

NEW SOUTH WALES ABORIGINAL LAND COUNCIL  
ANNUAL REPORT 2009 - 2010

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



**New South Wales  
Aboriginal Land Council**  
OFFICE OF THE CHAIRPERSON

31 October 2010

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 2010, 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  
Chairwoman  
New South Wales Aboriginal Land Council

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Bev Manton

## CHAIRWOMAN'S REPORT

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

It will be the last report to be published on behalf of NSWALC's Governing Council before we go into a caretaker period ahead of the next NSWALC election.

This report will, in all likelihood, also be read by members of the land rights network during a State Election campaign which many predict could result in our first Liberal-National Coalition Government in 16 years, and the first this century.

This report provides an opportunity to reflect on what has been achieved, and what has not, in the first term of a duly elected Governing Council.

It also affords me the opportunity to reflect on how we have sought to work with successive Labor State and Federal Governments, and how we would seek to do so, should a Liberal-National Coalition come to power in NSW next year.

But first I want to reaffirm how humbled, honoured, and excited I have been to work in the service of our people during yet another challenging and rewarding year as one of the nine democratically elected Councillors of the nation's largest privately funded Aboriginal representative organisation.

It is a unique position at the helm of a unique organisation. The position carries with it enormous responsibility.

Thankfully, I am blessed with a strong and committed family and community support network and a unified Council.

We have faced a number of tough decisions and operational challenges again this year but we are always conscious, at both a collective, and an individual level, of the corrosive unmet need in our communities and the need to keep focused on our core objectives and functions to improve the wellbeing of our people.

I'm sure it will surprise no-one to again hear that Council does not always agree on strategies, timing and tactics but we are at one on advancing the rights of our people.

And, each Councillor continued to bring a unique perspective to our deliberations during this period on the multitude of local, regional, state, national and international issues we have dealt with at our formal Council meetings, our Board retreats, regional forums, training session and workshops.

Council is required by the Aboriginal Land Rights Act to meet at least four times a year.

The fact we convened fourteen Board meetings and sixteen Committee meetings, involving all, or some, members of Council, and frequent regional forums, is a telling indication of the pressure of land council business during the year.

Our work during the reporting period with Local Aboriginal Land Councils and other key stakeholders resulted in considerable material and political gains for NSWALC and the land rights network.

All were designed to better secure our rights and improve services in our communities.

Full details of these gains can be found in the body of this report.

I'd like to take this opportunity to highlight a few.

Chief among them is the ongoing success of our joint environmental health initiative with the NSW Government to provide decent water and sewerage services in discrete Aboriginal communities across the State.

Considerable progress was made on this vital project during the year in review.

More than 2,700 Aboriginal people are now living with better water and sewerage services than when this program began two years ago.

Solid progress was also made in a repair and maintenance program on houses owned by the Walgett LALC and in our other partnership with the Commonwealth on the subdivision of former Reserves and Missions.

The report on the Walgett Repair and Maintenance Program in the Operational Policy Unit's review of operations to be found later in this document should, in my view, be compulsory reading for everyone in Government and the private sector charged with providing services to our communities.

It contains a salutary lesson on past shoddy practices and workmanship which, until now, have robbed our people of a decent standard of housing.

The projects outlined above are principally designed to assist the Commonwealth and State Government's close the gap in socio-economic opportunities for our people.

But, importantly, they also illustrate that solutions to close the gap will only be sustainable and successful if they are governed by Aboriginal people and empower our people.

This is a message yet to be fully understood and accepted by key players in Government, and in Opposition, in Macquarie Street and Canberra.

NSWALC has made it clear to all throughout this term that we are prepared to work with any Government, and any relevant stakeholder, to advance the interests of our people.

But we are also ready, willing, and able to pursue our own projects when a clear need can be identified.

The NSWALC Education Endowment Fund and Freddie Fricke Scholarships are a good illustration.

They continued to assist our people to improve their tertiary and technical qualifications during this reporting period. More than 500 scholarships have now been awarded.

NSWALC has taken the view we should carefully consider an investment in education to assist 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.

Council also sees these scholarships as part of the generational renewal required to sustain the land rights system into the future.

The need for renewal, and recognition, also drove the establishment of our Elders and Youth Advisory Committees.

I'm also pleased to report that we introduced another new initiative during this reporting period, Books Behind Bars.

In short, this modest project aims to assist in ensuring more books, and less of our people, end up in the State's prison system. At the same time it seeks to highlight the increasing over-representation of Aboriginal people in that system.

As this reporting period began we opened up a new dialogue with the State Government and other stakeholders in line with our statutory function to act to "protect the culture and heritage of Aboriginal persons in NSW."

NSWALC and the land council network remain concerned at the ongoing destruction of our culture and heritage in the absence of an Aboriginal Heritage Commission.

Our representations in this regard were triggered, in part, by proposed amendments to the *National Parks and Wildlife Act*.

I'm pleased to report we secured increased protection for Aboriginal sites under an amended Act as well as the important recognition of cultural fishing rights.

NSWALC also remains committed to working with all sides of politics in the NSW Parliament to ensure commitments made by both major political parties for the establishment of separate Aboriginal heritage legislation are followed through in the new financial year.

Council and Local Aboriginal Land Councils also continued to pursue our core business of claiming land with the 20,000<sup>th</sup> land claim lodged during the reporting period.

This is a great achievement.

The lack of any genuine response from Government to our efforts to speed up the land claim determination process has not daunted our perseverance in this regard.

We will continue to work closely with the land rights network to pursue our legitimate rights to claim land. We will also continue to lobby the Government to speed up the determination process in the new financial year.

As foreshadowed in this space last year, Council worked with the land rights network throughout the year to bed down the new land dealings regime.

We are convinced it will unlock the full economic potential of our existing land base and ensure much needed benefits flow to our communities.

The Minister for Aboriginal Affairs, Paul Lynch was correct when he stated it would bring the rights agenda together with the development agenda.

Minister Lynch remained a solid advocate in Government for NSWALC and the land rights network throughout the reporting period. He will be missed from the portfolio should Labor lose power next March.

Council also devoted a considerable amount of time during the year to development of a social housing policy to ensure a seamless NSWALC approval process. We look forward to continuing that work, in consultation with the network, in the new reporting period.

On the international front, NSWALC continued to exercise its special consultative status with the United Nations Economic and Social Council which allows us to advocate on behalf of our people through the various UN bodies.

We used our status during the review period to report on the Australian Government's continued non-compliance with the UN Declaration on the Rights of Indigenous Peoples, particularly in relation to the housing crisis in our communities and the intervention in the Northern Territory.

NSWALC recommended the Australian Government formally ratify the UN Declaration to advance our rights and aspirations in all areas.

As you can see it has been another busy year.

It is my hope that all of the above has illustrated that Council continues to work to the key strategies, core values and commitment to outcomes which are contained in our Corporate and Community, Land and Business Plans.

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

While we continue to weather difficult economic times, and continue to cut our financial cloth accordingly, prudent management of the Statutory Investment Fund, and our recurrent expenditure, have ensured we have been able to frame our budgets to continue to provide core funding and administrative support to LALCs.

The new reporting period holds the promise of further gains.

Council looks forward to continuing to work with all sides of Parliament during the next financial year, whichever party forms Government in the second half of the new reporting period.

We have been buoyed by the pledges of support for the core principles of the land rights system from all sides of the NSW Parliament during this reporting period.

Council has particularly noted statements by Shadow Minister, Kevin Humphries, on the crucial importance of land councils.

We also look forward to continuing our work with LALCs in the new financial year.

Plans are well advanced for the next State Conference in April 2011 to fulfill Council's pledge to hold two in this term.

In conclusion I'd like to extend the gratitude of all Councillors to Chief Executive Officer, Geoff Scott, his senior management team, and all staff for their tireless work and dedication during the reporting period.

They continue to display professionalism, efficiency, and courtesy in all their dealings with NSWALC's Governing Council and Local Aboriginal Land Councils.

The tensions inherent in a unique representative structure such as NSWALC and the land council network are real but are often overlooked in our day to day operations.

They require constant management over and above the normal business of the day in order to retain focus.

Mr. Scott and staff continue to bring a range of skills, commitment and dedication to that task.

The gains outlined in these pages flow from the combined efforts of the political and administrative arms of the land council network. They are in evidence on each and every page. I have provided but a snapshot in this introduction.

I commend the document to you and look forward to continuing our work to further fulfill the aspirations and rights of our people in the new financial year.



Bev Manton



Geoff Scott

## REPORT BY THE CHIEF EXECUTIVE OFFICER

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

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

The changes, at both the operational and political level, in each of the past seven years, have been immense.

Each new year has brought new reforms, new challenges, new directions.

This reporting period has been no different.

A key task, as in previous years, has been to ensure all staff worked closely with Council and the land rights network to seek sustainable outcomes against the strategies outlined in both the NSWALC Corporate and Community, Land and Business Plans.

This will continue to be a key task in the new reporting period.

The Board/Management retreats held during the reporting period continued to assist Council and senior members of staff to develop strategies and goals designed to increase the efficiency and effectiveness of their interaction and ability to work as a team.

To describe them as a retreat is, perhaps, a misnomer.

They are, in fact, intensive workshops.

The performance of NSWALC's Statutory Investment Fund, and its impact on our ability to fund key initiatives, was again a major focus for Council and management throughout the year.

I have noted in this space in recent years that the core funding of NSWALC and the land rights system remain at the whim of the domestic and international financial markets despite sound management and investment strategies.

This was never more evident than in recent years as the international financial meltdown cut a swathe through investment markets.

It resulted in a disturbing drop in value of the Statutory Investment Fund to \$526.8 million at June 30, 2009 as the share market meltdown continued to pound local and international equities.

This write-down in the value of the fund was minimised by the prudent, low risk, investment strategy which had been adopted by the previous Council, the former Administrators, and the current Council.

I'm pleased to report NSWALC recorded a surplus of \$34.6 million in the 2009-10 financial year, compared to a deficit of \$82.8 million in the previous year, thanks, in part, to a robust recovery in the value of the Fund.

This surplus included a total gain (including unrealised gain) on the investment fund of \$63.3 million during the reporting period compared to a loss of \$41.6 million in the previous reporting period.

The value of the Fund stood at \$554.4 million at June 30, 2010.

Our net equity increased by \$40.4 million during the reporting period.

The challenge facing NSWALC in this reporting period was again to maintain our 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, social, and cultural needs and wants of Aboriginal people in New South Wales.

The Executive team worked closely with Council and NSWALC's Investment Committee to rise to this challenge.

The creation of an Investment Unit within the Executive Structure has provided NSWALC with the in-house capacity and expertise to significantly improve its management and control of its key assets, including our Statutory Investment Fund, the economic lifeblood of our self-funded land rights network.

The Unit operated throughout this reporting period and strengthened the ability of Council and management to take greater control of our investment portfolio and to chart its performance against comparable funds operated by the NSW Treasury.

Further details can be found in the body of this report but a major initiative this year was Council's adoption of a Spending Rule, or Drawdown Rule.

As regular readers of this document would be aware NSWALC is currently required under Section 150 of the Aboriginal Land Rights Act (1983) to maintain the value of the Statutory Investment Fund above an arbitrary benchmark of \$485million.

NSWALC has long argued that the benchmark is artificial.

The relevant section is far from straightforward, and does not allow NSWALC much flexibility in difficult economic times to ensure compliance with this section of the legislation.

As reported last year we had been in discussion with the State Government since late 2008 to repeal this section and replace it with a Spending or Drawdown Rule which would seek to maintain the Fund's core worth but allow NSWALC more flexibility in managing its assets in line with its key philosophy to increase the value of the fund for successive generations.

In essence this would impose a limit on expenditure to five per cent of the fund balance.

We were in discussions with the Minister for Aboriginal Affairs, Minister Lynch, on our proposals as the previous reporting period ended.

We had hoped to gain his endorsement for the proposed amendment and have it included in a package of consequential amendments to the ALRA in this new financial year.

I'm pleased to report the Minister approved our budget for the 2010-11 financial year, submitted by the statutory deadline of May 2010, which incorporated expenditure restraint in line with the Council endorsed Drawdown Rule.

Essentially this restricts how much cash NSWALC is able to draw from investment income in any given financial year. The required drawdown is forecast to be \$34.8 million for the new financial year.

Council, in consultation with management, has had to make considerable cuts to its budget to comply with the constraints imposed by the introduction of the Drawdown Rule. This provides for sustainable spending whilst allowing NSWALC to fund its core objectives.

Initiatives to reduce expenditure have included a freeze on all but essential staff recruitment and the reining in of operating costs of the rural properties inherited by NSWALC courtesy of legislative fiat.

As noted by Chairwoman Manton in her introduction core funding to the land rights network was maintained during this reporting period and will be so in the next.

The practical philosophy driving stewardship of the Fund is the need to provide for the future as well as the present.

NSWALC is required to adopt a trustee, fiduciary and custodianship role which emphasises sustainability to ensure funds are there for our children and their children's children.

Aboriginal people will never again see the generosity delivered by this legislation. We must not squander the asset base now at our disposal.

We seek to rein in expenditure despite the increasing transactional costs which are being imposed on the self-funded land rights system from ongoing amendments to the ALRA, including the new land dealings regime introduced in this reporting period, and the cost of ongoing litigation to secure our land rights.

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

Council and management have also taken the view that NSWALC cannot expect a full and frank debate on the future financial and operational sustainability of the network without demonstrating it is prepared to show political leadership and take its own hard decisions.

I flagged in this space last year that the future financial and operational sustainability of the land rights network would be a major issue for the network in this reporting period.

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, operational and political sustainability of the system will remain a key issue over the next 25 years.

We must adopt long term plans and strategies to ensure our sustainability.

I remain convinced that 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 acknowledge the sustainability of the network is a vexed issue, along with social housing.

Given this, Council and management have worked throughout this reporting period to develop a discussion paper to canvass all of the attendant issues.

We anticipate the release of the discussion paper ahead of the next Statewide Conference in April 2011 to stimulate a full and frank assessment of those issues by Local Aboriginal Land Councils ahead of a detailed debate at Conference.

Despite claims to the contrary NSWALC has no hidden agenda in this regard and no plans to seek forced amalgamations of LALCs as proposed by the 2004 ALRA Review Taskforce.

But let's be clear.

If we do not engage in a mature internal debate and address the sustainability debate within the network you can count on a new State Government doing so after the March 2011 election without any meaningful consultation, whatever its political stripe.

As noted by Chairwoman Manton, Council maintained its support for its landmark initiatives, the Education Endowment Fund, and the partnership agreements with the State Government on water and sewerage, and with the Commonwealth Government, during the reporting period.



It also endorsed a number of modest new initiatives given this era of economic restraint.

NSWALC staff, particularly staff in Zones Offices and the Training and Development Unit, also assisted in a fresh round of LALC elections and the subsequent governance training of new LALC Board members.

Those elections again demonstrated the healthy voluntary participation of our people in the electoral processes which sustain the representative structure at the core of the land rights network.

The level of that involvement and commitment should never be discounted.

I was conscious of this as I again realigned a number of reporting functions within the NSWALC staffing structure to better assist LALCs in both operational and policy areas and to bolster our land claims effort.

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

I'm pleased to report the staff complement again remained relatively stable throughout the period following the major administrative restructure of recent years.

However I believe we have now reached a stage in our recent organisational evolution which warrants an independent review of our staffing structure. I intend to engage outside consultants to conduct this review early in the new reporting period.

As regular readers of this report would be aware NSWALC has a merit-based employment strategy.

However, it is pleasing to note the continuing increase in Aboriginal employment within the organisation and the fact that almost half of the senior management team comprises Aboriginal staff.

In conclusion I wish to repeat some observations I made in my introduction last year.

I have witnessed this organisation build from strength to strength in the time I have been here.

We are now fully engaged with all key stakeholders in land rights in NSW, at all levels.

We have well and truly put the dark years of administration behind us, thanks in no small part to the collective and individual efforts of the current Governing Council.

We are now a fully-functioning peak Aboriginal representative organisation.

We are, in fact, the most independent Land Council in the country with a powerful membership base.

We have our governance policies and procedures about right.

Our counsel is increasingly sought, and acted upon, at the parliamentary, political and policy levels both within and outside the land rights system.

All of this is again reflected in these pages.

Next year will bring its own new reforms, new challenges, and new directions.

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.

In so doing, I will always be conscious of the fact that what governments can give they can take away.

This realisation, in my view, should be at the forefront of our thinking in everything we do.



Geoff Scott  
Chief Executive Officer

# **NEW SOUTH WALES ABORIGINAL LAND COUNCIL**

## 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 Chairwoman.

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

The initial term for both was due to end on May 30, 2009.

A fresh ballot was conducted for both positions on May 14, 2009.

Ms Manton and Councillor Briggs were re-elected.

Both have served in these positions throughout this reporting period.

Their current terms will expire, with all other Councillors, at the next full Council election on August 6, 2011.

## The Role of Councillors

As a member of the governing body of the NSWALC, the role of each Councillor is:

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

In addition, the role of a Councillor is:

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

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, Coffs 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

## Councillor Profiles

Following are short profiles of each of the nine members of the current 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 Co-ordinator 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).

## Councillor Profiles



### 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.

## Councillor Profiles



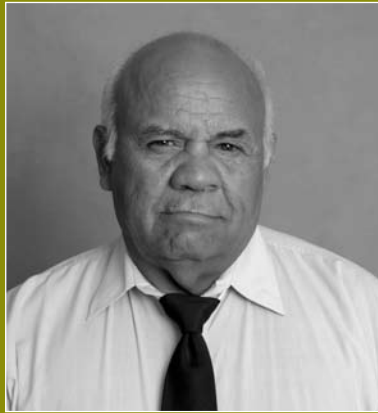
### North Coast Region

#### 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 2009-2010

Total number of Council meetings 14

Total number of meeting days 37

COUNCILLOR	NO. OF DAYS ATTENDED	NOTES
R. Ah-See	34	One and a half days – Leave of Absence – Ill health. One day – Leave of Absence – Attend to Regional Business. Half day – Absent.
T. Briggs	36	One day - Leave of Absence – Personal.
C. Cromelin	33	Four days – Leave of Absence – Ill health.
S. Gordon	24	Thirteen days – Leave of Absence – Ill health.
J. Hampton	30	Seven days – Leave of Absence – Ill health.
P. Laurie	34	Two days - Leave of Absence – Personal. One day – Absent.
B. Manton	34	Three days - Leave of Absence -Ill health.
W. Murray	31	Six days - Leave of Absence -Ill health.
S. Ryan	29	Five days – Leave of Absence – Sorry business. One day – Leave of Absence – Attend to Regional Business. One day – Absent.



## 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 2009 to 30 June 2010.

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 earlier, a nine-member Governing Council was elected on May 19, 2007 for a four year term.

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 the 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 first established in the late 1970's to assist in the fight for land rights.

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

This is not the case.

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

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

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

The purposes of the Act are as follows:

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

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

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

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

In essence, these give the New South Wales Aboriginal Land Council (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 \$554 million at June 30, 2010.

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

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

## Our Clients

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

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

This reporting period has resulted in ongoing changes to the governance and structure of all LALCs.

Both LALCs and NSWALC have expended substantial time and resources bedding down these changes.

Further miscellaneous amendments 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 worked during this reporting period within the five key objectives of a Council endorsed Community Land and Business Plan.

They commit the organisation to:

1. 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 Regional and Local 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 were 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 Community, Land and Business Plan 2009-12 is implemented, in accordance with the requirements of Division 5 of the Aboriginal Land Rights Act 1983 (as amended) under which NSWALC is required to ensure the Plan must contain, amongst other things, the objectives and strategy of the Council for:

- The acquisition, management and development of land and other assets.
- The provision and management of community benefit schemes.
- The carrying out of business enterprises and investment.
- Aboriginal culture and heritage.

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

## NSWALC Corporate Plan

The Plan, which retains the five key operational objectives, was implemented in the new reporting period in conjunction with the NSWALC Corporate Plan 2008-2012.

The Corporate Plan was adopted by Council in March 2008 and released to coincide with the 25th anniversary of the proclamation of land rights in New South Wales in June 2008.

NSWALC's overarching aim is to work in accordance with the key strategies outlined in both plans to provide leadership and guidance to the Aboriginal people of New South Wales in the pursuit of sustainable cultural, political, social and economic rights.

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

In her introduction to the Corporate Plan, Chairwoman Manton notes she and her fellow Councillors are 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 adds.

"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, notes in his introduction that NSWALC is 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 adds.

“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

Both plans re-emphasise the fact that the principal client of NSWALC is the network of Local Aboriginal Land Councils which are located across nine regions throughout New South Wales.

This structure is designed to achieve the highest degree of representation and participation for Aboriginal people.

Each LALC elected its own Board under changes to the ALRA which came into effect on July 1, 2007 and this reporting period saw a second round of elections for LALC Board positions.

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 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 total of 121 Local Aboriginal Land Councils were registered across the State at the start of this reporting period.

However, The Koombahtoo and Quambone Local Aboriginal Land Councils were dissolved by the Minister for Aboriginal Affairs during the reporting period.

Details of these decisions, and the fallout, are found in the body of this report.

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

## Other Stakeholders

The Plans also acknowledge 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 non-government 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

They also outline NSWALC's core values.

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

Both Plans also contain a key commitment to delivering outcomes.

They commit 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

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

### 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 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 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 year-gap in life expectancy between our people and the general population.

It 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 well-being 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 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 ;
- Monitor performance outcomes linked to NSWALC's Education Endowment Fund, particularly in relation to the provision of scholarships; and
- Seek and retain 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 the NSWALC Statutory Investment 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.

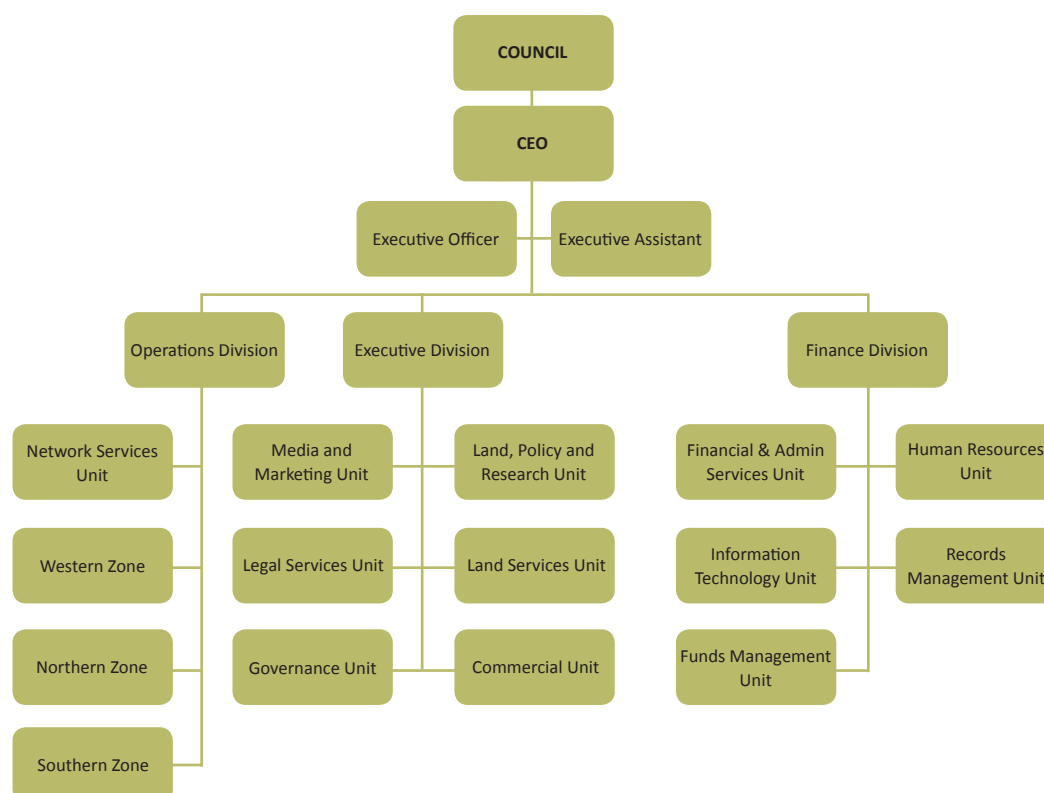
We will do so by demonstrating a professional and unified commitment to working with our communities and stakeholders to develop equitable commercial outcomes and opportunities aimed at addressing past injustices and alleviating the social and economic disadvantage that continue to affect our people.

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.

NSWALC has worked throughout this reporting period to deliver on these commitments. In doing so it has been able to influence a number of major reforms which are reported on in this document.

## 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 policy and advocacy.

As mentioned earlier, strategic priorities in recent years, as well as structures, have been determined in response to the requirements of ongoing 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.

It 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 and further amendments to the land dealing provisions of the ALRA came into effect in March 2010.

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 2010, the actual staffing level, including Councillors, was 119 persons with 32 staff members working in the Zone Offices. This represents a slight increase on actual staff numbers (114) at the close of the previous reporting period.

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

## Executive

During the 2009/2010 financial year, 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.

The Deputy Chief Executive Officer, Mr. Norman Laing, was appointed to his position on December 6, 2007.

Mr Laing resigned from the organisation on December 11, 2009 to take up a senior appointment with the NSW Department of Environment, Climate Change and Water.

Due to budget constraints it was decided to retain the position in the staff structure but not replace Mr. Laing during the second half of the reporting period.

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 Scott, Ms Palmer and Mr Davis retained their respective positions throughout this reporting period.

A number of positions at the Executive Level were also filled during the reporting period to replace staff who had resigned.

Details of these appointments can be found in the Human Resources section of this report.

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

The Finance and Administration Division is a core operational hub within NSWALC.

It was created as part of the ongoing restructure of NSWALC with five units integral to the effective and efficient operation of the organisation.

They were Finance, Administration, Human Resources, Information Technology and Records Management.

The Finance and Administration Units were merged late in the previous reporting period under the management of Finance and Administration Manager, Rattigna Khannara.

However, Ms Khannara resigned from NSWALC, effective from February 26, 2010, after more than 20 years service to the organisation.

She is the only NSWALC employee ever to have completed this length of service.

As a result of her departure the administration functions of the Unit, and relevant staff, were transferred to the Record Management Unit.

It was subsequently renamed the Records and Administration Unit

The Division continues to work under the supervision of the Chief Finance Officer, Ms Margaret Palmer, to provide a wide range of financial and administrative services to NSWALC's Governing Council, its management and staff, in their dealings with Local Aboriginal Land Councils.

The Unit's within the Division have the following functions and responsibilities:

## Finance Unit

- Strategic and operational planning and budgeting
- Asset Management
- Financial and management reporting and accounting services
- Statutory and regulatory compliance
- Purchasing

The Unit is also responsible for the ongoing review of financial policies and procedures to ensure they are effective and comply with statutory and regulatory legislation.

The provision of accurate and timely reports is an important part of the Unit's functions to enable NSWALC's Governing Council and management to make informed financial decisions.

The Unit has in place a number of important reporting tools to monitor and report on NSWALC's performance against its key plans, strategies and targets.

## Human Resources

This Unit, under the management of Mr. Geoff Binns, provides an extensive range of services to the organisation, including the co-ordination of all recruitment and selection processes.

It also undertakes the ongoing review of policies, procedures and practices to ensure the organisation is following best practice and meeting its legislative and industrial relations requirements.

The Unit's additional key responsibilities include:

- All functions in relation to payroll, leave entitlements and conditions of employment
- Advice and counseling on a range of personnel issues.
- Award interpretation and Industrial Relations matters.
- Occupational Health and Safety and Workers Compensation.
- Maintenance of Human Resource and Establishment records.
- Management of the Performance Planning System

- Co-ordinating Professional Development and study assistance.
- Providing advice and assistance with organisational structural changes.

## Information Technology Unit

Information and Communications Technology (ICT) is vital to enable efficient and effective operations for NSWALC's Governing Council, Management and staff of the organisation and IT applications to support them in their work with the wider land rights network.

The Information Technology Unit provides an ICT environment that supports the operational needs and strategic objectives of the organisation.

Managed by the Director, Information Technology, Mr. Lee Netana, and comprising three other staff members, the Unit is responsible for:

- Business Continuity and Disaster Recovery
- ICT Strategy
- Maintenance of Core ICT Infrastructure
- Telecommunications
- Enterprise Applications and Data Warehousing.
- Support of desktop and laptop environments
- Network Integrity and Security.
- Project Management of ICT Projects

The Unit also provides recommendations and support on emerging technologies and industry best practice.

## Records and Administration Unit

As noted in previous reports, the 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.

The Unit continue to be managed by Mr. David Lawrence during this reporting period.

The main functions of the Unit are:

- To securely house and provide ongoing access to the New South Wales Aboriginal Land Council's corporate history in a timely and efficient manner.
- To create a better understanding and practice of Records Management across the organisation.
- To ensure prompt, efficient and accurate service across the organisation.
- Fleet and Travel Management.
- Administration of the Funeral Grants Community Benefit Scheme.
- Provision and Monitoring of NSWALC's tendering and procurement processes.
- General administration.

## Investment Division

As noted in this space last year NSWALC established an Investment Division in the previous reporting period with the appointment of a Chief Investment Officer, Mr. Chadwick Pocock.

The Chief Investment Officer has the overall responsibility for the establishment and oversight of risk management and reviews of NSWALC'S investments.

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

Mr. Pocock reports directly to Council through the Chief Executive Officer.

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

## The Commercial Unit

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

The 2009/2010 financial year was a year of change with major amendments to the Aboriginal Land Rights Act directly affecting the core functions of the Commercial Unit.

The core functions and responsibilities of the Unit include:

- Land dealing issues including the appraisal of all land dealing applications submitted to NSWALC by LALC's.
- Financial and operational management of NSWALC's large property portfolio including NSWALC's Head Office at 33 Argyle Street Parramatta.
- Operational 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 guidance to LALC's.

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

The Commercial Unit comprised Director, Julie Van Agten, commercial analysts, Vanessa Chau and Julia Fawcett, Property Officer, Jarrod Chapman, and an Administrative Assistant, Cassandra Potts.

The Commercial Unit also engaged an experienced property consultant, Mr. Terry Wilson, to assist land councils across NSW under a pilot project known as the NSWALC Property Development Assistance Program.

## 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 organisation and the land rights network.

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 119 Local Aboriginal Land Councils.

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

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

Compliance statistics are outlined later in this report.

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

As noted earlier 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.

There are four Units within Network Services.

They are: the Compliance and Evaluation Unit, Interventions Unit, Training and Development Unit and the Operational Policy Unit.

All report directly to NSWALC's Chief Operations Officer, Mr. Malcolm Davis.

## Compliance and Evaluation Unit

This Unit primarily provides ongoing support to NSWALC's Governing Council, management and Zone offices in delivering services to Local Aboriginal Land Councils.

The Unit is responsible for:

- Quality Assurance on Local Aboriginal Land Council compliance with the statutory regulations and NSWALC funding policies.
- Quality Assurance on evaluations of reports from the Local Aboriginal Land Councils
- Maintenance of an effective and efficient Compliance and Funding Database, which accurately records the compliance history of Local Aboriginal Land Councils.
- Business Intelligence Applications for use by both Network Services and Local Aboriginal Land Councils to assist them meet their compliance obligations.
- The submission of comprehensive half yearly Breach and Allocation Reports to the Minister of Aboriginal Affairs as prescribed in the ALRA.
- The submission of comprehensive Breach and Allocation Reports to NSWALC's Governing Council.

## The Intervention Unit

This Unit plays a pivotal role in NSWALC's obligations under Part 11 of the *Aboriginal Land Rights Act 1983* (ALRA) which covers the investigation and administration of Local Aboriginal Land Councils (LALC's) found to be non compliant with their obligations under the ALRA.

The Unit is dedicated to the ongoing improvement, development and implementation of operational processes and procedures.

It prepares decision papers for consideration by NSWALC's Governing Council on the need for the appointment of Investigators or Administrators to LALCs and, if the need arises, on any extension to their terms of appointment.

The final decision on such appointments rests with the Minister of Aboriginal Affairs.



The Unit provides professional support to the land council network, recommending persons from a list of investigators and administrators, jointly prepared by the NSWALC and Aboriginal Affairs NSW (AANSW), when all other mechanisms of support have been exhausted and a LALC remains dysfunctional.

Should either be appointed, the Unit is then tasked with managing and monitoring the appointment, the progress of investigation and administrations, and any recommendations arising from them, together with Aboriginal Affairs NSW (AANSW).

The NSWALC and AANSW agreed during the reporting period that the joint list of investigators and administrators, and associated policies and procedures regarding Ministerial appointments, be reviewed as a matter of priority.

Representatives from the Unit, the NSWALC Legal Services Unit, and AANSW, formed a project team in December, 2009 to develop a business case using a project management approach led by AANSW.

The review was designed to address the high cost of investigators and administrators.

As noted in previous NSWALC Annual Reports these create budgetary demands on the self funded land rights system.

LALCs are required repay the cost of such appointments to NSWALC.

The review also aimed to provide for clearer management of appointments, and more clearly defined roles and responsibilities for those proposing and managing appointments.

The project team provided two recommendations:

- An outsourced tender process to be conducted by the NSW Procurement Office.
- An in house training package jointly designed by NSWALC and AANSW.

They were designed to provide the best value for money, minimal risk, and the highest level of probity for the creation of a new Joint List.

The recommendations were subsequently approved by both NSWALC and the AANSW executive.

The project team planned to continue to meet on a regular basis during the new reporting period to produce a new Joint List and to further develop the formal processes for the appointment of investigators, administrators and advisors which satisfy the requirements of the ALRA, and those of NSWALC, AANSW, the Registrar of the ALRA, and the Minister.

## Operational Policy Unit

The core business of this Unit is to assist NSWALC in the management of operational reforms which impact on the Local Aboriginal Land Council Network arising from changes to the ALRA, Commonwealth Government projects, and NSWALC's involvement in projects initiated under the NSW State Plan by Aboriginal Affairs NSW.

It aims to assist NSWALC's Governing Council manage the statutory reform process within deadline and achieve satisfactory and effective results for LALCs and affected Aboriginal communities.

The OPU has continued during this reporting period to implement many of the projects identified in this space last year.

These include LALC social housing schemes, participation in the whole of government approach to Aboriginal affairs within NSW, the ongoing management of the Walgett repairs and maintenance project, and management of a subdivision project for former reserves and missions.

The OPU also assumed a number of additional responsibilities during the reporting period.

These included the management of NSWALC's Elders and Youth Advisory Committees, the Tingha and Mindaribba artefacts collections, and NSWALC's participation in the Local Government and Shires Association conferences.

It also increased NSWALC's involvement in the development of water policy.



## Training and Development Unit

This Unit provides an extensive range of training and development services to NSWALC and the land rights network.

These services are aimed at improving the governance of NSWALC and Local Aboriginal Lands Councils to improve the efficiency and effectiveness of all Land Council operations.

A small team operates on a small budget augmented by external grants and training subsidies wherever possible.

The Unit consistently manages to deliver a range of training services disproportionate to its size and available resources.

The roles of the NSWALC Training and Development Unit include:

- Managing the NSWALC Cost Centres for Training and Development.
- Co-ordinating the creation and implementation of the NSWALC Capacity Development Plan, which includes training strategies and plans for the NSWALC Board and staff and LALC Boards and their staff.
- Ensuring NSWALC meets its statutory obligations in relation to the provision of mandatory governance training pursuant to sections 65 and 107 of the ALRA.
- Provision of support to the NSWALC Board, staff and LALCs on all relevant training and development issues.
- Monitoring, evaluating and reporting on the rate of training and development activities and development and management of improvement strategies as required.
- Working in collaboration with the Zone Offices to develop and implement data collection and collation methodologies which meet business and reporting requirements on training and development activities across the LALC network.
- Ensuring that any NSWALC training policies and practices are ethical and comply with the NSWALC Code of Conduct, anti-discrimination and occupational health and safety legislation, and promotion of equal employment and access in accordance with agreed Government policy.
- Establishing and maintaining a broad network of Training and Development Providers to ensure NSWALC has the ability to develop and implement a broad range of training and development activities to meet legislative requirements.
- Identification and development of strategies to enable NSWALC to obtain external funding and/or related assistance to support the provision of training initiatives to the Network.
- Ensuring that all written advice provided to NSWALC's Governing Council, management and Zone staff complies with probity, statutory and NSWALC policy and procedures.
- Providing the Chief Operating Officer and other senior staff with strategic advice on emerging training and development issues within and outside of NSWALC.

During this reporting period the responsibility for NSWALC staff training was transferred from the Human Resources Unit to the Training and Development Unit.

The consolidation of all training activities into one Unit resulted in greater efficiency in the use of resources and increased co-ordination of internal training and development activities.

## Zone Offices of NSWALC

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

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

The Zone offices all became fully operational in December 2004.

They continued to consolidate their operations with the ALC network during this reporting period.

The recruitment of Zone staff with considerable experience in Aboriginal Affairs has 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.

This allowed much of NSWALC's legal work to be conducted in house.

The Unit comprised a Principal Legal Officer, two Senior Legal Officers, one Legal Officer and one administrative assistant at the end of this reporting period.

The Unit is managed by the Principal Legal Officer, Ms. Lila D'souza.

The Senior Legal Officers are Ms. Anna Harding and Mr. Mark Dupuis.

The Legal Officer is Mr. David Goodenough and the administrative assistant is Ms. Madhu Gopal.

Senior Legal Officer, Ms. Nicole Courtman, left the LSU in November 2009 to take up the role of NSWALC Director of Corporate Governance.

She made a valuable contribution during her time with LSU and continues to do so in her new role.

Five volunteer legal interns were placed in the Unit during this reporting period as part of the Aurora Project.

They were: Ms. Rachael Taylor, Ms. Elizabeth Sercombe, Ms. Sarah-Jane Bennett, Ms. Ellen Murphy and Mr. Warren Oakes.

All provided invaluable assistance on a number of research projects and legal matters.

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

These services included:

- Undertaking the ongoing management and resolution of a high number of legal matters, and reducing the reliance upon and cost of

external solicitors and barristers.

- Providing closer supervision of matters briefed out to ensure a co-ordinated and strategic approach to matters and to reduce double handling and unnecessary duplication.
- Delivering internal legal training within NSWALC as part of the Unit's risk management strategy. This included training to NSWALC staff on the *Aboriginal Land Rights Act 1983*, Administrative Law principles and submission writing, Confidentiality, Legal Privilege, Conflict of Interest, record keeping obligations under the *State Records Act 1998*, and the *Freedom of Information Act 1989*.
- Delivering on the ground training and information to Local Aboriginal Land Councils in relation to land dealings amendments to the *Aboriginal Land Rights Act 1983*.
- Overseeing all NSWALC legal risk management issues.

The responsibilities of the Land Services Unit were transferred from the Policy and Research Unit to the Legal Services Unit during this reporting period given the increasingly litigious environment surrounding the land claim effort.

This transfer came into effect from January, 2010.

It has resulted in both units working more closely together in an environment increasingly hostile to the successful determination of the legitimate rights of NSWALC and Local Aboriginal Land Councils to claim land.

The current political environment is best reflected in the disappointing number of successful land claims registered in this reporting period.

The figures are contained in the Land Services Unit's review of operations.

## Land Services Unit

The Land Services Unit plays a pivotal role in the research, lodgment and monitoring of land claims on behalf of NSWALC and Local Aboriginal Land Councils.

The Unit also maintains a register of all land held by NSWALC and Local Aboriginal Land Councils in line with NSWALC's obligations under s106(2)(g) of the ALRA.

A full appreciation of the work of this Unit requires an understanding of a core principle at the heart of the Aboriginal Land Rights Act (NSW) 1983.

The Act is based on the principle that the provision of land rights is fundamental to Aboriginal self determination and autonomy.

It seeks, in part, to provide an economic base for Aboriginal self-determination.

This depends on providing a viable land base.

A primary function of NSWALC, enshrined in the legislation, is to acquire, manage and develop land to assist meet the social, spiritual and economic needs of the Aboriginal people of New South Wales.

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

The Unit is staffed by Manager, Terry Millott, Senior Land Claims Officer, Robert Keed, and Land Claims Officer, Ms. Marie Potts.

Mr. Millott and Ms. Potts are two of NSWALC's longest serving officers.

## Corporate Governance Unit

This Unit was established in the 2004/05 financial year.

It provides integral support for NSWALC's governance structure.

The focus of the Unit is to support the Council to achieve its key priorities including 'Strong Leadership and Governance', 'Productive and Meaningful Partnerships' and 'Innovation, Learning and Continuous Improvement'.

The mission of the CGU is to provide the highest level of support to NSWALC's Governing Council to foster an ethical and compliant corporate culture within the organisation.

The core values of the CGU are:

Unity – working together for a common purpose  
Respectfulness – conducting ourselves with respect for people, place and culture  
Leadership – working to support and promote strong and ethical leadership  
Efficiency – to provide timely and effective support

The key stakeholders of the CGU are NSWALC's Governing Council and the Chief Executive Officer.

There are three operational areas within the Unit. They are: Secretariat, Complaints and Internal Audit.

## Secretariat

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

The Secretariat also provides administrative support to the Chairperson and CEO through one of NSWALC's longest serving officers, Marianne Linke.

## Complaints

NSWALC's complaint handling function was established in 1998 in response to the Independent Commission Against Corruption (ICAC) *Report on an Investigation into Aboriginal Land Councils in New South Wales* (April 1998).

In that report the ICAC recommended that NSWALC "*establish a Dispute Management System for dealing with complaints*".

Whilst NSWALC has no formal powers to investigate complaints, it may in appropriate cases offer to mediate or conciliate disputes relating to the land council network.

The CGU manages NSWALC's response to complaints concerning the network in conjunction with Zone Offices.

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

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

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

## Internal Audit

NSWALC is required by the *Public Finance and Audit Act* 1983 to maintain an effective system of internal control including an effective internal audit function.

NSWALC's Internal Audit Function is an independent and objective assurance system designed to add value by improving NSWALC's operations.

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

The function is independent from operational management and the activities are reviewed by internal audit.

NSWALC's Internal Audit Function was delivered through an out-sourced delivery model with independent internal audit services provided by Walter Turnbull.

During the reporting period the services provided by Walter Turnbull were project managed by the Internal Audit Manager/Internal Audit Co-ordinator.

## Staffing

The CGU underwent a process of review, rationalisation, and reform during the reporting period.

Ms Nicole Courtman joined the Unit in December 2010 as Director of Corporate Governance, having worked in Aboriginal land rights for a number of years and, as noted earlier, in NSWALC's Legal Services Unit.

During the reporting period the temporary position of special projects officer was terminated and the positions of Internal Audit Co-ordinator and Planning and Risk Officer were amalgamated into a single position of Planning and Risk Officer.

From February until mid October 2009 the Internal Audit Function was managed by Ms Margaret Paheerathan, reporting to the CEO.

In January 2010 responsibility for managing the Internal Audit Function was moved to the CGU.

The Internal Audit Coordinator position reported to the Director of Corporate Governance as Chief Audit Executive from February 2010.

The Chief Audit Executive in turn reports to both the CEO and the Audit and Risk Committee.

## Policy and Research Unit

The Policy and Research Unit plays a key role in researching and monitoring government policies which may impact on Aboriginal people in New South Wales and at the national, state and international level.

It provides high level strategic advice to NSWALC's Governing Council, Chief Executive Officer, management, and LALCs, on how they might influence positive reform in the development and implementation of such policies from an Aboriginal perspective.

The Unit conducts evidence based research to support NSWALC's strategic policy priorities. It also maintains an ongoing dialogue and partnerships with a range of Government and non-Government agencies.

It has a particular focus on monitoring developments and providing advice on culture and heritage issues and the management of natural resources.

It also co-ordinates NSWALC's international engagement strategies and working relationships with the United Nations and associated networks.

The Policy and Research Unit is also responsible for overseeing NSWALC approval processes for LALC Community Land and Business Plans.

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

It comprised Policy Coordinator, Ms. Sylvie Ellsmore, and Policy and Research Officers, Ms. Sharon Close, and Mr. Troy Lancaster.

They were assisted with key projects by a number of short-term staff members: Alexandra Russ, Stephen Hynd, Kate Munro, Kate Aubrey-Poiner, Sam Dutton, and Jo Brown.

A number of student interns also assisted the policy and research effort during the reporting period.

They were: Haylee Davis (UNSW), Rachel Miles (UTS), Sam Dutton (Macquarie), Susie Jerapetritis (Macquarie), Louisa DiBartolomeo (USyd), Nicola Caon (SA), Ramy Cedrik (Macquarie Uni), Erin Davies (UTS), Aaron Smith (Macquarie), Justine Townsend (UQ), Jaime Lee Walker (UTS) and Danielle Teo (UWS).

The Unit's staff all report to the Director, Policy and Research, Ms Clare McHugh.

Ms McHugh replaced the former Director, Mr. Bob Davis, in September 2009 following his resignation to take up an appointment as Regional Director of the Maari Ma Health Aboriginal Corporation based in Broken Hill.

It is an Aboriginal community controlled health organisation dedicated to improving the health outcomes for communities in the far west region of New South Wales with a special focus on Aboriginal health.

Mr. Davis was highly instrumental in the reinvigoration of the Unit during his time as Director, particularly in his mentoring and development of young Aboriginal officers in NSWALC and the land rights network.

The reporting period also saw the departure of Policy Coordinator, Mr. Jason Field, and BioBanking Officer, Ms. Susan Becchio.

## Media and Marketing Unit

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

Its joint aim is to improve the profile of the organisation and to facilitate improved communication within the Land Council network and the broader community by seeking to increase awareness about the importance of land rights and attendant issues.

This underpins the advocacy work of NSWALC's Governing Council, staff, and Local Aboriginal Land Councils.

The Unit's formal functions and responsibilities include:

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

A number of staff departures and new appointments occurred during this reporting period.

The Director of Media and Marketing, Mr. John Paul Janke, resigned in early December 2009 to take up an appointment as Director, Executive and Communications at the Australian Institute of Aboriginal and Torres Strait Islander Studies in Canberra, his home base.

The former and founding editor of the *National Indigenous Times* newspaper, Mr. Chris Graham, was appointed to the position in January, 2009.

The marketing and information effort continued to be conducted by a small team in NSWALC's Aboriginal Resource Centre comprising Ms. Betty Thoms, Ms Sarah Puckeridge, Mr. Phillip Mundine and Ms Coral See whose primary responsibilities are reception and switchboard duties. As noted last year, all are long term NSWALC employees.

Ms. Thoms elected to take a voluntary redundancy package during the period and Ms Puckeridge was promoted to the position of Coordinator of the Resource Centre.

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

## THE YEAR IN REVIEW

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

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

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

It was foreshadowed in this space last year that the bedding down of a new land dealings regime would be a major focus for Council and the land rights network in the 2009-10 financial year along with Council's focus on working with the State and Commonwealth Governments on a number of projects to improve the health and wellbeing of Aboriginal people in New South Wales.

These were, indeed, the major focus for NSWALC's Governing Council during the reporting period, in addition to its core work on land rights and its ongoing advocacy work at the local, national, state, regional and international level.

NSWALC's Governing Council views its partnerships with the State and Commonwealth Governments as historic opportunities to use the limited financial gains from land rights to deliver community benefit schemes to assist in closing a range of economic, social and opportunity gaps.

These include:

- The Aboriginal Communities Water and Sewerage Program, a \$200 million dollar partnership with the NSW Government to improve and maintain the drinking water and sewerage services in many discrete Aboriginal communities to the same standard as that enjoyed by most of their fellow Australians.
- The \$30 million NSWALC Education Endowment Fund
- The \$6 million Subdivision of Former Reserve Lands Project, and
- The Walgett LALC Housing Repair and Maintenance Program

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

It has shown a preparedness to do so independently, or in partnership, with Local Aboriginal Land Councils and the Commonwealth Government and the State Government.

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

NSWALC is the biggest self-funded Aboriginal representative organisation in Australia but its financial base is dependent on:

- Movements in global monetary markets,
- Its ability to successfully add to the Aboriginal land bank.
- The call on recurrent expenditure to support the land rights network and
- The transactional costs incurred in ensuring NSWALC and LALC compliance with the machinery provisions of the ALRA.

However, Council's pursuit of such agreements and initiatives is consistent with the objects of NSWALC as set out in the ALRA and with major elements of the NSWALC Corporate Plan and its Community, Land and Business Plan.

They commit 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.

They also commit Council to 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 these documents, as noted earlier, 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.

They also state that NSWALC, as the peak Aboriginal representative organisation in NSW, seeks to take a leading role in improving the lives of Aboriginal people.

It will work to ensure they 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.

NSWALC's Governing Council has worked within these principles and goals throughout the reporting period in line with the objectives set out in the Community, Land and Business Plan and Corporate Plan.

It has achieved considerable success in all major programs and initiatives.

For example, priority four of the Corporate 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 wellbeing as a critical priority.

There can be few more critical priorities than the provision of basic safe drinking water and sewerage systems, improved services and facilities, and better education outcomes.

## **Aboriginal Communities Water and Sewerage Program**

The Aboriginal Communities Water and Sewerage Program is a joint initiative of the NSW Aboriginal Land Council and the NSW Government to improve the health and wellbeing of Aboriginal people living in discrete communities across the State by improving and maintaining their water and sewerage services.

NSWALC and the Government have committed to jointly investing \$205 million (in 2008 dollar terms) over 25 years to provide annual recurrent funding for the program.

Fifty per cent of the recurrent funding is provided by NSWALC with the other half coming from Government.

As previously reported NSWALC's Governing Council unanimously resolved at its 219th meeting in March, 2008 to enter into this historic partnership. The program was approved by the Cabinet Standing Committee on Public Administration in late February 2008.

The Aboriginal Communities Water and Sewerage Program, was formalised in an Agreement signed by NSWALC Chairwoman, Bev Manton, and the NSW Premier, Nathan Rees, on 18 December 2008.

The program commenced on July 1, 2008.

Two years on, it is being well received in Aboriginal communities across NSW.

A total of 27 Aboriginal communities, with a total population in excess of 2,700 people, are now receiving water and sewerage services at a higher level than prior to the program.

Site visits had been held with 59 of the 61 Aboriginal communities eligible for assistance under the program as at June 30, 2010.

A total of 21 interim arrangements, and two five-year Service Agreements were in place.

These allow for service providers to take responsibility for the ongoing operation and maintenance of water supply and sewerage services.

## **Need for the Program**

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

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

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



The review, which was completed in May 2008, found:

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

Many of these communities are former Government missions and reserves.

They were handed back to Aboriginal people with the passage of the Aboriginal Land Rights Act (1983).

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

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

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

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

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

NSWALC's Governing Council took the view it had to do whatever it could to assist the State and Federal Government in initiatives to close the health gap suffered by Aboriginal people. Council's decision to commit such long term

funding meant the NSW Government would commit similar funds for the first time ever.

## Program Aims and Management

The program provides funding for:

- routine operations and maintenance;
- backlog maintenance to return existing infrastructure to full operational efficiency;
- emergency maintenance to repair or replace equipment;
- preparation of water and sewerage management plans; and
- capital funding for new infrastructure.

The NSW Office of Water within the Department of Environment, Climate Change and Water is the program manager of the Aboriginal Communities Water and Sewerage Program.

The eligibility of communities and implementation of the program is overseen by a Steering Committee comprising representation from:

- NSW Aboriginal Land Council;
- Department of Human Services (incorporating the former Department of Aboriginal Affairs and Aboriginal Housing Office);
- Local Government and Shires Associations;
- NSW Water Directorate;
- NSW Health;
- Department of Premier and Cabinet;
- Treasury; and
- NSW Office of Water.

The Steering Committee, which met eight times during the reporting period, provides strategic oversight of the implementation and management of the program.

The NSW Office of Water also works closely with NSWALC, Local Aboriginal Land Councils and local government councils and water utilities.

Close consultation with communities is central to the success of the program.

A number of key steps are taken to ensure all participants are fully informed about the nature and scope of required works and services and their potential responsibilities.

Only permanently occupied discrete NSW Aboriginal communities with responsibility for water and sewerage services within their boundary are eligible to be part of the program.

The NSW Office of Water and other key stakeholders visit each eligible Aboriginal community to inspect the water supply and sewerage facilities and discuss what improvements are required.

The Local Aboriginal Land Council, community members, the local government council/water utility and all other interested stakeholders are invited to identify issues and assist in the development of a plan for the future operation, maintenance and repair required in each eligible community.

A site inspection is also conducted to identify any maintenance work required to restore existing infrastructure to full service capacity.

The NSW Office of Water then provides a record of the outcomes of the visit to community attendees for review and comment.

The Agreement of Local Aboriginal Land Councils, the local government council/water utility are then sought to carry out the required operation and maintenance services, including backlog maintenance.

Where appropriate, the local government council/water utility may be engaged to operate the water supply and sewerage systems on an interim basis. This allows a full assessment of the existing infrastructure and operational needs in each community before a formal five year Service Agreement is struck.

## Progress So Far

The first site visit under the program occurred on August 20, 2008.

By the end of this reporting period site visits had been conducted at 59 of the 61 eligible communities.

Site visits had yet to be conducted at Gunnedah Hill and Mirriwini Gardens.

A total of thirty seven of the 59 communities had confirmed the notes from the initial community meetings.

The NSW Office of Water had begun negotiations with the local government council or water utility to take responsibility for backlog repairs and operation and maintenance of systems in all 59 communities to avoid any delays.

It is important to note, however, that this program does not propose the transfer of ownership of any Local Aboriginal Land Council to a local water utility.

Of the 61 eligible communities:

- Nineteen were receiving full water and sewerage services from the local water utility before the program began.
- Eight receive bulk water and discharge sewage into an authority system but own and are responsible for the water and sewerage mains on Local Aboriginal Land Council land.
- Nine receive bulk water and have sewage pump stations that transfer sewage to an authority system for treatment.
- Ten receive a bulk water supply but have a discrete sewerage collection and treatment system.
- Six receive a bulk water supply but rely on on-site septic tanks for sewage treatment
- Nine have totally discrete water and sewerage systems.

The only work required at the nineteen communities will be development of water and sewerage management plans.

Local water utilities being invited to provide operational and maintenance services to the 42 communities not receiving full water and sewerage services have been supportive of the program. Negotiations were continuing with those as the reporting period ended.

## Backlog Maintenance and Emergency Repairs

As previously reported many of the communities had been provided with some water supply and sewerage infrastructure under previous capital initiatives from both the State and Federal Governments.

However the communities had neither the specialised knowledge nor financial capacity to properly operate and maintain their systems. This resulted in many falling into disrepair.

Repairs are also required to cope with emergencies such as pump breakdowns.

Approvals had been given to June 30, 2010 for backlog repairs at a total of 23 communities at a cost of \$1.29 million.

More than half of these works had been completed by the end of this reporting period.

Emergency repairs or special purpose funding of \$191,000 had been approved for 11 communities with more than 90 per cent of these works completed by June 30.

## Service Agreements

As previously reported a Service Agreement between a Local Aboriginal Land Council, the local water utility or other supplier and the NSW Office of Water is struck once the works and service needs of each eligible community is identified.

Each agreement is reviewed by the NSW Office of Water and NSW Health to ensure it is technically adequate to address all of the water and sewerage needs and issues identified.

The agreement is then discussed with the Local Aboriginal Land Council and signed when all three parties are satisfied by its terms and conditions.

Once an agreement is signed works are conducted by the relevant local government or local water utility can commence works.

The term of a Service Agreement is negotiable for up to five years and the NSW Office of Water arranges three inspections each year to ensure all services are being provided in accordance with the agreement.

Two Service Agreements had been signed at June 30, 2010.

One agreement was struck at at Cummeragunja with the Murray Shire Council; the other at Gundurimba with Lismore City Council.

Interim arrangements were also in place for service providers to take responsibility for the ongoing operation and maintenance of services at a further 21 communities as this reporting ended.

Negotiations were also well advanced for a further seven interim arrangements.

## Water and Sewerage Management Plans

The program also includes the preparation of risk based water and sewerage management plans for each eligible community, including those receiving full services from the local water utility.

They are designed to improve the understanding of any risk to water and sewerage services to improve their management and reduce the risk of breakdowns.

Final management plans had been developed for seven communities at the end of this reporting period.

Draft management plans had also been developed for a further eight communities.

## Capital Upgrade Program

The Department of Commerce review identified the need for capital works at 22 communities with an estimated cost of \$15.2 million.

Many of the potential capital works required further investigation to determine the exact need and form of works required.

The NSW Office of Water has been reviewing the preliminary list of capital works as it has visited communities and obtained further information from asset valuation studies.

The Program Steering Committee established a Capital Sub-Committee to oversee this aspect of the program and the State Government has committed a budget of \$11.092 million for capital upgrades.

The Steering Committee had approved expenditure of \$1.38 million for the first six projects at Corindi Beach, Toomelah, Wamba Wamba, Bellbrook, Wallaga Lake and Walhallow.

## Training and Employment

While the primary aim of the program has been to establish decent levels of drinking water and sewerage services in all eligible communities the creation of direct employment opportunities for Aboriginal community members is also being investigated.

The NSWALC, Aboriginal Affairs NSW and the Local Government and Shires Association were examining opportunities in this regard as the reporting period ended.

## The Future

Two years on it appears the budget approved for the program is adequate to achieve the scope of the program.

The total value of approvals to June 30, 2010 was \$5.36 million with expenditure to the end of the reporting period of \$4.06 million.

The allocation for the new financial year is \$10.055 million.

This is in line with forecasts from last year that expenditure would increase as the program gained momentum.

The program is providing a valuable insight into just how much work, commitment and co-ordination will be required to "close the gap," in other vital areas of much needed infrastructure in discrete Aboriginal communities in NSW.

NSW Health has also designed a complementary health outcomes evaluation for the program.

Its aim is to study the association between health outcomes and improvements in the operation, maintenance and monitoring of water and sewerage systems in communities.

Conditions to be assessed will include.

- Overall health status.
- Acute respiratory infections.
- Infectious gastro/hepatitis
- Otitis media
- Skin infections.

Exposure data will be collected before and after the commencement of Services Agreements and the provision of services under the program.

It is expected the study will take three years to complete.

The Steering Committee agreed to provide \$500,808 towards the initial cost of the evaluation, while NSW Health has committed to fund the ongoing costs.

The findings will close a gap in available data and are likely to be used to influence future policy work on the provision of services to Aboriginal communities, particularly in relation to environmental health.

## The Subdivision of Former Reserve Lands

As reported last year NSWALC's Governing Council 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 was committed to this project.

The surveys were designed to 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.

This was one of two Program Funding Agreements entered into with the Commonwealth.

The other was a \$2.3m agreement for the repair and maintenance of 70 houses owned by the Walgett Local Aboriginal Land Council.

Considerable progress was made on both of these projects during the reporting period and further details can be found in the year in review contribution from the Operational Policy Unit.

The details on the Walgett project provide a telling example of what can be achieved to advance the health and wellbeing of Aboriginal people when sufficient resources are made available and all stakeholders, from Local Aboriginal Land Councils to NSWALC to Government and the private sector, work in partnership to achieve outcomes.

This project also revealed a sorry history of shoddy workmanship in the past.

## Education Endowment Fund

NSWALC's Governing Council made a unanimous decision at its 216th meeting on October 24, 2007 to segregate \$30 million from within the Statutory Investment Fund to fund the NSWALC Education Endowment Fund.

The scholarship fund is financed each year from the interest generated from those funds.

The Council anticipated this would provide up to two million dollars in scholarship monies each year in perpetuity, allowing up to 200 scholarships to be offered each year.

Chairperson Manton said at the time 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.

"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.

"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."

The endowment fund is aimed at providing on-going support and benefits for Aboriginal people across the entire spectrum of educational opportunities, including mature age students.

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.

## Fund Administration

The Fund has been administered by Charities Aid Foundation, the not-for-profit organisation which also administers NSWALC's Freddie Fricke Scholarship.

CAF has been 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.

NSWALC's Freddie Fricke Scholarship, which has been targeted at tertiary students since its launch in 2002, has been continued.

This is also managed by CAF on behalf of NSWALC.

A NSWALC Scholarship Management Committee oversees the implementation of the Scholarship funds.

The Committee comprises: Sydney-Newcastle Regional Councillor, Roy Ah-See, NSWALC's Director of Training and Development, Wayne Munster, CAF Chief Executive, Don Willesee and the Scholarships Administrator for CAF Australia, Margaret Dent.

## Scholarships

The inaugural round of scholarships saw nearly \$400,000 in financial assistance distributed to some 119 recipients across the State.

The second round, announced in June 2009, saw 124 scholarships awarded.

The third round, announced in June/July 2010, saw 312 scholarships awarded from 441 applications.

These will allow the recipients to pursue their studies in a range of fields including medicine, teaching, science, health, community services and trade courses.

A total of four Freddie Fricke Scholarships were also awarded during the reporting period.

The Education scholarships are the first major community benefits scheme to be offered by

NSWALC under amended provisions of the Aboriginal Land Rights Act and this reporting period saw all Councillors increase their promotion, particularly through Regional Forums.

## Briefings To Council

NSWALC's Governing Council also received regular briefings on the progress of these vital programs throughout the reporting period. It will continue to closely monitor their progress in the new financial year.

It considers programs such as the Aboriginal Communities Water and Sewerage Program and the Educational Endowment Fund to be practical measures to assist State and Federal Government's close the life and opportunity gaps between Aboriginal people and their fellow Australians.

As noted in this space last year work to Close the Gap have become a permanent fixture of daily debate in Aboriginal Affairs since the election of the Rudd Labor Government in November 2007.

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

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

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

NSWALC believes every Australian would hope they are achieved.

It remains convinced, however, the targets remain heroic and are yet to be matched by long term Commonwealth and State funding commitments in New South Wales to programs framed in response to evidence based research and policies.

NSWALC and the land rights network provide a



significant employment and evolving participation base for Aboriginal people in New South Wales which, in Council's view, has yet to be fully realised and accepted in Canberra and Macquarie Street.

Despite this it will continue to pursue effective partnerships with Government and other stakeholders in the new reporting period, particularly Local Aboriginal Land Councils.

Meanwhile its continuing advocacy work was rewarded in some key areas during the 2009/10 financial year.

These included the ongoing reform of the Aboriginal Land Rights Act and in Culture and Heritage.

### Land Rights Amendment Bill 2009

As reported last year one legislative development during the reporting period provided a stark illustration of the ability and preparedness of the NSWALC Governing Council, senior management and advisors to adopt the role of "critical insider," and work closely with the State Government, and other stakeholders, to improve outcomes for Aboriginal people.

Council, management and advisors worked closely throughout the previous reporting period to assist the Government draft significant and important amendments to the Aboriginal Land Rights Act (NSW) to provide for a new land dealings regime.

This was acknowledged by Minister Lynch when he introduced the Aboriginal Land Rights Amendment Bill into the NSW Legislative Assembly on June 26, 2009.

Mr. Lynch told Parliament he considered the key to success in Aboriginal Affairs was to "work in partnership with the Aboriginal people of New South Wales."

"This bill and its preparation demonstrate the value of that partnership," he added.

"The New South Wales Aboriginal Land Council has had a pivotal role in the development of this bill.

"The Council has provided insight and skill into assessing what measures will be serviceable and effective for Aboriginal land councils in a complex system of land dealing approval and implementation."

Minister Lynch said the Bill reflected a coming together of both the Aboriginal rights agenda and the economic development agenda and re-emphasised the importance of the work of NSWALC and the land council network in NSW.

These observations were reflected in the tone and content of subsequent speeches from all sides of the two Chambers when debate on the Bill resumed in the Legislative Assembly on September 2 and in the Legislative Council on September 9, 2009.

While all speakers spoke on the substantive provisions of the Bill they also used the debate to restate their support for the principles underlying the Act and Aboriginal self determination.

The Shadow Minister for Aboriginal Affairs and Nationals Member for Barwon, Mr. Kevin Humphries, told the Legislative Assembly he did not believe "many people in the wider community, let alone the Aboriginal community," fully understood the Land Rights Act was the only form of compensation available for the dispossession of land experienced by Aboriginal people.

"I believe that most people and successive governments have not really understood the issues in many communities created by dispossession of land and relocation," he added.

"Today there is dysfunction in many Aboriginal communities in this country, not only in New South Wales, because communities have not effectively dealt with what I call intergenerational trauma."

Mr. Humphries told Parliament the progress to date in marrying land rights and the development agenda with the "overarching issue of self determination has been slow and often contentious."

Further mentoring to build business skills and corporate governance was the key to progress in this area.

Mr. Humphries also spoke of “complex problems arising from who actually speaks for Aboriginal people in our communities: working parties, a regional assembly or a land council. We now have the new community partnership groups.”

“I believe it has quite effectively divided people in Aboriginal communities and led to a deal of confusion,” he added.

“We need to narrow this down.

“I believe the land councils are the legitimate body and vehicle to rebuild the system, not just as the economic driver for the community, but also as the main spokesperson for the community.

“They are the only democratically elected group in the communities.

“Part of the nature of Government is that they have bowed to self-appointed people within Aboriginal communities. I suspect for too long.

“We need to redefine their role and this legislation may help in part because it will lead to a more defined process in land dealings.”

The Labor Member for Wallsend, Sonia Hornery, told the Assembly that Aboriginal Land Councils had become “lobbyists for Aboriginal people within communities and with government at all levels.”

“As legislators for this State it is our duty to ensure that access, control and ownership of land by Aboriginal people continue to be the legacy of the New South Wales Parliament,” she added.

“A great deal has changed since 1983, when the Aboriginal Land Rights Act was passed by this Parliament.

“Those were exciting times and, like then, we now face an historic opportunity to advance the legislation further so that it may continue to support the development of Aboriginal communities in this State.”

The Second Reading speech, originally delivered by Minister Lynch, was incorporated into the Hansard on behalf of Minister Tony Kelly when the bill was debated in the Legislative Council.

This re-emphasised the fundamental importance and scope of the legislation by quoting Justice Michael Kirby’s description of it in the High Court judgment on the Wagga land claim.

In his judgment, Justice Kirby had said, in part:

*“Against the background of prolonged, deep seated, reinforced and, ultimately, widely accepted discrimination in the law against the rights to traditional lands of the indigenous peoples of Australia, the objects evident in the Land Rights Act could fairly be described as little short of revolutionary.*

*“The discriminatory common law principle that lay at the source of the denial to indigenous people in Australia to rights to land existed despite the fact that such recognition was accorded to the land rights of the settlers and their successors.*

*“There was a further fundamental correction to this principle some years after the Land Rights Act was adopted, notably in the decision of this court in Mabo v Queensland and Wik People v Queensland.*

*“However the contextual consideration of these decisions does not, in any way, diminish the important shift in direction in the law of New South Wales achieved by the enactment of the Land Rights Act.....”*

Leading the Legislative Council debate for the Liberal-National Coalition, the Shadow Parliamentary Secretary for Aboriginal Affairs, Robyn Parker, said the bill amended the ALRA in order to achieve “more accountability and transparency and, most importantly, to give Aboriginal land owners self determination and assist them in capacity building: something that has been a long time coming.

“The bill will assist Aboriginal Land Councils to set their own agendas, to determine where they head in self sufficiency, and to give them an ability to manage appropriately the land for which they are custodians and the land for which they have responsibility,” she added.



Greens MLC Ian Cohen told the Parliament the approach of some Local Aboriginal Land Councils to land management and land holding was “underscored by a fear of government resumption.”

“The fear of compulsory acquisition under various guises looms large in the minds of Local Aboriginal Land Councils,” he added.

“That is the result of government actions, both State and Federal, in the form of infrastructure withdrawal.

“Local Aboriginal Land Councils cannot be expected to operate under a fear of government resumption.”

The debate, he added, was an important opportunity for the Government to “reassure Local Aboriginal Land Councils of its commitment to respect the important compensatory principles in the Act.”

The Bill passed through the Parliament without dissent.

Amendments to the land dealing provisions of the Aboriginal Land Rights Act and the Aboriginal Land Rights Regulation 2002 came into force on March 31, 2010.

NSWALC had developed a Policy on the Assessment and Approval of Local Aboriginal Land Council Land Dealings in anticipation of the passage of the new provisions to provide guidance to LALCs, and persons dealing with LALCs, about NSWALC’s assessment and approval of land dealings.

All Local Aboriginal Land Councils were provided with the draft policy on December 19, 2009.

Workshops were held in each region in February 2010 and led to changes in the draft policy.

NSWALC’s Governing Council approved the amended Land Dealings Policy on March 1, 2010.

The Policy came into effect on March 31 following its approval by the Minister for Aboriginal Affairs, Mr. Paul Lynch and notification in the NSW Government Gazette, as required by section 114 of the ALRA.

## Culture and Heritage

NSWALC’s Governing Council worked closely with relevant stakeholders, management and advisers to achieve major legal reforms on culture and heritage during the reporting period.

These included recognition of cultural fishing rights and increased protection of Aboriginal sites under the National Parks and Wildlife Act 1974 (NSW).

Council worked closely with the NSWALC Executive, its Policy and Research, Legal Services and Media and Marketing Units, Local Aboriginal Land Councils, and partner organisations, such as NTSCorp Limited, and with Government and Opposition parties, to achieve these reforms.

The reporting period also saw a re-invigoration of NSWALC’s campaign for the introduction of independent heritage legislation in NSW and the establishment of an Aboriginal Heritage Commission.

Both would provide statutory recognition that the right to own and control Aboriginal culture and heritage lies with Aboriginal people, not with Government.

This is a core issue for the land rights network.

In recognition of this fact, NSWALC allocated considerable resources to its culture and heritage campaign, *More than Flora and Fauna*, during the reporting period.

The campaign highlighted the ongoing high rate of Government approved destruction of our culture and heritage and the need for fundamental reform.

Our concerns were expressed in a targeted public awareness campaign with feedback from the land rights network gained through a series of Regional Forums facilitated by each Councillor.

NSWALC’s Governing Council is committed to continuing its work with Local Aboriginal Land Councils, other relevant stakeholders and with the Government and Opposition parties to ensure commitments made by both parties during this reporting period to establish separate Aboriginal heritage legislation through the NSW Parliament are delivered upon.

Further details of NSWALC's advocacy work on Culture and Heritage can be found throughout this report, particularly in the achievements section from the Policy and Research Unit.

## Land Claim Determinations

NSWALC was, unfortunately, less successful during this reporting period in gaining State Government support to unlock the growing logjam in land claim determinations.

This is despite the recognition by all sides of politics in the NSW Parliament that land claims remain the sole form of compensation available to our people for the dispossession of our land.

NSWALC and the Local Aboriginal Land Council network continued to exercise our statutory rights to lodge land claims during this period with 8,800 land claims lodged during the financial year.

Only 69 land claims were granted or partially granted and 1151 claims refused.

At the end of the reporting period a total of more than 27,000 claims had been lodged, with almost 18,000 claims awaiting determination.

The profound concern of NSWALC and the Local Aboriginal Land Council network on the pace of land claim determinations has been recorded in successive NSWALC Annual Reports.

As reported last year NSWALC Chairwoman Bev Manton wrote to the Minister for Lands following the Wagga High Court decision to express concern at the disproportionate time and cost involved in such litigation for both NSWALC and the State Government and the logjam in land claim determinations.

She relayed Council's view that a large number of these matters could be settled by negotiation, resulting in significant savings to both the taxpayers of New South Wales and the self-funded land rights system.

As reported, nothing came of the request so the matter was taken up in a letter to the then Premier, Nathan Rees in March, 2009.

Chairwoman Manton said a resolution at Ministerial level would greatly assist Aboriginal people in NSW to continue to exercise their legitimate rights to lodge land claims and have them determined in a timely and effective manner at a cost saving to taxpayers and the land rights system.

Expectations of a breakthrough were raised during this reported period when Premier Rees announced at the NSW Labor Party conference in November 2009 he had directed that all claims lodged before 1993 be resolved by the end of that calendar year.

He told conference delegates the delay in these land claim determinations "offended me and should offend us all."

However, Mr. Rees was replaced as Premier within weeks.

Chairwoman Manton immediately took up the issue, on behalf of Council and the network, in a letter to his successor, Ms Kristina Keneally.

"Thanks to the vision of the Wran Government, and the support of successive Labor Government's, NSWALC and the land rights network have worked over the past 26 years to begin to build a socio-economic base from land rights while recognising that the legislation was never intended as an economic panacea for all of the social and economic ills of our people," she wrote.

"This support was most recently expressed by your predecessor, Nathan Rees, by using his position as Premier to seek to clear a long standing logjam in the determination and granting of land claims," she added.

"As you would be aware Mr. Rees used his address to the recent NSW Labor Party State Conference to announce that he had directed that the determination of claims be accelerated.

"His commitment followed representations from NSWALC, and other peak Aboriginal bodies, earlier this year in which we expressed concern about the glacial speed of land claim determinations and the disproportionate amount of time and costs that are being expended on the litigation of land claims by both Aboriginal Land Councils and the Department of Lands.

“It is our earnest hope that your Government will at least maintain, if not accelerate, the pace of land claim determinations.

“There are currently more than 10,000 claims awaiting determination.”

A further letter was sent in March seeking a meeting with Premier Keneally when it became clear the Government had effectively watered down the land title being offered to Aboriginal people to implement the pledge from Mr. Rees without prior consultation with NSWALC or the land rights network.

Chairwoman Manton pointed out the Minister for Lands had begun issuing limited un-surveyed Certificates of Title to granted land.

This effectively transferred the cost of surveying granted land from the Government to cash strapped Local Aboriginal Land Councils.

In essence, limited title grants transferred a liability, not an asset.

The issue of limited title grants undermined the letter and spirit of the Aboriginal Land Rights Act as a compensatory vehicle for the historical dispossession of Aboriginal land.

Chairwoman Manton said NSWALC’s Governing Council was seeking to find a way to work together with the Government to resolve these issues without “surrendering our legitimate rights under the Aboriginal Land Rights Act.”

Despite a series of meetings with Government, and a number of proposals put forward by NSWALC these issues remained at an impasse as this reporting period ended.

## International Advocacy and Engagement

The New South Wales Aboriginal Land Council continues to hold special consultative status with the United Nations Economic and Social Council (ECOSOC).

This status allows NSWALC to advocate on behalf of our people at the United Nations through its various bodies and activities.

NSWALC’s ongoing participation in the work of the United Nations, and more particularly its Permanent Forum on Issues (UNPFII) and Expert Mechanism on Indigenous Peoples (EMRIP) is in line with Council’s strategic decision to adopt, and to maintain a strategy of active engagement in international advocacy.

The development of networks through international engagement also assists NSWALC in the management of its broader statutory functions and allows it to shine a spotlight on domestic issues in international forums.

NSWALC seeks to take a practical and innovative approach to this work which seeks to have international human rights standards adopted and applied in Australia for the benefit of Aboriginal people.

In recent years the Council has sent delegations to the UNPFII and EMRIP to represent, and to advocate on behalf of Aboriginal people in Australia, with particular emphasis on New South Wales.

NSWALC must actively participate and contribute to the work of the United Nations if it is to maintain its ECOSOC status.

The organisation sent a delegation to the Ninth Session of the United Nations Permanent Forum on Indigenous Issues convened in New York from April 19-30, 2010.

The delegation comprised NSWALC Chairwoman, Bev Manton, Councillor Craig Cromelin, Chief Executive Officer, Geoff Scott, and his Executive Officer, Mr. David Lee.

NSWALC’s Governing Council endorsed a series of reports and proposed interventions for the Forum at its 244th meeting in Sydney which was convened from March 30 to April 1.

They included a report on the progress of Aboriginal Cultural Fishing Rights in New South Wales, and detailed reports and interventions on remote Indigenous housing and the Northern Territory Intervention.

## Cultural Fishing

NSWALC lodged a submission which reported significant progress in the legislative acknowledgement of Aboriginal cultural fishing in New South Wales.

It pointed out that Aboriginal culture is one of the world's longest surviving continuous cultures.

Culture has been maintained through the continual practice of traditions and the inter-generational transfer of knowledge.

An important part of Aboriginal culture is the practice of fishing.

The main law governing who can fish in NSW, and what can be fished, is the Fisheries Management Act 1994 (NSW).

This has proved a source of frustration for Aboriginal cultural fishers in NSW.

Increasing demand on the fisheries resource since colonisation had placed more emphasis on its value and this has attracted the implementation of management regimes by the State.

These regimes have significantly reduced access to the fisheries resource for Aboriginal community members from the levels enjoyed during sole occupancy and self governance.

This has greatly hindered the practice of tradition.

Aboriginal communities in NSW have found themselves being progressively constrained by these fishing laws and management regimes with Aboriginal fishers being limited to recreational catch limits or being overburdened with detailed administrative processes.

Aboriginal fishers were also attracting a high level of infringements and fines for practicing fishing in the traditional way.

Cultural fishing traditionally provides for extended families and other community members. Due to the size of the catch required to fill communal needs Aboriginal fishers often found themselves in direct conflict with the law.

Importantly, if Aboriginal fishers were then unable to pay fines, penalties could escalate to imprisonment, adding to the already disproportionate incarceration rates between Aboriginal and non-Aboriginal community members.

In May 2009, the NSW Government publicly notified its intention to amend the Fisheries Management Act 1994 (NSW).

As a result of representations from NSWALC, NTSCorp, community members and other Aboriginal organisations the NSW Government tailored the amendments to address concerns of cultural access to fisheries resources and the freedom to practice tradition and to maintain and cultivate culture.

A suite of amendments to the legislation passed through both houses of the NSW Parliament in December 2009.

One of the key changes is that an Aboriginal person in NSW is now authorized to fish within the definition of Aboriginal cultural fishing without the need to apply for a fishing permit or to pay a fee.

This amendment emphasises the right of Aboriginal communities to maintain and strengthen cultural institutions.

The NSW Government has also committed to increasing the amount of the fisheries resource that may be taken by Aboriginal cultural fishers in line with traditional subsistence methods.

Greater freedoms are incorporated into the legislation in areas such as bag sizes and possession limits for community members to enable them to supply Elders and incapacitated members of Aboriginal communities.

This provides Elders and the incapacitated with a connection to traditional subsistence culture as well as a low cost, high nutrition food source.

NSWALC noted that these rights are recognised in a range of United Nations covenants.

It also noted the NSW Government had committed to the establishment of an Aboriginal Fisheries Advisory Council with a brief to advise Government on all fisheries issues relevant to the Aboriginal community in NSW.

The Council will comprise Aboriginal members as representatives of their respective regions across the State, consistent with United Nations articles on self determination and Aboriginal community consultation.

It further noted the NSW Government has committed to extending greater freedoms and allowances to the Aboriginal community to participate within the commercial fishing sector and to implementing programs that train and employ Aboriginal community members within various fisheries and aquaculture disciplines.

NSWALC submitted that the amendments have resulted from the goodwill of a particularly Government department rather than through the exercise of any legally enforceable cultural rights of Aboriginal people.

In the absence of such an approach-- which could be achieved through the ratification and implementation of the UN Declaration on the Rights of Indigenous Peoples by the Australian Government—Aboriginal people were forced to fight for their rights by lobbying Government on individual pieces of legislation.

NSWALC recommended the Australian Government formally ratify the UN Declaration to further all Aboriginal cultural institutions in Australia, including Aboriginal cultural fishing.

The NSWALC submission concluded by thanking the NSW Government and NTS Corp for supporting the change to recognise cultural fishers.

By so doing, the Government had recognised the long years of lobbying by Aboriginal people across NSW for recognition of their rights in this regard.

## Remote Housing

Councillor Cromelin spoke to a detailed NSWALC submission on the compliance with the UN Declaration on the Rights of Indigenous Peoples of Australian government programs on remote Indigenous housing in Australia.

He pointed out Indigenous communities in rural and remote areas of Australia face a severe housing crisis.

The Council of Australian Governments, Australia's peak inter-governmental forum, had acknowledged the state of Indigenous housing across remote Australia to be the most visible and enduring evidence of the failure of governments to address Indigenous disadvantage.

In 2006, the United Nations Special Rapporteur on Adequate Housing was "particularly disturbed," by the adverse housing conditions he observed in Indigenous communities in Australia.

He described it as a "humanitarian tragedy."

Sadly, NSWALC was forced to report, little had changed.

The Special Rapporteur had observed that a lack of affordable housing, overcrowding, significant levels of poverty, lack of appropriate support services, a lack of culturally appropriate housing and underlying discrimination were all factors contributing to a severe housing crisis.

He also found the absence of adequate and comprehensive participation processes for Indigenous communities in decision making to be the "most disturbing" element of the crisis.

This remained the case.

Since 2007, Australian Government funding for addressing Indigenous disadvantage had been identified through the negotiation and adoption of National Partnership Agreements between the National, State and Territory Governments.

These Agreements had been entered into by the Council of Australian Governments (COAG) and were aimed at driving policies for "Closing the Gap" in disadvantage between Indigenous and non-Indigenous Australians.

One of the five National Partnership Agreements entered into by COAG in November 2008, related to Remote Indigenous Housing.

The Agreement aimed to:

*Reform responsibilities between the Commonwealth, the States and the Northern Territory in the provision of housing for Indigenous people in remote communities and to address overcrowding, homelessness, poor housing conditions and severe housing shortage in remote Indigenous communities.*

The Commonwealth Government had committed to providing an additional \$1.94 billion over ten years to fund improvements to 26 remote communities under the Indigenous Housing Agreement which commenced on January 1, 2009.

Commonwealth Government funding, however, was conditional on what it termed “secure land tenure being settled.”

The Commonwealth Government had set out three requirements that determined whether secure land tenure has been settled.

- The Government must have access to, and control of, the land on which construction will proceed for a minimum period of 40 years.
- Tenure arrangements must support the implementation of tenancy management reforms including the use of individual tenancy management agreements between a State Housing Authority and the tenant without requiring further consent from the underlying land owner. This capacity must also permit replacement of the housing service provider if required; and
- Native title issues must also have been resolved, in that any applicable process required under the Native Title Act has been conducted.

NSWALC, and other peak Indigenous representative organisations, had profound concerns about the Indigenous Housing Agreement, Councillor Cromelin said.

“While any additional funding for remote Indigenous housing is welcome no Indigenous representatives are a party to the Agreement,” he added.

“In other words, the most significant agreement regarding the provision of housing for Indigenous people in Australia does not involve the participation of any Indigenous people or communities.

“The result of this absence is that many of the provisions of the Agreement are not appropriate for our communities.

“Consequently, many of the measures designed to improve Indigenous housing in remote communities do not have the support of the affected communities.

“Our lack of involvement raises serious and particular concerns on the adherence of such an Agreement to the standards and principles contained in the UN Declaration on the Rights of Indigenous Peoples regarding self-determination and participation, the duty to consult, and to obtain free, prior and informed consent.

“It renders meaningless the Australian Government’s formal acknowledgement for the UN Declaration on the Rights of Indigenous Peoples in April last year.”

Councillor Cromelin pointed out the Agreement was being invoked contrary to both the spirit and letter of the principles and standards set out in the UN Declaration.

“Sadly, this is reflected both in the manner in which the Agreement was entered into and the terms and conditions it seeks to impose in return for much needed housing,” he added.

“The Indigenous Housing Agreement effectively shifts the duty and responsibility of government to provide basic services and infrastructure as a fundamental right.

“It now seeks to extend that right conditional upon Indigenous people surrendering other fundamental and hard won rights.

“It further tilts the enormous power imbalance between Indigenous people and Australian Governments.



“The conditional nature of the funding is forcing Indigenous people, and their representative organisations, to negotiate the provision of desperately needed housing under duress.

“The requirement for Indigenous communities to grant leases to the Commonwealth Government for at least 40 years raises serious concerns about fundamental land rights for Indigenous people.

“The forced suspension of Indigenous land rights violates the specific rights contained in the Declaration to protect Indigenous peoples’ ownership, development, control and use of communal lands, territories and resources.

“This is compounded by the fact that the Agreement also requires State and Territory Governments, rather than Indigenous organisations, to assume responsibility for the provision of basic community services.

“The Commonwealth Government has never provided an adequate explanation or, more importantly, justification for these measures which represent a significant shift in its policies from those it promoted to Indigenous people before it assumed Government.

“The policies are also at odds with its own stated aims under its Closing the Gap commitments to strengthen Indigenous leadership and governance and increase economic and social participation as the basis for any sustainable improvement in socio-economic outcomes.”

Councillor Cromelin said NSWALC recommended that:

- In order to comply with the Declaration this stated aim must, at the very least, be immediately enshrined in the Indigenous Housing Agreement, which should support local Indigenous decision making and empowerment, and build Indigenous capacity for self governance.
- The Australian Government must ensure the compatibility of all government policies and practices with the human rights standards contained in the UN Declaration on the Rights of Indigenous Peoples’ to effectively put its publicly expressed endorsement for the Declaration into meaningful action.

## Northern Territory Intervention

The delegation also raised its concerns about the non compliance of the Northern Territory Intervention with the principles of the UN Declaration.

NSWALC’s submission reminded delegates that the Northern Territory Government released a report arising from an inquiry into the protection of children from sexual abuse in Aboriginal communities in June 2007.

Six days later the then Australian Liberal-National Coalition Government announced a “national emergency intervention,” into Aboriginal communities in the Northern Territory.

It followed this announcement some weeks later with legislation which was supported by its major opposition, the Australian Labor Party, which has since assumed power.

The incoming Labor Government had maintained the sweeping powers inherent in the intervention.

The Northern Territory intervention was, and continued to be, the most contested—and contestable—policy response in Indigenous Affairs in Australia in recent memory.

It raised serious concerns with a number of Australia’s international legal obligations with respect to the human rights of Aboriginal people and, in particular, the principles and standards enshrined in the UN Declaration on the Rights of Indigenous Peoples.

The need for Australia to take urgent action to ensure the Northern Territory Intervention complied with its international human rights obligations and the UN Declaration had been highlighted during the past twelve months by a number of highly respected, independent international human rights bodies and experts.

These included:

- The Committee on the Elimination of Racial Discrimination.
- The UN Human Rights Committee.
- The UN Committee on Economic, Social and Cultural Rights

- The Special Rapporteur on the situation of human rights and fundamental freedoms of Indigenous Peoples in his recent country visit to Australia.

All had expressed the need for Australia to ensure direct consultation with affected Aboriginal communities.

All had called for the Racial Discrimination Act, which had been suspended, to be fully reinstated with immediate effect.

NSWALC shared the serious concerns which continued to be raised about the pervasive effects of the Intervention on affected Aboriginal communities and their traditional culture, identity and way of life.

The policies which underpinned the Intervention were paternalistic, particularly when set against the principles, standards and goals of self determination enshrined in the UN Declaration.

“I should remind this Forum that the Intervention was imposed, and the legislation enacted, in unprecedented haste and without any meaningful consultation with Aboriginal representatives or affected communities,” Chairwoman Manton said.

“This lack of consultation and the prescriptive nature of the legislation has disempowered Aboriginal people and their communities,” she added.

“The Intervention measures have effectively locked them out of any effective decision making role in responding to the problems which triggered the measures in the first place.

“This has resulted in a strongly expressed sense of helplessness and a lack of support for the measures in many affected communities.

“As the UN Special Rapporteur, Professor James Anaya, has observed, without the buy-in of Indigenous peoples at the earliest stages of the development of government initiatives, their effectiveness is often doomed to fail.

“The Australian Government has acknowledged the initial failure to consult with affected communities but it continues to ignore the reasoned voices of dissent against the prescriptive nature of the Intervention.

“This is compounded by any clear evidence, to date, on the necessity for the measures or their effectiveness.”

Chairwoman Manton pointed out the Government had recently conducted a review of the measures which involved consultation with affected communities from June to August, 2009.

It had claimed these were conducted in a “spirit of genuine consultation and engagement with Indigenous people.”

However serious questions had since been raised about significant procedural and substantive failures in the consultation process and its lack of independence from government.

An independent review of the consultations had identified serious flaws in the process.

These included insufficient time to adequately explain the measures, a lack of interpreters, and a failure to report the level of anger and frustration expressed at meetings on the blanket nature of measures, particularly the compulsory quarantining of welfare benefits.

Compulsory income management had proven to be one the most contentious and problematic features of the Intervention measures.

The Board charged with reviewing the first 12 months of the Intervention found that the blanket imposition of compulsory income management had “resulted in widespread disillusionment, resentment and anger in a significant segment of the Indigenous community.”

It reported that support was expressed for a voluntary income management scheme.

It recommended the compulsory scheme be replaced with a voluntary system.

This recommendation had never been acted upon and had never been raised as an option during the community consultations.



The Discussion Paper released by the Australian Government to inform the consultations, *Future Directions for the Northern Territory Emergency Response*, only put forward two options as a “starting point,” for discussion.

The purpose of consultations with Aboriginal communities should be to ensure their participation in the development of laws and policies that directly affect them.

They should be conducted with a view to obtaining their free, prior and informed consent.

This had not been the case with the Northern Territory Intervention.

The compulsory and punitive nature of income management together with the Government control over traditional lands and Government control over Aboriginal community councils and organisations under the Intervention ran counter to the right of self determination and the principles and standards contained in the UN Declaration.

Chairwoman Manton said NSWALC had set out its detailed concerns in relation to the Northern Territory Intervention in a 20 page document for the Forum.

It recommended:

- The Australian Government ensure the compatibility of all government policies and practices with the human rights standards contained in the UN Declaration on the Rights of Indigenous Peoples’ to effectively put its publicly expressed endorsement for the Declaration into meaningful action
- In order to comply with the UN Declaration in relation to the Northern Territory Intervention, the Australian Government must immediately reinstate the Racial Discrimination Act.
- It must also revisit the compulsory and punitive aspects of the Intervention measures with a view to implementing a fresh and meaningful review which seeks to rebuild the local Indigenous decision making and empowerment and Indigenous capacity for self governance which have been lost since the Intervention was first imposed on affected communities.

## Books Behind Bars

As part of its advocacy work at home, NSWALC’s Governing Council has publicly expressed its concerns about the alarming incidence of Aboriginal people being jailed in NSW, particularly our youth.

This concern led to the launch of a new initiative during the reporting period, the Books Behind Bars Project.

The central aim of the project is to see a lot more books, and a lot less Aboriginal people, behind bars in the State’s prison system.

Council’s decision to launch Books Behind Bars was informed by a number of facts.

They included the following:

- A report from the Australian Institute of Criminology which showed Aboriginal youth in NSW are nearly 26 times more likely to be jailed than their non-Indigenous peers.
- 4.4 per cent of the State’s youth are Aboriginal but account for 54 per cent of juvenile detainees.
- A report from the NSW Bureau of Crime Statistics and Research which showed the Indigenous adult imprisonment rate rose by 37 per cent in Australia between 2001 and 2008.
- The Report noted the increase in NSW was 48 per cent but, with the possible exception of offences against justice procedures, it noted the increase in the imprisonment rate is not due to increased offending.
- There are currently more than 10,000 inmates in full time custody in the 31 prisons and correctional centres.
- There are eight maximum security facilities, 13 medium security, and 10 minimum security facilities in New South Wales.
- Aboriginal men, women and children are over-represented in all of them.
- Their ability to access reading and education materials is poor.

NSWALC’s Governing Council decided during the reporting period to use the Project to seek to improve prison conditions and to highlight the increasing incarceration rate.

It backed a move by the Australian Prison Foundation to extend a similar scheme, the National Prison Book Program, into New South Wales.

The Foundation is a Victorian-based not-for-profit organisation which seeks to improve the lives and communities of prisoners in the hope of reducing the likelihood of their return to the prison system.

Research by the Foundation has shown that many prisons cannot keep up with the demand for educational resources and books.

The Foundation provides free books and educational materials to prisoners and prison libraries in Tasmania, the ACT and South Australia, along with selected facilities in Queensland, Western Australia and Victoria.

It had written to the NSW Government seeking permission to extend its reach into New South Wales and had been looking for organisations in NSW to become collection points for donated books and educational materials.

NSWALC's Governing Council wrote letters of support for the Foundation to the relevant authorities in NSW and has nominated its offices across NSW as collection points for books.

It also provided a special one-off grant of \$5,000 to assist the Foundation with its administration costs, particularly those related to transport and promotion of the voluntary scheme.

Council also allocated a sum of \$5,000 to launch its own Books Behind Bars program.

The Foundation's Chairperson, Ms Miriam Scurrah, wrote to NSWALC Chairwoman Manton in March, 2010 informing her that "thanks to your assistance we now have permission to provide books to Corrections NSW through their library services."

Ms. Scurrah commended NSWALC on its decision to launch Books Behind Bars with the monies being allocated to source new and used books destined for the State's correctional services system.

The Library Services section of Corrective Services in NSW had informed NSWALC ahead of Council's decision of a great demand and need for Aboriginal specific books and educational materials.

Constant requests are received from inmates for Aboriginal specific books and resources.

The NSW Government currently spends more than a billion dollars a year maintaining its prison system. Its libraries budget is about \$200,000 a year.

This equates to about \$25 a year for each inmate....less than the cost of one average paperback.

## Materials Required

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

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

They have particular requirements on donated books and educational materials.

The Library will accept book donations if they are:

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

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

Zone offices also accept donated books and educational materials.

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

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

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

We now turn to a review of operations and achievements within NSWALC across the network during the reporting period, and look at planned activities in the new financial year.

## Finance and Administration Division

This division again reported a hectic workload during the 2009-10 financial year.

The attainment of NSWALC's seventh successive unqualified audit from the NSW Audit Office was a highlight of the reporting period.

Returns from NSWALC's investment funds also started to pick up from their lowest levels for many years.

While the Australian economy managed to escape a recession, the global financial crisis continued to put enormous pressure on global credit markets despite the gains during the year.

NSWALC recorded a surplus of \$34.5 million in the 2009-10 financial year.

This compared to a deficit of \$82.8 million in the previous reporting period.

The surplus included a total gain (including unrealized gain) on the investment fund of \$ 63.3 million during this reporting period compared to a loss of \$46.1 million in the 2008-09 financial year.

The net equity of NSWALC increased by \$ 40.4 million in the reporting period-from \$552.1 million

in the 2008-09 financial year to \$592.5 million during this reporting period.

This increase in equity was mainly due to the gains from the investment fund after a robust recovery from the global financial crisis.

The analysis from the Investment Division later in this report shows NSWALC's managed funds portfolio performed well against comparable funds.

## Budgeting

NSWALC submitted its Budget for the 2010-11 financial year for the consideration and approval of the Minister for Aboriginal Affairs by the statutory deadline in May, 2010, in accordance with s157 of the Aboriginal Land Rights Act (ALRA). The package included projected budgets for the following two financial years 2011-12 and 2012-13.

In her transmittal letter, Chairwoman Manton noted it was the third budget to be submitted to the State Government on behalf of the current Governing Council of NSWALC.

She advised the Minister the budgets had been framed in "difficult economic times."

"However, my fellow Councillors and I have worked closely with relevant staff and financial advisers to ensure this budget continues to provide a sound operational base for NSWALC and the land rights network in the forthcoming financial years," she advised.

"We are confident it represents 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."

Ms Manton asked the Minister to note NSWALC would be continuing 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 maintain the substantial support to the Local Aboriginal Land Council network.

“As you are aware from recent discussions with Council it has restructured its investment fund in order to reduce risk and to have a more balanced portfolio,” she added.

Chairwoman Manton said the balance of the NSWALC equity was \$557.4 million at April 30, 2010.

Investment income was forecast to be \$40.5 million in the 2010/11 financial year, \$43.6 million in 2011/12 and \$44.9 million in the outlying year.

Forecast revenues for the 2010/11 financial year were expected to total \$46.017 million while total operational expenditure was budgeted to be \$44.451 million for the same period.

Chairwoman Manton said Council was conscious of the Minister’s requests “that we seek to cap expenditure.”

“I am pleased to advise that Council has introduced expenditure constraint in the form of its new ‘Drawdown Rule,’ which is based on the Yale Formula,” she added.

Chairwoman Manton explained the formula is used by many annuities and perpetuities to manage their investments in a responsible and prudent manner relative to their assets, expected revenue and expenditure.

“The Drawdown Rule restricts how much cash NSWALC is able to draw from investment income in any given financial year,” she added.

“The required drawdown from the Investment Fund is forecast to be \$34.8 million for the 2010/11 financial year.

“Council has had to make considerable cuts to its budget to comply with the constraints imposed by the introduction of the Drawdown Rule.

“As a result we are now able to advise that we have a liability management structure that provides for sustainable spending whilst allowing us to meet our core objectives in accordance with the provisions of the ALRA and to ensure the ongoing consolidation of our operations despite the current economic circumstances.

“We have taken a number of initiatives to hold expenditure as low as possible, including a freeze on all staff recruitment, and reining in the operating costs of the rural properties.

“There has been an adjustment to the management arrangements for the properties to agist Appin Station and Calooma/Nulty Springs and the leasing of Barooga Karrai.

“We will continue with the farming/livestock program at Kaituna Uno and have budgeted for an income of \$2.8 million in the new financial year from crop and cattle sales and agistment income with projected expenditure to be \$2.2 million.”

Chairwoman Manton assured the Minister core funding to the land rights network would be maintained in the new financial year.

“Council,” she advised, “has approved an allocation of \$130,000 for each Local Aboriginal Land Council. A total of \$13.75 million is budgeted for in the 2010/11 financial year based on average allocations over the past three years.

“It is estimated the payment of rates, legal fees and the cost of Administrators on behalf of LALCs in the 2010/11 financial year will be approximately \$1.2 million with LALC debt repayment anticipated to be about \$900,000.”

Chairwoman Manton said the ongoing financial sustainability of the land rights network was the “crucial issue which NSWALC must address, particularly given the ongoing cost of administrations, and ensuring the regulatory obligations NSWALC has are met.”

“However, NSWALC stands ready, within the limitations of the financial resources available to it, to seek to continue with modest initiatives to deliver community benefits to our constituents and to enter into genuine partnership with stakeholders who share our determination to address the many issues facing Aboriginal people,” she added.

“We are determined to continue to seek innovative ways to deliver community benefit schemes to our people, in partnership, if possible, with relevant stakeholders.”

Chairwoman Manton said NSWALC had adopted a rigorous and disciplined process to develop the budget and commended the document to the Minister.

She thanked him for his ongoing support to NSWALC and the land council network and looked forward to “continuing to work with you to improve the well being of all Aboriginal people in New South Wales.”

Before turning to the achievements of the separate units within the Finance and Administration and Investment divisions, it is appropriate at this stage of the report, particularly for first time readers, to outline the performance, and goals of the Statutory Investment Fund.

## 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 has been largely managed until this reporting period 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 value of the Statutory Investment Fund was \$554 million as at 30 June 2010, compared with a value of \$526.8million at the end of the previous reporting period.

This represents an increase of \$26.6 million in the value of the Fund during the reporting period.

This was a direct result of a share market rebound in local and international equities after the global financial crisis.

As noted in previous reports, 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.

Such a view 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.

This funding is delivered, as noted above, 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 \$37.8 million was made during the year to fund the operational expenditure of the land rights network, including the administrative costs of both NSWALC and Local Aboriginal Land Councils.

The required draw down for the new financial year is expected to be \$34.8 million.

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.

## 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.

## Investment Division

As noted earlier an Investment Division has been established by NSWALC with the appointment of a Chief Investment Officer, Mr. Chadwick Pocock.

Mr. Pocock has overall responsibility for the establishment and oversight of risk management and reviews of NSWALC's investments working within the goals set for growth of the fund.



## The Investment Mission

The Investment Mission for the Fund is:

- To at least maintain the purchasing power of the Fund over the long term, having regard to the specific nature of the underlying funding responsibilities of NSWALC ;
- To provide a stable and growing level of distributions for funding NSWALC's ongoing activities;
- To at least preserve the indexed book value of the assets.

The Council has transferred this Investment Mission into a set of measurable investment objectives.

These are:

- To achieve an investment return of 5% per annum plus an allowance for CPI (inflation) as measured over a rolling five (5) year period
- To minimise the risk of negative returns.

Some of the more important activities during the reporting include the strengthening of the governance structure by the adoption of a set of investment beliefs by the Council.

They are as follows:

NSWALC INVESTMENT BELIEFS	
Mission and governance Investment belief	Implication
1. Investing	<ul style="list-style-type: none"> <li>• The Fund's assets should be invested according to the Fund's Statement of Investment Objectives Policy (SIOP)</li> </ul>
2. The Fund is a perpetual means of providing for future Aboriginal generations	<ul style="list-style-type: none"> <li>• The Fund's investment strategy should seek to maximise returns over the long term subject to risk objectives outlined in the SIOP</li> <li>• Expenditure should be set to a sustainable level (formalised in expenditure policy)</li> </ul>
3. The principal time horizon of the Fund is relatively long term.	<ul style="list-style-type: none"> <li>• The Fund is willing to accept short term losses for longer term gains. The primary performance assessment criteria should be long-term focused (5+years)</li> </ul>
4. Investing in a mixture of things will minimise the risk impact if one of them goes wrong	<ul style="list-style-type: none"> <li>• The Fund should be well diversified in a variety of different asset classes (ie not have all its eggs in one basket)</li> </ul>
5. The Council is supported by the Investment Committee and Executive team in its decision making process	<ul style="list-style-type: none"> <li>• The Executive should drive the investment agenda in conjunction with the Investment committee</li> </ul>
6. Beta is the principal driver of risk and return (rather than alpha)	<ul style="list-style-type: none"> <li>• More time should be spent on strategies (including fund structure and strategic asset allocation) than manager selecting and monitoring</li> </ul>
7. Diversification into different risk premiums can increase the investment efficiency of the portfolio	<ul style="list-style-type: none"> <li>• Consideration will be given to introducing appropriate diversity to the Fund, including liquidity and insurance premia</li> </ul>
8. Alpha exists, but the challenge is to find and successfully employ it	<ul style="list-style-type: none"> <li>• The Fund should only utilise alpha in markets where it has great confidence in both the alpha opportunity and its skill to successfully hire and fire managers</li> </ul>



It is against these beliefs that all investment decisions are evaluated.

The technical aspects of the investment decisions are provided through the combined advice of the external asset consultants, NSWALC's Executive, and the Investment Committee.

Additionally, the "Drawdown Rule" adopted by Council provides a formal process for managing NSWALC's liabilities.

The Drawdown Rule is based on the following:

- Previous draw down
- Average asset value
- Long term spending rate

The annual future draw down is equal to 70% of the draw down in previous year and 30% of the average asset value in the previous year times the long term spending rate.

Therefore, the projected maximum draw down for expenditure in 2010-2011 is 5.93% of the investment balance.

The draw down is projected to be reduced to 5%, the long term spending rate, in the 2019-2020 financial year.

This constraint on the draw down from NSWALC's investments will help to ensure that NSWALC is able to fund its activities in perpetuity.

## Investment Committee

The Investment Committee remains the primary source of all investment recommendations to the Council.

Former NSW Deputy Premier, Treasurer and Minister for Aboriginal Affairs, Dr Andrew Refshauge, continued as the Independent Chairperson of the Investment Committee during the reporting period.

He continued to perform this role in a pro bono capacity.

NSWALC Chairwoman, Bev Manton, and Councillor Roy Ah-See represent NSWALC's Governing Council on the Committee.

A total of five meetings of the Investment Committee were held during the reporting period.

Those meetings were held on:

26th August 2009  
30th October 2009  
4th November 2009  
3rd March 2010  
24th June 2010

## Investment Decisions

The unbundling of the investments with the Chifley Investment Fund was concluded during the reporting period.

This delivered a cost saving of some \$500,000 to \$600,000 and provided a transparency that allowed for a more complete understanding of the characteristics of the portfolio.

In addition, NSWALC adopted a new strategic asset allocation.

This was still being implemented as this reporting period ended.

It is shown below compared to the SAA previously in place.

ASSET CLASS	PREVIOUS	NEW
Australian Equities		12.0%
International Equities	13.0%	18.0%
Property	12.0%	5.0%
Hedge Funds and Diversity	15.0%	23.0%
Credit	8.6%	25.0%
Australian Fixed Interest	15.0%	2.5%
Australian Inflation – Linked Bonds	5.0%	0.0%
Global Fixed Interest	10.0%	5.0%
Global Inflation – Linked Bonds	5.0%	7.5%
Cash	0.0%	2.0%

As a result of the unbundling of the Chifley Investments and the adoption of the new Strategic Asset Allocation NSWALC appointed the following managers.

- State Street Global Advisors, Blackrock, QIC, Bridgewater, MM&E Capital, Colonial, First State, Schroder, Macquarie, Aberdeen, Bridgewater, Warakirri and FRM Absolute Alpha

The following managers were terminated:

- Schroder, Aberdeen and the Chifley Investment Fund

The resulting portfolio provided a pleasing return of 14.7% against a benchmark of 10.2% for the twelve months ended 30 June 2010.

The table below details the investment in each asset class of the portfolio and its performance against the appropriate benchmark.

<b>NSWALC RETURN BY STRATEGY</b>													
<b>Returns for periods ending 30 June 2010 (gross of investment fees and tax)</b>													
	Fund Size (\$'000)	Quarter Return	Bench mark	Excess	1 Year Return	Bench mark	Excess	3 Years Return	Bench mark	Excess	5 Years Return	Bench mark	Excess
<b>Australian Equities Portfolio</b> S&P/ASX 300	60,333	-11.4	-11.2	-0.2	13.2	13.1	0.2	-6.9	-8.0	1.1	4.8	4.5	0.3
<b>International Equities Portfolio</b> MSCI World ex-Aust (50% hedged, 50% unhedged)	94,424	-8.5	-7.8	-0.7	10.1	9.7	0.4	-13.2	-11.2	-2.0	-2.4	-0.8	-1.6
<b>Listed Property Portfolio</b> S&P/ASX 300 Property Trusts	24,418	-1.4	-1.5	0.1	20.1	20.3	-0.2	-23.1	-24.3	1.2	-7.6	-8.3	0.7
<b>Australian Fixed Interest Portfolio</b> UBSA Composite	24,772	3.6	3.6	0.0	8.4	7.9	0.5	6.8	7.7	-0.9	5.4	6.1	-0.7
<b>International Fixed Interest - Sovereign Portfolio</b> Citigroup World Government Bond Index (Hedged)	40,566	3.5	3.5	0.0	9.1	9.2	-0.1	9.6	9.8	-0.2	6.9	7.1	-0.2
<b>International Fixed Interest - Credit Portfolio</b> Barclays Capital Global Aggregate ex-Treasury (Hedged)	104,309	2.1	3.2	-1.1	16.3	13.7	2.6	11.1	8.6	2.5	8.3	7.4	0.9
<b>Global Inflation Linked Bonds Portfolio</b> Barclays Capital World Government Inflation Linked Bond Index (Hedged)	42,797	3.0	3.1	0.0	12.0	12.2	-0.2	N/A	N/A	N/A	N/A	N/A	N/A
<b>Absolute Return Portfolio</b> UBSA Bank Bill	106,234	1.3	1.1	0.2	13.2	3.9	9.3	-0.5	5.6	-6.1	4.6	5.8	-1.2
<b>Total Fund*</b> Benchmark	500,588	-1.5	-1.4	-0.1	14.7	10.2	4.5	1.0	0.7	0.3	6.1	5.5	0.6
* Returns are gross of fees and tax. The Total Fund return is calculated as the end of period weighted average of the individual returns.													

## Performance Against Peers

Following is a table that compares the performance of the NSWALC portfolio against two Tcorp Investment portfolios that have comparable investment objectives.

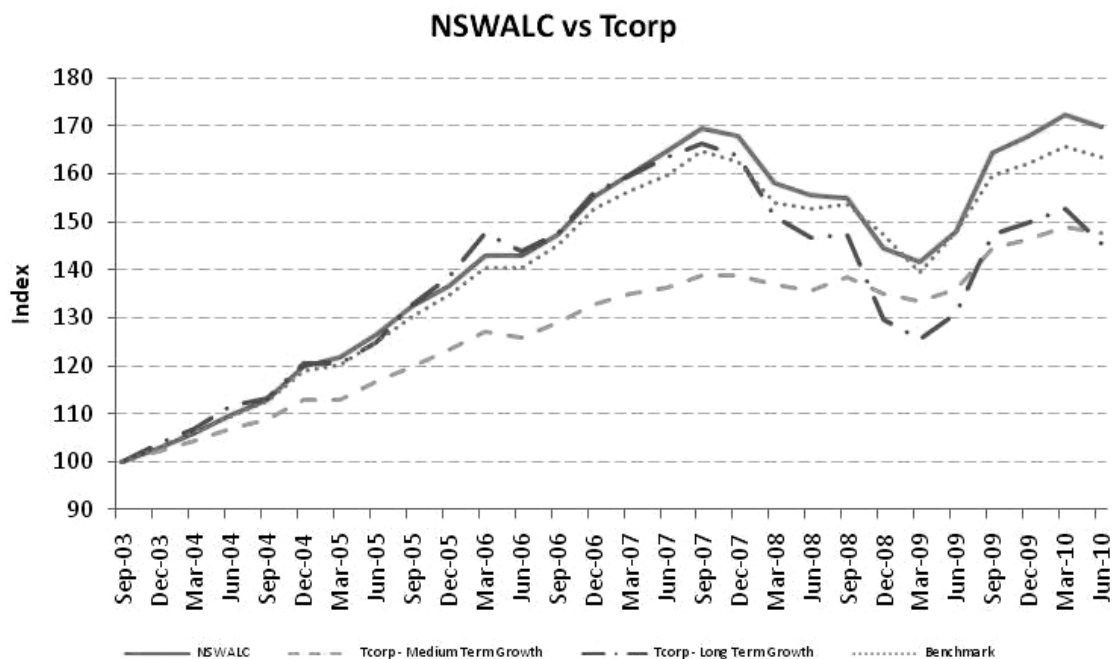
These are run by the New South Wales Treasury.

This is an important comparison.

There has been much speculation over the years as to whether, or not, the funds should be invested solely with the NSW Treasury.

NSWALC's argument against this has always been one of diversity, not only across asset class but also across fund managers.

This argument is validated by this performance which clearly shows NSWALC's performance to be less volatile as well as better performing over the different market cycles than that of either of the comparable Tcorp investments.



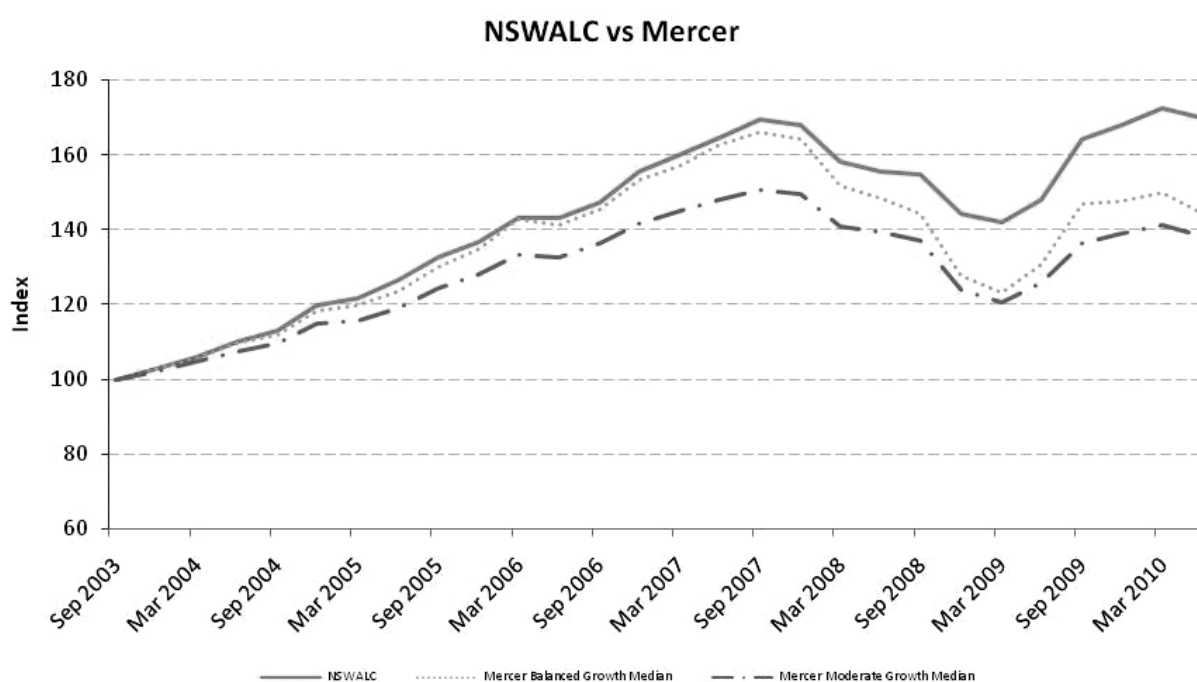
### PERFORMANCE TABLE FOR ABOVE GRAPH:

		1 Year	3 Years (pa)	5 Years (pa)
T Corp	Medium Term Growth	8.4%	2.7%	4.8%
T Corp	Long Term Growth	11.1%	-3.8%	3.1%
NSWALC	Benchmark	10.2%	0.7%	5.5%
NSWALC	Actual	14.7%	1.0%	6.1%

Following is a table that compares the performance of the NSWALC portfolio against two Mercer median portfolios.

This is provided so as to compare the performance of NSWALC's portfolio against similar portfolios held by other institutions.

As can be seen NSWALC's portfolio has performed extremely well relative to its peers.



#### PERFORMANCE TABLE FOR ABOVE GRAPH AS WELL AS UPPER QUARTILE COMPARISON

		1 Year	3 Years (pa)	5 Years (pa)
Mercer	Moderate Growth	Median 9.5%	-1.0%	3.4%
Mercer	Moderate Growth	Upper quartile 10.9%	0.5%	4.4%
Mercer	Balanced Growth	Median 9.9%	-3.5%	3.2%
Mercer	Balanced Growth	Upper quartile 10.9%	-2.7%	4.1%
NSWALC	Actual	14.7%	1.0%	6.1%

The following table is provided to detail the individual manager holding of the portfolio as well as their performance against their benchmark and the Mercer median manager performance.

### Returns for periods ending 30 June 2010 (gross of investment fees and tax)

	Fund Size (\$'000)	Quarter %	1 Year %	3 Years %pa	5 Years %pa
<b>Bernstein Australian Value Equities</b>	<b>9,776</b>	<b>-11.3</b>	<b>13.3</b>	<b>-8.4</b>	<b>4.4</b>
<b>Arnhem Australian Equities</b>	<b>10,074</b>	<b>-11.9</b>	<b>11.9</b>	<b>-4.5</b>	<b>7.0</b>
<b>Orion Australian Equity</b>	<b>10,154</b>	<b>-11.3</b>	<b>13.3</b>	<b>-6.7</b>	<b>4.5</b>
<b>SSgA Australian Equities Index</b>	<b>30,329</b>	<b>-11.3</b>	<b>12.9</b>	<b>-7.8</b>	<b>4.5</b>
<b>Australian Equities Portfolio</b>	<b>60,333</b>	<b>-11.4</b>	<b>13.2</b>	<b>-6.9</b>	<b>4.8</b>
S&P/ASX 300		-11.2	13.1	-8.0	4.5
Median Manager		-11.5	14.0	-6.0	5.6
<b>Alliance Growth Int'l Equities</b>	<b>23,337</b>	<b>-6.3</b>	<b>3.9</b>	<b>-16.1</b>	<b>-5.1</b>
<b>Altrinsic Int'l Equities</b>	<b>23,828</b>	<b>-4.8</b>	<b>6.6</b>	<b>-8.6</b>	<b>na</b>
MSCI World ex-Aust \$A (unhedged)		-4.8	5.2	-11.5	-2.2
Median Manager		-4.7	7.0	-11.3	-1.7
<b>SSgA Int'l Equities Index (Hedged)</b>	<b>47,258</b>	<b>-11.4</b>	<b>13.2</b>	<b>-11.0</b>	<b>0.5</b>
MSCI World ex-Aust (hedged)		-10.9	14.1	-11.0	0.5
Median Manager		-10.8	14.1	-11.5	0.5
<b>International Equities Portfolio</b>	<b>94,424</b>	<b>-8.5</b>	<b>10.1</b>	<b>-13.2</b>	<b>-2.4</b>
MSCI World ex-Aust (50% hedged, 50% unhedged)		-7.8	9.7	-11.2	-0.8
<b>SSgA Australian Listed Property Index</b>	<b>24,418</b>	<b>-1.4</b>	<b>20.1</b>	<b>-23.1</b>	<b>-7.6</b>
S&P/ASX 300 Property Trusts		-1.5	20.3	-24.3	-8.3
Median Manager		-2.1	20.1	-24.0	-7.7
<b>Macquarie Australian Bonds True Index</b>	<b>24,772</b>	<b>3.6</b>	<b>7.9</b>	<b>7.7</b>	<b>6.1</b>
<b>Australian Fixed Interest Portfolio</b>	<b>24,772</b>	<b>3.6</b>	<b>8.4</b>	<b>6.8</b>	<b>5.4</b>
UBSA Composite		3.6	7.9	7.7	6.1
Median Manager		3.4	10.7	8.0	6.4
<b>SSgA International Bonds Index</b>	<b>40,566</b>	<b>3.5</b>	<b>9.1</b>	<b>9.6</b>	<b>6.9</b>
Citigroup World Government Bond Index (Hedged)		3.5	9.2	9.8	7.1
Median Manager		3.5	12.0	9.4	6.8
<b>PIMCO Global Credit</b>	<b>64,062</b>	<b>3.4</b>	<b>19.7</b>	<b>12.4</b>	<b>9.1</b>
<b>CFS Wholesale Global Credit Income</b>	<b>42,370</b>	<b>0.1</b>	<b>12.0</b>	<b>3.8</b>	<b>5.2</b>
<b>Global Credit Portfolio</b>	<b>106,432</b>	<b>2.1</b>	<b>16.3</b>	<b>11.1</b>	<b>8.3</b>
Barclays Capital Global Aggregate ex-Treasury (Hedged)		3.2	13.7	9.8	7.3
Median Manager		3.5	12.0	9.4	6.8
<b>BlackRock Global Inflation Linked Bonds</b>	<b>42,797</b>	<b>3.0</b>	<b>12.0</b>	<b>na</b>	<b>na</b>
Barclays Capital World Government Inflation Linked Bond Index (Hedged)		3.1	12.2	9.4	6.6
Median Manager		3.5	12.0	9.4	6.8
<b>MM&amp;E Capital Investment Trust No.1</b>	<b>11,547</b>	<b>1.2</b>	<b>3.7</b>	<b>0.6</b>	<b>5.1</b>
<b>FRM Absolute Alpha Fund</b>	<b>11,828</b>	<b>-0.5</b>	<b>9.4</b>	<b>-1.7</b>	<b>3.8</b>
<b>Warakirri Absolute Return Fund (USD)^</b>	<b>17,076</b>	<b>-1.8</b>	<b>10.7</b>	<b>0.9</b>	<b>5.9</b>
<b>BlackRock KEL Fund Class X S:1</b>	<b>28,239</b>	<b>-0.5</b>	<b>16.3</b>	<b>-2.7</b>	<b>na</b>
<b>Bridgewater All Weather Fund</b>	<b>28,453</b>	<b>5.7</b>	<b>22.0</b>	<b>4.0</b>	<b>na</b>
<b>QIC Cash Enhanced Fund</b>	<b>9,091</b>	<b>1.2</b>	<b>6.0</b>	<b>5.5</b>	<b>na</b>
<b>Absolute Return Portfolio</b>	<b>106,234</b>	<b>1.3</b>	<b>13.2</b>	<b>-0.5</b>	<b>4.6</b>
UBSA Bank Bill		1.1	3.9	5.6	5.8
Median Manager		1.1	3.9	5.6	5.8
<b>Total Fund*</b>	<b>500,588</b>	<b>-1.5</b>	<b>14.7</b>	<b>1.0</b>	<b>6.1</b>
Benchmark		-1.4	10.2	0.7	5.5

## Where Does the Money Go

The following table provides a snapshot of the major operational calls on NSWALC funds during the financial year.

	\$'000
<b>Revenue</b>	
Sale of Goods	2,255
Investment Revenue	47,335
Grants and Contributions	4,328
Other Gains - Changes in Fair Value of Investments	16,271
Other Revenue	9,448
<b>Total Revenue</b>	<b>79,637</b>
<b>Expenses</b>	
Audit Fees	305
Consultant Fees	1,224
Enterprise and Farm Expenses	3,027
Depreciation	1,217
Amortisation – Intangible Assets	205
Bad and Doubtful Debts	2,036
Employee-related Expenses	11,643
Funding of Local Aboriginal Councils	13,690
Grants	945
Legal Expenses	1,091
Motor Vehicle Expenses	616
Maintenance Expenses	268
Travel Expenses and Meal Allowances	1,004
Program Expenses	4,831
Loss on Disposal of Asset	16
Other Expenses	3,001
<b>Total Expenses</b>	<b>45,119</b>
<b>SURPLUS/ (DEFICIT) FOR THE YEAR</b>	<b>34,518</b>
Other Comprehensive Income	5,841
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>40,369</b>

We now turn to the operational achievements for the separate Units within the Finance and Administration Division.

## Finance Unit

As noted earlier the Administration component of this Unit was transferred to the Records Management Unit during the reporting period.

This allowed the organisation to provide an improved focus on core finance issues.

Management and financial accounting were also divided into two smaller units.

The main focus of the Finance Unit has been to perform more analytical work and to place more emphasis on the interpretation of NSWALC's financial data to improve our ability to forecast future results.

Tighter budget controls were also put in place to ensure NSWALC's operating budget is in line with the 'Drawdown Rule.'

A new business reporting system was also introduced to enable managers to exercise greater control on the expenditure of their respective units.

NSWALC was also planning to implement a Balanced Scorecard system to give a clearer view of expenditure across the organisation as the reporting period ended.

The new system will allow the organisation to bring financial, customer, human resources and internal policies into one reporting tool and match expenditure against Key Performance Indicators.

All tendering, procurement and contracts were also centralised during the period to provide consistency of processing and handling.

NSWALC assets have also been incorporated into its existing finance software. It was previously a stand-alone module.

Finance also continued to update its current policies to support good governance and was investigating the implementation of a Fraud Framework to supplement those as this reporting period ended.

In addition, all of NSWALC's artefacts have been catalogued and valued.

The Finance Unit also supervised the annual audit by the Auditor General and had key input into a number of internal audits.

As noted earlier, NSWALC again received an unqualified audit and met the statutory date for the sign off of its financial statements by the Auditor Office for the second year running.

This was a pleasing result for the Chief Financial Officer, Ms. Palmer, who has been working for the past five years to implement best practice across the Finance and Administration units.

A number of interns were seconded to the Finance Unit during the year.

All received valuable training in return for their assistance.

## Human Resources Unit

The Unit continued throughout the reporting period to provide the Councillors, management and staff of NSWALC with an extensive range of services as well as providing advice and support to the Zone Offices in their dealings with Local Aboriginal Land Councils.

The Unit also commenced a transition process to enable greater emphasis and focus on strategic human resources management aligned to support NSWALC's core business.

## Recruitment Functions

The reporting period was a relatively stable one for staff turnover, particularly when set against the major administrative restructure in recent years.

Recruitment activities were limited to critical positions in line with the decision by Governing Council and the Chief Executive Officer to freeze all new staff appointments other than those considered essential to maintain core functions.

Key appointments during the period included a new Director of the Media and Marketing Unit and a new Director of Corporate Governance.



Other notable appointments were the promotion of long serving Land Rights Officer, Terry Millott, to the position of Manager of the Land Rights Unit, the appointment of two Senior Legal Officers and a Commercial Analyst.

Approval was also obtained from the Registrar during the reporting period for the direct employment of a number of mid to long term temporary employees.

NSWALC has long had difficulties in attracting suitably qualified staff to a range of positions across the organisation despite extensive and costly advertising.

It has had to implement other strategies and initiatives to identify, attract and retain qualified and experienced staff.

This has included sourcing potential applicants through specialist recruitment agencies, networking and targeting employees from external agencies and other organisations.

NSWALC has also sought to identify existing staff with the capacity and commitment for development and progression to fill internal vacancies.

These strategies have been successful.

NSWALC has recruited a number of high calibre staff to positions after failing to attract suitable applicants through traditional means of advertising.

While these strategies have been successful, NSWALC is required to externally advertise all positions under section 143A (1) of the ALRA and clause 91 (1) of the Regulations

The mandatory advertising of these positions, when suitably qualified and experienced staff have been identified and appointed through alternative means, has been considered by NSWALC to be an unnecessary and costly process.

NSWALC made representations to the Office of the Registrar on this issue during the reporting period. As a result this mandatory provision was waived.

The need to review recruitment strategies, including open advertising, remains an ongoing challenge for the organisation.

The dissolution of Koombahtoo LALC also resulted in NSWALC taking responsibility for a number of existing staff employed at the former LALC.

Their unique duties vary significantly from other NSWALC staff.

This raised a number of potential industrial issues and obligations which were being considered as this reporting period ended.

## Learning and Development

The Human Resources Unit continued to coordinate the participation of staff in a range of external conferences, course and seminars.

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

This included financial assistance towards fee payments and leave to attend compulsory lectures.

NSWALC recognises that significant benefits flow from the professional development of staff.

These include the improvement and enhancement in qualifications, expertise and performance, and retention.

The Unit will continue to review, identify and provide cost effective strategies to assist in meeting these outcomes.

## Industrial Relations

As previously reported NSWALC has established a Joint Consultative Committee.

The purpose of the Committee is to facilitate ongoing and effective communication, participation and consultation between the staff and management of NSWALC.

The Committee comprises three management representatives and three staff representatives.

The staff representatives were determined by a formal election process.

The Committee met during the reporting period although a major focus of staff and management consultation revolved around the establishment of an Enterprise Agreement.

Further details of this consultation process are provided below.

## Industrial Relations Jurisdiction

A significant development during the previous reporting period related to NSWALC's industrial relations jurisdiction.

It centred on the question of whether NSWALC remained within the State industrial relations system or should be subject to the Federal industrial relations jurisdiction.

NSWALC took the view it was a Constitutional Corporation with "trading functions" and, as such, should be subject to the Federal industrial relations jurisdiction.

The organisation was still liaising with the Public Service Association and Professional Officers Association on this matter as the previous reporting period ended.

It was also progressing the development of an Enterprise Agreement to replace the previous NSWALC Staff Award 2006.

This matter continued to be the subject of contention between the parties during the current reporting period and was referred to the NSW

Industrial Relations Commission for a Compulsory Conference.

NSWALC formally advised the PSA in August 2009 of its view that it is a trading corporation and the applicable jurisdiction was the federal system.

The PSA were also advised NSWALC intended to commence negotiating an Enterprise Agreement with its employees and/or their nominated bargaining representatives.

That process commenced in September 2009.

All eligible employees were given the opportunity to nominate a Bargaining Representative.

As a result a total of fourteen Bargaining Representatives were nominated on behalf of employees together with two employer appointed Bargaining Agents.

This first Enterprise Bargaining Committee Meeting was held in November 2009.

A number of follow up meetings were held during the reporting period.

The Committee had reached consensus on the majority of matters raised by the end of the reporting period.

It was anticipated NSWALC's first Enterprise Agreement under the Federal Industrial Relations jurisdiction would be finalised and operational by late 2010.

## LALC Fair Work Act Information Package

During this period NSWALC developed a discreet Information Package on the potential impact of the new Fair Work Act on Local Aboriginal Land Councils.

It was developed in consultation with an external legal advisor.

LALCs were advised the provisions of the Fair Work Act now applied to them.

They were provided information on issues they needed to consider and understand to assist them in meeting their legislative requirements.

The package included external contact points at both Fair Work Australia and the NSW Industrial Relations ATSI Unit.

The package included:

- Information Document.
- National Employment Standards Overview.
- Fair Work Information Statement.
- Small Business Fair Dismissal Code.

The documents were also provided to the Zone Offices for distribution to LALCs.

## Traineeship

As previously reported arrangements were made for the appointment of an Aboriginal Certificate III Business Trainee working out of the office of Councillor Stephen Ryan.

Mr. Corbin Carney's one year traineeship commenced on 29 June 2009.

## NAVITAS Professional Internship Program

During the reporting period NSWALC also entered into agreement with Navitas Workforce Solutions Pty Ltd to host a number of Interns.

The internship forms part of the Navitas Professional Year Program/Skilled Migration Internship Program-Accounting, a program administered by the Department of Immigration and Citizenship.

It had been developed with the oversight of the following Professional bodies: The Australian Computer Society for ICT graduates, CPA, NIA and the Institute of Chartered Accountants for accounting graduates.

Under the program Navitas provides Information Technology and/or Accounting Graduate Internships to the NSWALC at no cost.

NSWALC's responsibility as the host company is to provide the Interns with 12 weeks relevant work experience.

All costs are met by the provider and there is no expectation or commitment to employ the interns at the expiry of the program.

Two interns were engaged during the period in the Finance Unit and ICT Units.

This program has proved to be mutually beneficial.

NSWALC will be looking at other potential interns in the next reporting period.

## Occupational Health and Safety

As previously reported a new Occupational Health and Safety Committee was established at the Parramatta Office.

Representation was extended to include three staff representatives from the Southern, Northern and Western Zone Offices during the reporting period.

Committee members undertook a comprehensive four day training program in OHS Consultation.

The course, conducted through Courtenell Pty Ltd, is a WorkCover Accredited Occupational Health and Safety Course.

The Committee continued to meet on a regular basis to consult and consider a broad range of OH&S matters prior to recommending appropriate action.

The NSWALC still maintains a good Occupational Health and Safety record.

A total of seven incidents were reported during the year.

Only one resulted in the lodgment of a formal Workers Compensation Claim.

Full statistics are provided on the OH&S Table located at the end of this report.

## Parramatta Security

A number of building security issues were addressed during the reporting period.

Initiatives included:

- An audit of all building access cards.
- A requirement for all visitors to NSWALC offices to sign a Register and display Visitor Identification Cards at all times.
- All Staff being issued with Identification Cards.
- Car park access to be restricted to approved Visitors.

## Records and Administration Unit

The merging of Records Management and Administration Units fostered changes in both operations and procedures during the reporting period.

It has enabled a successful transition to a more purely service oriented structure, particularly in Administration.

## Electronic Document Management (EDM)

The major development for the EDM process has been the design and submission of a Functional Disposal Authority.

This will allow the organisation to accurately sentence its official records in accordance with relevant legislation and its operational needs.

A large number of records fall under Normal Administrative Practice regarding storage.

There are, however, a proportion of records that have functions and activities that are unique to NSWALC.

They are not currently bound by any rules to ensure proper long term storage, or where appropriate, disposal.

The first part of a new rules process was completed during the reporting period.

A Draft Authority was designed and submitted for comment to the State Records Authority.

Once any amendments are made, based on any recommendations by the State Records Authority, a second draft may be submitted.

The Records section will then be able to implement, and begin training, in the use of this tool.

## General Recordkeeping

The reporting period saw the introduction of new mailing processes designed to expedite mail delivery and add a new layer of security to the way in which the mail is stored.

This period also saw the introduction of a Disaster Recovery plan for records stored onsite.

This details contacts and procedures that need to be followed to protect corporate knowledge in the event of a natural disaster, such as fire or flood.

Fire proof safes have also been purchased and installed to house unique records.

## Archiving

The Records Section also continued with the auditing of information across the network.

A particular emphasis was placed on the gathering of a full set of Governing Council Minutes since the establishment of NSWALC and the culling of superfluous information from the Government Records Repositories.

The process of evaluating, registering, storing and, where appropriate, disposing of the NSWALC records has continued throughout the period.

## The Year Ahead

Further consolidation of the Records and Administration functions are planned in the new financial year.

Records staff will be concentrating on the archiving and disposal of existing on site records and the conduct of a comprehensive audit of documents stored at the Government Records Repository.

This will create space for an expansion of existing active records as the take up of EDM grows.

There will also be an emphasis on completion of tasks laid out in the Operational Plan, with the completion of the Disaster Recovery component and a concerted effort to implement the Functional Disposal Authority once it has been approved for use by State Records.

A key focus for Administration staff will be the introduction and consolidation of the Tendering and Procurement function.

NSWALC's audit obligations require a full time staff member to monitor this process to ensure transparency and compliance.

A Tendering and Procurement Officer has been undertaking Government Accredited training to this end.

The travel component of the Unit will also undergo a review in order to determine the effectiveness of the software currently being used.

## Information Technology Unit

A three tiered support structure within the Unit during this reporting period continued to provide greater support and coverage of the more complex service and support requests within the organisation.

The Unit continued to provide invaluable technical assistance and advice for a range of business activities.

It increased its support to Councillors, management and staff and NSWALC's Zone Offices during the period by converging data and voice communications while providing secure access to the core ICT network at Parramatta.

This extended the benefits of mobility to the organisation and helped reduce costs.

At the end of the reporting period the Unit was investigating the use of tele-conferencing and the Internet to host online meetings in a bid to further increase the efficiency of the organisation and to further drive down costs.

## Enterprise Applications and Databases

The Unit also began development of the business data catalogue noted in last year's Annual Report.

Information sourced from business applications (SAP Business One, Payroll, Trim, Property Register, Funding and Compliance and LALC Management Support System) will be used in the new reporting period to measure the performance of operations against the corporate strategy.

This will be done through key performance indicators on a Balanced Scorecard.

## NSWALC Online

The Information Technology Unit worked in partnership with the Media and Marketing Unit during the reporting period to complete a major re-design of the NSWALC website.

The new website delivers stronger branding of the organisation.

## Legal Services Unit

The NSWALC Legal Services Unit reported another busy year, particularly in relation to its work on land claim appeals and ongoing contractual and commercial litigation matters.

Given the transfer of the Land Services Unit into Legal Services this year, and the crucial importance of land rights in NSWALC's operations, we begin this section with a report on the activities of this Unit during the reporting period.

## Land Services Unit

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

NSWALC undertakes this task because many LALCs simply do not have access to the resources, or the funding, to do so.

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

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

## The Purpose of Land Claims

The granting of land claims is the sole remaining form of compensation for dispossession of land which is available under the Aboriginal Land Rights Act, 1983.

The process involves NSWALC and Local Aboriginal Land Councils lodging land claims over NSW Crown Land with the Office of the Registrar of the ALRA.

This office registers the lodgement of the claims and then forwards them to the Land and Property Management Authority for determination.

The claims are determined by the Minister for Lands, 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, nor likely to be needed as residential lands;

- Lands which are not needed, nor likely to be needed, for an essential public purpose; and
- 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.

NSWALC may make a claim for land on its own behalf, or on behalf of a Local Aboriginal Land Council.

Land Councils have a four month period in which to appeal Ministerial refusal of a land claim.

All refused land claims are assessed by the Legal Services Unit.

Appeals are heard, in the first instance, by the NSW Land and Environment Court.

NSWALC continued to assist LALCs to 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 8880 land claims were lodged during the reporting period, compared with a total of 1958 claims during the previous reporting period.

A total of 69 land claims were granted or partially granted.

1151 land claims were refused.

NSWALC still considers this to be a disappointing result despite the fact it compares with a total of nine claims granted in the preceding reporting period and the refusal of 1067 land claims.

As at 30 June 2010 a total of 27,021 land claims had been lodged since the enactment of the ALRA in 1983.

This compared with a total of 18,042 land claims lodged at the end of the 2008-09 financial year.

A total of 2398 land claims have been successful.

A total of 6562 land claims have been refused.

The 20,000th Aboriginal land claim was lodged on 9 September 2009.

At the end of this reporting period some 17,735 land claims were awaiting a determination from the Minister for Lands.

Of these outstanding land claims 296 were lodged before the 2000/2001 financial year.

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

The former Premier of NSW, Nathan Rees, had directed the Minister for Lands to determine those land claims that were lodged prior to 1993 before the end of 2009.

As a result, the Minister for Lands granted 25 land claims, partially granted 29 land claims and refused 103 land claims.

There are still seven land claims undetermined.

The Legal Services Unit assessed the refused land claims.

This resulted in a number of appeals being lodged. Details of these appeals can be found in the overview of Legal matters.

The time taken to determine land claims and issue Certificates of Title to Land Councils is an ongoing concern for NSWALC and the LALCs as evidenced by the material in the advocacy section of this report.

NSWALC has continued to raise its concerns with the NSW Government over the slow determination of land claims, and the surveying and issue of the Certificates of Title despite this

NSWALC and Local Aboriginal Land Councils will continue to exercise their statutory right to claim available Crown land.

## Claims Awaiting Survey and Issue of Certificates of Title

During the reporting period a total of 230 Certificates of Title were issued by the Land and Property Management Authority to Local Aboriginal Land Councils as a result of successful land claims.

Certificates of Title were issued to the following Local Aboriginal Land Councils:

Bathurst, Bogal, Broken Hill, Darkinjung, Deerubbin, Eden, Gandangara, Grafton Ngerrie, Guyra, Jerrinja, Karuah, Kempsey, Lightning Ridge, Mindaribba, Mudgee, Murrin Bridge, Nambucca Heads, Narrabri, Ngambri, Ngulingah, Nowra, Nungaroo, NSWALC, Orange, Pejar, Purfleet Taree, Red Chief, Tamworth, Toomelah, Unkya, Wagga Wagga and Worimi.

## Limited Title

Since the enactment of the ALRA in 1983 the Land & Property Management Authority (LPMA) has always issued an unlimited freehold title for granted land.

However in November 2009 the LPMA, without any consultation with NSWALC, began issuing some limited titles for granted land.

This means that the boundaries of the land are not defined.

In order to remove this limitation a Survey Plan must be lodged with LPMA at the Land Council's expense.

Of the 228 Certificates of Title that were issued during the reporting period a total of 192 are Limited Titles.

NSWALC has objected to this "business decision" and negotiations were continuing with the Government on these matters as the reporting period ended.



## NSWALC Property Register

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

It makes this information available on request to LALCs.

NSWALC has also maintained an agreement with LPMA for access to its portal for online title and plan information.

This allows the Unit to quickly respond to any land inquiry from within NSWALC and from Local Aboriginal Land Councils.

## Overview of Legal Matters

The Legal Services Unit continued to provide direct assistance to, and have significant ongoing involvement with, all parts of NSWALC and its functions during this reporting period.

The LSU managed all land claim appeals in the Land and Environment Court, and Supreme Court, the Court of Appeal, as well as providing legal services on operational and strategic issues to NSWALC's Governing Council and the Chief Executive Officer.

Wherever possible, subject to capacity constraints, it is the preference of the LSU to advise on all key legal matters internally in order to build up in-house expertise.

It worked on all land claim matters by providing direct assistance and involvement with external solicitors in the assessment of refusals of land claims and to appeal incorrectly refused land claims.

The Unit anticipates an ongoing role in the appeals processes during the next reporting period.

It is also increasingly involved in many of the commercial activities of NSWALC and Local Aboriginal Land Councils, in conjunction with the Commercial Unit.

The Unit assisted in the analysis and assessment of the more complex applications for approval under

the former sections 40B and 40D of the Act.

It also assisted with the new land dealings provisions which replaced sections 40B and 40D of the Act on March 31, 2010.

The LSU 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.

The Unit also had considerable involvement with the Policy Unit on proposed culture and heritage legislation and regulations.

Assistance from the LSU resulted in significant improvements to culture and heritage amendments to the *National Parks and Wildlife Act 1974*, which were due to commence in October 2010.

The Unit also provided assistance to NSWALC officers involved in the dissolution of Quambone and Koombahtoo Local Aboriginal Land Councils.

All assets and liabilities of these Local Aboriginal Land Councils were transferred to NSWALC upon dissolution.

This entailed considerable administrative work.

The LSU has also liaised with the Training Unit on the delivery of Governance training to Board members of Local Aboriginal Land Councils and assisted the Operational Policy Unit with the ongoing development of a NSWALC policy on social housing schemes.

Legal services were also provided to Local Aboriginal Land Councils through the Zone Offices where specific assistance was requested on matters which NSWALC considered to be of particular importance to the LALC Network as a whole and which would not pose a conflict of interest.

## External Legal Costs

Expenditure on external legal service providers during the reporting period can generally be broken down into the following categories and shown as a percentage of LSU budget expenditure:

• Legal review of land claim refusals	10%
• Land claim litigation (appeals where land claims have been refused)	22%
• Compulsory acquisitions affecting land claims	0%
• Legal advice relating to the LALC Network	9%
• NSWALC general advice	21%
• Other NSWALC litigation	33%
• Review of Land Rights Act	5%
• <b>Total</b>	<b>100%</b>

## Land Claim Reviews

As noted earlier the Legal Service Unit and the Land Rights Unit continued NSWALC's usual policy of reviewing land claims lodged by NSWALC or Local Aboriginal Land Councils that were refused by the Minister for Lands.

The purpose was to determine if the refusals were lawful and whether appeals should be lodged with the Land and Environment Court.

The LSU inspected the files of the Land and Property Management Authority (LPMA) for approximately 690 land claim refusals during the reporting period.

Approximately 130 of these refusals were for land claims that were lodged between 1984 and 1993.

Of the 690 refusal inspections, NSWALC appealed 52 land claims on behalf of Local Aboriginal Land Councils in the reporting period.

Five of the appeals were settled by consent in the reporting period.

## Land Claim litigation and negotiation

While NSWALC is concerned about the increasingly litigious nature of the land claims process and the cost to both the self-funded land rights network and NSW taxpayers, the organisation has now won 12 out of 15 appeals against land claims refused by the Minister for Lands since 2007.

These wins have occurred in the Land and Environment Court, the Supreme Court, Court of Appeal, and the High Court of Australia.

Legal costs have been awarded in favour of NSWALC.

The successful land claim appeals have resulted in substantial tracts of land being vested in Local Aboriginal Land Councils including at Bathurst, East Lindfield, Berowra, Nambucca and Kempsey.

Importantly, all cases have established significant legal principles.

These principles relate to the Crown land that can, or cannot, be validly claimed, whether Crown land is lawfully used or lawfully occupied, and 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.

The LSU has also successfully challenged certificates issued by the Minister pursuant to sections 36(8)(a) and (b) of the *Aboriginal Land Rights Act 1983* which could have effectively defeated the Nambucca and Berowra land claims.

The LSU anticipates 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.

The Unit further developed its working relationship with officers of the LPMA during the reporting period and this has resulted in several negotiated outcomes.

This has avoided the unnecessary cost and expense of litigation, as well as the uncertainty of outcome for NSWALC and the NSW Government.

The Unit will continue to pursue appeal cases in the new reporting period.

It will do so on their respective merits through strategic review, negotiation and litigation with the goal of growing the land rights network and enhancing the ability of Local Aboriginal Land Councils and NSWALC to deliver real social and economic benefits to Aboriginal people in NSW.

## Compulsory Acquisition Notices

The LSU worked with the Land Rights Unit throughout the reporting period to review 54 Compulsory Acquisition Notices from Government and Utilities which had been issued under the *Land Acquisition (Just Terms Compensation) Act 1991*.

Nine of these Notices sought to compulsorily acquire land, and interests in land, in circumstances where the land 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 42B of the *Aboriginal Land Rights Act 1983*, except where an Act of Parliament is passed to permit this to occur.

The LSU has been actively involved in responding to these Notices, liaising with the acquiring bodies and considering whether any of the Proposed Acquisition Notices require legal challenge. No legal challenges were commenced in the reporting period.

The Compulsory Acquisition Notices in the reporting period resulted in consents to the creation of six easements pursuant to section 36(5A) of the *Aboriginal Land Rights Act 1983* in circumstances where the Aboriginal land claim is to be granted, two refused land claims and one land claim being withdrawn.

None of the Aboriginal Land Claims caused the proposed acquisition to be unable to proceed.

All six of the Aboriginal Land Claims where a consent was given for the acquisition of an easement were yet to be determined as the reporting period ended.

NSWALC is of the view that where an Aboriginal land claim already exists it should be determined before any proposed compulsory acquisition proceeds.

The LSU has worked with the LPMA to ensure that land claims are expedited where a compulsory acquisition is proposed.

It was in the process of negotiating a Memorandum of Understanding with the LPMA for such matters as this reporting ended.

The agreement would seek to ensure any such claims are determined as quickly and efficiently as possible to ensure acquisitions for essential public works are not stalled.

### ALRA Land dealings provisions

The most significant legal changes affecting the operation of NSWALC and the land rights network during this reporting period were the land dealings amendments to the Land Rights Act which came into effect on March 31, 2010.

These have been reported upon in detail throughout this report.

The LSU worked with NSWALC's Governing Council, NSWALC's Commercial and Policy Units, Aboriginal Affairs NSW and the Registrar of the Land Rights Act to implement the land dealings recommendations of the 2005 NSW Government Taskforce review of Land Rights Act by developing the land dealings amendments to the Act.

As part of this implementation NSWALC developed a new land dealings policy that was approved by the Minister for Aboriginal Affairs.

The land dealings amendments replaced Division 4 of the Land Rights Act and inserted a new Division 4A that inserted a new community development levy provision.

The amendments introduce a more transparent and accountable land dealings process for matters where Aboriginal Land Councils wish to deal with their land.

It will also provide more security for any third party wishing to deal with Aboriginal Land Councils.

NSWALC was engaged in a further set of miscellaneous amendments to the *Aboriginal Land Rights Act* as this reporting period ended.

These would give effect to recommendations flowing from the 2005 Task Force Review of the Act which were not dealt with in the first tranches of amendments to pass into law.

It was anticipated these amendments would go before the NSW Parliament, and come into force, during the next reporting period.

### Koompahtoo Local Aboriginal Land Council (KLALC)

The LSU worked with the Operational Policy Unit, Eastern Zone and other NSWALC staff to assist the KLALC during the reporting period.

It did so in response to a request from the KLALC administrator, Mr. Terry Lawler, to assist in protecting KLALC's substantial assets.

As previously reported, Mr. Lawler was appointed Administrator to the LALC following an Investigator's report in relation to unauthorised payments, loans to members and cash payments and land dealings that were found to have contravened the Land Rights Act.

During the administration, Mr Lawler, was involved in several contested hearings to remedy the effect of the unauthorised land dealings.

These included:

- The successful litigation in the High Court of Australia against Sanpine Pty Ltd to set aside a joint venture agreement, as a result of which KLALC was awarded costs of \$215,291.47; and
- The successful litigation in the Supreme Court seeking the return of land that was unlawfully transferred from KLALC to the Koompahtoo Property and Investment Trust. That land was transferred back to KLALC during the reporting period.

## ICAC inquiry and prosecutions

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 continued to liaise with the Director of Public Prosecutions and the ICAC regarding the prosecution of these individuals.

During the reporting period two of them, Mr. Bill Smith and Mr. Stephen Griffen, were convicted in Newcastle Local Court for obtaining money by false or misleading statements.

The charges had been brought under section 178BB of the *Crimes Act 1900*.

Both were sentenced to 9 months imprisonment on December 12, 2009.

The sentences were suspended under section 12 of the *Crimes (Sentencing Procedure) Act 1999*.

NSWALC understands from the ICAC that Mr. Smith and Mr. Griffen have appealed their convictions.

A third person, Ms Veronika Bailey, appeared at the Newcastle Local Court on 18 May 2010 on a similar charge. She pleaded guilty.

We understand from the ICAC that this matter is adjourned for sentencing.

Further prosecutions against Bill Smith, Adam Perkins, Kim Wilson, Bob Scott and Dale Holt were also commenced by the ICAC in the reporting period.

Each person was charged under section 249F(1) of the *Crime Act 1900* with aiding and abetting to receive corrupt benefit.

These matters were also still underway as this reporting period ended.

## Dissolution of KLALC

As reported earlier the Minister for Aboriginal Affairs dissolved KLALC during the reporting period.

The identification and management of KLALC's assets and liabilities, and the ongoing support of former LALC members, involved significant administrative and operational work for NSWALC during the reporting period.

## Litigation between Councillor Patricia Laurie and NSWALC

During the reporting period, the Land and Environment Court found that Councillor Laurie was disqualified from holding office as a NSWALC Councillor.

Councillor Laurie exercised her right to appeal this decision to the NSW Court of Appeal.

A decision on the appeal is expected early in the next reporting period.

The litigation rests on an interpretation of the disqualification provisions in the *Aboriginal Land Rights Act 1983* as they apply to NSWALC Councillors.

Sections 132 and 133 are of particular relevance.

These provisions were introduced in the last round of amendments to the ALRA.

They have never been tested.

The litigation seeks judicial clarification on the intent of the provisions.

Pending the outcome of the litigation, the parties agreed that Councillor Laurie would continue to carry out her duties in her position as the Councillor for the North Coast Region.

## Commercial Unit

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

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

It administers NSWALC's statutory obligations regarding the approval of proposed land dealing transactions.

Perhaps more importantly, it assists LALCs and NSWALC in land and commercial matters.

## New Land Dealings Policy

One of the major projects for the Unit in this reporting period was the development of new policy on the Assessment and Approval of Land Dealings of Local Aboriginal Land Councils.

As previously reported the then Minister for Aboriginal Affairs, Dr. Andrew Refshauge, established an ALRA Review Task Force in 2004 which identified a number of problems with the ALRA.

The Taskforce released two issues papers which drove amendments to the land dealings provisions of the Act in September 2009.

NSWALC's Commercial, Policy and Legal Units worked with NSWALC's Governing Council to develop land dealing policy consistent with the amended legislation before they came into effect on 31 March 2010.

The draft policy was approved by NSWALC's Governing Council and rolled out to the land council network in January – February 2010 as part of a consultation process required under the ALRA.

A suite of supporting documents was produced.

These included facts sheets, process flow diagrams and application forms to assist Local Aboriginal

Land Councils with the administrative processes now required under the legislation and the application of the new NSWALC land dealing policy in relation to them.

Two rounds of Regional forums were held across the State to explain the legislation, NSWALC's policy, and to provide LALCs with the opportunity to provide feedback.

The Regional Forums were well received across the Network.

Feedback received from the network at the forums prompted adjustment to the proposed amendments

The final draft of the land dealings policy was approved by the NSWALC Council, and by the Minister for Aboriginal Affairs, prior to the legislation coming into effect in March.

A number of land dealing applications were subsequently received by NSWALC in line with the new policy and legislative settings.

Guidance and support was being provided to LALCs on the new systems and processes as this reporting period ended.

## Land Dealing Activities

As noted in this space last year the Commercial Unit provides advice to the NSWALC Council on applications received from Local Aboriginal Land Councils under Division 4 of the Aboriginal Land Rights Act 1983.

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

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

As a result NSWALC receives a constant stream of land dealing enquiries and 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.



Although there continues to be an increasing interest in Aboriginal lands in relation to potential development, the impact of the global financial crisis (“GFC”) had a significant impact on land council land dealing activity during the 2009/2010 financial year.

Projects that had previously been approved by NSWALC struggled to secure development funding.

As a result, a number of projects were either put on hold or abandoned.

Despite the impact of the GFC there was a large number of land dealing applications received by NSWALC representing a broad range of activities.

Many land councils “fast tracked” their land development plans and lodged land dealing applications with NSWALC prior to amendments to the ALRA coming into effect from 1 March 2010.

This meant a very busy first quarter for NSWALC and a huge amount of interaction with land councils across the state.

The Commercial Unit anticipated this increased business activity and is pleased to report that all compliant land dealing applications received prior to 31 March 2010 were presented to NSWALC’s Governing Council for determination.

Most LALC’s have now completed land audits of their property holdings and are thinking strategically about how they might best utilise their land assets.

In this reporting period land dealing applications included a variety of applications including those involving land subdivision, land disposal and leasing of land.

Since the land dealing amendments to the ALRA, NSWALC has also received a number of applications relating to the lodgment of development applications to local government authorities – which are now caught under the expanded definition of land dealing activity.

With the completion of land audits, LALC Boards and CEO’s have focused their attention on actively seeking out and “driving” land development opportunities for the benefit of their members.

A whole range of new opportunities have been identified, including mining and quarrying activities.

An upward trend in coal prices and minerals suitable for road construction has driven a reassessment of some sites previously considered to be economically unviable.

LALCs are working with property industry professionals and competent financial and legal advisors and forming strategic alliances with quality Joint Venture Partners and industry experts.

The mining and quarrying activities fall into this category.

They are indicative of LALCs increasing their capacity to participate in a broad range of activities with the potential to deliver long term financial benefits to their members.

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

## **Property Development Assistance Program**

The Unit established a pilot program during this reporting period, the NSWALC Property Development Assistance Program, to focus on providing an even broader range of services to the Network.

This program is specifically targeted at assisting LALCs assess their land holdings and develop strategic plans for specific properties.

The program aims to provide guidance and suggestions to LALCs on:

- Potential land development of opportunities for LALC land
- Possible options for structuring of land development projects and how those projects might be funded, and
- How the risks relative to land development can be identified and appropriately managed.



Assistance had been provided to eight Local Aboriginal Land Councils in the first six months of the program

Feedback received from participating LALCs has indicated the program is positioning them well to identify and analyse the options available to them, the manner in which they might structure their land dealings, how they might finance the venture, and how the risks associated with property development can be appropriately managed.

Funding for the program had been provided until the end of December 2010

## Regional Activity Reports

An increasing number of LALCs 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.

The role of the NSWALC Councillors has added value to this process.

Councillors have been actively involved in enhancing the relationship between NSWALC and LALCs.

The Commercial Unit provided regular updates to each Councillor during the reporting period in relation to land dealing activity in their region.

Councillors have been well informed of the detail of individual transactions and have provided great assistance to LALCs in gaining a better understanding of both NSWALC's role as the approving body and the NSWALC land dealing policy.

Councillors have also been actively promoting the NSWALC Property Development Assistance Program.

The Unit also presented a number of information briefs and discussion papers to the Council on strategic management of the rural property

portfolio, the NSWALC owned property portfolio, and the commercial management of Head Office in Argyle Street Parramatta.

It also completed a number of other projects aimed at improving the financial and operational management of NSWALC's property holdings during the reporting period.

## Asset Management

The Unit also achieved improvements to the financial and operational performance of the Argyle Street property for the fourth consecutive year.

Refinements to management control systems resulted in further decreases in operating expenses.

Total operating expenses for the 2009/2010 financial year were \$534,090, compared to \$600,106 in the 2008/09 financial year.

This represented a reduction of \$66,016-or 11.0% on the previous reporting period.

An increase in net income was also achieved.

Net income for the building for the 2009/2010 year (including NSWALC tenancies) equalled \$1,204,052.

This represented an increase of \$172,290-or 16.7%-over the net income results for the 2008/2009 financial year.

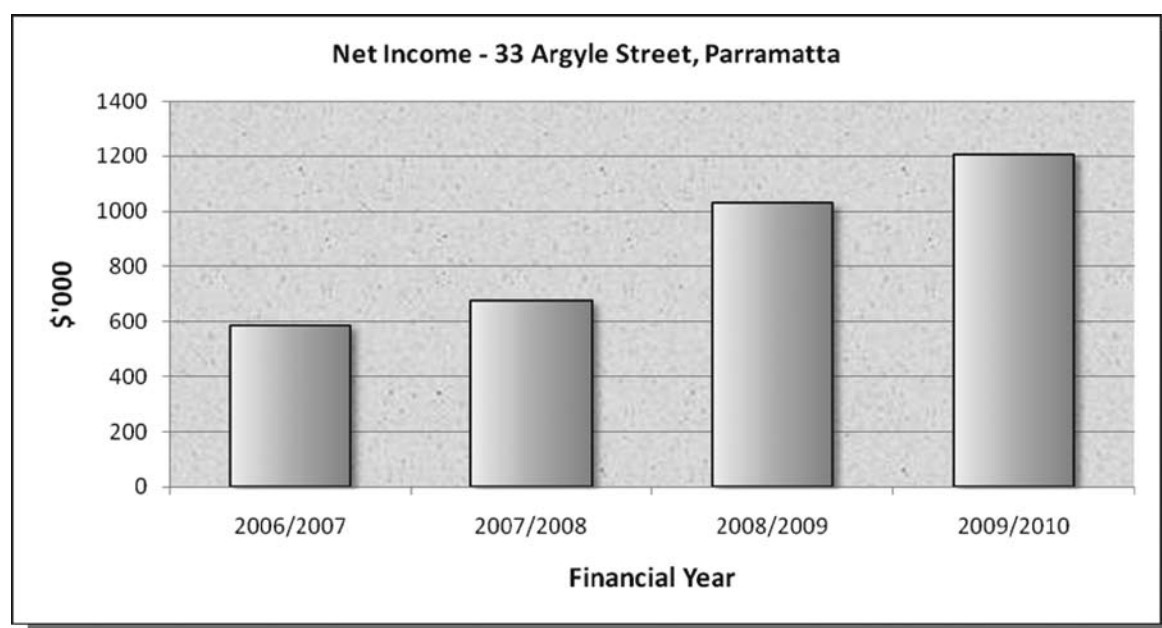
As detailed in this space last year, NSWALC undertook an audit of the car park at Argyle Street.

Security card access was reconciled for the building, vacant car spaces leased, and license agreements with tenants were audited.

At the same time, a number of office leases within the nine level building resulted in an overall increase in rents.

Tenancy rental increases were more tightly controlled, outgoing costs recovered, and the financial performance of the building maximised.

The chart below shows the continually improvements made to the net income of the building over the past four financial years:



The reduced operating expenditure, combined with the increase in net income, has resulted in NSWALC's overall net return on investment increasing from 7.6% to 8.9% based on the 2009 Egan National Valuers valuation of \$13,500,000 for the building.

This is a very positive result given the impact of the global financial crisis and the average performance of commercial buildings in Parramatta.

The building vacancy level was 6.36% for the reporting period.

This is low when compared to recent data published by the Property Council of Australia.

This indicated overall office market vacancy in the Parramatta CBD at 10.7%.

NSWALC has worked hard over the past four years to manage the vacancy risk profile of leases within the building by negotiating staggered lease expiry dates.

During the previous financial year NSWALC commissioned a report by Jones Lang LaSalle's Energy and Sustainability Services Group.

The focus of the report was to provide information to assist with future management planning for the building.

The first objective was to obtain a NABERS (National Australian Built Environment Rating System) rating for the building.

This measures the energy efficiency of the building.

This information was required to enable NSWALC to fulfill its obligations under new legislation requiring compulsory disclosure of energy efficiency ratings for commercial office buildings.

The second objective of the report was to determine what type of improvements could be made to the building to increase its energy efficiency, the likely cost, and any anticipated outcome of a direct improvement to the current NABERS rating.

The report identified a number of different strategies to improve energy efficiency with an unofficial NABERS rating in the mid range.

These strategies were being discussed, and cost estimates prepared, as part of the development of a whole of life asset plan for the building as this reporting period ended.

This will ensure NSWALC's ongoing legislative compliance and maintain our competitive position in the Parramatta commercial property market.

During the previous financial year a contract for the capital upgrade of lifts to the building was awarded to ThyssenKrupp Elevator Australia. Project management was awarded to JCA Lift Consultants.

Works were completed in December 2009 at a total cost of \$694,650 within budget and on time with a resultant fall in maintenance costs and issues.

## Management of Rural Properties

NSWALC continues to manage a number of rural properties which had been bought by various Regional Aboriginal Land Councils which are now defunct.

The ownership of the properties was transferred into the ownership of NSWALC by legislative amendment in 1990.

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

Properties under management include:

PROPERTY	LOCATION	SIZE (ha)
Appin Station	Menindee	31,704
Barooga Karrai	Euabalong	9,890
Calooma Nulty Springs	Bourke	35,609
Kaituna Uno	Coonamble	5,184

NSWALC has invested significant capital in the properties since 2002 and with the assistance of Riverina Farm they are now in the best shape they have been in for many years.

However, they continue to sustain operating losses.

They did so during the reporting period.

This was largely due to bumper wheat harvests in Australia, the United States and elsewhere.

The bumper crops produced an oversupply of wheat for the world food market.

As a result, the anticipated income from the NSWALC crops was significantly reduced.

Wheat crops were planted at Kaituna Uno when wheat prices were sitting at \$340 per tonne.

Budgets were conservatively set at an expected price of \$280 per tonne.

The global oversupply saw sale prices at harvest slump to \$160-\$180 per tonne.

The impact of this, coupled with increased freight costs to get the wheat to port resulted in the portfolio failing to produce a positive return on investment for the season.

Ironically, the failure of wheat crops in Russia had prompted the Russian Government to ban wheat exports as this reporting period ended.

This had reduced the supply of wheat to world markets.

An anticipated shortage of wheat had pushed global wheat prices back up to a peak of \$370 per tonne.

As previously reported the NSWALC Council resolved in April 2009 to explore opportunities to agist or lease Calooma / Nulty Springs, Appin Station and Barooga Karrai given their marginal nature and their continuing drain on resources.

Barooga Karrai has been leased.

Caretaker arrangements had also been put in place at Appin Station and Calooma / Nulty Springs as this reporting period ended.

Kaituna Uno was still fully operational with cattle and cropping programs in place.

Crops included wheat, barley, canola and chick peas.

Budgets for the new financial year anticipate the leasing of Appin Station and Calooma / Nulty Springs.

#### **KAITUNA UNO**

This property continues to perform well, both in cereal cropping and cattle grazing.

It carried up to 2000 head of cattle at any one time during the reporting period. The cattle were fattened on farm due to an abundance of natural feed.

More than 3000 tonnes of wheat, 388 tonnes of canola, and 54 tonnes of barley was harvested from the property during the financial year.

#### **BAROOGA KARRAI**

This was predominately used as a cattle fattening property throughout the period in conjunction with Kaituna Uno and Calooma Nulty Springs.

Fodder crops were also planted at Barooga Karrai to supplement the natural feed available at the property.

These crops performed well and provided a good source of food during the drier months of the year.

#### **CALOOMA NULTY SPRINGS**

This property was stocked with breeding cattle throughout the reporting period.

Approximately 450 head of cattle were placed on the farm including 16 bulls in order to produce some calves to supplement the purchasing of cattle year round for the NSWALC livestock program.

A muster had not been completed due to wet weather at the time of writing this report.

It was anticipated about 300 calves would have been produced.

#### **APPIN STATION**

This property was agisted throughout the 2009/2010 financial year with cattle and sheep grazed at the property.

Exact numbers varied depending on weather conditions and available feed throughout the year.

The agistee gave notice of their intention to finish the agreement and NSWALC had a caretaker on site as the reporting period ended.

### **AACL Risk Sharing Agreement:**

As previously reported the Western Australian company, Australian Agricultural Contracts Ltd, ("AACL") approached NSWALC in 2008 with an offer to "share the risks" associated with wheat cropping.

AACL has been operating in WA for some time and were looking to expand their operations into NSW.

The proposal offered NSWALC the opportunity to mitigate some of its risk.

Whilst it is possible to insure crops for specified risks, they cannot be insured against failure due to lack of rain and other variables.

Put simply, the arrangement involved NSWALC planting a wheat crop.

AACL reimbursed NSWALC the cost of planting in return for an agreed 10-15 % share of the yield.

Should the crop fail prior to harvest, the farmer (NSWALC) retained the monies already paid to it by AACL with the crop loss being borne by the farmer.

NSWALC entered into an agreement with AACL for 3 years and is now entering the final year of the agreement period.

The land subject to the contract included seven paddocks at Kaituna Uno.

Other NSWALC rural properties were not included in the program by AACL due to their location in marginal rainfall areas.

## Network Services

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

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

The Unit continued to work 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 legislative and policy changes along with mandatory training requirements for all elected representatives.

The Unit also worked with all relevant stakeholders on the legislative requirement for Local Aboriginal Land Councils to develop Community Benefit schemes, including Social Housing Schemes.

Following are the achievements for each of the Units within Network Services during the 2009-10 financial year.

## Compliance and Evaluation Unit

This Unit provides support to Councillors, management and Zone Offices in their delivery of services to Local Aboriginal Land Councils on the compliance of NSWALC and LALCs with their obligations with part 8 of the ALRA, relevant Regulations, and Policy on LALC Funding and Financial Obligations.

It is the compliance and evaluation hub of the land rights network.

## State-wide LALC Funding Category Report

The funding categories of all LALCs were determined during the reporting period by the NSWALC policy on "Local Aboriginal Land Council Funding and Financial Obligations."

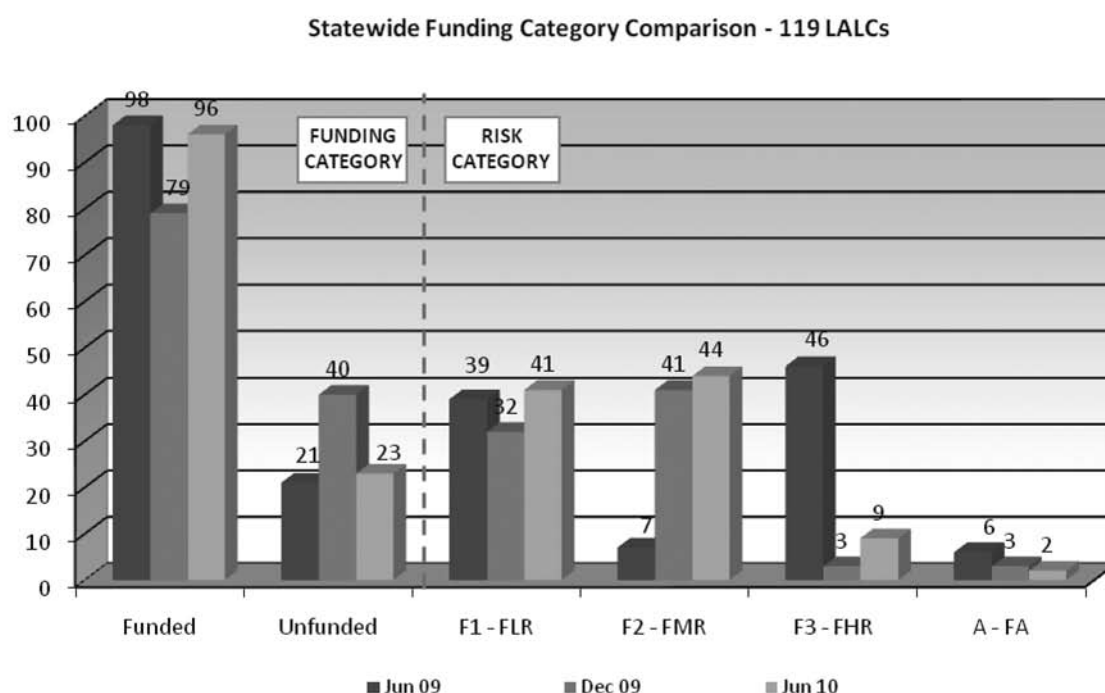
The funding categories are based on each of the LALCs compliance with its obligations under the Aboriginal Land Rights Acts, the ALRA Regulations

and risk level assessed under NSWALC's LALC Management Support System (LMSS).

The Policy has the following categories:

- FLR:** Funded Low Risk – the LALC is in compliance with regulations and has an LMSS assessment score of 90% or above. The cash allocations are paid in quarterly instalments in advance in July, October, January and April, under an executed funding agreement, and the LALC is under obligation to provide half yearly financial reports which are due by 28 January (first-half report) and 28 July (second-half report).
- FMR:** Funded Medium Risk – the LALC is in compliance of regulations and has an LMSS assessment score between 70% and 90%. The cash allocations are paid in quarterly instalments in advance in July, October, January and April, under an executed funding agreement, and the LALC is under obligation to provide quarterly financial reports which are due by 28 October, 28 January, 28 April and 28 July.
- FHR:** Funded High Risk – the LALC is in compliance of regulations and has an LMSS assessment score between 50% and 70%. The cash allocations are paid in monthly instalments in advance, under an executed funding agreement, and the LALC is under obligation to provide monthly financial reports which are due by the 28th day of the following month.
- FA:** Funded Under Administrator – the LALC is under administration and LMSS assessment is not required. The cash allocations are paid in quarterly instalments in advance in July, October, January and April. The Administrator reports under the terms of appointment from the Minister.
- UF:** Unfunded – the LALC is in regulatory breach that prevents NSWALC from providing direct funding to the LALC or the LALC has a LMSS assessment score of less than 50%. If the LALC enters into an Assistance Agreement, then NSWALC pays the expenses for the LALC to perform its essential functions. However, essential payments can be made for a LALC that does not have an assistance agreement, if the payment is to preserve the LALCs valuable assets or to prevent any substantial liability occurring.

The following column graph compares the number of LALCs in each funding category at the end of this financial year compared with their category at the same point last year and at the end of December 2009.

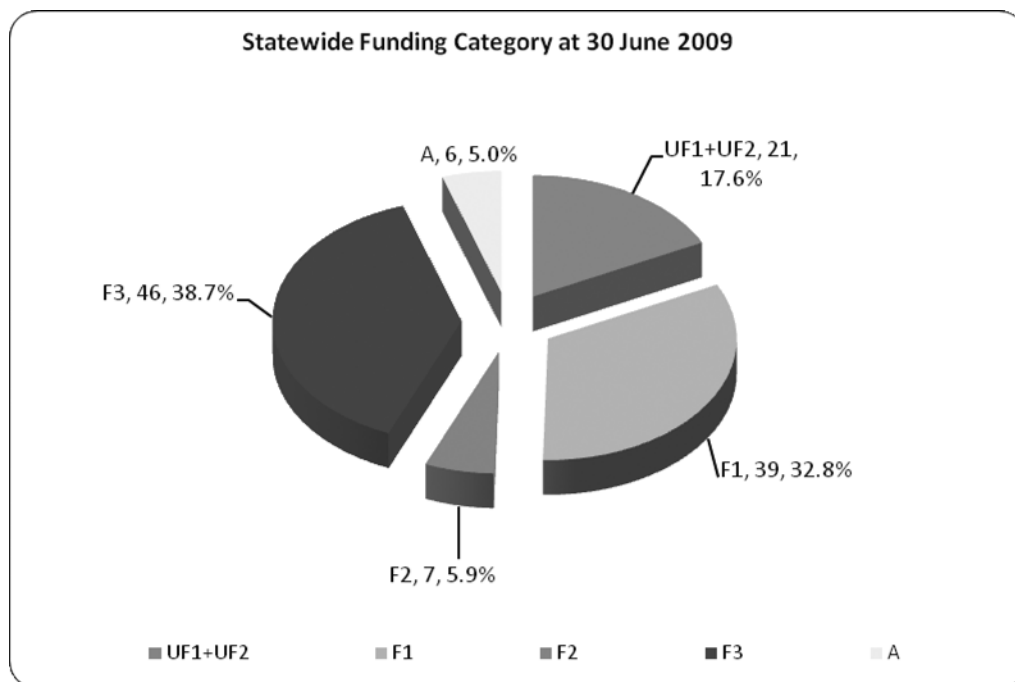


Graph 1 (Funding Category Section - at each report point; Funded +Unfunded =119 LALCs. Similarly, in Risk Category Section – at each report point; each risk category +A=119 LALCs)

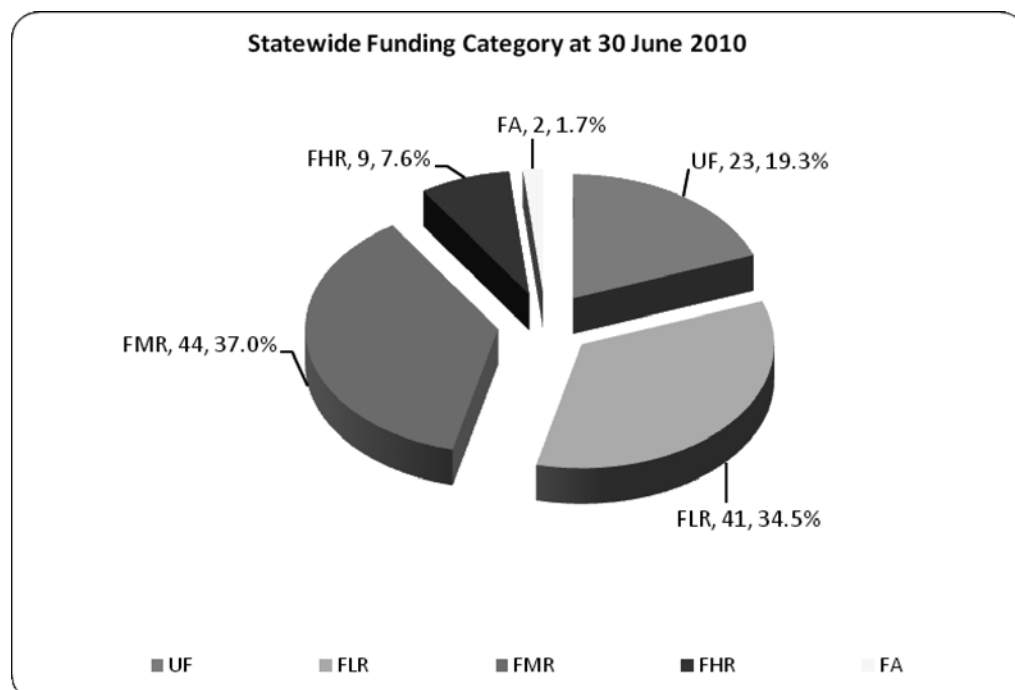
The number of LALCs in the funded category had decreased by two at the end of this financial year. A total of 96 LALCs were in the funded category at this report date, compared with 98 at the end of last report date.

Six LALCs were under administration at the end of last financial year. This had dropped to two at the end of the 2009/10 financial year.

The following pie graphs compare the number of LALCs in individual funding (risk) categories at the end of the last financial year with the end of this reporting period.



Graph 2 (State-wide Funding Category at the end of Last Financial Year – 30 June 2009)



Graph 3 (State-wide Funding Category at the end of this Financial Year – 30 June 2010)



The funding categorisation of the LALCs changed with the implementation of a new funding policy as from 1 July 2009.

The new funding policy introduced LALC Management Support System (LMSS), which assesses the performance of each LALC to determine the services to be provided by the Zone Offices and the reporting requirement of the LALCs.

The LMSS assessment also decides the risk category of each LALC, which in addition to current compliance status of the LALC, determines the funding category of each LALC, i.e. Funded Low Risk (FLR), Funded Medium Risk (FMR), Funded High Risk (FHR) and Unfunded (UF).

Previously, the funding categorisation was based entirely on compliance history of the LALC i.e. F1 (continuous compliance for last 2 years), F2 (continuous compliance for last 12 months), F3 (recorded breach within last 12 months), UF1 (in continuous breach for 6 months) and UF2 (in continuous breach in excess of 6 months).

The effect of the funding categorisation change is depicted in three graphs produced above (Graph 1, Graph 2 and Graph 3) especially in categories FMR and FHR.

There are considerably less LALCs in the high risk category under the new categorisation system.

## Statewide Grant Allocations Report

Section 106(8)(e) of the ALRA requires the NSWALC to grant funds for the payment of the costs and expenses of LALCs, whether under funding agreements or otherwise.

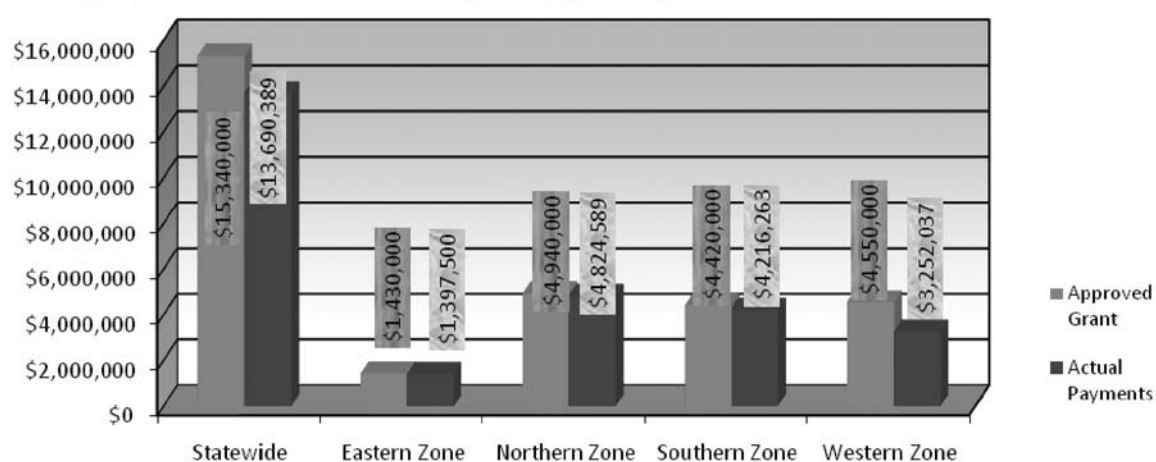
The ALRA prescribes this function to NSWALC's Governing Council.

The function cannot be delegated.

Council had approved allocation grants to 118 Local Aboriginal Land Councils of \$130,000 each during the 2009-10 financial year. .

This amounted to a total grant allocation of \$15,340,000.

**Actual Outgoings (Allocations and Essential Expenses) against Approved Grant**



This graph shows that 89.2% of the approved grant of \$15,340,000) has been paid to the LALCs, either in cash allocations or essential payments during the reporting period.

These payments amounted to a total of \$13,690,389.

The graph measures the actual outgoings, comprising of cash allocations and the essential payments, against the approved grant for the LALCs in each Zone and the total for all LALCs state-wide.

As pointed out earlier, cash allocations are paid in instalments to compliant LALCs in accordance with their funding categories.

The essential payments are granted to unfunded LALCs under assistance agreement for the operations of their essential functions.

However, essential payments may also be granted to unfunded LALCs without assistance agreement, if the payment is for protection or preservation of LALC assets or to avoid significant liabilities.

A total of \$1,637,959.64 had been paid for the essential functions of 28 LALCs state-wide during this reporting period.

## Breakdown of the essential payments on Zone and Region basis

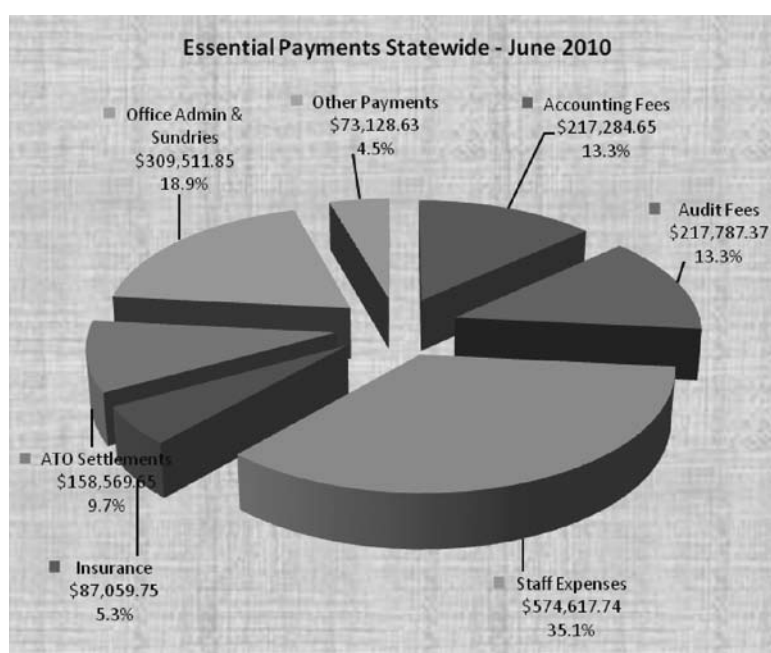
	No. of LALCs		Total Essential Payments	
	Region	Zone	Region	Zone
<b>Eastern Zone</b>		0		0
<b>Northern Zone</b>		3		186,071.89
North Coast	2		168,288.53	
Northern	1		17,783.36	
<b>Southern Zone</b>		8		478,656.56
South Coast	3		168,695.20	
Wiradjuri	5		309,961.36	
<b>Western Zone</b>		17		973,231.19
Central	2		119,235.07	
North West	11		620,411.56	
Western	4		233,584.56	
<b>Total</b>	<b>28</b>	<b>28</b>	<b>1,637,959.64</b>	<b>1,637,959.64</b>

The pie graph shows that 35.1% of the total essential payments were for staff expenses.

General office administration (including communications, electricity, vehicle and travel expenses) accounted for 18.9% of the total payments; accounting and audit fees 26.6% and Australian Tax Office settlements 9.7%.

Those LALCs that remained unfunded at the end of a financial year, or have remained in breach for an extended period during a part of the financial year, forfeited their grants in accordance with the NSWALC funding policy.

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.



## Details of Funds Granted and Payments to Each LALC

Financial Year Ending 30 June 2010

No.	Region	LALC	Approved Grant	Cash Payment	Essential Payments	Forfeited Grant
1	Sydney Newcastle	Awabakal	\$130,000.00	\$130,000.00		
2	Sydney Newcastle	Bahtabah	\$130,000.00	\$130,000.00		
3	Sydney Newcastle	Darkinjung	\$130,000.00	\$130,000.00		
4	Sydney Newcastle	Deerubbin	\$130,000.00	\$130,000.00		
5	Sydney Newcastle	Gandangara	\$130,000.00	\$130,000.00		
6	Sydney Newcastle	Koompahtoo	\$130,000.00	\$97,500.00		\$32,500.00
7	Sydney Newcastle	La Perouse	\$130,000.00	\$130,000.00		
8	Sydney Newcastle	Metropolitan	\$130,000.00	\$130,000.00		
9	Sydney Newcastle	Mindaribba	\$130,000.00	\$130,000.00		
10	Sydney Newcastle	Tharawal	\$130,000.00	\$130,000.00		
11	Sydney Newcastle	Worimi	\$130,000.00	\$130,000.00		
12	Central Coast	Birpai	\$130,000.00	\$130,000.00		
13	Central Coast	Bowraville	\$130,000.00	\$130,000.00		
14	Central Coast	Bunyah	\$130,000.00	\$130,000.00		
15	Central Coast	Coffs Harbour & District	\$130,000.00	\$130,000.00		
16	Central Coast	Forster	\$130,000.00	\$130,000.00		
17	Central Coast	Karuah	\$130,000.00	\$130,000.00		
18	Central Coast	Kempsey	\$130,000.00	\$130,000.00		
19	Central Coast	Nambucca Heads	\$130,000.00	\$130,000.00		
20	Central Coast	Purfleet/Taree	\$130,000.00	\$130,000.00		
21	Central Coast	Stuart Island	\$0.00	\$0.00		
22	Central Coast	Thungutti	\$130,000.00	\$130,000.00		
23	Central Coast	Unkya	\$130,000.00	\$130,000.00		
24	North Coast	Baryulgil Square	\$130,000.00	\$130,000.00		
25	North Coast	Birrigan Gargle	\$130,000.00	\$130,000.00		
26	North Coast	Bogal	\$130,000.00	\$130,000.00		
27	North Coast	Casino Boolangle	\$130,000.00	\$130,000.00		
28	North Coast	Grafton Ngerrie	\$130,000.00	\$88,517.47	\$41,482.55	-\$0.02
29	North Coast	Gugin Gudduba	\$130,000.00	\$130,000.00		
30	North Coast	Jali	\$130,000.00	\$130,000.00		
31	North Coast	Jana Ngalee	\$130,000.00	\$130,000.00		
32	North Coast	Jubullum	\$130,000.00	\$130,000.00		
33	North Coast	Muli Muli	\$130,000.00	\$0.00	\$126,805.98	\$3,194.02
34	North Coast	Ngulingah	\$130,000.00	\$130,000.00		

35	North Coast	Tweed Byron	\$130,000.00	\$130,000.00		
36	North Coast	Yaegl	\$130,000.00	\$130,000.00		
37	Northern	Amaroo	\$130,000.00	\$130,000.00		
38	Northern	Anaiwan	\$130,000.00	\$130,000.00		
39	Northern	Armidale	\$130,000.00	\$0.00	\$17,783.36	\$112,216.64
40	Northern	Ashford	\$130,000.00	\$130,000.00		
41	Northern	Coonabarabran	\$130,000.00	\$130,000.00		
42	Northern	Dorrigo Plateau	\$130,000.00	\$130,000.00		
43	Northern	Glen Innes	\$130,000.00	\$130,000.00		
44	Northern	Guyra	\$130,000.00	\$130,000.00		
45	Northern	Moombahlene	\$130,000.00	\$130,000.00		
46	Northern	Nungaroo	\$130,000.00	\$130,000.00		
47	Northern	Red Chief	\$130,000.00	\$130,000.00		
48	Northern	Tamworth	\$130,000.00	\$130,000.00		
49	Northern	Walhallow	\$130,000.00	\$130,000.00		
50	Northern	Wanaruah	\$130,000.00	\$130,000.00		
51	South Coast	Bateman's Bay	\$130,000.00	\$130,000.00		
52	South Coast	Bega	\$130,000.00	\$130,000.00		
53	South Coast	Bodalla	\$130,000.00	\$98,606.00	\$7,676.82	\$23,717.18
54	South Coast	Cobowra	\$130,000.00	\$130,000.00		
55	South Coast	Eden	\$130,000.00	\$130,000.00		
56	South Coast	Illawarra	\$130,000.00	\$130,000.00		
57	South Coast	Jerringa	\$130,000.00	\$130,000.00		
58	South Coast	Merrimans	\$130,000.00	\$0.00	\$130,000.00	
59	South Coast	Mogo	\$130,000.00	\$130,000.00		
60	South Coast	Ngambri	\$130,000.00	\$130,000.00		
61	South Coast	Nowra	\$130,000.00	\$130,000.00		
62	South Coast	Ulladulla	\$130,000.00	\$130,000.00		
63	South Coast	Wagonga	\$130,000.00	\$97,500.00	\$31,018.38	\$1,481.62
64	Wiradjuri	Albury & District	\$130,000.00	\$130,000.00		
65	Wiradjuri	Condobolin	\$130,000.00	\$119,166.66		\$10,833.34
66	Wiradjuri	Cowra	\$130,000.00	\$43,333.32	\$86,666.68	
67	Wiradjuri	Cummeragunja	\$130,000.00	\$130,000.00		
68	Wiradjuri	Deniliquin	\$130,000.00	\$130,000.00		
69	Wiradjuri	Griffith	\$130,000.00	\$21,666.66	\$93,153.53	\$15,179.81
70	Wiradjuri	Hay	\$130,000.00	\$130,000.00		
71	Wiradjuri	Leeton & District	\$130,000.00	\$130,000.00		
72	Wiradjuri	Moama	\$130,000.00	\$130,000.00		

73	Wiradjuri	Murrin Bridge	\$130,000.00	\$130,000.00		
74	Wiradjuri	Narrandera	\$130,000.00	\$119,166.67		\$10,833.33
75	Wiradjuri	Onerwal	\$130,000.00	\$97,500.00	\$29,999.95	\$2,500.05
76	Wiradjuri	Orange	\$130,000.00	\$43,333.33		\$86,666.67
77	Wiradjuri	Peak Hill	\$130,000.00	\$76,500.00	\$15,100.47	\$38,399.53
78	Wiradjuri	Pejar	\$130,000.00	\$130,000.00		
79	Wiradjuri	Tumut Brungle	\$130,000.00	\$130,000.00		
80	Wiradjuri	Wagga Wagga	\$130,000.00	\$130,000.00		
81	Wiradjuri	Wamba Wamba	\$130,000.00	\$30,833.34	\$85,040.73	\$14,125.93
82	Wiradjuri	West Wyalong	\$130,000.00	\$130,000.00		
83	Wiradjuri	Bathurst	\$130,000.00	\$130,000.00		
84	Wiradjuri	Young	\$130,000.00	\$130,000.00		
85	Central	Dubbo	\$130,000.00	\$130,000.00		
86	Central	Gilgandra	\$130,000.00	\$130,000.00		
87	Central	Mudgee	\$130,000.00	\$130,000.00		
88	Central	Narromine	\$130,000.00	\$130,000.00		
89	Central	Nyngan	\$130,000.00	\$115,684.53		\$14,315.47
90	Central	Quambone	\$130,000.00	\$0.00		\$130,000.00
91	Central	Trangie	\$130,000.00	\$130,000.00		
92	Central	Warren Macquarie	\$130,000.00	\$130,000.00		
93	Central	Weilwan	\$130,000.00	\$0.00	\$98,035.95	\$31,964.05
94	Central	Wellington	\$130,000.00	\$32,500.00	\$21,199.12	\$76,300.88
95	North West	Baradine	\$130,000.00	\$130,000.00		
96	North West	Brewarrina	\$130,000.00	\$0.00	\$49,764.25	\$80,235.75
97	North West	Collarenebri	\$130,000.00	\$10,833.33	\$81,553.60	\$37,613.07
98	North West	Coonamble	\$130,000.00	\$130,000.00		
99	North West	Goodooga	\$130,000.00	\$0.00	\$91,965.20	\$38,034.80
100	North West	Lightning Ridge	\$130,000.00	\$12,580.64	\$81,647.49	\$35,771.87
101	North West	Moree	\$130,000.00	\$97,500.00	\$10,906.03	\$21,593.97
102	North West	Mungindi	\$130,000.00	\$0.00	\$33,445.13	\$96,554.87
103	North West	Murrawari	\$130,000.00	\$0.00	\$57,284.70	\$72,715.30
104	North West	Narrabri	\$130,000.00	\$130,000.00		
105	North West	Nulla Nulla	\$130,000.00	\$14,327.95	\$42,996.68	\$72,675.37
106	North West	Pilliga	\$130,000.00	\$56,212.42	\$25,061.94	\$48,725.64
107	North West	Toomelah	\$130,000.00	\$65,000.00		\$65,000.00
108	North West	Walgett	\$130,000.00	\$130,000.00		
109	North West	Wee Waa	\$130,000.00	\$10,833.33	\$60,306.46	\$58,860.21
110	North West	Weilmoringle	\$130,000.00	\$0.00	\$85,480.08	\$44,519.92

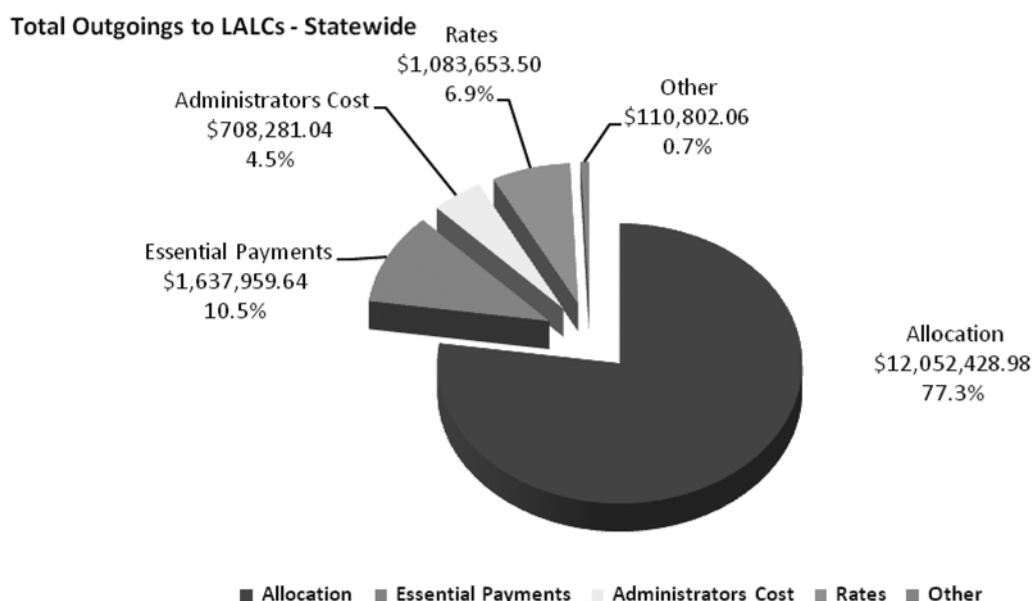
111	Western	Balranald	\$130,000.00	\$130,000.00		
112	Western	Broken Hill	\$130,000.00	\$130,000.00		
113	Western	Cobar	\$130,000.00	\$43,333.33		\$86,666.67
114	Western	Dareton	\$130,000.00	\$0.00	\$118,932.69	\$11,067.31
115	Western	Ivanhoe	\$130,000.00	\$0.00	\$4,295.39	\$125,704.61
116	Western	Menindee	\$130,000.00	\$0.00	\$71,273.32	\$58,726.68
117	Western	Mutawintji	\$130,000.00	\$0.00	\$39,083.16	\$90,916.84
118	Western	Tibooburra	\$130,000.00	\$130,000.00		
119	Western	Wanaaring	\$0.00	\$0.00		
120	Western	Wilcannia	\$130,000.00	\$130,000.00		
121	Western	Winbar	\$0.00	\$0.00		
			\$15,340,000.00	\$12,052,428.98	\$1,637,959.64	\$1,649,611.38

This table below shows summary of the payments against approved grant.

PAYMENT CATEGORY	AMOUNT	PERCENTAGE
Cash Allocations	\$12,052,428.98	78.57%
Essential Payments	\$1,637,959.64	10.68%
Forfeited Grants	\$1,649,611.38	10.75%
Approved Grants	\$15,340,000.00	100.00%



## Total Outgoings for LALCs



This graph shows the total outgoings of \$15,593,125.22 to LALCs for the financial year ending 30 June 2010.

In addition to cash allocations and essential payments against the approved grant, the total payments include administration costs, payments of rates and other payments such as the cost of Investigator's and legal fees.

It should be noted that NSWALC is entitled to recover Administrator's costs, rates and other payments from the relevant LALCs from their future allocations.

## Compliance and Funding Database

As noted last year much of the work undertaken by this Unit in the previous reporting period centred on preparation for an upgrade of the central database on LALC compliance with legislative requirements and NSWALC funding policies.

This development work concluded in the reporting period and a Compliance and Funding Database is now deployed to assist NSWALC and LALCs.

Its functions include the ability to:

- Automatically create the compliance requirements of each LALC, one month before the compliance date.
- Automatically breach a LALC for non compliance *at midnight on the compliance date*.
- Automatically change the Funding Category of a LALC;
- Automatically change a Compliance date if a funded LALC has failed to comply, register the date a user records any observation breach for a funded LALC, the date a user updates the database with a final compliance requirement for a LALC.

The database also provides timely automated e-mails, which include;

- Reminders to Zones offices and the LALCs on upcoming compliance requirements and dates.
- Information regarding automatic funding category change and issue of Non Compliance Notice to the LALCs.
- Acknowledgements of compliances by the LALCs.
- Offer, execution and termination of Funding or Assistance agreements.

It also contains LALC Contact and Database User authorisation details

A Global Help function is built within the database to assist users in updating information and creating a range of reports.

It is user friendly and easy to navigate to assist in finding any required help with the operation of the database or interpretation of relevant regulations that have an effect on the database process

It also automatically activates a change in the funding category of a LALC based on any change in the risk score of that LALC, as a result of the new LMSS assessment process.

It records executed Funding Agreements and, or Assistance Agreements, and automatically terminates these agreements in accordance with the funding and financial obligation policy

It is also connected to the SAP (General Ledger) program to download payments against approved grants

The database contains the compliance and breach records of all LALCs. This information is also used to generate timely and accurate;

- Breach and Allocation Reports for the Minister for Aboriginal Affairs as required under section 159 of the Aboriginal Land Rights Act, and
- LALC Status Reports for meeting of NSWALC's Governing Council.

The Users have flexibility to create Compliance, Breach and Funding Reports tailored to their needs in any of four formats – (1) Online (2) Adobe Acrobat, (3) Microsoft Excel and or (4) Microsoft Word.

A consulting firm, Antares Solution has developed the application with Network Services staff and the NSWALC IT Unit.

The database has been designed to be flexible enough to accommodate any change in policy, legislation or regulation.

## **Investigation and Administration of Aboriginal Land Councils**

As outlined earlier in this report, the State Government and NSWALC are intermittently required to intervene into the affairs of a LALC which has demonstrated a failure to comply with the provisions of the ALRA.

This is seen by NSWALC as a measure of last resort.

NSWALC's primary strategy is to ensure that interventions are not used as an alternative to other more cost effective and efficient mechanisms that are available to achieve the same result.

The financial cost of investigators and administrators is prohibitive and are a financial drain on the entire land rights network.

External intervention also has a significant operational and political cost for the affected LALC, and the members it has been established to serve. It reflects badly on the land rights system as a whole.

Part 11 of the ALRA sets out the roles and responsibilities of NSWALC, the Minister, and the Registrar, on interventions.

In cases where a LALC is non compliant with the ALRA the Minister may appoint an investigator pursuant to s 216(1) of the Act or an administrator pursuant to s 222(1).

There were 116 functioning LALCs across the State at the end of this reporting period.

One LALC was under investigation and two were under administration as at 30 June 2010.

A total of seven LALCs were under administration at the end of the previous financial year.

**A TOTAL OF SEVEN APPOINTMENTS OF ADMINISTRATORS WERE CURRENT AT 30 JUNE 2009**

LALC	Administrator	New Appointment Start Date	Status at 30 June 2009
Metropolitan	David Lombe	4 August 2008	Extended until 3 August 2009
Wellington	Andrew Bowcher	15 September 2008	Extended until 14 September 2009
Tharawal	Terry Lawler	16 September 2008	Extended until 15 September 2009
Moree	Andrew Hoholt	3 June 2008	Extended until 2 March 2010
Koompahtoo	Terry Lawler	24 February 2003	Extended until 13 March 2010
Balranald	Andrew Bowcher	22 October 2008	Extended until 21 July 2010
Wilcannia	Andrew Bowcher	26 May 2009	Extended until 25 August 2010

**A TOTAL OF FIVE APPOINTMENTS OF ADMINISTRATORS WERE COMPLETED DURING 2009/2010 FINANCIAL YEAR**

LALC	Administrator	Appointment Start Date	Date Completed
Metropolitan	David Lombe	4 August 2008	3 August 2009
Wellington	Andrew Bowcher	15 September 2008	14 September 2009
Tharawal	Terry Lawler	16 September 2008	15 September 2009
Moree	Andrew Hoholt	3 June 2008	2 March 2010
Koompahtoo	Terry Lawler	24 February 2003	13 March 2010

The following briefly highlights the outcomes at the LALCs post administration.

**Metropolitan Local Aboriginal Land Council (MLALC)**

Mr. David Lombe, handed the dealings of the MLALC back to its members, the Board, and a newly recruited CEO on August 3, 2009 after a 12 month administration.

Before doing so his focus was on land dealings.

Outstanding audit issues were resolved with substantial corrections made to the LALCs audited financial statements.

The MLALC had completed a staff review, governance training, and an organisational restructure, as it entered the new reporting period.

**Wellington Local Aboriginal Land Council (WLALC)**

Mr. Andrew Bowcher completed his term of appointment as administrator at WLALC on 14 September 2009.

During his term a seven-member Board was elected and a new Chief Executive Officer recruited

A range of non-compliance issues were rectified with all compliance breaches cleared, including the preparation and lodgement of audited financial statements.

Mr Bowcher also arranged for the management of the LALC's rental properties to be outsourced.

## Tharawal Local Aboriginal Land Council (TLALC)

Mr. Terry Lawler completed a twelve month appointment as administrator for the TLALC on 15 September 2009.

In the last few months of the administration he employed a CEO and held an Annual Meeting to facilitate a LALC Board election.

This resulted in the election of a ten-member Board which received induction and governance training from NSWALC Zone staff.

The Annual Meeting was attended by over 110 people, including more than 70 who were eligible to vote.

Attendance at previous meetings had fallen below 20 LALC members.

## Moree Local Aboriginal Land Council (MLALC)

Mr. Andrew Hoholt completed his term of appointment as administrator on 2 March 2010.

During the administration Mr. Hoholt successfully completed the recruitment of a LALC Chief Executive Officer but no LALC Board could be elected due to a lack of meetings and the failure to achieve a quorum at an Annual General Meeting.

A Board has since been elected and NSWALC's Operational Policy Unit and Western Zone Staff continue to work with the MLALC CEO on community engagement and membership issues.

### Investigators appointed as at June 30, 2010

LALC	Investigator	Appointment Start Date	Completion Date
Cowra (Investigator)	William Murphy	7 June 2010	6 August 2010

### Administrators appointed as at June 30, 2010

LALC	Administrator	Appointment Start Date	Completion Date
Balranald (Administrator)	Andrew Bowcher	22 October 2008	21 July 2010
Wilcannia (Administrator)	Andrew Bowcher	26 May 2009	25 August 2010

Following are details of the LALCs under investigation and administration at the end of the reporting period and the reasons for the appointment.

## Cowra Local Aboriginal Land Council (CLALC)

Mr Bill Murphy from Steel Walsh and Murphy was appointed by the Minister from June 7, 2010.

Despite two attempts to hold an election no Board was in place.

The CLALC had a number of breach issues during the financial year. Their funding agreement was terminated in January, and the LALCs Annual Report was found to be non compliant.

A range of property management issues were also of concern including a lack of repairs and maintenance on LALC properties.

The LALC had also been unable to maintain required quorums during meetings of members.

The investigator was appointed to seek to implement strategies to change the culture of CLALC and encourage wider participation of members.

As noted earlier, two LALCs were in administration at the end of this reporting period. They were Balranald Local Aboriginal Land Council and Wilcannia Local Aboriginal Land Council.

### **Balranald Local Aboriginal Land Council (BLALC)**

The Minister appointed Mr. Andrew Bowcher as administrator to BLALC from October 22, 2008 to April 21, 2009.

This appointment was extended on three occasions to allow Mr. Bowcher to complete his terms of reference by July 21, 2010.

Mr Bowcher was initially appointed following a number of breaches of the ALRA.

However, the necessary compliance requirements were nearing completion as this reporting period ended.

The performance improvements made during the reporting period are, perhaps, best reflected in its LALC Management Support System (LMSS) score which had increased from 37.46 to 83.76 at June 1, 2010.

An Election was held on 26 May 2010 when a Board was successfully elected. The Board will receive governance and LMSS compliance training in due course.

Mr Bowcher provided an exit strategy in his June 2010 report in order to provide a smooth transition back to BLALC members at the completion of his appointment on 21 July 2010.

### **Wilcannia Local Aboriginal Land Council (WLALC)**

The Minister approved the appointment of Mr Andrew Bowcher as administrator to the WLALC for 6 months from 26 May 2009 to 25 November 2009; being assigned full function of the WLALC.

The appointment of an Administrator was required because WLALC had failed to cause proper accounts to be held and to furnish satisfactory audited financial statements and documents in accordance with Division 2 Part 8 of the ALRA.

Mr Bowcher requested an extension of time to complete the administration on June 23, 2009.

NSWALC subsequently received the Minister's approval to extend from November 26, 2009 to May 25, 2010.

Mr Bowcher requested a further six month extension to November 25, 2010.

Council resolved to extend the appointment for a further three months to August 25, 2010.

The extensions were requested because the administration of Wilcannia LALC had proven to be complex.

However progress was being made as this reporting period ended.

Numerous members meetings had been convened and the management of the LALC's housing had been outsourced from June 1, 2010.

Minor repairs and maintenance had been carried out on multiple WLALC properties.

Wilcannia has been identified as one of two priority areas in NSW under the National Partnership Agreement for Remote Service Delivery signed between the State and Commonwealth Governments during the reporting period.

The Administrator liaised with State, Local and Federal Government agencies on service delivery, particularly on property and tenancy management issues.

## Dissolution

Two LALCs, Quambone and Koompahtoo, were dissolved following a period under administration during this reporting period.

### Quambone Local Aboriginal Council (QLALC)

At the end of the 2008- 2009 financial year the Minister for Aboriginal Affairs had proposed making an order to dissolve QLALC under section 87 of the ALRA.

The Administrator had found QLALC to be in contravention of the ALRA on a number of grounds.

These included:

- No ordinary meetings of members or Annual Meetings had been held since 2004;
- The statutory functions of QLALC had not been performed for the past four financial years;
- No Board had been elected for QLALC for the past 4-5 years;
- There had been no updated membership roll produced since 1992;
- QLALC had failed to meet its obligations under s 153 of the ALRA;
- No Annual Report had been provided for the last 4-5 years.

The Minister issued an order dissolving QLALC, along with a simultaneous order transferring all assets, rights and liabilities of the LALC to the NSWALC pursuant to section 89(1) of the ALRA.

The orders were published in the NSW Government Gazette no 26 dated 29 January 2010, the date of dissolution.

### Koompahtoo Local Aboriginal Land Council (KLALC)

The Minister issued a public statement on March 10, 2010 announcing his decision to dissolve KLALC from March 12.

The Minister made it clear his decision was a “last resort,” and, in many ways, regrettable, but ultimately it was “unavoidable.”

*“The basis of my decision,” he added, “is that the LALC had been under administration for three out of five years. In fact, it has been in continuous administration for seven years”.*

The Minister issued an order dissolving KLALC, and an order transferring all assets, rights and liabilities of KLALC to NSWALC pursuant to section 89(1) of the ALRA.

The orders were published in the NSW Government Gazette No 38 on March 12, 2010.

## The Year Ahead

As mentioned earlier the NSWALC and AANSW Joint List project team will continue to meet during the next financial year to complete its review by February 2011.

In accordance with the Unit’s operational plan 2010 – 2012, it will also to work in the new financial reporting period to:

- Continue the effective communication strategy with external and internal stakeholders on interventions;
- Administer the policies and procedures which govern the appointment of investigators and administrators in consultation with relevant personnel;
- Provide internal and external stakeholders with a point of contact regarding intervention into a LALC;
- Meet regularly with relevant external and internal stakeholders;
- Process and track remuneration and expenses submitted for services provided by Investigators or Administrators
- Complete a full review of Unit activities and policies with AANSW.
- Complete a review of existing systems relating to the appointment of Administrators to ensure ongoing good practice and cost effectiveness;
- Review the process and reconciliation of accounts for payment;
- Provide a new joint list of preferred investigators and administrators.

## Training and Development Unit

This Unit reported a busy year working to the provisions on mandatory training and capacity building within NSWALC and for all Aboriginal Land Councils under the Aboriginal Land Rights Act.

## NSWALC Capacity Development Plan

As reported in previous years the ALRA places a requirement upon NSWALC to train members of NSWALC's Governing Council and staff and LALC Board members and staff.

NSWALC is required to prepare and implement a Capacity Development Plan for the purposes of carrying out its training functions under Section 107 of the Act.

It worked throughout this reporting period to the Capacity Development Plan (CDP) approved by Council at its 230th Meeting on 29th April 2009 and plans to have the core of the CDP in place for a period of three years.

## NSWALC Board Training

The Board participated in several training opportunities during this reporting period.

TRAINING DISCIPLINE
Investment Beliefs & Strategies
Equities training
Impact of Administrative Law on Council Decision Making
Land Dealings Amendments and Policy
ICAC Corruption Prevention Strategies in Aboriginal Land Councils

Individual NSWALC Councillors also participated in a range of individual training in accordance with their individual training plans identified in the NSWALC capacity development plan process.

## LALC Governance Training

Board members who had previously completed mandatory governance training and were re-elected during the 2009 LALC Board elections were not required to repeat the governance training.

Despite this, many re-elected Board members chose to redo this training as a refresher.

A series of open governance workshops was conducted on a regional basis in August and September of 2009.

In November 2009, the project to transition to an online mode of delivery was completed and the mandatory governance program went live around the state.

Since that time, more than 500 Board members have been trained using this innovative online technology.

Board members are able to access the online training as individuals or in groups.

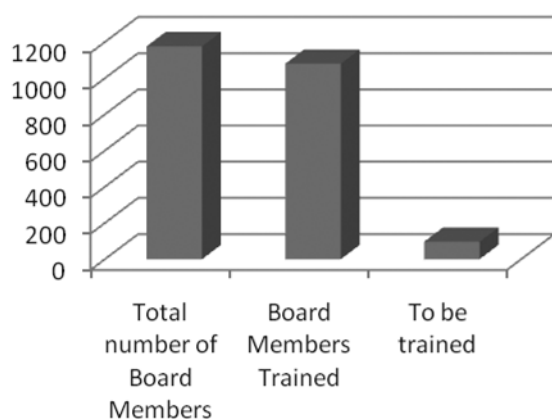
Almost all participants have achieved a Statement of Attainment in the Australian Quality Framework unit of competency: Roles and Responsibilities of a Board member.

The following graphs outline statistics for LALC Board governance training between the previous and current reporting periods.

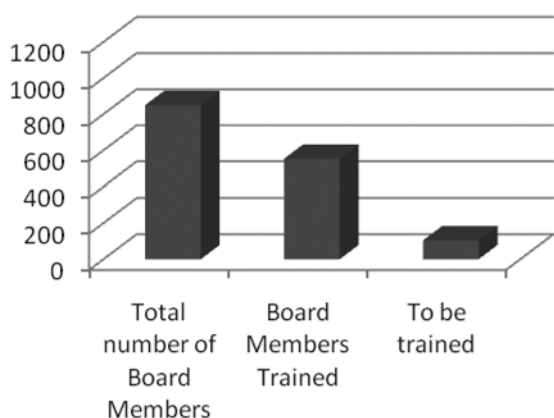
Note: Approximately 200 Board Members (23%) were not required to undergo NSWALC governance training in the 2009-10 period as they had completed mandatory training previously during their first term of office.



## 2008-09



## 2009-10



### Training Initiative Commended

NSWALC was a finalist in the *Innovation* category of the 2009 NSW Training Awards that were presented in September of that year.

The LALC governance training program developed by NSWALC in partnership with Burdon Torzillo Pty Ltd caught the attention of the NSW Department of Education and Training.

This award examines the sustainability and transferability of the outcomes achieved through the training program and its impact on the target community/industry, i.e. Local Aboriginal Land Councils.

### Other Training Initiatives for LALCs

Other training programs delivered in the LALC network in this reporting period included Funding Strategies – Grants submissions and *The Roles Explained* – for Chairs and Deputy Chairs of LALCs.

NSWALC established a partnership with the University of Newcastle to develop a customised course for LALC CEOs.

The Graduate Certificate in Business Administration has been contextualised specifically to address the skills and knowledge requirements of CEOs working in the Aboriginal Land Council environment.

NSWALC provided initial scholarships for twenty three CEOs who commenced work on the course in March, 2010.

NSWALC collaborated with the Australian Training Company to successfully win a WorkCover NSW grant to provide OHS training and mentoring for LALCs.

The program is aimed at assisting LALCs to develop and implement OHS policies and procedures at LALC sites in NSW.

The first of three rounds of workshops was completed during this reporting period.

NSWALC continued to build a positive working relationship with ICAC in the development and delivery of ICAC corruption prevention workshops to clusters of LALC representatives across the network.

ICAC staff also attended some sessions of NSWALC's mandatory governance training for LALC Boards and provided positive feedback from these workshops.

## NSWALC Staff Training

A Springboard professional development and leadership program for women was conducted during the reporting period.

Eight NSWALC women were trained and mentored through the three month program.

A workplace time management and organisational efficiency program was offered to all NSWALC staff and delivered in NSWALC Zone office locations as well as Head Office.

The program examined staff workstation set-up and time management strategies.

Many staff and managers reported improvements in the utilisation of technological tools such as email and online diarising as a result of the program.

Several computer applications training courses at various levels were provided to staff including Microsoft Project, Word and Excel.

This training coincided with the transition of all staff to updated workstation computers and the introduction of Microsoft 2007 programs.

A Certificate IV in Business continued throughout the reporting period with twelve participating NSWALC staff reporting good progress.

An Advanced Diploma of Management was launched for eleven NSWALC managers and supervisors.

This twelve month program will be completed largely by Recognition of Prior Learning, in acknowledgement of the significant skills and experience represented in the NSWALC management team.

Informal on-the-job training was also provided by NSWALC Business units to Staff during the reporting period.

Practical sessions included the writing of Council submissions; NSWALC Finance policies and procedures; Administrative law; and Freedom of Information requirements.

## Engagement with Industry Skills Councils

The Unit also engaged with the Industry Skills Council, Agrifood Skills Australia (ASA), in their review of the Conservation Land and Management Training Package.

NSWALC is leading the way in a national VET campaign advocating for more consultation with Aboriginal people nationally on the makeup and development of Training Packages in the national training system.

NSWALC commissioned several reports into the review of Training Packages and the performance of Industry Skills Councils, submitted to an upcoming Senate Inquiry into Industry Skills Councils.

The Training and Development unit is continuing negotiations with ASA to provide funding for Training Package research and course development for Aboriginal Learners which will lead to the establishment of more qualifications relevant to Aboriginal job roles in mainstream industries.

## Contribution to the Aboriginal Health and Medical Research Council (AH&MRC) Governance Reference Group

As a result of successful strategic governance reforms and high quality governance training commissioned by the NSWALC Board in recent years, NSWALC was approached to contribute to a governance research project being undertaken by the AH&MRC in its network.

The aims of the project include:

- To improve participating AMS organisations' corporate governance capacities.
- To enable the AH&MRC to further engage in the area of corporate governance support as part of its broader member support role.
- To encourage the exploration of opportunities to further develop the corporate governance models for the Aboriginal Community Controlled Health Sector

## Operational Policy Unit

As outlined earlier this reporting period saw the Unit work on a number of major projects in close consultation with NSWALC's Governing Council, its management and staff and LALC Boards, staff and members.

## Social Housing Schemes

The Unit, in conjunction with the Chief Operating Officer and the Legal Services Unit, continued to assist the Governing Council in determining its approach to the approval of LALC social housing schemes as required by the ALRA.

This is a vexed issue.

NSWALC must increase its regulatory role and approve LALC social housing schemes under the new statutory requirements.

The NSW Government's signing of the National Partnership Agreement on Remote Indigenous Housing, and its the launch of the Build and Grow Aboriginal Community Housing Strategy, resulted in NSWALC seeking to establish a joint assessment process with the Aboriginal Housing Office (AHO) for the approval and registration of LALC social housing schemes.

NSWALC expressed concern about a lack of certainty around critical aspects of the Build and Grow Strategy, including operational subsidies, details of head leases, and funding for infrastructure on discrete Aboriginal missions and reserves.

This frustrated NSWALC's pragmatic intention to develop one assessment and approval system in partnership with the AHO.

The inability of the Build and Grow Strategy to accommodate the statutory requirements of the ALRA, and difficulty in reaching agreement on the method of rent setting and the use of management agreements, resulted in NSWALC deciding in May 2010 to develop its own policy on the approval of LALC social housing schemes.

LALCs play an important role in assisting the Commonwealth and State Governments to bridge the gap in the supply of housing for Aboriginal people in NSW.

They provide more than 2500 rental properties throughout NSW.

Despite this, their access to funding for Aboriginal community housing under the Build and Grow Strategy is subject to stringent requirements outlined by the Commonwealth Minister for Indigenous Affairs at NSWALC's state wide conference in March 2009.

Even though a significant number of LALCs are likely to receive NSWALC's approval to operate their social housing schemes they will also have to submit themselves to an additional regulatory burden.

Their eligibility for government funded operating subsidies and repairs and maintenance services will also have to be assessed under the Build and Grow Strategy.

There were no guarantees complying LALCs would receive these funds or services as this reporting period ended.

## Walgett LALC Repair and Maintenance Program

Considerable progress was made on this important project during the reporting period under the management of Senior Policy Officer, Julia Strano.

The program is designed to deliver much needed repairs and maintenance to 70 houses owned by Walgett Local Aboriginal Land Council.

Ms Strano worked on NSWALC's behalf with Arup, an international consulting company with a strong background in providing building programs in Aboriginal communities.

The company had been appointed as the on ground project manager for the program.

It became apparent once proper scoping of the work was completed that the original Commonwealth grant of \$2.3m was insufficient to properly complete the task.

NSWALC successfully applied for additional funds.

The Commonwealth Government provided an additional \$2.1m in January 2009.

Further representations by NSWALC and WLALC resulted in a further \$0.52m being provided for the installation of air cooling systems.

The summer heat often results in temperatures exceeding 40 degrees celsius.

All Commonwealth grant funds were quarantined within the NSWALC Account and invested for use in the repairs and maintenance program.

The Interest earned increased the total funds for repairs and maintenance to \$5.12m

The Dubbo-based company, Max Ryan Building (MRB), won a select tender process for the repair and maintenance program.

The funding agreement with the Commonwealth required NSWALC to ensure the employment of 10 Aboriginal people on the program with 20% of the workforce being Aboriginal.

The program far exceeded these requirements.

Up to 38 Aboriginal people were employed at any one time.

These workers accounted for 75% of the total workforce engaged in the program.

The program was at the stage of near practical completion as this reporting period ended.

The project was within budget and achieved in accordance with the Commonwealth funding agreement.

This was NSWALC's first ever major Commonwealth grant.

## Lessons Learned

From the outset NSWALC made a strong commitment to work in full consultation with the WLALC and to be fully transparent in all aspects of managing the project, including financial management.

All decisions were made with the Board of WLALC and/or its CEO.

This relationship proved beneficial to both NSWALC and the WLALC and the overall success of the project can be attributed to a large degree to the level of community involvement which was achieved.

The Board of WLALC was clear about its priorities for the project in early consultations with NSWALC.

The LALC Board wanted involvement in decision making, stressed the employment of Aboriginal people was essential and required quality workmanship and quality materials to be used.

This was perfectly understandable.

## Shoddy Workmanship

During the project the builder uncovered significant examples of past shoddy and poor workmanship.

These included:

- pipes in properties "going nowhere" which released water and other waste under houses in some cases;
- ceiling sheets in bathrooms which had been installed upside down and had not been sealed, or waterproofed

.In one case, flooring in a bathroom was of inappropriate material causing tiles to crack. The scope of works required that only eight cracked tiles were to be replaced on this property. When these tiles were lifted it was discovered that the wrong flooring material had been used. It was falling away due to lack of waterproofing. This caused tiles to crack when walked on. The entire bathroom had to be replaced at significant additional time and cost.

- Windows that had been installed did not meet Australian Standards. In most instances where the scoping report indicated windows should be reglazed the entire frame and window had to be replaced to meet the required standards.
- Railings on balconies installed under previous programs did not meet Australian standards. They could not be repaired as planned. They had to be replaced.

NSWALC considers the extent of poor workmanship, cheap materials, and the many properties suffering work that did not meet Australian standards presents a cautionary tale for future repair and maintenance projects in Aboriginal communities.

Funding and service delivery agencies should note that additional funds will be required once building starts and the inevitable problems are discovered.

Additional work and time will be required to rectify pre-existing deficits.

At NSWALC's request the builder and ARUP have documented these issues.

A report with photographs was being submitted to the Commonwealth Government as this reporting period ended.

The WLALC has used this program as the catalyst for implementing a new rent and property management strategy.

The LALC now has a rental collection rate of 100%.

Tenants have expressed support for the new strategy following the repairs and maintenance work on the houses. It is anticipated this will lead to increased rents over time.

## More Work Required

Despite the large investment of \$5.12m more funds are still required.

WALC's properties still need new guttering and some houses are in need of external repairs and painting.

NSWALC conveyed this message to the Commonwealth Government during the reporting period.

As noted earlier, the provision of a repairs and maintenance program has been a first for NSWALC.

The project team engaged with as many tenants as possible, and feedback from tenants had been overwhelmingly positive.

The WLALC stated they had never been as involved in past repairs and maintenance programs and had never experienced such a level of transparency and ongoing involvement in day to day decision making.

## Subdivision of Former Reserve Lands

As reported last year NSWALC also entered into a \$6m partnership with the Commonwealth Government to facilitate the subdivision of former Aboriginal Reserves in NSW.

Following a competitive tender process Arup were again engaged by NSWALC.

The Subdivision project is now in a pilot phase again targeting the Walgett LALC and its former Aboriginal reserves known as Namoi and Gingie villages.

These sites will act as pilots to inform the development of a typical planning process for the subdivision of similar sites across NSW.

While developing specific subdivision plans for the Walgett sites, Arup are also compiling a 'methodology document' to be used by other Local Aboriginal Land Councils (LALCs) in the subdivision and potential subsequent sale of these lots for home ownership to residents.

Namoi and Gingie are owned by Walgett LALC.

The WLALC and the residents of these former reserves have been actively involved in consultation on future options for their land.

Members of the community have been generous with their time and in sharing knowledge about their land.

Every property has been represented at consultations by residents, or their family, and the potential for subdivision has sparked a lot of discussion and questions.

This information, plus the work of Arup on town planning matters, has been captured for the methodology document and provided to the Department of Planning to assist in streamlining the planning process.

One of the aims of the subdivision project is to enable LALCs to consider divesting their infrastructure liabilities on former reserves, such as roads, or water and sewage infrastructure.

It is anticipated that by confirming a subdivision plan with infrastructure identified in separate lots these could be handed over to the Local Government Council for operation and maintenance.

Local Government Councils have indicated they will require an initial adequate standard of the infrastructure to be achieved on LALC lands before they consider taking over responsibility.

Funding will need to be identified to provide this initial upgrade of infrastructure.

The Commonwealth and State governments have been silent on this issue to date.

While some of the issues identified in the Walgett pilot sites include zoning matters, flooding, bush fire risk, and the poor standard of the road, there will also be other issues for the remaining 53 former reserves.

To better inform the methodology document and the Department of Planning, NSWALC and the Commonwealth have agreed to expand this pilot project to include some sites on the North Coast of NSW.

Once these pilots have been completed NSWALC will be rolling the project out across NSW.

NSWALC's research shows that some LALCs that are already zoned for residential purposes have sealed roads and receive town water and sewage services.

This suggests subdivision could be a relatively simple process.

For others, such as Walgett, it may be challenging and, for others, still may not be possible.

NSWALC will seek to work in the new financial year with those LALCs where subdivision may be simpler.

This should involve about 24 LALCs.

NSWALC then plans to work with those facing greater potential subdivision challenges.

We are committed to assisting LALCs seeking to subdivide if they result in benefits for the LALC and the community.

NSWALC is conscious this process must be driven by Local Aboriginal Land Councils.

They own the lands in question.

And, importantly, the residents on these former reserves have strong cultural and social connections to their lands.

NSWALC is a facilitator.

The LALCs that own these lands will determine any subdivision through their elected Boards and members.

## The Elders and Youth Advisory Committees

It is pleasing to report NSWALC has now fully established its Elders and Youth Advisory Committees.

The main purpose of the two Advisory Committees is to provide advice to NSWALC's Governing Council on the wide range of issues of interest or concern to Aboriginal elders and youth across NSW.

As noted in this report last year, this initiative arose from NSWALC's state wide conference in the Hunter Valley in March, 2009 which attracted more than 250 delegates from Local Aboriginal Land Councils across NSW.

NSWALC's Governing Council subsequently approved a budget of \$200,000 for four meetings of both Committees, which are constituted under section 118 of the ALRA.

Councillors Patricia Laurie and Roy Ah See have been the convenors of the two advisory committees.

They assisted in the selection of applicants following NSWALC's call to the network for expressions of interest.

The NSWALC Elders and Youth Advisory Committee's comprise:

### ELDERS

Region	Principal Representative	Deputy Representatives
Sydney/Newcastle	Lois Towney	Ronnie Gordon
Central Coast	Barbara Clarke	Warner Saunders
Northern	Robin Heath	Edward Briggs
South Coast	Kathleen Davis	
North Coast	David Daley	Patricia Nagas Walker
Western	Pam Mitchell	William Riley
Wiradjuri	Enid Clarke	Denise Williams
Central	Neville Merritt	Johanna Carr
North West	Michael Anderson	Cecil Craigie

### YOUTH

Region	Principal Representative	Deputy Representatives
Sydney/Newcastle	Isaac Parsons	Maxine Edwards
Central Coast	Alkira Fitzgerald	Codie Spadbrow
Northern	Kara Talbot	Teela Reid
South Coast	Ashley McGuire	Alinta McGuire
North Coast	Veronica Skinner	Eric Walker Junior
Western	Murray Butcher	Linda King
Wiradjuri	Jake Bousfield	Aimee Davis
Central	Gary Jeffrey	Tara Powell
North West	Paul Ryan	

Senior Policy Officer, Phillip Duncan, has assisted both Councillors with the logistics of calling both Committees together.

The Inaugural meetings of both Committees were initially set down for March 29, 2010.

They were postponed just before being convened in recognition of the passing of Uncle Chika Dixon and his pending State funeral.

The meetings were held in June.



A number of presentations were made by NSWALC staff to assist the members of the Committees to understand their role and the context in which they would be providing advice to NSWALC's Governing Council.

The topics included:

- The history of Aboriginal Land Rights (Sol Bellear and Joe Flick)
- The NSW Aboriginal Land Rights Act 1983 , NSW Land Rights Network, Functions of LALC's and NSWALC, NSWALC Councillor's Roles and Responsibilities and the Code of Conduct ( Wayne Munster)
- The terms of reference for the NSWALC Elders and Youth Advisory Committees ( Nicole Courtman)
- Media Protocols (Chris Graham)
- Aboriginal Culture and Heritage in NSW ( Clare McHugh)
- The "Indigenous Bill of Rights, Politics, Policies and Policy making" (Geoff Scott).

Mr Scott's presentation created much discussion about what needs to be done to advance the rights of Aboriginal people in NSW.

He spoke of the need to advocate for marginalised communities through the LALC network and NSWALC, and strengthen such communities.

Mr Scott also spoke about the need for good, strong leadership, tempered with respect.

A key note address "Dream Learn" was delivered by Mr. Craig Ashby.

Mr Ashby, a teacher, gave an inspirational speech which emphasised the importance of education.

Additional topics included mentoring and coaching youth (Shane Phillips, Tribal Warrior, and Ian Bridger of Bridgeway Barnes and Associates), negotiation skills, and a session on conflict resolution (Michelle Deshong from the Indigenous Leadership Centre).

Mr. Robin Heath and Ms Denise Williams were elected Chair and Deputy Chair respectively of the Elders Advisory Committee.

Mr. Isaac Parsons and Ms Aimee Davis were elected Chair and Deputy Chair respectively of the Youth Advisory Committee

Mr. Bellear facilitated the Elders Advisory Committee and Ms Julie Moore was engaged to facilitate the Youth Advisory Council.

NSWALC has established the two Advisory Committees on a pilot basis with the expectation that a further three meetings would be held during 2010/11.

As the new reporting period began, the Advisory Committees were identifying key issues and priorities for a work program to be completed over the next three meetings.

## **The Tingha Green Valley and Mindaribba Artefacts Collections**

The OPU assumed responsibility for project management of two significant artefact collections as this reporting period began.

These are known as the Tingha Green Valley and Mindaribba Collections.

The collections include highly valued bark paintings, spears and shields and a range of items that are of secret and sacred cultural significance to Aboriginal people.

These collections are owned by NSWALC.

The Tingha Green Valley Collection is housed at the Armidale and Regional Culture Centre and Keeping Place (the Keeping Place).

The Mindaribba Collection is housed at the offices of the Mindaribba LALC.

Senior Policy Officer, Mr Phillip Duncan, has managed this project during the period.

OPU's intent has been to further catalogue the contents of the collections and identify the origins of the items in the collections.

At the end of the financial year the collections had been:

- Valued and Insured
- Examined by Sam “Juparulla” Wickman of Aboriginal Archaeologists Australia
- Fumigated ( wooden items) and protected using techniques recommended by Mr Wickman
- The subject of legal agreements for their long term storage, protection and display at the Keeping Place and the Mindaribba LALC.
- Examined to determine which items should be repatriated.
- Where necessary display cases were purchased with a view to installation and display of delicate items in the early part of 2010/11 under the supervision of Mr Wickman.

## Water Policy

NSWALC is becoming increasingly involved in seeking to assert the rights of Aboriginal people in the water debate, increasing their involvement in water planning, and gaining recognition of their involvement in the cultural and economic uses of water.

NSWALC is now involved as a key stakeholder with the Murray Darling Basin Authority (MDBA).

The LALC network is now acknowledged by the MDBA as an important stakeholder within the Murray Darling basin given the number of LALCs and the water licences that they hold.

During this reporting period a submission for funding was presented to the National Water Commission (NWC) to increase the LALC networks understanding of the complex issues associated with water planning and allocation and improve their capacity to join in the water industry.

NSWALC was awaiting the NWC’s decision as to whether it will fund this important project as this period ended.

Mr. Duncan was also appointed to the NWC’s First Peoples National Water Council during the reporting period.

## The Whole of Government Approach to Aboriginal Affairs in NSW

NSWALC has continued to attend the State Government’s Two Ways Together Coordinating Committee in the belief that a “whole of government approach” to Aboriginal affairs is a sensible strategy.

Unfortunately, the joint involvement of the many agencies of the Commonwealth and NSW Governments ensures an ever changing operating environment for NSWALC’s advocacy for Aboriginal people in NSW.

In recent years the original Two Ways Together Program has been overtaken by the development of the NSW State Plan and now the revised State Plan (released 26<sup>th</sup> March) by the current Premier of NSW.

A review of the Two Ways Together Program recommended a better alignment with the State Plan and COAG initiatives associated with “Closing the Gap”.

Aboriginal Affairs NSW commenced the development of the NSW Closing the Gap Strategy, a strategy intended to integrate government initiatives associated with Two Ways Together, the State Plan and the COAG initiatives.

At the end of this reporting period the new strategy had yet to be released.

## Local Government and Shires Association (LGA) Conference

For the first time in many years NSWALC representatives attended the annual LGA Conference held in Tamworth from October 24<sup>th</sup> – 28<sup>th</sup>.

NSWALC’s nine Councillors attended the conference accompanied by two delegates from each Region.

NSWALC was successful in moving a motion recommending the recognition of the first peoples in the NSW and Commonwealth Constitutions.

The NSW Government was considering the proposal as the reporting period ended.

The NSWALC delegation was welcomed publicly to the Conference floor by the President of the LGA, Ms Genia McCaffery.

There was also considerable support for NSWALC's presence during the formal and informal proceedings.

Councillor Craig Cromelin best summed up the experience in a report back to NSWALC's Governing Council.

He said:

First of all let me say how much of a success it was, and how well the Land Rights Network was received and welcomed. For most, including myself, this was a new experience and I guess nothing quite prepares one like being there and experiencing it firsthand. I guess having never been at any Shire or Council's meetings, I entered the event full of scepticism. Upon entering the venue to take our places you could feel many eyes on you. My cause for concern was soon to be relieved as one after another delegate commented on how they felt glad to have NSWALC attend the conference. Bring on LGSA 2010....

The OPU plans to organise a NSWALC delegation at the LGA Conference in Albury during October 2010.

## Zone Offices

The NSWALC Zone offices have become an integral part of NSWALC's interface with the land rights network, particularly with the elected Boards and staff of Local Aboriginal Land Councils, key stakeholders, and with the wider Aboriginal community and the general public.

The activities of each Zone office are set out below.

All Zone offices reported that many of their normal activities were again augmented in this reporting period by the need to assist the land council network implement ongoing changes to their structure and operations and NSWALC funding policies.

The legislative changes arose, as noted in this space last year, from the significant amendments to ALRA which came into effect on July 1, 2007, and subsequently, which were primarily designed to improve the structure, representation, and governance of LALCs.

Section 61 of the ALRA requires each LALC to have a Board consisting of not less than five, and not more than 10 members.

Section 64 of the ALRA states a Chairperson and Deputy Chairperson of the Board are to be elected from among the Board members at the first meeting of the Board after its election.

These provisions replaced the previous LALC Office Bearer structure, which provided for LALC members to elect a Chairperson, Secretary and Treasurer.

The LALC Board structure is designed provide even greater transparency and accountability for members, and improve opportunities for representation on the Board.

Section 78A of the ALRA also requires a LALC to employ a member of staff to exercise the functions of the Chief Executive Officer.

Section 80 requires appointments to the staff of a LALC, and promotions for members of staff, to be merit based.

These provisions are coupled with mandatory training requirements, the legislative requirement upon Local Aboriginal Land Councils to develop Community Land and Business Plans and Community Benefit schemes, including Social Housing Schemes, and new land dealing provisions.

The amendments also made significant consequential changes to LALC membership rights. Much of the work in effectively communicating these changes to the land rights network has continued to fall to Zone office staff in this reporting period.

## Northern Zone

The general purpose, aims and functions of the Northern Zone are primarily focused on the following key objectives documented in the Northern Zone Operational Plan 2010-2012 which are linked to the NSWALC Community Land and Business Plan.

Northern Zone activities are also guided by objectives of the NSWALC Corporate Plan 2008 – 2012.

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 NSWALC 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 Corporate Priorities have the greatest impact on zone activities:

Advocacy and Rights  
Strong Leadership and Governance  
Productive and Meaningful Partnerships  
Community Health and Well-Being  
Land, Cultural Heritage and Environmental Management  
Community Development and Planning.

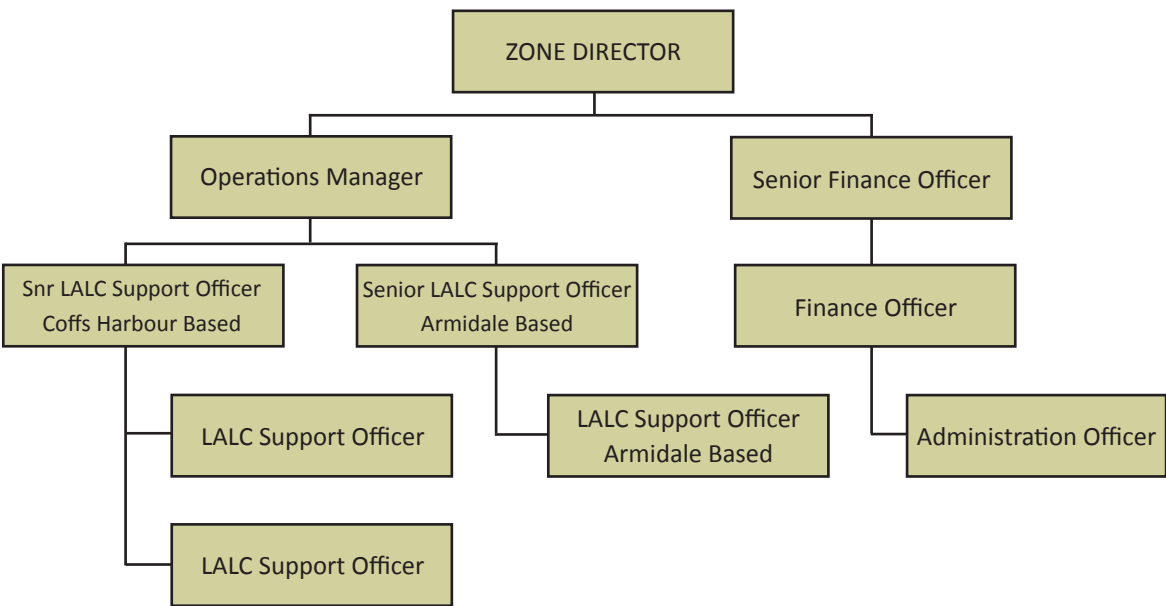
## Local Aboriginal Land Councils in the Zone

During the reporting period, the Northern Zone comprised 38 LALC's within the following regions:

- North Coast Region (comprising 13 Local Aboriginal Land Councils) represented by NSWALC Councillor Patricia Laurie;
- Mid North Coast Region<sup>1</sup> (comprising 11 Local Aboriginal Land Councils) represented by NSWALC Councillor and Chairperson Bev Manton;
- Northern Region (comprising 14 Local Aboriginal Land Councils) represented by NSWALC Councillor and Deputy Chairperson Tom Briggs.

Human Resources

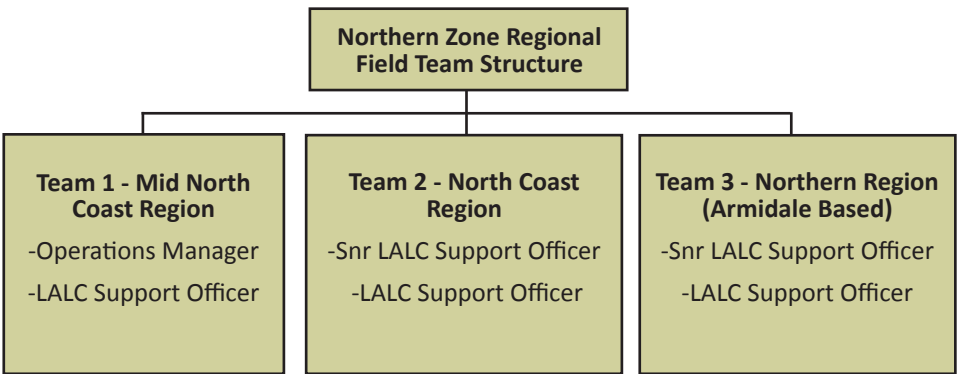
The staffing structure of the Northern Zone in place for the 2009-2010 reporting period is depicted below:



The Northern Zone operations were conducted during the reporting period from offices in Coffs Harbour and Armidale.

<sup>1</sup>. The Mid North Coast Region was formerly known as the Central Coast Region.

The Armidale office is staffed by a Senior LALC Support and a LALC Support Officer who work exclusively with LALCs located in the Northern Region (Northern Tablelands and New England area).



All staff within the Northern Zone completed Performance Management Plans for the reporting period.

During the 2009/2010 period, five staff from the Northern Zone undertook a Certificate IV Frontline Management course being delivered onsite by a local registered training organisation.

At the end of the reporting period, they had completed 8 of the 10 modules required for successful completion.

During the reporting period, the Operations Manager successfully completed, and was awarded, a Masters of Business Administration (SCU). The Finance Officer completed a number of units towards completion of a Bachelor of Business.

## Zone Support to LALCs

During the reporting period Zone staff undertook comprehensive risk assessments of all LALCs in the Zone using the NSWALC LALC Management Support System (LMSS).

The LMSS is a diagnostic tool that assesses LALC performance across five operational areas.

This gives the LALC a score out of a possible 100% which, in turn, gives the LALC a risk rating.

The LMSS also produces a management support plan by extracting data from the LMSS assessment where it is identified the LALC is not reaching a level of minimum performance.

This information forms the basis of a support plan.

It identifies actions required by NSWALC to assist the LALC, and actions required to be undertaken by the LALC, to address identified areas of deficiency.

Land Council Support Unit (LCSU) staff have primary responsibility for day to day dealings with LALCs on a broad range of issues.

This includes assisting LALCs to fulfil their responsibilities under the Act.

LCSU staff provided significant amounts of advice and support to LALCs in relation to the requirements of the Act and Regulations, operational matters, planning, preservation and protection of Aboriginal culture and heritage, land dealing matters, human resource functions and assistance with negotiations with government and other stakeholders.

Significant ongoing advice and assistance on housing management is also provided.

Northern Zone staff continued to work with the NSW Aboriginal Housing Office during this period to stage rent setting and housing policy workshops with many LALCs.

The Finance Unit staff provided support to LALCs in relation to budgeting, release of NSWALC grant funds, processing of "essential payments," and LALC financial performance monitoring and assistance.

Finance Unit staff make frequent visits to LALCs to assist them in their financial management functions.

The Unit also provided internal services to ensure the efficient and effective operations of the Northern Zone office.

Finance Unit staff also participate in LMSS assessments, along with LCSU staff.

During the reporting period, senior staff from the Zone provided mediation services to LALC Board members where conflict between Board members or Board members and LALC staff arose.

These services assisted LALC Board and staff to improve their internal relationships and operations.

## Achievements

The Northern Zone Office worked closely with all three Councillors and LALC Board members and staff to record a number of achievements during the reporting period. A number are set out below.

### Many Rivers Regional Partnership Agreement

In the previous reporting period LALCs from the North and Mid North Coast Region endorsed participation in a Regional Partnership Agreement developed by the Coffs Harbour ICC.

NSWALC Councillors, Bev Manton and Patricia Laurie, along with the Northern Zone Director, Andrew Riley, are members of the RPA Committee that oversees the implementation of the objectives set out under this agreement.

Broadly speaking, the Many Rivers RPA seeks to reduce Aboriginal unemployment across the region by 50% over five years.

Strategies are being pursued to optimise employment and commercial opportunities in markets where Aboriginal people are thought to have an advantage.

These include natural resource management and cultural-based arts and crafts.

During the first year of the RPA, a Green Team Development Unit Aboriginal Corporation was established.

The GTDUAC has responsibility for implementing the employment generating strategies in the agreement.

Its membership is drawn from representatives from the North and Mid North Coast Land Councils and representatives from the Indigenous Employment Sector.

The GTDUAC is fully staffed and has been working with a number of Aboriginal groups that have been established to undertake contract work targeting land management/natural resource management activities.

It has also worked with a number of government and private sector organisations to negotiate commercial contracts for similar works that are then sub contracted out to existing work groups.

The experiences of the GTDUAC during its first 12 months of operations resulted in a review of its operational plan to ensure there was sufficient capacity within its sub contract stakeholder groups to ensure contracts are able to be completed in a timely and appropriate manner.

NSWALC is a formal signatory to this RPA agreement.

## **Negotiations on LALC Regional Partnership Agreement**

Zone staff have been involved in negotiations undertaken by Councillor Briggs and Northern Region LALCs in the development of a regional partnership agreement with the Australian and NSW Governments.

Consultants engaged to support the Councillor and LALCs finalised development of a Regional Economic Development Strategic Implementation Plan (REDSIP) during the reporting period.

The goals and strategies documented in REDSIP will be reflected in agreed initiatives to be included in a final RPA.

The FaHCSIA State Manager and AANSW Chief Executive have led the negotiations on behalf of the Australian and NSW Governments.

Councillor Briggs and representatives from the Northern Region Land Councils have led the negotiations on behalf of the NSWALC and LALCs.

The RPA and REDSIP are focused on increasing Aboriginal participation in the economy.

Assistance will be targeted at the establishment of viable Aboriginal enterprises, increasing Aboriginal employment across the mainstream, and addressing existing systemic barriers to economic participation across the Northern Region.

## **Joint Venture between Nambucca Heads LALC and Indigenous Business Australia**

As reported in this space last year, the Nambucca Heads LALC sought and obtained conditional approval from the NSWALC to enter into a joint venture agreement and to transfer LALC owned land into an entity that will be jointly owned by the LALC and IBA.

A commercial retail centre will be built and operated by the joint venture partners.

IBA will contribute an amount of cash equal to the value of the land.

The joint venture partners have obtained consent from the Nambucca Shire Council to undertake the development.

Work continued throughout this reporting period on design, pre-leasing commitments and revision of feasibility studies prior to the LALC transferring the land into the partnership.

However, the impact of the global financial crisis has delayed this project.

Consideration was being given to the scope of the development at the time of this report to determine whether a staged approach might be more prudent in the prevailing economic climate.



## **Foundations for our Future Strategy and the Saltwater Freshwater Cultural Festival**

As reported previously, Land Councils from the Mid North Coast Region have formed an alliance with Arts Mid North Coast (AMNC) in the development of a regional arts and culture strategy, known as the Foundations for Our Future.

A number of activities detailed in the strategy were implemented during the reporting period.

These included Quilting Memories, which was launched at the Glass House in Port Macquarie, and weaving workshops.

These activities were undertaken in a number of communities within the Mid North Coast Region.

Participants produced woven fishes which were of an extremely high quality.

Funds were made available to construct a chandelier to hang the woven fishes and the chandelier has been used in the NSW Parliamentary Dining Room.

The implementation of the strategy during the 2009/10 reporting period culminated in the staging of a Saltwater/ Freshwater Aboriginal Cultural Festival at Coffs Harbour on Australia Day.

The event, part funded by NSWALC, showcased a range of Aboriginal arts and cultural activities and included an open air concert featuring many well known Aboriginal performers.

Over 12,000 people attended the inaugural Festival.

The successful staging of the Festival is a credit to the organisational skills of the participating Land Councils and staff from Arts Mid North Coast and an annual travelling festival will now be held.

The next Festival is planned for Port Macquarie during the next reporting period.

## **LALC Community Land and Business Plans**

Thirty seven Local Aboriginal Land Councils in the Northern Zone finalised development and obtained approval from NSWALC to implement Community Land and Business Plans during this reporting period.

One LALC within the zone was due to obtain the approval of LALC members for its plan as the reporting period ended.

The plan had been fully developed. It is anticipated the LALC will obtain all necessary approvals in the first quarter of the new financial year.

All LALCs with approved plans are now reporting on their implementation in line with Funding Agreements with NSWALC.

A number were also subject to review and amendment as the reporting period ended.

This was the result of goals, and associated strategies, being completed, or to better prioritise activities in line with available resources.

The Northern Zone staff will continue to work with LALCs in the new financial year to assist with implementation, or review and revision as required.

## **Gaagal Wanggaan (South Beach) National Park**

The Gaagal Wanggaan (South Beach) National Park was established during the reporting period.

The new National Park was gazetted by the State Governor on April 22, 2010.

This represented the culmination of many years of negotiation between the Nambucca Heads and Unkyal LALCs and the NSW State Government to settle land claims lodged in the 1990's over crown land formerly known as South Beach.

The negotiations were conducted under Part 4A of the National Parks and Wildlife Act,

Both Land Councils will be represented on a Board of Management to be established to care for, and control, the lands within the new park.

The settlement package will see resources made available for the care of, and control of the lands under the direction of the Board of Management.

The outcomes achieved by the Land Councils as a result of the negotiations are an outstanding outcome for the Aboriginal people of the Nambucca Valley.

### **Glen Innes Indigenous Protected Area**

The Glenn Innes Local Aboriginal Land Council declared an Indigenous Protected Area over parts of their property known as The Willows during the reporting period.

They are the first LALC to have declared an IPA over part of their lands.

The Federal Department of Environment, Water, Heritage and the Arts assisted the LALC to prepare a plan of management ahead of the declaration.

GILALC members resolved to declare an IPA over the lands at The Willows once the Plan of Management had been developed.

As a result, the GILALC will now be eligible to receive funding from DEHWA in order to implement the Plan of Management which commits the LALC to work within the Plan and commit to the sustainable use of natural resources and management of habitat species on the lands.

### **Re-Establishment of Tobwabba Art**

The Foster Local Aboriginal Land Council re-established the defunct Arts-based enterprise, Tobwabba Art, during the reporting period. The LALC moved their administration base into the Tobwabba Art building and are now actively marketing works produced by local Aboriginal artists.

### **Compliance Monitoring and Assistance**

Local Aboriginal Land Councils have many and varied responsibilities under the ALRA.

A major focus for the Northern Zone, since its establishment, has been the compliance of Local Aboriginal Land Councils with their statutory requirements under the Aboriginal Land Rights Act.

It is pleasing to record that no LALCs in the Zone required the services of an Administrator during the reporting period.

This is a significant achievement.

It can be directly attributed to the hard work of LALC Boards, their Chief Executive Officers, and Northern Zone staff.

### **Risk Based Funding Policy**

NSWALC adopted a new LALC Funding and Financial Obligations Policy prior to the start of this reporting period.

The policy moved away from strict compliance measuring to a more comprehensive process based on regular risk assessments of LALCs.

There are only two categories under the policy: Funded or Unfunded, with number of risk categories established for funded LALCs.

NSWALC has developed a risk assessment tool known as the LALC Management Support System.

The system requires regular site visitations to a LALC.

Detailed questions are posed across five key operational areas:

- Financial Management;
- Administration;
- Property Management;
- Governance;
- Human Resources.

The LMSS system gives each LALC a score out of a possible 20% for each operational area. Each is assigned a risk category in line with their LMSS Scores in the following manner:

LMSS/RISK ASSESSMENT SCORE	FUNDING CATEGORY	RISK CATEGORY	REPORTING REQUIREMENTS/FUNDS RELEASE	ASSESSMENT FREQUENCY
Below 50%	Unfunded	None applied	NA	NA
50% - 69%	Funded	High Risk	Monthly financial reporting and monthly funding releases	Quarterly
70% - 89%	Funded	Medium Risk	Quarterly financial reporting and quarterly funds releases	Quarterly
90% and above	Funded	Low Risk	Six monthly financial reporting and quarterly funds releases	Six Monthly

As can be seen from the table above, the funding and risk category that a LALC falls into then guides the Delegate as to the terms and conditions which can be attached to a Funding Agreement.

If a LALC breaches a section of the Aboriginal Land Rights Act it automatically falls into the Unfunded category.

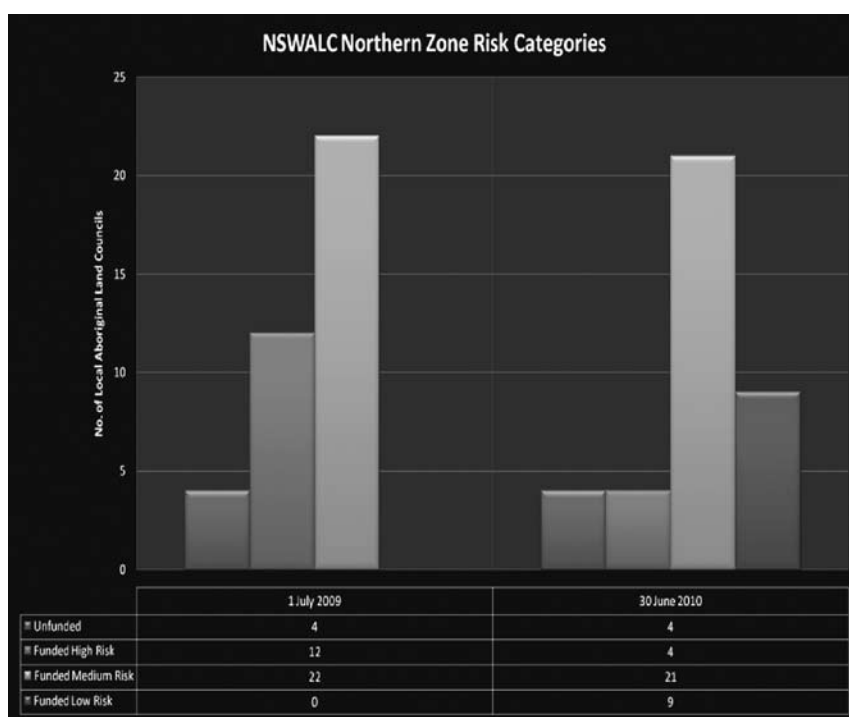
It cannot return to a Funded category until the offending breach has been cleared.

The graph below shows the status of LALCs in the Northern Zone after the initial LMSS assessments conducted immediately prior to the 1<sup>st</sup> of July 2009 and the assessments conducted immediately prior to the end of this reporting period.

The graph shows:

- As at 1/7/09, 89.5% of LALCs in the zone were in a funded category. This statistic was replicated on the 30/6/10.
- On the 1/7/09 there were 10.5% of LALCs in the High Risk Category, 31.5% in Medium Risk Category, and no LALCs in the Low Risk Category.
- On the 30/6/10 there were 10.5% of LALCs in the High Risk Category, 55% in the Medium Risk Category, and 23% in the Low Risk Category.

This represents a significant improvement in the risk assessment scores achieved by Funded LALCs within the zone during the reporting period.



## LALC Capacity Building Initiatives

Zone Staff attended numerous LALC Board and members meetings during the reporting period to provide ongoing information, guidance on amendments to the ALRA.

## Local Housing Workshops

Staff worked with the NSW Aboriginal Housing Office to deliver workshops at various LALCs on housing management and rent setting.

The workshops provided information to LALC tenants and management on the methods available to set rental levels for LALC social housing.

The workshops flowed from a strategy developed by a Joint Aboriginal Housing Service group which operates within the Zone.

The group comprises representatives from the Zone Office, AHO, the Department of Fair Trading and several Aboriginal Tenancy Advisory Services.

## 2009 Board Elections and Governance Training

Zone staff also acted as Returning Officers for LALC Board elections held between September and December 2009.

This was the second round of elections since relevant amendments to the ALRA which were reported upon in some detail last year.

A total of 304 Board members were elected to the governing Boards of the 38 LALCs in the Northern Zone.

More than 60 per cent of those elected were women.

Mandatory governance training was delivered during the reporting period to all newly elected Boards by Northern Zone staff.

The delivery of this training to Boards in their own communities was well received as it enabled the training to be tailored specifically to participating Board members.

## Interagency Engagement

Senior Zone staff also worked during the reporting period with the Regional Engagement Groups established by Aboriginal Affairs NSW under the State Government's Two Ways Together (TWT) Aboriginal Affairs Plan.

Two REGs operate within the Zone, the North Coast, North West and Hunter.

Councillors within the Zone also attended a number of REG meetings.

A number of target communities have been identified by AA NSW under the TWT Plan.

These communities are being assisted to establish a local engagement group.

This group is then assisted to develop a plan around the needs of their community and will have a mandate to negotiate and consult with government agencies on the delivery of services and programs to address the needs identified in the plan.

The following have been identified as target communities:

- Ballina/Cabbage Tree Island;
- Tabulam;
- Bowraville;
- Purfleet/Taree
- Gloucester;
- Tamworth.

## ALRA Land Dealing Amendments

NSWALC staged three workshops during the reporting period to consult with LALCs across the zone on a draft NSWALC Land Dealing Policy which was developed as a result of amendments to the land dealing provisions of the NSW Aboriginal Land Rights Act.

Participation was strong with LALCs providing well considered feedback to NSWALC on the proposed policy, which is reported upon later in this document.

## 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 Corporate and Community Land and Business Plans.

The Zone boundaries encompass two NSWALC regions:

South Coast Region – 13 LALCs  
Wiradjuri Region – 21 LALCs

Mr. Neville "Jack" Hampton is the elected NSWALC Councillor for the South Coast Region, while Mr. Craig Cromelin is the elected Councillor for the Wiradjuri Region.

As in previous years, Zone staff met with both Councillors on a quarterly basis during the reporting period to provide extensive briefings on operational matters.

Human Resources

The staffing structure of the Southern Zone office is also similar to that of all other Zone Offices under the leadership of Director, Lesley Turner.

The prime responsibility of all staff 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.

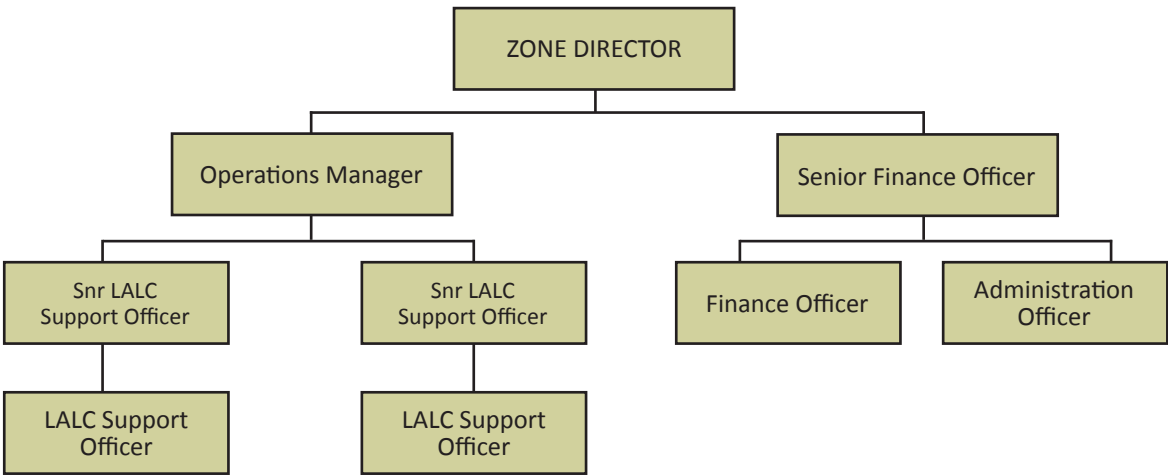
All staff have a responsibility to deliver accurate and timely advice to assist LALCs to meet their responsibilities under the Aboriginal Land Rights Act (as amended).

In addition, the Finance Unit provides support, assistance and training to LALCs on the development of budgets, financial reporting, the release of grant funds and the monitoring of LALC financial performance.

The Southern Zone office maintained a full complement of staff in both the LALC Support and Finance Units during the reporting period.

This enabled staff to maintain a regular field visit schedule.

The full staffing structure for the reporting period was as follows:



## Achievements

The Southern Zone office recorded a number of significant achievements during the reporting period.

## LALC Elections and Governance Training

Zone staff assisted in the election of 33 new LALC Boards.

A total of 245 LALC members were elected as Board Members in the second round of elections since amendments to the ALRA which have been reported upon previously.

The elections resulted in 103 LALC members taking up duties as Board members for the first time. The majority of those elected (148) were female.

In addition to the general LALC elections Zone staff assisted in ten elections to fill casual vacancies on LALC Boards.

Zone staff worked to promote the need to fill casual vacancies within a reasonable timeframe to ensure all LALCs in the region benefited from full governing Boards to ensure continuity of key decision making functions and strategic direction.

The Zone staff assisted in all elections as Returning Officers under delegation from the Office of the Registrar of the ALRA.

A primary function of Zone staff is to monitor, evaluate and report on training outcomes for LALC Board members and staff.

A total of eighteen online governance training workshops were provided to individual LALC Board members during the reporting period.

The workshops are designed to build the capacity and internal governance of LALCs.

The following table details the online training sessions provided:

WIRADJURI	DELIVERY DATE
Albury	27 March 2010
Bathurst	8 March 2010
Tumut/Brungle	8 March 2010
Narrandera	3 March 2010
Condobolin	23 April 2010
Cummeragunja	20 April 2010
Leeton	3 June 2010
Lake Cargelligo	6 August 2010
Orange	28 January 2010
Wagga Wagga	16 February 2010
Goldburn	15 February 2010

SOUTH COAST	DELIVERY DATE
Illawarra	16 March 2010
Batemans Bay	24 February 2010
Bodalla	20 March 2010
Nowra	26 February 2010
Queanbeyan	8 March 2010
Bega	21 January 2010
Roseby Park	18 February 2010

Zone staff also worked with NSWALC's Training and Development Unit to conduct a training needs analysis of LALC staff during the reporting period and to implement appropriate initiatives to assist in staff development.

These staff development initiatives included WorkCover Occupational Health and Safety training in Wagga Wagga and Batemans Bay and ICAC Corruption Prevention Workshops.

Funding Strategy Training was also delivered in both regions to assist LALCs to recognise and capitalise on grant funding opportunities.

A number of LALC Chief Executive Officers also participated in an online graduate certificate program.

This is a joint initiative offered by NSWALC and the University of Newcastle to provide training and development directly to LALC staff.

LALC staff from both regions participated. They included staff from Cummeragunja, Deniliquin, Eden and Moama LALCs.



## Regional Forums

In addition to training workshops, LALCs in the Zone contributed to NSWALC's policy formulation process through a series of regional forums.

Two forums were coordinated during the reporting period to discuss proposed amendments to the land dealing provisions of the ALRA, and consequent changes to NSWALC policies, which are reported upon elsewhere in this document.

The forums, in Bateman's Bay and West Wyalong, also provided the opportunity for Councillors Hampton and Cromelin, and Southern Zone staff, to promote partnerships between LALCs and government, non-government and private sector service providers, and other stakeholders within the Wiradjuri and South Coast regions.

In addition two Regional Advisory Committee forums were held during the reporting period in Bateman's Bay and Deniliquin.

Discussions at these meetings centred on the management of Social Housing Schemes and key changes to state and federal legislation governing the protection of Aboriginal culture and heritage.

A number of LALC representatives presented best practice models to manage housing, LALC membership, cultural site work, models of governance and business enterprise.

## Land Claims and Land Management

Southern Zone staff provided advice and support to LALCs throughout the reporting period on land claim and land management issues, including the protection and preservation of cultural heritage within their boundaries.

The following LALCs secured areas of land as a result of successful land claims during the period:

- Nowra Local Aboriginal Land Council secured 20,000 hectares of land through the successful application of a land claim on the November 14, 2009.
- Illawarra Local Aboriginal Land Council secured 182 hectares of land through the successful application of a land claim originally lodged

on March 3, 1986. A decision in its favour was handed down on December 8, 2009.

- Bathurst Local Aboriginal Land Council secured 40 hectares of land from a disused Nature Park. The claim was lodged on August 21, 2001. A decision was handed down at the beginning of this reporting period.

During the reporting period the Eden and Ulladulla Local Aboriginal Land Councils in the South Coast region successfully negotiated lease arrangements with Telstra to use parcels of their land to erect and maintain communication towers.

The township of Wallaga Lake is situated within Merrimans Local Aboriginal Land Council's boundaries, and as such the LALC are the land holders and responsible to ensure effective management of the land.

In conjunction with the Department of Environment, Climate Change and Water, the LALC commissioned Parsons Brinckerhoff Australia Pty Ltd to produce a draft Asbestos Site Management Plan for Wallaga Lake Koori Village.

The report recommended appropriate processes and procedures to undertake if asbestos is found on sites.

## Water and Sewerage

As noted elsewhere NSWALC and the NSW Government have entered into an historic partnership to ensure water and sewerage services in discrete Aboriginal communities are operated and maintained to a standard enjoyed by their fellow Australians.

Zone staff assisted LALCs to develop and maintain partnerships in line with this program.

Staff facilitated meetings between LALC Board representatives, LALC members and staff, and other key stakeholders, to develop and implement Water and Sewerage agreements for each identified community.

Under this program the New South Wales Office of Water is required to conduct inspection audits three times a year to confirm agreed standards are being achieved.

The following LALC's within Southern Zone were visited during the reporting period: Cummeragunja, Deniliquin, Cowra, Peak Hill, Condobolin, Murrin Bridge, Wamba Wamba, Merrimans, Tumut-Brungle, Griffith, Jerrinja, Illawarra, Narrandera and Bodalla.

A Community Water and Sewerage Management Plan is being developed for each of these communities.

### **Community Land and Business Plans**

Training was provided to LALCs in each region to prepare and formulate Community Land and Business Plans to set their strategic direction for the next 2-5 years.

The Southern Zone obtained approval for twenty nine LALC CLBP's during the reporting period. LALCs are now implementing these plans.

Four other LALCs had completed development of their plans and were awaiting NSWALC approval as the reporting period ended.

It is interesting to note that the majority of LALC Community Land and Business Plans which have been developed and approved identify the lack of suitable housing as the major issue for their members.

Many are now developing strategies which seek to address this issue.

### **LALC Management Support**

The LALC Management Support System (LMSS) was implemented within the Southern Zone area at the beginning of the reporting period.

LMSS assessments were conducted with all 34 LALCs across the five operational areas outlined earlier to determine reporting requirements and the frequency of release of NSWALC grant funds through the year.

These assessments assisted the Southern Zone Office to provide targeted support to individual LALCs to address identified operational weaknesses.

A total of ten LALCs returned a performance score of 90% or greater during the first assessments, which gave them a Low Risk rating.

Thirteen LALCs fell into the Medium Risk category with a performance score between 70% to 89%.

Ten LALCs were assessed in the High Risk category with a performance score between 50% and 69%.

One LALC scored of performance rating of less than 50%.

This indicated operational weaknesses which presented significant management difficulties to the operation of the LALC.

The highest performance score achieved at the commencement of the 2009/2010 was 99.55% with the median performance rating during this period being 79.38% and the lowest performance rating being 46.62%.

The average performance rating for the period was 78.03%.

Three further assessments were conducted with each Southern Zone LALC at 3 month intervals over the course of the reporting period.

Following are the general outcomes:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Performance Score (Risk Level)	No. of LALCs	No. of LALCs	No. of LALCs	No. of LALCs
90% - 100% (Low Risk)	10	13	13	14
70% - 89% (Medium Risk)	13	14	16	13
50% - 69% (High Risk)	10	6	4	6
Below 50%	1	1	1	1

Performance Range	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Highest Performance Rating	99.55%	99.06%	99.06%	98.68%
Median Performance Rating	79.38%	84.70%	83.35%	86.55%
Lowest Performance Rating	46.62%	46.75%	57.89%	45.47%
Average Performance Rating	78.03%	81.33%	84.52%	82.85%

The table shows the identification of respective operational weaknesses, and the delivery of targeted support by Southern Zone staff resulted in a greater number of LALCs resolving operational weaknesses which helped minimise the potential risk to LALC operations.

This analysis is supported by the overall median performance rating increasing by 7.17% over the 12 month period.

It shows the top seventeen performing LALCs achieved higher performance scores at the conclusion of the reporting period compared to the start of the period.

This theme is also demonstrated in the increase in the average performance rating from 78.03% to 82.85% over the twelve month period.

The increase in the average performance score demonstrates that a greater number of LALCs were performing at a higher level at the conclusion of the reporting period compared to the implementation phase of LMSS

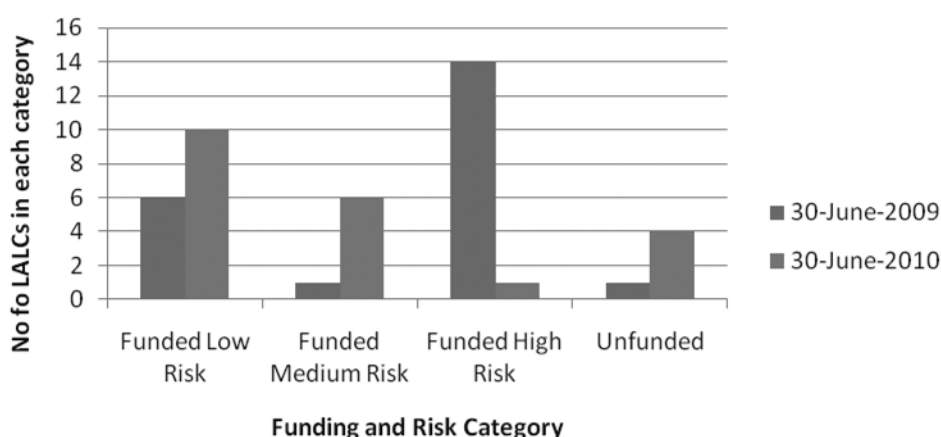
The reduction in the number of LALCs in the High Risk performance range also indicates there was a reasonable prospect that LALCs who identified operational weaknesses, and sought to address those issues with the support of the Southern Zone, were likely to improve their operational performance.

## Monitoring & Compliance

The Southern Zone office offered a total of thirty two Funding Agreements and two Assistance Agreements during the reporting period.

The status of LALC funding categories are outlined in tables below:

### Southern Zone Comparison LALC Funding Category



SOUTHERN ZONE LALC FUNDING CATEGORY				
	Funded Low Risk	Funded Medium Risk	Funded High Risk	Unfunded
30-June-2009	6	1	14	1
30-June-2010	10	6	1	4

The graph represents comparative funding between the current and previous reporting periods.

It demonstrates a significant improvement in the funding status of the LALC's in the Southern Zone.

The change reflects the impact of NSWALC's new *Policy on Local Aboriginal Land Council Financial and Funding Obligations* which was gazetted in May 2009 and implemented by July 1, 2009.

The Southern Zone office developed and implemented a strategy during this reporting period to make operational payments to four LALCs with long term audit qualification problems.

Assistance agreements were provided to each LALC to enable the payment of operational expenditure. This assisted each LALC to recruit Chief Executive Officers and or elect Board members to assist with the resolution of the outstanding compliance issues.

Southern Zone staff worked intensively with all LALCs during the reporting period to resolve those issues which resulted in two of the LALCs returning to a funded position.

The other two LALCs should return to a funded position within the first quarter of the new financial year following intensive support and assistance.

## Western Zone

The Western Zone office covers the largest area of the four NSWALC Zone offices.

Its administrative reach extends from Balranald in the south, to Toomelah and Boggabilla in the north, Broken Hill and Bourke in the west and to Mudgee in the east.

The area covers about seventy five percent of the state.

There are 36 Local Aboriginal Land Councils within the three regions (Central - 9; North West - 16; and, Western – 11).

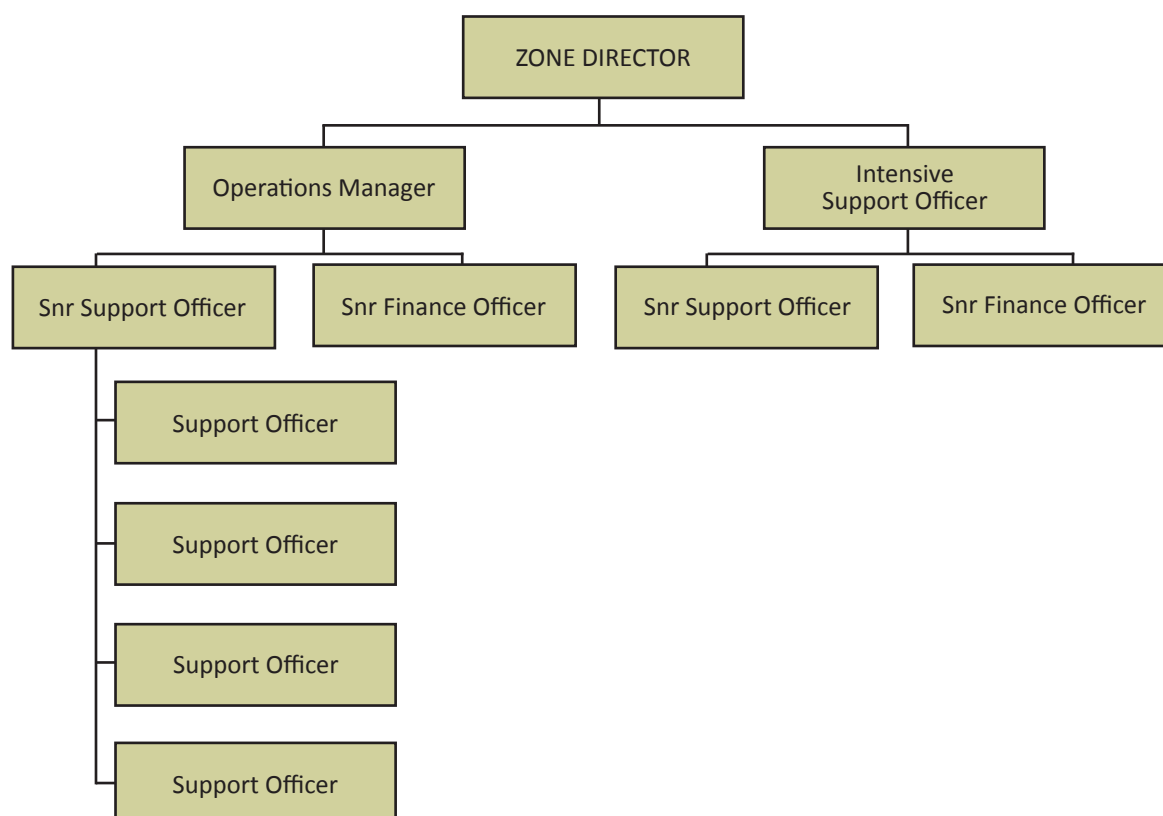
## Human Resources

The staffing structure of the Western Zone is comparable to the other Zone offices.

There is a diverse range of LALCs in terms of operational capacity and processes given the geographic size of the Zone,

The staffing structure is depicted below:

The staff provided regular and extended outreach services to LALCs in the Western Zone during the reporting period.



The Zone Office Staff, under the leadership of Director, Tony Sutherland, worked closely with the three NSWALC Councilors in the Western Zone.

As noted earlier, Councillor Stephen Ryan represents the Central Region; Councillor William Murray, the Western Region; and Councillor Stephen Gordon, the North Western Region.

## Regional Forums

A number of Regional Forums were conducted to discuss changes to the land dealing provisions of the Aboriginal Land Rights Act and relevant NSWALC Policies; and, to share a range of operational information with LALCs.

As noted elsewhere, The *Aboriginal Land Rights Act 1983 (Land Dealings Amendment Bill)* took effect from March 31, 2010 and resulted in NSWALC enhancing its current Policy to provide stronger guidance to LALCs in dealings with vested land.

Western Zone staff hosted a number of workshops as part of NSWALC's consultation processes on the proposed changes and their potential impact on LALC land dealings.

The workshops provided information about NSWALC's land dealing application processes under the land dealings provisions and the conditions NSWALC would impose to ensure legitimacy and equity in land dealings.

In addition, a number of Councillor Regional Forums were conducted across the Zone.

These included representatives from each of the Local Aboriginal Land Councils (LALCs) in the respective regions.

The forums provide LALCs with an opportunity to voice concerns and issues of particular interest to them and are a valuable opportunity to share information.

## LALC Elections

There were 25 Annual General Meetings convened by Local Aboriginal Land Councils across the Zone during this reporting period.

Members of each LALC elected a new Board during those meetings to govern their operations.

Zone staff assisted in these elections and seven casual vacancy elections during the reporting period under delegation from the Office of the Registrar to act as Returning Officers.

Mandatory Governance training was offered to all newly elected Board Members and delivered across the Zone.

A small number of Board Members failed to attend this training and were suspended from Board participation until training had been undertaken.

## LALC Staff Training

In conjunction with the Training and Development Unit, a number of training initiatives were provided to LALCs during the reporting period. These included WorkCover Occupational Health and Safety training and ICAC Corruption Prevention Workshops.

In addition, a number of LALC Chief Executive Officer's participated in the online graduate certificate program.

This program is a joint initiative by the NSWALC and the University of Newcastle. It is designed to provide relevant training and development directly to LALC staff.

## Water and Sewerage

As reported elsewhere, NSWALC and the NSW Government have combined to fund the Aboriginal Communities Water and Sewerage Program to ensure the water and sewerage services in Aboriginal communities are operated and maintained to the standard normally provided in the wider community.

The initiative provides for the New South Wales Office of Water (NSWoW) to undertake inspection audits three times a year and confirm agreed standards are being achieved.

Zone staff facilitated a number of “community engagement” meetings between NSW Office of Water and LALCs during the reporting period.

Fourteen LALCS held meetings with the Office of Water during the period.

These meetings resulted in twelve management plans being developed between NSWOW, Local Shire Council, and LALCs.

Zone staff continues to monitor the roll out of the Water and Sewerage Program and actively engage with LALC’s and NSWoW to resolve a variety of issues, as required.

## LALC Management Support System

Western Zone staff delivered the LALC Management Support System (LMSS) to the LALC network following its introduction on the first operational day of this reporting period.

The new system has provided a renewed focus for LALCs to improve their overall operations.

This improvement is evidenced in a number of ways.

Firstly, the graph below depicts a significant and ongoing improvement in the quarterly zone performance ratings.

Performance Score (Risk Level)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	No. of LALCs	No. of LALCs	No. of LALCs	No. of LALCs
90% - 100% (Low Risk)	9	6	9	10
70% - 89% (Medium Risk)	3	8	10	13
50% - 69% (High Risk)	4	6	7	6
Below 50%	17	13	7	4

Performance Range	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Highest Performance Rating	100%	100%	100%	100%
Lowest Performance Rating	12%	15%	15%	15%
Average Performance Rating	52%	63%	73%	77%

During this year, the number of LALCs achieving a performance rating of 70% or greater increased by eleven.

The improvement is the result of early identification of LALCs respective operational weaknesses and the delivery of targeted support by Western Zone staff, minimising potential operational risks to each LALC.

This analysis is supported by the increase in the average performance rating from 52% to 77%.

The increase in the average performance score indicates that a greater number of LALCs are performing at a higher level at the conclusion of the reporting period than they were at the beginning of the financial year.

The operation of the LMSS over the reporting period also resulted in a 50% decrease in the number of



LALCs that were located in the High Risk performance range.

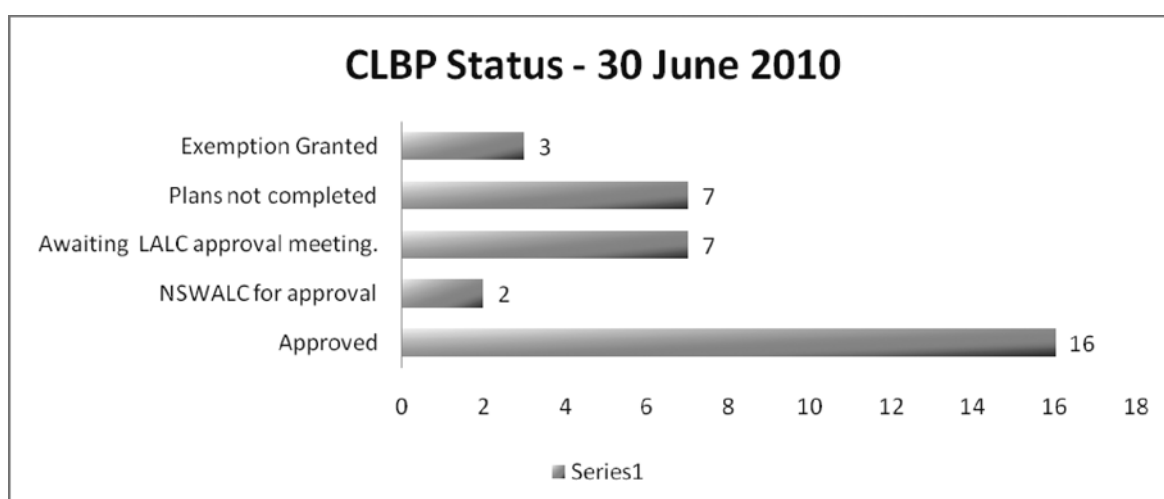
This reduction indicates that LALCs who identified operational weaknesses and undertook actions to address those issues, with the support of the Western Zone staff, were likely to improve their operational performance and move from a High Risk level of operation to a Medium or a Low risk level.

These results are encouraging.

## Community Land and Business Plans

The NSWALC provided training to LALC's in each region to develop a Community Land and Business Plan.

These plans are required to incorporate the views of members, and set the strategic direction for the LALC over the next 2-5 years.



NSWALC had approved 16 plans during the period, with two under active assessment as the reporting period ended.

In addition, another seven were awaiting LALC member approval prior to NSWALC's final approval. Three LALCs had been granted exemptions.

## Monitoring and Compliance

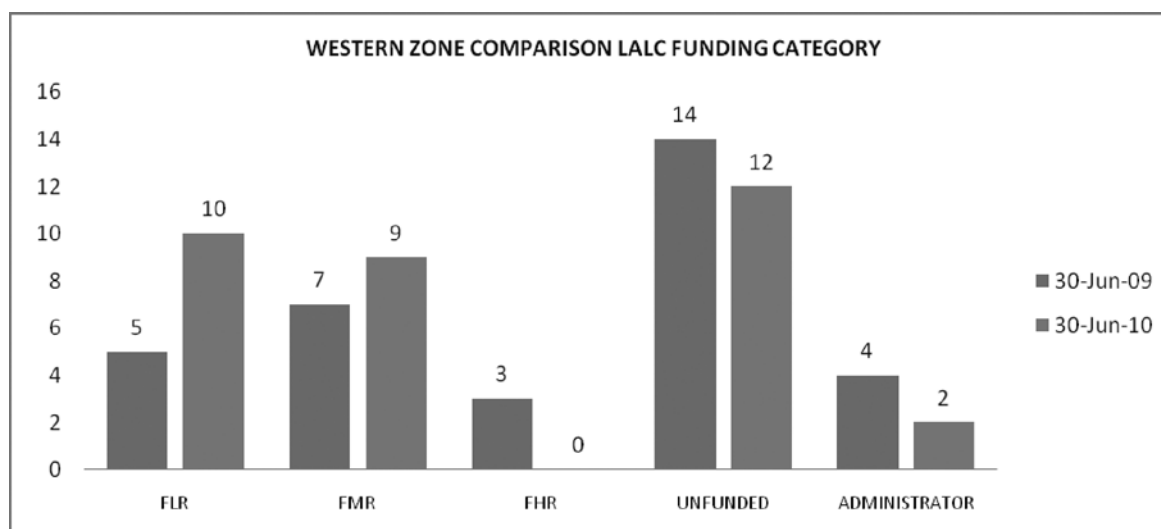
The Western Zone staff have a responsibility to ensure LALCs meet their responsibilities and obligations under the Aboriginal Land Rights Act (1983) and, with relevant NSWALC policies.

A total of sixteen funding agreements and 14 assistance agreements were offered to LALCs during the reporting period.

Another LALC had a higher level approval in respect to grant funding.

This represents a marked increase in the number of funded LALCs when compared to the end of the previous financial period which is illustrated in the table below.

In addition, there has been a reduction in the number of Administrators in place at the same point in time.



WESTERN ZONE FUNDING STATUS						
	FLR	FMR	FHR	UNFUNDED	ADMINISTRATOR	TOTAL
June 09	5	7	3	14	4	33
June 10	10	9	0	12	2	33

This change reflects the impact of the new *Policy on Local Aboriginal Land Council Financial and Funding Obligations* which was gazetted in May 2009 for implementation from July 1 2009.

Over time, this improvement will reduce the demand on NSWALC resources.

These resources can then be re-directed to those LALCs that may be struggling and would benefit from more intensive support and training.

*(Note: There are three non-functioning LALCs within the Western Zone. These LALCs have not been included in the above information.)*

## Eastern Zone

The Eastern Zone is the smallest of the four Zones in both geographic terms and staff numbers.

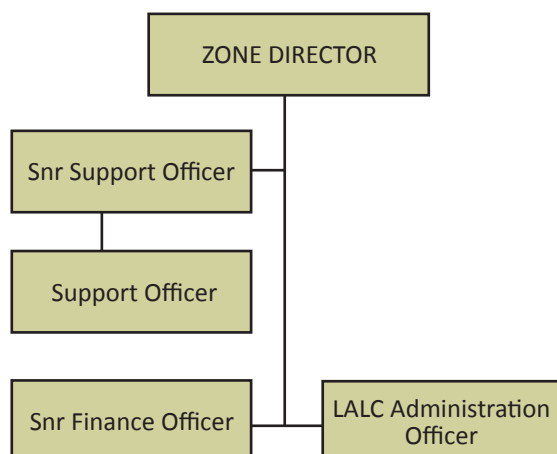
Its purpose, aims and functions are largely similar to those outlined for all other Zone Offices

However, it is responsible for overseeing some of the most complex property portfolios and largest LALCs in the land rights network.

During the reporting period staff from the Eastern Zone office, under the leadership of Director, Steve Merritt, provided guidance and assistance to eleven LALCs in the Sydney-Newcastle region.

In doing so, they worked closely with the elected Councillor for the region, Mr. Roy Ah-See.

## Organisational Structure



A further workshop was held in conjunction with NSWALC's Commercial and Legal Services Units to inform Eastern Zone LALCs of the new amendments to the land dealing provisions of the ALRA.

Eastern Zone staff also attended rent setting and housing policy workshops for LALCs organised by the Aboriginal Housing Office.

Staff also worked closely with the Governance Unit to deal with complaints made by LALC members in the Sydney/Newcastle region.

## NSWALC Scholarship Information Sessions

Zone staff attended workshops throughout the Region which were initiated by Councillor Ah-See to encourage and assist Aboriginal people in the Sydney-Newcastle region to further their education by applying for NSWALC's Education Scholarships.

Councillor Ah-See's strategy was successful.

The workshops generated unprecedented interest in the NSWALC scholarships and resulted in many being awarded within the region.

The details of successful applicants are outlined below.

LALC	TOTAL #	TOTAL \$\$\$
AWABAKAL	12	\$19,515.94
BAHTABAH	2	\$3,884.00
DARKINJUNG	26	\$52,170.80
DEERUBBIN	3	\$6,470.00
GANDANGARA	9	\$18,839.90
KOOMPAHTOO	4	\$6,694.00
LA PEROUSE	7	\$15,230.00
METROPOLITAN	8	\$15,800.00
MINDARIBBA	8	\$9,900.00
THARAWAL	6	\$12,750.00
WORIMI	4	\$6,923.00
<b>TOTAL</b>	<b>89</b>	<b>\$168,177.64</b>

## ACHIEVEMENTS

### LALC CAPACITY BUILDING INITIATIVES

Zone staff acted as Returning Officers and assistants in the conduct of general Board elections for all LALCs in the region during the reporting period.

They also assisted with three extra elections to fill casual vacancies on LALC Boards triggered by resignations or deaths.

Mandatory governance training was delivered to all new Board Members.

A small number of Board members failed to attend this training, for a number of reasons. They were suspended from attending Board meetings until the training was attended and completed.

Zone staff also attended a range of meetings and workshops throughout the year designed to further build the capacity of LALCs.

These meetings ranged from workshops to set out the roles and responsibilities of LALC Board Chairperson's and Deputy Chairperson's, how to conduct Board Meeting and budget Information sessions.

Zone staff also attended two workshops on grant funding with LALC's and a workshop which sought to assist LALCs to prepare for their end of year audit and to assist in their understanding of their statutory obligations in this area.

## Regional Forums

Councilor Ah-See also conducted a number of Regional Forums in the Zone during the reporting period.

The Forums bring together representatives from each of the Local Aboriginal Land Councils in the Region.

They are normally attended by a LALC Chairperson and Chief Executive Officer.

They have become important forums for NSWALC Councillors to report on their activities and provide LALCs an opportunity to voice concerns and issues across the Zone.

The Regional Forums have become a crucial feedback vehicle since the abolition of Regional Aboriginal Land Councils. Forums were attended by all LALCs in the Zone during this reporting period.

## LALC Management Support System (LMSS)

The Zone office maintains, the LALC Management Support System for ten LALCs in the Sydney/Newcastle region.

This system allows the Zone office to tailor its services to each organisation addressing specific needs through one-on-one LALC based support or through the provision of a wide range of training.

It allows for a comprehensive review of the LALC operations in five key performance areas. The LMSS has been completed with all LALCs in the Zone.

## Community Land & Business Plans approved

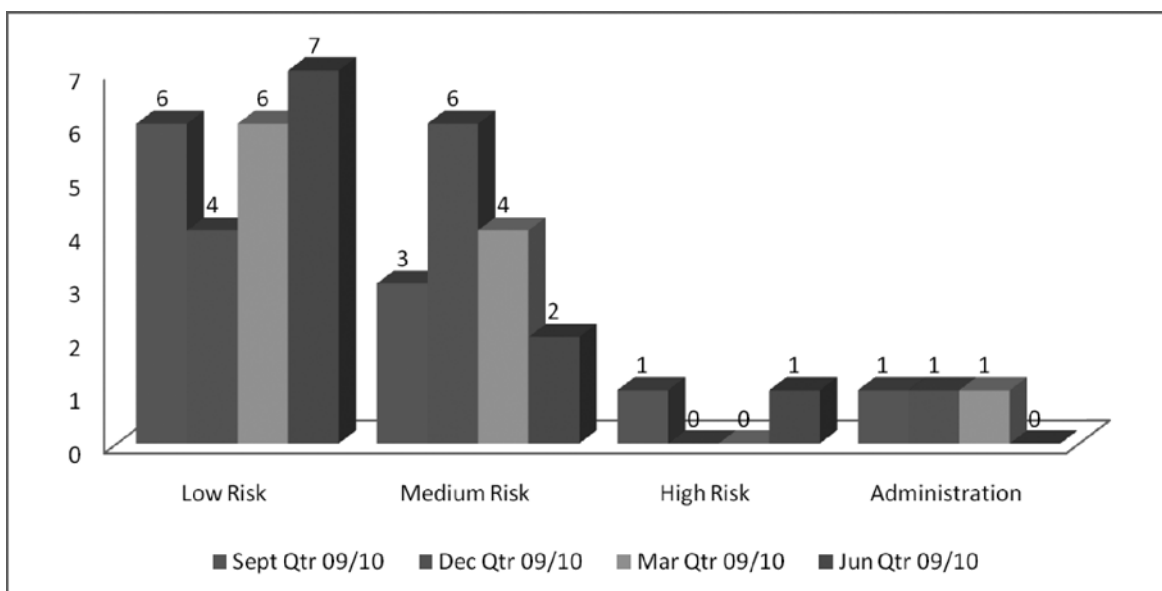
All but one LALC in the Region have had their Community Land & Business Plans approved by LALC members and by the NSWALC's Governing Council.

The remaining LALC had received approval from LALC members but had yet to receive the necessary approval from NSWALC as this reporting ended.

## Finance

Local Aboriginal Land Councils in the Zone progressed through a range of funding categories during this reporting period.

The following graph shows the number of LALCs in each funding category at the end of each financial quarter.



At the end of the September financial quarter, six LALCs were funded in the low risk category, three were funded at the medium risk category, one was funded at high risk and one was under Administration.

At the end of the June financial quarter, seven LALCs were funded low risk, two at medium risk and one was maintained at high risk.

The Koombahtoo LALC continued to operate under Administration until March 12, 2010 when the Minister for Aboriginal Affairs made a decision to dissolve the LALC.

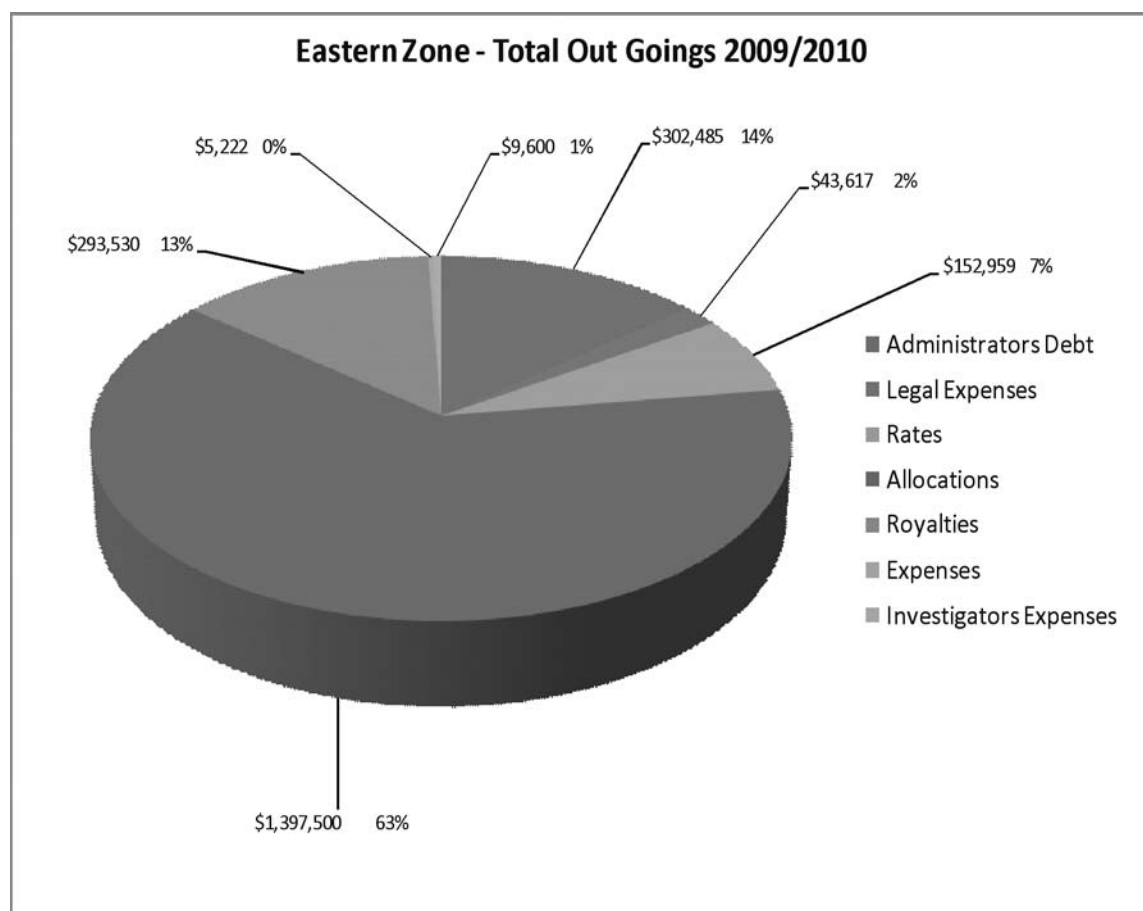
The dissolution of the Koombahtoo LALC is reported on in detail in the Legal Services Unit section of this report.

Both the Metropolitan and Tharawal LALCs emerged from Administration during the reporting period and their funding and operational status was reinstated.

The Zone's aim is to continue to assist those LALCs to build their capacity in all aspects of their operation including financial reporting, asset management, business planning and compliance with the provisions of the ALRA.

## Allocation and Expenses

The following pie graph shows the type of allocations and expenses paid to, or on behalf, of LALCs in the Zone during this reporting period.



The graph shows the dollar amount of each type of cash outgoing, and the percentage of the total cash outgoings for the Zone at the end of the financial year.

The total cash outgoing for the financial year stood at \$2,204,914.

63% of the total outgoings was in the form of cash allocations of \$1,397,500.

As illustrated above \$302,485 was allocated to Administrator's costs which included Koopahtoo LALC Administrator's expenses of \$158,807

Royalties of \$293,530 were paid to Worimi LALC.

Rates represented payments of \$152,959 on behalf of La Perouse LALC.

Legal expenses of \$43,617 represent payments on behalf of Koopahtoo LALC.

## LALC Debt

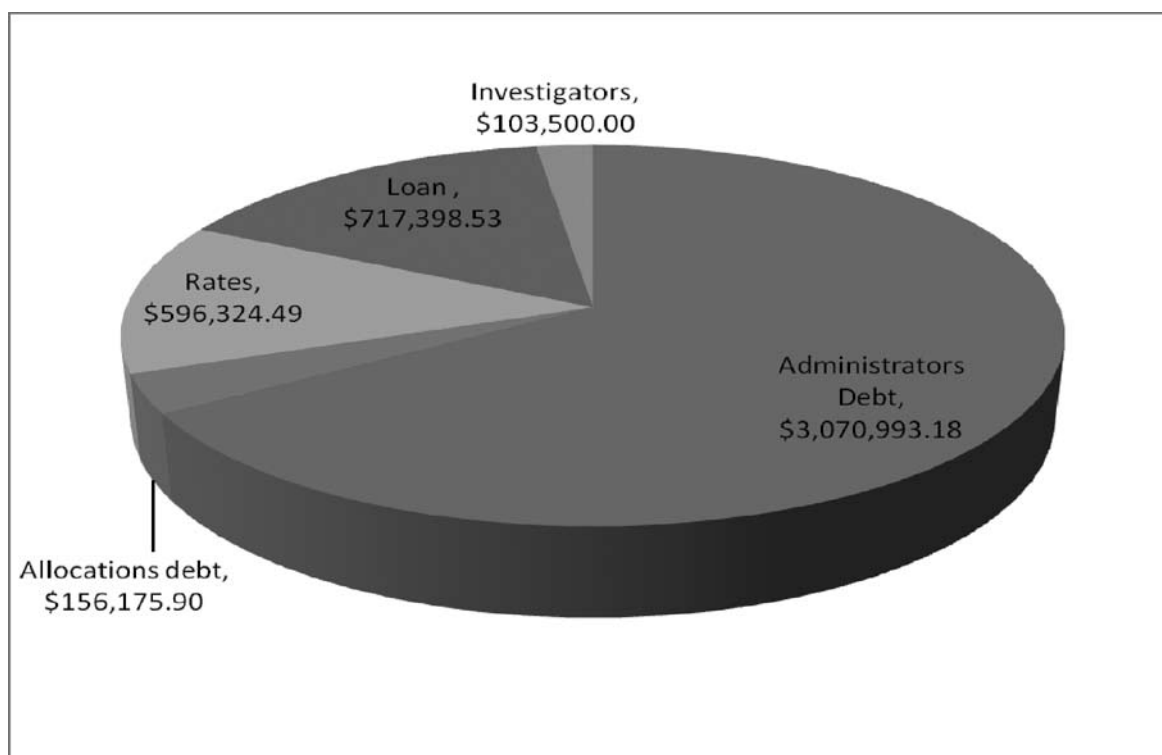
Total LALC debt to NSWALC at the end of the reporting period stood at \$4,644,392,

There was a net reduction in debt of \$32,516.54 on the previous financial year (excluding Koompahtoo LALC)

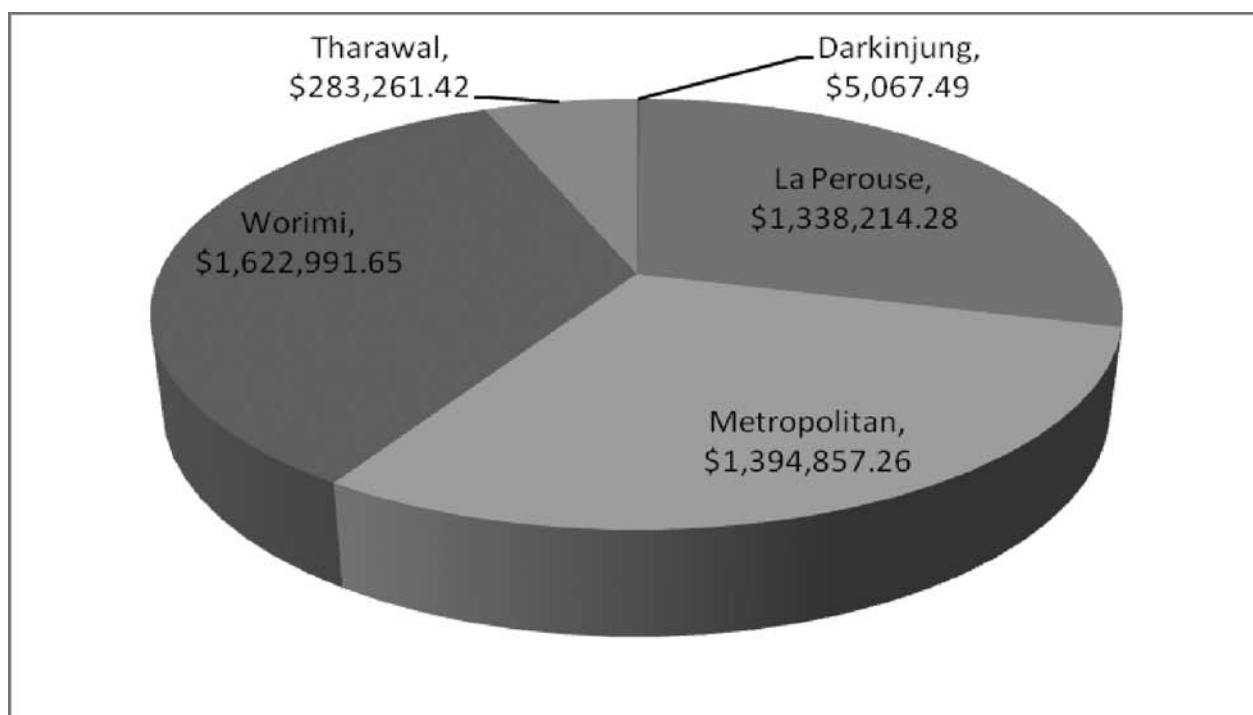
The net movement was made up of the following:

Total Receipts from LALC's against O/S debt		\$329,153.84
Less payments		
Rates Paid by NSWALC	\$152,959.14	
Administrators expenses paid by NSWALC (excluding KLALC)	\$143,678.16	
Total Payments by NSWALC		\$296,637.30
Net movement		\$32,516.54

Eastern Zone LALC Debt – By Classification







## Corporate Governance Unit

The Corporate Governance Unit managed to achieve a number of significant outcomes during the reporting period.

## Board Governance

The Unit planned, prepared and facilitated a total of fourteen Board meetings during this reporting period.

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

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

The CGU provided secretarial support to the following Council and committee meetings during the reporting period:

TYPE OF MEETING	NUMBER OF MEETINGS
Council	14
Audit and Risk Committee	5
Finance Committee	5
Investment Committee	5
Governance Committee	1 (inaugural)

The secretariat also supported two sustainability workshops for Councillors.

Both of these workshops were facilitated by SGS Economics and Planning Pty Ltd and gave the Council an opportunity to consider issues affecting the long term sustainability of the land rights network.

Work on an electronic Board Hub continued during the reporting period. The Board Hub, being developed by the IT Unit will provide Councillors and staff with ready access to Board records.

The CGU also assisted with the annual review of delegations from the Council to the CEO and commenced a substantive review of delegations from the CEO to staff.

The Unit also developed a revised “Communications Protocol between NSWALC Councillors, Management and Staff” and developed “Guidelines for making submissions to the Council” including a revised submission template.

It also assisted a number of business units in the revision and development of policies and procedures.

## Internal Audit

The Internal Audit Function, including the Audit and Risk Committee, underwent a number of changes during the reporting period to ensure compliance with the Treasury ‘Internal Audit and Risk Management Policy for the NSW Public Sector’ issued under the Public Finance and Audit Act 1983.

During the reporting period the following audits were completed or commenced:

Internal Audit	Status
Asset Management and Maintenance	Completed
Tendering & Contracts	Completed
Riverina Farms	Completed
Councillor transactions	Completed
Northern Zone Office	Completed
Southern Zone Office	Completed
Eastern Zone Office	Completed
Payroll Administration	Completed
Investment Portfolio Review	Completed
Investment Portfolio Follow Up Review	Completed
GST Compliance	Commenced
IT Network Security	Commenced
FBT Compliance	Commenced

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

In total there were 64 findings and recommendations made across the reports.

Each finding was categorised by the Internal Auditor as an “Efficiency/ Performance Issue” or an “Internal Control Weakness Issue”.

A finding/issue was considered an Efficiency/Performance Issue if it related to identified inefficiencies in formally adopted procedures or provision of services, or a failure in the provision of services or in the monitoring and reporting of the provision of services.

A finding/issue was considered an Internal Control Weakness Issue if it related to a breakdown or non-compliance with formally adopted procedures or controls, or an assessed weakness in the internal control framework as documented during the audit.

Of the 64 findings, 17 were considered an Efficiency/Performance Issue and 47 were considered an Internal Control Weakness Issue.

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

The following table explains the risk categories:

<b>Risk Ranking</b>	<b>Strategy Category</b>
<b>Extreme</b>	Immediate detailed planning and action required at senior levels to determine how to reduce the risk and regular monitoring of progress by senior management.
<b>High</b>	Senior management attention and monitoring of progress with risk management action is required.
<b>Medium</b>	Management responsibility to be specified, monitor and review response action as necessary.
<b>Low</b>	Manage through existing processes and procedures.
<b>Negligible</b>	Unlikely to require allocation of resources.

Of the 64 findings three were given a risk ranking of Extreme, fifteen were ranked High risk, thirty one were ranked Medium risk and fifteen were ranked Low risk.

In June 2010 NSWALC formally adopted a Charter for the Internal Audit Function and Internal Audit Manual consistent with the Treasury 'Internal Audit and Risk Management Policy for the NSW Public Sector'.

## Audit and Risk Committee

During the reporting period the Audit and Risk Committee met on five occasions.

For the majority of the reporting period the Committee comprised Mr Jon Issacs, an independent Chair, and Northern Region Councillor and NSW Deputy Chairperson, Tom Briggs, and Councillor Craig Cromelin, who represents the Wiradjuri Region.

The meetings of the Audit and Risk Committee were attended by the CEO, Chief Finance Officer (CFO) and a representative of the Audit Office.

All meetings were supported by the Secretariat.

The following changes were made to the Audit and Risk Committee in May 2010 to ensure compliance with the Treasury 'Internal Audit and Risk Management Policy for the NSW Public Sector':

- The committee adopted a revised Charter consistent with the Model Charter in the Treasury Policy.
- A second independent member, Ms Carolyn Walsh, was appointed.
- Councillor Briggs resigned from the Committee. Councillor Cromelin was reappointed and Councillor Stephen Ryan, who represents the Central Region, was appointed as an alternate Councillor.

An exemption was also sought and obtained from the Minister to enable Mr Jon Isaacs to continue as the Chair of the Committee until March 2011.

NSWALC is obliged to publish an *Internal Audit and Risk Management Statement for the 2009-10 Financial Year*. This can be found at the end of this report.

## Complaints

During the reporting period NSWALC received 77 complaints about the land council network.

Seventy three of these complaints related to Local Aboriginal Land Councils and 4 related to NSWALC.

This compared with the receipt of 66 complaints about the Land Council network and four about NSWALC in the previous reporting period.

The following allegations were raised by these complaints:

ALLEGATIONS	SPECIFICS	NO. OCCASIONS RAISED
<b>Housing Related Issues</b>		
	Rental arrears	8
	Repairs/Maintenance	5
	Rental increases	6
	Rent/Buy schemes	3
	Allocation of housing	7
	Evictions	9
	Conduct of tenants	5
	Total	<b>43</b>
<b>Corruption</b>		
	Improper receipt of benefits	<b>8</b>

<b>Assets and Accounting</b>		
	Accounting irregularities	7
	Sale of assets	4
	Use of LALC assets	7
	<b>Total</b>	<b>18</b>
<b>Pecuniary Interest and Conflict of Interest</b>		
	<b>Total</b>	<b>6</b>
<b>Conduct of Administrators</b>		
	<b>Total</b>	<b>3</b>
<b>Board members/ staff/members</b>		
	Qualification for office	2
	LALC Board vacancies	2
	Board elections	2
	Rudeness	8
	Intimidation	8
	Cultural insensitivity	5
	<b>Total</b>	<b>27</b>
<b>Employment related</b>		
	Recruitment and selection	5
	Workplace harassment	6
	Unfair dismissal	8
	Owed entitlements	2
	<b>Total</b>	<b>21</b>
<b>Membership and Aboriginality</b>		
	Proof of Aboriginality	6
	Request for membership	4
	Suspension of membership	3
	<b>Total</b>	<b>13</b>
<b>LALC Administration and Protocols</b>		
	Requests for extraordinary meetings	4
	Adequacy of notice	3
	Members access to information	5
	Poor administration procedures	9
	<b>Total</b>	<b>21</b>

During the reporting period there were 8 formal referrals to the ICAC and 22 complaints referred to the Registrar of the ALRA.

## Freedom of Information

Whilst there were no formal applications for information under the *Freedom of Information Act 1989* during the reporting period the CGU provided information in relation to NSWALC on numerous occasions.

During the reporting period the CGU prepared for the commencement of the *Government Information (Public Access) Act 2009*. A new 'Right to Information Policy' and a program for proactive disclosure were developed by the CGU.

## Policy and Research Unit

A large proportion of the Policy and Research Unit's work in the 2009-2010 financial year was focused on culture and heritage issues.

These were identified as priority issues by NSWALC's Governing Council and by a majority of Local Aboriginal Land Council delegates at the 2009 Statewide Conference.

Other policy and research issues which the Policy and Research Unit focused on during this reporting period included:

- Human rights.
- Natural resource management.
- The environment.
- Economic development and
- Joint management of National Parks.

## Culture and Heritage

As noted in this space last year NSWALC has a statutory function to "take action to protect the culture and heritage of Aboriginal persons in New South Wales."

However, it has been given no statutory power to do so.

This power resides with the Government.

NSWALC believes that power should reside with Aboriginal people.

In this respect NSWALC was proud of the major legal reforms it was able to secure for Aboriginal people in NSW during the reporting period, including recognition of cultural fishing rights, and increased protection for Aboriginal sites under the *National Parks and Wildlife Act 1974 (NSW)*.

The Policy and Research Unit worked closely with the Council of NSWALC, as well as the Legal and Media Units of NSWALC and partner organisations such as NTSCORP Ltd, to ensure a strong and coordinated response to the NSW Government to these reforms.

Under the slogan of '*More than Flora and Fauna*', the Policy and Research Unit also supported the re-invigoration of NSWALC's push to establish independent Aboriginal heritage legislation and an Aboriginal Heritage Commission for NSW to recognise that the right to own and control Aboriginal culture and heritage lies with Aboriginal people – not the Government.

NSWALC is committed to working with the NSW Government and all sides of politics to ensure that the commitments made by both major political parties during the reporting period for the establishment of separate Aboriginal heritage legislation are followed through.

This reporting period also saw a large increase in the number of resources and policy advice provided to LALCs by the Policy and Research Unit.

This included responses to requests for advice on policy issues from LALCs, regular email notifications and Network Messages about upcoming policy changes, and presentations at Regional Forums.

The Unit developed a series of fact sheets, web pages and other information resources for LALCs which were published throughout the period in response to LALC requests for more information explaining how different laws and policies impact on Aboriginal people's cultural and human rights

The Land Services Unit also developed a Land Claim Tip Sheet before the Unit transferred a cross to the Legal Services Unit.

The Tip Sheet is a user friendly tool to help LALCs lodge their own land claims.

## Submissions

Formal submissions represent an important part of the work of the Policy and Research Unit.

NSWALC produced a significant number of high quality research and submissions in the 2009-2010 financial year.

These included:

- *More than Flora and Fauna*, July 2009, to Department of Environment, Climate Change and Water (DECCW),
- *Community Consultation Requirements*, July 2009, to DECCW,
- *Reel Cultural Fishing Rights*, July 2009, to Department of Primary Industries,
- *Respect and Protect*, November 2009, to Department of Environment, Water, Heritage and the Arts (DEWHA),
- *Zoning in on Aboriginal Land and Heritage Protection*, May 2010, to NSW Department of Planning,

## More than Flora and Fauna/ Omnibus Bill

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

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

Consistent with this function, the Policy and Research Unit have undertaken a significant amount of research to advocate for amendments to the key law in NSW that can provide protection to Aboriginal culture and heritage, the National Parks and Wildlife Act 1974 (NSW), as well as broader reforms to improve the culture and heritage regime in NSW.

In April 2009, the NSW Government released a Consultation Draft of the National Parks and Wildlife Amendment Bill 2009 (also known as the Omnibus Bill 2009).

Public comments were invited on the 2009 Draft Omnibus Bill through the DECCW.

NSWALC set out its detailed concerns and those of its constituents to the proposed culture and heritage reforms in its submission. *More than Flora and Fauna: Response to the National Parks and Wildlife Amendment Bill 2009*.

*More than Flora and Fauna* provides a comprehensive background to the management of Aboriginal heritage in NSW - and what needs to be changed to ensure that important Aboriginal heritage does not continue to be lost through inappropriate development and government approvals.

The research included in the submission highlighted the high rate of destruction of Aboriginal cultural heritage in NSW that has been approved by the NSW Government through a permit application process.

The investigations undertaken by NSWALC and NTSCORP helped to bring forward the Government's announcement of new separate legislation for the protection of Aboriginal culture and heritage in NSW when changes to the Omnibus Bill were passed through Parliament in June 2010.

## Community consultation

The DECCW consultation policy has been under review for several years.

In 2009, DECCW released a draft of the consultation Requirements for community feedback. NSWALC provided a detailed submission which outlines how the current systems and how it can be improved.

Recommendations included in the submissions were designed to ensure the recognition of the rights of Aboriginal people to control their culture and heritage and to increase protection of Aboriginal culture heritage for future generations.



In April 2010, DECCW released a final version of the Consultation Policy.

NSWALC prepared a Fact Sheet for LALCs which provides more detail about the new Requirements, including how LALCs could be involved at the different stages of the consultation process. NSWALC also prepared a template letter that LALCs could use to respond to notices from proponents.

The Policy and Research Unit also worked with other agencies such as the NSW Department of Planning and Roads and Traffic Authority (RTA) to ensure recognition of LALCs role and respect the role of Traditional Owner Groups in relation to culture and heritage.

## Fishing Rights

In July 2009 NSWALC prepared the *Reel Cultural Fishing Rights* submission in response to the NSW Department of Primary Industries discussion paper *Cultural Fishing in NSW*, which presented an opportunity for Aboriginal cultural fishing rights to be considered under the proposed amendments to the *Fisheries Management Act 2004 (NSW)*.

During late 2009 NSWALC and NTSCorp commenced negotiations with the Minister for Primary Industries and formed part of a working group between the Department of Industries and Investment (previously Department of Primary Industries) to provide advice and negotiate amendments to the *Fisheries Management Act 1994* which aimed to strengthen Aboriginal cultural fishing rights in NSW.

As a result of these negotiations, the *Fisheries Management Amendment Bill 2009* was passed by the NSW Parliament in December, 2009.

The Act now acknowledges that fishing for the Aboriginal community is an imperative part of culture, encompassing spiritual, social and customary significance.

One of the key changes is that an Aboriginal person is now authorised to fish within the definition of 'Aboriginal Cultural Fishing' in the amended Act without the need to apply for a fishing permit or to pay a fee.

This applies to both freshwater and saltwater fishing activities.

New regulations will make provision for the management of Aboriginal cultural fishing.

The amendments also led to the creation of an Aboriginal Fisheries Advisory Council which will play a key role in advising the Minister for Primary Industries on all Aboriginal fishing issues.

Permits for larger cultural gatherings will still be required: however the newly established Advisory Council will play a role in advising the Minister on streamlining the permit system for this purpose.

In June 2010, the NSW Primary Industries Minister announced a range of initiatives aimed at enhancing the Aboriginal communities' participation within the commercial fishing industry.

During this period, the Policy and Research Unit has provided regular updates to the network in the form of email advice and network messages. The Unit has also presented on Cultural Fishing matters at Regional Forums.

Following on from this work, in March 2010, NSWALC was invited to respond to the *Inquiry into Recreational Fishing* being conducted by the NSW Legislative Council's Select committee on Recreational Fishing, which aimed to investigate and report on the benefits and opportunities that improved recreational fisheries may represent for fishing licence holders in New South Wales.

In particular NSWALC was requested by the Committee to provide an overview of Aboriginal cultural fishing in NSW, particularly in respect to the provisions of the *Fisheries Management Act 1994*, and the *Fisheries Management Amendment Act 2009*.

NSWALC used this opportunity to identify broad concerns amongst the network regarding restricted access to Marine Parks for Aboriginal cultural fishing purposes, particularly in areas which may hold high cultural and traditional value for a particular community.

The Committee has been holding public hearings across NSW since April 2009 and will continue through to September 2010.

It is anticipated that the NSWALC Chair will present to the Committee on the matters outlined in NSWALC's submission in the new reporting period.

## Respect and Protect: Commonwealth Heritage laws

The Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth) (ATSIHP Act) gives the Federal Minister for the Environment, Heritage and the Arts, currently the Hon Peter Garrett, the power to make declarations for the protection of Aboriginal objects and areas.

On 3 August 2009 the Department of Environment, Water, Heritage and the Arts (DEWHA) released a Discussion Paper on Indigenous Heritage Law Reform.

Submissions in response to the Discussion Paper were due by 6 November.

Policy and Research Unit staff attended Information sessions held by DEWHA, and developed Fact Sheets for LALCs.

A NSWALC submission, *Respect and Protect*, supported the Federal Government's review of the Act.

NSWALC submitted the ATSIHP Act was largely ineffective.

Previous Federal Ministers had rarely used their powers under the Act to make emergency culture and heritage declarations.

A key recommendation in NSWALC's submission was that the proposed standards for accreditation should be based on best practice international standards, and the *UN Declaration on the Rights of Indigenous Peoples*.

Other key recommendations outlined that the Federal Government appeal process should be maintained and strengthened; Aboriginal culture must be recognised and respected; Aboriginal communities must have rights to be the key decision makers; and the process for applying to the Federal Government for protection should be easy and straightforward.

The Government had not made any further announcements about the outcomes of the Review as this reporting period ended.

## Zoning In on Aboriginal Heritage

Local Councils have an important role in the protection and management of Aboriginal culture and heritage at the local level.

All Local Councils in NSW were updating their Local Environmental Plans (LEPs), which contain sections relating to Aboriginal cultural heritage as this financial year ended.

Additionally, Local Councils are responsible for assessing development applications (DA) and other types of planning work that can impact on Aboriginal heritage.

The Policy and Research Unit, with the assistance of Student Interns, aimed to provide regular notices and updates to LALCs when Local Councils made announcements in relation to their new LEPs during the new reporting period.

The Policy and Research Unit, with the assistance of the Environmental Defender's Office (EDO) produced a series of Planning Fact Sheets, and were able to present this material at Regional Forums.

These included a 2 day Workshop at Cr Laurie's Regional Forum at Yamba comprising one day on planning issues.

In March 2010 the NSW Department of Planning released the 'Potential Amendments to the Standard Instrument – Options Paper', which proposed a number of changes to the way that Aboriginal heritage is protected in Local Environmental Plans (LEPs).

The Policy and Research Unit prepared a comprehensive submission, titled *Zoning in on Aboriginal Land and Heritage Protection* which supported the changes which were designed to ensure that Aboriginal heritage

Many of the NSWALC's recommendations related to the Aboriginal heritage provisions, but a number of recommendations were made regarding the future management of Aboriginal cultural heritage through local government and planning laws.

The Media and Marketing Unit prepared a version of this submission to add to the NSWALC website, along with six NSWALC Planning Fact Sheets.

## BioBanking and Land Alive

In July 2009, NSWALC signed a new Grant Agreement with DECCW for the ongoing Land Alive partnership project.

The purpose of the grant agreement is to support the network to make informed decisions and build capacity regarding the NSW BioBanking Scheme and other sustainable land use options.

In July 2009, NSWALC established, by resolution of Council, its position on BioBanking, which may be summarised as:

*"NSWALC will continue, in partnership with DECCW, to explore BioBanking within the context of a broader range of environmental and economically sustainable land use options on behalf of Local Aboriginal Land Councils."*

The recent land dealings amendments to the *Aboriginal Land Rights Act 1983 (NSW)* and the departure of the Senior BioBanking Officer in September 2009, meant the project was delayed for a period.

However it is anticipated the project will be completed and a number of useful resources, tools and advice will be disseminated across the network in the new reporting period.

## Aboriginal Student Internship Program

The Policy and Research Unit developed a partnership with the University of Western Sydney during the period to provide opportunities to Aboriginal students to undertake practical employment with NSWALC and boost their chances of long term employment.

The program was first launched in August 2009 and NSWALC hosted student Jaime Lee Walker during this reporting period.

She has since gained full time employment.

## Culture and Heritage Program

The Policy and Research Unit also worked on a range of materials for the LALC network including series on:

- Fishing Rights,
- Marine Parks,
- Site Protection,
- Community Consultation,
- Planning,
- Access to Country, and
- National Parks.

These Fact Sheets were being finalised into a new design format to include images, and colour coordination for each series.

This reporting period also saw the Policy and Research Unit attend a number of Workshops and events.

Staff were invited to attend a number of the Councillor's Regional Forums to present on Culture and Heritage issues.

- Councillor's Regional Forum (Far North Coast) Yamba, 5-6 November 2009
- Councillor's Regional Forum (Central) Mudgee, 8 December 2009
- Councillor's Regional Forum (Port Macquarie) 9 December 2009, 17 June 2010
- Councillor's Regional Forum (Wiradjuri), 19 May 2010

- Councillor's Regional Forum, (South Coast) 12 May 2010
- EDO Culture and Heritage Roundtable, Sydney 6 May 2010
- Black is Back Event, Museum of Sydney, 26 March 2010
- DECCW Information Session, Community Consultation Requirements, Sydney, 22 April 2010
- Salt Water Fresh Water, Coffs Harbour, 26 January 2010
- National Native Title Tribunal Conference, Canberra, 1 & 2 June 2010
- EDO Conference, Sydney, 28 May 2010
- Intellectual Property Workshop run by Terry Jenke, 27 October 2009
- Environmental Planning Law Conference, Heritage Session, Sydney, 23 Oct 09
- Environmental Defenders Office (EDO) and Total Environment Centre (TEC), Workshop on NSW Planning Laws, Sydney 18 Nov 09
- Presentation at Glebe High School about Land Rights, 10 December
- NSW Young Lawyers Forum on Human Rights, Cultural Fishing, 29 July 2009
- Indigenous Enterprise Partnerships, Redfern Waterloo Pilot Project, 27 August 2009 to 28 August 2009
- Murray Darling Basin Authority, Native Fish Forum (Albury), DEWHA, 01 September 2009 to 02 September 2009
- Planning laws in NSW workshop – Environmental Defender's Office, 17 September 2009.

## International Engagement

As reported earlier a delegation from NSWALC attended the 9th Session of the United Nations Forum on Indigenous Issues in April 2010.

The Policy and Research Unit prepared the following interventions and reports for the NSWALC delegation to present at the Ninth Session of the United Nations Permanent Forum on Indigenous Issues:

- Report on the progress in legislative acknowledgement and freedoms of Aboriginal Cultural Fishing in NSW (included a side event),
- Development with Culture and Identity: Articles 3 and 32 of the UN Declaration on the Rights of Indigenous Peoples (included a side event), and

- Human Rights: Implementation of the UN Declaration on the Rights of Indigenous Peoples.

## Administrative and Operational Policies and Procedures

In mid 2009 the Policy and Research Unit completed an audit of all NSWALC's administrative and operational policies.

A handover to the incoming Director of Governance, Nicole Courtman, was completed in November 2009.

## Community, Land and Business Plans

These matters are set out in Division 6 of Part 5 of the ALRA, which require that a LALC must prepare and implement a Community, Land and Business Plan (CLBP).

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 plans must contain the LALCs objectives and strategies:

- For the acquisition, management and development of land and other assets;
- For the provision and management of community benefits schemes, including social housing schemes;
- For carrying out business enterprises and investment of assets; and
- For Aboriginal culture and heritage matters.

The plan must be approved by members of the LALC and NSWALC, which must not approve a plan unless it is satisfied it complies with the ALRA and the regulations and is consistent with any applicable policy of the Council.

Once approved, a substantial failure by a LALC to comply with its plan 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 states that NSWALC may extend the period within which the LALC is to prepare and adopt a plan, and may waive the requirement wholly or partially in an appropriate case.

## Building Capacity

Since CLBPs became a requirement under the ALRA in 2006, NSWALC has remained conscious of the potential lack of capacity and resources at the LALC level to initiate, develop, and implement CLBPs.

As previously reported, NSWALC secured external grant monies to assist build the planning capacity of LALCs.

At June 2010, approximately 90% of LALCs in NSW had engaged a consultant to assist with the preparation of their plans with the assistance of DEEWR.

## Approval and Implementation of Plans

In accordance with Section 84(6) of the ALRA, a CLBP only takes effect when it is approved by the NSWALC.

At June 2010, a total of 92 LALCs had prepared and adopted plans which had been approved by NSWALC based on compliance with the requirements of the ALRA.

Each of these LALCs must now operate within the scope of their plans.

NSWALC will continue to work closely with the LALCs and provide ongoing support throughout the implementation of the plans, to ensure compliance with the plans as required by the ALRA.

## Media and Marketing

NSWALC's increased advocacy effort through the Governing Council progressively increased the Unit's workload throughout the reporting period.

The Unit dealt with a constant stream of inquiries from Aboriginal and mainstream media on the national, state, local and international political activities of the Governing Council, legislative changes arising to the land dealings provisions of the ALRA Review and LALC matters.

It also dealt with a stream of email traffic from the NSWALC website seeking a wide array of information on Aboriginal Affairs issues.

Major activities included:

- Informing Local Aboriginal Land Council Boards, their members and staff, as well as NSWALC staff, on a range of issues by drafting and issuing a series of network messages in consultation with the Chairperson and the Chief Executive Officer.
- The preparation of a range of media statements, speeches, and background briefing and decision papers for Councillors and the Chief Executive Officer on a wide range of issues.
- The production and distribution of NSWALC's 2008/09 Annual Report.
- The production of *Networking The Nations*, a 154-page official record of the NSWALC State Conference convened in March 2009 which included a companion CD of major speeches and presentations to Conference.
- The development and promotion of NSWALC's Books Behind Bars campaign.
- The upgrade and maintenance of NSWALC's Intranet and Internet sites.
- The design, production and distribution of a wide range of marketing materials.
- Maintaining a close liaison with Minister Lynch's media staff and those of relevant stakeholders.

The Unit also assisted the Council and the Chief Executive Officer with a range of strategic public affairs issues throughout the year.

It worked closely with the Policy and Research and Legal Services Units on specific key public awareness campaigns on land rights, particularly the slow determination of land claims, and a culture and heritage campaign designed to secure the establishment of a long-promised Aboriginal Heritage Commission

## Resource Centre

The Unit continued to develop the 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.

The establishment of the Resource Centre has significantly increased the amount of off-street inquiries the organisation received during this reporting period for promotional material.

Established in early 2008, the Centre has proved to be an increasingly valuable facility for NSWALC, particularly the Reference Library, which is maintained by Ms Puckeridge, who was appointed Centre Coordinator during the reporting period, Ms See and Mr. Mundine.

The Media and Marketing Unit produces and distributes a range of marketing materials to the ALC network, Aboriginal communities, and the wider public.

All are produced in house. The design and desk top publishing activities of the Unit continued to deliver a significant cost saving to the organisation during the reporting period.

The production and distribution of these materials is co-ordinated through the Resource Centre.

The management of the Books Behind Bars program is also conducted from the Resource Centre.

## Media Releases, Speeches and Network Messages

The Unit drafted more than 100 media statements, speeches, speaking notes and network messages for members of NSWALC's Governing Council and the Chief Executive Officer, during the reporting period.

The speeches focused on the contemporary and historical importance of land rights and the many challenges which lie ahead to build on the gains achieved over the past 27 years.

Key speeches and media statements were drafted for Chairwoman Manton, Deputy Chairperson Briggs, and each Councillor, on a range of issues and for a series of events which ranged from Regional Forums to NSWALC interventions at the United Nations.

The Media and Marketing Unit also assisted a number of Local Aboriginal Land Councils with media inquiries and the drafting of public statements.

Speeches, media statements and network messages provide a valuable insight into the public advocacy work of NSWALC's Governing Council and individual Councillors throughout the reporting period.

All are lodged on the NSWALC website.

They provide a useful historical reference point for those interested in charting the progress of land rights in NSW, particularly during the reporting period.

They also provide an opportunity to mark the passing of Aboriginal elders.

Such was the case with the passing of Aboriginal activist Charles (Chicka) Dixon in March. In a public statement issued at the time Chairwoman Manton said Uncle Chicka's passing was a terrible loss to the Aboriginal and wider community in New South Wales.

He had dedicated his life to fighting for basic human rights and justice for Aboriginal and Torres Strait Islander People.

"Born in 1928, Chicka, who was also known as The Fox, was educated in the school of hard knocks and he certainly came up the hard way," she said.

"He attended his first political meeting in 1946 where he was inspired by the late Jack Patten, an organiser of the 1938 Day of Mourning and the Aborigines Progressive Association. He had been politically active ever since," she added.

"A reformed drinker, he worked in the trade union movement and the Foundation for Aboriginal Affairs with Charles Perkins in the late 1960's.



"It was during this time as a waterside worker that Chicka learnt about lobbying and how to successfully negotiate.

"In 1963 he joined the Waterside Workers Union in Sydney and started lobbying the Union to become involved in Aboriginal Affairs.

"During the 1967 Referendum he campaigned alongside Pearl Gibbs and Faith Bandler.

"He was at the forefront of the legendary 1972 Aboriginal Tent Embassy demonstrations with Michael Anderson, Gary Foley, Paul Coe and Billy Craigie.

"In 1972 he led a delegation of Aboriginal Australians invited to visit China to tell the Chinese about the Aboriginal struggle for justice while at the same time shaming the federal government.

"Chicka became a foundation member of the Aboriginal Arts Board in 1973 and later became its Chairman.

"He was the first Aboriginal person to be appointed as a Councillor on the Australia Council.

"He was also instrumental in establishing some of the earliest programs to help and lift the spirits of Aboriginal people incarcerated in NSW jails.

"In 1983 Chicka was named the first Aboriginal Person of the Year and was awarded an Honorary Doctorate of Letters for his eminent service to the community by the University of New South Wales.

"He was passionate about education and I know he was proud of NSWALC for the funding and creation of our \$30 million Education Endowment Fund.

"He was always a man of great compassion and generosity."

Chairwoman Manton noted that he had donated all of his papers and documents to the Australian Institute of Aboriginal and Torres Strait Islander Studies in Canberra to ensure "they would not be lost to future generations of Aboriginal people."

"I will always remember him, when reminiscing about his life, saying that he would go to his grave not dwelling on campaign losses, but instead remembering some of the positive outcomes he had helped achieve," she added.

A few weeks earlier Chairwoman Manton had noted the Worimi Nation and the Port Stephens area had lost one of its true stateswomen with the passing of Aunty Gwen Russell.

"Like so many others, Aunty Gwen was a great inspiration to me. She had a significant influence on my life and for that I will be forever grateful," she said.

"Although only slight in stature, Aunty Gwen's tenacity and unrelenting fight for justice for her people certainly made her a formidable force to be reckoned with in all areas of the political and non-political spectrums.

"She personified, in every sense of the word, the term 'elder.'

"It is a true measure of the person that she rose from humble beginnings to become a great and respected leader.

"Although Aunty Gwen experienced almost every aspect of human adversity and deprivation of social justice, she never allowed these hurdles to negatively influence her efforts and her pursuit to reconcile the many differences between Aboriginal and non-Aboriginal Australians.

"A founding member of the Worimi Local Aboriginal Land Council, Aunty Gwen was an active member of the Aboriginal community for over 30 years, and also became a member of the Worimi Conservation Lands.

"Aunty Gwen rarely missed a meeting and it was only recently when she became too ill to attend her beloved meetings.

"Her lifetime dedication to her people will not be forgotten."



In May, Chairwoman Manton, on behalf of Council, expressed her deep sadness at the death of Judy Chester, a significant figure in the land rights movement in NSW, but also a leading light in women's rights, trade unionism and Aboriginal education.

Judy, who passed away after a brief battle with cancer, was instrumental in the founding of the Liverpool-based Gandangara Aboriginal Land Council and was its founding Chairperson.

She played a significant role in Aboriginal Affairs in New South Wales for several decades.

Judy was the partner of Kevin Cook, one of the founders of the NSW Aboriginal Lands Rights network.

"Like Kevin, Judy honed her skills in the trade union movement," Chairwoman Manton said.

"She was an active member of the Community and Public Sector Union (CPSU), worked for the CPSU as a key union organiser, as well as being instrumental in the establishment of the CPSU's Aboriginal network in New South Wales."

Ms Manton said Judy was also an active member of the women's movement.

She was also a key figure in the establishment and growth of Tranby Aboriginal College at Glebe.

But it was Judy's determination to fight for land rights - and black rights - that Ms Manton noted.

"When it came to Aboriginal land, Judy was passionate about land rights and the need for Aboriginal people to secure land as an economic base for future generations," she said.

"She deserves to be remembered not just as Kevin's partner, but in her own right as a great champion for her people, as someone who devoted her life to righting wrongs.

"Judy never backed down from her beliefs, nor compromised them. She committed her life and considerable energy to fighting against racism, ignorance and paternalism.

"Judy was a great Australian who fought to try and make Australia a fairer and better country for us all."

"Judy has left us early, as is the fate of too many Aboriginal men and women. She will be missed by both the Aboriginal and non-Aboriginal community - Australia, and New South Wales in particular, is the poorer for her loss."

"Our hearts are with her husband Kevin, who himself is in ill health, and their family at this time.

"May she rest in peace."

The media statements also proved to be a useful vehicle to state NSWALC's position on a range of local, regional, state, national and international issues in line with its objects and functions.

Chief amongst them was a series of statements issued to chart progress on the water and sewerage program.

They included statements from Councillors and Local Aboriginal Land Council representatives on progress in a range of communities.

They included work at Malabugilmah, Baryulgil Square and Jumbullum Village in the North Coast region, the Wallaga Lake Koori Village on the South Coast, Cummeragunja near the Victorian border, and ten communities in the North West region, including Toomelah, Brewarinna West, Gingie Reserve and Namoi Village.

Regional statements also included a release for Deputy Chairperson Tom Briggs on the signing of a unique Friendship Treaty by the fourteen Local Aboriginal Land Councils in the Northern Region.

The combined Land Councils pledged their mutual recognition of the distinct identities, inherent rights, needs and aspirations of each LALC while respecting each others right to govern themselves in the best interests of their members.

On the international front NSWALC issued a statement to coincide with Council's meeting with United Nations Special Rapporteur, Professor James Anaya in August, 2009.

Council held wide ranging discussions with Professor Anaya on its work in pursuing cultural, social and economic independence for Aboriginal people and its ongoing work for constitutional and human rights reform.

Its central message to Professor Anaya was that two gaps needed to be closed in Australia to ensure sustainable improvements in the health and well being and rights of its original inhabitants.

“Our central message was that all Governments within Australia need to accelerate their efforts, in genuine partnership with our people and their representative organisations, to close the yawning gap in socio-economic outcomes between Aboriginal Australians and their fellow Australians,” Chairwoman Manton said.

“A genuine sustained effort is also required by all Governments to close the gap between their political rhetoric and our reality,” she added.

“Despite the work and commitment of individual Ministers there is a growing realisation within our communities that Governments, at Federal and State level, continue to struggle to deliver outcomes against the legitimate human rights entitlements and benchmarks laid down in documents such as the United Nations Declaration on the Rights of Indigenous Peoples.

“Much lip service is paid by Governments to a new era of relations between states and Aboriginal peoples which is grounded in good faith, goodwill, mutual respect and partnerships.

“NSWALC seeks to influence the policy and reform agendas of the NSW and Commonwealth Governments through leadership and reliable evidence based advice and research.

“Our commitment to work with Governments is best illustrated by our current partnership with the State Government on a \$200 million program to provide for the operation, maintenance and monitoring of water and sewerage in our communities over the next 25 years.

“However, we remain effectively locked out of any key decision making roles, particularly in key areas ranging from constitutional reform to social housing.”

“This is clearly spelled out in our recent submission to the Legislative Council Inquiry into Aboriginal Disadvantage.”

“We acknowledged, for instance, that New South Wales enjoys, arguably, the best land rights legislation in the world. That does not mean it cannot be improved, particularly in settling outstanding claims” Ms Manton added.

“Council asked Professor Anaya to note that land claims remained the sole form of compensation now available to redress the dispossession of Aboriginal people in NSW but more than 10,000 of the 19,000 land claims lodged since 1983 still remain unresolved.

“We continue to work with Local Aboriginal Land Councils to acquire cultural and economically viable land and to ensure its prudent management and development but less than 20 per cent of all land claims have been granted.

“The slow pace of determination and the success of claims are clearly unacceptable and, in our view, contrary to the spirit and the principles of the compensatory regime established by the legislation.

“At the same time, more and more of the recurrent cost of sustaining the land rights system in NSW is also being shifted from Government onto the self funded land rights system.”

Ms Manton said Council also asked Professor Anaya to take special note of its current campaign to have an Aboriginal Culture and Heritage Commission established.

“Both NSWALC and Local Aboriginal Land Councils have a statutory obligation to protect and promote Aboriginal culture and heritage but we have no effective power over its ongoing destruction.

“That is why NSWALC is now calling for urgent action to develop an Aboriginal Cultural Heritage Bill to establish an Aboriginal Cultural Heritage Commission to ensure that the ownership and control of Aboriginal heritage and culture lies with Aboriginal people.”

Ms Manton said all Council members had a free ranging discussion with Professor Anaya on state, regional and national issues and how NSWALC could continue to work within the United Nations to improve the First Nations status for Aboriginal people and to ensure human rights are recognised and sustained.

“We thanked Professor Anaya for finding the time in his busy 12-day schedule to hear and discuss our views and concerns,” Ms Manton added.

A small step along the road to constitutional recognition was taken as this reporting period ended with an announcement by Premier Keneally that the NSW Government would move to formally recognise the First Nations in the preamble to the NSW Constitution.

Chairwoman Manton pointed out the move had come 108 years after the formation of the NSW Parliament—the oldest in Australia.

The announcement, she said, assisted NSWALC to build a positive, practical partnership with the Keneally government in NSW.

“There is a tendency these days to ignore the symbolic over the practical, but there’s no good reason of course, why we can’t do both,” she added.

“Health, housing and education are all obviously vital to Aboriginal people, but so too is getting the relationship right between black and white Australians.”

Chairwoman Manton said she hoped the announcement would go a long way to help Aboriginal residents of NSW “feel more a part of this great state.”

She also pointed out the express recognition of Aboriginal people in the NSW Constitution was a direct outcome of the Local Government Association of NSW 2009 Annual Conference.

It was in this meeting that NSWALC put forward ‘Resolution 60A’, which called upon the Federal and NSW Governments to recognise Aboriginal and Torres Strait Islander people as the first people of this country.

Chairwoman Manton congratulated the Premier and Minister Lynch for their foresight and leadership on the issue.

NSWALC also welcomed the announcement a few weeks later to include a traditional Welcome to Country at the first meeting of the Federal Parliament after each election.

Chairwoman Manton said she was sure the decision would be welcomed by all Australians who value the protection, preservation and recognition of Aboriginal culture and heritage.

She also noted the Federal Opposition made it clear in both Houses of Federal Parliament that they opposed the proposal but did not formally block its adoption into the Standing Orders.

“I find it sad that they cannot understand the symbolic importance of such a small gesture,” she added.

“To suggest it will make no difference at all to the health, education, employment, housing, or welfare outcomes for Aboriginal people is to totally miss the point.

“It is an important token of respect; nothing more, nothing less.”

Chairwoman Manton issued a statement just as this reporting period ended to congratulate Julia Gillard on becoming Australia’s first female Prime Minister.

“It’s a very historic occasion for Australia,” she said. “We had to wait 110 years, but we’ve finally seen a woman take the leadership role in this country.

“The strength our new Prime Minister has displayed historically is inspiring for women in general, particularly for young women.

“From a personal perspective, and as the first elected Chairwoman in NSWALC’s history, I can tell you it’s also inspiring for other women in roles of leadership.

"In a very real sense, Prime Minister Gillard's rise supports people like me. As women we constantly have to fight a battle for equality in this country, but now with a female leader, I think it might lighten our load a little, and lighten our hearts a little as well."

Chairwoman Manton also acknowledged the efforts of outgoing Prime Minister, Kevin Rudd.

Mr. Rudd had been a hard-working and diligent Prime Minister.

He would be remembered for some important reforms, such as his health initiatives, the Murray-Darling Basin Commission, and his efforts in successfully steering Australia through the global financial crisis.

But from an Aboriginal perspective his leadership was an opportunity passed.

"Kevin Rudd offered some important symbolic gestures to Aboriginal people during his time in office, but like so many Prime Ministers before him, he failed on the practical front," she said.

"He provided a wonderful, emotional and inspiring apology to members of the Stolen Generations. But he refused to provide compensation.

"His government endorsed the United Nations Declaration on the Rights of Indigenous Peoples, but continued the racist Northern Territory intervention.

"It's all well and good to say to the rest of Australia, 'We need reconciliation', but it's another thing altogether to lead that process, and Kevin Rudd failed to do that."

Ms Manton said Aboriginal people were hopeful the new Prime Minister would get back to basics.

"And with that in mind, it will be very disappointing for Aboriginal people in particular if this change of leadership does not translate into a change in direction in Aboriginal affairs.

"We've waited two years since the apology for the next show of leadership from Labor, for the next step in the reconciliation process. It is two years too long."

Other statements ranged from a call for urgent action on housing to the need for the appointment of an Aboriginal Children's Commissioner.

In a statement issued in December, 2009 Chairwoman Manton described the current housing situation in Aboriginal communities as a "time bomb of festering social unrest."

The Federal and State Governments needed to rapidly accelerate the provision of funding for housing and infrastructure in Aboriginal communities across the State to help ease the suffering of Aboriginal families, she said.

"Both Governments are dithering while our people are suffering," Ms Manton added.

"This suffering can make people desperate..... causing them to act desperately," she added.

"I'm appalled that the Boards of Local Aboriginal Land Councils are being forced to evict tenants from dilapidated sub-standard housing to comply with Government policy decrees.

"In some cases the Boards must make decisions about evicting members from their own communities and families.

"This causes a lot of ill feelings within the community, arising in intergenerational conflict."

Ms Manton said the Commonwealth Government had all but deserted Aboriginal housing in NSW despite its public rhetoric.

"It views the Aboriginal housing sector in its current form as inefficient and unviable and is clearly focused on diverting financial resources for the maintenance and support of current housing stock, and the provision of additional stock, to remote communities in Northern Australia instead of throughout Australia," she added.

Ms Manton said it may surprise people to learn that Local Aboriginal Land Councils in NSW had budgeted for over \$9 million in rent in the 2006-07 financial year and received close to \$8 million in rental income.

"That's an 86% collection rate - with no government assistance," she added.

"Therefore, many LALC's in NSW do an extraordinary job of managing housing. It is not easy to endorse the eviction of tenants when the tenant is a family member or friend.

"The situation is a disgrace.

"The NSWALC fully supports LALC Boards in the pursuit of good property management and making the hard decisions regarding evictions."

Ms Manton said she noted an announcement by the Commonwealth Government that the Council of Australian government had agreed to renegotiate the National Partnership Agreement on Remote Indigenous Housing.

Ms Manton said the statement amounted to "mere words," in the absence of work gangs on the ground doing something about the desperate need in NSW communities.

There was a crying need for a clear commitment and statement from both the Commonwealth and State Government on what bricks and mortar would be delivered in Aboriginal communities in NSW as a result of the National Partnership.

Social tensions within Aboriginal communities would only continue to heighten in the face of continued Government inaction.

The Chairwoman also urged Premier Keneally to appoint an Aboriginal Children's Commissioner - a move warranted because of the appalling incarceration and removal rates of Aboriginal children throughout the State.

"The situation is getting worse - we must avoid the possibility of creating another Stolen Generation," Chairwoman Manton said.

"In the juvenile justice system alone the high incarceration rate of young Aboriginal people is deeply worrying, and I applaud Juvenile Justice Minister, Graham West's announcement that he favours a major overhaul of the juvenile justice system.

"I acknowledge Mr. West's courage in flagging the need for such an overhaul."

Chairwoman Manton said she appreciated the State already had a Commissioner for Children.

"Most states do. What we don't have is a specific, independent Commissioner for Aboriginal children," she said.

"God knows we need one," she added.

"If such a position was created it would, I believe, work as a realistic and positive move by the Government to close the appalling gap in Aboriginal disadvantage.

"In NSW the situation is a disgrace.

"Aboriginal children account for 31 percent of those living in out-of-home care, for example, which is more than seven times higher than for other Australian children.

"And this statistic is even more alarming when you consider Aboriginal children make up only 4 percent of the total child population in NSW."

Chairwoman Manton said Aboriginal people were appalled that last year over 4,300 Aboriginal children had been taken from their parents.

"I know the State Government is trying. I know it is doing much to change the situation. But quite frankly the situation is getting worse - not better."

Chairwoman Manton said the appointment of a specific Aboriginal Children's Commissioner would be a first in Australia.

"But it would be a courageous first," she said.

"I believe the appointment of an Aboriginal Children's Commissioner guided by a properly appointed and resourced permanent Aboriginal Advisory Group would, over time, make a valuable contribution to policy development to address the very serious and too often systemic issues that are impacting on young Aboriginal people throughout the State".

Chairwoman Manton said one immediate task would be for the Children's Commissioner to work with appropriate agencies to conduct a State-wide audit of long-standing community programs that helped young people.

"While the Federal Government is being urged to establish a National Commissioner for Children and Young People, as the Chairwoman of the State's major Aboriginal representative body, I am arguing for an initiative that will help our young people in Australia's most populated State, the state where most Aboriginal people live.

"We have a Premier who has already shown she is not afraid to make courageous political decisions. This is one such major opportunity to help some of the most disadvantaged residents of New South Wales.

'I urge the Premier to consider it as a matter of urgency. It will, after all, save lives'.

NSWALC also offered its support to Aboriginal groups and communities fighting to retain their rights around Australia.

This was best illustrated by NSWALC's presentation of a unique gift to the Alyawarra people in Central Australia to mark the opening of its protest house near Ampilatwatja more than 350 kilometres north-east of Alice Springs.

The Alyawarra elders and families were presented with a large brass Declaration Bell and a message of support from NSWALC's Governing Council at the opening of the protest house.

The presentation was made by NSWALC's Chief Executive, Mr Geoff Scott, who attended the opening ceremony on behalf of the Council.

Mr. Scott told the community NSWALC's Governing Council wanted to ensure that Aboriginal people from Eastern Australia were aware of their ongoing struggle for recognition and basic housing and essential services.

He said NSWALC's Governing Council hoped the Declaration Bell would ring throughout the Alyawarra protest camp for "justice and change."

A framed message of support from NSWALC was also presented to the tiny community.

It recognised the ongoing struggle of the men, women and children of the Alyawarra nation "to retain and exercise their hard won rights to build a better future now and into the future."

"The decision to walk off your government controlled community and set up a permanent camp to protest this intervention in your lives following decades of neglect has the full support of the New South Wales Aboriginal Land Council and our land rights network," the message read.

"Your action, in the face of such a denial of your human rights, has shone a powerful spotlight on one of the sorriest episodes in your long struggle for land rights and social justice.

"We are sure your action has not been without its own share of deprivation and hardship.

"We applaud your courage and your commitment.

"You deserve the full support of all Aboriginal brothers and sisters around Australia who seek to assert their rights in accord with the principles of self determination set out in the United Nations Declaration on the Rights of Indigenous Peoples. Stay strong!"

Mr. Scott said many Aboriginal people in New South Wales could well understand why Aboriginal elders and families decided to walk off their government controlled community at Ampilatwatja in July and set up a permanent protest camp.

They had understood when the Federal Government acquired their land on a five year lease that it would bring new public housing and repairs to crumbling or non-existent infrastructure. But it never came.

With 25-year old pipes broken and sewage running through the streets it was decided to abandon the government controlled community and set up a permanent protest camp outside of the boundary of Ampilatwatja.



Mr. Scott said the residents of many former reserves and missions in NSW, while not as isolated, were struggling daily with poor housing and ailing infrastructure.

NSWALC's Governing Council had been forced to commit \$100 million of its own compensation monies for land dispossession to ensure the provision of safe water and sewerage systems in Aboriginal communities in NSW.

The Council's decision had ensured the NSW Government would commit a similar amount of taxpayer's money for the first time ever to ensure people living in those communities could enjoy the same basic standard of living as their fellow Australians.

## 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 continued to remain in place throughout this reporting period.

## The Year Ahead

Unit Director Chris Graham has sought to take the Media and Marketing Unit in new directions since coming to the organisation.

A number of projects were in development as the reporting period ended.

Mr. Graham plans to establish an in-house video production facility in the new reporting period.

It will facilitate a number of new projects.

These include a video on the Legends of Land Rights.

The video will feature interviews with those who fought for and shaped the land rights legislation and subsequent reforms.

The legislation is a living thing, subject to constant review and reform.

Many of those who fought for Aboriginal rights, particularly in the Sixties and Seventies, are now passing on; all too often taking their unrecorded personal histories with them.

Other scheduled productions include an eye witness account of life under the Northern Territory Intervention from Chairwoman Manton and a special documentary entitled 'Tin Canoes' which explores her life growing up on the Karuah Mission.

All videos will be streamed on NSWALC's website which is being constantly updated and improved.

New features added during the reporting period included the live (same day) streaming of media clips, and sub sites on the land claims campaign and culture and heritage and training and development.



## Funds Granted to Community Organisations

There are two major categories of funds granted to community organisations by NSWALC. The first, and, by far, the largest category is the annual allocation of funds to Local Aboriginal Land Councils. Grants to LALCs totaled \$13.7 million in 2009/10. This compared to total grants of \$14.3 million in the 2008/09 financial year.

These allocations are used primarily as a contribution toward the annual operational expenses of the Councils, and also for Council approved capital acquisitions.

The second category is other grants to community organisations and individuals in several categories, totaling \$944,495m during this reporting period, compared to \$2.3m in the 2008/2009 financial year.

These included a total of \$726,980 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.

<b>Grants Paid - 2009/2010</b>		
<b>Major Grants (&gt; \$5000)</b>		
<b>Payee</b>	<b>Purpose</b>	<b>Amount</b>
Discretionary Grants		
CAF Australia	Education Scholarship Grant	101,000
Australian Indigenous Leadership Centre	Education Scholarship Grant	40,000
University of Newcastle	Education Scholarship Grant	31,365
Riverina Crane Services Pty Ltd	Grant for Wagga Wagga LALC to help comply with Environment Planning and Assessment Act 1979	19,950
Arts Mid North Coast	Sponsorship for Dinner with Elders	10,000
Predsbyterian Ladies' College	Education Scholarship Grant	5,350
Total Major Grants	<b>6</b>	<b>207,665</b>
<b>Minor Grants (&lt;= \$5000)</b>		
<b>Category</b>	<b>Number</b>	<b>Amount</b>
Education Scholarship Grant	1	3,850
Discretionary	2	6,000
Funeral	444	726,980
Total Minor Grants	<b>447</b>	<b>736,830</b>
<b>Summary Total of Grants</b>		
<b>Category</b>	<b>Number</b>	<b>Amount</b>
Education Scholarship Grant	5	181,565
Discretionary	4	35,950
Funeral	444	726,980
Total All Grants Paid	<b>453</b>	<b>944,495</b>

## Economic Factors

Modest gains on world stock markets during the reporting period assisted NSWALC begin to recover from the decline during 2008/09 which eroded the base value of the NSWALC Statutory Investment Fund.

Despite this, NSWALC's Governing Council and Executive continued a period of expenditure restraint and reduced expenditure, where possible.

Like many other organisations with a diversified portfolio, NSWALC managed to trim costs and rein in spending, where possible, in order to keep trading successfully while seeking to increase its capacity and cope with the increased transactional costs to the land rights network flowing from amendments to the ALRA.

## Management and Activities

The reporting period was one of continued consolidation in NSWALC's management ranks following the major administrative restructure of recent years.

The restructure resulted in 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.

As noted earlier the reporting period saw staff numbers stabilise due to the flow on from the restructure and the leaner economic times.

NSWALC's Governing Council continued to work closely with management during the period to seek to further rein in expenditure without sacrificing its level of service to the land rights network.

## Remuneration of Councillors

Under Section 161 of the ALRA, NSWALC is obliged to publish the total remuneration (including travelling expenses) paid to each Councillor by the organisation during the reporting period.

Councillor salaries are determined by the Statutory and Other Offices Remuneration Tribunal as part of its Public Office Holders Group.

The rate of travelling allowances is determined by the Minister for Aboriginal Affairs.

The base salaries of Councillors were first determined by the Statutory and Other Offices Remuneration Tribunal on August 3, 2007.

The Tribunal determined Councillors should receive an annual salary of \$106,365, effective from July 1, 2007.

The Tribunal also determined, as submitted by NSWALC, that an additional loading of ten per cent be paid to the Chairperson and a loading of five per cent to the Deputy Chairperson.

It determined 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.

Section 13 of the Statutory and Other Offices Remuneration Act 1975 requires the Tribunal to make a determination of the remuneration paid to office holders on and from October 1 each year.

The Tribunal's Report and Determination in September 2008 provided for an automatic salary increase of 3.9 per cent for the Public Office Holders Group, effective from October 1 of that year

The determination increased the base annual salary of a NSWALC Councillor to \$113,275, with consequential increases for the Chairperson and Deputy Chairperson.

The Tribunal's Report and Determination for October, 2009 provided for a 3 per cent salary increase to be paid on, or from the beginning of that month.

The determination, which was published in November 2009, set the base salary of Councillors at \$116, 675 with consequential increases for the Chairperson and the Deputy Chairperson.

The following table sets out particulars of travelling expenses paid to each NSWALC Councillor during the 2009/10 financial year.

<b>Councillor Name</b>	<b>Direct Travel Exp</b>	<b>Travel Acco. &amp; Meals Allowance</b>	<b>Total</b>
Bev Manton	7,591	34,305	<b>42,256</b>
S Ryan	11,960	23,234	<b>35,195</b>
Pat Laurie	25,282	39,613	<b>64,895</b>
S Gordon	6,223	23,929	<b>30,152</b>
Tom Briggs	7,564	17,847	<b>25,411</b>
N Hampton	41	24,414	<b>24,455</b>
Roy Ah-see	790	28,804	<b>29,594</b>
W Murray	10,286	31,077	<b>41,363</b>
C Cromelin	14,143	36,054	<b>50,197</b>
<b>Total</b>	<b>82,240</b>	<b>259,277</b>	<b>343,517</b>

## List of Consultants

During 2009/10 NSWALC engaged a total of fourteen consultants on projects at a total value of \$1,224,414.

This compared with a total of twenty four consultants during the previous reporting period who were engaged on projects at a total value of \$1,246,271.

The major areas of work were on the NSWALC land claims project, governance projects, the NSWALC Investment Fund, and strategic advice.

The following breakdown is supplied in accordance with the requirements of the Annual Reports (Statutory Bodies) Act 1984, as amended

## CONSULTANTS FEES, 2009-2010

NAME OF CONSULTANTS	PROJECTS (\$30,000 & ABOVE)	\$
Towers Watson	Investment Consulting Services	535,000
Arup Pty Ltd	Walgett Local Aboriginal Land Council Repairs and Maintenance Project	350,713
Badge 90 Consulting Services (Mr. Sol Bellear)	Preparation for Council Meetings and Councillors' Tasks	117,105
IAB Services	NSWALC Business Plan	63,435
Roam HR	Commercial Advisor	53,263
<b>Total amounts paid &gt; \$30,000</b>	<b>5</b>	<b>1,119,516</b>

CONSULTANTS < \$30,000	NUMBER OF CONSULTANTS	TOTAL PAID \$
	9	104,898

<b>TOTAL ALL CONSULTANTS</b>	<b>14</b>	<b>1,224,414</b>
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## EEO

NSWALC continued to seek to promote the participation of women and Aboriginal people in senior management positions and more generally within the organisation during 2009/2010.

While NSWALC follows merit based employment practices, it is pleasing to note the level of Aboriginal staff across the organisation, and in the ranks of senior management, during the reporting period.

Year	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
Councillors							
Male	0	0	0	7	7	7	7
Female	0	0	0	2	2	2	2
<b>Total Council</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
Executive & Senior Management							
Male	12	11	12	11	10	15	15
Female	5	4	3	5	6	5	5
<b>Total Senior Management</b>	<b>17</b>	<b>15</b>	<b>15</b>	<b>16</b>	<b>16</b>	<b>20</b>	<b>20</b>
Aboriginal	9	4	7	7	8	9	7
Administrative Staff							
Male	22	27	30	31	33	34	43
Female	33	28	29	34	46	51	47
<b>Total Administrative</b>	<b>55</b>	<b>55</b>	<b>59</b>	<b>65</b>	<b>79</b>	<b>85</b>	<b>90</b>
Aboriginal	29	22	26	32	42	44	44
All Staff Plus Councillors							
Male	34	38	42	49	50	56	65
Female	38	32	32	41	54	58	54
<b>Total Staff</b>	<b>72</b>	<b>70</b>	<b>74</b>	<b>90</b>	<b>104</b>	<b>114</b>	<b>119</b>
Aboriginal	38	26	33	48	59	62	60
NESB	4	3	7	5	3	11	8
Disability	1	2	2	1	1	10	10

- 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 119 Local Aboriginal Land Councils, particularly in relation to capacity building following fundamental changes to their structure and operations flowing from major amendments to the Aboriginal Land Rights Act.

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 and staff to meet the demands of their position.

## Accounts Payment Policy & Practice

NSWALC continues to take steps to expedite payments by encouraging regular service providers to register for EFT payment of their accounts to enable prompt payment..

A systematic approach to the development and implementation of internal controls has helped reduce the number of items in the Management Letter accompanying the Auditor General's Audit Report.

All points raised in Management Letters over several previous Audit Reports were considered and action incorporated into a series of "checklists" to ensure compliance.



## Risk Management/Insurance

NSWALC holds the following insurance:

Name of Insurer	Type of Policy	Sum Insured \$ '000
QBE	Umbrella (anything not covered below)	20,000
QBE	Industrial Special Risks	50,217
Allianz	Motor Vehicles	Market Value
Allianz	Public /Products liability	50,000
ACC Health	Personal Accident/Sickness - Councillors	250 / 1.5
Allianz	Machinery Breakdown	100
London Australia	Professional Indemnity	10,000
Liberty International	Professional Indemnity, Commercial & Legal Services	10,000
Liberty International	Directors Officers	10,000
London Australia	Directors Officers	10,000
ACC Health	Travel	1,000
AFA	Group Personal Accident	500
QBE	Homes	4,460
AFA	Voluntary Workers	50
ACC Health	Personal Accident	200
ING Life Limited	Salary Continuance	0.84% of salary. Max benefit available \$30,000 per month

**WORK RELATED INJURY  
WORKERS COMPENSATION  
and REHABILITATION 2009/2010**

**WORK RELATED INJURY & ILLNESS**

Number reported	7
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**Nature of Accidents**

Slips, Trips & Falls	2
Mental Health (anxiety, stress)	0
Cuts/Scratches	2
Motor Vehicle Accident	2
Ergonomics/Overuse	
Sprain/Strain	
Manual Handling	1
<b>Total</b>	<b>7</b>

**Where Injuries Occurred**

At the Workplace	3
On the journey to/from work	2
At work away from the normal workplace	2
<b>Total</b>	<b>7</b>

**WORKERS COMPENSATION CLAIMS**

Claims brought forward from 2008/2009	3
New claims this period	1
<b>Total</b>	<b>4</b>

**Claims status at 30.6.10**

Claims finalised	2
Claims declined/under investigation	0
Liability accepted& claim continuing	1
Provisional Liability	1
<b>Total</b>	<b>4</b>

Open claims carried forward to 2010/2011	2
--	---

**REHABILITATION**

Cases brought forward from 2008/2009	1
New cases this period	1
<b>Total</b>	<b>2</b>

Cases completed	1
Cases continuing & carried forward to 2010/2011	1
<b>Total</b>	<b>2</b>

## Internal Audit and Risk Management Statement for the 2009-2010 Financial Year for the NSW Aboriginal Land Council

I am of the opinion that the NSW Aboriginal Land Council has an internal audit and risk management processes in place that are, excluding the exceptions described below, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 Internal Audit and Risk Management Policy.

I am of the opinion that the internal audit and risk management processes for the NSW Aboriginal Land Council depart from the following core requirements set out in Treasury Circular NSW TC 09/08 and that (a) the circumstances giving rise to these departures have been determined by the Portfolio Minister and (b) the NSW Aboriginal Land Council is implementing the following practicable alternative measures that will achieve a level of assurance equivalent to the requirement:

Ministerially Determined Departure	Reason for Departure and Description of Practicable Alternative Measures Implemented
<ul style="list-style-type: none"> <li>Core Requirement 3.3</li> </ul> <p>The selection and appointment of independent chairs and members of Audit and Risk Committees must be in accordance with the Department of Premier and Cabinet Circular No. C2009-13 and the Pre-qualification Scheme for independent chairs and members established by it. Pursuant to the pre-qualification scheme, independent members and chairs may be appointed to no more than five (5) Audit and Risk Committees at one time.</p>	<ul style="list-style-type: none"> <li>The Independent Chair of the Audit and Risk Committee currently serves on five other NSW Audit and Risk Committees and as such does not satisfy the Dept. Premier and Cabinet's Prequalification Scheme requirements (although he is otherwise suitably pre-qualified), The NSW Aboriginal Land Council was unable to identify another pre-qualified independent with a suitable understanding of the business of the NSW Aboriginal Land Council and the environment within which it operates.</li> <li>The Independent Chair has indicated that he will serve as the Audit and Risk Committee's Chair until March 2011. In this period a suitable replacement will be identified and transitioned into the role of Independent Chair.</li> </ul>

I am of the opinion that the Audit and Risk Committee for the NSW Aboriginal Land Council is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

Mr. Jon Isaacs (Independent Chair) appointed 11 March 2006 until 31 March 2011.

Ms. Carloyn Walsh (independent Member) appointed 6 May 2010 until 31 May 2014.

Cr. Craig Cromelin (non-independent Member) appointed 31 May 2007 until 6 August 2011.

These processes, including the practicable alternative measures being implemented, provide a level of assurance that enables the senior management of the NSW Aboriginal Land Council to understand, manage and satisfactorily control risk exposures.



**Mr. Geoff Scott**  
Chief Executive Officer

NEW SOUTH WALES ABORIGINAL LAND COUNCIL  
ANNUAL REPORT 2009-2010

# FINANCIAL STATEMENTS



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 statements of the New South Wales Aboriginal Land Council (the Council), which comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

#### Auditor's Opinion

In my opinion, the financial statements:

- present fairly, in all material respects, the financial position of the Council as at 30 June 2010, and its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

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

#### The Councillors' Responsibility for the Financial Statements

The members of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the members of the Council's preparation and fair presentation of the financial statements 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 statements.

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 it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its 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
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



Steven Martin  
Director, Financial Audit Services

20 October 2010  
SYDNEY



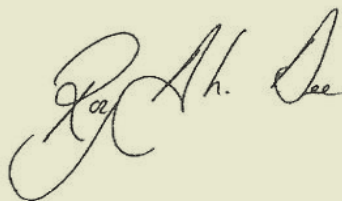
# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

## YEAR ENDED 30 JUNE 2010 STATEMENT BY THE COUNCIL MEMBERS

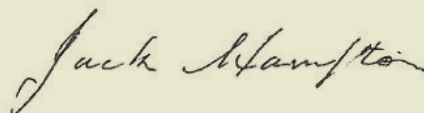
Pursuant to Section 41C of the Public Finance and Audit Act, 1983, we state that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the New South Wales Aboriginal Land Council as at 30 June 2010 and its performance for the year ended on that date in accordance with Australian Accounting Standards.
2. At the date of this statement, there are reasonable grounds to believe that the New South Wales Aboriginal Land Council will be able to pay its debts as and when they fall due.

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



**Roy Ah-See**  
Councillor



**Neville Hampton**  
Councillor

**Dated:** 20 October 2010



# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

		2010	2009
	Notes	\$'000	\$'000
<b>Revenue</b>			
Sale of Goods	7	2,255	1,496
Investment Revenue	8	47,335	43,505
Grants and Contributions	9	4,328	417
Other Revenue	10	9,448	2,068
<b>Total Revenue</b>		<b>63,366</b>	<b>47,486</b>
<b>Expenses excluding losses</b>			
Audit Fees	13	305	325
Consultants Fees		1,224	1,246
Enterprise and Farm Expenses		3,027	2,446
Depreciation	27	1,217	1,067
Amortisation - Intangible Assets	28	205	73
Bad & Doubtful Debts	22	2,036	1,667
Employee Related Expenses	14	11,643	10,814
Funding of Local Aboriginal Land Councils	15	13,690	14,317
Grants	16	945	2,257
Legal Expenses		1,091	1,103
Motor Vehicle Expenses	17	616	589
Maintenance Expenses	18	268	267
Travel Expenses and Meal Allowances		1,004	953
Other Expenses	19	3,001	3,451
Program Expenses	20	4,831	158
<b>Total expenses excluding losses</b>		<b>45,103</b>	<b>40,733</b>
<b>Gain / (loss) on Disposal</b>	11	(16)	14
<b>Other gains / (losses)</b>	12	16,271	(89,591)
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>34,518</b>	<b>(82,824)</b>
<b>Other comprehensive income</b>	39	5,851	1,161
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>40,369</b>	<b>(81,663)</b>

The accompanying notes form part of these financial statements.

# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

		2010	2009
	Notes	\$'000	\$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	21	7,213	6,395
Receivables	22	1,573	1,127
Biological Assets	23	1,480	1,721
Financial Assets at Fair Value	24	540,884	513,259
Other Financial Assets	25	332	366
Other	26	340	313
<b>Total Current Assets</b>		<b>551,822</b>	<b>523,181</b>
<b>Non-Current Assets</b>			
Receivables	22	2,316	5,208
Property, Plant and Equipment	27	45,745	31,293
Intangible Assets	28	904	808
Artefacts	29	634	383
<b>Total Non-Current Assets</b>		<b>49,599</b>	<b>37,692</b>
<b>Total Assets</b>		<b>601,421</b>	<b>560,873</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	30	2,417	1,710
Provisions	31	1,366	1,217
Grants received in advance	32	4,865	5,663
<b>Total Current Liabilities</b>		<b>8,648</b>	<b>8,590</b>
<b>NON CURRENT LIABILITIES</b>			
Provisions	31	309	188
<b>Total Non-Current Liabilities</b>		<b>309</b>	<b>188</b>
<b>Total Liabilities</b>		<b>8,957</b>	<b>8,778</b>
<b>Net Assets</b>		<b>592,464</b>	<b>552,095</b>
<b>EQUITY</b>			
Reserves		20,326	20,637
Accumulated Funds		572,138	531,458
<b>Total Equity</b>		<b>592,464</b>	<b>552,095</b>

The accompanying notes form part of these financial statements.

# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Notes	Accumulated Funds \$'000	Revaluation Reserve \$'000	Total \$'000
Balance at 1 July 2009		531,458	20,637	552,095
Surplus/(Deficit) for the Year		34,518		34,518
Other comprehensive income	39	6,252	(401)	5,851
Total comprehensive income for the year		40,770	(401)	40,369
Balance at 30 June 2010		572,228	20,236	592,464
Balance at 1 July 2008		614,498	19,260	633,758
Surplus/(Deficit) for the Year		(82,824)		(82,824)
Other comprehensive income	39	(216)	1,377	1,161
Total comprehensive income for the year		(83,040)	1,377	(81,663)
Balance at 30 June 2009		531,458	20,637	552,095

The accompanying notes form part of these financial statements.

# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>2010</b>	<b>2009</b>
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Receipts</b>			
Sale of Goods		3,549	2,967
Interest and Investment Income		65,298	41,749
Grants and Subsidies		4,328	418
Other		4,175	4,302
<b>Total Receipts</b>		<b>77,350</b>	<b>49,436</b>
<b>Payments</b>			
Employee related		11,397	10,523
Grants and subsidies		944	2,257
Other		33,803	32,097
<b>Total Payments</b>		<b>46,144</b>	<b>44,877</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>35</b>	<b>31,206</b>	<b>4,559</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of Land and Buildings, Plant and Equipment	<b>11</b>	5	21
Proceeds from sale of Financial Assets		35,887	38,555
Purchases of Property, Plant and Equipment	<b>27</b>	(925)	(1,552)
Purchases of Financial Assets		(65,370)	(40,187)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(30,403)</b>	<b>(3,163)</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>803</b>	<b>1,396</b>
Opening Cash and Cash Equivalents		6,395	4,999
Cash received from dissolved LALCs		15	-
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>21</b>	<b>7,213</b>	<b>6,395</b>

The accompanying notes form part of these financial statements.



# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

## Notes to and forming part of the Financial Statements for the year ended 30 June 2010

### 1. REPORTING 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).

The financial statements cover the New South Wales Aboriginal Land Council (Council) as an individual entity.

The financial statements for the year ended 30 June 2010 has been authorised for issue by the Council on 11 August 2010.

### 2. BASIS OF PREPARATION

#### (a) *Statement of Compliance*

The Council's financial statements are general purpose financial statements which have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations) and the requirements of the *Public Finance and Audit Act 1983 and Regulation, Treasurer's Directions, the New South Wales Aboriginal Land Rights Act 1983 and its regulation*.

As per the interpretation of the Crown Solicitor on s150 of the *Aboriginal Land Rights Act 1983* which was tabled to the Parliament in Volume One of the Auditor-General's Report, the Council has maintained the minimum required capital value of \$485,340,000 through the year.

#### (b) *Basis of measurement*

The financial statements have been prepared on the historical cost basis except for the following material items:

- Financial instruments at fair value through profit and loss and available for sale are measured at fair value
- Biological assets are measured at fair value less costs to sell
- Property, plant and equipment are measured at fair value
- The defined benefit asset is measured as the net total of the plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation

#### (c) *Functional and presentation currency*

These financial statements are presented in Australian dollars, which is the Council's functional currency.

All amounts are rounded to the nearest one thousand dollars unless otherwise stated.

#### (d) *Use of estimates and judgements*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts to assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2010

- Note 3(a)(iii), 3(c)(ii), 3(c)(iv) & 3(c)(vii)
- Note 8 – investment revenue
- Note 22 – bad & doubtful debts
- Note 27 & 28 – depreciation and amortisation

Information about assumptions and estimations that may result in adjustments in the future financial year is included in the following notes:

- Note 2(b), 3(c)(iii), 3(c)(iv) & 3(d)(ii)
- Note 24 & 25 – financial assets and other financial assets
- Note 31 – provisions & defined benefit obligations
- Note 37 – financial instruments

#### (e) *Changes in accounting policy*

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 2009. As a result the Council has changed its accounting policies and disclosure in relation to the presentation of financial statements.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Council, except as explained in notes 2(e), 3(a)(iv), and 3 (c)(v), which address changes in accounting policies.

Certain comparative amounts have been reclassified to conform with the current year's presentation. In addition, the Statement of Comprehensive Income has been re-presented as if an operation discontinued during the current period had been discontinued from the start of the comparative period.

#### (a) *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

An unconditional contribution received (including grants and donations) is recognised as revenue when the Council obtains control over the assets comprising the contribution. Control over contributions is normally obtained upon the receipt of cash.

An exception to the above is when contributions received which compensate the Council for expenses incurred are recognised in Statement of Comprehensive Income as grants and contribution on a systematic basis in the same period in which the expenses are recognised. Any unspent contributions at year end and repayable to the funding bodies in the following financial year, therefore 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. It is measured at the fair value of consideration received or receivable, net of returns, trade discounts and volume rebates.



**NEW SOUTH WALES ABORIGINAL LAND COUNCIL**  
**Notes to and forming part of the Financial Statements for the year ended 30 June 2010**

(iii) Investment Revenue

Investment revenue comprises interest income on funds invested, dividend income, changes in fair value of financial assets at fair value through profit and loss account are recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*. Dividend revenue is recognised in accordance with AASB 118 *Revenue* when the Council's right to receive payment is established.

(iv) Foreign currency gain and losses

During the year the Council held investments denominated in foreign currencies and transitional funds held in foreign currency as a result of moving funds between fund managers. Transactions in foreign currencies are translated to Australian dollar at exchange rates at the dates of the transactions. Monetary assets denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at balance date. Foreign currency differences arising on translation are recognised in the Statement of Comprehensive Income. Foreign currency gains and losses are reported on a net basis.

(v) Rental income

Rental income is included in other income in the Statement of Comprehensive Income. Rental income is recognised with AASB 117 *Leases* on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(vi) Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

(b) Expenses

All expenses incurred on an accrual basis are recognised as expenditure for the year to the extent that the Council has benefited by receiving goods or services and the expenditure can be reliably measured.

(i) Employee expenses

Employee expenses includes salaries and wages for the year, workers compensation insurance premium for the year, 9% defined contribution incurred for employees under defined contribution scheme and amounts nominated by the fund managers in respect of defined benefit schemes. Annual leave and long service leave expenses are charged as stated in Note 3 (d) (ii).

(ii) Depreciation expenses

Depreciation expenses are charged as stated in 3 (c) (vii)

(iii) Maintenance expenses

Maintenance expenses are charged as stated in 3 (c) (vii)

(iv) Insurance expenses

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.



# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

## Notes to and forming part of the Financial Statements for the year ended 30 June 2010

### (v) Funding expenses for Local Aboriginal Land Councils

Funding for Local Aboriginal Land Councils is charged to the Statement of Comprehensive Income as per the agreed amount of allocation paid or payable for the year as per the funding agreement. If a Local Aboriginal Land Council is in breach of the statutory requirements, only essential payments are made as per the *Aboriginal Land Rights Act 1983* and expensed in the Statement of Comprehensive Income as funding of Local Aboriginal Land Councils.

### (c) Assets

#### (i) Cash and cash equivalent

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Council has no bank overdrafts.

#### (ii) Receivables

Receivables include trade and other receivables, and statutory debts.

Trade and other receivables (including loans) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the surplus/ (deficit) for the year when impaired, derecognised or through the amortisation process. An allowance for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due. Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

#### (iii) 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; and fodder for livestock.

Livestock asset cycle from acquisition to disposal is dependent on seasonal conditions including quality of feed. Livestock is valued at fair value less estimated point-of-sale costs. Gains or losses arising on initial recognition of biological assets at fair value less estimated point-of-sale costs and from changes in fair value less estimated point-of-sale costs are included in the Statement of Comprehensive Income.

Fair value of livestock is determined as the best available estimate for livestock with similar attributes such as weight and condition.

Where the fair value of biological assets cannot be obtained, the biological assets are measured at their cost less any accumulated depreciation and any accumulated impairment losses.

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.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2010

Fair value of grain on hand is determined as the best available estimate for grain with similar attributes such as quality, size and variety less any point-of sale costs.

Grain on hand includes all grain stored in silos on Council's properties or at the point nominated by the funding company at reporting date.

#### (iv) Investments

Investments are initially recognised at fair value plus transaction costs for those investments that are not at fair value through profit or loss. The Council determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

- *Fair value through profit or loss* - The Council subsequently measures investments classified as "held for trading" or designated upon initial recognition "at fair value through profit or loss" at fair value. Financial assets are classified as "held for trading" if they are acquired for the purpose of selling in the near term. Gains or losses on these assets are recognised in the Statement of Comprehensive Income.
- *Held to maturity investments* – Non-derivative financial assets with fixed or determinable payments and fixed maturity that the Council has the positive intention and ability to hold to maturity are classified as "held to maturity". These investments are measured at amortised cost using the effective interest method. Changes are recognised in the Statement of Comprehensive Income when impaired, derecognised or through the amortisation process.
- *Available for sale investments* - Any residual investments that do not fall into any other category are accounted for as available for sale investments and measured at fair value directly in equity until disposed or impaired, at which time the cumulative gain or loss previously recognised in equity is recognised in the Statement of Comprehensive Income. However, interest calculated using the effective interest method and dividends are recognised in the Statement of Comprehensive Income.

Purchases or sales of investments under contract that require delivery of the asset within the timeframe established by convention or regulation are recognised on the trade date i.e. the date the entity commits itself to purchase or sell the asset.

The fair value of investments that are traded at fair value in an active market is determined by reference to quoted current bid prices at the close of business on the Statement of Financial Position date.

#### • *Impairment of financial assets*

All financial assets, except those measured at fair value through Statement of Comprehensive Income, 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 assets 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 Statement of Comprehensive Income.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the Statement of Comprehensive Income, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the Statement of Comprehensive Income.

Any reversals of impairment losses are reversed through the Statement of Comprehensive Income, where there is objective evidence, the only exception being reversals of impairment losses on an investment in an equity instrument classified as "available for sale" must be made through the reserve. Reversals of



## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2010

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.

- *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.

(v) Trust Funds

The Council receives monies in a trustee capacity for the Gumbaynggir Tribal Aboriginal Elders Corporation as set out in Note 36. The Council has no control of the funds and the funds cannot be used for the achievement of the Council's own objectives. The Council performs as a custodial role in respect of these funds. Therefore, these funds are not recognised in the financial statements.

(vi) Other Assets

Other assets include superannuation assets and prepayments. Other assets are recognised on a cost basis.

If a surplus exists in the employer's interest in the defined benefit fund, the Council recognised the amount as superannuation asset and 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 and recognised as liability.

(vii) Property, Plant & Equipment

- Acquisitions of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Council. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the amount for which an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted at an asset-specific rate.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2010

- Capitalisation Thresholds

Property, plant and equipment and intangible assets costing \$1,000 (\$500 in 2008-2009) and above individually (or forming part of a network costing more than \$1,000) are capitalised.

- Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for the fair value. The Council reviews the estimated useful lives for major plant and equipment at the end of each annual reporting period. Property is revalued at least every five years or with sufficient regularity to ensure that the carrying amount does not differ materially from its fair value at reporting date. The revaluation of property was completed on 30 June 2009 and was based on an independent assessment.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset class previously recognised as an expense in Statement of Comprehensive Income, in which case the increase is credited to the Statement of Comprehensive Income to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

As a not-for-profit entity, the Council's revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

- Impairment of Property, Plant and Equipment

As a not-for-profit entity, the Council is 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.



## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

- Depreciation of Property, Plant and Equipment

Depreciation is provided on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Council.

All material separately identifiable components of assets are depreciated over their shorter useful lives.

Land is not a depreciable asset. Certain original artwork and collections have a long useful life and depreciation for these items cannot be reliably measured because the useful life and the net amount to be recovered at the end of the useful life cannot be reliably measured. In these cases, depreciation is not recognised. The decision not to recognise depreciation for these assets is reviewed annually.

The depreciation rates used for each class of depreciable assets for the estimated useful lives are:

<i>Class of Fixed Assets</i>	<i>Depreciation Rate</i>	<i>Useful Life</i>
Land is not depreciated		
Buildings	3.33% – 5.00%	20 – 30 years
Motor Vehicles	20.00%	5 years
Computer equipment	33.33%	3 years
Other Equipment, Furniture and Fittings	20.00%	5 years

Useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

- 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.

(viii) Artefacts

Artefacts includes aboriginal artwork, sculptures carved and painted rocks. These assets are not depreciated and revalued on a regular basis by an expert valuer. Any change in value is accounted as explained in Note 3 (vii) "Revaluation of Property, Plant and Equipment".

(ix) 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.

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 Statement of Comprehensive Income in the periods in which they are incurred.

(x) 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.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2010

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 paragraph (m)).

#### (d) *Liabilities*

##### (i) *Payables*

These amounts represent liabilities for goods and services provided to the Council. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

##### (ii) *Employee Benefits and Other Provisions*

- *Salaries and Wages, Annual Leave and On-Costs*

Liabilities for salaries and wages (including non-monetary benefits) and annual leave that fall due wholly within twelve months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at 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 5.33% (2008-2009 5.52%) 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.

- *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 all employees using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

In respect of defined contribution schemes (i.e. Basic Benefit and First State Super), expense is calculated as percentage of the employees' salary. For the defined benefit schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

- *Other Provisions*

Other provisions exist when the Council has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A make good provision for the lease of the Zone Offices is discounted at 5.33%, which reflects the current market assessment of the time value of money and the risk specific to the liability.



# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

## Notes to and forming part of the Financial Statements for the year ended 30 June 2010

### (iii) Grants received in advance

Grants received in advance are recognised as explained in Note 3 (a) (i)

### (e) *Dissolution of Local Aboriginal Land Councils*

Pursuant to sections 87(1) (e) and 89 (1) of the *Aboriginal Land Rights Act 1983*, the Minister of Aboriginal Affairs has dissolved Quambone Local Aboriginal Land Council on 29 January 2010 and Koompahtoo Local Aboriginal Land Council on 12 March 2010 and has transferred all assets, rights and liabilities of both Local Aboriginal Land Councils to the NSW Aboriginal Land Council. As a result of the transfer any net asset or liability at the date of dissolution is recognised in the Statement of Changes in Equity.

### (f) *Transfer of property to Local Aboriginal Land Councils*

During the year the Council transferred properties to Wilcannia Local Aboriginal Land Council at fair value. The net amount transferred after adjusting for the revaluation reserve is disclosed in the Statement of Changes in Equity.

### (g) *Accounting for the Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST, except when:

- the amount of GST incurred by the Council as a purchaser is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense, and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office are classified as operating cash flows.

### (k) *Tax Exemptions*

The Council is a Public Benevolent Institution (PBI) under the *Income Tax Assessment Act 1997*. Therefore the Council is exempt from income tax from 1 July 2000. The Council is also exempt from the Payroll Tax under *Payroll Tax Act 2007*.

### (l) *Comparative information*

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous year for all amounts reported in the financial statements.

### (m) *New Australian Accounting Standards issued but not effective*

#### (i) Adoption of new and revised Accounting Standards

Standards and Interpretations affecting amounts reported in the current period (and/or prior periods)

The Council has adopted the following new and amended Australian Accounting Standards and AASB interpretations as of 1 January 2009.



## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

- AASB 7 *Financial Instruments: Disclosures* effective 1 January 2009

The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to all financial instruments recognised and measured at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class. In addition, reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in note 35. The liquidity risk disclosures are not significantly impacted by the measurements and are presented in note 35.

- AASB 101 *Presentation of Financial Statements* (revised 2007) effective 1 January 2009

The revised standard separates owner and non-owner changes in equity. The Statement of Changes in Equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the new Statement of Comprehensive Income. The Statement of Comprehensive Income presents all items of recognised income and expense, either in one single statement, or in two linked statements. The council has elected to present one statement.

- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* effective 1 January 2009

Only terminology changes, there is no material impact.

### (ii) Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. The reported results and position of the Council will not expected to change on adoption of these pronouncements as they do not result in any changes to the Council's existing accounting policies.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 2009-5 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i>	1 January 2010	30 June 2011
• AASB 124 <i>Related Party Disclosures</i> (revised December 2009), AASB 2009-12 <i>Amendments to Australian Accounting Standards</i>	1 January 2011	30 June 2012
• AASB 9 <i>Financial Instruments</i> , AASB 2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	1 January 2013	30 June 2014

# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

## Notes to and forming part of the Financial Statements for the year ended 30 June 2010

### 4. DETERMINATION OF FAIR VALUES

A number of accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods:

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of the dissolution of Local Aboriginal Land Councils was based on market values. The market value of property was the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. The market value of items of furniture and fittings is based on the market approach for similar items when available and replacement cost when appropriate.

(ii) Trade and other receivables

The fair value of trade and other receivables is based on the net realisable value after considering any possible risks of impairment. All trade and other receivables, after impairment, are expected to be received within a short period of time and considered as fair values at the date of dissolution.

(iii) Trade and other payables

Trade and other payables are expected to be paid within a short period of time and were considered as fair values at the date of dissolution.

When applicable, further information about the assumptions made in determining fair values are disclosed in the notes specific to the assets or the liability.

### 5. FINANCIAL RISK MANAGEMENT

The Council has exposure to the following risks from the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Council's exposure to each of the above risks, their objectives, policies, and processes for measuring and managing risk, and their management of capital. Further quantitative disclosures are included through these consolidated financial statements.

#### *Risk Management framework*

The Councillors have the overall responsibility for the establishment and oversight of the risk management framework. The Director for Corporate Governance is responsible for developing and monitoring the overall risk management strategy and policies for the Council. The Chief Investment Officer is responsible for the establishment and oversight of risk management and reviews of Council's investments. The Director for Corporate Governance reports to the Audit Committee in the capacity of the Chief Audit Executive, which in turn reports regularly to the Councillors on its activities. The Chief Investment Officer reports to the Investment Committee, which in turn reports regularly to the Councillors on its activities.

Risk management policies are established to identify and analyse the risks faced by the Council in setting appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Council's activities. The Council through the training in and implementation of policies and procedures has developed a disciplined and constructive control environment in which all employees understand their roles and obligations.



## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2010

The Audit Committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to risks faced by the Council. The Director for Corporate Governance in the capacity of the Chief Audit Executive manages the internal audit function by conducting scheduled and ad hoc reviews of risk management control procedures, the results of which are reported to the Audit Committee.

#### (a) Credit Risk

Credit risk is the risk of financial loss to the Council if a Council's debtor or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from the financial assets of the Council, including cash, receivables, term deposits and investment in unit trust deposits. In regards to investments in unit trusts, this credit risk is reflected in the unit prices when the underlying securities are marked to market. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment). The Council has not granted any financial guarantees.

##### (i) Cash

Cash comprises cash on hand and bank balances with the National Australia Bank, Westpac Banking Corporation and the Commonwealth Bank of Australia. Interest is earned on daily bank balances at the monthly average cash rate. It is the Council's practice to deal with banks of "AAA" ratings. The Council monitors the financial stability of the banks that hold its funds, by reviewing their Annual Reports.

##### (ii) Receivables

The Council's exposure to credit risks is influenced mainly by the individual characteristics of each debtor. The Council has statutory debts, trade debts and other debts.

- *Statutory debts*

The Council incurred significant amounts of debt as a result of the application of legislation for Local Aboriginal Land Councils. These debts are grouped as statutory debts and not categorised as financial instruments as per the NSW Treasury Policy and Guideline TPP08-1. The Council assess the collectability of such debts on a case by case basis as a clear debt recovery policy cannot be established.

- *Trade debts*

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis from the monthly aged analysis report. The Chief Finance Officer is responsible for the credit control function of all outstanding trade debtors. 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. This evidence includes past experience, and current and expected changes in economic conditions. The credit risk is the carrying amount (net of any allowance for impairment). No interest is earned on trade debtors. Sales are made on 30 day terms.

- *Other debts*

The Council is exposed to various concentrations of credit risk to other debts (other than statutory debts) receivable from Local Aboriginal Land Councils. These debts were incurred as a result of the payment of minor loans and advances repayable within in a short period of time. The credit risk is exposed in the monthly aged analysis report. The Chief Finance Officer, in conjunction with Zone Directors, is responsible for the collectability of debts due from Local Aboriginal Land Councils. The counter party risk that arises from mortgage loans is considered to be not material. The amounts due were reviewed on an individual basis and provision made for any impairment.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

### (iii) Investments

The Council's limits its exposure to credit risks by investing in banks by direct deposits, equities and in unit trusts with fund managers whose portfolio of investments is within the risk limits disclosed by the fund managers in the offer documents of their trusts. This risk is monitored by our investment consultants. The selection of asset classes is researched and recommended by the Council's investment consultant. The investment consultant provides a periodic review of all credit risks relating to different asset classes of investment and monitors the value of investments held as per the benchmark stated in the Investment Policy. This research takes into account such matters as counterparty and credit risk. The Council's investments, as disclosed in note 23, are managed by the Council in conjunction with its approved investment consultant and are not guaranteed from credit risk.

The Council has placed funds on deposit with a commercial bank with a "AAA" rating for a fixed term. It monitors the financial stability of the bank to determine any credit risk that might affect the Council by reviewing its Annual Reports and other financial publications. For fixed term deposits, the interest rate payable by the bank is negotiated initially and is fixed for the term of the deposit.

### (b) Liquidity Risk

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The Council continuously manages the risk through monitoring and planning future cash flows and (maturities planning) to ensure adequate holding of liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of appropriate investment strategies.

The liquidity risk that might arise from various classes of financial assets held by the Council and its management is explained under the credit risk of each class of financial asset.

The only line of credit the Council has is a corporate card facility of \$300K with the National Australia Bank.

During current and prior years, there were no defaults or breaches on any amounts payable to creditors. No assets have been pledged as collateral. The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and a current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. No interest was paid during the year.

### (c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the income or value of the holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Council's exposures to market risk are as follows:

- Growth: the depth and length of the global economic downturn, and its impact on the investments held by the Council
- Systematic risk: liquidity and counterparty risks in financial markets
- Lack of Corporate Governance: Universal lack of corporate governance leads to fraud and bankruptcies.



## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2010

The Council manages its market risk exposure by construction of risk framework that quantifies the risks in the portfolio and the probable outcomes from the portfolio given different events.

(i) Currency risk

The Council has direct exposure to foreign currency risk by investing into funds denominated in foreign currencies. In addition, the Council is also exposed to indirect foreign currency risk by the depositing of its funds in international investments by its fund managers. It also has some foreign currency exposure when foreign currency funds are held by the transitional custodian. Investment in foreign currency and foreign currency funds held by the transitional custodian are comprehensively monitored. The Council expects to minimise the direct risk by redeeming its funds in non Australian dollar denominated investments in the near future.

(ii) Interest rate risk

Exposure to interest rate risk arises primarily through the Council's term deposits and fixed income unit trust investment that have marked to market exposure. The Council account for any fixed rate financial instruments at fair value through profit or loss or as being available-for-sale. Therefore, for these financial instruments, a change in interest rates would affect the Statement of Comprehensive Income and equity. A reasonable possible change of rate provided by investment advisors is used, consistent with current trends in interest rates. This is reviewed quarterly and amended where there is a structural change in the level of interest rate volatility.

The interest rate risk in respect of corporate card facility is considered to be negligible.

(iii) Other price risk

Exposure to 'other price risk' primarily arises through investments with fund managers that are held for strategic rather than trading purposes. Investments within the portfolio are managed on an individual basis and all buy and sell decisions are recommended by the Investment Committee for the approval of the Council. The primary goal of the Council's investment strategy is to maximise investment returns in order to meet Council's operating expenses and preserve the funds. Management is assisted by external advisors in this regard. In accordance with this strategy, investments are designated at fair value through Statement of Comprehensive Income because their performance is actively monitored and they are managed on a fair value basis.

In 2009, the Council entered into a Grower Co-Production (GCP) contract to maximise their agricultural production and seek options to mitigate production risks. Any reduction in prices for agricultural produce is mitigated by this contract.

(d) Operational risk

The Council manage its operational risk as part of the risk management strategy. Operational risk is the direct and indirect losses arising from a wide variety of causes associated with the Council's processes, personnel, technology, legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risk arises from all of the Council's operations.

The Council's objective is to manage operational risk so as to balance the avoidance of financial losses and damages to the Council's reputation with overall cost effectiveness and to avoid control procedures that restricts initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. The responsibility is supported by the development of standards, policies and procedures in the following areas:

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions
- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and legal requirements
- Documentation of controls and procedures
- Requirements for the periodic reporting to senior management, relevant committees and Councillors.
- Training and professional development
- Risk mitigation, including insurance where this is effective.

Compliance with established standards, policies and procedures is supported by a programme of periodic review undertaken by Internal Audit. The results of the internal audit reviews are discussed with management of the business unit to which they relate, with reports submitted to Senior Management, the Audit Committee and the Council.

### 6. Capital Management

As per the legislative requirement, the Council has to maintain its capital value of \$485,340,000. The Council monitors its return on investments and operating expenditure to maintain its capital value. It has developed two key strategies – a Strategic Asset Allocation and Drawdown Rule for its capital management. The Minister for Aboriginal Affairs supports the Drawdown Rule developed by the Council. These strategies have been implemented and are closely monitored by the Council to maintain the capital value.

The Drawdown Rule is based on the following key elements:

- Previous drawdown
- Average asset value
- Long term spending rate

This rule was adopted on advice from the Council's investment advisor, Towers Watson Australia Pty Ltd. The annual expected future draw down is equal to 70% draw down in previous year and 30% of the average asset value in previous year times the long-term spending rate. Therefore, the projected maximum drawdown for expenditure is 5.93% of the investment balance in 2010-11. The draw down is projected to be reduced to 5%, the long term spending rate in the 2019-2020 financial year.

**NEW SOUTH WALES ABORIGINAL LAND COUNCIL**  
Notes to and forming part of the Financial Statements for the year ended 30 June 2010

**REVENUE**

<b>7. SALE OF GOODS</b>	<b>2010</b>	<b>2009</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
Enterprise Income - Sale of Goods	2,255	1,496
	<u><b>2,255</b></u>	<u><b>1,496</b></u>
<b>8. INVESTMENT REVENUE</b>		
Interest	2,474	3,080
Dividends	36,101	40,425
Realised Gains	8,760	-
	<u><b>47,335</b></u>	<u><b>43,505</b></u>
<b>9. GRANTS AND CONTRIBUTIONS</b>		
Government Grants & Subsidies	4,328	417
	<u><b>4,328</b></u>	<u><b>417</b></u>
<b>10. OTHER REVENUE</b>		
Rent Received	1,137	1,105
Enterprise Income - Other	156	366
Investment Managers Fees Rebates	528	298
Reversal of Prior Year's Bad Debts Provision	6,665	-
Legal Expenses Recovered	583	164
Other	379	135
	<u><b>9,448</b></u>	<u><b>2,068</b></u>

**11. GAIN/(LOSS) ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT**

	<b>Motor Vehicles</b>	<b>Computer</b>	<b>Plant and Equipment</b>	<b>Artefacts</b>	<b>Total</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
<b>2010</b>					
Proceeds from Disposal	5	-	-	-	5
Written Down Value of Assets Disposed	(1)	(3)	(15)	(2)	(21)
<b>Net Gain/(Loss) on Disposal</b>	<u><b>4</b></u>	<u><b>(3)</b></u>	<u><b>(15)</b></u>	<u><b>(2)</b></u>	<u><b>(16)</b></u>
	<b>Motor Vehicles</b>	<b>Computer</b>	<b>Plant and Equipment</b>	<b>Artefacts</b>	<b>Total</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
<b>2009</b>					
Proceeds from Disposal	17	3	-	-	20
Written Down Value of Assets Disposed	(2)	-	(4)	-	(6)
<b>Net Gain/(Loss) on Disposal</b>	<u><b>15</b></u>	<u><b>3</b></u>	<u><b>(4)</b></u>	<u><b>-</b></u>	<u><b>14</b></u>

<b>12. OTHER GAINS/(LOSSES)</b>	<b>2010</b>	<b>2009</b>
<b>CHANGES IN FAIR VALUE OF INVESTMENTS</b>	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
Unrealised foreign exchanges losses	(300)	-
Change in fair value of financial assets classified as held for trading	16,571	(89,591)
	<u><b>16,271</b></u>	<u><b>(89,591)</b></u>



**NEW SOUTH WALES ABORIGINAL LAND COUNCIL**  
Notes to and forming part of the Financial Statements for the year ended 30 June 2010

**EXPENSES EXCLUDING LOSSES**

<b>13. AUDIT FEES</b>	<b>2010</b>	<b>2009</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
Fees paid to The Audit Office of New South Wales	207	207
Internal Audit Fee paid to Walter Turnbull	98	118
	<u><b>305</b></u>	<u><b>325</b></u>

<b>14. EMPLOYEE RELATED EXPENSES</b>	<b>2010</b>	<b>2009</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
Salaries and wages (including recreation leave)	9,650	9,133
Superannuation - defined contribution plans	842	767
Leave expenses	909	719
Workers' compensation insurance	242	195
	<u><b>11,643</b></u>	<u><b>10,814</b></u>

<b>15. FUNDING OF LOCAL ABORIGINAL LAND COUNCILS</b>	<b>2010</b>	<b>2009</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
Regional Aboriginal Land Councils	-	5
Local Aboriginal Land Councils	13,690	14,312
	<u><b>13,690</b></u>	<u><b>14,317</b></u>

<b>16. GRANTS</b>	<b>2010</b>	<b>2009</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
Funeral Assistance	727	550
Grants - Endowment Fund	182	1,201
Others	36	506
	<u><b>945</b></u>	<u><b>2,257</b></u>

<b>17. MOTOR VEHICLE EXPENSES</b>	<b>2010</b>	<b>2009</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
Motor vehicle operating lease payments	419	366
Other motor vehicle related expenses	197	223
	<u><b>616</b></u>	<u><b>589</b></u>

<b>18. MAINTENANCE EXPENSES</b>	<b>2010</b>	<b>2009</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
Maintenance expense - contracted labour and other (non-employee related)	268	267
	<u><b>268</b></u>	<u><b>267</b></u>

**NEW SOUTH WALES ABORIGINAL LAND COUNCIL**  
**Notes to and forming part of the Financial Statements for the year ended 30 June 2010**

<b>19. OTHER EXPENSES</b>	<b>2010</b>	<b>2009</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Staff Training, Development and Recruitment	275	397
Telephone & Communications	216	251
Insurance	351	335
Rates	64	70
Rent and Outgoings	433	455
Advertising	35	14
Public Relations and Publicity etc	64	71
Postage, Printing and Stationery	109	92
Meeting Costs	30	27
Workshop and Conference Costs	83	77
Electricity, Gas & Power	216	148
25th Anniversary Celebration	8	189
State-wide Conference	22	370
Valuation Fees	3	180
Office Equipment under \$1,000	11	4
Office Supplies under \$500	14	21
Contractor fees	48	-
Community Consultations	70	57
Other Expenses	949	693
	<b><u>3,001</u></b>	<b><u>3,451</u></b>
 <b>20. PROGRAM EXPENSES</b>	 <b>2010</b>	 <b>2009</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Share of Contribution to Water and Sewerage Infrastructure Program*	1,002	157
Repair and Maintenance Project**	3,782	-
Other Program Expenses	47	1
	<b><u>4,831</u></b>	<b><u>158</u></b>

Note:

\*The Council paid 50% share of its contribution in relation to operation, maintenance and monitoring of water and sewerage services for Aboriginal Communities. The payment was made to the New South Wales Office of Water who manages the project as per the agreement between New South Wales State Government and the Council.

\*\*The Council received grants from the Commonwealth Government by entering into a Program Funding Agreement with the Department of Families, Housing, Community Services and Indigenous Affairs to undertake a repairs and maintenance project on seventy homes owned by the Walgett Local Aboriginal Land Council. The Council manages this through appointing Arup Pty Ltd as the project consultant and Max Ryan Buildings Pty Ltd as contractor. The project is expected to be completed in 2010-2011.

**NEW SOUTH WALES ABORIGINAL LAND COUNCIL**  
Notes to and forming part of the Financial Statements for the year ended 30 June 2010

<b>21. CASH AND CASH EQUIVALENTS</b>	<b>2010</b>	<b>2009</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Cash at Bank and in Hand	6,934	6,126
Funeral Fund - Cash at Bank	279	269
	<b><u>7,213</u></b>	<b><u>6,395</u></b>
<b>22. RECEIVABLES</b>	<b>2010</b>	<b>2009</b>
<b>a) Current</b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Trade Debtors	798	855
Statutory Debts (Local Aboriginal Land Council)	835	409
Loans on Demand (Local Aboriginal Land Council)	-	-
	<u>1,633</u>	<u>1,264</u>
Less: Allowance for Impairment	(60)	(137)
	<b><u>1,573</u></b>	<b><u>1,127</u></b>
<b>b) Non-Current</b>		
Statutory Debts (Local Aboriginal Land Council)	11,600	12,724
Loans on Demand (Local Aboriginal Land Council)	1,390	9,930
	<u>12,990</u>	<u>22,654</u>
Less: Allowance for Impairment	(10,674)	(17,446)
	<b><u>2,316</u></b>	<b><u>5,208</u></b>
<b>Movement in the allowance for impairment</b>	<b>2010</b>	<b>2009</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Balance at 1 July	17,583	15,916
Amounts written off during the year	(2,261)	-
Increase in allowance recognised in Statement of Comprehensive Income	2,036	1,667
Decrease in allowance recognised in Other Revenue	(6,665)	-
Provision transferred from dissolved Local Aboriginal Land Council	41	-
Balance at 30 June	<b><u>10,734</u></b>	<b><u>17,583</u></b>
<b>Represented by:</b>		
Current	(60)	(137)
Non-Current	(10,674)	(17,446)
	<b><u>(10,734)</u></b>	<b><u>(17,583)</u></b>
<b>23. BIOLOGICAL ASSETS</b>	<b>2010</b>	<b>2009</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Livestock	1,174	1,280
Grain and Other Rural Stock	306	441
	<b><u>1,480</u></b>	<b><u>1,721</u></b>

**NEW SOUTH WALES ABORIGINAL LAND COUNCIL**  
Notes to and forming part of the Financial Statements for the year ended 30 June 2010

<b>Reconciliation of carrying amounts of livestock</b>	<b>2010</b>	<b>2009</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
Carrying Amount at 1 July	1,280	667
Increases due to Purchases	1,004	1,021
Decrease due to Sales	(1,500)	(866)
Gain arising from changes in fair value less estimated point-of-sales costs attributable to price and physical changes	390	458
<b>Carrying amount at 30 June</b>	<u><b>1,174</b></u>	<u><b>1,280</b></u>

<b>24. FINANCIAL ASSETS AT FAIR VALUE</b>	<b>2010</b>	<b>2009</b>
<b>Financial Assets Held-for-Trading</b>	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
Units in Australian Fixed Income	24,772	122,357
Units in Managed Australian Equities	60,350	115,393
Units in International Equities	94,477	38,905
Units in Australian Listed Property Trusts	24,446	20,698
Units in International Fixed Income	147,023	89,597
Absolute Return Funds	97,138	76,185
Managed Funds	-	8,890
Indexed Global Inflation - Linked Bond Fund	42,797	-
Cash Enhanced Fund	9,091	-
Term Deposits	39,413	38,556
Other	1,377	2,678
	<u><b>540,884</b></u>	<u><b>513,259</b></u>

<b>25. OTHER FINANCIAL ASSETS</b>	<b>2010</b>	<b>2009</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
Mortgages - Current	1	16
Mortgages - Non Current*	331	350
	<u><b>332</b></u>	<u><b>366</b></u>

<b>26. OTHER</b>	<b>2010</b>	<b>2009</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
Superannuation Assets	19	17
Prepayments	321	296
	<u><b>340</b></u>	<u><b>313</b></u>

Note:

\*The Council advanced a loan of \$350,000 in May 2009 to Yamboora Aboriginal Corporation (The Corporation) at the market rate of interest. Yamboora transferred the properties valued at \$3.5 million to the Council but continued to collect rent and manage the properties. The Council gave a deed of agreement to transfer the properties back to the Corporation once it repays the loan, outstanding interest and charges within a period of five years. Even though the properties have been registered in the name of the Council, the nature of the transaction is in the form of a loan and the properties are not included in the property plant and equipment of the Council and amount of money paid by the Council is treated as a loan receivable from the Corporation.



# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

## 27. PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Plant and Equipment	Motor Vehicle	Work In Progress	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>At 1 July 2009 - fair value</b>						
Gross carrying amount	16,429	13,998	3,385	317	371	34,500
Accumulated depreciation and impairment	-	(670)	(2,289)	(248)	-	(3,207)
<b>Net Carrying Amount</b>	<b>16,429</b>	<b>13,328</b>	<b>1,096</b>	<b>69</b>	<b>371</b>	<b>31,293</b>

### At 30 June 2010 - fair value

Gross carrying amount	30,865	14,596	3,606	294	4	49,365
Accumulated depreciation and impairment	-	(746)	(2,632)	(242)	-	(3,620)
<b>Net Carrying Amount</b>	<b>30,865</b>	<b>13,850</b>	<b>974</b>	<b>52</b>	<b>4</b>	<b>45,745</b>

### 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	Work In Progress	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Year ended 30 June 2010</b>						
Net carrying amount at 1 July 2009	16,429	13,328	1,096	69	371	31,293
<b>Additions:</b>						
Non-Cash Acquisition	14,455	832	3	7	-	15,297
Transfer from WIP		310	61			371
Cash Acquisition		313	290		4	607
<b>Disposals:</b>						
Cash Disposal				(1)		(1)
Transfer to LALC	(19)	(197)				(216)
Write Off			(18)			(18)
Capitalisation					(371)	(371)
Depreciation expense	-	(736)	(458)	(23)	-	(1,217)
<b>Net Carrying Amount at 30 June 2010</b>	<b>30,865</b>	<b>13,850</b>	<b>974</b>	<b>52</b>	<b>4</b>	<b>45,745</b>

**NEW SOUTH WALES ABORIGINAL LAND COUNCIL**  
Notes to and forming part of the Financial Statements for the year ended 30 June 2010

	<b>Land</b>	<b>Building</b>	<b>Plant and Equipment</b>	<b>Motor Vehicle</b>	<b>Work In Progress</b>	<b>Total</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
<b>At 1 July 2008 - fair value</b>						
Gross carrying amount	15,381	13,889	3,245	771	-	33,286
Accumulated depreciation and impairment	-	(161)	(2,198)	(657)	-	(3,016)
<b>Net Carrying Amount</b>	<b>15,381</b>	<b>13,728</b>	<b>1,047</b>	<b>114</b>	<b>-</b>	<b>30,270</b>

**At 30 June 2009 - fair value**

Gross Carrying amount	16,429	13,998	3,385	317	371	34,500
Accumulated depreciation and impairment	-	(670)	(2,289)	(248)	-	(3,207)
<b>Net Carrying Amount</b>	<b>16,429</b>	<b>13,328</b>	<b>1,096</b>	<b>69</b>	<b>371</b>	<b>31,293</b>

**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:

	<b>Land</b>	<b>Building</b>	<b>Plant and Equipment</b>	<b>Motor Vehicle</b>	<b>Work In Progress</b>	<b>Total</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
<b>Year ended 30 June 2009</b>						
Net carrying amount at 1 July 2008	15,381	13,728	1,047	114	-	30,270
Additions	-	-	567	-	371	938
Disposals	-	-	(3)	(2)	-	(5)
Transfer to LALCs	-	-	-	-	-	-
Net revaluation increment less revaluation decrements	1,048	109	-	-	-	1,157
Depreciation expense	-	(509)	(515)	(43)	-	(1,067)
<b>Net Carrying Amount at 30 June 2009</b>	<b>16,429</b>	<b>13,328</b>	<b>1,096</b>	<b>69</b>	<b>371</b>	<b>31,293</b>



**NEW SOUTH WALES ABORIGINAL LAND COUNCIL**  
Notes to and forming part of the Financial Statements for the year ended 30 June 2010

<b>28. INTANGIBLE ASSETS</b>	<b>2010</b>	<b>2009</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
Gross carrying amount at 1 July	1,289	827
Accumulated amortisation and impairment	(481)	(288)
Work In Progress of Software Development	96	269
<b>Carrying amount</b>	<u><b>904</b></u>	<u><b>808</b></u>

<b>Reconciliation</b>	<b>2010</b>	<b>2009</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
Net carrying amount at 1 July	539	80
Additions	474	534
Amortisation	(205)	(73)
Disposals		(2)
<b>Net carrying amount at 30 June</b>	<u><b>808</b></u>	<u><b>539</b></u>
Work In Progress of Software Development	96	269
<b>Carrying amount at 30 June</b>	<u><b>904</b></u>	<u><b>808</b></u>

<b>29. ARTEFACTS</b>	<b>2010</b>	<b>2009</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
Carrying value at 1 July	383	351
Additions	17	-
Write Off	(2)	-
Revaluation increment	236	32
<b>Carrying value at 30 June</b>	<u><b>634</b></u>	<u><b>383</b></u>

Artefacts were revalued on the 7th of November 2009 by an independent specialised valuer.

**NEW SOUTH WALES ABORIGINAL LAND COUNCIL**  
Notes to and forming part of the Financial Statements for the year ended 30 June 2010

<b>30. PAYABLES</b>	<b>2010</b>	<b>2009</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Accrued Salaries, Wages and On-Costs	208	159
Creditors	1,931	1,283
Funeral Fund - Refundable Contributions	278	268
	<u><b>2,417</b></u>	<u><b>1,710</b></u>
 <b>31. PROVISIONS</b>	 <b>2010</b>	 <b>2009</b>
<b>Current</b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>Current Employee benefits and related on-costs</b>		
Provision for Annual Leave-Short Term	546	464
Provision for Long Service Leave - Short Term	95	87
Provision for Annual Leave-Long Term	279	198
Provision for Long Service Leave - Long Term	239	281
Provision for Unfunded Superannuation (refer to Note 31(a))	207	187
	<u><b>1,366</b></u>	<u><b>1,217</b></u>
 <b>Non-Current</b>		
<b>Non-Current Employee Benefits</b>		
Provision for Long Service Leave	257	160
	<u><b>257</b></u>	<u><b>160</b></u>
 <b>Other Non-Current Provisions</b>		
Provision for Make-Good	52	28
	<u><b>52</b></u>	<u><b>28</b></u>
	<u><b>309</b></u>	<u><b>188</b></u>
 <b>Aggregate Employee Benefits and Related On-Costs</b>		
Provisions - Current	1,366	1,217
Provisions - Non Current	257	160
Accrued Salaries and Wages (refer to Note 30)	208	159
	<u><b>1,831</b></u>	<u><b>1,536</b></u>

**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:

<b>Provision for Make-Good</b>	<b>2010</b>	<b>2009</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Carrying amount at 1 July	28	28
Additional Provisions Recognised	24	-
Carrying amount at 30 June	<u><b>52</b></u>	<u><b>28</b></u>

Provision for make-good have been provided for the leased offices by the Council at the end of the lease terms

**NEW SOUTH WALES ABORIGINAL LAND COUNCIL**  
Notes to and forming part of the Financial Statements for the year ended 30 June 2010

**(a) Defined Benefit Superannuation**

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

State Authorities Superannuation Scheme (SASS)  
State Superannuation Scheme (SSS)  
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 30-Jun-10 \$'000	SANCS 30-Jun-10 \$'000	SSS 30-Jun-10 \$'000
Present value of partly funded defined benefit obligation at beginning of the year	194	32	891
Current service cost	8	1	-
Interest cost	10	2	48
Contributions by Fund participants	4	-	-
Actuarial (gains)/losses	12	-	34
Benefits paid	(10)	-	(33)
Present value of partly funded defined benefit obligation at end of the year	<u>217</u>	<u>35</u>	<u>941</u>

**Reconciliation of the fair value of Fund assets**

	SASS 30-Jun-10 \$'000	SANCS 30-Jun-10 \$'000	SSS 30-Jun-10 \$'000
Fair value of Fund assets at beginning of the year	152	49	745
Expected return on Fund assets	12	4	62
Actuarial gains/(losses)	14	-	5
Contributions by Fund participants	4	-	-
Benefits paid	(10)	-	(33)
Fair value of Fund assets at end of the year	<u>171</u>	<u>54</u>	<u>779</u>

**NEW SOUTH WALES ABORIGINAL LAND COUNCIL**  
Notes to and forming part of the Financial Statements for the year ended 30 June 2010

**Reconciliation of the assets and liabilities recognised in Statement of Financial Position**

	SASS 30-Jun-10 \$'000	SANCS 30-Jun-10 \$'000	SSS 30-Jun-10 \$'000	Total 30-Jun-10 \$'000
Present value of partly funded defined benefit obligation at end of year	217	34	941	1,192
Fair value of Fund assets at end of year	(171)	(54)	(779)	(1,004)
Subtotal	45	(19)	162	188
Net liability recognised in balance sheet at end of year	45		162	207
Net asset recognised in balance sheet at end of year		(19)		(19)

**Expense recognised in Statement of Comprehensive Income**

	SASS 30-Jun-10 \$'000	SANCS 30-Jun-10 \$'000	SSS 30-Jun-10 \$'000	Total 30-Jun-10 \$'000
<b>Components Recognised in Income Statement</b>				
Current service cost	8	1	1	10
Interest cost	10	2	48	60
Expected return on Fund assets (net of expenses)	(12)	(4)	(62)	(78)
Expense/(income) recognised	6	(1)	(13)	(8)

**Amounts recognised in other comprehensive income**

	SASS 30-Jun-10 \$'000	SANCS 30-Jun-10 \$'000	SSS 30-Jun-10 \$'000	Total 30-Jun-10 \$'000
Actuarial (gains)/losses	(2)	(1)	29	26
Adjustment for limit on net asset	-	-	-	-

**32. GRANTS RECEIVED IN ADVANCE**

	2010 \$'000	2009 \$'000
Unexpended Grants	4,865	5,663
	<u>4,865</u>	<u>5,663</u>



**NEW SOUTH WALES ABORIGINAL LAND COUNCIL**  
Notes to and forming part of the Financial Statements for the year ended 30 June 2010

**33. COMMITMENTS FOR EXPENDITURE**

<b>Operating Lease Commitments</b>	<b>2010</b>	<b>2009</b>
Future Non-Cancellable Operating Lease Rentals not Provided for and Payable:	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
Not Later Than One Year	571	562
Later Than One Year and Not Later Than Five Years	451	734
Over Five Years	-	2
Total (Including GST)	<u><b>1,022</b></u>	<u><b>1,298</b></u>
<b>Purchase Orders</b>		
Not Later Than One Year	1,493	-
Total (Including GST)	<u><b>1,493</b></u>	<u><b>-</b></u>
	<u><b>2,515</b></u>	<u><b>1,298</b></u>

GST of \$227K (\$118K 2008-2009) 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.

The Council has entered into an agreement with the State Government of New South Wales to contribute 50% of annual project expenditure in relation to operation, maintenance and monitoring of water and sewerage services in Aboriginal Communities. The actual commitment for the expenditure is only known when the New South Wales Office of Water provides a formal letter of advice to the Council. As per the original agreement the expected commitment for the year ending 30 June 2011 is \$3.6 million.

**34. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

	<b>2010</b>	<b>2009</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
<b>(a) Contingent liabilities</b>		
Legal Claims	-	415
	<u><b>-</b></u>	<u><b>415</b></u>
<b>(b) Contingent Assets</b>		
Legal Claims	-	180
	<u><b>-</b></u>	<u><b>180</b></u>

**An outstanding legal issue that may or may not result in a contingent asset or liability for the New South Wales Aboriginal Land Council (NSWALC) – Supreme Court of New South Wales proceedings number 62998 of 2010.**

NSWALC commenced a debt recovery action in the District Court of New South Wales on 3 September 2008 against Paramount Land Pty Ltd (“Paramount”) and its guarantors, Walter Robert Scott and Lesley Gwenda Molony to recover a loan debt of \$372,340.57 purchased from LKM Capital Ltd (“LKM”) on 11 September 2007.

On 17 April 2002, LKM lent money under a joint loan agreement to Paramount and KLALC Property and Investment Pty Ltd (“Trustee”). The only asset of the Trustee being Lot 556 DP 7299949 (“Lot 556”) was transferred to the former Koombahtoo Local Aboriginal Land Council (“KLALC”) by order of the Supreme Court of New South Wales on 10 July 2009. Lot 556 vested in NSWALC on 12 March 2010 when KLALC was dissolved.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Financial Statements for the year ended 30 June 2010

A cross claim was made by Paramount and its guarantors on NSWALC seeking their entitlement under the joint loan agreement to be indemnified by the Trustee asset. The complexity of the legal action has resulted in the proceedings being transferred to the Supreme Court of New South Wales and is yet to be decided in a contested hearing. This may or may not result in a contingent asset or liability on NSWALC. No provision was made in the accounts for legal expenses in respect of above legal action.

#### 35. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET SURPLUS

	2010	2009
	<u>\$'000</u>	<u>\$'000</u>
Operating surplus from ordinary activities	34,518	(82,824)
Depreciation & amortisation	1,422	1,140
Allowance for impairment	2,036	1,666
Assets received at nil consideration	(147)	-
Receivable offset against dissolved LALC's liabilities	(9,082)	-
Net decrement on other financial assets valuation	-	89,591
Less: reversal of prior years impairment	(6,665)	-
Less: superannuation actuarial loss directly charged to accumulated funds	(26)	(216)
Less: bad debts written off	(2,261)	-
Less: (gain)/ loss on sale of non-current assets	16	(14)
<b>Other changes in assets and liabilities in respect of ordinary activities</b>		
Increase/ (decrease) in provisions	253	351
Decrease/ (increase) in receivables	9,356	(2,475)
Decrease/ (increase) in imputation tax receivable	1,896	(1,148)
Increase/ (decrease) in creditors	(352)	(948)
Decrease/ (increase) in inventories	241	(564)
<b>Net cash inflows from ordinary activities</b>	<u><u>31,206</u></u>	<u><u>4,559</u></u>

#### 36. LIABILITY AS TRUSTEE

The Council acts as trustee for the Gumbaynggir Tribal Aboriginal Elders Corporation.  
The movement in the Trust bank account is:

	2010	2009
	<u>\$'000</u>	<u>\$'000</u>
Opening balance at 1 July	89	75
Add: Receipts	14	14
<b>Closing balance at 30 June</b>	<u><u>103</u></u>	<u><u>89</u></u>

#### Manager for a reserve trust (R52164)

As per the NSW Government gazette notice dated 27 January 2006 at Folio 504, the former Koombahtoo Local Aboriginal Land Council (KLALC) was appointed to manage the Awaba Community Hall (R52164) Reserve Trust by the Minister for Lands as the Minister administering the Crown Lands Act 1989. There is no evidence available to determine whether any records including financial records were maintained for the Reserve Trust by the former KLALC. No known claims were placed against the Manager by any third parties. NSWALC, as the deemed Manager from 12 March 2010, has taken necessary insurance cover to avoid any future risk from this reserve. In addition,



# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

## Notes to and forming part of the Financial Statements for the year ended 30 June 2010

NSWALC is negotiating with the Land and Property Management Authority in relation to the future management of the Reserve Trust.

### 37. FINANCIAL INSTRUMENTS

The carrying amounts of the Council's principal financial instruments are outlined below. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. During the year Council invested through a number of fund managers as recommended by the Investment Consultant.

#### (a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount 2010	Carrying Amount 2009
<b>Class:</b>			<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	21	N/A	7,213	6,395
Receivables <sup>1</sup>	22	Loans and receivables	1,950	10,827
Financial assets at fair value	24	At fair value through profit or loss – classified at held for trading	540,884	513,259
Other financial assets	25	Loans and receivables	332	16

Financial Liabilities	Note	Category	Carrying Amount 2010	Carrying Amount 2009
<b>Class:</b>			<b>\$'000</b>	<b>\$'000</b>
Payables <sup>2</sup>	30	Financial liabilities measured at amortised cost	7,050	7,181

#### Notes

1. Excludes statutory receivables and prepayments (i.e. not within the scope of AASB 7).
2. Excludes statutory payables and unearned revenue (i.e. not within the scope of AASB 7).

#### (b) Credit Risk

The Council's maximum exposure to credit risk at the reporting date was:

##### (i) Cash

The Council has placed funds on deposit with commercial bank with "AAA" rating for a fixed term. For fixed term deposits, the interest rate payable by the bank is negotiated initially and is fixed for the term of the deposit. The deposits at balance date were earning an average interest rate of 5.33% (2008-2009– 3.66%), while over the year the weighted average interest rate was 4.37% (2008-2009–5.59%) on a weighted average balance during the year of \$38.6M (2008-2009–\$40.8M). None of these assets are past due or impaired.

**NEW SOUTH WALES ABORIGINAL LAND COUNCIL**  
Notes to and forming part of the Financial Statements for the year ended 30 June 2010

(ii) Receivables – trade debtors

The only financial assets that are past due are listed below:

	Total <sup>1,2</sup>	Past due but not impaired <sup>1,2</sup>	Considered impaired <sup>1,2</sup>
	\$'000	\$'000	\$'000
<b>2010</b>			
< 3 months overdue	334	334	-
> 3 months overdue	226	163	63
<b>2009</b>			
< 3 months overdue	538	538	-
> 3 months overdue	187	50	137

Notes

1. Each column in the table reports 'gross receivables'.
2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the 'total' will not reconcile to the receivables total recognised in the statement of financial position.

(iii) Other Financial Assets

The only financial assets that are past due or impaired are listed below:

	Total <sup>1,2</sup>	Past due but not impaired <sup>1,2</sup>	Considered impaired <sup>1,2</sup>
	\$'000	\$'000	\$'000
<b>2010</b>			
< 3 months overdue	-	-	-
> 3 months overdue	1,722	332	1,390
<b>2009</b>			
< 3 months overdue	4	4	-
> 3 months overdue	9,942	3,587	6,355

Notes

1. Each column in the table reports 'gross receivables'.
2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the 'total' will not reconcile to the receivables total recognised in the statement of financial position.

**NEW SOUTH WALES ABORIGINAL LAND COUNCIL**  
Notes to and forming part of the Financial Statements for the year ended 30 June 2010

**(c) Liquidity risk**

The table below summarises the maturity profile of the Council's financial liabilities, together with the interest rate exposure.

<i>Maturity analysis and interest rate exposure of financial liabilities</i>						
	Interest Rate Exposure			Maturity Dates		
	Weighted Average Effective Int. Rate	Nominal Amount <sup>1</sup> \$'000	Nominal bearing \$'000	< 1 yr \$'000	1-5 yrs \$'000	> 5 yrs \$'000
<b>2010</b>						
Payables		1,907	1,907	1,907	-	-
Funeral Fund-Contributions Refundable		278	278	-	-	278
Unexpended Grants		4,865	4,865	4,865	-	-
		<b>7,050</b>	<b>7,050</b>	<b>6,772</b>	<b>-</b>	<b>278</b>
<b>2009</b>						
Payables		1,250	1,250	1,250	-	-
Funeral Fund-Contributions Refundable		268	268	-	-	268
Unexpended Grants		5,663	5,663	5,663	-	-
		<b>7,181</b>	<b>7,181</b>	<b>6,913</b>	<b>-</b>	<b>268</b>

**(d) Market risk**

**(i) Currency risk**

The Council has a direct exposure to foreign currency by investing in an Absolute Return Fund. The carrying value of foreign currency exposure is AU\$17.1 million as at 30 June 2010. (30 June 2009 – Nil). The Council also exposed to indirect foreign currency risk by investing in various foreign currency investment as disclosed in Note 24.

**NEW SOUTH WALES ABORIGINAL LAND COUNCIL**  
Notes to and forming part of the Financial Statements for the year ended 30 June 2010

(ii) Interest rate risk

	Carrying Amount \$'000	-1% Profit \$'000	Equity \$'000	1% Profit \$'000	Equity \$'000
<b>2010</b>					
<b>Financial assets</b>					
Cash and cash equivalents	7,213	(72)	7,141	72	7,285
Receivables	1,950	(20)	1,931	20	1,970
Financial assets at fair value	540,884	(5,409)	535,475	5,409	546,293
Other financial assets	332	(3)	329	3	335
<b>Financial liabilities</b>					
Payables	7,050	(71)	6,980	71	7,121
<b>2009</b>					
<b>Financial assets</b>					
Cash and cash equivalents	6,395	(64)	6,331	64	6,459
Receivables	10,827	(108)	10,719	108	10,935
Financial assets at fair value	513,259	(5,133)	508,126	5,133	518,392
Other financial assets	16	-	16	-	16
<b>Financial liabilities</b>					
Payables	7,181	(72)	7,109	72	7,253

(iii) Other price risk

Exposure to 'other price risk' primarily arises through the investment with fund managers which are held for strategic rather than trading purposes. The Council has the following investments:

Facility	Investment Sectors	Investment Horizon	2010 \$'000	2009 \$'000
Cash facility	Cash, money market instruments	Up to 1.5 years	7,213	6,395
Strategic cash facility	Cash, money market and other interest rate instruments	1.5 years to 3 years	39,413	38,556
Long-term growth facility	Cash, money market instruments, Australian, International Bonds and Shares	3 years and over	500,705	472,042

The selection of funds for investment is based on the research carried out on various critical success factors of each fund manager by the Council's investment consultants. Only positively rated fund managers with Future Return Expectation (FREX) are recommended to the Council.

The portfolio construction of investments of the Council is aimed to generate portfolios that have no significant style, sector or size biases. The interaction of qualitative and quantitative research resulted in



## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

recommended allocation funds to various investments by the investment consultants. Performances of investments are continuously monitored using various tools including FREX Ratings, SWISS Tables and Traffic Lights etc, by the investment consultants. The various types of investments held by the Council with the actual rate of return is provided in the following table:

	Carrying value as at 30 June 2010 \$'000	Percentage Spread %	Actual rate return 30 June 2010 %	Carrying value as at 30 June 2009 \$'000	Percentage Spread %	Actual rate return 30 June 2009 %
Australian Equities	60,350	11.17%	15.5%	115,410	22.60%	(16.1%)
International Equities	94,477	17.49%	7.4%	38,905	7.62%	(28.0%)
Listed Property	24,446	4.53%	20.0%	20,698	4.05%	(40.9%)
Australian Fixed Income(sovereign)				71,998	14.10%	11.1%
Australian Fixed Income(composite)	24,772	4.59%	8.3%	50,359	9.86%	6.8%
International Fixed Income (composite)	40,591	7.52%	8.6%	59,604	11.67%	10.8%
International Fixed Income (credit)	106,432	19.71%	14.7%	29,993	5.87%	11.5%
Absolute Returns	97,138	17.98%	16.8%	76,185	14.92%	(16.4%)
Index Global Inflation-linked Bond Fund	42,797	7.92%	5.5%		0.00%	
Cash Enhanced Fund	9,091	1.68%	4.0%	95	0.02%	3.5%
ANZ (Principal Protected Investment)				8,794	1.72%	
Other cash facilities	40,025	7.41%	4.7%	38,556	7.55%	-
	<b>540,119</b>	<b>100%</b>		<b>510,597</b>	<b>100%</b>	

Funds other than direct deposits in banks do not have direct holdings in underlying assets, 'interest rate risk' or 'currency risk' and are therefore not individually analysed other than 'other price risk'. The sensitivity analysis in relation to 'other price risk' is determined using standard deviation based on stochastic Global Asset Model provided by the investment consultants, and the percentage allocation of funds of the portfolio of investments held by the Council as at the year end. The following table provides the overall other price risk of the Council with the sensitivity analysis.

Analysis of Price Risks	Carrying value	Estimated Risk	Profit Impact	Equity Impact	Profit Impact	Equity Impact
Total Portfolio of Investments as at 30 June 2010	540,119	+or-5.55%	30,001	570,120	(30,001)	510,118
Total Portfolio of Investments as at 30 June 2009	510,597	+or-8.49%	43,375	553,972	(43,375)	467,222

(a) Interest rate risk will only affect the short term deposits

(b) Estimated risk is based on Towers Watson Asset Modelling assumptions as at 31 March 2010.

# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

## 38. AMOUNTS RECOGNISED IN EQUITY AS A RESULT OF DISSOLUTION OF LOCAL ABORIGINAL LAND COUNCILS

	KLALC	QLALC	
	As at	As at	
ASSETS	12/3/2010	29/1/2010	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Cash	15	-	15
Trade & Rental Debts	67	-	67
Less Provision for doubtful debts	(41)	-	(41)
Other receivables	-	20	20
Prepayments	4	-	4
Freehold Land at fair value	14,388	11	14,399
Building at fair value	690	52	742
Plant & Equipment	3	-	3
Motor Vehicles	8	-	8
Total assets	<u>15,134</u>	<u>83</u>	<u>15,217</u>
<b>LIABILITIES</b>			
Trade Payables	79	13	92
Other payables and accruals	26	-	26
Employee Entitlements	17	-	17
Loan - NSWALC	2,065	-	2,065
Loan - NSWALC Mortgage	7,161	-	7,161
Total liabilities	<u>9,348</u>	<u>13</u>	<u>9,361</u>
<b>Net assets transferred</b>	<u>5,786</u>	<u>70</u>	<u>5,856</u>

All assets were transferred at fair value. The written down value of plant and equipment is considered as fair value.

For details of the dissolution refer Note 3(e).

KLALC - Koombahtoo Local Aboriginal Land Council

QLALC - Quambone Local Aboriginal Land Council



**NEW SOUTH WALES ABORIGINAL LAND COUNCIL**  
Notes to and forming part of the Financial Statements for the year ended 30 June 2010

**39. OTHER COMPREHENSIVE INCOME**

	Accumulated Funds	Revaluation Reserve	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>2010</b>			
Actuarial loss on defined super	(26)		(26)
Net increment on revaluation		236	236
Transfer to accumulated funds for disposed plant, equipment and motor vehicles	528	(528)	
Properties transferred to Local Aboriginal Land Council	(106)	(109)	(215)
Net assets transferred from dissolved Local Aboriginal Land Councils (Note 38)	5,856		5,856
	<u>6,252</u>	<u>(401)</u>	<u>5,851</u>

	Accumulated Funds	Revaluation Reserve	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>2009</b>			
Actuarial loss on defined super	(216)		(216)
Net increment on revaluation of property, plant and equipment	-	1,377	1,377
Properties transferred to Local Aboriginal Land Council	-		-
Net assets transferred form dissolved Local Aboriginal Land Councils (Note 38)	-		-
	<u>(216)</u>	<u>1,377</u>	<u>1,161</u>

**40. EVENT AFTER THE BALANCE DATE**

There is no known event after the balance date.

**End of Audited Financial Statement**

## NEW SOUTH WALES ABORIGINAL LAND COUNCILS

### North Western

Brewarrina  
Collanrenebri  
Coonamble  
Goodooga  
Lightning Ridge  
Moree  
Mungindi  
Murrawari  
Narrabri  
Nulla Nulla  
Pilliga  
Toomelah  
Walgett  
Wee Waa  
Weilmoringle

### Northern

Amaroo  
Anaiwan  
Armidale  
Ashford  
Coonabarabran  
Dorrigo Plateau  
Glen Innes  
Guyra  
Moombahlene  
Nungaroo  
Red Chief  
Tamworth  
Walhallow  
Wanaruah

### South Coast

Batemans Bay  
Bega  
Bodalla  
Cobowra  
Eden  
Illawarra  
Jerringa  
Merrimans  
Mogo  
Ngambri  
Nowra  
Ulladulla  
Wagonga

### North Coast

Baryulgil Square Birrigan  
Gargle  
Bogal  
Casino-Boolangle  
Grafton-Ngerrie  
Gugin Gudduba  
Jali  
Jana Ngalee  
Jubullum  
Muli Muli  
Ngulingah  
Tweed/Byron  
Yaegl

### Western

Balranald  
Broken Hill  
Cobar  
Dareton  
Ivanhoe  
Menindee  
Mutawintji  
Tibooburra  
Wannaaring  
Wilcannia  
Winbar

### Wiradjuri

Albury & District  
Bathurst  
Brungle - Tumut  
Condobolin  
Cowra  
Cummeragunja  
Deniliquin  
Griffith  
Hay  
Leeton & District  
Moama  
Murrin Bridge  
Narranderra  
Onerwal  
Orange  
Peak Hill  
Pejar  
Wagga Wagga  
Wamba Wamba  
West Wyalong  
Young

### Central

Dubbo  
Gilgandra  
Mudgee  
Narromine  
Nyngan  
Quambone (DISSOLVED)  
Trangie  
Warren-Macquarie  
Weilwan  
Wellington

### Central Coast

Birpai  
Bowraville  
Bunyah  
Coffs Harbour  
Forster  
Karuah  
Kempsey  
Nambucca Heads  
Purfleet/Taree  
Stuart Island  
Thungutti  
Unkya

### Sydney/Newcastle

Awabakal  
Bahtabah  
Darkinjung  
Deerubbin  
Gandangara  
Koompahtoo (DISSOLVED)  
La Pouse  
Metropolitan  
Mindaribba  
Tharawal  
Worimi





**Be Informed. Be Involved. Be Inspired.**