



NEW SOUTH WALES ABORIGINAL LAND COUNCIL

ANNUAL REPORT 2007 - 2008

Contents

Letter To The Minister	Recruitment	Interagency Engagement:
Chairperson's Report	Appointment Of CEO	Summary
Report By The Chief Executive Officer 6	Councillor Support Officers	Southern Zone
Council Structure And Membership 9	(Recruitment And Induction) 50	Human Resources
Role of A Councillor9	Learning & Development 50	Support To Lalcs
Councillor Profiles	Industrial Relations	Achievements
Councillor Attendance At Meetings 2008 13	Traineeship	Compliance, Monitoring And Assistance 83
Overview	Information Technology Unit	Debt Reduction Strategy
Who We Are And What We Do	How We Are Funded	Human Resources
Our Clients	Current Management And Value	Achievements
NSWALC Corporate Plan	Where Our Money Goes	Case Management86
Local Aboriginal Land Councils 17	Current Objectives Of The Fund	Intensive Assistance Strategy 86
Other Stakeholders	Growth Of The Fund53	Housing Management Review 87
Our Values	Commercial Unit	Compliance, Monitoring And Assistance 88
Delivering Outcomes	Land Dealings 54 Regional Activity Reports 55	Debt Reduction. 88 Eastern Zone. 89
Corporate Priorities	Asset Management	Human Resources
Strong Leadership And Governance	Refurbishment of NSWALC Offices	Achievements
Productive And Meaningful Partnerships 19	Management Of Rural Properties	Case Management Plans
Community Health And Well-Being 19	Performance Of Properties	Housing90
Land, Cultural Heritage	Cropping Program57	Finance Unit
And Environmental Management	Risk Management	Allocations And Expenses
Community Development And Planning 20	Cattle Program	Corporate Governance Unit
Innovation, Learning And Continuous Improvement	Carbon Sequestration	Board Governance
Wealth Generation And Commerce	The Purpose Of Land Claims	Internal And External Accountability 93
Commitment And Vision	Status Of Land Claims	Investment And Audit Committees93
Organisation Structure	Land Claim Appeals	Complaints
Executive	Future Operations	Policy And Research Unit95
Finance And Administration Division 23	Property Register	Culture And Heritage
Human Resources Unit	Network Services	Assisting Lalcs96
Records Management Unit	Community Land And Business Plans 60	Cultural Heritage Advisory Council
Commercial Unit	The CLBP Guide	Natural Resource Management
Zone Offices Of NSWALC	NSWALC Capacity Development Plan 62	Media And Marketing
Legal Services Unit	NSWALC Board Training	Network Messages
Corporate Governance Unit	Lalc Board Training 63	Intranet
Policy And Research Unit	Lalc Grant Allocations And Compliance 64	Internet
Media & Marketing Unit	Lalc Funding Categories	Promotion
The Year In Review	Investigation And Administration Of Aboriginal Land Councils 68	Media Awareness Training
Closing The Gap	Of Aboriginal Land Councils	Media Protocol 106 Membership Rolls 106
Water And Sewerage	Current Administrations	Funds Granted To Community Organisations 106
Water And Sewerage Working Group32	Baryulgil	Grants Paid - 2007/2008
Key Recommendations	Nungaroo	Legal Matters
NSW Health	Moree	External Legal Costs
Responsibility And Cost Shifting	Tamworth	Land Claims
Stop Gap Funding	Thungutti71	Wagga Land Claim
The Way Forward 37 Developing A Business Case 38	Jerrinja. 71 Koompahtoo 72	Compulsory Acquisition Notices
The Human Dimension	Metropolitan Lalc	Ongoing Litigation Against
A Proposed Partnership Agreement	Appointment Of Local	Mr. Michael Solari And Others
NSWALC Invokes	Aboriginal Land Council Auditors 2007-2009 72	Assistance To Koompahtoo
ALRA Objectives And Corporate Plan 39	Compliance And Evaluation Unit73	Local Aboriginal Land Council 110
Federal Partnership	Operational Policy Unit	Legal Changes
The "Black Parliament."	Lalc Social Housing Schemes	Economic Factors
Black Parliament 42 NSWALC 2007 Election 46	Housing Matters	Management And Activities
Finance & Administration Division	Housing Management Reviews	Research & Development
Budgeting	Zone Offices	List Of Consultants
Australian Accounting Standards	Northern Zone	Equal Employment Opportunity
(Including Australian Interpretations)48	Local Aboriginal Land Councils In The Zone 77	Land Disposal
Policies And Procedures	Human Resources	Service Standards
Administration	Case Management Support	Accounts Payment Policy & Practice
Records Management	Achievements 78 ALRA Amendments 78	Occupational Health And Safety
Archiving	Compliance	And Rehabilitation 2007/2008
Classification Scheme/Disposal Authority 49	Capacity Building	Financial Statements
Human Resources Unit	Social Housing	List Of Local Aboriginal Land Councils 159



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



NEW SOUTH WALES ABORIGINAL LAND COUNCIL

31 October 2008

The Hon Paul Lynch Minister for Aboriginal Affairs Governor Macquarie Tower 1 Farrer Place Sydney NSW 2000

Dear Minister

We present to you the New South Wales Aboriginal Land Council Annual Report for the year ended 30 June 2008, 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

New South Wales Aboriginal Land Council • Annual Report 2007-2008

CHAIRPERSON'S REPORT



This report marks both my first full calendar and my first full financial year as the duly elected Chairperson of the New South Wales Aboriginal Land Council.

What an extraordinary and eventful year it has been! I concluded my introduction in this space last year with the declaration that we needed to build capacity.....and unity. I'm pleased to report that NSWALC's Governing Council has ended the year as it began, as a unified force for positive change and progress within the land rights network and beyond.

I'm also pleased to report that you will find much evidence within these pages on the building of capacity within NSWALC and the LALC network throughout this reporting period.

Many of you would recall my observation in this space last year that 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, 2007.

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

I vowed that this Council would hit the ground running.

It is heartening to be able to look back on this year and reflect on the significant strides we as a Council, and as an organisation, have taken to improve the socio-economic conditions of our people.

There have been many initiatives and highlights but before I detail some of them I would like to pass on my personal gratitude for the unswerving support and counsel I have received throughout the reporting period from Deputy Chairperson, Councillor Tom Briggs, and our fellow Councillors.

We have faced, and made, a number of tough decisions, and have many challenges ahead, but unity, harmony and commitment are the three words I can best use to describe the internal workings of Council during this reporting period.

Each Councillor has brought a unique perspective to our deliberations on the multitude of local, regional, state,

national and international issues we have dealt with at our formal Council meetings and training sessions during the reporting period.

I look forward to continuing our important work together during the remainder of our four year term.

Our work is underpinned by a small team of dedicated staff led by Geoff Scott who, I'm happy to report, was confirmed in his position as Chief Executive Officer by Council early in this reporting period.

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 engaged with the new Council, particularly after a long period of administration.

I noted in last year's report that the election and induction of a new Governing Council had heralded a new beginning and a new era for the New South Wales Aboriginal Land Council and the land rights network.

The new Council has been acutely conscious throughout this reporting period that we were elected at a crucial time in the history of land rights, particularly with the new governance, structure and representation changes to the Aboriginal Land Rights Act.

I also noted that Council members were acutely conscious of the enormous responsibility we have to our people and that we were determined to ensure we delivered.

I believe we have done so in this reporting period. I also stated in this place last year that the return of an elected Council had brought a new sense of purpose and direction to NSWALC and the network.

The feedback my fellow Councillors and I have received as we have moved around the network throughout the year has confirmed that belief.

It is fair to say there is still, and in my view always will be, some tension within the network between NSWALC's compliance responsibilities and advocacy functions which require careful attention and management.

The return of a duly-elected Council has, however, assisted in easing this tension.

Throughout this reporting period Council has managed a hectic meeting schedule and a heavy training schedule with a full operational and political agenda, largely borne by the biggest changes in land rights in New South Wales since the Act was first proclaimed in 1983.

While we continued the organisation's concentration on the core business of land claims, land dealings, and land management we sought, and achieved, a number of innovative responses to the new provisions of the Aboriginal Land Rights Act, particularly those relating to community benefit schemes.

We also worked hard to ensure our legislative obligations for governance training and capacity building within NSWALC and the network would be fully met. I'm pleased to report that they were.

Many of the legislative changes on governance, representation and structure were impacting on Local Aboriginal Land Councils around the State as this reporting period began.

I'm pleased to report the LALC elections saw more than 1,000 new Board members take their place with the consequential recruitment of Chief Executive Officers. I'm pleased to report that more than half of those new LALC Board members are women.

Councillors and NSWALC staff were working with them to bed down the new administrative and political changes, fulfill governance training requirements, and the development of Community Land and Business Plans as this reporting period came to a close.

It has, indeed, been a hectic and rewarding year.

I believe the new sense of purpose and direction that I have talked about is best evidenced by the NSWALC Corporate Plan 2008-2012 which was developed and adopted by Council during the reporting period and distributed throughout the organisation and the network.

Council's overarching aim is to work to the key strategies, core values and commitment to outcomes which are outlined in the Corporate Plan.

We seek to do so to provide leadership, guidance and support to the Aboriginal people of New South Wales in the pursuit of sustainable cultural, political, social and economic rights.

In essence, the Plan provides a road map for our organisation and, importantly, re-emphasises that our principal clients are the Local Aboriginal Land Councils throughout the State.

It sets out our key corporate priorities, such as advocacy and rights, strong leadership and governance, community health and well being, community development and planning, learning and development, and wealth generation and commerce.

The Plan ends with a commitment that Council will work with all relevant stakeholders to ensure the safety, health and well being of Aboriginal people.

Council was conscious when developing and adopting the Plan that many organisations go through a similar exercise and then fail to implement their strategies and chart outcomes.

We are committed to ensuring this does not occur on this Council's watch.

In that regard I'm pleased to report we invoked key elements of the Plan, particularly in relation to community benefits, during this reporting period.

As many of you will be aware Council has launched a \$30 million Education Endowment Fund which aims to assist with funding for up to two hundred scholarships a year.

This scholarship, achievement and leadership scheme—our own education revolution—is already providing opportunities for study at primary and secondary schools, higher learning institutions, colleges and universities

Awards under the scheme are open to all Aboriginal people in NSW with preference given to members of Local Aboriginal land Councils.

I'm sure you will agree it is one of the most exciting and innovative programs to be announced in the 25 year history of land rights in New South Wales and falls squarely within our key strategies on innovation, learning and continuous improvement.

ew South Wales Aboriginal Land Council • Annual Report 2007-200

Council and the State Government also reached an historic agreement to improve the health and well being of Aboriginal men, women and children by fixing up the appalling water and sewerage conditions in their communities.

Both parties committed more than \$100 million each for at least the next 25 years for the operation, monitoring and maintenance of water and sewerage services in more than 60 communities - many former reserves and missions - across the State.

Both initiatives were taken despite the negative growth in the Statutory Investment Fund due to the ongoing global financial crisis but Council took the view both were sustainable and necessary.

Council unanimously endorsed the historic agreement in March conscious it was invoking its commitments in the Corporate Plan to both pursue strong, productive and meaningful partnerships to improve the health and well being of its constituents and to maintain and strengthen its advocacy in seeking to close the opportunity gaps between our people and their fellow Australians.

The agreement was announced in the State Budget in June, a week before the 25th anniversary of the proclamation of the ALRA on June 10, 1983.

Council ended the reporting period by commemorating and celebrating the Silver Anniversary of land rights with a special sitting of Council---the first ever---in the New South Wales Parliament.

It was reminiscent of the two Black Parliaments held in the Legislative Assembly in the late nineties.

The ceremonial sitting was attended by a number of distinguished guests from the land rights network around the State and a host of current and former parliamentarians from all sides of the Parliament.

It provided a splendid opportunity for NSWALC to commemorate all those who had fought over the past 25 years to make land rights what it is today and to acknowledge the ongoing commitment of all parties in the NSW Parliament to the fundamental rights and principles enshrined in the legislation.

It was the perfect way to prepare for the end of the current operational year and plan for the challenges ahead.

Bev Manton

Be Mach

REPORT BY THE CHIEF EXECUTIVE OFFICER



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

Significantly it is my first as a direct appointee of the Governing Council.

I made the observation in this space last year that the significant highlight of the previous reporting period for me, and I'm sure many in the land rights network, was the election of a nine member Governing Council.

Observing NSWALC staff working closely with the new Council on a wide range of issues, from local to global, has been the operational highlight of this reporting period.

This was particularly so as we maintained our focus on the core business of land claims, sustainable land management, pursuing our legal rights over refused claims and our "new" business of developing, and ultimately delivering, innovative and sustainable community benefits to our people.

I wholeheartedly concur with the observation of Chairperson Manton that the Council's first year in office has brought a new sense of direction and purpose to the organisation, signified by its adoption of a new Corporate Plan.

A key task during this reporting period has been to ensure all staff worked closely with Council to seek sustainable outcomes against the strategies outlined in the plan.

It will continue to be a primary task in the new financial reporting period.

Another key task, foreshadowed in last year's report, was the need to ensure we complied with our statutory obligations to provide governance training to the new Council as required by s131 of the Act, as amended, within the statutory time limit.

The training was required to be completed by the first half of this reporting period.

It was.

As foreshadowed last year another major task was the election of new Local Aboriginal Land Council Boards in the first quarter of the reporting period, along with

the recruitment of codified Chief Executive officers, and consequential governance training.

This was achieved, largely within the legislative requirements, despite the strain on the limited administrative resources of LALCs and NSWALC.

Considerable work was underway as this reporting period ended on the development of NSWALC's Capacity Development Plan and LALC Community Land and Business Plans and Social Housing schemes.

While capacity was being increased across the network I took the opportunity to realign a number of reporting functions within the NSWALC staffing structure.

I have made it clear to staff throughout this reporting period that the structure needs to be flexible to adapt to organisational requirements.

I should add that the staff complement has remained relatively stable throughout the period following the major administrative restructure of recent years.

While NSWALC has a merit-based employment strategy it is pleasing to note the continuing increase in Aboriginal employment within the organisation during this reporting period and the fact that half of the senior management team comprises Aboriginal staff.

The solid and steady growth of the Statutory Investment Fund in recent years is, unfortunately, not reflected in this report.

I noted in this space last year that despite sound management and a prudent investment strategy NSWALC and the land rights system remained at the whim of the domestic and international financial markets.

This was never more evident than in the latter half of the reporting period as the international financial meltdown cut a swathe through investment markets.

It saw the value of the Statutory Investment Fund at \$620.6 million as at 30 June 2008, compared with a value of \$699 million at the end of the previous reporting period.

This represents a decrease of \$78.4 million in the value of the Fund during the reporting period, a direct result of a share market meltdown in local and international equities after a strong period of consolidation.

Despite this the value of the fund remains well above the statutory limit of \$485m currently prescribed in the ALRA. Modest gains are forecast for the Fund during the new reporting period and beyond.

I think it is important to note that the write-down in the value of the fund during this reporting period was minimised by the prudent, or low risk, investment strategy which had been adopted by the previous Council, the former Administrators, and the current Council.

All resisted calls from within the land right network, and elsewhere, to seek to increase the value of the fund by moving to higher risk investment strategies.

The Council, relevant staff and advisers kept a close watching brief on the situation throughout this reporting period. They will continue to do so.

The challenge facing NSWALC in this reporting period was to maintain its efforts to use the gains from land rights to continue to create intergenerational wealth and to continue to develop sustainable benefits which contribute to the financial and cultural needs and wants of Aboriginal people in New South Wales.

Aboriginal people will never again see the generosity delivered by this legislation.

We must not squander the asset base now at our disposal.

The call and efforts of some Aboriginal people for the immediate realisation of this asset base for the benefit of the current generation is understandable, especially given the dire socio-economic circumstances of many of our people.

But it is not defensible; it is indulgent and shortsighted.

The continued failure of governments, State and Federal, to respond to the dire position of Aboriginal people and ensure sustainable progress in terms of health, housing, education and employment (as is their right as citizens of this country) fuels the frustration and sense of urgency that is felt by many Aboriginal people in New South Wales.

We must not let our asset base be frittered away as a result of cost and responsibility shifting by governments.

The imposition by Government of increasing administrative and procedural costs on the land council system—best evidenced in the most recent round of legislative amendments-- also undermines the capacity of the system to progressively increase the real benefits flowing to Aboriginal people.

A major challenge throughout this reporting period was to find an appropriate balance between what Government's should deliver and what the land rights system itself could, or should, deliver.

In this respect, and despite the gloomy global financial outlook, Council wisely maintained funding levels across the network during this reporting period.

It also proceeded with landmark initiatives which included the Education Endowment Fund and the partnership agreement with the State Government on water and sewerage which are reported upon throughout this document.

We note later in this report that Council submitted its triennial budget to the Minister for Aboriginal Affairs by the statutory deadline in May 2008 in accordance with s157 of the Aboriginal Land Rights Act.

In her letter of transmittal Chairperson Manton noted it was the first budget to be submitted to the State Government on behalf of a duly elected Council since 2003.

Council had worked closely with relevant NSWALC staff to ensure the triennial budget to the year ending June 30, 2011 provided a sound operational base for NSWALC in the forthcoming financial years.

Council was confident it represented a sustainable and productive balance between the funding of new initiatives and prudent financial planning to further improve the efficiency and effectiveness evident in NSWALC and the land council network in recent years.

The Minister was asked to note a number of increases to the staff structure across the NSWALC network designed to increase support to Local Aboriginal Land Councils. Forecast revenues for the 2008-09 financial year were anticipated to be just over \$53 million while total operational expenditure was budgeted to be just over \$42 million in the 2008/09 financial year.

This represented an increase of \$4.4 million from the reforecast 2007/2008 budget to enable NSWALC to meet its core objectives in accordance with the amendments to the ALRA and to ensure consolidation of the organisation's operations.

Chairperson Manton advised that Council considered this to be sustainable and noted a request from the Minister that NSWALC seek to cap recurrent expenditure.

It was pointed out the majority of increases in NSWALC's forecast expenditure for the 2008-2009 financial year, and beyond, were primarily a direct result of transactional costs flowing from Government-initiated amendments to the ALRA.

Chairperson Manton felt the Minister would appreciate it was not possible for Council to cap recurrent expenditure while seeking to progressively introduce demonstrable benefits for Aboriginal people and meet the increasing transactional costs being imposed upon the land rights network by the legislative amendments.

Council had framed its first triennial budget conscious of the sound resource base that had been established but tempered by the realities of the resources available.

NSWALC re-affirmed that land rights could, and should, never be seen as an economic and social panacea for all of the socio-economic problems facing Aboriginal people in New South Wales. It was never intended to be so.

NSWALC, however, stood ready, within the resource limits available to it, to enter into genuine partnerships with anyone interested in addressing the many issues facing all who worked to improve the safety, health and well being of Aboriginal people.

In closing, I'd like to return to a point I made in this space last year.

The land rights system is truly at a crossroads.

The combination of the Act and the efforts of many people, both Aboriginal and non Aboriginal, has delivered a solid foundation for the future but the financial and political sustainability of the system is the key issue not just in the new financial year but over the next 25 years.

It is essential that we adopt long term 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.

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

9.00

Geoff Scott Chief Executive Officer

COUNCIL STRUCTURE AND MEMBERSHIP

The New South Wales Aboriginal Land Council's elected arm consists of nine Councillors democratically elected by registered voting members of Local Aboriginal Land Councils. They are elected to serve a four year term.

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

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

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

As reported last year 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.

The current term for both the Chairperson and Deputy Chairperson will end during the next financial reporting period on May 30, 2009.

THE ROLE OF COUNCILLORS

The role of a Councillor is, as a member of the governing body of the NSWALC:

- To direct and control the affairs of the Council in accordance with the Act, and
- To participate in the allocation of the Council's resources for the benefit of Aboriginal people, and
- To participate in the creation and review of the Council's policies and objectives, and
- To review the performance of the Council in the exercise of its functions and the achievement of its objectives.

In addition, the role of a Councillor is:

- To represent the interests and respond to the concerns of Local Aboriginal Land Council members, and
- To facilitate communication between the Local Aboriginal Land Council members and the New South Wales Aboriginal Land Council.

The Council is supported in its work by a Head Office, located in Parramatta, and a Zone office structure established in three regional centres (Dubbo, Queanbeyan, Coff's Harbour) and Sydney. The NSWALC administration is headed by a Chief Executive Officer with the delegated authority of the Council to assume responsibility for all aspects of the day to day operation of the Council's affairs

New South Wales Aboriginal Land Council • Annual Report 2007-2008

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 Coordinator 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.

COUNCILLOR ATTENDANCE AT MEETINGS 2008

Councillor	No. Meeting Days Eligible To Attend	No. Attended	Notes
R. Ah-See	36	36	
T. Briggs	36	35	Leave of Absence Personal – 1 day
C.Cromelin	36	35	Leave of Absence Regional Business – 1 day
S. Gordon	36	25	Leave of Absence I Ilness - 11 days
J. Hampton	36	36	
P. Laurie	36	30.5	Leave of Absence Personal – 5 days Illness – 1 day
B. Manton	36	33	Leave of Absence Personal – 2 days NSWALC work – 1 day
W. Murray	36	29	Leave of Absence Personal – 2 days Illness – 5 days
S. Ryan	36	29.5	Leave of Absence Personal – 5 days Sorry business – 1 day Illness – 0.5 day

New South Wales Aboriginal Land Council OVERVIEW

New South Wales Aboriginal Land Council • Annual Report 2007-2008

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 2007 to 30 June 2008.

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

As recorded in last year's Annual Report, the Council had been in the hands of a Government appointed-all functions Administrator from 20 November 2003 until the election on May 19, 2007 of a nine-member Governing Council and the 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 Council is the peak Aboriginal representative body in New South Wales.

It was established in the late 1970's to assist in the fight for land rights. It was formally constituted as a statutory corporation under the New South Wales Aboriginal Land Rights Act in1983.

The purposes of the Act are as follows:

- To provide land rights for Aboriginal persons in New South Wales.
- To provide for representative Aboriginal Land Councils in New South Wales.
- To vest land in those Councils
- To provide for the acquisition of land, and the management of land and other assets and investments, by or for those Councils and the allocation of funds to and by those Councils.

• To provide community benefit schemes by or on behalf of those Councils.

These should be read in conjunction with the preamble to the Act, which states:

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

The Constitution, Objects and Functions of NSWALC are set out in Part 7 of the ALRA.

These essentially give the New South Wales Aboriginal Land Council (NSWALC) the mandate to provide for the development of land rights for Aboriginal people in NSW, in conjunction with a network of Local Aboriginal Land Councils through:

- Land acquisition either by land claim or purchase
- Establishment of commercial enterprises and community benefit schemes to create a sustainable economic base for Aboriginal communities
- Maintenance and enhancement of Aboriginal culture, identity and heritage (including the management of traditional sites and cultural materials within NSW).

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

As the peak Aboriginal representative body in NSW, it is charged with managing a Statutory Investment Fund, valued at \$620.6 million at June 30, 2008. It also oversees the development and management of a significant Aboriginal owned land estate.

The total area granted under the ALR Act at the end of this financial reporting period was 81, 637 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.

OUR CLIENTS

The principal client of NSWALC is a 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.

This reporting period has resulted in major changes to the governance and structure of all LALCs. These are detailed later in this report.

Both LALCs and NSWALC have expended substantial time and resources during this reporting period to bed down these changes which have flowed from major amendments to the ALRA.

Further substantive amendments, particularly in relation to future land dealings, are anticipated during the next reporting period.

NSWALC has continued to refine its management structure during this reporting period, and will do so in the next, to accommodate the legislative changes and to continue to restructure its distributed support for Local Aboriginal Land Councils.

The organisation has also continued to work within the five key objectives of its Business Plan in 2007/2008.

They commit the organisation to:

- 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.
- 2. Create a network of fully functional, transparent, well governed Aboriginal Land Councils.
- 3. Assist LALCs acquire and develop assets to become financially viable.
- 4. Improve the internal operations of NSWALC.
- 5. Maximise the return on the investment portfolio while maintaining an acceptable capital risk profile.

Strategies and actions have been refined to assist the Purpose, Objectives, and Key Performance Indicator targets in the Plan.

Responsibilities for implementation are assigned at a work unit level.

The NSWALC Business Plan will be replaced in the new reporting period by a NSWALC Community, Land and Business Plan, as prescribed in the ALRA.

NSWALC CORPORATE PLAN

During the reporting period the new Council worked with staff to develop a new Corporate Plan.

The NSWALC Corporate Plan 2008-2012 was adopted by Council at a meeting in March 2008 and printed copies were immediately distributed to all staff and to all LALCs and other stakeholders.

NSWALC's overarching aim was to work to the key strategies outlined in the Corporate Plan to provide leadership and guidance to the Aboriginal people of New South Wales in the pursuit of sustainable cultural, political social and economic rights.

It is designed to augment the NSWALC Business Plan.

In her introduction to the Corporate Plan Chairperson Manton said the document was designed to outline the priorities of NSWALC in pursuit of its Vision during the period 2008-2012 while conscious priorities would evolve and require periodic adjustment to coincide with those social, political and economic uncertainties no organisation could fully anticipate.

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

It had been released to coincide with the 25th anniversary of the proclamation of land rights in New South Wales in June 2008.

Chairperson Manton said she and her fellow Councillors were conscious of their collective responsibility as the duly elected representatives of the peak Aboriginal organisation in NSW.

"We stand united in our role as community leaders and advocates on issues directly affecting our people today and in the future," she added.

"As an elected Council we rely on the views, concerns and circumstances of our people in the vast and diverse Aboriginal communities throughout NSW for guidance in our desire to work for social equality and justice.

"We aim to build upon the foundations already set in place by those who came before us.

"We are committed to securing a sustainable and equitable future for our people. To do so, we must be innovative and proactive in pursuing our goals.

"We recognise the fundamental importance of working with governments and other key stakeholders in all sectors of the community without compromising our cultural or corporate identity.

"This Corporate Plan sets out our strategic framework. It outlines the critical success factors driving our organisation.

"In essence, it is the road map for our organisation.

"It allows us to navigate a path towards creating an inclusive society in which Aboriginal people enjoy sustained cultural, social and economic empowerment."

The Chief Executive Officer, Geoff Scott, noted in his introduction that NSWALC was committed to ensuring a better future for all Aboriginal people in New South Wales by ensuring a strong collaboration between the work of the elected Board, those of Local Aboriginal Land Councils and respective staff.

Such a sustained cooperative relationship, combined with effective leadership and good governance, illustrates our collective commitment to achieving our corporate aims and objectives, he added.

"NSWALC acknowledges and respects the diverse range of problems and issues that confront individual Aboriginal Land Councils, their members and communities," he continued.

"We have identified a set of corporate priority areas in line with this. These are set out in this document.

"NSWALC seeks to deliver a range of cultural, social, economic and political outcomes against these priority areas. We are strongly committed to the continued development of all Aboriginal Land Councils, their Boards and their staff through quality service, advice and support.

"A dedicated and united effort is required on the part of our elected Council, Local Aboriginal Land Councils and all staff to achieve this."

LOCAL ABORIGINAL LAND COUNCILS

The Corporate Plan re-emphasises the fact that the principal client of NSWALC is the network of Local Aboriginal Land Councils which are located across 9 regions throughout New South Wales.

As mentioned earlier there are currently a total of 121 Local Aboriginal Land Council registered across the State.

Each LALC elects its own Board under changes to the ALRA which came into effect on July 1, 2007.

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

The 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 on-going priority for NSWALC is to ensure that all of our Local Aboriginal Land Councils are afforded timely advice and direction on matters relevant to the Aboriginal Land Rights Act, and supported through high level training and development to build their capacity to strategically plan and manage their affairs at their local level.

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

OTHER STAKEHOLDERS

The Corporate Plan also acknowledges that NSWALC deals with a range of government, non-government and private sector stakeholders in carrying out its functions.

The nature and extent of our dealings with relevant stakeholders vary from time to time.

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

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

Council has resolved to:

- Maintain and strengthen existing partnerships with our LALC network to optimise performance and maximise potential for economic, social and cultural growth and prosperity at the local level.
- Maintain and strengthen existing partnership arrangements with our government and nongovernment stakeholders to optimise performance and maximise the potential for economic, social and cultural growth and prosperity across all regions throughout NSW.
- Maintain and strengthen existing partnerships arrangements and develop new partnership arrangements with private sector stakeholders to optimise performance and maximise the potential for economic, social and cultural growth and prosperity across all regions throughout NSW.

OUR VALUES

The Corporate Plan also outlines NSWALC's core values.

It says NSWALC recognises and respects the diversity of the Aboriginal people of NSW and their communities.

We do, however, share a number of core values. We seek to act in accordance with these values.

These include:

- Returning land to the Aboriginal people of NSW
- Protecting culture and heritage
- Seeking the provision of adequate services and resources for our people and communities
- Seeking to ensure safe communities and social equality through areas such as education and employment
- Upholding the inherent right of all Aboriginal people to freely participate culturally, socially, economically and politically in all sectors of the community

 Ensuring long term opportunities and sustainability are available to all.

NSWALC seeks to work within these core values to:

- Perform our functions in a culturally appropriate manner and respect community diversity.
- Lead by example in the conduct of all of our operations by seeking to ensure integrity, honesty, respect and transparency in all of our dealings with our communities.
- Be accountable, wherever possible, to our clients and stakeholders.
- Uphold the principles and values of social justice.
- Be responsive to the aspirations and needs of NSW Aboriginal people and continually advocate the need for real and sustainable outcomes.
- Actively pursue the recruitment and professional development of dedicated Aboriginal staff.
- Respect and value the diversity and contributions of all NSWALC staff.

DELIVERING OUTCOMES.

The Corporate Plan also contains a key commitment to delivering outcomes.

It commits the organisation to take a leading role in improving the lives of our people through sound stewardship, advocacy and economic empowerment.

In accordance with our corporate priorities, our values, and the responsibility that we have been entrusted with by our people and our communities, we seek to:

- Assist in ensuring Aboriginal people in New South Wales enjoy a sustainable social and cultural environment by seeking to close the gap on poverty and improve health and living standards through tightly targeted community benefit schemes and evidence based advocacy;
- Target and increase our advocacy towards relevant State and Federal government bodies or agencies, particularly funding agencies;
- Assist our people in having access to, and contributing towards, a sustainable economic environment, including appropriate education and training and sustainable employment; and
- Promote safe and secure environments for our people and communities

CORPORATE PRIORITIES

It also sets out NSWALC's key corporate priorities along with the outcomes we seek to achieve. They are:

New South Wales Aboriginal Land Council • Annual Report 2007-2008

ADVOCACY AND RIGHTS

As the peak representative body, NSWALC has the responsibility to pursue cultural, social and economic independence for Aboriginal people.

NSWALC is committed to improving the First Nations status for Aboriginal people and ensuring that fundamental human rights are recognised and sustained.

We will continue to work for:

- The return of culturally significant and economically viable land
- Seek to influence the policy and reform agendas of the NSW and Commonwealth governments through leadership and reliable evidence-based advice and research.
- Continue to provide advocacy and support in attaining and upholding fundamental human rights for Aboriginal people both nationally and internationally.

STRONG LEADERSHIP AND GOVERNANCE

NSWALC is committed to strong leadership, good governance, integrity and accountability in all Aboriginal organisations in NSW.

We will continue to develop, promote and maintain a highly efficient, financially robust and professionally managed organisation.

NSWALC seeks to lead by example in all sectors of the community focusing on good governance, leadership and accountability. In this crucial area we seek to:

- Lead by example throughout our organisation and network
- Demonstrate efficient and effective services in the day-to-day operations of the organisation.
- Ensure ethical and responsible decision-making practices throughout the organisation and network.
- Maintain efficient and effective policies and procedures applicable to the entire network.
- Provide training and development opportunities to enhance career progression for all NSWALC and LALC staff.
- Be regarded in the wider community as an employer of choice.

PRODUCTIVE AND MEANINGFUL PARTNERSHIPS

NSWALC is committed to the pursuit of strong, productive and meaningful partnerships with all relevant stakeholders.

We believe this can assist in delivering opportunities for economic, social and cultural growth and prosperity for Aboriginal people across all regions throughout NSW. In this respect NSWALC will continue to:

- Identify and develop strategic partnership opportunities for economic, social and cultural growth and sustainability.
- Strengthen existing partnerships and arrangements in both public and private sectors.
- Develop training and development strategies which enhance the capacity of LALCs and their members to effectively engage in successful partnership arrangements with government, non-government and private sector stakeholders at the local community level.

COMMUNITY HEALTH AND WELL-BEING

NSWALC is appalled by the poor health, well being and lack of opportunity in our communities and the 17 yeargap in life expectancy between our people and the general population.

NSWALC will maintain and strengthen its advocacy to ensure meaningful personal and community health outcomes are achieved throughout all regions of NSW. We will do so by

- Promoting Aboriginal community health and wellbeing as a critical priority and vigorously advocate the need for genuine reform.
- Actively contribute to annual Aboriginal community network health and well-being reviews and audits at both the state and national level.
- In collaboration with the LALC network and health providers, facilitate productive health and well-being partnerships to enhance performance outcomes at the local community level.
- Seek to improve access to social services for the LALC network.

LAND, CULTURAL HERITAGE AND ENVIRONMENTAL MANAGEMENT

Land claims are core business for NSWALC, particularly given land is the only form of compensation for dispossession now available under the NSW Aboriginal Land Rights Act.

NSWALC will continue to focus on working with Local Aboriginal Land Councils to acquire cultural and economically viable land and to ensure the prudent management and development of that land.

We will do so by:

- Developing a business case for the return of all Aboriginal sites in NSW.
- Developing guidelines that identify, protect and preserve cultural heritage in accordance with the

- traditional customs, obligations and responsibilities of individual Traditional Owner groups throughout NSW.
- Establish an effective communications process to monitor all land developments to ensure the culturally proficient identification, protection and preservation of all cultural heritage sites across all regions of NSW.
- Provide advice, support and direction to Local Aboriginal Land Councils in developing a culture and archival centre for NSW.

COMMUNITY DEVELOPMENT AND PLANNING

NSWALC has a social and statutory obligation to develop and enhance the capacity of our Local Aboriginal Land Councils. We will continue to provide guidance and support to all Local Aboriginal Land Councils in their process of identifying specific management, planning and development needs.

We will do so by:

- Conducting annual local network training.
- Establishing community planning and business development partnership arrangements with local governments, industry and businesses.
- Actively promoting Aboriginal home ownership strategies.
- Promoting the need to develop an Aboriginal Housing Loan System to provide affordable and manageable home loans to increase Aboriginal home ownership.

INNOVATION, LEARNING AND CONTINUOUS IMPROVEMENT

NSWALC will maintain a proactive approach to learning and continuous improvement. We will continue to research and develop modern and innovative methods in this area to deliver real outcomes which strengthen our communities and the capacity of Aboriginal people.

NSWALC is committed to:

- Pursuing additional funding from external sources to grow and strengthen the financial capacity of NSWALC's Education Endowment Fund and to advocate for further educational opportunities for Aboriginal people;
- Monitoring performance outcomes linked to NSWALC's Education Endowment Fund, particularly in relation to the provision of scholarships; and
- Seeking and retaining professional and committed people in our workplace.

WEALTH GENERATION AND COMMERCE

NSWALC and the land council network is self funded. We are committed to ensuring commercial and financial sustainability by engaging in sound commercial and business opportunities underpinned by independent professional advice.

NSWALC aims to work in collaboration with all relevant industries to maximise financial, employment and capacity building opportunities for all Aboriginal people and their communities.

We will do so by:

- Seeking to maximise financial returns and growth of NSWALC Statutory Fund through prudent management;
- Developing community-based Aboriginal Employment Strategies;
- Promote the development of initiatives to enhance Aboriginal employment and training outcomes;
- Monitor the business and industry environment to identify suitable and viable commercial enterprise opportunities for Aboriginal people;
- Pursue partnerships with key industry groups to build commercial and economic sustainability for Aboriginal people.

COMMITMENT AND VISION

The Corporate Plan ends with a commitment to ensure Council works with all relevant stakeholders to improve the safety, health and well being of Aboriginal people in NSW.

It says that by 2012, we believe NSWALC will have made a significant contribution to bringing about an inclusive society where Aboriginal people are truly represented and empowered culturally, socially and economically.

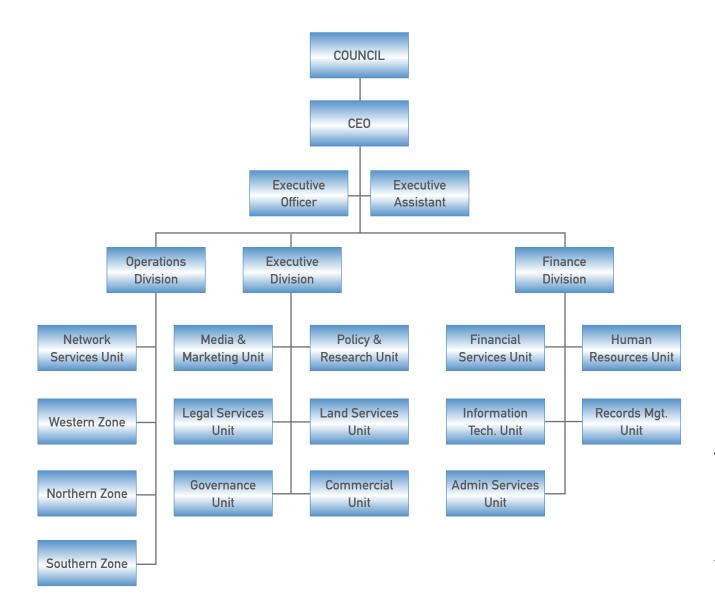
NSWALC will seek to lead by example.

We will do so by demonstrating a professional and unified commitment to working with our communities and stakeholders to develop equitable commercial outcomes and opportunities aimed at addressing past injustices and alleviating the social and economic disadvantage that continue to affect our people.

We aim to ensure:

- Aboriginal people of NSW will be living more sustainable livelihoods through improved access to essential social services.
- NSWALC will be an effective advocate, actively participating in setting the policy agenda for the Aboriginal people of NSW.
- Aboriginal people of NSW will benefit economically, socially and culturally as a result of productive partnerships established and sustained by NSWALC and our stakeholders.
- NSWALC will have contributed to significant advances in rights and status.
- NSWALC will have contributed to safe and healthy communities.
- There will be an increased Aboriginal people's presence in the commercial and political environment.
- NSWALC will have assisted in all Local Aboriginal Land Councils taking full control of and responsibility for their economic, social and cultural affairs.

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, support to the Land Council network and advocacy.

As mentioned earlier, strategic priorities in recent years, as well as structures, have been determined in response to the requirements of long-awaited amendments to the ALRA.

These have included 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, 2007

A further set of Regulations, largely affecting the future operations of Local Aboriginal Land Councils, were 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 simplifying and strengthening the corporate structure to boost support for the Governing Council and LALCs.

As at 30 June 2008, the actual staffing level, including Councillors, was 104 persons with 29 of these functioning in the Zone Offices. This represents a slight increase on actual staff numbers (90) at the close of the previous reporting period.

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

EXECUTIVE

During 2007/2008, 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.

The Chief Executive Officer, Mr Geoff Scott, was appointed to the position by NSWALC's Governing Council on November 12, 2007.

As noted in last year's report, 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.

Mr Johnstone announced that Mr. 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 the position being filled on a permanent basis through the normal selection processes upon the return of an elected Governing Council in May, 2007.

Mr Scott's appointment by the Governing Council resulted from an independent recruitment process conducted by executive search agency, Hamilton James & Bruce Pty Limited and assisted by NSWALC's Human Resource Unit.

The position of Deputy CEO, which had remained vacant throughout most of this reporting period, was filled almost immediately after Council's appointment of Mr Scott.

He announced the appointment of Mr. Norman Laing to this position on December 6, 2007

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 during the reporting period as part of the on-going restructure of the organisation.

As mentioned in his introduction, Mr Scott made it clear to all staff that he wanted to ensure the organisational structure remained flexible enough to accommodate operational change as the need arose.

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

The Information Technology team provides support and management of all technology to the NSW Aboriginal Land Council.

The team is managed by the Director Information Technology, Lee Netana, and comprises four other staff members.

The Unit is responsible for:

- Business Continuity and Disaster Recovery
- IT Strategy
- Data Networks and Telecommunications
- Enterprise Applications and Databases
- Support Of Desktop and Laptop Environments
- Internet and E-Mail Security
- · Project Management of IT Projects

Providing a cost effective, robust and scalable IT environment is an important part of the information technology unit's functions to enable all NSWALC staff to work efficiently.

The Unit has deployed a service management tool to capture and monitor all requests for IT service and support.

HUMAN RESOURCES UNIT

The Human Resources Unit provides an extensive range of services to the management, staff and Councillors of the NSW Aboriginal Land Council as well as providing advice and support to the Zone Offices in their dealings with Local Aboriginal Land Councils. The Unit is managed by Mr. Geoff Binns and comprises a small team.

The team's responsibilities include:

- All Functions Relating to Payroll, Leave Entitlement and Conditions of Employment.
- Providing Advice and Counseling on a Range of Personnel Matters.
- Occupational Health & Safety/Workers Compensation.
- Award Interpretation and Industrial Relation Matters.
- Maintenance of Human Resources and Establishment Records.
- Coordinating Training & Development and Professional Development.
- Managing the Performance Planning System.
- Providing Advice and Assistance with Organisational Structural Changes.

Human Resources is responsible for the coordination of all recruitment and selection processes within the organisation. A range of recruitment strategies have assisted in attracting and retaining high quality employees.

The Unit also undertakes an ongoing review of policies, procedures and practices to ensure that the organisation is following best practice and meeting legislative requirements.

RECORDS MANAGEMENT UNIT

A Records Management Unit was established at NSWALC in response to a number of 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.

It is also responsible for ensuring prompt, efficient and accurate service to our customer base across the organisation and to create a better understanding of Records Management practice throughout NSWALC.

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

The Commercial Unit has been operating since April 2004 providing a broad range of services to NSWALC and the LALC network.

The principle functions and responsibilities of the Unit include:

- Land dealing issues including the appraisal of all land dealing applications submitted to NSWALC by LALCs.
- Financial and operational management of NSWALC's property assets including its Head Office at 33 Argyle Street Parramatta.
- Specialised management of NSWALC's rural holdings including cropping and cattle programs
- Commercial advice and assistance to all areas of NSWALC

Since its formation the Commercial Unit has engaged appropriately qualified and experienced personnel with a broad range of skills capable of providing professional and timely advice to NSWALC and LALCs.

They have brought to NSWALC extensive experience in property development, commercial and residential management, financial, commercial and strategic management, business planning and accounting.

The Commercial Unit comprised Director, Julie Van Agten, two Commercial analysts, Julia Fawcett, and George Christodoulou, and a Property Officer Jarrod Chapman at the end of this reporting period.

The Unit had identified the need for additional staff in the new financial year with an expected increase in property development activity and prospective amendments to the land dealing provisions of the ALRA during the next reporting period.

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, of which 118 are fully functional.

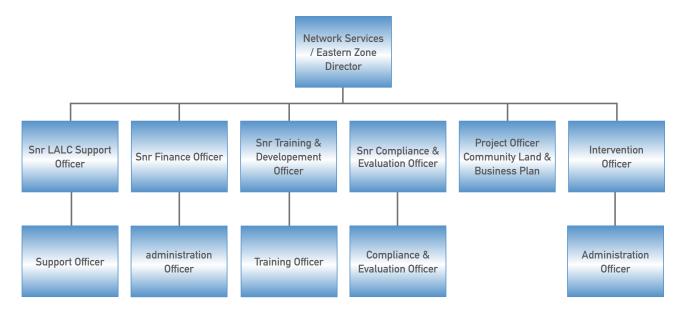
Network Services must monitor the compliance of Local Aboriginal Land Councils with their statutory reporting obligations to the Government under the ALRA.

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 and achievements of each Zone are reported upon separately later in this document. The staffing structure of 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 organisation 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 Unit comprised a Principal Legal Officer, Senior Legal Officer, Legal Officer and one administrative assistant at the end of this reporting period.

The Principal Legal Officer, Ms. Lila D'souza, is the manager of the Unit. The Senior Legal Officer is Ms. Nicole Courtman and Mr. David Goodenough is the Legal Officer.

The administrative assistant is Ms. Madhu Gopal.

A legal intern, Mr. Adam Aachsterstraat, was also placed in the Unit during this period as part of the Aurora Project, which is run by the University of New South Wales.

Adam provided invaluable assistance on a number of projects.

The LSU continued to provide NSWALC during this reporting period with a wide variety of legal services across the full range of the organisation's functions to further its aims and objectives in an effective, strategic, timely and commercial manner.

These included:

• Undertaking the ongoing management and resolution of a high number of legal matters, reducing the reliance upon and cost of external solicitors and barristers.

- Providing closer supervision of matters briefed out to reduce the incidence of double handling and unnecessary duplication.
- Delivering legal training within NSWALC as part of the Unit's risk management strategy. This included training on conflict of interest, confidentiality and the Freedom of Information Act 1989 to NSWALC staff.
- Overseeing all NSWALC legal risk management issues.

The former Principal Legal Officer Linda Whelan and Legal Officer Romi Slaven both resigned from NSWALC and relocated interstate for personal reasons during the reporting period. NSWALC acknowledges the valuable contributions made by both during their tenure with the organisation.

CORPORATE GOVERNANCE UNIT

As previously reported this Unit was originally established in the 2004/05 financial year to provide an improved focus on corporate governance within NSWALC and the network following a succession of inquiries, reports and reviews of the organisation, the operations of the Act and the performance of land councils.

Many of these raised a number of concerns about the governance of the Land Council system and the handling of complaints.

NSWALC 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 principal stakeholders for the Unit are the elected Council, the CEO and a range of internal units and external agencies.

While experiencing a degree of leadership stability through the Acting Director of Governance, Ms Gina Georgiou, the Unit was hampered to some degree throughout the reporting period by severe skill shortages and staff turnover.

During the reporting period three key positions, from the total staff complement of seven within the Unit, became vacant. An extensive formal recruitment process was

undertaken to attract suitably qualified and skilled staff to fill the position.

Two positions were filled late in the reporting period. The remaining position was vacant throughout the reporting period.

The return of a newly elected Council for the duration of this reporting period following a lengthy period of administration provided a unique opportunity to maximise productivity within the Unit despite the staff shortages and to fully establish, document and communicate the role of the Unit both internally and externally.

Despite the severe staff shortage, the dedication and commitment of the CGU staff enabled the Unit to deliver a number of key outcomes against its core objectives during the reporting period.

These are detailed in the achievements section of this report.

The Unit worked to eight core objectives during the reporting period. These included Board Governance, Risk Management, Complaints Handling, External and Internal Accountability, and the Council Secretariat.

The Council Secretariat is the focal contact point between the elected Council and the NSWALC Executive and staff. It is responsible for managing and facilitating all Board meetings and works closely with the CEO and senior management to ensure all Council resolutions are implemented effectively and efficiently. It also provides direct executive and administrative support to the Chairperson.

The Secretariat is also responsible for quality control and co-ordination of Ministerial and other high level briefs as directed by the CEO.

In addition the Secretariat provides support to NSWALC's Advisory Committees, the Audit Committee and the Investment Committee, as directed by the Chief Executive Officer.

POLICY AND RESEARCH UNIT

The Policy and Research Unit continued to maintain a multi-dimensional focus throughout the 2007/2008 financial year.

The primary functions of the Unit generally relate to assisting with NSWALC's strategic policy and advocacy functions and include:

 Monitoring developments and providing advice on matters related to culture and heritage and the management of natural resources;

- Maintaining an effective dialogue with NSW government departments and agencies through engagement with various bureaucratic committees and advisory bodies;
- Coordinating NSWALC's international engagement strategies and working relationships with United Nations agencies and other networks.

During the 2007/2008 financial year the Policy and Research Unit also assumed for a period of time responsibility for undertaking research into social housing. While managing these functions the unit has primarily sought 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
- Support the provision of advice to government through Council and on various policy advisory committees that we have been engaged with.

Throughout this financial year the Policy Unit consisted of an Acting Director and a part-time Senior Policy Officer. Additional support was provided for a period of six months by a temporary Senior Policy Officer who was located within the Lands Unit. The Policy Officer position remained vacant throughout the financial year.

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 improve 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 formal 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.

It should be noted the Unit has also provided a range of other services to NSWALC and others, with a primary focus on political advice. These activities are further explained in the Activities section of this report.

The Director of Media and Marketing, Mr. Brian Johnstone, performed a dual role as Executive Officer to the CEO up until his resignation on May 1, 2007.

Mr. Johnstone continued to work in a voluntary capacity for NSWALC until the end of the reporting period to complete a number of 25th anniversary projects, particularly Council's commemorative sitting in the NSW Parliament.

He was replaced in the position of Director, Media and Marketing, by Mr. John Paul Janke, who had joined the Unit when it was re-established in 2004.

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.

A review of operations and a summary of achievements during the reporting period can be found in this section of the Report.

The achievement section begins with a report on a number of the major initiatives of the new Governing Council set against the prevailing political climate as this reporting period ended.

CLOSING THE GAP

These three words have become a permanent fixture of daily debate on Aboriginal Affairs, especially since the election of the Rudd Labor Government in November 2007.

The new Federal Government came to power with promises to use evidence based policy to seek to close the socio-economic opportunity and attainment gap, as well as the estimated 17-year life expectancy gap between Aboriginal and non Aboriginal people.

The Rudd Government has set a number of key objectives to close the gap on Indigenous disadvantage. They are:

- To close the life expectancy gap within a generation.
- To halve the gap in mortality rates for Indigenous children under five within a generation.
- To halve the gap in reading, writing and numeric achievements within a decade.

We believe every Australian would hope they are achieved.

However, NSWALC considers the targets to be heroic unless they are matched with long term Commonwealth funding commitments in New South Wales to programmes framed in response to evidence based research and policies.

The NSW Minister for Aboriginal Affairs, Mr. Paul Lynch, also triggered a Parliamentary Inquiry Into Overcoming Aboriginal Disadvantage during the reporting period. He did so by providing a reference to the NSW Legislative Council Standing Committee on Social Issues to conduct a wide ranging Inquiry to consider the impact of health, education, employment, and housing on Aboriginal disadvantage.

The Committee was asked to conduct an audit of national, state and international policies and programmes and to seek a meaningful assessment of their effectiveness in closing the estimated 17-year life expectancy gap.

The Inquiry was announced in September 2007. It was tasked with producing an interim report to the NSW Parliament by June 30, 2008 with a final report to be tabled in November 2008.

NSWALC welcomed the appointment of the Inquiry in a media statement and network message issued by Chairperson Manton on behalf of NSWALC's Governing Council.

Chairperson Manton said Council believed all Aboriginal people in New South Wales, and elsewhere, should see the Inquiry as a timely opportunity to present evidence based submissions to demonstrate the successes and failure of relevant policies and programmes.

Council resolved at its 215th meeting in September to prepare a detailed submission to the Inquiry.

Chairperson Manton, a number of other Councillors, NSWALC staff and LALC elected representatives and staff appeared before the Committee to give evidence during a series of hearings in Sydney and regional areas during the reporting period.

The Committee's Chairperson, Labor MLA, Ian West, tabled the Committee's 318-page draft report in the State Parliament on June 27, 2008.

Mr. West said the life circumstances of Aboriginal people remained dramatically lower than that of non-Aboriginal people despite many good policies and programs and a genuine commitment to address Indigenous disadvantage.

The Committee had identified wide gaps in all outcome areas.

The message from "this Inquiry so far is that there must be significant reform to the delivery of services to Aboriginal people if the gap between the circumstances of Indigenous and non Aboriginal Australians is to be overcome," he added.

"It is vital to build effective partnerships with the Aboriginal community, and for communities to have real ownership of programs and outcomes."

NSWALC circulated the draft report to the land council network and decided to respond in detail to the Inquiry's

interim report in the first period of the new financial year ahead of the Committee's final report in November 2008.

Work was underway on NSWALC's detailed submission in response to the Committee's interim report as this reporting period ended.

In the meantime it took decisions to commit \$30 million to an Education Endowment Fund and to enter into a 50-50 partnership with the State Government which has seen the commitment of more than \$200 million over the next 25 years to improve the water and sewerage services in more than 60 discrete Aboriginal communities around the State.

Council considered both initiatives to be vital to working with Government to seek to close the gap and to ensure it worked to its Corporate Plan.

EDUCATION ENDOWMENT FUND

NSWALC's Governing Council made a unanimous decision at its 216th meeting on October 24 to segregate \$30 million from within the Statutory Investment Fund, in accordance with a recommendation from the Investment Committee, to fund the NSWALC Education Endowment Fund.

The establishment of the Fund was announced in a media statement and network message by Chairperson Manton on November 1. She described the fund as NSWALC's "education revolution."

"It is one of the most exciting and innovative programs to be announced in the 25 year history of land rights in New South Wales," she added.

"I am confident it will be seen as a clear demonstration of NSWALC's ongoing commitment to the education of our people, their children and their children's children."

Chairperson Manton said there was a large body of research which emphasised the pivotal role of education in reducing the long term disadvantage of Aboriginal people.

The Endowment Fund had been in the planning stages for months prior to its public announcement.

The concept was originally raised and supported during the short term of the former NSWALC Administrator, Mr. William Johnstone. The new Governing Council had spent its first few months in office fully investigating all options on the future scope, shape and structure of the Endowment Fund with a range of financial, educational and philanthropic organisations.

Chairperson Manton explained that Council had quarantined \$30m of the Statutory Investment Fund as seed funding for the endowment scheme.

"We will finance the scholarship each year from the interest generated from those funds. In other words the seed funding will never leave the fund." she said.

"We anticipate this will provide up to two million dollars in scholarship monies each year in perpetuity. We are advised we will be able to provide scholarships for up to 200 students each year."

Ms Manton said NSWALC acknowledged that education was the primary responsibility of the New South Wales Government with the Commonwealth Government providing a strategic and funding role with specific Aboriginal education initiatives.

"Without detracting from those responsibilities, NSWALC has taken the view that we should carefully consider an investment in the education of our people by assisting in the creation of a new generation, and successive generations, who are better educated and can take advantage of opportunities to create a more productive life path," Ms Manton added.

"One way of doing this is to provide scholarships and other financial support for our people in need and for those who show additional promise.

"NSWALC is now in a financially strong position to establish the scholarship and educational support fund thanks to the combined benefit of the growth in our Statutory Investment Fund and our land assets.

"The endowment fund will aim to provide on-going support and benefits for Aboriginal people across the entire spectrum of educational opportunities, including mature age students.

"We do not believe this support should replace existing benefits available to Aboriginal people in NSW but should supplement the available resources through special initiatives and by generating greater community involvement in assisting those who wish to pursue their education."

Awards under the scheme are open to all Aboriginal people in NSW and provide opportunities for study at primary and secondary schools, higher learning institutions, colleges and universities.

Scholarship monies provided vary with the circumstances of the individual.

The eligibility criteria cover financial need, academic performance, connection with the Aboriginal community, commitment to the field of study and leadership potential.

A supplementary focus of the scheme, in conjunction with educational institutions and business, is to connect Aboriginal people with job and career opportunities in key areas of Aboriginal development.

The scheme also has a strong community focus by encouraging communities to get behind students. It also allows students to attend boarding schools, where appropriate, and give them a greater chance to stay at school and qualify for tertiary study.

Chairperson Manton and the Minister for Aboriginal Affairs, Mr. Lynch, officially launched the Endowment Fund at a ceremony at NSWALC's Parramatta headquarters on December 10.

The official launch was used by the Chairperson to announce the Fund would be administered by Charities Aid Foundation, the not-for-profit organisation which also administers NSWALC's Freddie Fricke Scholarship.

CAF would be responsible for the full administration of the Fund, the application process, financial management of the income from the fund, and all associated due diligence and legal compliance.

Three representatives from NSWALC and one from CAF would soon be appointed to a Board of Management to oversee the Fund. An advisory committee comprising qualified persons appointed by that Board would sit with the three member Board on a Scholarship Selection Committee.

Ms Manton said the Education Endowment Fund was the first major community benefits scheme to be made available by the organisation under the new provisions of the Aboriginal Land Rights Act.

Minister Lynch said the scholarships would greatly benefit Aboriginal people aspiring to tertiary and technical education.

"This ground breaking fund is proof the New South Wales Aboriginal Land Council is one of the most significant political bodies for Aboriginal people in Australia," he added.

"The NSW Government will continue to work with NSWALC to deliver the economic and social outcomes of the FI priority of the NSW State Plan, including improved health, education and social outcomes."

News of the Scholarship was well received within the land rights network, the wider Aboriginal community, and the education sector with the first scholarships expected to be announced early in the new financial year.

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

Seven of the State's best and brightest Aboriginal tertiary students were each awarded Freddie Fricke Scholarships during the reporting period.

The students, who are working towards a wide range of careers from medicine and law to sports and the arts, shared nearly \$50,000 to assist them in their studies.

WATER AND SEWERAGE

Council resolved at its 219th meeting in March, 2008 to enter into an historic partnership with the State Government to provide joint recurrent funding for the operation, maintenance and monitoring of the water and sewerage infrastructure to improve the well being of residents in more than 60 former Aboriginal reserves and missions.

This will see more than \$200 million committed over at least the next 25 years to provide safe and effective drinking water and sewerage services in those discrete Aboriginal communities.

This is paramount to protecting the health of the men, women and children who live there.

The drinking water and sewerage services in the communities do not meet the basic standards expected by the wider Australian population.

The flow of effluent into homes is not uncommon.

Land and properties owned by 50 Local Aboriginal Land Councils have been identified for inclusion in the program.

While Council took its decision during this reporting period the initiative has a long history.

It would be instructive, in our view, to outline that history.

It provides a telling insight into the long lead times for such initiatives to translate into practical action in our communities.

It also provides a valuable insight into just how much work, commitment and co-ordination will be required to "close the gap," in other areas, particularly given the issues highlighted in this one crucial area of need.

WATER AND SEWERAGE WORKING GROUP

In 2004 the New South Wales Aboriginal Community Water and Sewerage Working Group was established by NSW Health to develop a co-ordinated strategy to investigate water quality monitoring and water and sewerage infrastructure needs.

The group consists of representatives from 18 NSW Government departments, the Australian Government and peak stakeholders. NSWALC is a member.

in May 2007--as the current Governing Council of NSWALC was being elected---the Working Group issued a detailed 59-page Issues Paper which had five key aims.

They were:

- To explain the status of water and sewerage systems and their current monitoring and maintenance in NSW discrete Aboriginal communities.
- ii. Identify the current capacity within Local Aboriginal Land Councils to effectively manage their water and sewerage services over the long term.
- iii. Assess how effectively government programs support water and sewerage services.
- iv. Develop practical strategies that involve all levels of government working with the New South Wales Aboriginal Land Councils to improve service provision to standards recognised in national guidelines and government legislation and regulations.
- Seek a recurrent funding program from Government to assist with the monitoring and maintenance of water and sewerage systems in discrete Aboriginal communities.

The Issues Paper noted that drinking water and sewerage services were poor in many discrete Aboriginal communities.

Those services did not meet the basic standards expected, and enjoyed, by the wider Australian population.

The situation, it said, needed to be fixed.

The paper noted that the provision of safe and effective drinking water and sewerage services within discrete Aboriginal communities is paramount to protecting the health of Aboriginal people and their environments.

It also noted that while NSW Government agencies and the Australian Government have provided support, including advice, services and capital upgrade funding programs to assist Local Aboriginal Land Councils improve their water and sewerage services, many problems continue to occur.

Existing capital upgrade programs do not support the necessary ongoing maintenance of water and sewerage systems.

The Issues Paper noted that the long term operation and maintenance of water and sewerage systems must be addressed as part of the provision of adequate services.

The need for new capital infrastructure should be addressed separately in an evaluation of the Aboriginal Community Development Program---the largest State funded capital upgrade program, which at the time, was fully committed.

New South Wales Aboriginal Land Council • Annual Report 2007-2008

It is worth remembering in this context that the ACDP program was set up in 1997—a decade ago—when the then NSW Government developed its Statement of Commitment to Aboriginal People.

The Statement-- part of a formal apology to the Stolen Generations--recognised the need to redress years of neglect of Aboriginal communities where basic services and infrastructure were either absent, or in disrepair, through the establishment of ACDP.

The State Government has more recently launched its State Plan in which it commits to improve cultural, social, economic and environmental outcomes for Aboriginal people.

The provision of adequate water and sewerage services aligns with a number of the Plan's five key areas of activity.

The Working Group noted, however, that mainstream Government support services have limited capacity to support Local Aboriginal Land Councils with the ongoing management of their water and sewerage systems.

There was also limited scope for community contribution towards the costs of such services.

KEY RECOMMENDATIONS

The Issues Paper made ten key recommendations.

Its principle recommendation was that a recurrent funding programme be developed in two stages for the operation, maintenance and monitoring of systems to support the water and sewerage infrastructure in the relevant Aboriginal communities.

The first stage would involve a detailed analysis of each water and sewerage system and the preparation of a funding and service delivery strategy.

The second stage would see the establishment of the recurrent program to assist with the ongoing operation and maintenance of water and sewerage systems.

Other recommendations included the need for the Department of Water and Energy:

- vi. to co-ordinate the recurrent funding program with advice from a steering committee made up of relevant agencies, including NSWALC,
- vii. the development of a public health risk management system to improve the monitoring of water and sewerage services, and
- viii. the establishment of an Aboriginal traineeship program to build capacity in the operations and maintenance of water and sewerage in Aboriginal communities

The Paper also recommended:

- ix.funding be provided to improve state government technical support and advice to LALCs in the management of their water and sewerage systems,
- x. that funding options from the Australian Government be explored, and
- xi.that a central and accessible repository system for the storage of infrastructure plans on Aboriginal communities be explored and developed.

It also recommended a number of issues be further investigated.

These included the development and application of model service agreements between LALCs and local government, and identifying how On-Site Sewerage Management Strategies prepared by local government may be effectively implemented in partnership with LALCs.

The paper also recommended the further investigation of means to provide Aboriginal communities with assistance to cart water in times of drought, similar to that provided to Local Water Utilities.

We hear a lot about the plight of farmers and their livestock in times of drought.

We rarely hear about the fact that increasing levels of salinity in groundwater and the sourcing of water of appropriate quality and quantity is becoming increasingly difficult during drought for some Aboriginal communities.

It also recommended further investigation of the impact of water pricing policies towards full cost recovery on Aboriginal communities.

The Issues Paper recommended a steering committee oversee the implementation of its recommendations and that a range of principles be adopted to guide the implementation of strategies.

The first principle was the development of a partnership between LALCs, NSWALC, local government and all relevant government agencies.

It recommended a focus on long term sustainable outcomes, recognition of the need for sustainable operational repairs and maintenance, and a requirement for the development of technical capacity within LALCs and their communities.

It also recommended that recognition be given to the need for flexibility to accommodate different circumstances faced by discrete Aboriginal communities, and finally, the need for consultation with other States and Territories.

NSW HEALTH

It is important at this point to acknowledge the work done by NSW Health in this area.

The Working Group was established under the Two Ways Together program to ensure the necessary evidence was collected to support initiatives within government, and among stakeholders, to ensure all Aboriginal communities have a safe and adequate water supply and sewerage disposal.

NSW Health had expressed before the working group was established that it was committed to expanding the monitoring of water supplies in the relevant Aboriginal communities.

Initial consultations with communities and Public Health Units soon revealed that monitoring alone would not lead to improvements in water and sewerage systems.

One single question continually arose during those consultations:

What is the point of monitoring if there are no maintenance services (for either water or sewerage) to address the problems identified?

The Working Group's Issues Paper pointed out that while large capital upgrade programs had improved the delivery of both water and sewerage systems, premature problems had been experienced in some communities due to the quality of materials, or the methods used to install the infrastructure.

Where infrastructure had been installed or upgraded there had, at times, been basic hand over and training for community members. However in some cases these systems have failed prematurely after commissioning.

The paper cited examples in the Bellbrook, Toomelah and Willow Bend communities.

These problems could be due to local factors (e.g. trained community members leaving the community) or institutional factors that could only be addressed through a co-ordinated and committed system of government support.

The Paper emphasised that the achievement of long term and sustainable improvements to water and sewerage systems owned by Local Aboriginal Land Councils could only be sustained through a commitment from all stakeholders to address the problems in partnership with each other.

RESPONSIBILITY AND COST SHIFTING

The appalling status of water and sewerage systems in discrete Aboriginal communities had been well documented. The Issues Paper cited six studies dating back ten years.

These included a six year old unpublished NSW Health report which found all communities have access to water for drinking. The quality is in doubt in most communities due to lack of monitoring.

Almost all communities are connected to some form of treatment system, but they are not regularly maintained so system failures are common and there is no regular system of maintenance of water and sewerage services.

This situation remains unchanged today.

The Paper also provided a useful overview of the roles, responsibilities and capacity of Local Aboriginal Land Councils in the maintenance of water and sewerage systems in Aboriginal communities.

It also provided an outline of the support provided by the NSWALC and different levels of Government.

It noted that more than 60 discrete Aboriginal communities have water and sewerage services within their boundary. These communities are overseen by over 50 Local Aboriginal Land Councils.

Communities range in the number of houses.

For example, in the Murdi Paaki region one has eight houses, while other communities have between 80-100 houses within their boundaries.

It noted that the Aboriginal Land Rights Act (1983) (as amended) determines that all Aboriginal land is private land.

It also determines that any infrastructure installed on Aboriginal land is private infrastructure and is the responsibility of the land holder (the Local Aboriginal Land Council.)

Section 50 of the Act specifies that a Local Aboriginal Land Council is a body corporate responsible for the management of the freehold land vested within it.

Discrete Aboriginal communities are either serviced by local water utilities receiving water and sewerage services to their boundary, or LALCs manage their community's entire water and sewerage system.

New South Wales Aboriginal Land Council • Annual Report 2007-2008

The majority of communities (82%) have water supply provided to their community boundary by the local water utility and a small proportion (18%) totally manage their own supply.

Approximately half (52%) are provided with sewerage services to the boundary, while the other half have independent systems---managed entirely by themselves.

It is important to understand, however, that while those communities serviced by local water utilities receive services to the community boundary line that is often a significant distance from buildings and dwellings. The LALCs are then responsible for managing those services within the boundary.

In many cases these communities do not have the technical or financial capacity to effectively manage this infrastructure.

System failures are not uncommon.

An added hazard when both drinking water systems and wastewater systems are located on the same site is the potential contamination of the drinking water supply due to infiltration of sewage.

Many LALCs are unable to generate sufficient incomes to finance repairs and maintenance to water and sewerage systems within their community's boundaries.

This, the Issues Paper stated, can be attributed to a number of factors.

Chief among them is the lack of economies of scale in small communities; often discrete Aboriginal communities have small populations where the cost per household of providing basic services is a lot greater than in towns or regional centres.

This severely limits the generation of revenue to cover the depreciation of assets, upgrading of infrastructure, and ongoing monitoring and maintenance.

Another major problem is poverty.

The Issues Paper pointed out that of the forty most disadvantaged communities in NSW, the majority has a high proportion of Aboriginal residents.

Overcrowding and cultural obligations are also cited as contributing factors.

The Issues Paper noted the importance of acknowledging that overcrowding and cultural obligations within Aboriginal communities can impact on the capacity of LALCs to adequately manage their water and sewerage systems.

Where there is demand for more housing in a community there can be large numbers of people living in one house.

This places stress on water and sewerage systems installed for smaller households.

The population of communities can vary significantly, especially when there is "sorry business" and other events when extended family visit.

The Issues Paper also cited other pressing cost pressures on LALCs.

It noted estimates that Aboriginal housing providers and LALCs need in excess of \$100 million to repair and maintain their housing stock.

Importantly, this excludes the costs associated with the maintenance and operations of their water and sewerage systems.

It also noted that LALCs have experienced difficulties paying their local government water supply and sewerage charges.

These are made up of access and usage charges and LALCs are responsible for ensuring they recoup these costs from within their communities.

This is often difficult to do when households are not individually metered.

The Issues Paper also noted that with both National and State governments moving to full cost recovery for water usage, it was envisaged that increased water prices would further impact on LALCs capacity to pay water and sewerage charges.

The technical capacity within LALCs is also a major issue.

The Issues Paper noted the Federal Government had funded the Alice Springs-based Centre for Appropriate Technology (ICAT) to examine models for sustainable management of water supplies in remote Indigenous communities across Australia.

At the time the Issues Paper was being developed ICAT had identified a general lack of knowledge about the recurrent costs associated with maintaining these services and the skills required for their management amongst most communities responsible for managing their own systems.

The Issues Paper noted that in some discrete communities there are people trained and employed to oversee basic maintenance through programs such as ACDP.

Unfortunately, however, these funding initiatives are time limited.

When funds are used up LALCs then find it difficult to find wages to retain these additional service staff and to find a sufficient amount of work to pay a weekly wage due to the small size of many communities.

These servicing issues are further compounded by a major decline in local trade skills in the private sector given the small growth, or even decline, in the rural population and the withdrawal of government services from communities.

The Issues Paper also noted that the professional advice and support from State Government agencies is extremely limited with key agencies being scaled back.

For example the number of Department of Water and Energy inspectors has been reduced significantly across regional and rural NSW.

Departmental staff advised the Working Group in the preparation of the Issues Paper that, apart from emergencies, they now only work with local water utilities providing technical advice and assistance.

A declining Local Government workforce is also having a major impact.

NSW Local Government is experiencing significant difficulties in attracting skilled staff to rural and remote areas.

A survey of skills shortages in Local Government across NSW, which is cited in the Issues Paper, reveals that 33 of the 44 rural and regional councils surveyed (75%) have identified engineers as in specific shortage----with a third of Councils in need of environmental, health and building professionals.

The Issues Paper further noted that while local government is well placed in some areas to help Aboriginal communities with their water and sewerage systems, and is keen to do so, the staff shortages in environmental health and engineering, make this practically impossible in some areas.

Councils need to be funded to do this work.

Access agreements and easements could be used to secure rights for service providers to access essential infrastructure under the ALRA but the Issues Paper warned they would only be successfully implemented if they were agreed to, and understood, by the whole community.

The development of such agreements was a central lynchpin of the proposed water and sewerage partnership.

It is important to note that local government operates the majority of utilities that provide town water and sewerage services in country NSW.

While local government has a broad mandate under its charter it is not bound by legislation to provide water and sewerage services.

The capacity of many rural and remote Councils to maintain and renew their town water and sewerage infrastructure is being affected by a declining rate base because of the population decline.

Councils in many areas are finding it increasingly difficult to raise revenue to replace ageing infrastructure and increase basic services to what are often geographically dispersed communities.

The Issues Paper was at pains to point out it is not the role of local government to provide services on private land free of charge.

There is also a lack of statutory responsibility assigned to any one NSW Government agency or Australian Government agency to support the provision of water and sewerage services in discrete Aboriginal communities.

The Issues Paper clearly identified that under the ALRA it is the responsibility of LALCs to manage the water and sewerage systems on their land-----but all the evidence shows they are unable to do so without assistance.

STOP GAP FUNDING.

The Working Group also pointed out that a number of NSW Government agencies administer funding programs to assist and improve water and sewerage services but often these programs have been provided in isolation to other programs, and they have not effectively addressed the underlying issues relating to the lack of monitoring and maintenance of water and sewerage services.

They also rely on one-off grants that do not recognise the long term nature and commitment required to build technical capacity in LALCs and communities.

In many instances these limitations have forced LALCs and government agencies to implement stop gap measures which are often not sustainable, and not cost effective, rather than fully address the underlying problems.

The Issues Paper cited one instance where a pump broke down in one community and there was no funding to bring in a specialist to fix it.

The community had to manually pump out its sewage for twelve months.

The Australian Government has no statutory role in the provision or maintenance of water and sewerage services in Aboriginal communities.

It has provided some limited funding through the former Aboriginal and Torres Strait Islander Commission, and now the Department of Families, Housing, Community Services and Indigenous Affairs.

This has been capital funding to improve water and sewerage infrastructure but without a recurrent funding vehicle for repair and maintenance it has largely been good money thrown after bad.

The Issues Paper also noted that the ACDP program, which is managed by the Department of Commerce for the Department of Aboriginal Affairs, is currently investing \$240million over ten years to raise the health and living standards of Aboriginal communities but the program was due to end during the reporting period.

A small portion of this program (\$20m) has been dedicated to addressing water and sewerage issues.

ACDP had completed 72 water and sewerage projects in 42 communities at a cost of \$12.4 million when the Working Group Issues Paper was released in May last year with a further 15 underway.

The program, however, is limited to capital infrastructure upgrades and does not include sufficient ongoing operation and maintenance support.

In any case, the Working Group noted the capacity to add any new water and sewerage projects to ACDP was limited as all funding had been allocated.

THE WAY FORWARD

The Working Group Issues Paper did, however, point to a way forward.

It recommended that monitoring and maintenance requirements be addressed separately to the construction of infrastructure with a well defined and funded model through the development of a recurrent funding program.

It called for the establishment of the Steering Committee, mentioned earlier, and noted there was considerable support for its establishment.

Relevant State government agencies and the Local Government and Shires Association, along with all other relevant stakeholders, including NSWALC, had formally acknowledged the issues and the need for a whole of government approach.

Remote Community Water Management Research being conducted by ICAT was showing that where communities are involved in decision making concerning their water and sewerage systems, they learn to identify problems, and can actively participate in the development of their own water management plans.

A new funding program outside of ACDP to improve the maintenance and operations of water and sewerage services in discrete Aboriginal communities was recommended.

Importantly, the new program would include ongoing training and support of Aboriginal community members to acquire skills, including an assessment of the availability of technical education, both locally and regionally, together with an examination of the resource constraints on the Department of Water and Energy to adequately provide technical advice and assistance to LALCs.

The Issues Paper pointed out that the issues faced by discrete Aboriginal communities, the capacity of LALCs, local government and local trades, and the type of water and sewerage systems concerned, all vary considerably.

Any new recurrent funding program would need to be flexible to accommodate different circumstances.

DEVELOPING A BUSINESS CASE

In response to the Issues Paper, NSW Health commissioned the Department of Commerce in December, 2007 to visit more than 60 discrete Aboriginal communities to assess their water and sewerage systems, and estimate the recurrent cost of satisfactorily operating and maintaining the existing systems.

The Department was also asked to separately identify any capital upgrade and/or asset replacement work necessary to achieve acceptable levels of service in each community.

It was asked to estimate the costs of such work and the impact of implementation of the capital works on the estimated recurrent operation and maintenance cost of relevant water and sewerage systems.

The object of the exercise was to better inform decision makers and provide a more reliable cost estimate of a recurrent program to follow on from the desktop audit conducted as part of the Issues Paper.

THE HUMAN DIMENSION

The Business Case re-emphasised the human dimensions of the situation.

It reported that studies had shown the risk of diarrhoeal disease associated with sub-standard water and sewerage systems was between 2.5 and 3.85 times higher than in communities with well-managed systems.

There was also an elevated risk for many other diseases such as respiratory illness and infections.

The national standards for drinking water (ADWG) required that 98 per cent of water samples are free of the E Coli bacteria, which indicate faecal contamination and the possible presence of other disease causing microorganisms.

Monitoring for E Coli contamination had been carried out in a number of Aboriginal communities since 2001.

Average results did not meet the ADWG standard and are well below the quality provided to mainstream communities. The water supplies in Aboriginal communities

are much more likely to be contaminated with the E Coli bacteria.

The most common response is a "boil water "alert which often remains in place for a long time due to the lack of support to fix the problem.

This is a great inconvenience and increases the risk of burns and scalds.

For example Bellbrook has had two boil water alerts since 2005 which have lasted six months, and two months, respectively.

By comparison boil water alerts are relatively infrequent for local water utilities and are usually in place for days rather than months.

Frequent interruption to water services is another problem.

Since November 2006, Toomelah had run out of water on four occasions, each lasting up to a day and a half because of a lack of technical support.

By comparison local water utilities can correct interruptions immediately before there is any inconvenience to consumers.

Some communities have water with chemical characteristics, including lead, which do not meet the ADWG standards.

The taste, odour and appearance of water supplied in some communities are such that it is not acceptable for drinking.

The Business Case reconfirmed that many Aboriginal communities do not meet basic sewerage standards as required by State legislation---a clear risk to public health and the environment.

It cited numerous examples of untreated sewage being discharged into communities.

One overflow at Nanima had been occurring for at least three years.

The Business Case pointed out the proposed recurrent funding program would save the costs to the community,

the Government and stakeholders, associated with the management of illness and contamination incidents.

It noted that individual cases of illness can cost thousands of dollars.

Providing appropriate funds to properly operate and maintain water and sewerage systems would be more cost effective in the long term than not providing them and then having to provide additional capital funding later to repair failed systems.

Real health gains are anticipated through improved operation and maintenance.

A 60 per cent reduction in non-food-borne diarrhoeal disease is expected with successful implementation of appropriate operation, maintenance and monitoring.

There will be further health gains through decreases in respiratory and other diseases.

The Business Case emphasised that if the proposed program was not funded, and implemented, the health and well being of the Aboriginal communities would remain compromised and water and sewerage services would not meet acceptable standards.

It also emphasised that a commitment to funding for a minimum of 25 years, and full annual indexation, were essential to ensure participation by local water utilities and other service providers.

NSW Government agencies would fail to achieve State Plan Priority FI (for improved management of water and sewerage services in Aboriginal communities.) if the current situation prevailed.

A PROPOSED PARTNERSHIP AGREEMENT

Given all of the above the State Government approached NSWALC with a formal written request that the Governing Council consider entering into a joint funding arrangement (50-50) with the State Government to establish a new recurrent funding scheme for a water and sewerage program on all of the affected communities.

The approach from the State Government raised a number of threshold financial, policy, and political questions and implications for NSWALC.

NSWALC's Governing Council could have taken the soft option.

It could have rejected the approach on the basis the State Government has sole responsibility for providing these services and the proposal was a further attempt to shift the cost of services onto the self-funding land rights system.

The Business Case had acknowledged the transfer of the former missions and reserves under the ALRA in 1983 had effectively removed Government responsibility for these services onto the land rights system.

It also noted the water and sewerage infrastructure was of a poor standard at the time.

NSWALC INVOKES ALRA OBJECTIVES AND CORPORATE PLAN.

In response to a detailed submission prepared by the CEO's Executive Officer, Mr Johnstone, NSWALC's Governing Council unanimously agreed to enter into the proposed partnership.

In so doing, it set a number of conditions.

Chief among them was that the Government guarantee it could commit a similar amount of funding over at least the next 25 years and that its initial funding be approved when the State Budget was handed down in June, 2008.

The proposed partnership was readily endorsed by State Cabinet.

NSWALC respected and maintained the commercial and Cabinet-in-Confidence status of the material supplied to it during this process until the week after its announcement in the State Budget in June.

Council had taken the view the proposed partnership presented an historic opportunity for NSWALC to use some of the limited financial gains from land rights over the past 25 years to help affected communities, and Local Aboriginal Land Councils, over the next quarter century, and beyond, to close the gap.

It hoped the decision would also send a clear and unequivocal message to all other stakeholders that the Council was, and is, prepared to actively use its financial resources and political and strategic advocacy functions, to take practical long term steps to increase the health and well being of Aboriginal people.

It has shown a preparedness to do so independently, or in partnership with State and Federal Governments, but is clearly limited by its financial base, dependent as it is on international monetary markets, and its ability to successfully add to the network's land bank.

Council's endorsement of the agreement is consistent with the objects of NSWALC as set out in the ALRA and with major elements of the NSWALC Corporate Plan 2008-2010.

As noted previously in this report the Corporate Plan commits NSWALC to work with all relevant stakeholders to improve outcomes for Aboriginal people and to maintain and strengthen existing partnerships with our LALC network to optimise performance and maximise the potential for economic, social and cultural growth at the local level.

It also states that Council will maintain and strengthen existing partnership arrangements with government and non government stakeholders to optimise performance and maximise the potential for economic, social and cultural growth and prosperity across all regions of NSW.

The core values set out in that document include seeking the provision of adequate services and resources for Aboriginal people and communities and ensuring long term opportunities and sustainability are available to all.

The Corporate Plan also states that NSWALC, as the peak representative organisation in NSW, seeks to take a leading role in improving the lives of Aboriginal people.

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

Corporate priority four of the Plan---Community Health and Well Being---- commits Council to maintain and strengthen its advocacy to ensure meaningful personal and community health outcomes are achieved throughout all regions of NSW by, among other things, promoting Aboriginal community health and well being as a critical priority.

There can be few more critical priorities than the provision of basic safe drinking water and sewerage systems.

NSWALC was working with Government agencies as this reporting period ended to develop a roll out schedule for the works.

Key benefits of the program will be:

- The protection and improvement of the health and well being of those living in the communities, and those visiting them;
- Water and sewerage services will meet acceptable standards:
- Outcomes from capital funding programs will be achieved;
- Assets will be properly managed which will extend their life and decrease the need for further capital expenditure to replace failing systems.

The problems with water and sewerage services in Aboriginal communities occupied a considerable amount of attention in the interim report of the NSW Parliamentary Inquiry into Overcoming Aboriginal Disadvantage which was publicly released just as this reporting period ended.

The Legislative Council Committee report noted that environments that promote good public health, including adequacy and quality of drinking water, sewage and waste management and safe, healthy housing are essential elements of modern society.

Many of these essential elements are missing in many Aboriginal communities.

It expressed particular concern about water and sewerage systems.

NSWALC planned to address this crucial issue in a detailed written response to the Committee's Interim Report early in the new financial year.

FEDERAL PARTNERSHIP

NSWALC's Governing Council has also agreed to commit to a 50-50 funding partnership with the Commonwealth Government to survey Aboriginal reserves and former missions.

At present virtually none of these Reserves has a formal town plan or easily accessible records in terms of the layout of essential services infrastructure.

A total of \$6million has been committed to this project.

The surveys will enable individual grid plans to be produced which would remove a major impediment to any future proposals to subdivide individual blocks on these communities to allow for home ownership.

THE "BLACK PARLIAMENT."

In March, 1983, the then Minister for Aboriginal Affairs, Mr. Frank Walker, stood at the dispatch box in the NSW Legislative Assembly and introduced the first ever land rights legislation in New South Wales on behalf of the Wran Labor Government.

Mr. Walker described the reformist legislation as "the first step in this state towards redressing the injustice and neglect of real Aboriginal needs since Captain Philip stepped upon the shores of Port Jackson in 1788."

"The Government," he continued, "has made a clear and unequivocal decision that land rights for Aborigines is the most fundamental initiative to be taken for the regeneration of Aboriginal culture and dignity."

The Act was proclaimed on June 10, 1983.

On Tuesday, June 10, 2008 the nine members of the Governing Council of the New South Wales Aboriginal Land Council filed into the same Legislative Assembly chamber to commemorate and celebrate the 25th anniversary of that proclamation.

The sitting was an operational highlight of the reporting period for the Council and NSWALC's Media and Marketing Unit which initiated and arranged the event.

The special sitting was arranged through the Speaker of the Assembly, Mr. Richard Torbay, and the Minister for Aboriginal Affairs, Mr. Paul Lynch.

The Council meeting, the first ever held by NSWALC in the State Parliament, was reminiscent of the two Black Parliaments held in the Assembly in the late nineties. It was attended by a number of distinguished guests from the land rights network around the state and a host of current and former parliamentarians.

They included the current Minister for Aboriginal Affairs, Mr. Lynch, former Minister and Treasurer, Doctor Andrew Refshauge, the current Shadow Minister, Mr. Greg Aplin and his immediate predecessor, Mr. Brad Hazzard, the member for Wakehurst.

Chairperson Bev Manton acknowledged their presence in her keynote address and noted the ongoing commitment of all parties in the NSW Parliament to the fundamental rights and principles enshrined in the legislation.

Ms Manton also paid tribute to Mr. Walker, who was unable to attend due to a bout of poor health, and the sprightly 84-year old "father" of land rights, Mr. Maurice Keane, who was in attendance.

The Member for Wallsend, Ms Sonia Hornery, hosted the meeting during the absence of Minister Lynch in a Cabinet meeting.

The meeting was subject of a special radio broadcast through the National Indigenous Radio Service and was filmed for a silver anniversary DVD which is expected to be produced in the first half of the new financial year.

The 25th anniversary celebrations also generated front page coverage in the National Indigenous Times and the Koori Mail.

Each of the NSWALC Councillors in attendance delivered a short speech which set out the Council's political and administrative agenda.

Copies of the speeches are available on the NSWALC website.

Following is a special pictorial supplement to this report on the sitting in the NSW Parliament.



The "Black Parliament."

New South Wales Legislative Assembly, June 10, 2008.



Members of the Governing Council present Minister Lynch with a signed copy of the poster bearing the Preamble to the ALRA. The poster was produced and distributed to commemorate the 25th anniversary of the proclamation of the Act.





Chairperson Manton delivers her keynote address.



Minister Lynch addresses the special sitting as Chairperson Manton and the 'father' of land rights Maurie Keane look on.





Mr Keane, Minister Lynch Chairperson Manton and Deputy Chaiperson Tom Briggs pose for official photographs after the sitting.



Deputy Chaiperson Briggs, Mr Keane, Councillor Jack Hampton and Councillor William Murray.



Roy Ah See addresses the sitting flanked by fellow Councillors.



NSWALC Media and Marketing Director Brian Johnstone and Maurie Keane.



Invited guests listening to proceedings.



NSWALC 2007 ELECTION

As noted earlier the New South Wales Aboriginal Land Council election was held in May 2007, resulting in the election of the present nine-member Governing Council.

The State Electoral Commission conducted the election on a date set by the Minister for Aboriginal Affairs.

NSWALC administration had set aside an amount of \$490,000 to cover the cost of the election in its 2006-07 budget.

It paid a total of just over \$461,000 to the State Electoral Commission in November, 2007.

The Minister for Aboriginal Affairs, Mr. Lynch, wrote to the NSWALC Chairperson in March, 2008 and enclosed a copy of a 21-page report from the Electoral Commission on the conduct, outcome and cost of the election.

The Commission raised a number of issues for consideration for future NSWALC elections.

These included:

- The possible conduct of a postal election instead of a "face to face" poll.
- The timing of NSWALC elections.
- Strategies to increase voter participation.

The Commission said a postal vote election could reduce costs and organisational demands on both NSWALC and the Commission in future elections.

A postal election was also one option to achieve greater voter participation due to the convenience postal voting would afford members.

Consideration should also be given to ensuring NSWALC elections did not coincide with State and Local Government elections.

Section 122 (2) of the Aboriginal Land Rights Act 1983 requires the Minister, in consultation with the New South Wales Aboriginal Land Council, to determine a date for the election of all Councillors.

In the absence of a Council, the former Minister for Aboriginal Affairs, Milton Orkopoulos determined in October 2005 that a NSWALC election would be held on May 19, 2007.

The NSWALC administration pointed out at the time that this would clash with the NSW State General Election which was due to be held on March 27, 2007 under the fixed four year terms set out under statute.

The Minister refused to alter his decision.

This was an issue taken up in the report from the Electoral Commission.

It said many of the processes critical to the NSWALC election were required to be undertaken in parallel with the general election.

"This places a difficult strain on the availability of NSW Electoral Commission staff whose time and expertise is required in the conduct of both elections," the report said.

"In addition there is cause for concern as to whether messages critical to the NSW Aboriginal Land Council election were lost among the advertising campaigns and media focus on the State elections.

"Consideration should be given to the timing of future elections so that they are well away from State and Local Government elections."

Section 122 (1) of the ALRA stipulates that elections of all Councillors are to be held not sooner than 3 years and nine months, and not later than 4 years and three months, after the previous election of all Councillors.

The report also pointed to the significant cost per elector of the "face to face," State wide voting system. A full postal election would see a "major reduction in the organisation and management of the election and the overall cost."

It noted that no written complaints were received regarding the election but the voter participation rate of 28 per cent was "disappointing."

In this context "it would seem appropriate that consideration be given to identifying and implementing strategies that could increase participation at the next election."

Minister Lynch said he would appreciate the Council's views on these matters "in due course."

These issues are expected to be considered by Council during the next reporting period.

Further details on the activities of NSWALC's Governing Council are contained within the achievements section for the Governance Unit and elsewhere throughout this report.

We now turn to a review of operations and achievements within NSWALC and across the network during the reporting period.

FINANCE & ADMINISTRATION DIVISION

The Finance & Administration Division reported a hectic workload during the 2007/08 financial year under the management of the Chief Finance Officer.

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

It was one highlight in an otherwise unpredictable financial year which ended with returns from investment funds at their lowest levels for many years.

The sub-prime crisis in the US housing market put enormous pressure on global credit markets.

High inflation, high commodity prices and a surging oil price also contributed to the weakness in investment markets.

NSWALC suffered a significant loss on its investments during the reporting period.

The net equity of the organisation reduced by \$79M from \$721M at the end of the previous reporting period to \$641M at the end of the 2007-08 financial year.

BUDGETING

NSWALC's Governing Council submitted its triennial budget to the Minister for Aboriginal Affairs by the statutory deadline in May 2008 in accordance with s157 of the Aboriginal Land Rights Act.

In her letter of transmittal, NSWALC Chairperson Bev Manton noted it was the first budget to be submitted to the State Government on behalf of a duly elected Council since 2003.

The last budget had been submitted on behalf of the NSWALC Administrator in May 2007 just before the election of the current Governing Council.

Chairperson Manton informed the Minister that the Council had worked closely with relevant NSWALC staff to ensure the triennial budget to the year ending June 30, 2011 provided a sound operational base for NSWALC in the forthcoming financial years.

Council was confident it represented a sustainable and productive balance between the funding of new initiatives and prudent financial planning to further improve the efficiency and effectiveness evident in NSWALC and the land council network in recent years.

Council was united in its efforts to consolidate the gains made at NSWALC, and across the network, in the recent past.

To this end Council would continue with the allocations required to ensure NSWALC was able to work with significantly improved governance policies and procedures, more efficient management systems and structures and to increase the substantial support NSWALC provided to the Local Aboriginal Land Council network.

The Minister was asked to note a number of increases to the staff structure across the NSWALC network designed to increase support to Local Aboriginal Land Councils.

Forecast revenues for the 2008-09 financial year were anticipated to be just over \$53 million while total operational expenditure was budgeted to be just over \$42 million in the 2008/09 financial year.

This represented an increase of \$4.4 million from the reforecast 2007/2008 budget to enable NSWALC to meet its core objectives in accordance with the amendments to the ALRA and to ensure consolidation of the organisation's operations.

Chairperson Manton advised that Council considered this to be sustainable.

She pointed out NSWALC was not immune to share market fluctuations which had a negative impact on the earnings of the organisation during the reporting period.

A modest recovery was being forecast for the Statutory Investment Fund for the financial years through to 2011.

Chairperson Manton noted a request from the Minister that NSWALC seek to cap recurrent expenditure but pointed out that the majority of increases in NSWALC's forecast expenditure for the 2008-2009 financial year and beyond were primarily a direct result of transactional costs flowing from Government initiated amendments to the ALRA.

The major items included a provision of an estimated \$2.5 million to meet the obligations and consequential costs of the most recent amendments, provision of a similar amount for the indicative costs of entering into a water and sewerage partnership with the Government, and the provision of \$1.2 million to fund NSWALC's Education Endowment Scholarships.

Chairperson Manton said she felt the Minister would appreciate it was not possible for Council to cap recurrent expenditure while seeking to progressively introduce demonstrable benefits for Aboriginal people in New South Wales and meet the transactional costs imposed upon the land right networks by the legislative amendments.

Council had framed its first triennial budget conscious of the sound resource base that had been established but tempered by the realities of the resources available.

Land rights could never be seen as a panacea for all of the socio-economic problems facing Aboriginal people in New South Wales.

NSWALC, however, stood ready, within the resource limits available to it, to enter into genuine partnerships with anyone interested in addressing the many issues facing all who worked to improve the health and well being of Aboriginal people.

Chairperson Manton also noted NSWALC had informed the Minister in its previous budget transmittal letter that it was awaiting a reply from Treasurer Michael Costa to a request for the services of an officer from NSW Treasury to assist NSWALC in conducting a full transactional cost analysis of the most recent amendments to NSWALC and the land rights network.

At that time NSWALC was awaiting a reply from the Treasurer.

She informed the Minister the request had since been declined and requested further consideration be given to this matter given Council's view such an analysis would assist both NSWALC and the Government to quantify these recurrent costs.

Chairperson Manton concluded by commending the budget to the Minister.

As this reporting period ended Chifley Financial Services advised the projected income from the Statutory Investment Fund and In-House Investments was forecast to be about \$50 million for the 2008/2009 financial year.

A projected income of \$53 million was forecast for the 2009/2010 financial year and \$57 million in the following financial year.

The company advised that its forecasts were conservative.

The draw-down required from the Statutory Investment Fund to meet the operational expenses of the land rights network in the 2008/2009 financial year will be \$36 million.

This was an increase of \$1 million over the draw down required for the current reporting period.

In addition to the major expenditure outlined, the budget for next financial year made provision of \$500,000 for ongoing training in the land council network to meet the legislative requirements in the areas of governance, finance procedures, mediation-conflict, grant application and community business planning.

A provision has also been made for costs associated with the next stage of the review of the ALRA of \$250,000 in the new financial year.

AUSTRALIAN ACCOUNTING STANDARDS (INCLUDING AUSTRALIAN INTERPRETATIONS)

The Finance Unit implemented all of the new standards which related to NSWALC's operations in the preparation of its financial statements during this reporting period.

The Unit also worked closely with Zone offices to roll out training to all LALCs, and their auditors, on the following standards which may have an impact on their financial statement for the year ended 30 June 2008:

AASB 7 Financial Instruments: Disclosure
AASB 132 Financial Instruments: Presentation
AASB 139 Financial Instruments: Recognition and
Measurement

The Unit also provided a template and sample notes for disclosure to assist them comply with the standards.

The Unit will continue to update LALCs on any future changes to the Standards to ensure they are provided the knowledge base which would allow them to appreciate their reporting requirements.

POLICIES AND PROCEDURES

During this reporting period the Finance Unit reviewed and updated all finance policies and procedures. A number of new policies were also being developed as the reporting period came to a close. These will be completed in the new financial year to continue the organisation's progressive move to best practice.

ADMINISTRATION

As noted earlier in this report the Administration team provides a number of services to the NSW Aboriginal Land Council. Their responsibilities include administering funeral grants, fleet management and travel and accommodation.

During this reporting period this Unit updated NSWALC's funeral funds policy and ensured the timely payment of funeral fund grants and support to the community.

South Coast Councillor Jack Hampton noted in a speech in the NSW Parliament during the reporting period that it did not surprise him to learn upon his election to Council that NSWALC paid out more than half a million dollars each and every year under its funeral fund policy.

New South Wales Aboriginal Land Council • Annual Report 2007-2008

These small grants assisted relatives to bury their loved ones.

The payment of such grants was a grim reminder of the reality behind the closing the gap rhetoric from Commonwealth and State parliamentarians.

The Administration Unit also provided training to relevant NSWALC staff on new purchasing arrangements and policies.

The administration and operation of NSWALC's car fleet was also strengthened during the reporting period.

RECORDS MANAGEMENT

There were three major long term projects underway within the Records Management Unit as this reporting period came to a close. The work conducted on each during this period is outlined below.

ELECTRONIC DOCUMENT MANAGEMENT (EDM)

Major progress was made during the reporting period on the EDM project.

The electronic document management project was rolled out across the NSWALC network.

All offices now have access to the TRIM software and are registering documents from Outlook and their desktops

This involved the training of all staff at Head Office in Parramatta and at all Zone Offices.

All employees now have the means to register documents into TRIM directly and the ability to search for, and view, these documents at their discretion.

This has led to a marked increase in the usage of TRIM with a positive take up of the system across the organisation.

ARCHIVING

This is an ongoing program of repatriation, identification and lifespan determination of all the records within the NSWALC's keeping.

This includes files from the Zone and former branch offices, an existing file backlog at the Parramatta head office and information relating to historical aspects of the NSWALC and land rights.

The project is designed to provide NSWALC a clearer perspective on the value of the records that it houses and to create a solid base for the ongoing storage of those records.

CLASSIFICATION SCHEME/DISPOSAL AUTHORITY

The Records Management Unit has redesigned its Classification Scheme.

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

HUMAN RESOURCES UNIT

The Human Resources Unit reported a busy year, particularly in terms of NSWALC's ongoing recruitment of staff with continuing industrial harmony a major highlight of operations.

RECRUITMENT

The 2007 -2008 financial year saw significant recruitment action which resulted in the employment of a number of outstanding applicants.

As noted in this space last year the need to attract and retain quality staff to meet new initiatives and the increasing operational 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, have assisted 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 during the Howard era, and general community ignorance about what we are, and what we do, has been an ongoing issue in attracting and retaining staff for organisations such as NSWALC.

Despite this it is heartening to note the continuing increase in Aboriginal employment within the organisation during this reporting period.

More than half of the staff complement is comprised of Aboriginal employees. They comprise half of the senior management team.

APPOINTMENT OF CEO

During the reporting period the Unit coordinated a number of recruitment strategies which resulted in the appointment of skilled, qualified and experienced staff to key permanent positions within NSWALC.

The highlight was the appointment of Mr. Geoff Scott by NSWALC's Governing Council to the position of Chief Executive Officer in accordance with section 138 of the ALRA.

The new Council was conscious of the need to ensure this recruitment process was transparent and conducted in accordance with appropriate and recognised procedures.

Mr. Scott's appointment followed a comprehensive recruitment campaign conducted with executive search agency, Hamilton James & Bruce Pty Limited.

Other significant appointments were made to the positions of Deputy Chief Executive Officer, Principal Legal Officer, Zone Directors and IT Manager.

COUNCILLOR SUPPORT OFFICERS (RECRUITMENT AND INDUCTION)

The return of a duly elected Council created the need for newly created positions of Councillor Support Officers.

The Unit undertook a state wide recruitment and selection program to identify, attract and employ suitable applicants for these pivotal positions.

The successful applicants attended a comprehensive formal induction programme held over three days at Parramatta in April, 2008.

The attendees were provided information and training sessions on their employment entitlements and obligations, and the NSWALC policies and procedures essential to the performance of their duties.

These sessions also provided an opportunity to meet and network with key Head Office staff and fellow Councillor Support Officers.

LEARNING & DEVELOPMENT

The departure of the NSWALC's Learning & Development Coordinator in late 2007 limited the capacity during this reporting period for "in house" staff training.

The Unit did however continue to coordinate the participation of staff in a range of external training courses which had been identified through NSWALC's Performance Planning Agreements.

Professional developmental opportunities were also made available to staff through the NSWALC's Professional Development and Training and Development Policy.

This included financial assistance towards the payment of fees and attendance at compulsory lectures.

A NSWALC Capacity Development Plan was also established during the reporting period and this has assisted in identifying future training requirements for NSWALC staff.

As part of an ongoing organisational review, future NSWALC staff training responsibilities are being transferred to the Training & Development Unit within the Network Services Unit.

This will allow the co-ordination of staff training with that provided to NSWALC's Governing Council and LALC boards and staff.

INDUSTRIAL RELATIONS

The NSWALC continued to experience a period of industrial harmony throughout this reporting period with the Public Service Association & Professional Officers Association which covers most of its staff who are union members.

As noted in this space last year a New South Wales Aboriginal Land Council award was finalised and passed through the Industrial Relations Commission in March, 2006.

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

Subsequent wage increases were passed on with the last paid in this reporting period.

NSWALC will commence negotiation of a new NSWALC Staff Award in the second half of the 2008 calendar year to coincide with its expiration in October.

TRAINEESHIP

Following extensive negotiations, approval was given during the reporting period for the appointment of an Aboriginal Administrative Trainee working out of the office of Councillor Tom Briggs with the trainee scheduled to commence in early July 2008.

NSWALC is committed to seeking employment opportunities for young Aboriginal people within the land council network.

It is committed to seeking further trainee opportunities during the next reporting period.

INFORMATION TECHNOLOGY UNIT

The Unit completed a number of projects during the reporting period which enabled the NSWALC to effectively utilise core IT infrastructure.

The Unit implemented a phone system which has centralised and unified telephony between all NSWALC offices.

The new system switches all inter-office calls across the NSWALC data network allowing extension dialling and increased mobility for all staff without commensurate increases in relevant costs.

The implementation of Microsoft Office SharePoint Server 2007 ensured employees could better locate organisational resources, and more easily access corporate knowledge.

Information shared from enterprise applications is presented through dashboard reporting.

A number of projects to further increase IT capacity were being carried forward into the new financial year including better support for satellite offices

The Unit continued to review and update its policies and procedures during the reporting period and invaluable technical assistance and advice was provided for a range of business activities.

A support hotline was established to provide a single point of contact for all staff requesting technical assistance.

A three tiered support structure was being implemented as the reporting period ended to allow for escalation of more complex service and support requests between IT staff.

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—from 1 January 1984 to 31 December 1998---the Act provided for guaranteed funding through the payment of an amount equivalent to 7.5 per cent of NSW Land Tax (on non-residential land) to NSWALC, as compensation for land lost by the Aboriginal people of NSW.

During this period, half of the funds were available for land acquisition and administration.

The remainder was deposited into a statutory account to build a capital fund to provide ongoing funding in the future.

The total funds allocated were \$537 million.

Of this amount \$268.5m was deposited in the Statutory Account.

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

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

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

CURRENT MANAGEMENT AND VALUE

The Statutory Investment Fund is largely managed on behalf of the New South Wales Aboriginal Land Council 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 \$620.6 million as at 30 June 2008, compared with a value of \$699 million at the end of the previous reporting period.

This represents a decrease of \$78.4 million in the value of the Fund during the reporting period. This was a direct result of a share market meltdown in local and international equities after a strong period of consolidation.

Despite this the value of the fund remains well above the statutory limit of \$485m currently prescribed in the ALRA.

There is a view which has taken hold in some ill-informed quarters that this money simply sits in a bank account. This is given periodic credence by ill informed reports, particularly in the mainstream media.

This serves only to cloud the real issues about the lack of long term funding available from the State Government and the Commonwealth Government to increase the health and well being of Aboriginal people, particularly in New South Wales.

It does a great disservice to all of those in the land rights system who are working for the benefit of their people.

WHERE OUR MONEY GOES

A major impact on NSWALC's annual budget is the direct funding to Local Aboriginal Land Councils, comprising around \$15 million of its total expenditure.

This funding is delivered in a direct grant allocation of \$130,000 to each funded Local Aboriginal Land Council to assist with its administrative costs.

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

A drawdown of \$37.3 million was made during the year to fund the operational expenditure of the land rights network, including the administrative costs of both NSWALC and Local Aboriginal Land Councils.

It should be noted that many Local Aboriginal Land Councils have difficulty meeting their financial and reporting obligations.

NSWALC must support those that are under-performing and supervise them more closely.

This places additional burdens on NSWALC and the land council system through the increased costs which need to be allocated to investigators, administrators, legal expenses, intensive assistance projects and the cost of meeting LALC liabilities.

The transactional costs of the most recent amendments to the Act have also had a major impact on NSWALC's bottom line

CURRENT OBJECTIVES OF THE FUND

There are two current primary objectives for the fund.

- 1. To provide sufficient income to meet the basic administrative expenses of Local Aboriginal Land Councils and the administration of NSWALC.
- 2. To ensure sufficient funds are put aside so that the value of the fund increases with inflation.

NSWALC has adopted a conservative investment strategy for the fund to meet its objectives.

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

GROWTH OF THE FUND

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 network of Local Aboriginal Land Councils, particularly as they shoulder

more service delivery functions and inflationary pressures place added burden on their bottom line.

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

To do so would be a breach of the current provisions of the Aboriginal Land Rights Act.

WHERE DOES THE MONEY GO			
	\$'000		
Revenue			
Interest and Investment Income	47,756		
Grants and Contributions	21		
Other Income	3,618		
Gains on Disposal of Property Plant & Equipment	18		
Total Revenue	51,413		
Expenses			
Audit Fees	242		
Consultants Fees	1,104		
Enterprise and Farm Expenses	1,752		
Depreciation	685		
Amortisation – Intangible Assets	114		
Bad and Doubtful Debts	8,157		
Employee Expenses	9,233		
Funding of Regional and Local Aboriginal Land Councils	13,648		
Grants	2,736		
Legal Expenses	1,842		
Motor Vehicle Expenses	522		
Repairs and Maintenance	237		
Other Expenses	5,211		
Other Losses	93,134		
Total Expenses	138,617		
SURPLUS/ (DEFICIT) FOR THE YEAR	(87,204)		

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.

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

The unit worked with an increasing number of LALCs during the 2007/08 financial year to seek to achieve beneficial outcomes from their land bases.

Many LALCs 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 LALCs 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 Unit was first established.

The Unit completed a number of crucial projects aimed at improving the financial and operational management of NSWALC's property holdings during the reporting period.

Cost control monitoring systems were put in place for major property assets, capital program budgets were also established and a "whole of life" asset management planning process was commenced.

Service agreements with external service providers were reviewed and, where appropriate, contracts were put out to tender.

Significant improvements were made in operational and financial performance as a result.

LAND DEALINGS

The Commercial Unit provides advice to the NSWALC Council on applications received from Local Aboriginal Land Councils under s.38, 40B & 40D of the Aboriginal Land Rights Act 1983.

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

In most instances 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 long periods, the granting of easements, and other transactions that result in a change of the use of land.

NSWALC was involved in more than 90 proposed or completed land dealings during the reporting period.

The broad scope of these dealings included commercial sand extraction operations, leasing of land for the purpose of accessing water resources, multi-lot rezoning and land subdivision, large scale retail development, property disposal and general land management issues.

Complex multi million dollar land dealing matters were managed effectively and an increased number of applications were considered by the unit.

Valuable support and guidance was provided to LALCs across the state resulting in a very high proportion of land dealing matters being approved by the NSWALC Council.

A fundamental difference noted between this and the previous reporting period was a noticeable increase in land dealing activity relating to forestry holdings.

The increasing awareness of global warming and climate change has seen many Land Councils actively pursuing new and emerging opportunities in this area.

Carbon / bio sequestration and bio banking may present new opportunities for many LALCs with land holdings considered unsuitable for conventional development.

The staff of the Commercial Unit attended a number of seminars and training sessions during the reporting period to keep abreast of these emerging developments.

REGIONAL ACTIVITY REPORTS

As noted earlier an increasing number of land councils are consulting with NSWALC in the early stages of land dealing proposals.

This is particularly important when LALCs anticipate major joint venture development and is proving to be of immense value in assisting LALCs to effectively manage the risks associated with major property development.

Early consultation is also ensuring an improvement in the quality of their land dealing proposals.

Since the election of the NSWALC Council, the Commercial Unit has established reporting protocols which provide each Councilor with visibility of land dealing activity in their region. This enables them to work with the Unit and the respective LALC on the proposals.

During the reporting period the Unit also presented a number of information briefs and training sessions to the Council.

Information briefs and discussion papers were presented in relation to land dealing policy, rural property management, the NSWALC-owned property portfolio, and the commercial management of NSWALC's head office at 33 Argyle Street Parramatta.

ASSET MANAGEMENT

The management of the nine storey Head Office was considerably improved during the reporting period.

As foreshadowed in last year's report a new managing agent for the building was appointed during this reporting period following a tender process.

The company, Jones Lang LaSalle, was the successful tenderer and has since provided invaluable assistance to NSWALC in establishing long term budgets for the building.

A fresh marketing strategy was adopted and vacancies reduced.

Three new tenants have taken up leases in the building since July 2007.

The building now has an occupancy rate of almost 94%.

Negotiations have resulted in existing tenancies renewing leases which has reduced the vacancy risk for NSWALC over the next 3-5 years.

All service contracts have been reviewed and, where appropriate, limited tenders run to secure better quality contractors. Improved cost monitoring systems have been put in place and capital budgets developed.

During the year the water cooling tower on the roof of the building was replaced. This has resulted in greater efficiencies from the air conditioning system and a reduction in maintenance costs.

NSWALC plan to replace the lifts and complete an upgrade of the common areas in the new financial year.

A considerable amount of work was completed during this reporting period on the planned refurbishment of common areas which will be aimed at improving the building's appearance and reducing water and energy consumption.

Energy and water costs are expected to rise dramatically over time and any future carbon emissions legislation will also increase operating costs.

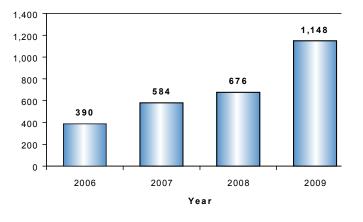
The cost benefit of upgrading the building will be invaluable in terms of retaining quality tenants, reducing costs, and achieving a maximum return on investment.

The following graph shows a comparative analysis of the financial performance of the building together with projected net income figures.

The projected increases in net income reflect the high occupancy rates, expiration of rent free periods, and improved cost controls which are now in place.

It should be noted that these projections do not anticipate the leasing of the remaining vacant space within the building.

Net Income - 33 Argyle St



REFURBISHMENT OF NSWALC OFFICES.

The Unit also undertook the refurbishment of office space tenanted by NSWALC within the building during the reporting period.

Essential work was completed to the fifth floor board room to provide NSWALC's Governing Council with suitable meeting facilities.

A refurbishment of office space on the seventh floor was completed.

A new Resources Centre and Library was established on the ground floor.

An under-utilised balcony area on the fourth floor was also upgraded.

Balustrades to the balcony were replaced due to occupational health and safety concerns, the area was tiled and outdoor seating was installed for use by staff. The upgraded balcony area now provides an attractive outdoor entertainment facility suitable for functions and staff use.

MANAGEMENT OF RURAL PROPERTIES

NSWALC continues to manage a number of rural properties which had been bought by various Regional Aboriginal Land Councils and were subsequently transferred to NSWALC through amendments to the ALRA.

NSWALC has engaged independent agribusiness management specialist Riverina Farm Pty Ltd to provide rural management services for the properties since 2004.

The company continued to provide high quality services throughout the reporting period.

The properties under management by Riverina Farms include:

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

The rural properties are managed against a set of core principles.

These are:

- Management of the portfolio on a complementary basis to maximise efficiencies and return on investment.
- Sharing of resources across properties including labour and equipment.
- Engagement of suitably qualified and experienced personnel, primarily of Aboriginal descent.
- Ongoing commitment to training farm personnel in good farming techniques and agronomic industry best practice
- Ensuring occupational health and safety standards are maintained at all times
- Sound business / risk planning and financial management principles to be followed
- Capital improvement to farming equipment in line with latest technology aimed at optimising crop yields
- Continued high level of interaction between NSWALC and Riverina Farms in order to facilitate effective and profitable portfolio management

PERFORMANCE OF PROPERTIES

Although drought conditions resulted in disappointing outcomes in the reporting period industry benchmarking indicates that all of the NSWALC rural properties are performing as well as, if not better, than comparative rural properties in the immediate area.

The performance of each farm is being benchmarked against data from the Australian Bureau of Agricultural Resource Economics (ABARE).

The Commercial Unit worked closely with Riverina Farm staff during the reporting period to refine the operational and financial management of the properties.

Three year rolling budgets were also developed and long term planning completed for the replacement of essential farm equipment. New technology is also being employed as part of the overall risk management strategy for the properties.

It is important to note that valuations commissioned in June 2006 indicated that solid capital growth in the rural properties had largely offset crop losses over previous years.

CROPPING PROGRAM

Weather conditions held early promise for the cropping program in the first half of the financial year but the lack of essential follow up rain prevented the wheat crops at Kaituna and Barooga from being harvested. They were largely used for fodder.

NSWALC had some 4000 hectares of wheat sown at the end of the 07/08 financial year with different varieties planted at different times to spread the risk for each farm.

Wheat prices hit a 10 year high late in the reporting period and the cropping plan for the 08/09 financial year was modified to take advantage of this.

While prices may fall prior to harvest a world wide grain shortage is likely to keep them high.

At the time of writing this report, crops were well established and healthy.

NSWALC anticipates a healthy return on these crops in the new financial year, subject to normal climatic conditions.

RISK MANAGEMENT

Together with Riverina Farms agronomists, NSWALC is looking very closely at how future cropping risks can best be managed and how the overall risk profile of the portfolio can be improved.

Areas being looked at included diversification of farming activities and potential risk sharing arrangements with other organisations.

During this reporting period NSWALC entered into discussions with the West Australian-based company Australian Agricultural Contract Ltd on possible risk sharing arrangements for future wheat crops at Kaituna Uno.

As the reporting period ended NSWALC was in the final stages of discussion with AACL on a proposal to trial a risk sharing arrangement over a small portion of the wheat crop on Kaituna.

Consideration will be given to expanding this to other NSWALC rural properties should the proposed initial arrangement prove a success.

CATTLE PROGRAM

While poor rainfall and continuing drought conditions prevailed for most of the year, generous summer rain at Barooga and Kaituna resulted in an abundance of natural feed later in the year.

Cattle purchases in May and June resulted in a closing stock balance of 1866 head at the end of the reporting period.

The outlook for the next financial year looks very promising with cattle fattening on an abundance of natural grasses.

The cattle program was on target to return profits of approximately \$300,000 for the 2008/2009 financial year.

A decision was made during the reporting period not to stock Appin station with sheep because of the presence of wild dogs which could have resulted in heavy stock losses.

The funds targeted for the purchase of sheep were redirected into the cattle program.

This proved fortuitous as market conditions improved and good quality cattle were purchased from Queensland.

NSWALC also continued during this reporting period with agistment arrangements on Appin Station.

These arrangements have again provided a reliable income stream to NSWALC.

CARBON SEQUESTRATION

As reported last year NSWALC proposed a carbon sequestration programme on Barooga Karrai but progress was stalled during the reporting period following a decision by the Minister of Lands not to grant any new carbon sequestration rights on land subject to Western Lands Leases.

The Minister wrote to NSWALC on 1 April 2008 advising that the NSW Government would defer the granting of new carbon sequestration rights until details of a proposed national emissions trading scheme were known.

ACHIEVEMENTS IN LAND RIGHTS

The 25th anniversary of the enactment of the NSW Aboriginal Land Rights Act in (1983) fell just as this reporting period came to a close.

The Act was proclaimed on June 10, 1983.

The 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 chaired by Maurie Keane, the then Labor member for Woronora.

A key recommendation of the report was that the provision of land rights was fundamental to Aboriginal self-determination and autonomy. It would, in part, provide an economic base for Aboriginal self-determination.

This depended on providing a viable land base.

Land rights, as noted earlier, is the core business of the NSWALC.

The New South Wales Aboriginal Land Council was formally established under the legislation as a non-government statutory corporation, reporting to the Minister for Aboriginal Affairs.

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

NSWALC would also oversee and support the operations of all Aboriginal Land Councils in NSW.

The land rights struggle continues with the Government having returned less than 1% of the land in NSW back to the Aboriginal people.

As at 30 June 2008, there has been a total of 81,637 hectares of land granted since the enactment of the ALRA in 1983.

THE PURPOSE OF LAND CLAIMS

The granting of land is now the sole remaining form of compensation for dispossession of land which is available under the ALRA.

The process involves Land Councils lodging land claims over NSW Crown Land. These claims are then determined by the relevant Minister, or on appeal through the NSW legal system.

Under the ALRA, claimable Crown land is defined as:

- 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)
- Land that is not lawfully used or occupied
- Lands which are not, in the opinion of the Minister administering the Crown Lands Act (1913), needed or likely to be needed as residential lands
- Lands which are not needed or likely to be needed for an essential public purpose
- Lands that are not the subject of an application for a determination of Native Title, or the subject of an approved determination of Native Title.

If land satisfies the above tests, it is granted to the claimant Land Council.

The New South Wales Aboriginal Land Council may make a claim for land on its own behalf or on behalf of one or more Local Aboriginal Land Councils.

Land Councils have a right of appeal against any Ministerial decision to refuse a land claim. Appeals are heard, in the first instance, by the NSW Land and Environment Court.

In addition to its land claims functions NSWALC is charged under the legislation with advising the Minister for Aboriginal Affairs on matters relating to land rights and to prepare and implement policies relating to its functions and those of Local Aboriginal Land Councils.

NSWALC continued to assist LALCs lodge land claims during this reporting period in recognition of the fact that many do not have access to the expertise, resources or funding to do so. This includes researching, lodging, and appealing claims if their refusal is considered to have been unfair.

STATUS OF LAND CLAIMS

A total of 503 land claims were lodged during this reporting period.

A total of 92 were granted and 257 refused.

At June 30, 2008, a total of 16,083 land claims had been lodged since the enactment of the ALRA in 1983.

Less than 20 per cent of all claims had been granted.

A total of 2,304 land claims have been successful. This represents 14 per cent of all claims, with almost double that number----4,276---refused.

At the end of this reporting period a total of 9,107 land claims awaited a determination from the Minister for Lands.

Of these outstanding land claims, 358 were lodged before the year 2000.

The time taken to determine outstanding land claims is an ongoing concern for NSWALC and the LALCs.

In response to these outstanding land claims, the Office of the Registrar for the ALRA, has undertaken a review and resubmission process of the oldest of these outstanding land claims. As a result of this, at the end of this reporting period 100 of the oldest land claims were in the process of being reviewed.

The number of granted land claims awaiting survey and Certificate of Title issue by the Department of Lands is also a continued concern of NSWALC and the LALCs. These delays deprive LALCs of the use of the land granted for a lengthy period of time.

LAND CLAIM APPEALS

The Land Services Unit continued to work closely with the NSWALC Legal Services Unit to deal with appeals to the Land and Environment Court of refusals of land claims by the Minister. Details of these appeals are contained in the Legal Changes section of this report.

FUTURE OPERATIONS

There is a continued need by LALCs to have land within their boundaries investigated for the ability to lodge land claims.

NSWALC has begun discussions to create a database that will allow greater mapping of land owned by LALCs in NSW.

NSWALC is hopeful, with the assistance of other Government agencies, data sharing will be a possibility for LALCs, providing greater ability to identify land acquisition opportunities within LALC boundaries.

PROPERTY REGISTER

NSWALC is complying with s106(2)(g) of the ALRA by compiling and maintaining a register of all land held by NSWALC and the LALCs.

As reported in the previous Annual Report, an updated and more comprehensive land database was rolled out during this financial year.

NSWALC has maintained its agreement with the Department of Lands for access to the Webgov Portal for online Title Information and Plans. This access allows the Land Services Unit to quickly respond to any land inquiry from within NSWALC, its Zone Offices, and the LALCs.

NETWORK SERVICES

As noted earlier in this report this is the core operational and compliance arm of NSWALC.

Capacity development within the land rights network was a key focus for the Unit during this reporting period along with its normal compliance responsibilities.

The Unit worked closely with NSWALC's Governing Council, LALC Boards and their respective staff, particularly officers from NSWALC Zone Offices, to assist the land council network bed down the legislative changes which took effect on the first day of this reporting period.

Key components included mandatory training requirements for all elected representatives, and the legislative requirement for Local Aboriginal Land Councils to develop Community Land and Business Plans and Community Benefit Schemes, including Social Housing Schemes.

The complexity of the planning process and the strict timeframe within which a LALC has to prepare and adopt a Community Land and Business Plan have ensured this provision has been a key priority for Network Services during this reporting period.

It will continue to be a key priority in the new financial year.

The following section sets out the processes and timelines involved in the development, approval and implementation of Community Land and Business Plans, and the work which has been, and will continue to be, conducted in this regard.

But it is important to appreciate what has driven these legislative changes.

The Objects of Local Aboriginal Land Councils are to improve, protect and foster the best interests of all Aboriginal persons within Council's area and other persons who are members of the Council.

They have a particular responsibility to represent the wishes of their members in acquiring, managing, using, controlling and disposing of land, which remains the sole form of compensation available to Aboriginal people under the ALRA.

It is incumbent upon them to use those lands and apply any funds they receive in the best interests of the people they are elected to serve.

The new provisions will ensure LALCs plan for the management, use and/or disposal of their lands.

Previously, LALCs could make ad hoc decisions on land disposal with a small number of members making major decisions in this regard.

The new scheme requires all decision making about a LALCs land to be made within the context of an approved plan.

The purpose is to ensure that important decisions about future land use are taken strategically to maximise the benefits of land ownership to members and to increase membership participation in transparent decision making processes.

COMMUNITY LAND AND BUSINESS PLANS

These matters are set out in Division 6 of Part 5 of the Aboriginal Land Rights Act (1983) ("ALRA"), which stipulates that a Local Aboriginal Land Council must prepare and implement a Community, Land and Business Plan.

The Act sets out a consultation and approval process which must be adopted in relation to the plans and the matters to be covered within them.

Essentially the proposed plans must contain the LALCs objectives and strategy:

- for the acquisition, management and development of land and other assets
- for the provision and management of community benefits schemes.
- For carrying out business enterprises and investments
- In relation to Aboriginal Heritage and Culture

The plans must also contain strategies for the development or acquisition of human resources and skills to implement the proposals and timelines for their achievement.

They must also contain, among other things, particulars of the assets and liabilities of the LALC.

The plan must be approved by members of the LALC and the NSWALC which must not approve such a plan unless it is satisfied it complies with the ALRA and the regulations and is consistent with any applicable policy of the Council.

Schedule 4 of Part 7, Section 47(1) stipulates a LALC is to prepare and adopt a CLBP in accordance with the ALRA, not later than 18 months after the commencement of Division 6 of Part 5.

The deadline for the preparation and adoption of a CLBP by a LALC is the 31st December 2008.

Failure by a LALC to adopt and approve a CLBP, or a substantial failure by a LALC to comply with an approved CLBP, is considered a substantial breach of the requirements of the ALRA.

Such a situation can result in administration.

NSWALC is given an important discretion in relation to these legislative provisions.

Schedule 4 of Part 7, Section 47(2) states NSWALC may extend the period within which a LALC is to prepare and adopt a plan, and may waive the requirement wholly or partially in an appropriate case.

THE CLBP GUIDE

The Network Services Unit worked with all relevant stakeholders throughout this reporting period to assist LALCs fully prepare to comply with the Act.

The Unit developed and distributed comprehensive information and training resources to the LALCs to assist with the preparation of the CLBPs.

A step by step tool kit was developed and distributed, entitled: 'Preparing a CLBP – Guide for LALCs' ("the Guide").

It provides information, advice and guidance to LALCs on standard planning matters; mandatory CLBP legislative requirements and approval processes; planning tools and templates; and a token example of a LALC CLBP.

The editorial material in the tool kit was accompanied by a CD-Rom which provided each LALC with an outline of a CLBP with relevant chapter headings to assist with the development of a plan.

It provides an in-house training resource that may be used for LALC workshops and other types of CLBP training at the local level.

The Network Services Unit worked closely with the land council network and Zone offices throughout the reporting period on CLBP training to clusters of LALCs. The training was delivered by external training providers.

Participants included LALC Board members, land council members, staff and specialists and consultants engaged by LALCs to assist in the development of their CLBP.

Those who complete the two day training sessions are eligible to obtain two nationally accredited Statements of Attainment which are recognised under the Australian Quality Training Framework ("AQTF").

As reported last year, NSWALC secured a grant of \$300,000 from the NSW Department of Aboriginal Affairs and \$250,000 from the Indigenous Land Corporation. These monies have been used to finance the development of CLBP resources and training.

It has also been used to provide small one-off grants to LALCs to assist with the development of their plans.

A portion of the grant monies has also been allocated to the sourcing of demographic information on behalf of LALCs.

In October 2007 the Network Services Unit commenced discussions with the Australian Bureau of Statistics ("ABS"), regarding the collection of relevant source data based on LALC boundary areas to help LALCs better inform their planning.

The ABS provided NSWALC with eight Indigenous data tables for each LALC area just as the reporting period came to a close.

This information is expected to be useful in the planning processes in the new financial year.

LACK OF CAPACITY

As noted in this space last year NSWALC is conscious of a lack of capacity and resources at LALC level to initiate, develop, and implement CLBP's.

In November 2007, the Network Services Unit met with the Department of Education Employment and Workplace Relations to discuss the impact of the CLBP requirement on local and regional planning in NSW.

As a result of ongoing discussions DEEWR agreed in March 2008 to allow LALCs to apply for grants of up to \$50,000 to engage skilled consultants to assist with the development and implementation of proposed plans.

This opportunity to seek grant funds was strongly promoted throughout the land council network. Many LALCs had successfully obtained funding, or had applied for it, as this reporting period ended.

NSWALC and DEEWR will continue to promote this opportunity into the new financial year.

The Network Services Unit also completed NSWALC's internal approval process during this reporting period in anticipation of LALCs submitting proposed CLBP's for Council consideration and clearance.

This included the training of NSWALC employees responsible for the processing of plans.

NSWALC CAPACITY DEVELOPMENT PLAN

As reported last year the new legislative provisions also placed a requirement upon NSWALC to train members of the NSWALC Governing Council, LALC Board members and staff of NSWALC and Local Aboriginal Land Councils.

This is stipulated under Section 107 of the ALRA.

NSWALC is required to prepare and implement a Capacity Development Plan (CDP) for the purposes of carrying out its training functions under this section of the Act.

The 2008 NSWALC Capacity Development Plan is designed as a "living" document.

It is designed to evolve and develop as NSWALC responds to the learning and development needs arising from the dynamic operating environment of the Land Rights network.

The current CDP will be enhanced in the new financial year with the position profiling of internal NSWALC and Local Aboriginal Land Council ("LALC") staff positions.

The duties of each position will be mapped to the training needs of staff members to enable NSWALC to identify and develop effective training solutions to further build capacity throughout the organisation and the land rights network

NSWALC BOARD TRAINING

NSWALC arranged training for each Councillor as prescribed under section 92 (1) of the Regulations within 6 months of the date of the NSWALC Board election.

The NSWALC CDP must arrange training in relation to the matters prescribed by the regulations for each Councillor elected for the first time to the Council.

Training must be provided no later than 6 months after the date of the election of a Councillor.

Section 131 of the amended ALRA stipulates that a Councillor must not refuse or fail to undergo training provided under this section when required to do so by NSWALC.

This meant that all training required under the regulations was due to be completed In the case of those Councillors elected to the Governing Council on May 19, 2007 by mid-November, 2007.

The training component of the induction of the new Council was a major focus for the Network Services Unit in the transition to the new Governing Council of NSWALC in the last half of the 2006-2007 reporting period and for the first two quarters of the 2007-08 financial year.

We expressed confidence in this space last year that the organisation would meet its statutory obligations in this regard.

We are pleased to report we have done so.

Councillors were required to receive governance training in relation to the operation of the Council, the Act and the pertinent Regulation.

Prescribed training included the principles of governance applicable to the Council, the rules of the Council, the role and functions of Councillors and the Chief Executive Officer of the Council and the roles and functions of Local Aboriginal Land Councils.

Training was also required in the provisions of the Act and the regulations relating to misbehaviour and the role and functions of the Pecuniary Interests and Disciplinary Tribunal.

In this regard the Governing Council attended several governance training seminars which were developed in conjunction with the NSWALC Training & Development Unit, and conducted by the peak governance body in NSW, Chartered Secretaries Australia.

The following table identifies the training undertaken by the NSWALC Board during this financial reporting period.

TRAINING DISCIPLINE

Governance Day 1 – Roles and Responsibilities of Directors

Governance Day 2 - Meetings

Strategic Finance for Non Accountants

Strategic Planning 3 Day Workshop

Principles of Governance Training Day 1

Principles of Governance Training Day 2

Misbehaviour Provisions and the Disciplinary Tribunal - Registrar Training

Strategic Finance for Non-Accountants Day 1

Strategic Financial Management Day 2

LALC Board Governance Training Day 1

LALC Board Governance Training Day 2

Media Training

NSWALC Councillors are scheduled to undertake further training in the new financial year.

Sessions are planned on Training in Law for Non-Lawyers; Roles and Responsibilities of Directors (Registrar Training); Land Dealings (section 40D); Honesty Provisions and the Disciplinary Tribunal (Registrar Training); Native Title; Occupational, Health and Safety; and ongoing Governance training.

LALC BOARD TRAINING

An unprecedented level of training was also conducted during this reporting period across the Local Aboriginal Land Council network in line with the mandatory governance training provisions for LALC Board members.

These provisions are prescribed in Section 65 of the ALRA and specified under section 25 (g) of the Regulations.

NSWALC's Training and Development Unit developed a two day governance training course in association with Burdon Torzillo and Associates Pty Ltd, specialists in this area, to meet the mandatory training requirement for LALC Board members.

NSWALC's Governing Council exercised its discretion under the Act and granted two extensions during this reporting period which provided an additional seven months for LALC Board members to meet their training requirements.

Between March and the end of this reporting period a team of external trainers delivered the governance training program to clusters of LALC Board members across the State.

The team of trainers included facilitators from the Tranby Aboriginal College in Sydney and the Yarnteen Aboriginal and Torres Strait Islanders Corporation in Newcastle.

A total of 48 governance sessions were conducted during two rounds of training and all relevant LALC Board members had received the required training by the end of the reporting period.

More governance training is planned in the new financial year, addressing the training requirements of Board members elected to fill casual vacancies on LALC Boards.

A total of 26 Community Land and Business Planning training workshops had also been conducted around the State.

The unit also developed a resource package "Employing a CEO – Guide for Local Aboriginal Land Councils" to support the requirement for LALCs to appoint a Chief Executive Officer.

Training was provided to those LALC Boards who sought to use this package as a guide to recruitment. Further details on this training is to be found later in this report in the sections dealing with the activities of the NSWALC Zone Offices

Work had commenced within the Training & Development Unit as this reporting period drew to a close on developing future training programs for elected representatives and staff of LALCs in the areas of navigation of the ALRA; Culture and Heritage; Finances; and Land Dealings.

LALC GRANT ALLOCATIONS AND COMPLIANCE

In accordance with section 106(8)(e) of the ALRA, NSWALC has a function to grant funds for the payment of the costs and expenses of LALCs.

NSWALC's Governing Council approved the allocation of a total of more than \$15.3 million for this purpose in the 2007-2008 financial year.

This represented an allocation of \$130,000 to each of 118 functioning LALCs.

These payments are made under sections 106(8)(e) and 163(4) of the ALRA.

In order to receive full funding allocations a LALC must be in compliance with its statutory obligations and NSWALC funding policies.

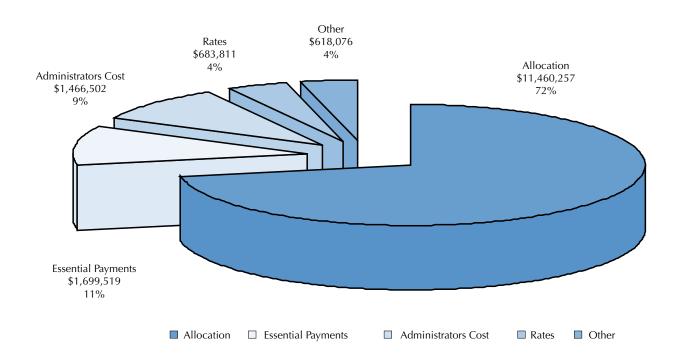
Those which are not receive essential payments drawn against their notional grant allocation. Other expenses such as the cost of Administrators and rates payments are borne by NSWALC which is entitled to recover these payments from LALCs from future allocations.

NSWALC had paid out 85.8% of the total approved grant to LALCs by the end of the reporting period.

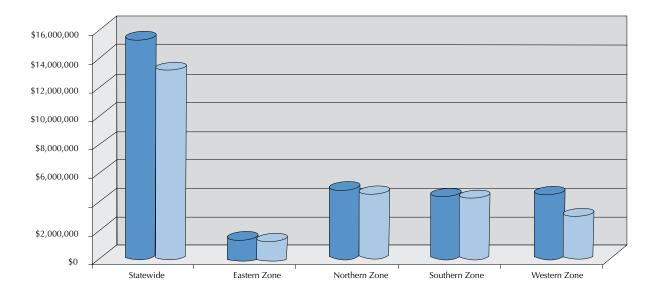
The following graph illustrates the total outgoings to LALCs.

It is dissected into five categories:

- Cash Allocations.
- Essential Payments.
- Administrators Costs,
- · Payment of Rates,
- Other Payments (such as the cost of Investigators and legal fees)



As illustrated, 72% of the total outgoings were cash grant allocations, with 9% of total outgoings to fund the cost of Administrator's and 11% for essential payments for LALCs not in receipt of full funding grants because of compliance issues.



LALC FUNDING CATEGORIES

The grant funding categories of the LALCs are determined under NSWALC's "LALC Funding and Financial Obligations" policy which has six categories.

They are:

F1	Allocations are paid in six-monthly instalments in advance in July and January	
F2	Allocations are paid in quarterly instalments in advance in July, October, January and April	
F3	Allocations are paid in monthly instalments in advance	
A	Under administration, allocations are paid directly to the appointed Administrator quarterly in advance in	
	July, October, January and April	
UF1	Expenses paid for the LALC to perform its essential functions	
UF2	Essential expenses paid to preserve the LALCs valuable assets or to prevent any substantial liability occurring	

A total of 86 LALCs were in a funded category at the end of the current reporting period, compared with 81 at the end of last financial year.

The number of LALCs under administration had increased by two – from five at the beginning of the year to seven at this report date.

As a result, six less LALCs are unfunded at the end of the financial year to 30 June 2008---a marginal improvement in compliance during the course of the year.

Under Section 161 of the ALRA, NSWALC is obliged to publish the total funds granted to each Local Aboriginal Land Council in its Annual Report. The following tables provide those details.

	FUNDS GRANTED TO EACH LALC				
	Financial Year Ending 30 June 2008				
	Zone	Region	Local	Grant	
1	Eastern	Sydney Newcastle	Awabakal	130,000	
2	Eastern	Sydney Newcastle	Bahtabah	130,000	
3	Eastern	Sydney Newcastle	Darkinjung	130,000	
4	Eastern	Sydney Newcastle	Deerubbin	130,000	
5	Eastern	Sydney Newcastle	Gandangara	130,000	
6	Eastern	Sydney Newcastle	Koompahtoo	130,000	
7	Eastern	Sydney Newcastle	La Perouse	130,000	
8	Eastern	Sydney Newcastle	Metropolitan	95,807	
9	Eastern	Sydney Newcastle	Mindaribba	130,000	
10	Eastern	Sydney Newcastle	Tharawal	0	
11	Eastern	Sydney Newcastle	Worimi	130,000	
12	Northern	Central Coast	Birpai	30,000	
13	Northern	Central Coast	Bowraville	130,000	
14	Northern	Central Coast	Bunyah	130,000	
15	Northern	Central Coast	Coffs Harbour & District	130,000	
16	Northern	Central Coast	Forster	130,000	
17	Northern	Central Coast	Karuah	130,000	
18	Northern	Central Coast	Kempsey	86,670	
19	Northern	Central Coast	Nambucca Heads	130,000	
20	Northern	Central Coast	Purfleet/Taree	130,000	
21	Northern	Central Coast	Stuart Island	0	
22	Northern	Central Coast	Thungutti	130,000	
23	Northern	Central Coast	Unkya	130,000	
24	Northern	North Coast	Baryulgil Square	130,000	
25	Northern	North Coast	Birrigan Gargle	130,000	
26	Northern	North Coast	Bogal	130,000	
27	Northern	North Coast	Casino Boolangle	130,000	
28	Northern	North Coast	Grafton Ngerrie	128,000	
29	Northern	North Coast	Gugin Gudduba	130,000	
30	Northern	North Coast	Jali	130,000	
31	Northern	North Coast	Jana Ngalee	130,000	
32	Northern	North Coast	Jubullum	68,337	
33	Northern	North Coast	Muli Muli	130,000	
34	Northern	North Coast	Ngulingah	130,000	
35	Northern	North Coast	Tweed Byron	130,000	
36	Northern	North Coast	Yaegl	127,850	
37	Northern	Northern	Amaroo	130,000	
38	Northern	Northern	Anaiwan	130,000	
39	Northern	Northern	Armidale	1,500	
40	Northern	Northern	Ashford	79,718	
41	Northern	Northern	Coonabarabran	130,000	
42	Northern	Northern	Dorrigo Plateau	130,000	
43	Northern	Northern	Glen Innes	130,000	
44	Northern	Northern	Guyra	130,000	
45	Northern	Northern	Moombahlene	130,000	
46	Northern	Northern	Nungaroo	65,000	
47	Northern	Northern	Red Chief	130,000	
48	Northern	Northern	Tamworth	77,924	

49	Northern	Northern	Walhallow	130,000
50	Northern	Northern	Wanaruah	130,000
51	Southern	South Coast	Bateman's Bay	130,000
52	Southern	South Coast	Bega	130,000
53	Southern	South Coast	Bodalla	130,000
54	Southern	South Coast	Cobowra	130,000
55	Southern	South Coast	Eden	130,000
56	Southern	South Coast	Illawarra	130,000
57	Southern	South Coast	Jerrinja	130,000
58	Southern	South Coast	Merrimans	130,000
59	Southern	South Coast	Mogo	130,000
60	Southern	South Coast	Ngambri	130,000
61	Southern	South Coast	Nowra	130,000
62	Southern	South Coast	Ulladulla	130,000
63	Southern	South Coast	Wagonga	93,557
64	Southern	Wiradjuri	Albury & District	130,000
65	Southern	Wiradjuri	Condobolin	130,000
66	Southern	Wiradjuri	Cowra	130,000
67	Southern	Wiradjuri	Cummeragunja	130,000
68	Southern	Wiradjuri	Deniliquin	130,000
69	Southern	Wiradjuri	Griffith	
	Southern	Wiradjuri		130,000 130,000
70 71	Southern	Wiradjuri	Hay Leeton & District	130,000
	Southern	Wiradjuri	Moama	
72	Southern			114,400
73 74	Southern	Wiradjuri Wiradjuri	Murrin Bridge Narrandera	130,000
	Southern	<u>'</u>	Onerwal	123,374
75	Southern	Wiradjuri		130,000
76		Wiradjuri	Orange Peak Hill	130,000
77	Southern	Wiradjuri		86,289
78	Southern	Wiradjuri	Pejar	130,000
79	Southern	Wiradjuri	Tumut Brungle	114,400
80	Southern	Wiradjuri	Wagga Wagga	130,000
81	Southern	Wiradjuri	Wamba Wamba	96,807
82	Southern	Wiradjuri	West Wyalong	130,000
83	Southern	Wiradjuri	Bathurst	130,000
84	Southern	Wiradjuri	Young	130,000
85	Western	Central	Dubbo	130,000
86	Western	Central	Gilgandra	130,000
87	Western	Central	Mudgee	31,400
88	Western	Central	Narromine	30,000
89	Western	Central	Nyngan	130,000
90	Western	Central	Quambone	3,830
91	Western	Central	Trangie	130,000
92	Western	Central	Warren Macquarie	130,000
93	Western	Central	Weilwan	0
94	Western	Central	Wellington	28,601
95	Western	North West	Baradine	130,000
96	Western	North West	Brewarrina	102,633
97	Western	North West	Collarenebri	104,400
98	Western	North West	Coonamble	130,000
99	Western	North West	Goodooga	107,209

100	Western	North West	Lightning Ridge	44,998
101	Western	North West	Moree	65,208
102	Western	North West	Mungindi	119,167
103	Western	North West	Murrawari	70,029
104	Western	North West	Narrabri	130,000
105	Western	North West	Nulla Nulla	114,400
106	Western	North West	Pilliga	130,000
107	Western	North West	Toomelah	98,796
108	Western	North West	Walgett	91,167
109	Western	North West	Wee Waa	109,950
110	Western	North West	Weilmoringle	64,094
111	Western	Western	Balranald	52,989
112	Western	Western	Broken Hill	130,000
113	Western	Western	Cobar	39,723
114	Western	Western	Dareton	65,406
115	Western	Western	Ivanhoe	14,985
116	Western	Western	Menindee	65,622
117	Western	Western	Mutawintji	29,165
118	Western	Western	Tibooburra	130,000
119	Western	Western	Wanaaring	0
120	Western	Western	Wilcannia	106,372
121	Western	Western	Winbar	0
				13,159,777

INVESTIGATION AND ADMINISTRATION OF ABORIGINAL LAND COUNCILS

The NSWALC and the State Government are periodically called upon to intervene into the affairs of a Local Aboriginal Land Council which has demonstrated a failure to comply with the provisions of the ALRA.

This is seen by NSWALC as a measure of last resort.

The financial cost of investigators and administrators is prohibitive.

They are a financial drain on the entire land council network. Their costs must be borne within the self-funded land rights system

External intervention also has a significant operational and political cost for the affected LALC, its members, and the community it has been established to serve.

They also reflect badly on the system as a whole.

Part 11 of the New South Wales Aboriginal Land Rights Act (1983) ("ALRA") sets out the roles and responsibilities of NSWALC, the Minister for Aboriginal Affairs and the Registrar of the ALRA in relation to such interventions.

INTERVENTIONS IN THE 2007-08 FINANCIAL YEAR

Of the 118 functioning LALCs, seven were under administration as at June 30, 2008, compared with five at the end of the last reporting period.

However, it should be noted that NSWALC's Governing Council had recommended the appointment of Administrators to the Baryulgil and Thungutti Local Aboriginal Land Councils just before the current reporting period began.

As noted in this space last year, both recommendations were awaiting a decision from the Minister for Aboriginal Affairs as the previous reporting period ended.

Both were subsequently appointed early in this reporting period as detailed below.

LALCs under Administrations as at 30 June 2008 were:

Baryulgil
Jerrinja
Koompahtoo
Nungaroo
Tamworth
Thungutti
May 2008 to 2 November 2008
November 2008
June 2008 to 13 December 2008
To July 2008
Tamworth
March 2008 to 11 September 2008
Moree
June 2008 to 2 December 2008

Local Land Council	Administrator	Start of Appointment	Status at 30 June 2008
Baryulgil	Darren Singh	17 July 2007	Extended until 16 July 2008
Moree	Andrew Hoholt	3 June 2008	Term End 2 December 2008
Nungaroo	Andrew Hoholt	21 January 2008	Term End 20 July 2008
Tamworth	William Malvern	12 March 2008	Term End 11 September 2008
Thungutti	Andrew Hoholt	2 September 2007	Extended until 1 September 2008

1 Administrator has been in place since the 30 June 2005 reporting period:

Local Land Council	Administrator	Start of Appointment	Status at 30 June 2008
Jerrinja	Frank Lo Pilato	4 May 2005	Extended until 2 November 2008

1 Administrator has been in place since the 30 June 2003 reporting period

Local Land Council	Administrator	Start of Appointment	Status at 30 June 2008
Koompahtoo	Terry Lawler	25 February 2003	Extended until 13 December 2008

Interventions that ceased during this reporting period were:

- Amaroo (Administrator 9 March 2008)
- Ashford (Administrator 8 March 2008)
- Darkinjung (Administrator 1 May 2008)
- Nungaroo (Investigator 24 November 2007)
- Metropolitan (Investigator 23 March 2008)

The statistics on interventions give lie to the claim in sections of the mainstream media and among some regulatory agencies that the land rights network is generally dysfunctional.

NSWALC continues to note this in its Annual Report because some sections of the mainstream media continue to give credence to this myth.

CURRENT ADMINISTRATIONS

Following are details of the LALCs currently under Administration, and the reasons for their appointment.

BARYULGIL

The Minister for Aboriginal Affairs appointed Mr. Darren Singh as Administrator of Baryulgil Local Aboriginal Land Council ("BLALC") on 17 July 2007 for a period of six calendar months until 16 January 2008.

The term of the Administrator was later extended by six months to 16 July 2008.

Recommendations to further extend the administration for six months were presented to, and accepted by, NSWALC's Governing Council at its 222nd meeting in June 2008.

The recommendation awaited approval from the Minister for Aboriginal Affairs as this reporting period ended.

NSWALC's Governing Council had recommended the appointment of the Administrator because the BLALC had not submitted its accounts to its auditors in accordance with s 153(4) of the ALRA.

Council took the view the LALC was failing to effectively manage its operations.

A reconstruction of BLALCs financial statements began in mid-September, 2007 and was completed at the end of November.

The Administrator was consolidating the BLALCs outstanding creditors as this reporting period ended with debts expected to be in the vicinity of \$130,000.

He was also addressing mismanagement at Collum Collum Station and seeking to re-establish the operation of the enterprise but had reported delays in obtaining access to relevant operational information.

NUNGAROO

The Minister of Aboriginal Affairs appointed Mr Andrew Hoholt as Administrator to Nungaroo Local Aboriginal Land Council ("NLALC") on 21 January 2008, based on a comprehensive investigation report.

Recommendations to further extend Nungaroo Local Aboriginal Land Council for six months were presented to, and accepted by, NSWALC's Governing Council at its 222nd meeting in June 2008.

The recommendation was also awaiting the consideration of the Minister for Aboriginal Affairs as this reporting period ended.

The Investigator's report, which preceded Mr Hoholt's appointment, was lodged in November, 2007 and indicated NLALC funds, or other property, had not been properly applied or managed.

Concern was expressed over alleged excessive travel and accommodation allowance payments of more than \$90,000.

An Aboriginal Housing Office ("AHO") grant appeared to be mismanaged, having an unexpended balance of \$149,164.02 since July 2006.

The Investigator also reported that wages for site clearance and administration wages had no approval procedures.

No superannuation levy had been paid on wages during the 2006 and 2007 financial years in breach of the Superannuation Guarantee Act.

NLALC was also in arrears with Liverpool Plains Shire for land and water rates instalments since 1 July 2007.

During his appointment, Mr Hoholt has commenced reconstruction of the 2007 accounts but lack of documentation has delayed the completion of the NLALC financial reports

There are no existing loan account ledgers dating back to 1990.

Investigations into inappropriate payment of wages and the use of LALC assets were in progress as this reporting period ended.

MOREE

The Minister for Aboriginal Affairs also appointed Mr. Hoholt as Administrator to Moree Local Aboriginal Land Council ("MLALC") on June 3, 2008 for a six month period.

MLALC has an extensive history of non-compliance with the provisions of the ALRA and had only come out of administration on 2 June 2007.

Since the withdrawal of the previous Administrator, Mr. Paul Gidley, the LALC office bearers had failed to submit an audit report for the 2006/07 financial year in accordance with section 153(5) of the ALRA.

MLALC had subsequently failed to comply with s 153(1) of the ALRA by not keeping proper accounts and records of its operations.

MLALC had continually breached the requirements of the ALRA by not submitting Annual Reports or holding an Annual General Meeting.

NSWALC and the Registrar of the ALRA had offered assistance to the LALC to rectify the breaches. These offers had been rejected. NSWALC felt it had no alternative but to recommend the appointment of another Administrator.

TAMWORTH

The Minister for Aboriginal Affairs appointed Mr. William Malvern as Administrator of the Tamworth Local Aboriginal Land Council (TLALC) on 12 March 2008 for a term of six months.

TLALC had an extensive history of non-compliance over the past three to five years with its past four audits all qualified.

TLALC was late in submitting its audit report for 2006/07 to NSWALC and was found not to be in accordance with s 153(5) of the ALRA.

TLALC had also failed to comply with s 153(1) of the ALRA in relation to its financial statements for the 2005/06 and 2006/07 financial years.

They were qualified for failing to comply with section 41B(1) of the Public Finance and Audit Act 1983.

The qualifications related to inadequate internal financial controls.

New South Wales Aboriginal Land Council • Annual Report 2007-2008

The Administrator took control of the TLALC office in late March 2008.

Since the beginning of his term of appointment Mr. Malvern has addressed the s 153(1) and s 153(5) issues, has taken control of the bank accounts and developed some mechanisms to bring the financial reports up to date.

The 2008/09 financial budget and 2007 audited financial report and Annual Report were subsequently accepted by LALC members.

A working party had commenced the preparation of a Community Land and Business Plan for the LALC as this reporting period drew to a close.

Internal policies and procedures were also in the process of being developed.

Work was also underway to secure badly damaged commercial and residential properties to address occupational health and safety issues to prevent litigation problems. The intention is to demolish the buildings

THUNGUTTI

Mr Hoholt was also appointed as Administrator of Thungutti Local Aboriginal Land Council ("TLALC") for six months from 2 September 2007 with an extension in March this year until 1 September 2008.

Mr Hoholt was originally appointed because of the TLALCs consistent failure to comply with their obligations under the ALRA.

The TLALC had failed to submit their budget for the 2007/08 financial year to NSWALC or their 2006/07 financial accounts to the auditor.

This resulted in fundamental breaches of s. 153 of the ALRA.

Despite significant assistance being provided by NSWALC to the TLALC, it failed to demonstrate any capacity to rectify financial management and internal control procedures.

Since Mr Hoholt's appointment it became clear certain tasks would take considerably longer to rectify than first anticipated.

During the 6-month extension, the Administrator has advised NSWALC he intends to finalise several important issues including the recruitment of a Chief Executive Officer for the LALC, making arrangements for the LALCs first Board Election, and the investigation of possible misappropriation of LALC funds.

He will also be seeking additional funding under the ACDP works programs and reconstruction and finalisation of the LALCs audited financial statements for the 2006-07 financial year.

Mr Hoholt has advised NSWALC the extension period should allow him to complete all tasks and lay the basis for a smooth transition to the TLALC Board and CEO at the end of the current administration.

JERRINJA

Jerrinja Local Aboriginal Land Council ("JLALC") has had a history of poor reporting performance.

As noted in this space last year JLALC has had an Administrator appointed on two previous occasions: from March 1994 to August 1995 and from October 2002 to April 2003.

The current Administrator, Mr. Frank Lo Pilato, was initially appointed on May 4, 2005, due to a range of breaches of the ALRA by the JLALC and, as reported last year, had been extended to November, 2007.

The Administration was further extended during this reporting period to 3 November 2008.

A new property management agreement was executed on 28 March 2008 with the firm, Coastal Properties.

NSWALC has been advised a number of milestones had been achieved as this reporting period ended in relation to rental payments with LALC tenants.

Rental collections have been a perennial problem at JLALC due to the absence of any existing tenancy agreements between JLALC and its tenants.

The Administrator has reported that seven tenants are now consistently paying rent, while one has signed a written tenancy agreement.

A total of 22 CTTT applications have been made with respect to rental payments.

As at 30 June 2008 the rental arrears owed by the JLALC were reported at \$67, 994.03.

While the Administrator has been working to sort out the rental problems he has also been successful during the reporting period in the litigation of five land claims refused by the Minister of Lands.

KOOMPAHTOO

As noted in this space last year, Mr. Terry Lawler has been Administrator of Koompahtoo Local Aboriginal Land Council since 25 February 2003 following an Investigator's report which found evidence of ultra vires payments, loans and cash payments to members and complex land dealings which contravened the ALRA.

As reported last year the current period of administration was due to end on 14 June 2008 but was extended during this reporting period until 13 December 2008.

It is the longest, and costliest, administration in the history of land rights in New South Wales.

During the term of the administration, Mr. Lawler has been managing legal proceedings resulting from the previous unauthorised land dealings and has been working with the community to implement proper policies and procedures for KLALC

He advised NSWALC during the current reporting period the LALC was still seeking to recover from previous mismanagement.

KLALC had, for instance, reported a year to date loss of \$458,023 as at 31 March 2008.

The major negative impact on KLALCs cash flow has been the cost of ongoing legal matters and the cost to finalise and lodge a development application over a property in Ourimbah Street

Following a Court of Appeal decision in February 2008, the Administrator had decided to put the proposed Ourimbah Street development application on hold and explore the possibility of sale or development of a property at Fennel Bay.

In April 2005, the Independent Commission against Corruption released findings of corrupt conduct against eight people, and recommended prosecutions be considered against six of those persons, as a result of its investigation into Koompahtoo Local Aboriginal Land Council.

NSWALC reported in this space last year that it understood the Director of Public Prosecutions was "currently" putting together briefs for the prosecution of some of the individuals implicated in the ICAC investigation.

No prosecutions had been launched as this reporting period ended.

METROPOLITAN LALC

The Minister of Aboriginal Affairs appointed Mr. Andrew Bowcher to investigate the affairs of the Metropolitan Local Aboriginal Land Council (MLALC) for a period of three months effective from 24 September, 2007 pursuant to s.216 of the ALRA.

The Minister extended Mr Bowcher's term on December 24, 2007 for another three months.

The appointment of the Investigator was prompted by concerns about the efficiency and effectiveness of the management of MLALCs financial operations since 1 July 2004, certain land dealings, and an alleged lack of transparency in the conduct of MLALCs office bearers.

The Investigator recommended the appointment of an Administrator under s. 222(1) of the ALRA in his subsequent report to the Minister. No decision had been made on this matter as the reporting period ended.

APPOINTMENT OF LOCAL ABORIGINAL LAND COUNCIL AUDITORS 2007-2009

Section 153(3) of the ALRA requires the NSWALC to appoint auditors to each LALC in the manner prescribed by the Aboriginal Land Rights Regulations 2002 (NSW).

This task was undertaken by the Compliance and Evaluation Unit within Network Services.

Two separate and independent panels, the Audit Tender Evaluation Panel and the Auditor Appointment Panel, were appointed to carry out the following functions:

- Issuing the instrument of appointment for the LALC auditors
- Calling and supervising the audit tender process statewide
- Evaluating the audit tenders
- Recommending the most suitable applicant for the appointment

Independent auditors have been appointed to each LALC for a three year period to the end of June 2009, subject to the satisfactory performance of those appointed.

The appointment of LALC auditors by NSWALC, which has been a requirement in the legislation since 2002, is an ongoing source of tension between LALCs and NSWALC.

NSWALC continued to lobby unsuccessfully during this reporting period for an amendment to the ALRA which would allow LALCs to appoint their own auditors from a list agreed between NSWALC and DAA.

NSWALC expressed the hope that such an amendment would be included in any bill to go before the Parliament in

New South Wales Aboriginal Land Council • Annual Report 2007-2008

the second half of the 2008 calendar year to further amend the ALRA.

COMPLIANCE AND EVALUATION UNIT

As reported last year the role of this Unit is to provide support to the Zone offices in delivering services to Local Aboriginal Land Councils.

Much of its work during this reporting period centred on preparation for an upgrade of the central database on LALC compliance with legislative requirements and NSWALC funding policies.

This work culminated in a three day workshop as this reporting period ended.

The workshop was attended by Network Services staff, the NSWALC IT Unit, and consulting firm, Antares Solutions.

It resulted in the start of development work on a major upgrade to the Database.

The current Database was built in-house by temporary staff and consultants over a period from 2004.

Following the departure of those personnel an external contractor was engaged to maintain it.

As previously reported the database contains the compliance records of all LALCs.

It is used by NSWALC to record ALRA compliances, breach categories, and other relevant data, as required by the ALRA, the Regulations and the NSWALC funding policies.

Changes in technology have largely necessitated the upgrade.

The Database will be developed in two phases and when completed will provide up to date information to enable NSWALC to more effectively and efficiently generate:

- Financial reports to the Minister for Aboriginal Affairs as required under section 159 of the ALRA
- NSWALC Councillors reports for Board meetings
- SAP (General Ledger) Connectivity
- LALC allocations tracking for timely processing of grant allocations to the LALCs
- Evaluation of LALC audit reports
- Evaluation of LALC budget and funding applications
- Evaluation of the LALCs financial reports as required under the NSWALC funding policy
- · Quality assurance control of LALC data

The Database will be configured to produce timely automatic reminders for compliance and breach dates, identify inconsistent data inputs that require correction, produce automatic acknowledgement emails for LALCs, and other assistance for database users.

It will also be configured to accommodate policy, legislative and regulation changes.

OPERATIONAL POLICY UNIT

As noted earlier this Unit was created during this reporting period to assist Council and the Local Aboriginal Land Council network manage the reforms prescribed by the ALRA and the initiatives developed under the State Plan.

Much of its work in the reporting period centred on the need for a policy response on social housing

LALC SOCIAL HOUSING SCHEMES

In recognition of Council's new statutory responsibility to approve all Social Housing Schemes according to criteria specified by the ALRA the Unit delivered comprehensive advice to NSWALC on issues affecting the approval and continued operation of social housing schemes conducted by LALCs.

In particular, Council was provided with:

- comprehensive briefings on State and Commonwealth funding issues in the provision of social housing;
- comprehensive briefings on the policy and approval processes necessary for Council to perform its statutory responsibility to approve social housing schemes;
- In-house and external legal advice on the approval of social housing schemes;
- Important statistical information on the performance of the LALC network as a social housing provider; and
- A social housing workshop with Councillors.

HOUSING MATTERS

The new Unit continued to undertake much needed research into the LALC housing sector and also worked to build a relationship with the Aboriginal Housing Office (AHO) which included:

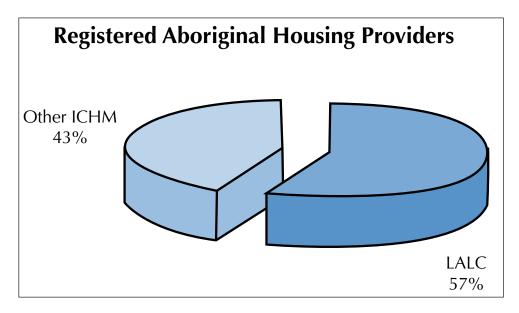
- The establishment of a Joint NSWALC/AHO Policy Group to consult and progress a range of common policy issues affecting the reform of the Aboriginal Housing Sector in NSW;
- A joint meeting of the NSWALC and AHO boards; and
- A Partnership project of the AHO and NSWALC to undertake Housing Management Reviews of all LALCs and Aboriginal Housing Providers in NSW.

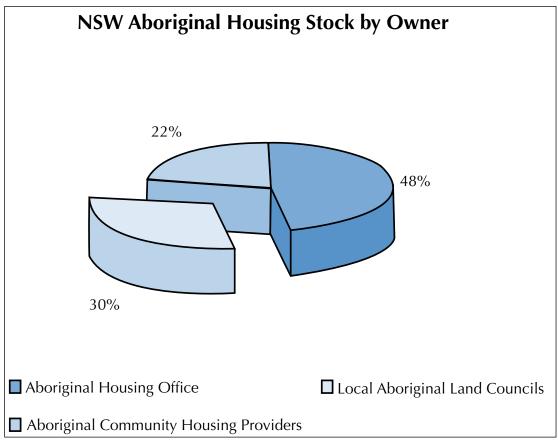
The establishment of a LALC Housing Database of statistical information on the operation of LALC Social Housing Schemes provided NSWALC with essential information.

Some key facts emerged from these activities.

The LALC network is a major contributor to the Aboriginal Community Housing Sector in NSW.

LALCs own and manage over 2500 dwellings equating to approximately 57% of the total sector in NSW and a third of all Aboriginal housing stock in NSW.





New South Wales Aboriginal Land Council • Annual Report 2007-2008

In the 2007/08 financial year LALCs budgeted for \$9.1m in annual rental income and received \$7.5m in rental income for the period.

The estimated annual collection rate is 82% of the budgeted rental return.

LALC social housing accommodates well over 12,000 Aboriginal people representing about 8.5% of the Aboriginal population in NSW.

LALCs contribution to the Aboriginal housing sector in NSW goes almost unnoticed in the national reporting system because it describes all housing providers in the sector as Indigenous Community Housing Organisations (ICHOs).

This means the contribution of the LALC network to the supply of community housing dwellings is buried within the national data set.

At the end of this reporting period NSWALC was moving towards a position to argue the LALC network's contribution to social housing established a legitimate claim on Commonwealth and State government funding that becomes available to support social housing.

HOUSING MANAGEMENT REVIEWS (HMR)

In order to assist Council in its task of approving social housing schemes the Unit collaborated with the Aboriginal Housing Office (AHO) in the development of a program of Housing Management Reviews (HMRs).

The reviews were designed to test a LALCs capacity to meet the requirements of the ALRA for the operation of social housing schemes (particularly financial viability) and capacity to meet the new accreditation standards of the AHO.

The HMR Program commenced in May 2007 and was well underway at the close of the reporting period.

It was expected all LALCs with Social Housing Schemes will have been reviewed by September 2008.

The Unit considered this program would benefit LALCs by providing feedback about their performance in relation to the requirements of the ALRA and the AHO accreditation standards.

It would assist them to determine whether they would apply to NSWALC for approval to continue to operate their housing schemes or decide whether to transfer their operations to another housing provider.

The information generated by the HMR Program would also assist Council in determining applications for approval to conduct social housing schemes.

COMMONWEALTH GRANTS TO NSWALC

On the 20th June 2008 NSWALC executed two Program Funding Agreements (PFA) with the Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs.

The first agreement provides \$2.3m to undertake a Repairs and Maintenance Program to houses owned by the Walgett LALC.

The second agreement is a jointly funded arrangement of \$6 million to undertake the surveying and subdivision of the former reserves in NSW.

NSWALC has committed to funding half of this project at a cost of \$3 million.

This is the first time NSWALC has been offered the opportunity to administer a Commonwealth grant that will provide direct benefit to tenants residing in LALC social housing.

The Chief Operating Officer, assisted by the OPU, will establish the Repairs and Maintenance Program in the new financial year.

The potential benefit of the Subdivision project is that it may overcome the present problems associated with LALC housing being located on land with a single title with the effect that the property is considered private land.

This often results in LALCs being responsible for all service provision within the boundary including water and sewerage, roads, street lighting, drainage systems, garbage removal and common area management.

It is considered that the Subdivision project may enable LALCs to overcome some of these identified issues.

ZONE OFFICES

The NSWALC Zone offices have become an integral part of NSWALC's interface with the land rights network, particularly with the elected Boards and staff of Local Aboriginal Land Councils, key stakeholders, and with the wider Aboriginal community and the general public.

The activities of each Zone office are set out below.

All Zone offices reported that many of their normal activities were augmented in this reporting period by the need to assist the land council network implement major changes to their structure and operations.

These arose, as noted earlier, from the significant amendments to ALRA which came into effect on July 1, 2007 and which were designed, primarily, to improve the structure, representation, and governance of LALCs.

Section 61 of the ALRA requires each LALC to have a Board consisting of not less than 5, and not more than 10 members.

Section 64 of the ALRA states a Chairperson and Deputy Chairperson of the Board are to be elected from among the Board members at the first meeting of the Board after its election.

These new provisions replaced the previous LALC Office Bearer structure, which provided for LALC members to elect a Chairperson, Secretary and Treasurer.

It is anticipated the new LALC Board structure will provide even greater transparency and accountability for members, and improve opportunities for representation on the Board.

Section 78A of the ALRA now requires a LALC to employ a member of staff to exercise the functions of the Chief Executive Officer.

Section 80 requires appointments to the staff of a LALC, and promotions for members of staff to be merit based.

These provisions are coupled with mandatory training requirements, and the legislative requirement upon Local Aboriginal Land Councils to develop Community Land and Business Plans and Community Benefit schemes, including Social Housing Schemes, which are outlined in detail in the Network Services section of this report.

The amendments also effected significant consequential changes to LALC membership rights. Much of the work in effectively communicating these changes to the land rights network fell to Zone office staff.

Northern Zone

The general purpose, aims and functions of the Northern Zone office, as with all others, was primarily focused during this reporting period on the key objectives within the NSWALC Business Plan and its Corporate Plan.

The Northern Zone office worked with all relevant stakeholders to implement a range of strategies to primarily address those objectives.

As reported earlier these objectives commit NSWALC to 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;

They also commit the organisation to create a network of fully functional, transparent, well governed Local Aboriginal Land Councils, to help LALCs acquire and develop assets to become financially viable; and to improve the internal operations of NSWALC.

The following Priorities from the NSWALC Corporate Plan 2008-2012 have the greatest impact on zone activities:

- 1 Advocacy and Rights
- 2 Strong Leadership and Governance
- 3 Productive and Meaningful Partnerships
- 4 Community Health and Well-Being
- 5 Land, Cultural Heritage and Environmental Management
- 6 Community Development and Planning.

LOCAL ABORIGINAL LAND COUNCILS IN THE ZONE

The Northern Zone office operated from Coffs Harbour during this reporting period and worked with a total of thirty-eight Local Aboriginal Land Councils within the following regions:

North Coast Region (comprising 13 Local Aboriginal Land Councils);

Central Coast Region (comprising 11 Local Aboriginal Land Councils);

Northern Region (comprising 14 Local Aboriginal Land Councils).

HUMAN RESOURCES

Northern Zone office staff possess a range of technical and generalist skills.

This has enabled the office to develop a team that delivers a professional, timely and comprehensive service to the land council network within the zone.

The staffing structure of the Northern Zone in place for the second half of the reporting period is depicted below:



The introduction of an Operations Manager during this reporting period enabled the Zone office to establish two LALC Support Teams.

They are responsible for supporting and assisting a specific number of LALCs across the zone, ensuring they are able to access high level advice, guidance and assistance.

Each team is led by a senior member of the Zone staff.

CASE MANAGEMENT SUPPORT

The office has established a Case Management Approach in the delivery of services and support to LALCs in the zone.

Case Management Plans have been developed for each of the thirty-eight LALCs.

They each detail the specific support NSWALC will provide to each LALC.

These are identified through staff knowledge of the LALC, annual and periodic financial reports lodged by the ALC, and as a result of discussions with the LALC concerned.

Land Council Support Unit (LCSU) staff have primary responsibility for the day to day dealings with LALCs on a broad range of issues.

These include assisting them to fulfill their responsibilities under the Act.

Constant advice is given in relation to the requirements of the Act and Regulations, operational matters, planning, preservation and protection of Aboriginal culture and heritage, land dealing matters, human resource functions, and negotiations with government and other stakeholders.

A great deal of assistance is also provided on housing management.

Northern Zone staff work collaboratively with NSW Aboriginal Housing Office staff in staging rent setting and housing policy workshops with many LALCs.

Zone staff worked throughout the reporting period to provide comprehensive advice in relation to the December 2006 amendments to the NSW Aboriginal Land Rights Act 1983 (ALRA).

As reported earlier many of the key amendments to impact upon LALCs came into effect on the 1st of July 2007.

More than 60% of available LCSU resources were dedicated to the delivery of training, information, advice and assistance to LALCs and their members on the amendments.

The Zone's Finance Unit staff also provided ongoing support to LALCs on budgeting, the release of NSWALC grant funds, the processing of "essential payments," and monitoring and assistance on financial performance.

The Unit also provided a range of internal services to ensure the efficient and effective operation of the Northern Zone office.

The support provided to LALCs by the Northern Zone is regularly supplemented by on site visits to LALCs by members of the NSWALC Commercial Unit. These visits are undertaken at LALCs involved in land dealings. There were a number of such visits during the reporting period.

ACHIEVEMENTS

The return of a duly elected Governing Council in May 2007 provided a welcome addition to the workload of all staff in the Northern Zone during this reporting period

As noted earlier in this report Councillors Bev Manton, Patricia Laurie, and Tom Briggs were elected for the Central Coast, North Coast and Northern Regions with Councillors Manton and Briggs subsequently elected as Chairperson and Deputy Chairperson by the NSWALC State Council.

Northern Zone staff held regular meetings with the Councillors to discuss a range of internal NSWALC issues and the operation of LALCs within their regions and the zone.

These meetings provided an excellent opportunity for the sharing of information and ideas and further assisted Zone staff to develop and refine strategies to assist LALCs in the zone.

Staff maintained regular contact with the Councillors to keep them informed of developments at LALCs within their regions and to advise of proposed visits by zone staff. Councillors frequently accompanied staff on these visits.

ALRA AMENDMENTS

This reporting period, as noted elsewhere in this document, has been one of significant change within the land rights system.

The structure and governance changes for LALCs required Zone staff to suspend their normal LALC support activities to assist them implement the changes required by the legislation.

A significant effort was required from NSWALC staff, LALC members and staff to become familiar with the amended legislation.

Throughout the reporting period staff from the Northern Zone undertook a range of activities to support LALCs in implementing the requirements of the amended legislation.

Major activities included:

- Zone staff served as returning officers in the election of 34 inaugural LALC Boards;
- Zone staff delivered training to the 34 LALC Boards to assist in the recruitment to the Chief Executive Officer position and provided direct assistance to more than 60% of LALCs in their recruitment processes. At the end of the current period 21 permanent CEO's had been appointed to LALCs across the zone.
- Zone staff attended and provided advice and assistance to external trainers at 11 workshops staged to deliver Community Land and Business Plan training to LALC Board members and staff. At total of 37 LALCs were provided with this training;
- Zone staff attended and provided advice and assistance to external trainers at 13 workshops staged to deliver mandatory Governance training to LALC Board members and CEO's. The training was delivered to all 34 Boards. The training sessions were attended by just under 75% of elected Board members.

Zone staff considered this to be an outstanding result.

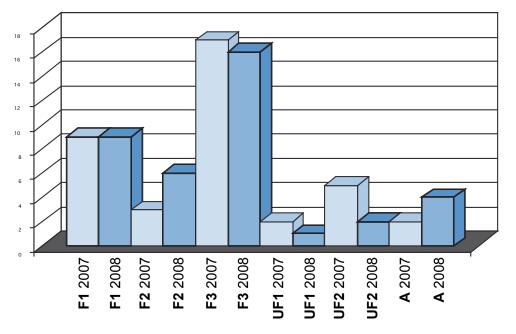
It resulted from the commitment of the LALC Board members and their staff and the hard work of zone staff.

Senior zone staff attended as many Board and general LALC meetings as possible during the reporting period in an effort to support all LALC members better understand and implement the changed operational and governance arrangements brought about by the amendments to the legislation.

Northern Zone staff members reported that the vast majority of Boards and CEO's within the zone are coping well with the significant changes to the LALC governance and operational regimes brought about by the ALRA amendments.

There was still much uncertainty, however, in relation to interpreting various provisions of the new legislation as the reporting period ended.

Northern Zone LALC Funding Category Distribution



It would take a period of time before clear interpretation and guidance to LALCs would be able to be provided in all cases by either NSWALC or the Registrar.

COMPLIANCE

A major focus for the Northern Zone of NSWALC, since its establishment, has been in relation to ALC compliance reporting as required by the ALRA.

LALCs fall into one of six funding categories under current NSWALC Funding and Financial Obligations Policies depending on their compliance with their statutory reporting obligations under the ALRA.

Category F1 is reserved for LALCs who have not breached a requirement of the ALRA for 2 years or more (or if they have breached the Act and the breach is rectified in a short period of time).

Category F2 is for those who have not breached the ALRA for more than 12 months but less than 2 years (or if they have breached the Act then the breach is rectified in a short period of time)

Category F3 is for LALCs who have breached the ALRA within the past 12 months.

UF1 category LALCs are those who were in breach of the ALRA but have not been in breach for a period of 6 months or more.

The UF2 category is for those LALCs which have remained in breach of the ALRA for more than 6 months.

Category A covers those LALCs under the control of a State Government appointed Administrator.

The graph below depicts the funding status of LALCs within the zone as at 30 June 2008, compared to 30 June 2007.

The graph shows 81% of LALCs in the zone were in funded categories at the end of this financial reporting period, compared to 76% in the previous reporting period.

23% of LALCs in the zone were in the highest funding category.

15% of LALCs were in the F2 category and 42% in the F2 category.

LALCs move in and out of funding categories throughout the year, in line with their performance and NSWALC's policies. This graph shows a "point in time" improvement in compliance across the zone.

CAPACITY BUILDING

During the course of the reporting period, the Northern Zone of NSWALC, in concert with other stakeholders, provided the following development and capacity building support to LALCs within the zone:

- Budget Workshops: In March 2008 the Northern
 Zone office held two budget workshops for LALCs
 in the zone. The purpose of these workshops was to
 assist and inform ALC's on the budget process for the
 coming 2008/2009 financial year and to assist in the
 preparation of those budgets.
- As noted earlier Governance training was delivered to 34 LALC Boards across the zone during thirteen separate workshops. Attendance by LALC Board members and CEO's at this first round of training was excellent. Senior Northern Zone staff attended each training session and provided valuable support and assistance to the external trainers. The regional breakdown of attendance was:

CC region 59 Board members attended 65%

NC region 73 Board members attended 75%

Nthn region 68 Board members attended 78%

- Community Land and Business Plan training was delivered to representatives from 37 LALCs across the zone through the staging of 11 separate workshops.
 Senior staff from the zone office attended each of these workshops.
- CEO recruitment training has been delivered to all elected Boards across the zone with 34 separate training workshops conducted with LALC Boards by senior zone staff.

SOCIAL HOUSING

Staff also worked collaboratively with the NSW Aboriginal Housing Office to deliver workshops at various LALCs on housing management and rent setting.

Information was provided to LALC management and tenants on methods available to set rental levels for LALC social housing.

These workshops have been developed by the Joint Aboriginal Housing Service group which operates within the Northern Zone. The group comprises representatives from the Zone office, the AHO, the Department of Fair Trading and several Aboriginal Tenancy Advisory Services.

INTERAGENCY ENGAGEMENT:

Senior Zone office staff and Councillors have also engaged with the Regional Engagement Groups established by the NSW Department of Aboriginal Affairs under the State Government's Two Ways Together Aboriginal Affairs Plan.

There are three such groups which operate within the Zone, the North Coast, North West, and Hunter.

DAA have identified a number of target communities to be assisted to establish a local engagement group to develop a plan around the needs of their community.

The groups will be given a mandate from the community to negotiate and consult with government agencies in relation to service delivery and programs to address the needs identified in the plan.

The following communities have been identified as target communities:

- Ballina/Cabbage Tree Island;
- Tabulam;
- Bowraville:
- Purfleet/Taree;
- Gloucester;
- Tamworth.

SUMMARY

Overall this reporting period has been one of significant change, largely as a result of the most extensive amendments to the ALRA in its history.

The fundamental changes to LALC governance practices, along with the requirement of all LALCs to engage a CEO, has presented an array of challenges for both staff of the Northern Zone and all LALCs within the zone.

Staff and LALCs have performed extremely well in the circumstances.

We anticipate the new financial year will be one of consolidation in successfully implementing and working to the new legislative regime and in completing Community Land and Business Plans.

Southern Zone

The Southern Zone office operates from Queanbeyan and services a total of 34 Local Aboriginal Land Councils within its boundaries. Its purpose, aims and objectives are consistent with that of all Zone offices and are delivered in accord with the key objectives of NSWALC's Business and Corporate Plans.

The Zone boundaries encompass two NSWALC regions:

- South Coast Region comprising 13 LALCs
- Wiradjuri Region comprising 21 LALCs

Mr. Neville "Jack" Hampton is the elected NSWALC Councillor for the South Coast, while Mr Craig Cromelin is the duly elected Councillor for the Wiradjuri region.

Zone office staff meet quarterly with each Councillor to provide extensive briefings on its work with LALCs.

HUMAN RESOURCES

The staffing structure of the Southern Zone office is also similar to that of all other Zone offices but had suffered early in this financial year from extended periods where key positions had been vacant.

The Zone office was finally able to recruit an Operations Manager, Ms Jenny Bedford and two LALC Support officers, Mr.Yuseph Deen and Mr. Leon Avuri-Williams, to make up the staff complement under the leadership of Zone Director Mr. Lesley Turner.

The Southern Zone office had the benefit of an additional staff member (Senior LALC Support Officer) for the reporting period.

This, together with the new staff appointments, assisted the office in providing an improved service delivery to the 34 LALCs within the Zone.

All staff had completed Performance Management Plans when this reporting period ended.

SUPPORT TO LALCS

The prime responsibility of all staff in the Southern Zone office is the provision of support and advice to LALCs.

This includes providing advice in relation to general operational matters, the preservation and protection of Aboriginal culture and heritage, land dealing matters,

human resource matters, and providing assistance with negotiations with government on a range of issues.

All staff have a responsibility to deliver accurate and timely advice to assist LALCs to meet their responsibilities under the Aboriginal Land Rights Act (as amended).

In addition, the Finance Unit provides support, assistance and training to LALCs on the development of budgets, financial reporting, essential payments, the release of grant funds and ALC financial performance monitoring.

The Unit also provides important support and assistance to the Zone office in terms of budgets, purchase of assets and management of internal systems.

ACHIEVEMENTS

The Southern Zone office recorded a number of significant achievements in the reporting period.

The office successfully assisted in the election of 33 new LALC Boards.

The support and assistance provided to those Boards through formal training, and general support and assistance, has resulted in the majority of LALCs being better positioned to meet their responsibilities and to meet community expectations.

Governance training had been delivered to 32 LALCs during the reporting period.

A total of 177 Board members out of a possible 241 (or 73.4% of all current Board members in the Zone) completed governance training during the period.

Training on the steps required to recruit new Chief Executive Officers was also provided to all LALC Boards which sought assistance. CEO recruitment packages were forwarded to LALC Boards who declined the offer of training.

There had been twenty-two Chief Executive Officers appointed to LALCs in the Southern Zone at the end of the reporting period.

Training in the development of Community Land and Business Plans was also provided to 28 LALCs within the Zone during the reporting period.

Case management plans have been developed for all LALCs in the Southern Zone.

The delivery of services, in line with these plans, has resulted in greater visibility of the key issues being faced by LALC staff with Zone staff better able to respond to their needs and aspirations.

This was particularly so with social housing.

Zone staff developed good working relationships with Housing Management providers and the Aboriginal Housing Office. They were actively involved in meetings with LALC Boards and members on rent setting and housing policy development.

COMPLIANCE. MONITORING AND ASSISTANCE

The Southern Zone office successfully offered a total of thirty funding agreements to LALCs during the reporting period. The following table outlines the funding category of each LALC.

Funding Category	Number of LALCs
F1	6
F2	5
F3	19
UF	10
UF	23
A	1

During the reporting period, the office developed a strategy to make operational payments outside of the UF2 funding category to four LALCs.

All had either been long-designated in the UF2 category or whose audit qualifications meant that they would remain in that category for an extended period of time.

The strategy resulted in a total of \$313,095.23 being paid to those LALCs to cover administrative costs.

The payment of these costs to assist with the election of Boards, the recruitment of CEO's, and to make other general payments, resulted in one LALC returning to full functions funding.

The remainder made significant progress towards addressing internal deficiencies which should see them return to a fully funded position in the new financial year.

DEBT REDUCTION STRATEGY

During the reporting period, ten LALCs carried debts to NSWALC.

The total debt owed to NSWALC by these LALCs amounted to more than \$2.5 million.

Two had repayment agreements in place.

The Southern Zone office successfully negotiated a debt reduction strategy which allowed forfeited income from UF2 LALCs to be used to extinguish (either fully or partly) debts owed by LALCs to NSWALC.

This strategy complemented the funding strategy outlined above. It was designed to ensure newly elected Boards and newly recruited CEO's were not burdened with organisational debt and were able to focus instead on moving the LALC forward under the new Land Rights Act regime.

Western Zone

The Western Zone office covers the largest area of the four NSWALC regional offices.

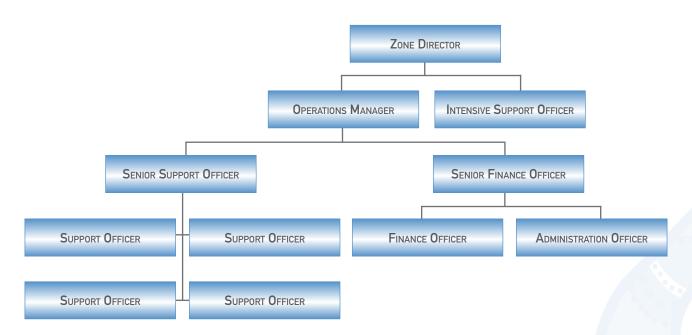
Its administrative reach extends from Balranald in the south, to Toomelah/Boggabilla in the north, Broken Hill/Bourke in the west and to Mudgee in the east.

The area covers about seventy five percent of the state.

There are 37 Local Aboriginal Lands Councils in the region.

HUMAN RESOURCES

The staffing structure is depicted below:



The staffing structure of the Western Zone is comparable to the other Zone offices but given the geographic size of the Zone and the diverse nature of LALCs the Zone office employs two additional LALC support officers.

They provide regular and extended outreach services to LALCs in the Western Region.

To reduce the cost of establishing office premises in Broken Hill, an in-principle agreement was reached with the Broken Hill LALC during the reporting period for Zone staff to hire office space on scheduled visits. While reducing costs for the Zone office it had the added advantage of providing a small income stream for the BLALC.

Zone Office Staff worked closely during the reporting period with the three NSWALC Councillors elected to represent the region.

As reported previously, Mr. Stephen Ryan, was elected to represent the Central Region, Mr William Murray, the Western Region, and Mr. Stephen Gordon, the North Western Region.

ACHIEVEMENTS

Western Zone staff and the elected Councillors have been successful during this financial reporting period in assisting LALCs improve operations, their funding, corporate governance, housing management and general administrative effectiveness.

The LALCs have continued to make significant administrative changes to their housing benefit schemes in order to ensure sustainability.

The Zone office staff assisted in the election of new Boards to 29 of the 34 operational LALCs in the region. A further six elections were subsequently held to fill casual vacancies on the new Boards.

Training was delivered on Community Land and Business Plans to 30 of the 34 operational LALCs. The majority were developing these plans as this reporting period ended.

Governance training had also been delivered across the Zone. A total of 16 LALC Boards had participated in the training as this reporting period drew to a close.

A second round of training was being planned early in the new financial year to cater for the remaining LALC Boards who were not covered in the first round.

The recruitment of new LALC CEO's has been slow in this Zone.

LALCs have clearly struggled, and continue to do so, to attract candidates with the relevant skills and qualifications.

At the end of the reporting period a total of nine had been appointed on a permanent basis, with twenty one appointed in an acting capacity.

All of the permanent recruits are former LALC coordinators.

The office convened two budget workshops for LALCs during the reporting period.

A total of 15 LALCs attended the two day workshops which were held in Broken Hill and Dubbo.

As in previous years, the workshops were designed as information forums which led directly into assisting the LALCs in the preparation of their 2008/2009 budgets.

By the completion of the workshops the budgets were, for all intents and purposes, completed and ready for submission, subject to ratification by LALC members.

CASE MANAGEMENT

As reported in this place last year the Western Zone had completed case management plans for all LALCs in the Zone.

The office trialled a new management support system for LALCs during this reporting period.

It essentially replaced the case management approach.

It allowed a comprehensive review of LALC operations in five key performance areas: financial; property; administrative systems; human resources; and governance.

The assessment seeks to provide a focus for LALC CEO's and Zone Support Staff on specific operational areas in need of improvement to achieve positive audit results.

It was conducted on all operational LALCs in the Western Zone during the financial year.

Performance results were mixed.

INTENSIVE ASSISTANCE STRATEGY

As reported last year the Western Zone office implemented an Intensive Assistance Strategy.

It was continued during this reporting period.

Its purpose is to provide intensive operational support to a number of dysfunctional LALCs in two clusters within the Western Zone.

The North Western cluster comprises the Brewarrina, Murrawarri (Engonnia), Weilmoringle, and Goodooga LALCs.

The Western cluster comprises the Balranald, Dareton, Menindee and Ivanhoe LALCs.

The strategy was originally approved for one calendar year from December 2006 but it was decided to extend it until December 2008 to allow for a smooth transition to the new LALC Boards and to assist with the recruitment of Chief Executive Officers (CEOs).

As this reporting period ended five of the eight LALCs had elected their Boards. CEO's had been appointed to seven of the LALCs.

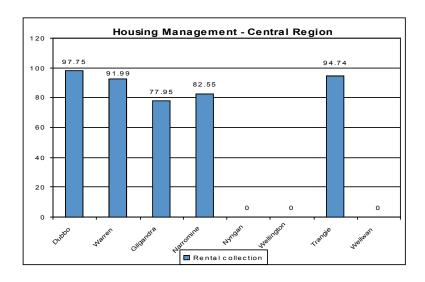
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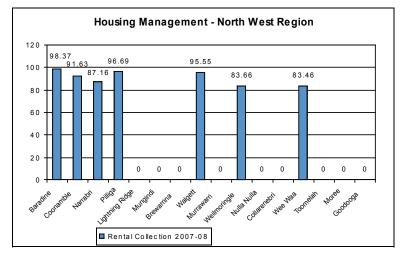
HOUSING MANAGEMENT REVIEW

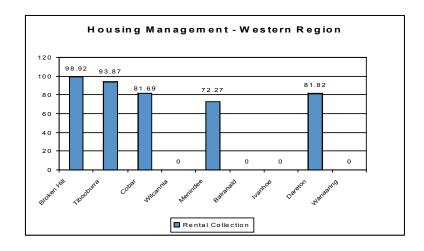
The Western Zone conducted a study of LALC housing management performance during this reporting period.

The rental collection and maintenance provision of twenty LALCs was monitored.

These graphs illustrate their performance:







As the graphs show approximately 50% of the LALCs under review achieved a rental collection rate exceeding 90% and approximately 50% had fully provided for their cyclical maintenance liabilities.

COMPLIANCE. MONITORING AND ASSISTANCE

As previously reported the Western Zone has focused since its inception on LALC compliance with the provisions prescribed in the land rights legislation to ensure LALCs meet all of their responsibilities set out in the Act and with relevant NSWALC policies.

The current funding status of LALCs, compared with the last reporting period, is set out in the table below.

As is our normal practice we would ask readers to note these figures are a snapshot in time. They do not reflect the fluid nature of the categorisation process.

It should also be noted that three LALCs currently in the UF2 category have either never functioned properly or have not for many years.

When these factors are taken into account the figures show just under 70% of LALCs have complied with the provisions of the ALRA and NSWALC policy for at least 12 months.

WESTERN ZONE FUNDING CATEGORY - LALC									
	F1	F2	F3	A	UF1	UF2	IAO		
Jun-07	7	2	10	0	2	8	8		
Jun-08	7	3	7	1	2	9	8		

DEBT REDUCTION.

Significant savings were achieved during this reporting period in relation to LALC debts to the Australian Taxation Office.

Reductions of approximately \$200,000 were negotiated.

Rates exemptions negotiated with the NSW Local Government and Shires Association on behalf of LALCs also resulted in deductions on significant amounts of debt.

New South Wales Aboriginal Land Council • Annual Report 2007-2008

Eastern Zone

The Eastern Zone is the smallest of the four Zones in geographical area.

It is responsible, however, for overseeing some of the largest property portfolios and the most complex Local Aboriginal Land Councils in the network.

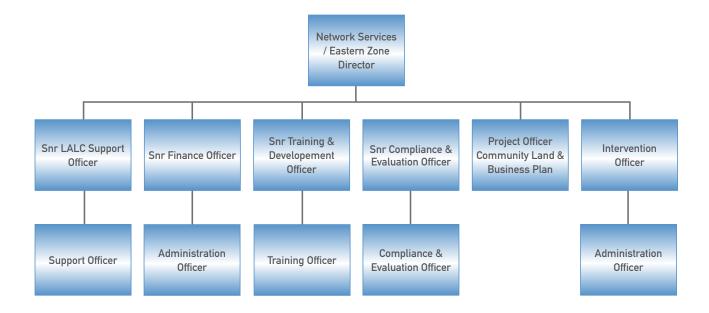
As reported in this document last year there were originally 14 LALCs in the Eastern Zone but three from the South Coast region—Nowra, Jerrinja and Illawarra—were transferred to the Southern Zone office just before the end of the previous reporting period.

This left a complement of eleven Local Aboriginal Land Councils in the Eastern Zone network.

As also reported last year the Eastern Zone merged with the Network Services Unit in September 2006 to provide a more extensive service to the more complex LALCs in the Sydney-Newcastle region.

HUMAN RESOURCES

The staffing structure is outlined in the graph below. Its purpose, aims and functions are similar to those outlined for all other Zone offices.



ACHIEVEMENTS

Eastern Zone staff and the Councillor for the Sydney Newcastle Region, Roy Ah See, have been successful during this financial reporting period in assisting LALCs improve operations, their funding and corporate governance.

As with all other Zone offices the election of new LALC Boards was a major focus during the latter half of the reporting period.

At the end of this year, a total of ten LALCs in the Eastern Zone had successfully elected new Boards, with one LALC Board election to be held as the reporting period came to a close.

The Worimi LALC was the first Board election held in the Region.

The newly elected Board contained two members, Gwen Russell and Val Merrick, who had attended the first ever meeting of members at the Worimi LALC.

The Zone office staff facilitated individual workshops for LALCs to guide the process of employing a new Chief Executive Officer in accordance with the requirements of the ALRA.

A total of six LALCs had recruited permanent appointments to the position at the end of this reporting period. Four had an acting CEO in place. One LALC had not moved to recruit a CEO as required by the ALRA.

CASE MANAGEMENT PLANS

The Eastern Zone has developed Case Management Plans for all of the eleven LALCs in its area.

The plans have been developed to identify all critical and key issues impacting upon the LALCs including, housing management, governance, compliance, asset management and development, and financial management.

These plans are fundamental to the delivery of service and support to the network, and form the basis of support to LALCs by the Zone Staff.

HOUSING

In June 2008, NSWALC collaborated with the Aboriginal Housing Office in a management review of the Aboriginal Housing Sector. The review aimed to identify the current strengths and weaknesses of housing operations in NSW.

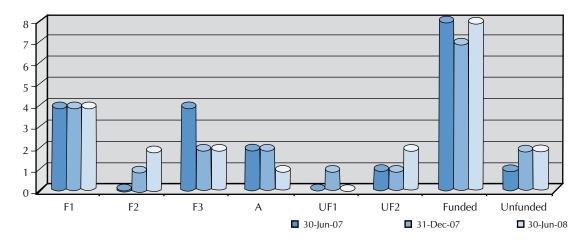
All of the LALCs in the Sydney/Newcastle region participated in the review and received independent feedback on the areas of housing management that currently perform well and those areas which require improvement.

FINANCE UNIT

LALCs progressed through a range of funding categories in this reporting period.

The Column Graph below shows the number of LALCs in each funding category as at 30 June 2008, compared with the end of the last financial year and the end of December 2007.

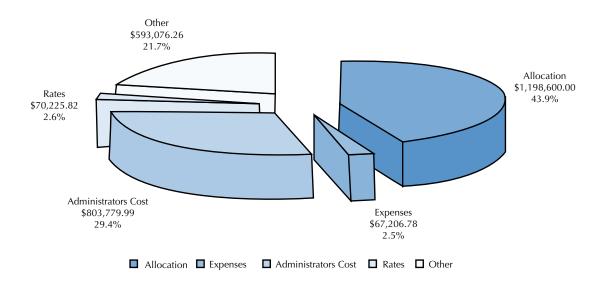
Sydney/Newcastle Region - Funding Category Comparison - 11 LALCs



ALLOCATIONS AND EXPENSES

The Pie Graph presented below represents the type of allocations and expenses paid to or on behalf of LALCs in the Sydney Newcastle region. The approved grant for the region is \$1,430,000.00.

Sydney Newcastle Region Total Outgoings



The pie graph shows the dollar amount of all categories of cash outgoings, and the percentage value of each category of cash outgoings, for the Zone to the end of the financial year.

New South Wales Aboriginal Land Council • Annual Report 2007-2008

Total cash outgoings for the financial year were \$2,732,888.85.

43.9% of the total outgoings were in the form of cash allocations.

Darkinjung LALC incurred \$602,741.00, and Koompahtoo LALC incurred \$201,038.58 in administrator costs.

The total administrator costs for this financial period for the Sydney/Newcastle region was \$803,779.99. An investigation into the Metropolitan LALC cost a total of \$100,000.00.

The administration of the Darkinjung LALC was completed during the reporting period.

Koompahtoo LALC was the only LALC under administration in the Sydney/Newcastle region as this reporting period ended.

CORPORATE GOVERNANCE UNIT.

Despite the staff shortages throughout the reporting period the Governance Unit managed to achieve a number of significant outcomes, particularly on three of its core activities, Board Governance/Secretariat, Complaints Handling and External Accountability.

BOARD GOVERNANCE

The Unit planned, prepared and facilitated a total of twelve Board meetings, including two extraordinary meetings, during this reporting period.

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

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

This work was undertaken against a set of procedures developed by the Unit on the preparation of Board agendas and papers and protocols for interaction between the staff and the Board.

The Unit also reviewed and implemented process improvements with respect to paper handling for the meetings and Board Code of Conduct guidelines.

Improvements were also implemented in record keeping by the Secretariat.

An electronic spreadsheet was introduced which now contains all Board resolutions from the reporting period.

In addition the Unit assisted the Chief Executive Officer with the preparation of submissions and papers for Board consideration and facilitated the exchange of information and advice between the Board, the Chief Executive Officer and staff.

The Board carried a total of 108 resolutions during the reporting period.

GOVERNANCE TRAINING

The Unit also planned and facilitated a total of seven Board statutory governance training workshops, in association with the Training and Development Unit, within the first six months of the election of Councillors in accordance with the statutory deadlines.

The Unit was also planning ongoing training in the areas of governance, the ALRA and Board responsibilities and planned and facilitated a total of four non-governance training sessions tailored to the specific needs of Councillors in areas which included financial management and Occupational Health and Safety.

In addition, the Unit planned and facilitated a series of three strategic planning workshops which culminated in the development and endorsement by the Board in March 2008 of the NSWALC Corporate Plan 2008-2012.

All Council delegations were reviewed in accordance with NSWALC's statutory obligations to conduct an annual review.

An Internal Communications Protocol between the Board and staff was also drafted and circulated to clarify a range of issues such as separation of powers, to mitigate risk, and to foster good working relationships between the elected representatives and staff.

The Unit also developed an Annual Board calendar of critical reporting and compliance deadlines imposed by the ALRA with a companion calendar of Board meeting, training and committee meeting dates, and established Board registers as required by the ALRA.

It also set the framework for the establishment of an electronic Board Hub to provide secure online access to Board members, senior management and staff within the land rights network of timely, relevant and accurate information and key material, including the Annual Board Calendar, critical dates, Board agendas, minutes, resolutions and the Corporate Plan.

This was all designed to ensure an effective decisionmaking framework around the Board.

INTERNAL AND EXTERNAL ACCOUNTABILITY

During the reporting period the Unit completed the first two stages of an internal review of organisational policies and procedures and commenced drafting a Policy Assurance Framework for NSWALC.

It also investigated best practice web based software management tools to improve internal complaints handling and control functions. It obtained the approval of the Chief Executive Officer to implement the Resolve software system.

It also centralised the reporting system for receipt, assessment, and actioning of Protected Disclosures by NSWALC staff.

The Unit also centralised the handling of Freedom of Information requests and arranged formal training of staff in FOI procedures.

INVESTMENT AND AUDIT COMMITTEES

NSWALC faces significant political and financial challenges in managing its investment arrangements and to ensure compliance with its statutory obligation to preserve the Statutory Fund.

In this regard the previous Council established the following Investment Mission for the Fund:

- To at least maintain the purchasing power of the Fund over the long term, having regard to the specific nature of the underlying funding responsibilities of NSWALC;
- To provide a stable and growing level of distributions for funding NSWALC's ongoing activities;
- To at least preserve the indexed book value of the assets.

The Council transferred this Investment Mission into a set of measurable investment objectives. These are:

- To achieve an investment return of 5% per annum plus an allowance for CPI (inflation) as measured over a rolling three (3) year period
- To minimise the risk of negative returns

The current Governing Council resolved to continue with this strategy during the reporting period.

It also retained the Investment Committee established to provide fact-finding and advisory expertise to the Council on investment arrangements that would assist it meet its statutory and financial responsibilities under the ALRA. It also approved the ongoing appointment of Watson Wyatt as the independent external strategic investment advisor and as an external member of the Investment Committee.

Dr Andrew Refshauge continued throughout the reporting period as the Independent Chairperson of NSWALC's Investment Committee, a task he performed in a pro bono capacity. Mr. Jon Isaacs (also Chair of the Sydney Harbour Foreshore Authority) continued in his capacity as the Independent Chairperson of the Audit Committee during this reporting period.

A total of four meetings of the Investment Committee were held during the reporting period..

Meetings were convened in August and November 2006 and in February 2007.

The Audit Committee, which met once during the period, was formally appointed as an Advisory Committee to the Council.

NSWALC Chairperson Bev Manton also replaced the former Administrator on the Committee.

COMPLAINTS

NSWALC's complaints management system aims to provide assistance to individual complainants while also improving the operation of the Network as a whole.

To this end, NSWALC is open to complaints from all parties within the Land Council network and the community at large. Similarly, access to NSWALC's assistance is not restricted by the manner in which a complaint is communicated; complaints may be lodged by phone, fax, in person or in writing.

NSWALC endeavours to deal with all complaints it receives in both an effective and timely manner.

However, in this regard NSWALC's limited authority under the Aboriginal Land Rights Act 1983 means that only some of the complaints are handled internally.

Many matters are necessarily referred to other government and non-government agencies. These range from referrals to legal services, tenancy advice providers, with more serious matters referred to the Registrar, NSW Police or the ICAC.

Upon receipt of a complaint, NSWALC conducts enquiries to establish the veracity of the allegations as well as to identify the appropriate course of further action. While centrally managed these enquiries are primarily conducted by NSWALC's Zone Staff, who have a unique knowledge of and access to the LALCs.

Where matters are suitable, NSWALC may intervene as a conciliator, mediator or arbitrator to a dispute. However, NSWALC also encourages members to resolve minor disagreements and grievances at a LALC level. This provides for the resolution of individual matters, as well as fostering the development of more effective and responsive management of LALCs.

Where the behavior complained of represents a significant breach of the Aboriginal Land Rights Act 1983, NSWALC works closely with the Registrar, who amongst other things, has the authority to commence formal investigations where necessary. The Registrar also has the authority to commence proceedings against an individual for misbehaviour, under the misbehaviour provisions of the Aboriginal Land Rights Act 1983

During the reporting period a total of 54 complaints were received for registration by the Corporate Governance Unit compared with 24 in the 2006-07 financial year.

Two matters were referred by the Independent Commission Against Corruption, compared with nine referrals reported in the last financial year.

One matter was referred to NSWALC by the NSW Ombudsman.

No FOI applications were received during the reporting period.

The breakdown of issues raised by complaints is as follows:

	Number of					
Allegations raised	complaints	%	% 06/07			
Housing issues	16	30	28			
LALC procedures and management practices	15	28	64			
Other conduct	15	28	- 4			
Employment related	3	5	- / 4/ \			
LALC meeting irregularities	2	4	- / 90 0			
Membership issues	1	4	4			
Fraud/corruption/embezzlement	1	4	-			
Pecuniary interest/conflict of interest	1	4				
Total	54	*	*			
* percentage figures have been rounded to the nearest whole, so totals may not equal 100.						

As can be seen in the table the complaints and information provided by members of Local Aboriginal Land Councils primarily reflect concerns about procedural and housing issues.

Disputes on LALC procedures and management practices spiked during the reporting period, largely as a result of disputes related to differing interpretations of new amendments to the ALRA.

Over the 4 years since their inception NSWALC's Zone Offices have increased their operational capability for dealing with these types of issues, providing a more localised point of contact for people who wish to raise their complaints or concerns.

During the reporting period the CGU worked closely with the COO and Zone Directors to resolve complaints received by NSWALC.

POLICY AND RESEARCH UNIT

This Unit reported a busy year on both the domestic and international front, particularly in relation to NSWALC's attempts to get the New South Wales Government, and others, to address our continuing concerns about the destruction of Aboriginal culture and heritage.

CULTURE AND HERITAGE

NSWALC's concerns about the ongoing destruction of Aboriginal culture and heritage were articulated in a speech by Chairperson Manton to a cultural management authority conference in Dubbo in May, 2008.

Ms Manton reminded attendees that former Aboriginal Affairs Minister, Frank Walker, had told Parliament when introducing the land right legislation in 1983 that the law still lacked an essential element.

This essential element was the protection and ownership of cultural heritage.

Twenty five years on, she said, the responsibility for the protection and management of Aboriginal cultural heritage rested largely with the Department of Environment and Climate Change (DECC) formerly the National Parks and Wildlife Service.

Ms Manton said there was no doubt DECC did what they could to ensure a high level of Aboriginal involvement in the management and protection of of Aboriginal objects and places.

Despite their best efforts Aboriginal cultural heritage continued to be destroyed.

She told delegates DECC had estimated more than 800 permits consenting to the destruction of Aboriginal cultural heritage had been approved by the Department since 1990.

"All our efforts are needed to stem the destruction of our cultural heritage under the current regime," she said.

Chairperson Manton told delegates NSWALC and Local Aboriginal Land Councils were involved in the protection and promotion of cultural heritage on a day to day basis. This was achieved through areas such as site work and participating in cultural heritage surveys.

Numerous land councils were also involved in the joint management of culturally significant national park land.

Significant places such as Mutawintji National Park, Mount Grenfell Historic site, Biamanga and Gulaga National Parks and Worimi Conservation Lands had been returned to Aboriginal ownership.

Land Councils held title to these lands on behalf of Aboriginal people and participated on their Boards of Management.

Chairperson Manton is a member of the Board of Management for the Worimi Conservation Lands.

The Policy and Research Unit monitored developments in government policy as well as the impact of certain development activities on cultural heritage throughout the reporting period.

Its work in this area is consistent with NSWALC's statutory function to "take action to protect the culture and heritage of Aboriginal persons in New South Wales."

It provided advice to the Department of Environment and Climate Change regarding the consultation processes for permits issued in accordance with Part 6 of the National Parks and Wildlife Act 1974.

It was provided in writing by the Acting Director for Policy and Research to DECC through his involvement with the Aboriginal Cultural Heritage Advisory Committee.

The advice provided was that the core of the problem was the existing law and policy that governed the protection (and destruction) of Aboriginal heritage sites.

Advice was also given that the consultation processes for the issuing of section 80 and 90 permits was problematic.

The current process provided an open invitation for anyone to participate irrespective of whether they were recognised by the community as having the right to speak for or about country.

NSWALC awaited a departmental response on its concerns as this reporting period ended.

ASSISTING LALCS

The Unit also supported a number of LALCs with their intervention into proposed developments that sought approval under Part 3A of the Environmental Planning and Assessment Act 1979, and would have an impact on significant Aboriginal heritage sites.

The Unit's most significant engagement in this area was support for the Koompahtoo LALC which was concerned about the likely impact of the proposed Trinity Point Marina development at Morisset.

The Unit worked with NSWALC's Deputy CEO, Councillor Roy Ah-See, and the LALC on this issue.

This involved a number of meetings with representatives of the Koompahtoo LALC as well as the relevant State MP, the Local Mayor and representatives of the developer. It also corresponded directly with the Lake Macquarie City Council.

The Unit has assisted Koompahtoo LALC to build an understanding of the approval processes under Part 3A of the Environmental Planning and Assessment Act and advised the Lake Macquarie City Council that an independent Aboriginal heritage survey needed to be undertaken before any further applications for approvals for the Trinity Point development were considered.

This matter was still under negotiation at the end of the financial year.

The Unit also worked to prepare for an anticipated review of existing arrangements for Aboriginal Peoples' 'joint management' of National Parks in New South Wales.

As a result NSWALC wrote to the Government to highlight the importance and relevance of joint management for the government's stated priorities in its State Plan.

NSWALC provided important examples of why the payment of rent should be considered a vital element of joint management.

The organisation was awaiting formal advice at year's end on whether the government intended to proceed with a review of the existing joint management arrangements in New South Wales.

CULTURAL HERITAGE ADVISORY COUNCIL

Much of the advocacy work undertaken by the Policy Unit has resulted in advice being given to the NSW Government through the Acting Director in meetings of the Aboriginal Cultural Heritage Advisory Committee (ACHAC)

Mr Field was NSWALC's representative pending a decision of the governing Council to nominate an elected representative to the Council.

ACHAC is established under section 28 of the National Parks and Wildlife Act 1974 to advise the Minister and the Director-General on any matter relating to the identification, assessment and management of Aboriginal cultural heritage.

This includes providing strategic advice on the plan of management and the heritage impact permit process, whether or not the matter has been referred to the Committee by the Minister or the Director-General.

ACHAC receives briefs and presentations from officers of the Department of Environment and Climate Change on a wide range of programs and projects that they are developing or running.

While recognising the merit of many of these projects and programs NSWALC has highlighted a disconnect between the stated policy for the protection of Aboriginal culture and heritage and the lack of outcomes achieved

For example, DECC policy states that "Aboriginal people are the primary determinants of the significance of their cultural heritage."

Given the number of permits issued to destroy Aboriginal heritage sites – often with minimal conservation outcomes – it is difficult to justify the reality of this statement.

NSWALC has consistently advised ACHAC that comprehensive reforms are required to the law and policy concerning the protection and management of Aboriginal culture and heritage.

Such reforms need to take into consideration, among other things, the need for better alignment with the planning system and processes with a link to strategies and policies for land and natural resource management.

Ideally, the NSW government should adopt a comprehensive landscape-based planning approach to Aboriginal peoples' associations with their natural and cultural environments.

While the provision of this advice has resulted in minimal positive change to the existing legal and policy regime it is hoped that there will be further formal opportunities to present this advice to the NSW government.

One such opportunity may be through "a broad, separate investigation into the management of Aboriginal heritage," which was proposed by the 'Independent Expert Panel' through their report on the review of the NSW Heritage Act 1977, handed down in December 2007.

Council determined at its 222nd meeting, held on 10-13 June 2008, that Councillor Craig Cromelin would be its future representative on the ACHAC.

NATURAL RESOURCE MANAGEMENT

With the growing concerns about the potential impact of climate change there has been an increase in the level of interest regarding the use of Aboriginal owned land to support a range of adaptation and mitigation strategies. The Policy Unit has over the last financial year been researching the possible impacts of climate change on Aboriginal communities in New South Wales from the perspective of domestic and international experience.

The Unit has also been considering some of the opportunities arising out of climate change particularly with respect to the possible engagement of the land rights network in the evolving carbon trading markets.

Research undertaken internationally has highlighted that while Indigenous peoples are in many circumstances highly vulnerable to the impacts of climate change we generally have the smallest carbon footprint and contribute the least to man-made global warming.

Further, much concern has been expressed at the international level about the disregard given to these impacts for Indigenous peoples and to the contributions

that we can make to help with the development and implementation of global strategies to combat climate change.

With some exceptions this has also been the case with domestic strategies to combat man-made climate change, which have largely overlooked the contribution that might be made by Aboriginal people and landholders.

Through the preliminary analysis we have undertaken to date the Policy Unit has formed the view that there are potentially significant and diverse opportunities for the land rights network in New South Wales to engage with a range of climate change mitigation and adaptation strategies.

In order to embrace these opportunities the Policy Unit is of the view that both LALCs and NSWALC have to have a better appreciation of the capacity of our respective land holdings so that informed decisions can be made about the best use of the land.

To support this objective the Policy Unit has begun seeking advice regarding options that will be suitable and cost-effective for NSWALC to acquire appropriate land mapping data

Throughout the year the Policy Unit has also been engaged from time to time with the Department of Environment and Climate Change regarding the potential use of Aboriginal owned land for 'biobanking' schemes.

This is an evolving area of conservation that provides a market based approach to providing 'offsets' for the destruction of biodiversity through urban and other development activities.

The NSW Aboriginal Land Council accepted the first installment of a three year grant funding commitment from the Department of Environment and Climate Change (DECC) just before the end of this reporting period.

The funding will resource a Senior Policy Officer position to further research and address any issues for the LALC network in regards to the DECC Land Alive – Land Management BioBanking Project.

The project will raise awareness and build capacity within NSWALC and the LALC network, as well as provide independent advice for BioBanking within the context of a

range of natural resource, land management and economic development opportunities.

The funding will enable NSWALC to establish an informed position on BioBanking and the opportunity for the Land, Policy and Research Unit to begin identifying the essential research, skills and expertise necessary to engage with a broad range of possible climate change schemes.

These may include the proposed National Carbon Emissions Reduction Scheme and Indigenous Climate Change Initiatives.

INTERNATIONAL ENGAGEMENT

In April 2008 NSWALC sent its largest ever delegation to the United Nations Permanent Forum on Indigenous Issues. The Forum was held at the United Nations headquarters in New York from 21 April to 2 May 2008.

The special theme for the seventh session of the Permanent Forum was climate change, bio-cultural diversity and livelihoods: the stewardship role of Indigenous peoples and new challenges.

The NSWALC delegation was led by Chairperson Manton and included Councillor Roy Ah See, Deputy CEO Norman Laing, Mr Field and consultant Aden Ridgeway.

The delegation made a significant contribution to the work of the Permanent Forum largely through its engagement with the representatives of the 'Indigenous Peoples Organisations' from Australia who were also in attendance. The delegation made a number of interventions during the Forum which included:

- Councillor Manton, on climate change, in which she highlighted the critical role that Indigenous peoples and landholders can make in responding effectively to the threats that are posed;
- Councillor Ah-See, on the topic of 'Ongoing priorities and themes' in which he recommended that the Permanent Forum strongly urge Member States [of the UN] to implement the principles and goals of the UN Declaration on the Rights of Indigenous Peoples; and,
- Norman Laing, who provided an overview of the land rights system in New South Wales and urged the Permanent Forum to make climate change an ongoing priority in its future work;

Mr. Field drafted a number of joint statements on behalf of the 'Indigenous Peoples Organisations'.

A number of the recommendations made in the interventions were adopted by the Permanent Forum.

This was a considerable achievement given the hundreds of recommendations received over the course of this twoweek meeting.

The delegation of Aboriginal and Torres Strait Islander people from Australia who attended the seventh session of the Permanent Forum also included a large number of young people and members who had not previously attended.

NSWALC delegates were able to assist in building both their knowledge and understanding about the UN system generally and the Permanent Forum in particular.

The Policy Unit also attended a number of preparatory meetings ahead of the forum in New York.

These included:

- The 'Indigenous Peoples Organisations' preparatory meeting held in Canberra on 17-18 March; and
- The International Expert Meeting on Indigenous Peoples and Climate Change held in Darwin on 2-4 April.

The NSWALC delegates who attended this meeting made a number of recommendations that were ultimately incorporated into the final report for the Permanent Forum's seventh session.

In this space last year we reported that the most critical issue facing NSWALC with respect to our international engagement activities is our 'consultative status' with the UN Economic and Social Council (ECOSOC).

The status of all non-government organisations was under review by ECOSOC.

NSWALC received advice in October 2007 that we had retained our 'special consultative status'.

NSWALC's next quadrennial report is due in December 2009.

The future work of the Policy Unit with respect to UN bodies and international engagement is subject to the strategic planning processes to be undertaken by Council in the 2008/2009 financial year.

Chairperson Manton told delegates in her speech to the CMA Conference that NSWALC had one simple message at the UN.

The organisation had applauded the prompt signing of the Kyoto Protocol by the newly elected Australian Government and its stated intention to formally indicate its support in the near future for the Declaration on the Rights of Indigenous Peoples.

NSWALC believed both provided a platform for addressing climate change.

Chairperson Manton said NSWALC believed climate change raised distinct challenges for Indigenous peoples, our cultures and our lands and resources.

It posed a threat to the health, cultures and livelihoods of Indigenous peoples.

NSWALC believed that all efforts to address climate change should:

- seek to maximise opportunities and involvement arising from climate change that are driven and developed by Indigenous communities;
- respect Indigenous cultural knowledge and law in the design of climate change measures; and
- ensure the full participation of Indigenous peoples in the design and delivery of measures to mitigate the impacts of climate change, so as to ensure that such measures do not contribute to the further dispossession of Indigenous people from our land and resources, or impact adversely on the cultural traditions, languages, traditional knowledge and traditional food sources of Indigenous communities.

Chairperson Manton said NSWALC sought to play an increased role in the protection and promotion of cultural heritage in New South Wales.

It sought to do this through advocacy, advice and information.

NSWALC's Corporate Plan committed the organisation to focus on:

- Working towards the return of all Aboriginal sites in NSW
- Developing culturally appropriate guidelines for the identification, protection and promotion of cultural heritage
- Reducing the impact of development on our cultural heritage, and
- Assisting Local Aboriginal Land Councils to develop local culture and archival centres.

NSWALC and Local Aboriginal Land Councils would face many challenges as they worked towards achieving these aims.

MEDIA AND MARKETING

The Media and Marketing Unit recorded its busiest reporting period since the re-establishment of the Unit in 2004.

The return of a Governing Council substantially increased the Unit's workload given the need to assist in the active promotion of a positive public profile for the new elected arm and the organisation, particularly in the Silver Anniversary year of land rights.

The Unit also:

- Informed Local Aboriginal Land Council Boards, their members and staff, as well as NSWALC staff, on a range of issues by drafting a series of regular internal network messages in consultation with the Chairperson and the Chief Executive Officer.
- Prepared a range of media statements, speeches and background briefing papers for Councillors and the Chief Executive Officer on a wide range of issues.
- Produced and distributed NSWALC's 2006/07 Annual Report.
- Assisted in the drafting and production of NSWALC's Corporate Plan.
- Upgraded and maintained the organisations' Intranet and Internet sites.
- Designed, produced and distributed a wide range of marketing materials.
- Maintained a close liaison with Minister Lynch's media staff and those of relevant stakeholders.

 Dealt with constant inquiries from Aboriginal and mainstream media on the political activities of the Governing Council, legislative changes arising from the ALRA Review, land dealings and LALC matters, as well as a stream of email traffic from the NSWALC website seeking a wide array of information on Aboriginal Affairs issues.

The Unit also assisted the Council and the Chief Executive Officer with a range of strategic public affairs issues throughout the year.

These included the public awareness element of LALC Board elections, the planning and organisation of the Silver Anniversary celebrations, and the drafting of submissions to Council, including a major submission on the water and sewerage initiative.

It also managed the successful transfer of LALC membership rolls from NSWALC to the Registrar of the ALRA.

In addition the Unit initiated, planned and, in conjunction with the Commercial Unit, developed a NSWALC Aboriginal Resource Centre on the ground floor of Head Office, which incorporates the Unit's work areas, NSWALC reception facilities and a steadily growing reference library on Aboriginal Affairs issues.

Many of the building's regular or frequent visitors have commented upon the fact the Resource Centre has effectively "badged" the building for the first time since it was purchased by NSWALC.

The establishment of the Resource Centre also increased the amount of off-street inquiries the organisation received for promotional material.

NETWORK MESSAGES.

The provision of timely and accurate information to the land rights network, and the wider Aboriginal community, is a major ongoing issue for NSWALC's Media and Marketing section, in particular, and the organisation in general.

This is particularly so given the almost complete absence of mainstream media coverage of major issues from an Aboriginal perspective and the lack of internet access in most Aboriginal communities. It should be noted, however, that it was rare during the reporting period for an edition of the two Indigenous-specific newspapers, the National Indigenous Times or the Koori Mail, to appear without a positive story regarding the activities of NSWALC.

In addition, the Media and Marketing Unit continued to keep up a constant flow of network messages to NSWALC staff, and Local Aboriginal Land Councils throughout the reporting period

These network messages were issued on behalf of the Council Chairperson and the Chief Executive Officer.

The Unit received positive feedback on the network messages, particularly those which explained strategic decisions about why and when NSWALC sought to, or decided not to, intervene in public debate about the land rights system, and on important staff movements and issues.

NSWALC has a strict policy of not responding, where possible, to media debate on disputes within LALCs, or between NSWALC and LALCs.

It takes the view that no-one within the land council system stands to benefit from such public conflict, other than the media.

The system of network messages enables NSWALC to correct media misinformation on such disputes, and on other important matters within the land rights system, without fuelling public controversy.

This system of informed internal communication again proved its value in the 2007-08 financial year, particularly in keeping the land rights network informed of the activities and decisions of the Governing Council, the implementation of amendments to the Aboriginal Land Rights Act, the LALC election processes, and important staff movements and changes.

This is best evidenced by the message issued by Chairperson Manton on August 29 to mark the Council's first 100 days in office.

She noted that it was normal political convention to mark this milestone by looking back at "what has been achieved and to look at what lies ahead." Chairperson Manton noted that Council had received an extensive induction process which focused on NSWALC's internal policies and procedures, administrative structure, complex operating environment, management of the NSWALC account and current political and operational issues.

Council had held five meetings and endorsed a total of almost 30 resolutions which ranged from substantial land dealings proposals to small discretionary grants "while coming to terms with a new operating, administrative and political environment."

The Council members had undergone governance training with the Chartered Secretaries of Australia and the Registrar of the ALRA in accordance with the new statutory requirements of the ALRA and a range of other training specific to the needs of Councillors on their roles and responsibilities and administrative duties.

Council was also about to undergo further training on strategic finance issues.

It had developed an annual agenda for Council meetings and a critical dates timeline, including statutory reporting, review and training deadlines as the basis for an annual governance work plan to ensure operational follow through on the training regime.

Council was also actively pursuing an agenda of alliance building with other peak organisations.

A good illustration was the key role played by Council and NSWALC staff in working with the Combined Aboriginal Organisations in the Northern Territory to assist in the campaign to have the voices of Aboriginal people heard in the Howard Government's intervention into communities in the NT.

The campaign had assisted in forcing a Senate Inquiry, albeit truncated, into the intervention legislation and a marathon debate in the Federal Senate despite the Howard Government's plans to have the 500 pages of legislation pass through the Federal Parliament in a week.

Chairperson Manton pointed out that such an overt advocacy campaign "would not have been possible while NSWALC was under administration." At the same time NSWALC had been forced to defend the NSW lands claims system against public attack from the Opposition on home soil.

She informed the network Council was "now preparing for its Annual General meeting in Sydney next week with a range of papers and submissions dealing with administrative and political matters ranging from NSWALC's financial statements through to NSWALC's intensive assistance strategy, governance training for LALCs, proposed land dealings, the inter-relationship between native title and land claims, and an update on the Howard's Government's intervention.

Council was also keeping a "weather eye," on share market corrections and their impact on the NSWALC account.

Anecdotal feedback from within NSWALC and from the network "suggests there is, in the words of one Zone director a 'palpable sense of relief within the network of LALCs that the elected arm of NSWALC has been reestablished.'"

Many staff in Parramatta had told her the return of Council had given NSWALC a renewed sense of purpose and direction while acknowledging the gains made during the period of administration.

The Unit also took the opportunity, where possible, to tie in the release of public statements with the issue of network messages.

This is best evidenced by the network message issued by the Chief Executive Officer to coincide with public statements issued by Chairperson Manton announcing details of NSWALC's Education Endowment Fund and the water and sewerage initiative, which are detailed elsewhere in this report.

Network messages were also used to initiate an occasional series of LALC surveys in line with Priority One of NSWALC's Corporate Plan on Advocacy and Rights.

Chairperson Manton explained the surveys were designed to assist Council in gauging, and seeking to determine a position from the land rights network on major policy and advocacy issues of relevance to Aboriginal people in New South Wales.

There were two major issues in the realm of public debate which NSWALC did not have a policy on. They were the Federal Government's proposal to establish a National Aboriginal Representative Body and the question of a Treaty.

NSWALC, as the peak Aboriginal representative body in NSW, should have a clear and unambiguous policy on both.

Chairperson Manton said the Governing Council considered it should be an informed view from our principal client base, the membership of Local Aboriginal Land Councils.

The surveys could only be considered representative of the views of the network if a majority of LALCs took the time to consider the issues and responded.

She asked that all LALC Chairs ensure the network message was tabled at the next meeting of their Council and the views of members be sought on the issues raised. NSWALC had received little direct feedback on this initiative as this reporting period ended.

Further LALC surveys are planned in the new financial year.

INTRANET

As foreshadowed in last year's Annual Report this reporting period saw a major upgrade of NSWALC's Intranet which was launched in November 2005.

The upgraded facility was launched in May, 2008.

The new site was designed to offer all staff, irrespective of their location within the organisation, easy access to corporate information in a comprehensive, logical and thorough way. It is designed to be reliable, useful and to enhance the ability of all staff to better do their jobs.

Our aim was to ensure the Intranet continued to be an excellent avenue to unify the far flung operations of NSWALC and to increase the ease, frequency and quality of inter-agency communication.

The integrity of the original model was maintained by consolidating core features rather than replacing them.

However, the new version contains significant changes designed to improve the quality and quantity of information held within the database.

A new feature—Staff Central---was designed to be the main source of general information about the operations and day to day announcements of the organisation.

One of its most impressive features is a sub-site known as LALC Land which is dedicated to the contact details and general information about the activities of all of the Local Aboriginal Land Councils which make up the land rights network.

The take up rate across the organisation for the new facility matched that of the original facility.

INTERNET

The NSWALC website remains an increasingly popular source of relevant information on NSWALC's role, objectives and organisational structure for members of the LALC network, the wider Aboriginal community, government departments, educators, students and the general public.

A major upgrade of the Internet site, which was planned for this reporting period, is now scheduled in the new financial year.

It was re-scheduled to allow Media and Marketing staff and IT Unit staff to concentrate on the upgrade and bedding down of the new Intranet which has been built using the Microsoft Sharepoint 2007 platform

This new server program allows the cross-fertilisation of information between the Intranet and Internet.

The currency of source material and applications on the Internet had suffered due to the effective closure of the Media section before it was re-established in 2004. Media and Marketing continued to remove much of the dated content during this reporting period, particularly with the uploading of new media statements and speech material.

A considerable amount of new material was added during the reporting period in relation to the Silver Anniversary of land rights, the ALRA Review, the legislative changes flowing from it, and the makeup of the Governing Council. Media statements and speeches canvassed a wide range of issues.

The reporting period began with the celebration of the 50th anniversary of modern day NAIDOC celebrations which was marked with a speech by Chairperson Manton at Penrith Civic Centre.

The Chairperson used the occasion to emphasise the importance of NAIDOC as a celebration of Aboriginal history and the survival of culture and an opportunity to reflect upon where Aboriginal people "stand in modern Australia."

There was no better time, she said for all fellow Australians "to think about what it means to be an Aboriginal person in early 21st century Australia and to walk at least a few steps in our shoes."

A key topic in the speech was a trenchant attack on the Howard Government's unilateral intervention in Northern Territory communities.

A media statement issued soon afterwards backed a call from Aboriginal leaders at the Garma Festival in Arnhem Land for the Prime Minister to meet them and forestall his proposed intervention legislation until proper consultations had taken place with affected communities.

The statement also called on the Howard Government to stop ignoring the key recommendations of the Little Children Are Sacred report which called for consultation with Aboriginal leaders and communities on a long term sustainable response to the report.

Chairperson Manton also issued a public call for an apology from Liberal Senator Bill Heffernan after he disrupted a news conference held by Aboriginal leader Pat Turner on the intervention. Senator Heffernan later apologised to Ms Turner.

Chairperson Manton later appeared before the Senate Inquiry into the proposed intervention legislation and argued that a vote on the bills be delayed to consider the Northern Territory Government's response to the Little Children Are Sacred Report.

Chairperson Manton said NSWALC considered the proposed laws to be a punitive social welfare experiment. They had little to do with protecting children.

She also represented the Governing Council at the launch of the NSW Police Force Aboriginal Strategic Direction 2007-2011 at the Westmead Police College in August, 2007.

Chairperson Manton welcomed the document as a blueprint for change which included a stronger focus by the NSW Police Force on combating Aboriginal family violence, child sex abuse and substance abuse issues.

She was encouraged that improvement of communication and understanding between police and Aboriginal people was the first objective of the Directions document.

NSWALC understood the decision of the NSW Government to send 10 police officers to assist in the NT Intervention but the "Breaking the Silence," report on child sexual abused in NSW communities "demonstrated the need for more resources here."

Chairperson Manton, a member of the Ministerial Advisory Panel, established in the wake of that report, said the wisdom of sending police to the NT rather than more medical and other expert workers "reinforces the perception the NT intervention is a punitive expedition after decades of neglect."

A number of additional media statements were issued during the reporting period in support of community action against domestic violence and child sexual abuse.

These included a statement to mark White Ribbon Day, the International Day for the Elimination of Violence Against Women and the sixteen day activism campaign which began on White Ribbon Day and ended on World Human Rights Day.

Chairperson Manton wrote to the Police Minister, David Campbell, in March 2008 following allegations of an alleged sex trade involving Aboriginal children and truck drivers and itinerant workers in rural New South Wales.

She noted that NSWALC had frequently expressed its outrage at the ongoing scourge of sexual violence, particularly involving Aboriginal children before, and in the wake of, the release of the Breaking the Silence Report.

During its meeting in Sydney that week the nine-member Governing Council had discussed the latest allegations aired on the ABC and felt "the utter helplessness of those in our communities who are brave enough to come forward and speak out but never see any resultant prosecutions."

"We are heartily sick and tired of hearing Government officials and police say they are aware of these allegations, they are trying hard to bring the alleged perpetrators to justice but the victims are, in the words of Western Region Police Commander, Assistant Commissioner Stephen Bradshaw, 'very reluctant' to speak out," she added.

"We, as a Council, are unanimous in our view that action needs to be taken to break through this reluctance."

"The New South Wales Aboriginal Land Council is willing to immediately commit \$30,000 for the posting of a reward for information leading to the arrest and conviction of one or more persons over these alleged crimes."

The Minister was informed NSWALC had also written to the Australian Trucking Association requesting they match the offer on a dollar for dollar basis. The Minister was requested to consider a similar contribution from the NSW Government.

The Australian Trucking Association welcomed the initiative but declined the request for a financial contribution.

Discussions were still underway on the initiative with the NSW Government as this reporting period ended.

Chairperson Manton noted in an Australia Day address that Aboriginal people had a "rare cause" to celebrate—by marking the 70th anniversary of the Day of Mourning that gave birth to a national rights agenda and organised political activism.

She said that NSW men and women organised the 1938 protest conference to highlight the plight of Aborigines around Australia on the 150th anniversary of white settlement. It was a significant turning point in the lives of Aboriginal people.

The Chairperson also noted another turning point with the Rudd Government's decision to extend an apology to members of the Stolen Generations as the first item of business on the first day of the new Parliament following its election in November, 2007.

It was Chairperson Manton's "sad duty," on behalf of NSWALC, and the land rights network, to mark the passing of former Chairperson Manul Ritchie, on September 28, 2007.

His life, she said, had been devoted wholly to the pioneering fight for land rights and justice for Aboriginal people.

Manul was actively involved in the land rights movement from the 1970's, was at the Aboriginal Tent Embassy when it was established in 1972, assisted in the introduction of the ALRA in 1983, and was one of the members of the first NSWALC board, later becoming a NSWALC Chairperson.

"Too often," she said, "we do not pay enough respect to our own warriors, both men and women, who dare to stand up and fight against the powerful vested interests who would see us remain dispossessed and who would see us remain marginalised..."

"They have done so—and continue to do so--no matter what odds are stacked against them or the toll taken on their personal lives. Manul will forever stand tall in such company," she added.

"He was one of our most energetic young warriors who later became one of our elder statesmen..."

Chairperson Manton also paid tribute to Peter Andren, the former Independent Member for Calare following his sudden death from cancer in November, 2007, for his continued advocacy on behalf of Aboriginal people in the Federal Parliament.

PROMOTION

It largely falls to the Media and Marketing Unit to publicly promote the activities, objectives and policies of NSWALC to the ALC network, the Aboriginal community and the wider public through specific promotional events and the distribution of marketing material.

The part sponsorship of a range of cultural and sporting events, including the Yabun concert, Rugby League Knockout Festivals, the Deadly Awards, and the Freddy Fricke Scholarships continued to be among NSWALC's most highly visible promotional events for the year.

A number of small grants were also provided to a range of sporting and community groups to assist them in their activities.

Many promoted NSWALC's sponsorship contribution during those activities and events and were used to promote the work of the Governing Council and changes to the Aboriginal Land Rights Act.

A large range of promotional materials and fact sheets on land rights were produced in this regard throughout the reporting period.

Among the most popular were posters, designed and produced by the Unit, which celebrated the Silver Anniversary of land rights and a companion poster on the preamble to the Act which are featured on the cover of this document.

A NSWALC information booth at this year's Yabun festival, named the Speak Out tent, was an outstanding success. Councillors and staff manned the information booth and fielded enquiries from a constant flow of visitors, both Aboriginal and non-Aboriginal.

More than 2000 posters and 600 fact sheets were distributed along with promotional flyers on the Education Endowment Fund and land rights stickers.

Teachers asked for multiple copies of all of the promotional material to be sent to their schools.

Minister Lynch and the Federal Minister for Housing and Women, Tanya Plibersek, were among those who visited the booth.

Sydney/Newcastle Regional Councillor, Roy Ah-See, acted as Master of Ceremonies at two afternoon forums and also spoke at the first on the theme: "Is NSW the Premier State for Aborigines?"

The second forum was held on the theme: "What's Rudd got to do with it? Where to now for Aboriginal and Torres Strait Islander people after a decade of going backwards?"

The speakers were National Aboriginal Alliance representative, Ms Pat Turner, Professor Larissa Behrendt and Dr Kelvin Kong.

Both sessions were well attended. The second forum drew a capacity audience.

MEDIA AWARENESS TRAINING

The Unit arranged a one-day training workshop for Councillors on media awareness and skills in April, 2008

The workshop was conducted by the Public Interest Advocacy Centre, an independent, non-profit legal and policy centre.

PIAC was chosen to conduct the workshop because of its work in making strategic legal and policy interventions in public interest matters to foster a fair, just and democratic society and to empower citizens, consumers and communities.

It often works with people or communities who have least access to economic, social and legal resources and opportunities.

PIAC is also a registered training organisation under the Australian Quality Training Framework and is registered by the NSW Vocational Education and Training Accreditation Board to deliver training.

All participants in the workshop undertook audio and video practice of interview skills and received individual feedback.

The workshop was led by PIAC's media trainer Lynette Simons who worked as a media advisor to then NSWALC CEO Maurie Keane some 20 years ago. Ms Simons also teaches mediation and negotiating skills to Aboriginal students at Macquarie University

MEDIA PROTOCOL

As reported in this space last year one of the earliest decisions taken by the new Governing Council was to officially adopt a protocol for NSWALC's dealings with all media.

The protocol sets out the procedure to be observed by NSWALC Councillors and all staff in dealing with media requests about NSWALC policy and its operations.

Under the protocol all Councillors and staff are requested to ensure that all media inquiries on NSWALC policy and operations are referred, in the first instance, to the Media and Marketing Office.

The Council considers that this ensures the proper and appropriate preparation of co-ordinated responses for consideration and clearance by the Chairperson, and relevant Councillors, in consultation with the CEO.

The protocol does not impinge on the ability of individual Councillors to discuss issues of local or regional relevance to their duties and responsibilities as elected representatives with local and regional media.

It remained in place throughout this reporting period.

MEMBERSHIP ROLLS

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.

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.

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.

During this reporting period responsibility for maintenance of the consolidated roll was transferred from NSWALC's Media and Marketing Unit to the Registrar in line with the new legislation.

FUNDS GRANTED TO COMMUNITY ORGANISATIONS

There are two major categories of funds, the first and by far the largest category is the annual allocation of funds to Local Aboriginal Land Councils, totaling \$13.1 m in 2007/2008 compared to \$10.982m in 2006/07.

These allocations are used primarily as a contribution toward the annual operational expenses of the Councils, and also for Council approved capital acquisitions.

The second category is other grants to community organisations and individuals in several categories, totalling \$736,519 during this reporting period, compared to \$654,324 in the 2006/2007 financial year.

These included a total of \$655,073 in grants to assist with funerals.

Aggregated details of grants less than \$5,000 are provided below, as well as a listing of individual grants of \$5,000 or more and a brief description of the purpose of each of these grants.

At the 214th meeting of the New South Wales Aboriginal Land Council (3-6 September, 2007) Council resolved to phase out the general public awareness grants component of the Interim NSWALC Community Benefits Scheme over the course of the 2007-08 financial year.

GRANTS PAID - 2007/2008

М	AJOR GRANTS (>\$5000)					
Payee Purpose Amount						
Discretionary Grants		\$				
NSW Aboriginal Rugby League & Sports Inc	Sponsorship NSW Rugby League Knockout Competition & 27 Teams participating.	18,500.00				
Merritt Patten Memorial Rugby Leagues Club	Grant for Annual Rugby League competition in Lismore	15,000.00				
Thubbo Aboriginal Medical Co-Op	Assist in David Peachey Foundation Rugby League competition	18,181.82				
Vibe Australia	2007 National Indigenous Music, Sports Entertainment and Community Awards	10,000.00				
Gaele Sobott	The research of the book on the life story Aboriginal boxer Wally Carr	8,200.00				
Hay Local Aboriginal Land Council	Health funding & disability upgrade	14,545.45				
Gadigal Information Service	Yabun Concert 2008	10,000.00				
Total Major Grants	7	94,427.27				
MII	NOR GRANTS (<&=\$5000)					
Category	Number	Amount				
Discretionary	43	81,446				
Funeral	457	655,073				
Total	500	736,519				
Transfer of Land						
Details						
Illawarra LALC	Land claims held in trust (1 Lot)	1,200,000				
Nowra LALC	Land claims held in trust (4 Lots)	630,000				
Total Land Transfer	5	1,830,000				
SUN	MMARY TOTAL OF GRANTS					
Discretionary	50	175,874				
Funeral	457	655,073				
Transfer of Land	5	1,830,000				

LEGAL MATTERS

The NSWALC Legal Services Unit reported another busy year, particularly in relation to its work on land claim appeals and ongoing commercial litigation matters.

The LSU continued to have ongoing involvement during this reporting period with the Land Services 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.

It has ongoing involvement in land claim appeals being run in the Land and Environment Court, Supreme Court, Court of Appeal and High Court of Australia, as well as providing legal services more strategically to the CEO and the Council.

The LSU is also increasingly involved in many of the commercial activities of NSWALC and Local Aboriginal Land Councils, in conjunction with the Commercial Unit of NSWALC.

The Unit has been involved in the analysis and assessment of the more complex applications for approval under sections 40B and 40D of the Act.

Wherever possible, subject to capacity constraints, it is the preference of the LSU to advise on these matters internally in order to build up in-house expertise.

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

The Unit anticipates an ongoing role in the appeals processes during the next reporting period.

It also anticipates more involvement in the assessment of commercial activities by NSWALC and LALCs, leading to an enhanced internal capacity to add value and reduce external costs to NSWALC.

EXTERNAL LEGAL COSTS

Expenditure on external legal service providers during the reporting period can generally be broken down into the following percentages:

•	LALC Land Claim Appeals	63%
•	Litigation including in relation	
	to Mr. Michael Solari	14%
•	NSWALC general advice including in	
	relation to the Aboriginal Land Rights Act	8%
•	LALC Network related advice	15%

LAND CLAIMS

As reported earlier the 2007/2008 financial year was a successful one in NSWALC's continuing struggle for land rights.

The Legal Service Unit and the Land Services Unit continued NSWALC's policy of reviewing all land claim refusals on behalf of Local Aboriginal Land Councils in order to ascertain whether any refusals should be appealed to the Land and Environment Court.

Both worked with external solicitors to appeal, where appropriate, the refusal by the Minister for Lands to grant land claims brought by NSWALC on behalf of LALCs.

NSWALC won 10 out of 12 appeals against land claims refused by the Minister in the Land and Environment Court.

The Minister subsequently appealed two of these matters to the Supreme Court, Court of Appeal.

The successful land claim appeals have resulted in substantial tracts of land being vested in Local Aboriginal Land Councils.

These have included over 900 hectares in the settlement of an appeal on behalf of the Jerrinja Local Aboriginal Land Council and over 500 hectares in an appeal over a disputed land claim at Batemans Bay.

Most importantly, these cases have established significant legal principles in terms of what Crown lands can, or cannot, be validly claimed.

WAGGA LAND CLAIM

The legal situation regarding a land claim in Wagga is a case in point.

NSWALC, on behalf of the Wagga Wagga Local Aboriginal Land Council, made a claim on 23 May 2005, to an 815 square metre allotment in the Wagga business district.

The site had been used by as a motor registry from 1958 to 1985 and afterwards has been used to store old office furniture. A derelict and vandalised two-storey brick building stood on the site.

After a plan to convert the building into a laboratory was abandoned in 2004, the State government decided to sell the site.

Before the land claim was made, a real estate agent was appointed, an identification survey of the land was made, the Register-General issued a certificate of title, reservation of the land for a "government supply department office and workshop" was revoked, and an auction date of 8 July 2005 was fixed.

The Minister for Lands refused the claim.

He determined the land was not claimable Crown land because it was lawfully used and occupied by the Department of Lands in preparing it for sale.

Under the Land Rights Act lands cannot be "claimable Crown lands" if the land is "lawfully used or occupied".

NSWALC appealed to the NSW Land and Environment Court against the refusal of the claim. Justice Peter Biscoe subsequently dismissed the appeal.

He held that the decision to sell the land, and the steps taken to do so, were an actual use of the land.

NSWALC appealed to the Court of Appeal which allowed the appeal.

It held that that the land was not being used when the claim was made, declared that the land was claimable Crown land, and ordered the Minister to transfer the land to the Wagga Land Council.

The Minister for Lands then sought special leave to appeal this decision to the High Court.

The High Court granted special leave for the appeal in May, 2008.

The Wagga matter will be the first time the High Court has considered the interpretation of section 36 of the ALRA.

It relates specifically to the interpretation of whether the preparation of land for a sale can be said to be a lawful use of the land.

The matter was expected to be heard by the High Court in August, 2008.

We will continue in the new financial year to assess the pursuit of such cases on their respective merits.

NSWALC has established important points of law in terms of lawful use and occupation of Crown land, and in relation to the level and type of evidence required to properly establish that land is needed or likely to be needed as residential lands or for an essential public purpose.

It has done so through strategic review, negotiation and litigation

NSWALC has also successfully challenged certificates issued by the Minister pursuant to sections 36(8)(a) and (b) of the Land Rights Act which could have effectively defeated the Jerrinja land claims.

The LSU expects that the principles laid down by this case law will assist in reducing the volume, delay and cost of litigation in this area and pave the way for more negotiated outcomes in the future.

COMPULSORY ACQUISITION NOTICES

The Unit worked with the Land Services Unit throughout the reporting period to review fifty five Compulsory Acquisition Notices from Government and Utilities which had been issued under the Land Acquisition (Just Terms Compensation) Act 1991.

Eight of these Notices sought to compulsorily acquire land, and interests in land, which was already the subject of an Aboriginal land claim.

Compulsory acquisition of land which is vested in an Aboriginal Land Council is prohibited under section 42 of the Land Rights Act, except where an Act of Parliament is passed to permit this to occur.

The LSU has been actively involved in responding to these Notices, and where appropriate, challenging them.

NSWALC is of the view that where an Aboriginal land claim already exists in respect of the land, the claim should be determined before any compulsory acquisition is authorised.

Compensation for the effect of the compulsory acquisition may not be an adequate remedy for the Land Council.

In March 2008 NSWALC commenced proceedings to challenge the legality of a purported compulsory acquisition of land subject to an undetermined Aboriginal land claim.

The Minister had refused the land claim. NSWALC appealed this decision.

The hearing of these matters is expected to proceed in the first half of the 2008-09 financial year.

WATER AND SEWERAGE AGREEMENT

The Legal Services Unit was given the task of preparing a heads of agreement to facilitate the partnership between NSWALC's Governing Council and the State Government on the operation, maintenance and monitoring of water and sewerage services in discrete Aboriginal communities.

The LSU was liaising with other Government agencies to finalise the agreement as this reporting period ended.

The in-house drafting of the agreement was designed to build capabilities within the LSU and to ensure the agreement reflected the needs of NSWALC and the affected Local Aboriginal Land Councils and communities.

ONGOING LITIGATION AGAINST MR. MICHAEL SOLARI AND OTHERS

The LSU was able to negotiate a satisfactory settlement during this reporting period to legal proceedings that had been on foot against solicitor Michael Solari and others in relation to losses incurred by NSWALC.

These had resulted from a number of high risk loans, including construction finance and short term loans, to third parties made under NSWALC's former Mortgage Investment Fund that ended in default.

The terms of the settlement are confidential.

ASSISTANCE TO KOOMPAHTOO LOCAL ABORIGINAL LAND COUNCIL (KLALC)

The LSU has been assisting the KLALC at the request of the KLALC administrator, in order to assist in protecting KLALCs substantial assets.

Mr Terry Lawler was appointed Administrator based on recommendations of the Investigator's report in relation to unauthorised payments, loans to members and cash payments and land dealings that contravened the Land Rights Act.

During his time as administrator, Mr Lawler, has been involved in several contested hearings to remedy the effect of the unauthorised land dealings, including successful litigation in the High Court of Australia during the reporting period against Sanpine Pty Ltd to set aside a joint venture agreement, as a result of which KLALC was awarded costs of \$215,291.47.

The LSU is also strategically assisting KLALC to consider and pursue legal action against other third parties in relation to assets transferred from KLALC to a trust and loans that were secured by mortgages over KLALC land.

In April 2005, the Independent Commission against Corruption (ICAC) released findings of corrupt conduct against eight people, and recommended prosecutions be considered against six of those persons, as a result of its investigation into KLALC.

In the interests of assisting KLALC and protecting the LALC network the LSU continues to liaise with the Director of Public Prosecutions and the ICAC regarding the prosecution of these individuals. As at the end of the reporting period, no prosecutions had been launched.

LEGAL CHANGES

The most significant legal changes affecting the operation of NSWALC and the land rights network during this reporting period were the latest amendments to the Aboriginal Land Rights Act which came into effect on the first day of the 2007-08 financial year. These have been reported upon in detail throughout this report.

Further significant changes to the land dealing provisions of the legislation are expected to be introduced to the State Parliament in the first half of the next reporting period and have been reported upon earlier.

ECONOMIC FACTORS

Increased commercial returns from NSWALC's Head Office building again assisted in increasing the organisation's earnings.

NSWALC also reduced expenditure, where possible, and, like many other organisations with a diversified portfolio, managed to trim costs and rein in spending, where possible, in order to keep trading successfully while seeking to increase its capacity and cope with the increased transactional costs to the land rights network flowing from amendments to the ALRA.

MANAGEMENT AND ACTIVITIES

The 2007/2008 reporting period saw a continuation of the most significant administrative changes to NSWALC in its 20-plus year history.

Foremost among these has been the revamping of the senior management ranks at both Head Office and Regional levels and , the refinement of the corporate structure to better target intensive assistance to our key clients, the Local Aboriginal Land Councils.

The organisation has also progressively adopted more rigorous accounting standards and with the return of an elected arm adopted a new Corporate Plan.

RESEARCH & DEVELOPMENT

The Policy Unit and the Media and Marketing Unit assumed much of the research and development role within NSWALC.

A small team of skilled policy officers serviced an array of committees and developed draft policy positions for Council endorsement.

NSWALC continued to outsource a number of major research and development projects during the year.

INDUSTRIAL RELATIONS DEVELOPMENTS

The major industrial relations development at NSWALC during this financial year was the finalisation of steps taken to ensure equitable remuneration and allowances for the incoming members of the new nine-member Council.

As noted in this space last year the Chief Executive Officer, Mr Geoff Scott, wrote to the then Minister for Aboriginal Affairs, Reba Meagher on this issue On 26 February 2006—three months before the NSWALC election on May 19, 2007.

He sought her assistance to ensure the remuneration for NSWALC Councillors was resolved "prior to the nominations for the NSWALC election being called on 30 March 2007."

Mr Scott pointed out the New South Wales Aboriginal Land Council had moved into a transition phase from a Government-appointed Administrator to the return of a duly elected State Council.

This followed the Government initiated review of the Aboriginal Land Rights Act and the successful passage of amendments in the State Parliament late last year which she had hailed as "landmark" legislation.

Mr Scott pointed out that NSWALC had conducted a concerted campaign to update the membership rolls of all Local Aboriginal Land Councils to ensure that every Aboriginal person who wished to vote in the State Council election on May 19, 2007, was eligible and able to do so.

He advised the Minister that the membership rolls would close on Tuesday, March 6.

NSWALC would then turn its attention to the nominations process and the significance of attracting quality candidates to State Council.

Nominations for the nine full time State Council positions would open on Friday, March 30.

The Chief Executive Officer pointed out that the one outstanding matter critical to the election was the determination of the remuneration for the newly elected members of the New South Wales Aboriginal Land Council.

He noted it had become apparent during the current round of state-wide community consultations that the outcome of the ALRA Review, and the debate around the legislative amendments, inside and outside of the Parliament, had raised expectations within the Aboriginal community about the calibre of an incoming State Council.

There was "a widespread view and expectation" that the new legislation and the election of the new Council should herald a new modern era in land rights.

"As you would expect," he informed the Minister, "we have received numerous requests from prospective candidates, and others, for details of the anticipated remuneration package and entitlements which will be available to the new Council ahead of nominations opening on March 30. "

NSWALC considered it "imperative the best possible candidates are encouraged to stand, in line with the original intent of the ALRA Review and the subsequent Taskforce recommendations, and that remuneration be commensurate with the prescribed responsibilities for Councillors under the amended NSW Aboriginal Land Rights Act 1983 (ALRA). "

"We do not consider the current remuneration to be adequate," he added, "particularly with the increased responsibilities for Councillors flowing from the legislation and the limited tenure of office."

Mr Scott pointed out that the current base salary for a Councillor was fixed by then Premier Greiner more than 15 years ago at \$47,892, the rate equivalent to the maximum salary for a Grade 10 clerk in the NSW Public Service in temporary employment.

The Statutory and Other Offices' Remuneration Tribunal had indexed this amount in its annual determinations over the past fifteen years and the base annual salary now stood at \$84,960.

"In our view," he added, " the basis upon which the existing remuneration was fixed is not appropriate in terms of both the process and the outcome."

"Given all of the above, NSWALC considers a new and more appropriate benchmark should now be set."

Mr Scott recommended an appropriate benchmark would, at very least, be equivalent to the remuneration set for the Chairperson of the Aboriginal Housing Office or the current base salary and entitlements of Members of the NSW Parliament.

The current base salary for both was well above that currently set for State Council.

The Minister was also advised that the incoming Councillors would be elected officers, and not employees.

This meant they would be entitled to remuneration as determined by the Statutory and Other Offices' Remuneration Tribunal under the provisions of the ALRA

Travelling and other allowances would be determined by the Minister for Aboriginal Affairs.

The Minister was also advised that Section 14 of the Statutory and Other Officers Remuneration Act 1975 made provision for the Premier to direct the Tribunal at any time to make a special determination by a specified date.

NSWALC had been advised by officers of the Tribunal that a Section 14 determination was the most appropriate way to initiate a review of the Councillor's remuneration and a letter from the Minister for Aboriginal Affairs to the Premier was required to initiate such a course of action.

Mr Scott noted in his letter that the last two special determinations were initiated by the former Premier, Mr. Bob Carr, in March 2004 and January 2005.

The first determination was made by the Tribunal six days after its referral by the Premier.

The second was made four days after first being referred.

Mr Scott also asked the Minister to note the determination for the AHO Chairperson, the details of which were set out in an accompanying submission to SOORT.

NSWALC considered there was "strong justification for a request to be made to the Premier to direct the Remuneration Tribunal to make a special determination in this matter and have it completed before the calling of nominations for the State Council election on March 30, 2007."

NSWALC sought the Minister's agreement to ask the Premier to initiate a special determination of the Councillors remuneration under Section 14 of the SOORA, "if at all possible before the opening of nominations, or as soon as possible thereafter."

A draft letter of request to the Premier was enclosed together with a submission to the Tribunal.

The Minister was advised NSWALC considered "this matter to be urgent and would appreciate your immediate attention to the matters outlined in this letter."

Mr Scott also sought immediate discussions with the Minister's office and NSWALC on the setting of allowances for the incoming Councillors as required

The submission to SOORT was a concise exposition of the background to this issue and the need to urgently address it was a major oversight on the part of the State Government.

Despite foreshadowing the need for urgent consideration NSWALC had received no response to its submissions by the end of that reporting period more than a month after the new Governing Council was inducted.

We are pleased to report a determination was reached during this reporting period.

It was communicated to then Premier Morris lemma and NSWALC from the Statutory and Other Offices Remuneration Tribunal on August 3, 2007.

The determination revealed it had been referred to the Tribunal by Premier Iemma on May 28, 2007 together with a copy of the submission from NSWALC.

The NSWALC submission had been given "careful consideration."

The Tribunal had taken into account the increased scope of the statutory responsibilities and duties of Councillors and "considers that a significant increase in remuneration is warranted."

On this basis, the Tribunal determined that Councillors should receive an annual salary of \$106, 365, effective from July 1, 2007.

The Tribunal also determined, as submitted by NSWALC, that an additional loading of ten per cent be paid to the Chairperson and a loading of five per cent to the Deputy Chairperson.

It determined that these levels would provide appropriate differentiation from other Councillors in recognition of the additional responsibilities they would carry following amendments to the ALRA which abolished the previous positions of Chairperson, Secretary and Treasurer.

The loadings provided for an annual salary for the Chairperson of \$117,000 per annum and \$111,685 for the Deputy Chairperson.

Under Section 161 of the ALRA, NSWALC is obliged to publish the total remuneration (including travelling expenses) paid to each Councillor by the organisation during the reporting period.

The following table sets out particulars of travelling expenses paid to each NSWALC Councillor during this reporting period:

TRAVELLING EXPENSES OF COUNCILLORS						
FY 2007-08						
Councillor Name	Total					
Bev Manton	22,036	34,915	56,951			
S Ryan	12,195	20,243	32,438			
Pat Laurie	21,010	30,124	51,134			
S Gordon	11,483	28,167	39,650			
Tom Briggs	4,178	20,796	24,974			
N Hampton	403	28,467	28,870			
Roy Ah-see	17,28	34,789	52,077			
W Murray	11,901	30,949	42,851			
C Cromelin	3,457	42,506	45,962			
Total	103,951	270,956	374,907			

LIST OF CONSULTANTS

During 2007/08 NSWALC engaged a total of twelve consultants on projects at a total value of \$1,104,487.

This compared with a total of twenty three consultants during the previous reporting period who were engaged on projects at a total value of \$837,657.

The major areas of work were on the NSWALC land claims project, governance projects, the NSWALC Investment Fund, and recruitment.

The following breakdown is supplied in accordance with the requirements of the Annual Reports (Statutory Bodies) Act 1984, as amended

Name of Consultant (Projects \$30,000 & above)	Title of Project	Amount Paid \$
Watson Wyatt Australia PTY Ltd	Investment Consulting Services	500,000
Jumbunna Indigenous House of Learning, UTS	Stage II Land Claim Project	191,750
Badge 90 Consulting Services: Mr. Sol Bellear	Preparation for Council Meetings & Councillors' tasks	144,300
Aden Ridgeway Pty Ltd	Retainership Fees	54,045
Hamilton James & Bruce Pty Ltd	Recruitment Service for CEO Position	39,546
Total amounts paid \$30,000 & above		929,641

Consultants < \$30,000	Number of Consultants	Total Paid \$
	7	174,846

Total All Consultants	Number of Consultants	Total Paid \$
	12	1,104,487

EE0

NSWALC continued to seek to promote the participation of women and Aboriginal people in senior management positions and more generally within the organisation during 2007/2008.

It is pleasing to note the continuing increase in Aboriginal employment within the organisation during this reporting period. It is also pleasing to note that half of the senior management team are Aboriginal.

Year	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
Councillors					
Male	0	0	0	7	7
Female	0	0	0	2	2
Total Council	0	0	0	9	9
Executive & Senior Management					
Male	12	11	12	11	10
Female	5	4	3	5	6
Total Senior Management	17	15	15	16	16
Aboriginal	9	4	7	7	8
Administrative Staff					
Male	22	27	30	31	33
Female	33	28	29	34	46
Total Administrative	55	55	59	65	79
Aboriginal	29	22	26	32	42
All Staff Plus Councillors					
Male	34	38	42	49	50
Female	38	32	32	41	54
Total Staff	72	70	74	90	104
Aboriginal	38	26	33	48	59
NESB	4	3	7	5	3
Disability	1	2	2	1	1

- Previous editions of the NSWALC Annual Report have included Councillors within the staff count. The figures for each of the years above have been amended to separately reflect both Councillors and NSWALC staff.
- Note that the 13 NSWALC Councillors sacked by former Minister of Aboriginal Affairs Refshauge in November 2003 were replaced by nine Councillors elected on May 19, 2007 for a four year term.

LAND DISPOSAL

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

SERVICE STANDARDS

The major part of NSWALC's effort during this reporting period has again been directed toward improving service delivery to its major client group, the network of 121 Local Aboriginal Land Councils, particularly in relation to capacity building ahead of projected fundamental changes to their structure flowing from major amendments to the Aboriginal Land Rights Act which passed through the State Parliament during the reporting period and were due to come into effect in July, 2007.

While improved accountability and reporting standards are now mandated under the amended ALRA, NSWALC has taken the view that it must be able to provide a high standard of support to LALCs to help ensure that they can comply with the requirements of the Act and that, where they are compliant, that there is no undue delay in processing payments of their operating grants, in determining applications for financial or legal assistance, or in providing suitable training to assist new office bearers to meet the demands of their position.

The progress made by NSWALC during the reporting period, particularly in relation to bedding down the changes flowing from the ALRA amendments and the work involved in the transition from administration to a new elected Council, is detailed in the Year in Review.

ACCOUNTS PAYMENT POLICY & PRACTICE

NSWALC continues to take steps to expedite payments by encouraging regular service providers to register for EFT payment of their accounts to enable prompt payment..

A systematic approach to the development and implementation of internal controls has helped reduce the number of items in the Management Letter accompanying the Auditor General's Audit Report.

All points raised in Management Letters over several previous Audit Reports were considered and action incorporated into a series of "checklists" to ensure compliance.

New South Wales Aboriginal Land Council FINANCIAL **STATEMENTS**

CONTENTS

Independent Audit Report	121
Statement by the Council Members	123
Income Statement	124
Balance Sheet	125
Statement of Recognised Income and Expense	126
Cash Flows Statement	127
Notes to and forming part of the Financial Statements	128
1. Statement of Significant Accounting Policies	128
2. Investment Revenue	135
3. Grants and Contributions	135
4. Other Revenue	135
5. Gains/(Losses) on Disposal of Property, Plant and Equipment	135
6. Other Gains/(Losses)	136
7. Audit Fees	136
8. Employee Related Expenses	136
9. Funding of Regional and Local Aboriginal Land Councils	136
10. Grant	136
11. Motor Vehicle Expenses	137
12. Maintenance Expenses	137
13. Other Expenses	137
14. Cash and Cash Equivalents	137
15. Receivables	138
16. Biological Assets	138
17. Financial Assets At Fair Value	139
18. Other Financial Assets	139
19. Non-current Assets Property, Plant, Equipment	139
20. Investment Property	141
21. Intangible Assets	142
22. Artefacts	142
23. Payables	142
24. Provisions	143
25. Changes in Equity	149
26. Commitments for Expenditure	149
27.Contingent Liabilities Contingent Assets	150
28. Reconciliation Of Cash Flows From Operating Activities To Net Surplus	150
29. Liability As Trustee	151
30. Financial Instruments	151
31. (a). Reconciliation Of The Effect Of Changes In Accounting Policy (Refer To Note 1(S))	158
31. (b). Reconciliation Of Equity Under Aasb 139 - Financial Instrument First-Time Adoption	
32. Events After the Reporting Date	158



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 (the Council), which comprises the balance sheet as at 30 June 2008, 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 Council as at 30 June 2008, and its financial performance and 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.

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

The Councillors' 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 controls 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 controls relevant to the Council'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 Council's internal controls. 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 2007-2008

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 of New South Wales 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

15 December 2008 SYDNEY

STATEMENT BY THE COUNCIL MEMBERS

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2008

YEAR ENDED 30 JUNE 2008 STATEMENT BY THE COUNCIL MEMBERS

Pursuant to Section 41C of the Public Finance and Audit Act, 1983, we state 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 2008 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.

ROY AH-SEE COUNCILLOR JACK HAMPTON COUNCILLOR

Dated: 08 December 2008

		2008	2007
REVENUE	Note	\$'000	\$'000
Investment Revenue	2	47,756	67,535
Grants and Contributions	3	21	49
Other Revenue	4	3,618	2,383
Gains on Disposal of Property Plant & Equipment	5	18	15
Other Gains	6	-	22,449
Total Revenue		51,413	92,431

EXPENSES			
Audit Fees	7	242	237
Administrators Fees - NSWALC		-	263
Consultants Fees		1,104	838
Enterprise and Farm Expenses		1,752	2 ,222
Election Costs		-	486
Depreciation	19	685	548
Amortisation - Intangible Assets	21	114	71
Bad & Doubtful Debts		8,157	2,401
Employee Related Expenses	8	9,233	7,292
Funding of Regional and Local Aboriginal Land Councils	9	13,648	11,162
Grants	10	2,736	654
Legal Expenses		1,842	1,566
Motor Vehicle Expenses	11	522	387
Maintenance Expenses	12	237	135
Other Expenses	13	5,211	3,095
Other Losses	6	93,134	-
Total Expenses		138,617	31,357
SURPLUS/(DEFICIT) FOR THE YEAR		(87,204)	61,074

		2008	2007
ASSETS	Note	\$'000	\$1000
Current Assets			
Cash and Cash Equivalents	14	4,999	4,238
Receivables	15	3,753	1,286
Biological Assets	16	1,157	740
Financial Assets at Fair Value	17	600,061	679,471
Other Financial Assets	18	26	29
Total Current Assets		609,996	685,764
NON-CURRENT ASSETS			
Receivables	15	2,437	3,819
Property, Plant and Equipment	19	15,871	17,722
Investment Property	20	14,400	16,600
Intangible Assets	21	80	134
Artefacts	22	351	217
Total Non-Current Assets		33,139	38,492
Total Assets		643,135	724,256
LIABILITIES			
Current Liabilities			
Payables	23	8,321	2,553
Provisions	24	877	751
Total Current Liabilities		9,198	3,304
NON CURRENT LIABILITIES			
Provisions	24	178	127
Total Non-Current Liabilities		178	127
Total Liabilities		9,376	3,431
Net Assets		633,759	720,825
EQUITY			
Reserves	25	13,511	15,282
Accumulated Funds	25	620,248	705,543
Total Equity		633,759	720,825

STATEMENT OF RECOGNISED INCOME AND EXPENSE For the year ended 30 June 2008

		2008	2007
	Note	\$'000	\$'000
Assets Transferred from Regional Aboriginal Land Councils		4	104
Net Increase/(Decrease) in Property, Plant and Equipment asset		134	4,250
revaluation reserve			
Total income and expense recognised directly in equity	25	138	4,354
Surplus/(Deficit) for the Year		(87,204)	61,074
Total income and expense recognised for the year		(87,066)	65,428

Effects of changes in accounting policy and correction of errors	31		
Accumulated Funds		-	2,244
Reserves		-	(2,244)
		-	-

CASH FLOWS STATEMENT For the year ended 30 June 2008

		2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES	Note	\$1000	\$'000
Receipts			
Sale of goods and services		1,707	3,495
Interest and Investment Income		48,949	91,186
Grants and Subsidies		5,223	138
Other		3,605	867
Total Receitps		59,484	95,686
Payments			
Employee related		9,131	6,804
Grants and subsidies		831	654
Other		35,184	24,573
Total Payments		45,146	32,031
NET CASH FLOWS FROM OPERATING ACTIVITIES	28	14,338	63,655
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of Land and Buildings, Plant and Equipment		68	94
Proceeds from sale of Financial Assets		41,305	35,143
Purchases of Land and Buildings, Plant and Equipment		(849)	(410)
Purchases of Other Financial Assets		(54,101)	(95,645)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(13,577)	(60,818)
NET INCREASE/(DECREASE) IN CASH		761	2,837
Opening Cash and Cash Equivalents		4,238	1,401
CLOSING CASH AND CASH EQUIVALENTS	14	4,999	4,238

Notes to and forming part of the Financial Statements for the year ended 30 June 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(A) REPORTING ENTITY

The financial report covers the New South Wales Aboriginal Land Council (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 2008 has been authorised for issue by the Council on 08 December 2008.

(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 Accounting Interpretations) and the requirements of the Public Finance and Audit Act 1983 and Regulation, Treasurer's Directions and the New South Wales Aboriginal Land Rights Act 1983).

Property, plant and equipment, investment property, financial assets at 'fair value through profit or loss', available for sale and biological assets are measured at fair value. Other balances are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations that 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.

(C) STATEMENT OF COMPLIANCE

The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.

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 2007.

The Council complies with s150 of the Aboriginal Land Rights Act 1983 – Preservation of money in the NSW Aboriginal Land Council Account by maintaining at 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 as a benchmark on a compounding basis and compared with all funds held by the Council as at 30 June of each year.

(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 are discussed below.

(I) CONTRIBUTIONS

Contributions received (including grants and donations) are generally recognised as revenue 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 and repayable to the funding bodies in the following financial year, then the unspent contributions are accounted for as liabilities rather than revenue.

(II) SALE OF GOODS

Revenue from the sale of goods is recognised as revenue when the Council transfers the significant risks and rewards of ownership of the assets.

New South Wales Aboriginal Land Council • Annual Report 2007-2008

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2008

(III) INVESTMENT REVENUE

Interest revenue is recognised using the effective interest method as set out in AASB 139 Financial Instruments: Recognition 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 nonmonetary 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 AASB 119 Employee Benefits. Market yields on government bonds of 6.55% (2006-2007 6.4%) were 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 with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

In respect of defined contribution schemes (i.e. Basic Benefit and First State Super), expense is calculated as percentage of the employees' salary. For the defined benefit schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(III) OTHER PROVISIONS

Other provisions exist when the Council has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

A make good provision for the lease of the Zone Offices is discounted at 6.55%, which reflects the current market assessment of the time value of money and the risk specific to the liability.

(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 Local Aboriginal Land Councils 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 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 Local Aboriginal Land Councils Expenses.

Schedule 4, Part 7, Clause 44 of the Aboriginal Land Rights (Amendment) Act 2006 ("the Amending Act") abolished Regional Aboriginal Land Councils (RALC) effective 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

Notes to and forming part of the Financial Statements for the year ended 30 June 2008

commencement of (clause 6) be transferred to NSWALC on commencement. NSWALC received cash assets for the period ending 30 June 2008, which is included in the Balance Sheet. Other assets and liabilities were not considered material and have not been included in the financial statements. Expenses relating to the wind up of the Regional Aboriginal Land Councils have been included in the Income Statement for the period ending 30 June 2008.

(H) ACCOUNTING FOR THE GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except that:

- 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, and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the cash flow statement on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office are classified as operating cash flows.

(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 for 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.

(I) 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.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for the fair value. The Council reviews the estimated useful lives for major plant and equipment at the end of each annual reporting period. Property is revalued at least every five years or with sufficient regularity to ensure that the carrying amount does not differ materially from its fair value at reporting date. The revaluation of property was completed on 30 June 2007 and was based on an independent assessment.

Notes to and forming part of the Financial Statements for the year ended 30 June 2008

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except 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 exempt from AASB 136 Impairment of Assets and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

(M) DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

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 original artwork and collections have a long useful life and depreciation for these items cannot be reliably measured because the useful life and the net amount to be recovered at the end of the useful life cannot be reliably measured. In these cases, depreciation is not recognised. The decision not to recognise depreciation for these assets is reviewed annually.

The depreciation rates used for each class of depreciable assets 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 Fi	ittings 20.00%

(N) 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.

(O) 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.

(P) LEASED ASSETS

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.

Notes to and forming part of the Financial Statements for the year ended 30 June 2008

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the commencement of the lease term. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the Income Statement in the periods in which they are incurred.

(Q) 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-today 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 the Income Statement in the year in which they arise. No depreciation is charged on investment properties.

(R) CHANGES IN ACCOUNTING POLICY

The Council changed its accounting policy for 33 Argyle Street building from property, plant and equipment to investment property effective from 1 July 2006. The purchase of the property was intended to earn rental income and/or for capital appreciation. Refer to note 31(a).

(S) 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 where an indicator of impairment exists. However, as a not-for-profit entity, the Council is effectively exempted from impairment testing (refer para (l)).

(T) 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 the Western region of 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

New South Wales Aboriginal Land Council • Annual Report 2007-2008

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2008

in fair value less estimated point-of-sale costs are included in the Income Statement.

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 seasonal 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) INVESTMENTS

Investments are initially recognised at fair value plus, in the case of investments not at 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 upon initial recognition "at fair value through profit or loss" at fair value. Financial assets are classified as "held for trading" if they are acquired for the purpose of selling in the near term. Gains or losses on these assets are recognised in the Income Statement.
- Held to maturity investments Non-derivative financial assets with fixed or determinable payments and fixed maturity that the Council has the positive intention and ability to hold to maturity are classified as "held to maturity".

These investments are measured at amortised cost using the effective interest method. Changes are recognised in the Income Statement when impaired, derecognised or though 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.

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.

(X) 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.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the Income Statement, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and

Notes to and forming part of the Financial Statements for the year ended 30 June 2008

current fair value, less any impairment loss previously 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.

(Y) DE-RECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Council transfers the financial asset:

- where substantially all the risks and rewards have been transferred or
- where the Council has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the Council has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Council's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(Z) TRUST FUNDS

The Council receives monies in a trustee capacity for a trust as set out in Note 29. 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.

(AA) OTHER ASSETS

Other assets are recognised on a cost basis.

(AB) PAYABLES

These amounts represent liabilities for goods and services provided to the Council. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(AC) 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.

(AD) COMPARATIVE INFORMATION

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous for all amounts reported in the financial statements.

(AE) NEW AUSTRALIAN ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE

As per Treasury Circular TC08/04, the Council has not early adopted any of the new accounting standards/ interpretations and it has considered that there would be no material impact on the financial statement if adopted.

2. INVESTMENT REVENUE	2008	2007
	\$1000	\$'000
Interest	3,410	965
Dividends	43,543	65,767
Rents	803	803
TOTAL INVESTMENT REVENUE	47,756	67,535

3. GRANTS AND CONTRIBUTIONS	2008	2007
	\$1000	\$'000
New South Wales Government Grants & Subsidies	21	49
TOTAL GRANTS AND CONTRIBUTIONS	21	49

4. OTHER REVENUE	2008	2007
	\$'000	\$'000
Rent Received	67	64
Enterprise Gross Income	837	1,293
Investment Managers Fees Rebates	719	561
Other	1,995	465
TOTAL OTHER REVENUE	3,618	2,383

5. GAINS/(LOSSES) ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	2008	2007
	\$'000	\$'000
Gain/(Loss) on Disposal of Motor Vehicles		
Proceeds from Disposal	45	91
Written Down Value of Assets Disposed	(42)	(77)
Net Gain/(Loss) on Disposal of Motor Vehicle	3	14

Gain/(Loss) on Disposal of Computer		
Written Down Value of Assets Disposed	(1)	-
Net Gain/(Loss) on Disposal of Computer	(1)	-

Gain/(Loss) on Disposal of Plant and Equipment		
Proceeds from Disposal	24	5
Written Down Value of Assets Disposed	(8)	(4)
Net Gain/(Loss) on Disposal of Plant and Equipment	16	1
TOTAL GAINS ON DISPOSAL	18	15

6. OTHER GAINS/(LOSSES)	2008	2007
	\$'000	\$'000
Change in fair value of financial assets classified as held for trading	(90,934)	21,349
Change in fair value of investment property	(2,200)	1,100
TOTAL OTHER EXPENSES EXCLUDING LOSSES	(93,134)	22,449

7. AUDIT FEES	2008	2007
	\$'000	\$'000
Fees paid to Audit Office of New South Wales	215	195
Internal Audit Fee paid to Walter Turnbull	27	42
	242	237

8. EMPLOYEE RELATED EXPENSES	2008	2007
	\$'000	\$'000
Salaries and wages (including recreation leave)	7,802	6,245
Superannuation - defined contribution plans	687	278
Leave expenses	617	604
Workers' compensation insurance	127	165
	9,233	7,292

9. FUNDING FOR REGIONAL AND LOCAL ABORIGINAL LAND COUNCILS	2008	2007
	\$'000	\$'000
Regional Aboriginal Land Councils	104	180
Local Aboriginal Land Councils	13,544	10,982
	13,648	11,162

10. GRANTS	2008	2007
	\$'000	\$'000
Funeral Assistance	655	519
Transfer of Land to Local Land Councils	1,905	-
Others	176	135
	2,736	654

11. MOTOR VEHICLE EXPENSE	2008	2007
	\$'000	\$'000
Motor vehicle operating lease payments	274	225
Other motor vehicle related expenses	248	162
	522	387

12. MAINTENANCE EXPENSE	2008	2007
	\$'000	\$'000
Maintenance expense - contracted labour and other (non-employee related)	237	135
Total maintenance expenses	237	135

13. OTHER EXPENSES	2008	2007
	\$'000	\$'000
Staff Training, Development and Recruitment	597	100
Telephone	391	319
Insurance	281	157
Rates	35	104
Rent and Outgoings	449	463
Advertising	111	39
Public Relations and Publicity etc	61	61
Travel Expenses and Allowances	926	568
Postage, Printing and Stationery	136	102
Equipment Hire and Lease	48	136
Meeting Costs	35	21
Workshop and Conference Costs	21	36
Electricity, Gas & Power	145	116
Land Claims Cost	93	7
Aboriginal Land Rights Act Review	89	137
Other Expenses	1,793	729
	5,211	3,095

14. CASH AND CASH EQUIVALENTS	2008	2007
	\$'000	\$'000
Cash at Bank and in Hand	4,742	1,179
11 AM Call Deposits	-	2,819
Funeral Fund - Cash at Bank	257	240
	4,999	4,238

New South Wales Aboriginal Land Council • Annual Report 2007-2008

15. RECEIVABLES	2008	2007
	\$'000	\$1000
a) Current		
Trade Debtors	2,319	587
Superannuation Assets	31	22
Prepayments	154	107
Statutory Debts (Local Aboriginal Land Council)	1,241	555
Loans on Demand (Local Aboriginal Land Council)	99	110
	3,844	1,381
Less: Allowance for Impairment	91	95
	3,753	1,286
b) Non-current		
Statutory Debts (Local Aboriginal Land Council)	9,173	8,887
Loans on Demand (Local Aboriginal Land Council)	9,089	2,610
Less: Allowance for Impairment	15,825	7,678
	2,437	3,819
	2008	2007
MOVEMENT IN THE ALLOWANCE FOR IMPAIRMENT	\$'000	\$1000
Balance at 1 July	7,773	5,372
Amounts written off during the year	(14)	-
Amounts recovered during the year	-	-
Increase/(decrease) in allowance recognised in profit or loss	8,157	2,401
Balance at 30 June	15,916	7,773
Represented by:		
Current	91	95
Non-Current	15,825	7,678
	15,916	7,773

16. BIOLOGICAL ASSETS	2008	2007
	\$'000	\$'000
Livestock	667	550
Grain and Other Rural Stock	490	190
	1,157	740
	2008	2007
Reconciliation of carrying amounts of livestock	\$1000	\$'000
Carrying Amount at 1 July	550	516
Increases due to Purchases	435	841
Decrease due to Sales	(630)	(1,045)
Gain arising from changes in fair value less estimated point-of-sales costs	312	238
attributable to price and physical changes		
Carrying amount at 30 June	667	550

17. FINANCIAL ASSETS AT FAIR VALUE	2008	2007
Financial Assets Held-for-Trading Current	\$'000	\$'000
Commercial Bills / Promissory Notes	-	10,448
Units in Australian Fixed Income	122,425	126,819
Units in Managed Australian Equities	140,688	179,172
Units in International Equities	54,020	65,782
Units in Australian Listed Property Trusts	35,243	55,531
Units in International Fixed Income	85,999	89,319
Absolute Return Funds	109,713	107,491
Managed Funds	8,811	11,794
Term Deposits	41,615	30,264
Other	1,547	2,851
	600,061	679,471

18. OTHER FINANCIAL ASSETS	2008	2007
	\$'000	\$'000
A) CURRENT		
Mortgages	26	29
	26	29

19. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT							
	Land	Building	Plant and Equipment	Motor Vehicle	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000		
AT 1 JULY 2007 - FAIR VALUE							
Gross Carrying amount	13,286	3,722	2,837	843	20,688		
Accumulated depreciation and impairment	-	(324)	(1,935)	(707)	(2,966)		
Net Carrying Amount	13,286	3,398	902	136	17,722		
AT 30 JUNE 2008 - FAIR VALUE							
Gross Carrying amount	11,381	3,490	3,245	771	18,887		
Accumulated depreciation and	-	(161)	(2,198)	(657)	(3,016)		

3,329

1,047

114

11,381

impairment

Net Carrying Amount

15,871

Reconciliation

A reconcilitaion of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

	Land	Plant and	Motor	Total	
	Building	Equipment	Vehicle		
	\$1000	\$1000	\$'000	\$'000	\$1000
YEAR ENDED 30 JUNE 2008					
Net carrying amount at 1 July 2007	13,286	3,398	902	136	17,722
Additions		92	609	88	789
Disposals	-	-	(8)	(42)	(50)
Transfer to LALCs	(1,905)	-	-	-	(1,905)
Net revaluation increment less revaluation	-	-	-	-	-
decrements					
Impairment losses	-	-	-	-	-
Depreciation expense	-	(161)	(456)	(68)	(685)
Net carrying amount at 30 June 2008	11,381	3,329	1,047	114	15,871

	Land	Plant and	Motor	Total	
	Building	Equipment	Vehicle		
	\$'000	\$'000	\$'000	\$1000	\$'000
AT 1 JULY 2006 - FAIR VALUE					
Gross Carrying amount	10,213	2,410	2508	920	16,051
Accumulated depreciation and impairment	-	(219)	(1,591)	(608)	(2,418)
Net Carrying Amount	10,213	2,191	917	312	13,633

AT 30 JUNE 2007 - FAIR VALUE					
Gross Carrying amount	13,286	3,722	2837	843	20,688
Accumulated depreciation and impairment	-	(324)	(1,935)	(707)	(2,966)
Net Carrying Amount	13,286	3,398	902	136	17,722

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

	Land	Building	Plant and Equipment	Motor Vehicle	Total
	\$'000	\$1000	\$'000	\$'000	\$1000
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)
Net revaluation increment less revaluation decrements	3,049	1,200	-	-	4,249
Impairment losses					
Depreciation expense	-	(105)	(344)	(99)	(548)
Other movements	(10)	2	-	-	(8)
Net carrying amount at 30 June 2007	13,286	3,398	902	136	17,722

20. INVESTMENT PROPERTY	2008	2007
	\$'000	\$'000
FAIR VALUE		
Opening Balance at Fair Value as at 1 July	16,600	15,500
Net Gain/(Loss) from Fair Value Adjustment	(2,200)	1,100
Closing Balance at Fair Value as at 30 June	14,400	16,600

Investment properties are valued annually at fair value by an independent, professionally qualified valuer.

21. INTANGIBLE ASSETS	2008	2007
	\$1000	\$'000
AT 1 JULY		
Cost (gross carrying amount) at 1 July	330	270
Accumulated Amortisation and impairment	(250)	(136)
Net carrying amount	80	134

	2008	2007
	\$'000	\$'000
AT 30 JUNE		
Net Carrying Amount at 1 July	134	131
Addition	60	74
Amortisation	(114)	(71)
Net carrying amount at 30 June	80	134

22. ARTEFACTS	2008	2007
	\$1000	\$'000
Cost at 1 July	217	217
Net Gains on revaluation	134	-
Carrying Value at 30 June	351	217

Artefacts were revalued at 30 June 2008 by an indepent specialised valuer.

23. PAYABLES	2008	2007
	\$'000	\$'000
Accrued Salaries, Wages and On-Costs	105	81
Creditors	2,665	2,119
Unexpended Grants	5,295	113
Funeral Fund - Contributions Refundable	256	240
	8,321	2,553

24. PROVISIONS	2008	2007
	\$1000	\$'000
A) CURRENT EMPLOYEE BENEFITS AND RELATED ON-COSTS		
Provision for Annual Leave-Short Term	408	370
Provision for Long Service Leave - Short Term	70	36
Provision for Annual Leave-Long Term	216	174
Provision for Long Service Leave - Long Term	173	171
Provision for Unfunded Superannuation	10	-
Total Current Provisions	877	751
B) (I) NON-CURRENT EMPLOYEE BENEFITS		
Provision for Long Service Leave	150	100
	150	100
B) (II) OTHER NON-CURRENT PROVISIONS		
Provision for Make Good	28	27
	28	27
Total Non-Current Provisions	178	127
Aggregate Employee Benefits and Related On-Costs		
Provisions - Current	877	751
Provisions - Non Current	150	100
Accrued Salaries and Wages (refer to Note 23)	105	81
	1 132	932

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	2008	2007
	\$'000	\$'000
Carrying amount at 1 July	27	26
Additional Provisions Recognised	1	1
Carrying Amount at 30 June	28	27

Provision for make good have been provided for the Zone Offices at the end of the lease terms

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 Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership.

All the Schemes are closed to new members.

RECONCILIATION OF THE PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATION

	SASS Financial Year to 30 June 2008	SANCS Financial Year to 30 June 2008	SSS Financial Year to 30 June 2008
	1000	'000	1000
Present value of partly funded defined benefit			
obligations at beginning of the year	160	24	715
Current service cost	6	1	1
Interest cost	9	1	41
Contributions by fund participants	3	-	-
Actuarial (gains)/losses	12	1	25
Benefits paid	(15)	-	(44)
Present value of partly funded defined benefit			
obligations at end of the year	175	27	738

Notes to and forming part of the Financial Statements for the year ended 30 June 2008

RECONCILIATION OF THE FAIR VALUE OF FUND ASSETS

	SASS SANCS Financial Year Financial Year		SSS Financial Year
	to 30 June 2008	to 30 June 2008	to 30 June 2008
	'000	1000	1000
Fair value of Fund assets at beginning of the year	174	58	992
Expected return on fund assets	12	4	73
Actuarial gains/(losses)	(9)	(8)	(135)
Contributions by Fund participants	3	-	-
Benefits paid	(15)	-	(44)
Fair value of Fund assets at end of the year	165	54	886

RECONCILIATION OF THE ASSETS AND LIABILITIES RECOGNISED IN THE BALANCE SHEETS

	SASS	SANCS	SSS	
	Financial Year	Financial Year	Financial Year	
	to 30 June 2008	to 30 June 2008	to 30 June 2008	
	1000	'000	1000	
Present value of partly funded defined benefit obligations at end of year	175	27	738	
Fair value of fund assets at end of year	(165)	(55)	(886)	
Subtotal	10	(28)	(148)	
Adjustment for limitation on net asset	-	23	122	
Net Liability/(Asset) recognised in balance sheet at end of year	10	(5)	(26)	
Superannuation (Asset)/liability	10	(31)		

EPENSE RECOGNISED IN INCOME STATEMENT

	SASS Financial Year to 30 June 2008	SANCS Financial Year to 30 June 2008	SSS Financial Year to 30 June 2008
Components Recognised in Income Statement	1000	'000	1000
Current service cost	6	1	1
Interest cost	9	1	41
Expected return on Fund assets (net of expenses)	(12)	(4)	(73)
Actuarial losses/(gains) recognised in year	21	9	160
Past service cost	-	-	-
Movement in adjustment for limitation on net asset	(13)	(10)	(137)
Expense/(income) recognised	11	(3)	(8)

New South Wales Aboriginal Land Council • Annual Report 2007-2008

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2008

FUND ASSETS

The percentage invested in each asset class at the balance sheet date:

	30-June-2008	
Australian equities	31.6%	
Overseas equities	25.4%	
Australian fixed interest securities	7.4%	
Overseas fixed interest securities	7.5%	
Property	11.0%	
Cash	6.1%	
Other	11.0%	

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 weighting the expected long-term return for each 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 Year	Financial Year	Financial Year
	to 30 June 2008	to 30 June 2008	to 30 June 2008
	1000	1000	1000
Actual return on Fund assets	(11)	(4)	(62)

VALUATION METHOD AND PRINCIPAL ACTUARIAL ASSUMPTIONS 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-2008
Salary increase rate (excluding promotional increases)	3.5%pa
Rate of CPI Increase	2.5%pa
Expected rate of return on assets backing current pension liabilities	8.3%
Expected rate of return on assets backing other liabilities	7.3%
Discount rate	6.55%pa

HISTORICAL INFORMATION

	SASS Financial Year to 30 June 2008	SANCS Financial Year to 30 June 2008	SSS Financial Year to 30 June 2008
	1000	'000	1000
Present value of defined benefit obligations	175	27	738
Fair value of Fund assets	(165)	(55)	(886)
(Surplus)/Deficit in Fund	10	(27)	(148)
Experience adjustments - Fund liabilities	12	1	25
Experience adjustments Fund assets	9	8	135

EXPECTED CONTRIBUTIONS

	SASS	SANCS	SSS
	Financial Year	to 30 June 2008 to	Financial Year
	to 30 June 2008	to 30 June 2008	to 30 June 2008
	1000	1000	'000
Expected employer contributions	6	1	-

FUNDING ARRANGEMENTS FOR EMPLOYER CONTRIBUTIONS

(a) Surplus/deficit

The following is a summary of the 30 June 2008 financial position of the Fund calculated in accordance with AAS25 "Financial Reporting by Superannuation Plans".

	SASS	SANCS	SSS
	30-Jun-08	30-Jun-08	30-Jun-08
	1000	1000	1000
Accrued benefits	175	27	651
Net market value of fund assets	(165)	(55)	(886)
Net (surplus)/deficit	10	(28)	(235)

(b) Contribution recommendations

Recommended contribution rates for the entity are:

SASS	SANCS	SSS
multiple of member	% member salary	multiple of member
contributions		contributions
1.90	2.50	0.93

(c) funding method

The method used to determine the employer contribution recommendations at the last actuarial review was the Aggregate Funding method. The method adopted affects the timing of the cost of the employer.

Under the Aggregate Funding method, the employer contribution rate is determined so that sufficient assets will be available to meet benefit payments to existing members, taking into account the current value of assets and future contributions.

(d) Economic Assumptions

Weighted-Average Assumptions

Expected rate of return on Fund assets backing current pension liabilities	7.7%pa
Expected rate of return on assets backing liabilities	7.0%pa
Expected salary increase rate	4.0%pa
Rate of CPI Increase	2.5% pa

Nature of Asset/Liability

If a surplus exists in the employer's interest in the Fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of Fund assets and the defined benefit obligation.

25. CHANGES IN EQUITY							
	Accumulated Funds		Asset Revaluation		Total Equity		
			Res	erve			
	2008	2007	2008	2007	2008	2007	
	\$'000	\$1000	\$1000	\$'000	\$1000	\$1000	
Balance at 1 July	705,543	644,365	15,282	11,032	720,825	655,397	
Changes in Equity - other than							
Transactions with Owners as Owners							
Surplus/(Deficit) for the Year	(87,204)	61,074	-	-	(87,204)	61,074	
Assets transferred from Regional	4	104	-	-	4	104	
Aboriginal Land Councils							
Transfer of Land to LALCs	1,905	-	(1,905)	-	-		
Increment on Revaluation of:							
- Land and Buildings	-	-	-	4,250	-	4,250	
- Artefacts	-	-	134		134		
Total	(85,295)	61,178	(1,771)	4,250	(87,066)	65,428	
Balance at 30 June	620,248	705,543	13,511	15,282	633,759	720,825	

26. COMMITMENTS FOR EXPENDITURE	2008	2007
	\$'000	\$'000
Operating Lease Commitments		
Future Non-Cancellable Operating Lease Rentals not Provided for		
and Payable:		
Not Later Than One Year	522	361
Later Than One Year and Not Later Than Five Years	317	311
Total (Including GST)	839	672

GST of \$76K (\$61K 2006-2007) 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 value for motor vehicles.

Commitments for goods and services of \$282K (630K 2006-2007) are not recognised in the financial statement as liabilities. The figures include goods and services tax (GST) of \$26K (\$51K 2006-2007), which is recoverable from the Australian Taxation Office.

NEW SOUTH WALES ABORIGINAL LAND COUNCILNotes to and forming part of the Financial Statements for the year ended 30 June 2008

27. CONTINGENT LIABILITIES AND CONTINGENT ASSETS	2008	2007
	\$'000	\$'000
(a) Contingent liabilities		
Legal Claims	550	2,225
FBT	-	240
	550	2,465
(b) Cont ingent Assets		
Legal Claims	255	4,760
	255	4,760

The Council is a party to a number of cases currently before the courts. If successful the Council will be awarded approximately \$255K in legal claims. If unsuccessful the Council's possible liability in legal claims and costs will be approximately \$550K.

The Council is exempt from Fringe Benefit Tax (FBT) from 1 July 2005. There are no outstanding liability for FBT for the year ending 30 June 2008.

28. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET SURPLUS	2008	2007
	\$¹000	\$'000
Operating Surplus from Ordinary Activities	(87,204)	61,074
Depreciation and amortisation	799	619
Allowance for Impairment	8,157	2,401
Land transfer to LALCs	1,905	-
Assets received at 'nil' consideration	(2)	
Net (Increment)/Decrement on Other Financial Assets Revaluation	2,200	(1,100)
Net Decerement on other financial assets valuation	90,934	-
Add: Cash Revenue from RALCs directly credited to Accumulated Funds	4	104
Less: Receivables Written Off	(14)	-
Less: Non-Cash (Revenue) / Expense	(18)	(193)
Net (Gain)/Loss on Sale of Plant and Equipment		(15)
Other Changes in Assets and Liabilities in Respect of Ordinary Activities		
Increase/(Decrease) in Provisions	177	18
Decrease/(Increase) in Receivables	(9,228)	1,175
(Increase/Decrease in Imputation Tax Receivable	1,277	
Increase/(Decrease) in Creditors	5,768	(229)
Decrease/(Increase) in Inventories	(417)	(199)
Net Cash Inflows from Ordinary Activities	14,338	63,655

Notes to and forming part of the Financial Statements for the year ended 30 June 2008

29. LIABILITY AS TRUSTEE						
The Council acts as trustee for the Gumbaynggir Tribal Aborig	The Council acts as trustee for the Gumbaynggir Tribal Aboriginal Elders Corporation.					
The positions of the Trusts are:- 2008 2007						
	\$'000	\$'000				
Cash balance at 1 July	61	50				
Add: Receipts	14	11				
Cash balance at 30 June	75	61				

30. 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. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Council's main risks arising from financial instruments are outlined below, together with the Department's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial report.

The Director of Corporate Governance has the overall responsibility for the establishment and oversight of risk management and reviews. Risk management policies are established to identify and analyse the risks faced by the Council, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Internal Auditors on a continuous basis.

(a) Financial instrument categories

Financial Assets No		Category	Carrying Amount	Carrying Amount
			2008	2007
Class:			\$'000	\$'000
Cash and cash equivalents	14	N/A	4,999	4,238
Receivables ¹	15	Loans and receivables	11,507	3,307
Financial assets at fair value	17	At fair value through profit or loss – classified at held for trading	600,061	679,471
Other financial assets	18	Loans and receivables	26	29

Financial Liabilities	Note	Category	Carrying Amount	Carrying Amount
			2008	2007
Class:			\$'000	\$'000
Payables ²	23	Financial liabilities measured at amortised cost	8,216	2,472

Notes

- 1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
- 2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

New South Wales Aboriginal Land Council • Annual Report 2007-2008

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2008

(b) Credit Risk

Credit risk arises when there is the possibility of the Council's debtors defaulting on their contractual obligations, resulting in a financial loss to the Council. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Council, including cash, receivables, and authority deposits. No collateral is held by the Council. The Council has not granted any financial guarantees.

Credit risk associated with the Council's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. The Council's investment as disclosed in note 29 are managed predominantly by Chifley Financial Services are not guaranteed other than the managed funds of \$8.7M (2006-2007-11.7M) is capital protected.

(c) Cash

Cash comprises cash on hand and bank balances with the National Australia Bank, Westpac Banking Corporations and Commonwealth Bank of Australia. Interest is earned on a daily bank balances at the monthly average cash rate.

(d) Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectibility 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). This evidence includes past experience, and current and expected changes in economic conditions. No interest is earned on trade debtors. Sales are made on 30 day terms.

\$'000						
	Total ^{1,2}	Considered impaired ^{1,2}				
2008						
< 3 months overdue	2,074	2,074 2,074				
> 6 months overdue	6 months overdue 166 91		75			
	20	07				
< 3 months overdue	88	88	-			
> 6 months overdue	179	84	95			

Notes

- 1. Each column in the table reports 'gross receivables'.
- 2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the 'total' will not reconcile to the receivables total recognised in the balance sheet.

Notes to and forming part of the Financial Statements for the year ended 30 June 2008

(e) Other Financial Assets

The Council is exposed to concentrations of credit risk to debts receivable from Local Aboriginal Land Councils. The amount due were reviewed on an individual basis and provided for impairment.

The only financial assets that are past due or impaired are listed below:

\$′000							
	Total1,2 Past due but not impaired Considered impair						
2008							
< 3 months overdue	7	7	-				
> 6 months overdue	19	19	-				
	20	007					
< 3 months overdue	29	29	-				
> 6 months overdue	-	-	-				

Notes

- 1. Each column in the table reports 'gross receivables'.
- 2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the 'total' will not reconcile to the receivables total recognised in the balance sheet.

(f) Deposits

The Council has placed funds on deposit with commercial bank "at call" or for a fixed term. For fixed term deposits, the interest rate payable by the bank is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on at call deposits can vary. The deposits at balance date were earning an average interest rate of 7.76% (2007 - 6.40%), while over the year the weighted average interest rate was 7.19% (2007 - 6.7%) on a weighted average balance during the year of \$32.7M (2007 - \$30.2M). None of these assets are past due or impaired.

Notes to and forming part of the Financial Statements for the year ended 30 June 2008

(g) Liquidity risk

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The Council continuously manages risk through monitoring future cash flows and (maturities planning) to ensure adequate holding of liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of appropriate investment strategies.

The Council has a corporate card facility of \$100K with Westpac Bank and \$500K with National Australia Bank.

During the current and prior years, there were no defaults or breaches on any amounts payable to creditors. No assets have been pledged as collateral. The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk, other than what is disclosed in note 1(c).

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. The rate of interest applied during the year was 20% (2007 - 20%).

The table below summarises the maturity profile of the Council's financial liabilities, together with the interest rate exposure.

N	Naturity analysis and ir	nterest rate exposure of	financial liabilities			
		'\$000				
		Interest E	xposure	Ma	ites	
	Weighted Average Effective Int. Rate	Norminal Amount ¹ Nominal bearing		< 1 yr	1-5 yrs	> 5 yrs
		2008				
Payables		2,665	2,665	2,665		
Funeral Fund-Contributions		256	256			256
Refundable						
Unexpended Grants		5,295	5,295	5,295		
		8,216	8,216	7,960		256
		2007				
Payables		2,123	2,123	2,123		
Funeral Fund-Contributions		240	240			240
Refundable						
Unexpended Grants		109	109	109		
		2,472	2,472	2,232		240

Notes to and forming part of the Financial Statements for the year ended 30 June 2008

(h) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Council's exposures to market risk are as follows:

- Growth: the depth and length of the US downturn, and its impact on the rest of the world
- Systematic risk: liquidity and counterparty risks in financial markets
- Inflation: the rise in oil, commodity prices and global inflation.

The Council has no direct exposure to foreign currency risk other than from international investment managed by fund managers.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Council operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the balance sheet date. The analysis is performed on the same basis for 2007. The analysis assumes that all other variables remain constant.

(i) Interest rate risk

Exposure to interest rate risk arises primarily through the Council's term deposits. The Council does not account for any fixed rate financial instruments at fair value through profit or loss or as availablefor- sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Council's exposure to interest rate risk is set out below:

		\$'000						
	Carrying Amount	-1% Profit	Equity	1% Profit	Equity			
		2008						
Financial assets								
Cash and cash equivalents	4,999	(50)	4,949	50	5,049			
Receivables	11,507	(115)	11,392	115	11,622			
Financial assets at fair value	600,061	(6,001)	594,060	6,001	606,062			
Other financial assets	26	(0)	26	0	26			
Financial liabilities								
Payables	8,216	(82)	8,134	82	8,298			
		2007						
Financial assets								
Cash and cash equivalents	4,238	(42)	4,196	42	4,280			
Receivables	3,307	(33)	3,274	33	3,340			
Financial assets at fair value	679,471	(6,795)	672,676	6,795	686,266			
Other financial assets	her financial assets 29		29	0	29			
Financial liabilities	Financial liabilities							
Payables	2,472	(25)	2,447	25	2,497			

New South Wales Aboriginal Land Council • Annual Report 2007-2008

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2008

(j) Other price risk

Exposure to 'other price risk' primarily arises through the investment with fund managers which are held for strategic rather than trading purposes. The Council has the following investments:

Facility	Investment Sectors	Investment Horizon	2008	2007
			\$1000	\$1000
Cash facility Cash, money market		Up to 1.5 years	4,999	4,238
Strategic cash facility Cash,	Cash, money	h, money 1.5 years to 3 years		40,712
Long-term growth facility	ong-term growth facility Cash, money		556,898	635,909

The analysis of the impact on profit and loss and the carrying value of various types of investment are shown in the following table:

Analysis of Price Risks	Carrying value as at 30 June	Actual Market Rate Risks	Estimate Risk ©	Profit Impact	Equity Impact	Profit Impact	Equity Impact
	\$'000	\$1000	\$'000	\$1000	\$1000	\$1000	\$1000
Australian Equities	140,688	(15.9%)	+or-18.8%	26,449	167,137	(26,449)	114,239
International Equities	54,020	(17.9%)	+or-17.6%	9,508	63,528	(9,508)	44,512
Listed Property	35,243	(36.5%)	+or-12.6%	4,441	39,684	(4,441)	30,802
Australian Fixed Income(sovereign)	70,382	5.4%	+or-3.6%	2,534	72,916	(2,534)	67,848
Australian Fixed Income(composite)	52,043	3.0%	+or-3.6%	1,874	53,917	(1,874)	50,169
International Fixed Income (composite)	53,932	8.6%	+or-4.3%	2,319	56,251	(2,319)	51,613
International Fixed Income (credit)	32,067	5.3%	+or-4.3%	1,379	33,446	(1,379)	30,688
Absolute Returns	109,713	2.1%	+or-7.7%	8,448	118,161	(8,448)	101,265
Enhanced Cash Fund	98		+or-1%	1	99	(1)	97
ANZ (Principal Protected Investment)	8,712 (a)						
Other cash facilities	41,615 (b)						
	598,513	(7.7%)		56,953	605,139	(56,953)	491,233

Overall percentage impact if no redemption and changes in investment strategy

9.5%

(9.5%)

- (a) Capital Protected hence no risk
- (b) All short term deposits only interest rate risk will affect
- (c) Estimated risk is based on Russell Investment Group assessment of volatility determined in 2006 provided by Fund Managers Chifleys Financial Services

(k) Details of Investment

(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.

(ii) 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.

(iii) Units in Managed Australian Equities

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

(iv) Units in International Equities

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

(v) Units in Australian Listed Property Trusts

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

(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.

(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 3.29% (15.35% 2006-2007).

(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.

Notes to and forming part of the Financial Statements for the year ended 30 June 2008

	Adjustment	Adjustment
	2008	2007
	\$1000	\$'000
Income Statement		
Changes in Other Gains and Losses	-	422
Changes in Depreciation	-	81
Net changes to Income statement	-	503
Balance Sheet		
Property, Plant and Equipment		
Land	-	(3,906)
Building	-	(1,240)
Others		
		(5,146)
Investment Property		
Land	-	3,906
Building	-	1,240
		(5,146)
Changes in Equity		
Revaluation reserve	-	(2,244)
Accumulated Funds	-	2,244

30 (B) RECONCILIATION OF EQUITY UNDER AASB 139 - FINANCIAL INSTRUMENT FIRST-TIME ADOPTION					
Reversal of revaluat ion reserve for the financial assets					
Revaluation reserve	-	-			
Accumulated Funds	-	-			

32. EVENTS AFTER THE REPORTING DATE

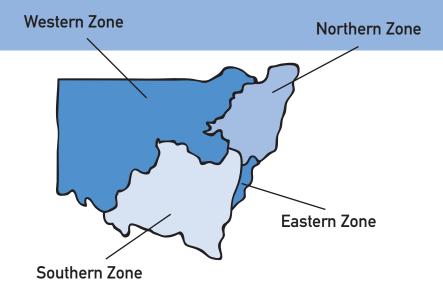
The share market continued to decline after the reporting period ended 30 June 2008. The Government announced a major program to support the local banking sector. However, the global market is highly volatile and the effect on the value of investment is still uncertain.

The Council incurred further realised and unrealised losses on its investments of \$46.2M between 01 July 2008 and 31 October 2008.

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	Hay
East	Western Metropolitan	Deerubbin	South	Wiradjuri	Leeton & District
East	Western Metropolitan	Gandangarra Tharawal	South	Wiradjuri	Murrin Bridge
East North	Western Metropolitan Central Coast		South South	Wiradjuri Wiradjuri	Narrandera Onerwal
North	Central Coast	Birpai 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	Nungaroo	West	North West	Mungindi
North	Northern	Red Chief	West	North West	Murrawari
North	Northern	Tamworth	West	North West	Narrabri
North	Northern Northern	Walhallow	West	North West	Nulla Nulla
North North	Northern Tablelands	Wanaruah Anaiwan	West West	North West North West	Pilliga Toomelah
North	Northern Tablelands	Armidale	West	North West	Walgett
North	Northern Tablelands	Ashford	West	North West	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	Bega	West	Western	Menindee
South	Far South Coast	Bodalla	West	Western	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					

ADDRESSES OF ZONE OFFICES



Head Office

Level 4, 33 Argyle Street Parramatta NSW 2150

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Tel | 02 9689 4444 Fax | 02 9687 1234

Western Zone

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PO Box 1196 Dubbo NSW 2830

Tel | 02 6885 7000 Fax | 02 6881 6268

Northern Zone

8 Dalley Street Coffs Harbour NSW 2450

PO Box 1912 Coffs Harbour NSW 2450

Tel | 02 6659 1200 Fax | 02 65550 0420

Eastern Zone

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PO Box 987 Parramatta NSW 2124

Tel | 02 8836 6000 Fax | 02 8836 6006

Southern Zone

Suite100, Corporate Level Riveside Plaza, Monaro Street Queanbeyan NSW 2620

PO Box 619 Queanbeyan NSW 2620

Tel | 02 6124 3555 Fax | 02 6297 3541 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.

Preamble to the Aboriginal Land Rights Act 1983.



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