosed in Note 16.

(D) INCOME RECOGNITION

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income is discussed below.

(i) Contributions

Contributions received (including grants and donations) are generally recognised as income when the Council obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash.

An exception to the above is when contributions are unspent at year end. In this case, the authority to spend the money lapses and generally the unspent

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

amount must be repaid to the funding bodies in the following financial year. As a result, unspent contributions are accounted for as liabilities rather than revenue.

The liability is disclosed in Note 21 as part of 'Current liabilities – Other'. The amount will be repaid and the liability will be extinguished next financial year.

(ii) Sale of Goods

Revenue from the sale of good is recognised as revenue when the agency transfers the significant risks and rewards of ownership of the assets.

(iii) Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Investments Recognising and Measurement*. Rental revenue from investment properties is recognised in accordance with AASB 117 *Leases* on a straight-line basis over the lease term. Dividend revenue is recognised in accordance with AASB 118 *Revenue* when the Council's right to receive payment is established.

(E) EMPLOYEE BENEFITS AND OTHER PROVISIONS

(i) Salaries and Wages, Annual Leave and On-Costs Liabilities for salaries and wages (including non-monetary benefits) and annual leave that fall due wholly within twelve months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with the AASB 119 *Employee Benefits*. Market yields on government bonds of 6.4% (2005-2006 5.9%) was applied to discount long-term annual leave.

The outstanding amounts of workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

(ii) Long Service Leave and Superannuation

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 07-04) to employees as at 30 June 2007 using current rates of pay.

In respect of defined contribution schemes (i.e. Basic Benefit and First State Super), expense is calculated as percentage of the employees' salary. For the defined benefit schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(iii) Other Provisions

Other provisions exist when the agency has present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Other provision included make good provision for rental of the Zone Offices.

(F) INSURANCE

The Council's insurance activities are conducted through Omega Insurance Brokers Pty Ltd. The expense (premium) is determined by the Insurer based on past claim experience.

(G) FUNDING OF REGIONAL AND LOCAL ABORIGINAL LAND COUNCILS

Funding for Regional and Local Aboriginal Land Council is charged to the Income Statement as per the agreed amount of allocation paid or payable for the year as per the funding agreement. If Regional and Local Aboriginal Land Councils are in breach of the statutory requirements, only essential payments were made as per the *Aboriginal Land Rights Act 1983* and expensed in the Income Statement as funding of Regional and Local Aboriginal Land Councils Expenses. Funding was paid to Regional Aboriginal Land Council up to 7 February 2007 as explained below.

Schedule 4. Part 7. Clause 44 of the Aboriginal Land Rights (Amendment) Act 2006 ("the Amending Act") abolished Regional Aboriginal Councils effective

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

from 7 February 2007. Clause 8(2) of the *Aboriginal Land Rights Amendment Regulation 2007 (the "Amending Regulation"*) provides that the assets, rights and liabilities of a RALC immediately before the commencement of (clause 6) be transferred to NSWALC on commencement. NSWALC received \$103,661 as cash assets, which is included in the financial statement. Other assets and liabilities were not considered material and have not been included in the financial statements.

(H) ACCOUNTING FOR THE GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where:

- the amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- receivables and payables are stated with the amount of GST included.

(I) ACQUISITIONS OF ASSETS

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Council. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the amount of which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted at an asset-specific rate.

(J) CAPITALISATION THRESHOLDS

Property, plant and equipment and intangible assets costing \$500 and above individually (or forming part of a network costing more than \$500) are capitalised.

(K) REVALUATION OF PROPERTY: PLANT AND EQUIPMENT

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment and* AASB 140 *Investment Property.* Information on investment property is separately discussed in para (r).

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The Council reviews the estimated useful lives of plant and equipment at the end of each annual reporting period. Property is revalued at least every five years or with sufficient regularity to ensure that the carrying amount does not differ materially from its fair value at reporting date. The revaluation of property was completed on 30 June 2007 and was based on an independent assessment.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus/deficit, the increment is recognised immediately as revenue in the surplus/deficit.

Revaluation decrements are recognised immediately as expenses in the surplus/deficit, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve. As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

(L) IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

As a not-for-profit entity, the Council is effectively exempted from AASB 136 Impairment of Assets and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

(M) DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

Except for certain heritage assets, depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Council.

All material separately identifiable components of assets are depreciated over their shorter useful lives.

Land is not a depreciable asset. Certain heritage assets have an extremely long useful life, including original artworks and collections and heritage buildings. Depreciation for these items cannot be reliably measured because the useful life and the net amount to be recovered at the end of the useful life cannot be reliably measured. In these cases, depreciation is not recognised. The decision not to recognise depreciation for these assets is reviewed annually.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Assets	Depreciation Rate
Land is not depreciated	
Buildings	3.33%
Motor Vehicles	20.00%
Computer equipment	33.33%
Other Equipment, Furniture and Fit	ttings 20.00%

(N) MAJOR INSPECTION COSTS

When each major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

(0) RESTORATION COSTS

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

(P) MAINTENANCE

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(Q) LEASING

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-currrent asset is acquired by means of a finance lease, the asset is recognised at its fair

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

value at the commencement of the lease term. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the Income Statement in the periods in which they are incurred.

(R) INVESTMENT PROPERTIES

The Council owns properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Where an investment property is acquired at no cost or for nominal cost, the investment property is measured initially at its fair value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred, if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise. No depreciation is charged on investment properties.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

(S) CHANGES IN ACCOUNTING POLICY

The intention of the Council at the time of the purchase of 33 Argyle Street was to earn rental income and/or for capital appreciation. Therefore, the Council has changed its accounting policy by treating the whole property as investment property. Previous years, the portion of the property occupied by the Council was treated as property, plant and equipment and the balance as investment property.

- This change in accounting policy is applicable from 1 July 2006 and the comparative balances have been restated as per this policy.
- iiii) As a result of this change, the Council will not charge depreciation for the portion occupied by it and any movement in the value of the property will be recognised in the income statement.
- iv) The amount of the adjustment is shown in note 18.
- v) As a result of the change in the Council's accounting policy, the investment property figure reported in the balance sheet for 2006 will have a net impact of \$4.8 million and the property, plant and equipment will decrease by the same. The restated financial information for 2007 and 2006 is represented as if the policy had been in place in 2006 (refer to Note 29).

(T)(I) INTANGIBLE ASSETS

The Council recognises intangible assets only if it is probable that future economic benefits will flow to the Council and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Council's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Council's intangible assets are amortised using the straight line method over a period of three years.

In general, intangible assets are tested for impairment

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Notes to and forming part of the Financial Statements for the year ended 30 June 2007

where an indicator of impairment exists. However, as a not-for-profit entity, the agency is effectively exempted from impairment testing (refer para (l)).

(T)(II)LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the Income Statement when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(U) BIOLOGICAL ASSETS AND AGRICULTURAL PRODUCE

NSW Aboriginal Land Council owns and operates rural properties throughout Western NSW. Crops are planted, grown and harvested on an annual basis and used for a combination of profit making purposes including: marketed and sold for food, used for seed increase for future plantings or fodder for livestock.

Livestock asset cycle from acquisition to disposal is dependent on seasonal conditions including quality of feed and rainfall. Livestock are valued at fair value less estimated point-of-sale costs. Gains or losses arising on initial recognition of a biological assets at fair value less estimated point-of-sale costs and from changes in fair value less estimated point-of-sale costs are including in profit or loss.

Fair value of livestock is determined as the best available estimate for livestock with similar attributes such as weight and condition.

Where the fair value of biological assets cannot be obtained, the biological assets are measured at their cost less any accumulated depreciation and any accumulated impairment losses.

Cropping asset cycle from planting to harvest is dependent on season conditions and disease including

amount rainfall, temperature and ground preparation. Cropping input costs are measured on initial recognition and capitalised at each reporting date at cost of production.

Fair value of grain on hand is determined as the best available estimate for grain with similar attributes such as quality, size and variety less any point-of-sale costs.

Grain on hand includes all grain stored in silos on Council's properties at reporting date.

(V) FINANCIAL ASSETS

Investments are initially recognised at fair value plus, in the case of investments not a fair value through profit or loss, transaction costs. The Council determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

Fair value through profit or loss – The Council subsequently measures investments classified as "held for trading" or designated "at fair value through profit or loss". Financial assets are classified as "held for trading" if they are acquired for they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains or losses on these assets are recognised in the Income Statement.

Held to maturity investments - Non-derivative financial assets with fixed or determinable payments and fixed maturity that the agency has the positive intention and ability to hold to maturity are classified as "held to maturity". These investments are measured at amortised cost using the effective interest method. Changes are recognised in the Income Statement when impaired, derecognised or through the amortisation process.

Available for sale investments - Any residual investments that do not fall into any other category are accounted for as available for sale investments and measured at fair value directly in equity until disposed or impaired, at which time the cumulative gain or loss previously recognised in equity is recognised in the Income Statement. However, interest calculated using the effective interest method and dividends are recognised in the Income Statement.

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

Purchases or sales of investments under contract that require delivery of the asset within the timeframe established by convention or regulation are recognised on the trade date i.e. the date the entity commits itself to purchase or sell the asset.

The fair value of investments that are traded at fair value in an active market is determined by reference to quoted current bid prices at the close of business on the balance sheet date.

(W) IMPAIRMENT OF FINANCIAL ASSETS

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the Income Statement. Any reversals of impairment losses are reversed through the Income Statement, where there is objective evidence, except reversals of impairment losses on an investment in an equity instrument classified as "available for sale" must be made through the reserve. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(X) DE-RECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the agency transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the agency has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the Council has neither transferred nor retained nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Council's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(Y) TRUST FUNDS

The Council receives monies in a trustee capacity for a trust as set out in Note 27. As the Council performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the Council's own objectives and the Council has no control of the funds. These funds are not recognised in the financial statements.

(Z) OTHER ASSETS

Other assets are recognised on a cost basis.

(AA) PAYABLES

These amounts represent liabilities for goods and services provided to the Council and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(AB) TAX EXEMPTIONS

The council is a Public Benevolent Institution (PBI) under the *Income Tax Assessment Act 1997*. Therefore the Council is exempt from income tax from 1 July 2000. The Council is also exempt from the Payroll Tax under *Payroll Tax Act 1971*.

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

	2007	2006
	\$'000	\$'000
Interest	965	677
Dividends	65,767	69,606
Rents	803	774
TOTAL INVESTMENT REVENUE	67,535	71,057
3. GRANTS AND CONTRIBUTIONS		
	2007	2006
	\$'000	\$'000
New South Wales Government Grants and Subsidies	49	5
TOTAL GRANTS AND CONTRIBUTIONS	49	5
4. OTHER REVENUE		
	2007	2006
	\$'000	\$′000
Rent Received	64	65
Enterprise Gross Income	1,293	1,334
Investment Managers Fees Rebates	561	550
Other	465	980
TOTAL OTHER REVENUE	2,383	2,929
5. GAINS/(LOSSES) ON DISPOSAL		
	2007	2006
	\$'000	\$'000
Gain/(Loss) on Disposal of Land and Building		
Written Down Value of Assets Disposed	-	2
Net Gain/(Loss) on Disposal of Land and Building	-	2
Gain/(Loss) on Disposal of Motor Vehicles		
Proceeds from Disposal	91	208
Written Down Value of Assets Disposed	(77)	(196)
Net Gain/(Loss) on Disposal of Motor Vehicle	14	12

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

Gain/(Loss) on Disposal of Computer		
Written Down Value of Assets Disposed	-	(2)
Net Gain/(Loss) on Disposal of Computer	-	(2)
Gain/(Loss) on Disposal of Plant and Equipment		
Proceeds from Disposal	5	-
Written Down Value of Assets Disposed	(4)	(90)
Net Gain/(Loss) on Disposal of Plant and Equipment	1	(90)
Gain/(Loss) on Disposal of Intangible Assets		
Written Down Value of Assets Disposed	-	(1)
Net Gain/(Loss) on Disposal of Intangible Assets	-	(1)
Gain/(Loss) on Disposal of Artefacts		
Written Down Value of Assets Disposed	-	(11)
Net Gain/(Loss) on Disposal of Artefacts	-	(11)
TOTAL GAIN/(LOSS) ON DISPOSAL	15	(90)
6. OTHER GAINS/(LOSSES)		
	2007	2006
	\$'000	\$'000
Gains on Revaluation of Financial Assets	21,349	3,523
Gains on Revaluation of Investment Property	1,100	500
TOTAL OTHER EXPENSES EXCLUDING LOSSES	22,449	4,023

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

7. AUDIT FEES

	2007	2006
	\$'000	\$'000
Fees paid to Audit Office of New South Wales	195	201
Internal Audit Fee paid to Walter Turnbull	42	47
	237	248

8. EMPLOYEE RELATED EXPENSES

	2007	2006
	\$'000	\$'000
Salaries and wages (including recreation leave)	6,245	5,894
Superannuation - defined contribution plans	278	624
Leave entitlements	604	407
Workers' compensation insurance	165	410
	7,292	7,335

9. FUNDING OF REGIONAL AND LOCAL ABORIGINAL LAND COUNCILS

	2007	2006
	\$'000	\$'000
Regional Aboriginal Land Councils	180	335
Local Aboriginal Land Councils	10,982	9,793
	11,162	10,128

10. MOTOR VEHICLE EXPENSE

	2007	2006
	\$'000	\$'000
Motor vehicle minimum lease payments	225	155
Other motor vehicle related expenses	162	147
	387	302

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

11. MAINTENANCE EXPENSE

	2007	2006
	\$'000	\$'000
Maintenance expense - contracted labour and other (non-employee related),		
as above	135	551
Total Maintenance expenses	135	551

12. OTHER EXPENSES

	2007	2006
	\$'000	\$'000
Staff Training, Development and Recruitment	100	128
Telephone	319	225
Insurance	157	189
Rates	104	24
Rent and Outgoings	463	475
Advertising	39	105
Public Relations and Publicity etc	61	26
Travel Expenses and Allowances	568	476
Postage, Printing and Stationery	102	88
Office and Adminstration Expenses	-	226
Equipment Hire and Lease	136	135
Meeting Costs	21	22
Workshop and Conference Costs	36	34
World Indigenous Expenses	-	57
Other Expenses	989	725
	3,095	2,935

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

13. CASH AND CASH EQUIVALENTS

	2007	2006
	\$'000	\$'000
Cash at Bank and in Hand	1,179	452
11AM Call Deposits	2,819	722
Funeral Fund - Cash at Bank	240	227
	4,238	1,401

14. RECEIVABLES

	2007	2006
	\$'000	\$'000
A) CURRENT		
Other Debtors	587	420
Other Debtors - Prepaid Superannuation	22	46
Prepayments	107	
Local Aboriginal Land Councils	665	2,910
	1,381	3,376
Less: Allowance for Impairment	95	81
	1,286	3,295
B) NON-CURRENT		
Loans and Advances to Local Aborigianl Land Councils	11,497	8,133
Less: Allowance for Impairment	7,678	5,291
	3,819	2,842

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

C) SUPERANNUATION

ACCOUNTING POLICY

Actuarial gains and losses are recognised immediately in profit and loss in the year in which they occur.

FUND INFORMATION

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

State Authorities Superannuation Scheme (SASS)

State Superannuation Scheme (SSS)

Police Superannuation Scheme (PSS)

State Authorities Non-contributory Superannaton Scheme (SANCS)

These schemes are all defined benefit schemes - at least a component of the final benefit is derived from a multiple of member salary and years of membership

All the Schemes are closed to new members.

RECONCILIATION OF THE PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATION

	SASS	SANCS	SSS	
C55000	Financial Year to 30 June 2007 '000	Financial Year to 30 June 2007 '000	Financial Year to 30 June 2007 '000	Total '000
Present value of partly funded defined benefit obligations at beginning of the year	134	20	724	878
Current service cost	6	1	-	7
Interest cost	7	1	41	49
Contributions by fund participants	3	-	-	3
Actuarial (gains)/losses	22	1	(424)	(401)
Benefits paid	(12)	-	373	361
Present value of partly funded defined benefit obligations at end of the year	160	23	714	897

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

RECONCILIATION OF THE FAIR VALUE OF FUND ASSETS

	SASS	SANCS	SSS	
	Financial Year to 30 June 2007 '000	Financial Year to 30 June 2007 '000	Financial Year to 30 June 2007 ′000	Total '000
Fair value of Fund assets at beginning of the year	150	51	505	706
Expected return on fund assets	10	4	37	51
Actuarial gains/(losses)	23	4	77	104
Contributions by Fund participants	3	-	-	3
Benefits paid	(12)		373	361
Fair value of Fund assets at end of the year	174	59	992	1,225

RECONCILIATION OF THE ASSETS AND LIABILITIES RECOGNISED IN THE BALANCE SHEET

	SASS	SANCS		
	Financial Year to 30 June 2007 '000	Financial Year to 30 June 2007 '000		Total '000
Present value of partly funded defined benefit obligations at end of the year	160	24	715	899
,	100	24	/13	099
Fair value of fund assets at end of year	(174)	(58)	(992)	(1,224)
Subtotal	(14)	(34)	(277)	(325)
Adjustment for limitation on net asset	13	32	258	303
Net Liability/(Asset) recognised in a balance sheet at end of year	(1)	(2)	(19)	(22)

EXPENSE RECOGNISED IN INCOME STATEMENT

	SASS	SANCS	SSS	
Components Recognised in Income Statement	Financial Year to 30 June 2007 '000	Financial Year to 30 June 2007 ′000	Financial Year to 30 June 2007 ′000	Total '000
Current service cost	6	1	-	7
Interest cost	7	1	41	49
Expected return on Fund assets (net of expenses)	(10)	(4)	(36)	(50)
Actuarial losses/(gains) regonised in year	(1)	(2)	(501)	(504)
Past service cost	-	-	-	-
Movement in adjustment for limitation on net asset	13	33	259	305
Expense/(income) recognised	15	29	(237)	(193)

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

FUND ASSETS

The percentage invested in each asset class at the balance sheet date:

	30 June 2007
Australian equities	33.6%
Overseas equities	26.5%
Australian fixed interest securities	6.8%
Overseas fixed interest securities	6.4%
Property	10.1%
Cash	9.8%
Other	6.8%

FAIR VALUE OF FUND ASSETS

All Fund assets are invested by STC's at arm's length through independent fund managers.

EXPECTED RATE OF RETURN ON ASSETS

The expected return on assets assumption is determined by weighing the expected long-term return for eash asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

ACTUAL RETURN ON FUND ASSETS

	SASS	SANCS	SSS	
	Financial	Financial	Financial	
	Year to 30	Year to 30	Year to 30	
	June 2007	June 2007	June 2007	
	'000	'000	'000	Total '000
Actual return on Fund assets	21	7	114	142

VALUATION METHOD AND PRINCIPAL ACTUARIAL ASSUPMTIONS AT THE BALANCE SHEET DATE

a) Valuation Method

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

b) Economic Asssumptions

	30 June 2007
Salary increase rate (excluding promotion increases)	4.0% pa to June 2008; 3.5% pa thereafter
Rate of CPI Increase	2.5% pa
Expected rate of return on assets backing current pension liabilities	7.6% pa
Expected rate of return on assets backing other liabilities	7.6% pa
Discount rate	6.4% ра

RECONCILIATION OF THE PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATION

	SASS	SANCS	SSS	
C55000	Financial Year to 30 June 2006 '000	Financial Year to 30 June 2006 '000	Financial Year to 30 June 2006 '000	Total '000
Present value of partly funded defined benefit obligations at beginning of the year	114	48	511	673
Current service cost	5	2	16	23
Interest cost	6	2	30	38
Contributions by fund participants	2	-	8	10
Actuarial (gains)/losses	18	2	57	77
Benefits paid	(11)	(34)	102	57
Present value of partly funded defined benefit obligations at end of the year	134	20	724	878

RECONCILIATION OF THE FAIR VALUE OF FUND ASSETS

	SASS	SANCS	SSS	
	Financial Year to 30 June 2006 '000	Financial Year to 30 June 2006 '000	Financial Year to 30 June 2006 '000	Total '000
Fair value of Fund assets at beginning of the year	124	76	475	675
Expected return on fund assets	8	6	36	50
Actuarial gains/(losses)	23	2	(116)	(91)
Employer Contributions	3	1	-	4
Contributions by Fund participants	2	-	8	10
Benefits paid	(11)	(34)	102	57
Fair value of Fund asests at end of the year	149	51	505	705

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

RECOCILIATION OF THE ASSETS AND LIABILITIES RECOGNISED IN THE BALANCE SHEET

	SASS	SANCS	SSS	
	Financial Year to 30 June 2006 ′000	Financial Year to 30 June 2006 ′000	Financial Year to 30 June 2006 '000	Total '000
Present value of partly funded defined benefit obligations at the end of year	134	20	724	878
Fair value of fund assets at end of year	(149)	(51)	(505)	(705)
Subtotal	(15)	(31)	219	173
Net Liability/(Asset) recognised in balance sheet at end of year	(15)	(31)	219	173

EXPENSE RECOGNISED IN INCOME STATEMENT

Components Recognised in Income Statement	Financial Year to 30 June 2006 '000	Financial Year to 30 June 2006 '000	Financial Year to 30 June 2006 '000	Total '000
Current service cost	5	3	16	24
Interest cost	6	2	30	38
Expected return on Fund assets (net of expenses)	(9)	(6)	(36)	(51)
Actuarial losses/(gains) recognised in year	(5)	(1)	174	168
Expense/(income) recognised	(3)	(2)	184	179

FUND ASSETS

The percentage invested in each asset class at the balance sheet date:

	30 June 2006
Australian equities	37.4%
Overseas equitities	27.9%
Australian fixed interest securities	9.9%
Overseas fixed interest securities	6.8%
Property	8.6%
Cash	5.0%
Other	4.4%

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

FAIR VALUE OF FUND ASSETS

All Fund assets are invested by STC at arm's length through independent fund managers.

EXPECTED RATE OF RETURN ON ASSETS

The expected return on assets assumption is determined by weighing the expected long-term return for eash asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax an investment fees.

ACTUAL RETURN ON FUND ASSETS

	SASS	SANCS	SSS	
		Financial Year to 30 June 2006 '000		Total '000
Actual return on Fund assets	19	8	89	116

VALUATION METHOD AND PRINCIPAL ACTUARIAL ASSUPMTIONS AT THE BALANCE SHEET DATE

a) Valuation Method

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

b) Economic Assumptions

	30 June 2007
Salary increase rate (excluding promotional increases)	4.0% pa to June 2008; 3.5% pa thereafter
Rate of CPI Increase	2.5% pa
Expected rate of return on assets backing current pension liabilities	7.6% pa
Expected rate of return on assets backing other liabilities	7.6% pa
Discount rate	5.9% pa

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NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

15. BIOLOGICAL ASSETS

	2007	2006
	\$'000	\$'000
Livestock	550	516
Grain and Other Rural Stock	190	25
	740	541

	2007 \$′000	2006 \$'000
Reconciliation of carrying amounts of livestock		·
Carrying Amount at 1 July	516	596
Increases due to Purchases	841	355
Decrease due to Sales	(1,045)	(672)
Gain arising from changes in fair value less estimated point-of-sales costs attributed to price and physical changes	238	237
Carrying amount at 30 June	550	516

16. FINANCIAL ASSETS AT FAIR VALUE

	2007	2006
	\$'000	\$'000
Financial Assets Held-for-Trading		
Commerical Bills/Promissory Notes	10,448	-
Units in Australian Fixed Income	126,819	157,888
Units in Managed Australian Equities	179,172	182,718
Units in International Equities	65,782	63,256
Units in Australian Listed Property Trusts	55,531	48,286
Units in Interational Fixed Income	89,319	87,863
Absolute Return Funds	107,491	75,975
Managed Funds	11,794	-
Term Deposits	30,264	-
Mortgages	29	161
Other	2,851	5,333
	679,500	621,480

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

17. PROPERTY, PLANT AND EQUIPMENT

	Land \$'000	Building \$'000	Plant and Equipment \$'000	Motor Vehicle \$'000	Total \$'000
At 1 July 2006					
At Fair Value	10,213	2,410	2,508	920	16,051
Accumulated Depreciation	-	(219)	(1,591)	(608)	(2,418)
Net Carrying Amount	10,213	2,191	917	312	13,633
At 30 June 2007					
At Fair Value	13,286	3,722	2,837	843	20,688
Accumulated Depreciation	-	(324)	(1,935)	(707)	(2,966)
Net Carrying Amount	13,268	3,398	902	136	17,722

RECONCILIATION

	Land \$'000	Building \$'000	Plant and Equipment \$'000	Motor Vehicle \$'000	Total \$'000
Year Ended 30 June 2007					
Net Carrying Amount at 1 July 2006	10,213	2,191	917	312	13,633
Additions	34	110	333	0	477
Disposals	-	-	(4)	(77)	(81)
Revaluation Change for the Year	3,049	1,200	0	0	4,249
Adjustments	(10)	2	0	0	(8)
Depreciation Expenses for the Year	-	(105)	(344)	(99)	(548)
Net Carrying Amount at 30 June 2007	13,286	3,398	902	136	17,722

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

At 1 July 2005	Land \$'000	Building \$'000	Plant and Equipment \$'000	Motor Vehicle \$'000	Total \$'000
At Fair Value	12,600	4,673	3,912	1,457	22,642
Accumulated Depreciation	-	(188)	(3,019)	(768)	(3,975)
Net Carrying Amount	12,600	4,485	893	689	18,667
At 30 June 2006					
At Fair Value	10,213	2,410	2,508	920	16,051
Accumulated Depreciation	-	(219)	(1,591)	(608)	(2,418)
Net Carrying Amount	10,213	2,191	917	312	13,633

RECONCILIATION

	Land \$'000	Building \$'000	Plant and Equipment \$'000	Motor Vehicle \$'000	Total \$'000
Year Ended 30 June 2006					
Net Carrying Amount at 1 July 2005	12,600	4,485	893	689	18,667
Additions	-	-	415	0	415
Disposals	-	-	(1,819)	(537)	(2,356)
Revaluation Change for the Year	-	155	0	0	155
Transfer to Investment Property	(2,387)	(2,418)	0	0	(4,805)
Adjustments for Depreciation	-	132	0	0	132
Depreciation Expenses for the year	-	(163)	(298)	(181)	(642)
Disposals Accumulated Depreciation	-	-	1,726	341	2,067
Net Carrying Amount at 30 June 2006	10,213	2,191	917	312	13,633

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

18. INVESTMENT PROPERTY

	2007	2006
	\$'000	\$'000
FAIR VALUE		
Opening Balance at Fair Value as at 1 July	15,500	15,000
Net Gain/(Loss) from Fair Value Adjustment	1,100	500
Closing Balance at Fair Value as at 30 June	16,600	15,500

Investment properties are valued annually at fair value.

19. INTANGIBLE ASSETS

	2007	2006
	\$'000	\$'000
Cost (Gross Carrying Amount) as at 1 July	270	196
Accumulated Amortisation	(136)	(65)
Net carrying amount 30 June	134	131

RECONCILIATION

	2007	2006
	\$'000	\$'000
Net Carrying Amount at 1 July	131	34
Addition	74	116
Disposal	-	(194)
Amortisation	(71)	(18)
Disposal - Accumulated Depreciation	-	193
Net carrying amount at 30 June	134	131

20. ARTEFACTS

	2007	2006
	\$'000	\$'000
Cost at 1 July	217	228
Disposal	-	(11)
Book Value at 30 June	217	217

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

21. PAYABLES

	2007	2006
	\$'000	\$'000
Accrued Salaries, Wages and On-Costs	81	44
Creditors	2,232	2,293
Unfunded Superannuation	-	219
Funeral Fund - Contributions Refundable	240	227
	2,553	2,783

22. PROVISIONS

Total Non-Current Provisions

	2007	2006
	\$'000	\$'000
a) Current Employee benefits and related on-costs		
Provision for Annual Leave-Short Term	370	359
Provision for Long Service Leave - Short Term	36	14
Provision for Annual Leave - Long Term	174	170
Provision for Long Service Leave - Long Term	171	250
Total Current Provisions	751	793
b) (i) Non-Current Employee Benefits		
Provision for Long Service Leave	100	41
	100	41
b) (ii) Other Non-Current Provisions		
Provision for Make Good	27	26

27

127

26

67

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

Aggregate Employee Benefits and Related On-Costs

Provisions - Current	751	793
Provisions - Non-Current	100	41
Accrued Salaries and Wages (refer to Note 21)	81	44
	932	878

Provision for make good have been provided for the Zone Offices at the end of the lease terms

Movements in provisions (other than employee benefits)

Movements in each class of provision during the financial year, other than employee benefits are set out below:

PROVISION FOR MAKE GOOD

	2007	2006
	\$'000	\$'000
Carrying amount at 1 July	26	-
Additional Provisions Recognised	1	26
Carrying Amount at 30 June	27	26

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

23. CHANGES IN EQUITY

		nulated nds	Asset Rev Rese		Total	Equity
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Balance at 1 July	644,365	572,987	11,032	33,797	655,397	606,784
Changes in Accounting Policy AASB 139 - Financial Instrument First - Time Adoption	-	21,311	-	(21,311)	-	-
Reclassification of Property Transfer from/to Asset Revaluation Reserve	-	1,454	-	(1,454)	-	-
Restated Opening Balance	644,365	595,752	11,032	11,032	655,397	606,784
Changes in Equity - other than Transactions with Owners as Owners						
Surplus/(Deficit) for the Year	61,074	48,613	-	-	61,074	48,613
Assets transferred from Regional Aboriginal Land Councils	104	-	-	-	104	-
Increment on Revaluation of: Land and Buildings	-	-	4,250	-	4,250	-
Total	61,178	48,613	4,250	-	65,428	48,613
Balance at 30 June	705,543	644,365	15,282	11,032	720,825	655,397

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Notes to and forming part of the Financial Statements for the year ended 30 June 2007

24. COMMITMENTS FOR EXPENDITURE

	2007	2006
	\$'000	\$'000
Operating Lease Commitments		
Future Non-Cancellable Operating Lease Rentals not Provided for and		
Payable: Not Later Than One Year	361	429
Later Than One Year and Not Later Than Five Years	311	396
Total (Including GST)	672	825

GST of \$61K has been included in the total above.

These operating leases are not recognised in the financial statements as liabilities. The figure for operating lease does not include the residual value that may lead to a potential liability at the end of the lease term depending on the movement in the market in the market value for motor vehicles.

Commitments for goods and services of \$630K (44K 2005 - 2006) are not recognised in the financial statement as liabilities. The figures include goods and services tax (GST) of \$57K, which is recoverable from the Australian Taxation Office.

25. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	2007	2006
	\$'000	\$'000
(a) Contingent liabilities		
Legal Claims	2,225	1,000
FBT	240	240
	2,465	1,240
(b) Contingent Assets		
Legal Claims	4,760	4,600
	4,760	4,600

The Council is a party to a number of cases currently before the courts. If sucessful the Council will be awarded approximately \$4.7M in legal claims. If unsuccessful the Council's possible liability in legal claims and costs will be approximately \$2.2M.

The Council is exempt from Fringe Benefit Tax (FBT) from 1 July 2005. It is estimated that any potential FBT liability for 2000-2005 would be \$240K. It is not practicable to estimate any potential liability for the years 1993-1999. Since the Council believe that it will obtain exemption for FBT prior to 30 June 2005 no liability for FBT has been recognised in the Financial Statements. FBT liability for the year ending 30 June 2007 was \$26K. This amount is included in note 21.

The council has not determined the liabilities payable by Regional Aboriginal Land Councils as at the time of cessession of business on 7 February 2007 (refer note 1(g)). The amount is considered not material.

26. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET SUPLUS

	2007	2006
	\$'000	\$'000
Operating Surplus for Ordinary Activities	61,074	48,613
Depreciation	619	528
Allowance for Impairment	2,401	2,497
Net (Increment)/Decrement on Other Financial Assets Revaluation	(1,100)	(500)
Add: Cash Revenue from RALCs directly credited to Accumulated Funds	104	-
Less: Receivables Written Off	-	(164)
Less: Non-Cash (Revenue)/Expense	(193)	(242)
Net (Gain)/Loss of Sale of Plant and Equipment	(15)	90
Other Changes in Assets and Liabilities in respect of Ordinary Activities		
Increase/(Decrease) in Provisions	18	46
Decrease/(Increase) in Receivables	1,175	(4,157)
Increase/(Decrease) in Creditors	(229)	149
Inventories Decrease/(Increase)	(199)	95
Net Cash Inflows from Ordinary Activities	63,655	46,955

27. LIABILITY AS TRUSTEE

The council acts as trustee for the Gumbaynggir Tribal Aboriginal Elders Corporation. The assests of the Trusts which lie behind the rights of indemnity are not directly available to meet any liabilities of the Council acting in its own right. The assets of the Trusts were sufficient to discharge all the liabilities of the Trusts at 30 June 2007.

The positions of the Trusts are:

	2007	2006	
	\$'000	\$'000	
CURRENT ASSETS			
Gumbaynggir Tribal Aboriginal Elders Co. Cash at Bank	61	50	
TOTAL TRUST FUNDS HELD	61	50	

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

28. FINANCIAL INSTRUMENTS

The Council's principal financial instruments are outlined below. These financial instruments arise directly from the Council's operations or are required to finance the Council's operations.

(A) CASH

Cash comprises cash on hand and bank balances with the NSW Treasury Banking System. Interest is earned on a daily bank balances.

(B) RECEIVABLES

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. The credit risk is the carrying amount (net of any allowance for impairment). No interest is earned on trade debtors. The carrying amount approximates fair value.

(C) INTEREST RATE RISK

Interest rate risk is due to changes in market interest rate fluctuations of the financial instrument. The Council's exposure to interest rate risks and effective interest rates of financial assets and liabilities recognised and unrecognised at the (aggregated) Balance date are recognised in the Income Statement.

(D) CREDIT RISK

Credit risk is the financial loss arising from another party to a contract/financial position failing to discharge a financial obligation. The Council's maximum exposure to credit risk is the carrying amount of the financial assets in the Balance Sheet.

Despite the size of the credit risk exposure, the actual risk of financial loss is minimal as the majority of debtors are public sector entities.

(E) NET FAIR VALUE

The net fair value of cash and cash equivalents and non-interest bearing financial assets and liabilities of the Council approximates their carrying value.

The net fair value of financial assets and liabilities

is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

The net fair value of the interest rate swaps contracts and interest rate futures contract quoted by Chifley Fund Manager to realise or settle the contracts, were determined at 30 June 2007.

(i) **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 6.30% (5.58% 2005-2006), whilst over the period the sum monthly weighted average interest rates was 6.23% (5.59% 2005-2006). The Reserve Bank of Australia increased the official overnight cash rate to 6.25% during the year under review (5.75% 2005-2006).

Units Australian Fixed Income Composite

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 return of 3.98% (3.45% 2005-2006) per annum after taking net capital profits both realised and unrealised into account.

Units in Managed Australian Equities

The Council has units in the Chiefly 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 27.14% (22.94% 2005-2006) per annum after taking net capital profits and losses both realised and unrealised into account.

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

(iv) Units in International Equities

The Council has units in the Chiefly 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 return of 9.78% (23.12% 2005-2006) per annum after taking net capital profits and losses, both realised and unrealised into account.

(v) Units in Australian Listed Property Trusts

The Council has units in the Chiefly 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 return of 25.49% (17.83% 2005-2006) per annum after taking net capital profits both realised and unrealised into account.

(vi) 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 return of 5.88% (1.36% 2005-2006) per annum after taking net capital profits both realised and unrealised into account.

(vii) 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 15.35% (10.29% 2005-2006).

(viii) 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 June 2007 was 7.45% (1.65% 2005-2006) 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 2007, the balance outstanding amounted to \$29K (\$161K 2005-2006). The Council assessed these mortgages, comparing each balance outstanding to a current valuation or 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.

(F) CREDIT FACILITY

The Council has a corporate card facility of \$100K with Westpac Bank.

(G) TRADE CREDITORS AND ACCRUALS

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not involved. Amounts owing to suppliers (which are unsecured) are settled in accordance with the Council's policy and Treasurer's Direction 219.01. If trade terms are not specified, payment is made within 30 days of the date of invoice. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. The rate of interest applied during the year was 20% (2005-2006 20%).

Notes to and forming part of the Financial Statements for the year ended 30 June 2007

29 (A) RECONCILIATION OF THE EFFECT OF CHANGES IN ACCOUNTING POLICY (REFER TO NOTE 1(S))

	Adjustment 2007	Adjustment 2006
	\$'000	\$'000
Income Statement		
Changes in Other Gains and Losses	422	155
Changes in Depreciation	81	132
Net Changes to Income statement	503	287
Balance Sheet Property, Plant and Equipment		
Land	(3,906)	(2,387)
Building	(1,240)	(2,418)
Others		
	(5,146)	(4,805)
Investment Property		
Land	3,906	2,387
Building	1,240	2,418
	5,146	4,805
Changes in Equity		
Revaluation reserve	(2,244)	(1,741)
Accumulated Funds	2,244	1,741

29 (B) RECONCILIATION OF EQUITY UNDER AASB 139 - FINANCIAL INSTRUMENT FIRST-TIME ADOPTION

Reversal of revaluation reserve for the finacial assets		
Revaluation reserve	-	(21,311)
Accumulated Funds	-	21,311

End of Audited Financial Statement

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LIST OF LOCAL ABORIGINAL LAND COUNCILS

Zone	RALC	LALC	Zone	RALC	LALC
East	South Coast	Illawarra	South	Far South Coast	Ulladulla
East	South Coast	Jerrinja	South	Far South Coast	Wagonga
East	South Coast	Nowra	South	Murray River	Albury & District
East	Sydney Newcastle	Awabakal	South	Murray River	Cummeragunja
East	Sydney Newcastle	Bahtabah	South	Murray River	Deniliquin
East	Sydney Newcastle	Darkinjung	South	Murray River	Moama
East	Sydney Newcastle	Koompahtoo	South	Murray River	Wamba Wamba
East	Sydney Newcastle	La Perouse	South	Wiradjuri	Condobolin
East	Sydney Newcastle	Metropolitan	South	Wiradjuri	Cowra
East	Sydney Newcastle	Mindaribba	South	Wiradjuri	Griffith
East	Sydney Newcastle	Worimi	South	Wiradjuri	Нау
East	Western Metropolitan	Deerubbin	South	Wiradjuri	Leeton & District
East	Western Metropolitan	Gandangarra	South	Wiradjuri	Murrin Bridge
East	Western Metropolitan	Tharawal	South	Wiradjuri	Narrandera
North	Central Coast	Birpai	South	Wiradjuri	Onerwal
North	Central Coast	Bowraville	South	Wiradjuri	Orange
North	Central Coast	Bunyah	South	Wiradjuri	Peak Hill
North	Central Coast	C. Harbour & District	South	Wiradjuri	Pejar
North	Central Coast	Forster	South	Wiradjuri	Tumut-Brungle
North	Central Coast	Karuah	South	Wiradjuri	Wagga Wagga
North	Central Coast	Kempsey	South	Wiradjuri	West Wyalong
North	Central Coast	Nambucca Heads	South	Wiradjuri	Windradyne
North	Central Coast	Purfleet-Taree	South	Wiradjuri	Young
North	Central Coast	Stuart Island	West	Central	Dubbo
North	Central Coast	Thungutti	West	Central	Gilgandra
North	Central Coast	Unkya	West	Central	Mudgee
North	Far North Coast	Baryulgil	West	Central	Narromine
North	Far North Coast	Birrigan Gargle	West	Central	Nyngan
North	Far North Coast	Bogal	West	Central	Quambone
North	Far North Coast	Casino Boolangle	West	Central	Trangie
North	Far North Coast	Grafton-Ngerrie	West	Central	Warren Macquarie
North	Far North Coast	Gugin Gudduba	West	Central	Weilwan
North	Far North Coast	Jali	West	Central	Wellington
North	Far North Coast	Jana-Ngalee	West	North West	Baradine
North	Far North Coast	Jubullum	West	North West	Brewarrina
North	Far North Coast	Muli Muli	West	North West	Cobar
North	Far North Coast	Ngulingah	West	North West	Collarenebri
North	Far North Coast	Tweed-Byron	West	North West	Coonamble
North	Far North Coast	Yaegl	West	North West	Goodooga
North	Northern	Amaroo	West	North West	Lightning Ridge
North	Northern	Coonabarabran	West	North West	Moree
North	Northern Northern	Nungaroo	West	North West North West	Mungindi Murrawari
North	Northern	Red Chief Tamworth	West	North West	Narrabri
North North	Northern	Walhallow	West West	North West	Nulla Nulla
	Northern	Wanaruah			Pilliga
North North	Northern Tablelands	vvanaruan Anaiwan	West West	North West North West	Toomelah
North	Northern Tablelands	Anaiwan Armidale	West	North West	
North	Northern Tablelands	Ashford	West	North West	Walgett Wee Waa
North	Northern Tablelands	Dorrigo Plateau	West	North West	Weilmoringle
North	Northern Tablelands	Glenn Innes	West	Western	Balranald
North	Northern Tablelands	Guyra	West	Western	Broken Hill
North	Northern Tablelands	Moombahlene	West	Western	Dareton
South	Far South Coast	Batemans Bay	West	Western	Ivanhoe
South	Far South Coast		West	Western	Menindee
South	Far South Coast Far South Coast	Bega Bodalla	West	Western	Menindee Mutawintji
South	Far South Coast	Cobowra	West	Western	Tibooburra
South	Far South Coast	Eden	West	Western	Wanaaring
South	Far South Coast	Merrimans	West	Western	Wilcannia
South	Far South Coast	Mogo	West	Western	Winbar
South	Far South Coast	Ngunnawal	v v e s t	VVCStCIII	vviiiDai
Journ	rai soutii Coast	1501111011101	1		