



*Clive Faint, 1981
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30 Years On: Going Strong.

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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 2012

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

Dear Minister

We present to you the New South Wales Aboriginal Land Council Annual Report for the year ended 30 June 2012, 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.

We commend its contents to the Government and to the Parliament.

Yours sincerely

Stephen Ryan
Chairman
New South Wales Aboriginal Land Council

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Stephen Ryan

CHAIRMAN'S WELCOME

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

I had the honour and privilege of being elected in August 2011.

This report covers the activities and operations of the NSWALC from July 1, 2011 through to June 30, 2012.

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

I believe the achievements outlined in this document show we have risen to the challenges posed by a difficult financial environment.

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

While our self-funding status and our need to work within our financial means has presented particular challenges for Council and staff this year, and will continue to do so, I'm pleased to record an improved political environment following the election of the O'Farrell Government in April 2011.

Sadly, the former Labor Government dropped the ball on Aboriginal Affairs, as evidenced from the findings of major reports from regulatory agencies, such as the NSW Audit Office and the Ombudsman, on the abject failure of its key programs and policies.

The O'Farrell Government promised to find new policy and program directions in partnership with Aboriginal people.

Thankfully, it has shown no inclination towards the top down paternalism being pursued in other jurisdictions.

It is now pursuing those new directions through the work of a Ministerial Taskforce on Aboriginal Affairs which includes key ministers and Aboriginal representatives, including the NSWALC.

This is the first time in the history of this state that Aboriginal people have been invited into the NSW Cabinet room with a seat at the table to participate in the creation of policies that affect our lives.

I can't tell you what the Ministerial Taskforce will ultimately achieve - after all, the history of Aboriginal affairs in NSW is a sad one, particularly over the past decade.

But I remain optimistic the Ministerial Taskforce can provide a clearer way forward on how to empower our people to take more control over our own affairs.

In a nutshell, NSWALC wants sustainable reform and recognition.

The initiatives on education which have flowed from the work of the Taskforce are, in my view, a significant step in the right direction.

The NSWALC and LALC representatives were also busily engaged as the reporting period ended as members of the Working Party appointed by the new Government to conduct a statutory review of the NSW Aboriginal Land Rights Act.

Again, my fellow Councillors and I, are seeking, with others, to have the Act strengthened in the interests of all of those hard working members of the land rights network and the wider Aboriginal community.

We want to see a strengthening of our functions and responsibilities, and those of LALCs.

I look forward to continuing my work in both these areas in the new year in my dual role as Chairperson of NSWALC and as Chairperson of the Council of Aboriginal Peak Organisations.

Both the Ministerial Taskforce and the ALRA Review have provided a perfect opportunity for the NSWALC to conduct full rounds of consultations with the network.

Importantly, the outcomes from both have been fed back to the Government.

I thank those LALC Board members and representatives who took the time and effort to attend our Regional Forums and to ensure their voices were heard in these important processes.

Proposed legislative changes flowing from the ALRA Review are expected to come before Parliament next year and could coincide with the 30th anniversary of the proclamation of the ALRA in June.

This will be a time to reflect on the gains we have achieved and to consider the job ahead.

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

We have lost many this year.

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

We need them eager and engaged.

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

In closing I'd like to thank my fellow Councillors for their ongoing support during a difficult, challenging but, ultimately, rewarding year.

They have brought a wealth of experience and new energy to the Council during this reporting period and worked closely with Chief Executive Officer, Geoff Scott and his staff to deliver the gains outlined in these pages.

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

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

I commend this document to you.



Stephen Ryan
Chairperson
NSWALC



Geoff Scott

REPORT BY THE CHIEF EXECUTIVE OFFICER

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

The end of this reporting period marked my ninth 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.

We began the 2011/12 financial year with the election and induction of a new nine member Council, working under a new management structure with two distinct divisions, and in a new political climate with the election of the O'Farrell Government.

We did so against a new investment objective endorsed by Council for the NSWALC's Statutory Investment Fund which placed far greater fiscal discipline on our operations.

Each year brings new reforms, challenges, and directions.

Given all of the above this has been particularly so in this reporting period.

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

At the same time the work being done in response to the Ministerial Taskforce on Aboriginal Affairs,

the Review of the Aboriginal Land Rights Act and the financial sustainability of the network have provided an opportunity to conduct close consultations with LALC Boards and their members.

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

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

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

The new Council quickly settled into office and provided clear guidance and direction in our work to improve the economic and social well-being of our people, particularly in the new political environment which is reflected in Chairperson Ryan's welcome.

I believe our move to a flatter structure with a clearer separation between strategic and operational areas also assisted them work with staff to better reflect NSWALC's advocacy and compliance roles and to improve our service to our principal clients, the network of Local Aboriginal Land Councils.

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

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

We will continue to refine our operations as, and when, required.

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

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 was again evident in this reporting period. The value of the Fund stood at \$544 million at June 30, 2012, compared to \$563 million at the same time last year.

This represented a decrease of \$19 million during the reporting period, although our performance outstripped comparable investment funds, as detailed later.

Write downs in the value of the fund have been minimised by the prudent, low risk, investment strategy adopted by Council.

However, the outlook for the global financial climate remains uncertain.

The challenge facing NSWALC is 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.

We must find sustainable external revenue streams to augment our growth through land claims and land management.

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

We established two proprietary companies and applied for both coal and petroleum explorations tenements across the State and were awaiting a decision from Government as this reporting period ended.

It is evident these actions are not wholly supported across the land rights network but Council remains committed to pursuing these opportunities where the result would be beneficial to the network as a whole.

The identification and pursuit of economic development opportunities will be a key goal of the NSWALC Strategic Plan 2013-2017 which was being developed by Council and staff as the reporting period ended.

The new plan will replace our current Corporate Plan.

The commitment to economic development will sit alongside a commitment to increase our land base, our support to our people, improving governance, protect our culture and heritage and maintain our self-funded status.

What we cannot, and must not, do is divert our precious funds to cover the obligations of others.

There are still those in the network who argue we should utilise our funds to provide infrastructure and services in our communities.

It is not the role of the New South Wales Aboriginal Land Council to use our funds to provide services to communities that should be provided by the State and Federal Governments.

I can understand the sheer frustration and anger of those leaders and residents in our communities at the lack of government spending on infrastructure and services.

I cannot understand them calling upon the NSWALC to plug government funding gaps.

This is especially so at a time when we continue to 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 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.

This debate obscures the fact the State and Federal governments have a clear responsibility to provide our communities with services and infrastructure just as they do for non-Aboriginal communities.

The NSWALC Investment Account was established, and is managed, as a perpetual foundational investment fund.

It was established, and exists, to ensure a resource base is available to the current generation and future generations.

It provides all in the land rights network the operational and political autonomy from government which allows us to continue to redress the wrongs of the past and build for our future.

As I noted earlier, Councillors and staff devoted a considerable amount of time during this reporting period in close consultation with all Local Aboriginal Land Councils.

The view the Fund should be spent to meet the needs of the current generation to the detriment of future generations was not raised.

In fact, the contrary view is often expressed.

We cannot allow governments to withdraw from

their responsibilities and obligations to Aboriginal people.

Our job is to value add.

We are doing so.

The current debate on social housing provides the perfect example.

Both the Federal and New South Wales Governments have yet to come to terms with the current and emerging needs of our communities.

As everyone in our communities knows the unmet need is substantial. They live with it.

The current singular focus is through the Remote Indigenous Housing Program.

It is detrimental to 95 per cent of the New South Wales Aboriginal community.

Both levels of governments have so far refused to properly address the infrastructure needs on the former Missions and Reserves in the State. We will continue to press these issues in the new reporting period.

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 Council, we have those plans and strategies in place.

The results reported in these pages demonstrate we have our governance policies and procedures about right with improvement across the network, our counsel is increasingly sought, and acted upon, at the parliamentary, political and policy levels both within and outside the land rights system.

The combination of the Act and the efforts of many people, both Aboriginal and non-Aboriginal, has delivered a solid foundation for the future as we prepare to celebrate the 30th anniversary of the proclamation of the ALRA in the next reporting period.

It will be a time for reflect on what has been achieved and what still needs to be done.

We will be responding to the outcomes of the ALRA Review and the Ministerial Taskforce. It 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.

A handwritten signature in black ink, appearing to read 'G. Scott', with a stylized flourish at the end.

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.

The election for the current nine Councillors was conducted by the NSW Electoral Commission on August 6, 2011.

As reported last year it was contested by all but two of the Councillors elected in May 2007.

The statewide poll resulted in the re-election of five of those Councillors, together with four first term Councillors.

The positions of Chairperson and Deputy Chairperson were determined by secret ballot 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 August 18, 2011

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

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

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 five regional centres, Dubbo, Queanbeyan, Coffs Harbour, Broken Hill and Gosford.

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

Councillor Profiles



Chairman and Central Region Councillor

Stephen Ryan

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

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

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



Wiradjuri Region

Craig Cromelin

Craig, an artist, is a descendant of the Ngiyampaa people of 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. He was re-elected in August 2011 and was subsequently elected to the position of Deputy Chairperson of the NSWALC.



Northern Region

Tom Briggs

Tom is a member of the Gumbainggir nation and has lived and worked in the Armidale District most of his life. He is a member of the Dorriggo 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. Councillor Briggs has a degree in administrative leadership. He served as Deputy Chairperson of NSWALC from May 2007 to August 2011. He did not nominate for the position on the new Council.

Councillor Profiles



Sydney Newcastle Region

Roy Ah-See

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

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

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

Councillor Ah-See has a Bachelor of Arts Degree (Social Welfare).

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



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 Hampton was re-elected in August 2011.



Mid North Coast

Peter Smith

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

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

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

Councillor Profiles



North West Region

Anne Dennis

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

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

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



Western Region

Des Jones

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

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

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



North Coast

Tina Williams

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

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

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

Tina has a Bachelor Degree in Community Management, a Certificate IV in Frontline Management, and tertiary qualifications in business management.

COUNCILLOR MEETING ATTENDANCE 2011-2012

Council held thirteen meetings during the reporting period.

This included four days of meetings by the previous and 25 days by the current Council.

Councillor	No. Days Attended	Notes
Cr Roy Ah-See	24	Three Days – LOA – Regional Business; One Day – LOA - Sorry Business; One Day - Unable to connect to teleconference
Cr Tom Briggs	28	One Day - Other Business
Cr Craig Cromelin	29	
Cr Anne Dennis	23	One Day – LOA – Sorry Business One Day – Annual Leave
Cr Dallas Donnelley	3	One Day – Absent without leave
Cr Stephen Gordon	0	Four Days – LOA – Ill Health
Cr Jack Hampton	28	One Day – LOA – Unable to connect to teleconference
Cr Des Jones	25	
Cr Bev Manton	4	
Cr William Murray	2.5	Half Day – Ill Health One Day – LOA- Sorry Business
Cr Stephen Ryan	28	One Day – LOA - Sorry Business
Cr Peter Smith	24	One Day – unable to connect to teleconference
Cr Tina Williams	24	One Day - LOA - Medical

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 2011 to 30 June 2012.

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

The normal functioning of Council 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 \$546 million at June 30, 2012.

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, culture and heritage and property acquisition and management.

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 NSWALC 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.

Council and management, in consultation with the land rights network, were working on the development of a NSWALC Strategic Plan 2013-17 as this reporting period ended.

It was anticipated this would be approved by Council and implemented during the new reporting period.

Local Aboriginal Land Councils

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

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

The 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 119 Local Aboriginal Land Councils were registered across the State at the start, and end, of this reporting period.

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

Other Stakeholders

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

Productive and Meaningful Partnerships

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

We believe this can assist in delivering opportunities for economic, social and cultural growth and prosperity for Aboriginal people across all regions throughout NSW.

In this respect NSWALC will continue to:

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

Community Health and Well-Being

NSWALC is appalled by the poor health, well-being and lack of opportunity in our communities and the gap in life expectancy between our people and the general population, currently estimated to be 8.8 years less for our men and 7.5 years for women.

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

Commitment and Vision

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

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

We continued to make strides against this aspirational goal during this reporting period but given the historical dispossession of our people, their socio-economic circumstances, and the poor performance of governments, at all levels much work remains ahead of us.

NSWALC seek to lead by example in this regard.

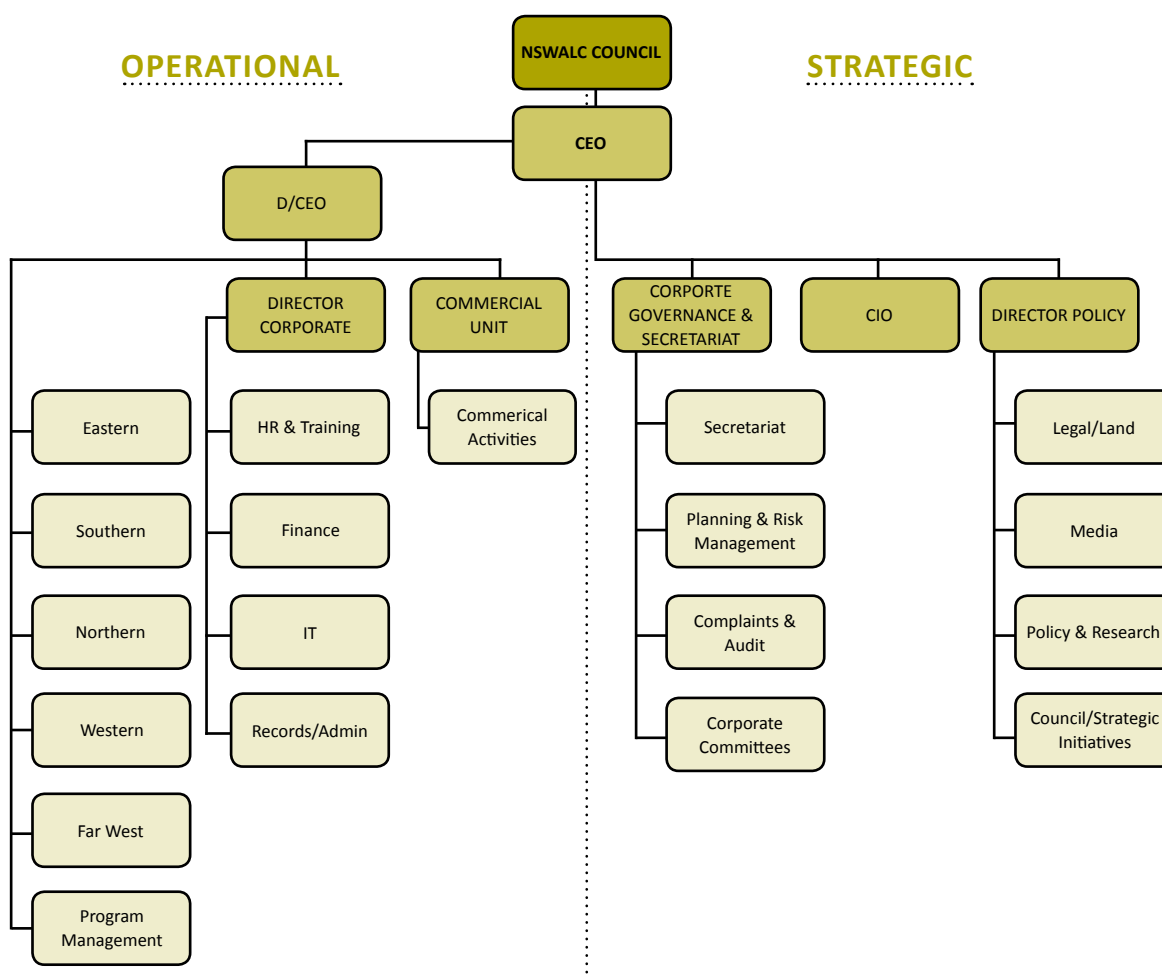
We do so by demonstrating a professional and unified commitment to working with our communities and stakeholders to develop equitable commercial outcomes and opportunities aimed at addressing past injustices and alleviating the social and economic disadvantage that continue to affect our people.

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, to a lesser degree, during this reporting period.

This entailed simplifying and strengthening the structure to boost support for the Council and LALCs. As at 30 June 2012, the actual staffing level, including Councillors, was 121 employees with 35 staff members working in the Zone Offices.

More than 53 per cent of NSWALC staff are Aboriginal, a three per cent increase on the previous reporting period.

Executive

During the previous reporting period, the NSWALC had four positions at the Senior Executive Level; Chief Executive Officer, Deputy Chief Executive Officer, Chief Operating Officer and Chief Finance Officer.

The Chief Executive Officer, Mr Geoff Scott, was appointed to the position by NSWALC's Governing Council on November 12, 2007 and retained this position throughout the current reporting period.

He was assisted by former Southern Zone Office Director, Mr. Lesley Turner, who was appointed to the position of Deputy Chief Executive Officer on March 14, 2011 following a recruitment process.

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

The appointment of Mr Turner allowed the Chief Executive Officer to complete a number of proposed changes to the structure of the organisation and the reporting lines within the structure.

To meet the requirements of s 142 (1) of the ALRA, NSWALC had engaged the services of the change management consultants, Matrix on Board, to conduct a review of the staff structure.

This coincided with a new investment objective endorsed by Council for the NSWALC's Statutory Investment Fund which placed greater discipline on the NSWALC's operational expenditure.

The review of the staff structure and the new investment objective assisted in the decision to move to a flatter and more strategic structure with a clearer separation between strategic/policy and operational areas.

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

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

These were filled by Mr. Davis and Ms. Palmer who left the organisation during the reporting period.

Mr. Turner announced the appointment of Mr. Kumar Ganendran as Director of Corporate Services in December 2011.

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

He reports to the Chief Executive Officer.

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

The Director of Corporate Services assumed responsibility for the Finance, Information Technology, Records Management, Human Resources, and Training and Development Units.

He reports to the Deputy Chief Executive Officer.

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

The Program Management Unit is responsible for the NSWALC Education Endowment Fund, Community Benefit Schemes, the NSWALC Funeral Fund, the Water and Sewerage programme, Social Housing, Community Land and Business Plans, Compliance, Evaluation and Interventions.

Most of these operational activities had been grouped under Network Services in the previous structure.

The new operational structure became fully operational on the first day of this reporting period, July 1, 2011.

For ease of reference the new structure was reflected in this space last year under the two areas, Strategic and Operational.

STRATEGIC

Legal Services Unit

The Legal Services Unit (the LSU) provides legal advice and assistance to NSWALC and the land rights network.

It does so to enable them to meet our core mandate – the return of land to the Aboriginal people of NSW.

The LSU also provides advice to the Council and staff on a wide range of statutory, administrative and commercial issues.

It does so to enable the NSWALC to operate effectively and consistently as a corporate body within its obligations under the *Aboriginal Land Rights Act 1983*.

In summary, the work of the LSU has included:

- Reviewing the Department of Primary Industries' files for land claims refused by the Ministers, to consider whether the claims were correctly refused
- Undertaking the ongoing management and resolution of land claim appeals, including the supervision of matters briefed out to ensure a strategic approach to litigation
- Providing legal advice to NSWALC Council and staff about the operation of the ALRA
- Providing legal advice to NSWALC staff on a wide range of commercial and contractual matters as well as policies and guidelines
- Providing assistance to LALCs on matters of importance to the operation and effectiveness of the land rights network as a whole
- Delivering legal training within NSWALC as part of the Unit's risk management strategy including training on the pecuniary interest and misbehavior provisions of the ALRA for new Councillors following the council elections in August 2011
- Overseeing all NSWALC legal risk management issues
- Participating in the review of the ALRA, pursuant to section 252A of the ALRA

Some improvements in the working relationship with officers of the Department of Primary Industries (DPI) were noted in this space last year.

DPI is now responsible for investigating land claims and advising the Crown Lands Ministers on determinations.

After a slow start to the process, there was a significant increase in the number of determinations during the course of the reporting period. There were also some improvements in administrative processes.

NSWALC is continuing to work with DPI to ensure improvements are made in the land claims process. We seek a more strategic approach to the determination of land claims with the resolution of issues occurring in a more timely and professional way.

In addition, NSWALC has worked with officers of DPI and Land and Property Information (LPI) to ensure titles are issued free of any limitation, where possible.

Staffing

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

This followed a number of staff changes during the year.

- Lila D'souza – Principal Legal Officer – returned from maternity leave 12 June 2012
- Sally Skyring – Acting Principal Legal Officer – until 8 June 2012
- Anna Harding – Senior Legal Officer (part time) – returned from maternity leave on 24 October 2011
- Mark Dupuis – Senior Legal Officer
- Claire Hammerton – Acting Senior Legal Officer – resigned 22 June 2012
- Linda Hansen (nee Gibbons) – Legal Officer – contract ended 23 September 2011
- Madhu Gopal – Administrative Assistant

The LSU was managed by Ms. Skyring from 1 July 2010 until 8 June 2012, when Ms D'souza returned from maternity leave.

Two volunteer legal interns, Ms. Juliette O'Brien and Ms. Grace Gown were also placed in the LSU during this period as part of the Aurora Project, which is run by the University of New South Wales. All interns provided invaluable assistance on a number of projects and legal matters.

Land Rights Unit

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

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

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

After more than 25 years of building the land base, the land rights network is now able to use that land for the economic, cultural and environmental benefit of Aboriginal people in NSW.

The LRU provides support and assistance to LALCs in the land claims process.

Many LALCs do not have the resources to make claims on their own behalf.

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

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

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

The LRU comprises:

- Terry Millott – Land Rights Unit Manager
- Troy Lancaster – Senior Land Rights Officer

Corporate Governance Unit

The Corporate Governance Unit (CGU) was established in the 2004/05 financial year with a mission to provide the highest level of support to the NSWALC's Governing Council to foster an ethical and compliant corporate culture.

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

The key stakeholders of the CGU are the nine-member Council and the Chief Executive Officer.

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

It is staffed by a small team under the direction of the Director, Ms. Jenny Bedford, who was appointed to the position in March 2011.

Secretariat

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

The Secretariat also provides administrative support to the Chairperson and Council through the Assistant to the Chairperson, Ms Cassandra Marshall, and long standing NSWALC staff member, Ms. Evelyn Camilleri.

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).

The ICAC recommended the NSWALC "establish a Dispute Management System for dealing with complaints".

Whilst the 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 the NSWALC's response to complaints concerning the network in conjunction with the Zone Offices.

The Chief Executive Officer approved two significant policies on complaints in the reporting period to better align NSWALC resources with its ability to respond appropriately to the receipt of complaints.

The *Public Interest Disclosures Act* (PID Act) internal reporting guidelines set out the manner in which the NSWALC handles and responds to complaints made under the PID Act.

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

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

All complaints during the reporting period were managed by Ms Stevie Hayes.

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.

Corporate Committees

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

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

They are:

- Audit and Risk Committee
- Finance Committee
- Governance Committee
- Investment Committee.

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

The Secretariat services to the Corporate Committees were provided in this reporting period by long standing staff member, Ms Marianne Linke.

Internal Audit and Planning & Risk Management

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

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

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

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

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

NSWALC's Internal Audit function was delivered through an outsourced delivery model with independent audit services provided by Deloitte Touche Tohmatsu (Deloitte) from 1st July 2011.

During the reporting period, the services provided by Deloitte were project managed by the Planning and Risk Officer, Mr David Goodenough.

The Policy and Research Unit

The NSWALC's Policy and Research Unit plays a vital role in supporting the advocacy work of NSWALC.

This includes monitoring government policies which may impact on the Land Council network and Aboriginal people in NSW and the consequent provision of high level strategic advice to the nine-member NSWALC, the Chief Executive Officer, and the Land Council network.

It also undertakes evidence-based research to support the NSWALC's strategic policy priorities, and maintains ongoing dialogue and partnerships with a range of government and non-government agencies.

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

The work of the Unit continued to focus during this reporting period on culture and heritage.

This was in line with the priority set by the elected Council of NSWALC and the Land Council network.

The review of the *Aboriginal Land Rights Act 1983* (NSW), including the provision of strategic policy advice and consultations with the Aboriginal Land Council network, created considerable work.

Policy analysis and advice was also provided by the Unit in response to the Ministerial Taskforce on Aboriginal Affairs.

The Unit also provided secretariat services to the Coalition of Aboriginal Peak Organisations (CAPO).

The Unit also focused on a range of other issues. These included human rights, natural resource management, the environment, planning laws, and economic development.

The restructure saw the Unit's responsibilities expanded to include strategic policy matters on water and the sustainability of the network.

The responsibility for overseeing NSWALC approval processes for LALC Community Land and Business Plans transferred to the Program Management Unit.

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

It comprised Senior Policy Officers, Kate Aubrey-Poiner, Stephen Hynd, and Phil Duncan, and Policy Officer, Haylee Davis and Sharon Close.

All report to the Director, Clare McHugh.

The Officer responsible for CLBP's, Ms. Jessica Bamblett, transferred into the Program Unit.

The team continued to be assisted with key projects by a range of university student interns from Macquarie University and University of Technology Sydney.

The Unit has managed the successful intern scheme for the past four years.

Media and Marketing Unit

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

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

It does by seeking to increase awareness about the importance of land rights and attendant issues.

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.

Staffing

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

He retained that position, in addition to his role as Managing Editor of Tracker, throughout most of the reporting period and continued to take the Unit in new directions with the ongoing development and expansion of the magazine, its companion website, NSWALC's multi-media platforms and social media.

He relinquished the position of Media Director in the latter half of the period to concentrate on his role as Managing Editor of Tracker.

Former print and television journalist Chris Munro, who joined the staff in May 2010 to work on the convergence of print and broadcast media, was appointed to the position.

The small Unit retained the services of Ms. Amy McQuire, who joined the NSWALC in November 2010 as Editor of Tracker and Ms. Shyamla Eswaran, who was employed in February 2011 as publisher of Tracker.

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

Ms. Puckeridge supervised NSWALC marketing activities, assisted by Mr. Phillip Mundine and Ms Coral See whose primary responsibilities are reception and switchboard duties.

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

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

Investment

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

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

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

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

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

OPERATIONAL



Lesley Turner
Deputy Chief Executive Officer

The Operational Division

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

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

These are designed to guide the operations, and seek to fulfill the aspirations, of the network of 119 Local Aboriginal Land Councils.

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

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

Compliance statistics are outlined later in this report.

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

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

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

Corporate Services

As noted earlier, Corporate Services houses the Finance, Records and Administration, Human Resources, Training and Development, and Information Technology Units.

They 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 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 the NSWALC 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.

The Unit was staffed by five officers during the reporting period.

The Finance and Accounting Manager is Mr. Fred Roxas.

He is assisted by Senior Accountant, Mr. Eddie Song, Accounts Payable Officer, Mr. Luis Navera, Accounts Receivable Officer, Mr. Harry Qu, Accounts Clerk, Ms Urvashi Umariya, and Accounts Co-ordinator (part-time) Ms. Jodie Gale.

Human Resources

This Unit 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 counselling on a range of personnel issues.
- Recruitment, selection, induction & retention programs;
- Workplace, health & safety and workers compensation;
- Maintenance of human resources, establishment/organisational systems and records;
- Management of the performance planning system;
- Workplace and industrial relations interpretation and application;
- Employment relations policies, strategies and programs;
- Management and negotiation of the NSWALC Enterprise Agreement and other Awards together with conditions of employment; and
- Oversight of dispute settlement, disciplinary and advocacy matters.

The Unit also provides an extensive range of training and development services to the broad and diverse network of Aboriginal Land Councils in NSW. These services are aimed at improving governance and achieving sustained improved efficiency and effectiveness in Land Council operations.

Its services include:

- Coordinating the implementation of the NSWALC Capacity Development Plan (CDP), which details training strategies and training plans for the NSWALC Board, NSWALC staff, LALC Boards and LALC staff;
- Ensuring NSWALC meets its statutory obligation in relation to the provision of mandatory governance training pursuant to S. 65 and S.107 of the ALRA;
- Establishing and maintaining a broad network of Training and Development providers;
- Developing strategies to enable NSWALC to obtain external funding and/or related assistance to support the provision of training initiatives to the Network;
- Monitoring and reporting on the success rate of training and development activities undertaken and to develop and manage improvement strategies;

- Providing support to the NSWALC Board, NSWALC Staff and Local Aboriginal Land Councils in relation to issues regarding the provision of training and development activities within the Aboriginal Land Council Network; and
- Working in collaboration with the Zone Offices to develop and implement data collection for meeting business and reporting requirements in relation to training and development activities across the LALC Network.

After a 12 year career with the NSWALC, the Manager of the Unit, Mr. Geoff Binns left the organisation in September 2011.

He was replaced by Mr. David Rawson.

In addition to Mr. Rawson, the Unit is also staffed by the Human Resources Coordinator, Ms Diane Lee, Human Resources Officer, Ms Rose Gordon and Senior Training and Development Officer, Ms. Padma Bharadwaj.

Information Technology Unit

Information and Communications Technology is vital to enable efficient and effective operations for the Councillors, Executives and Staff of the NSW Aboriginal Land Council.

The unit provides an ICT environment that supports the operational needs and strategic objectives of the NSWALC.

The Unit is managed by the Director Information Technology, Lee Netana, assisted by Mr. Glenn Ramsay and Mr. Julio Guli.

The unit is responsible for:

- Business Continuity, Disaster Recovery and Pandemic Response
- 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 practices.

Records and Administration Unit

The purpose of the Records and Administration Unit is to provide administrative support specifically to the Head Office and provide assistance in a collaborative manner to the Zone Offices, and Councillor Support Officers, and ensure compliance in the following areas:

- Travel
- Procurement
- Corporate Cards
- Motor Vehicle Management
- Tender & Contract Management

It also provides Record Management support to the Head Office and provides assistance to the Zone Offices and Councillor Support Officers to ensure compliance in the following areas:

- Records Management
- Disposal Guidelines
- Use of Electronic Document Management (EDM)
- State Records Legislation

Following the restructure the Records and Administration Unit underwent a shift in roles and responsibilities in relation to staffing.

The Unit consists of five staff members: Administration and Procurement Manager, Ms. Dianne VanAken, Travel and Administration Officer, Ms. Lesley Smith, Senior Records Officer Mr. John Toth, Archive and Disposal Officer Ms. Pratima Rohan and Receptionist Coral See.

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 Commercial Unit

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

It has engaged qualified and experienced personnel since then with a broad range of skills capable of providing professional and timely advice to the NSWALC and guidance to LALCs.

They have brought extensive experience to the organisation and the land rights network in property development, commercial and residential management, financial, commercial and strategic management and business and planning skills.

The Unit's core functions and responsibilities include:

- Land dealing issues including the appraisal of all land dealing applications submitted to the NSWALC by LALCs.
- Financial and operational management of the NSWALC's large property portfolio including its Head Office at 33 Argyle Street, Parramatta.
- Operational Management of the NSWALC's rural holdings including cropping and cattle programs.
- Operational Management of the NSWALC's large portfolio of vacant land including land holdings transferred to it following the dissolution of both Quambone and Koombahtoo land councils.
- Commercial advice and assistance to all areas of the NSWALC.
- Establishment and management of leasing arrangements for multiple Zone and Councillors offices.

During this reporting period the Unit comprised Director, Ms Julie Van Agten, Commercial Analysts, Mr. Jarrod Chapman and Ms Rita Wilson, Property Coordinator, Ms Kelly-Ann West and Administrative Assistant, Ms. Brooke Chapman.

Ms Wilson and Ms Chapman joined the team in a temporary capacity during the reporting period when Commercial Analyst, Ms Vanessa Chau and Administrative Assistant, Ms. Cassandra Potts took maternity leave.

Ms Chau returned from maternity leave in February 2012.

Ms Potts has extended her maternity leave and Hsiew Huang assisted the Unit with Administration functions as the reporting period ended.

The Unit continued to engage an experienced Consultant, Mr. Terry Wilson, to assist Local Aboriginal Land Councils under the NSWALC Property Development Assistance Program, until the second half of the reporting period when funding for the program ceased.

Indigenous Money Mentor

The National Australia Bank and the NSWALC are working together to pilot an Indigenous Money Mentor programme to offer a range of services to NSWALC members.

The role of the IMM is to:

- Provide relevant and ongoing financial literacy information for NSW Aboriginal Land Council members.
- Work with clients to improve their financial wellbeing (including assistance when in financial crisis and helping clients to adopt preventative strategies).
- Provide a supported referral service to help clients obtain assistance from other service providers to address broader issues which may be impacting on their financial wellbeing (e.g. consumer protection agencies, health, housing, employment and education services).
- Provide information that will assist clients to access safe and affordable microfinance products.

These include the No Interest Loans Scheme (NILS) loans, NAB's Step Up Loans and the Adds Up Savings Program in circumstances where the client identifies such products will improve their financial wellbeing.

NAB is piloting the Indigenous Money Mentor network in the belief many Indigenous people on low incomes are often financially marginalised as a result of specific cultural and geographic challenges.

As a result, it is often difficult for Indigenous people to access culturally appropriate financial literacy information and assistance with money management issues.

The NSWALC employed Ms. Narelle Hennessy on a fixed term contract to conduct the project. The position is funded by the NAB.

Program Management Unit

The reporting period marked the first full year of operations for the new Program Management Unit.

The Unit expanded to enable it to perform a consolidated range of functions within the Operational Division.

The Unit is responsible for administering the NSWALC's major funding programs including:

- The Aboriginal Communities Water and Sewerage Program
- The Education Endowment Fund
- The Funeral Assistance Grants Scheme
- The Subdivision of Former Missions and Reserves Program
- Discretionary Grants

The Unit worked in close consultation with NSWALC's Zone Offices in the preparation of advice to Council on the approval of Community Land and Business plans, Community Benefit schemes and the appointment of investigators and administrators to LALCs, when, and if, required.

The Unit worked with Zone Offices to finalise policy, procedures and guidelines for the approval of Social Housing schemes in the new financial year.

A range of Local Government issues were also managed by the Unit during this period.

This primarily involved coordinating and managing the attendance of NSWALC's 27 strong delegation to the Local Government Association's Annual Conference held in Nowra in October 2011.

Staffing

The NSWALC officer responsible for the Aboriginal Communities Water and Sewerage Program, the Subdivision of Former Lands project, and the Education Endowment Fund is Ms. Julia Strano.

The officer responsible for Community Land and Business Plans, and LALC Community Benefits Schemes is Ms. Jessica Bamblett.

The NSWALC Funeral Grants Fund is overseen by Mr. David Dennis, who also provided executive assistance to Mr. Turner.

Compliance and Evaluation

Two NSWALC officers, Mr. Neil Mandal and Ms. Rhodora Toledo provide ongoing support to NSWALC's Governing Council, management and Zone offices in delivering compliance and evaluation services to Local Aboriginal Land Councils.

They are responsible for the monitoring and state wide reporting of the compliance of the land rights network with the requirements of the ALRA.

Two major data bases, the Compliance and Funding data base and the LALC Management Support System are maintained by the Unit for this purpose.

They enable:

- The preparation of comprehensive section 159 reports to the Minister for Aboriginal Affairs as required by the ALRA.
- Council's approval of the amount of grant funds to LALCs and the conditions under which they are released to the Network.
- The preparation of breach and allocations report to the Council and control of the payment of grant allocations to individual LALCs.
- The appointment of investigators and administrators

Interventions

The NSWALC's obligations under Part 11 of the *Aboriginal Land Rights Act 1983* (ALRA) cover the investigation and administration of Local Aboriginal Land Councils found to be non-compliant with the ALRA.

NSWALC officer, Ms. Patricia Brown manages this function.

She coordinates comprehensive decision briefs on the need for the appointment of Investigators or Administrators to LALCs and, if the need arises, any extension to their terms of appointment.

The NSWALC then considers each recommended appointment.

The NSWALC considers such appointments to be a measure of last resort.

The ultimate power to approve such appointments rests with the Minister for Aboriginal Affairs.

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

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

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

Zone Offices of NSWALC

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

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

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

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

The NSWALC approved the establishment of an additional Zone office late in the previous reporting period.

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

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

THE YEAR IN REVIEW

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

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

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

The reporting period was a particularly hectic one for Council.

As noted throughout this report it began with the election and induction of a new Council in August 2011, which given its significance to our operations, was reported upon in last year's Annual Report.

The election of Council coincided with two major initiatives from the O'Farrell Government.

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

Council and management engaged in close consultation with Local Aboriginal Land Council Boards and members through a series of Regional Forums and the monitoring of government-initiated community consultations.

As outlined elsewhere in this report, Council also forged a number of new directions, in particular, its decision to submit a number of applications to the State Government for petroleum exploration licences as part of its strategy to assist Aboriginal people to economic independence.

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

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

Review of the ALRA

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

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

The Terms of Reference for the Review are:

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

The Minister appointed a Working Group to undertake research and consultations, and to make recommendations. The members of the Working Group are:

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

The Working Group met on four occasions in the reporting period: 19 March, 30 April and 1 May, 24 and 25 May, and 20 and 21 June 2012.

It agreed at its first meeting on a series of issues that were relevant to the review.

These issues were identified as priorities for review to ensure the long term viability of the network and the achievement of the ALRA's objectives:

- Land Claims
- Housing
- NSWALC Consultation outcomes
- 2010 Amendment Bill
- 2005 unimplemented recommendations
- An incentive-based model for LALCs
- Regulation and Oversight – distribution of responsibilities

The Working Group will report to the Minister in October 2012.

The Minister is required to report to Parliament on 5 December 2012.

In order to ensure that the Working Group and the Minister could consider the views of the network, NSWALC held a series of consultations workshops in February and March 2012.

There were nine consultations – one in each region.

Following those consultations, a Round Table Consultation, with two representatives from each region was held in April in Sydney. Both Reports were provided to the Working Group.

In general terms, network members supported strengthening the ALRA with respect to culture and heritage, amendments to some of the more onerous regulatory requirements regarding Community Land and Business Plans and greater discretion to NSWALC to make 'early intervention' when a LALC is failing.

The Terms of Reference are extremely broad.

Given the timeframe for the Review, any recommendations made by the Working Group will be general, and will require further consultation and refinement.

Whatever the Working Group finally recommends, and how the Minister chooses to deal with those recommendations will have far reaching consequences for the network, and for the future of land rights in NSW.

NSWALC looks forward to working with Government to progressing amendments to the ALRA through the Working Group.

The land rights network have made it clear any proposed amendments to the ALRA arising from the Review should be made in a consultative fashion to enhance the rights of Aboriginal people and to not diminish them.

Ministerial Taskforce

The Minister for Aboriginal Affairs, Victor Dominello, announced the formation of a Ministerial Taskforce for Aboriginal Affairs on August 25, 2011.

It brings together senior NSW Government Ministers and key non-Government Aboriginal leaders.

Minister Dominello said the Taskforce embodied new leadership, new membership and new aspiration in Aboriginal related policy and program delivery.

It had been developed in response to the Auditor-General's Report into the former Government's failed Two Ways Together policy and would focus on Aboriginal educational and economic opportunity.

The Ministerial members of the Taskforce are:

- Minister for Aboriginal Affairs, Victor Dominello, (Chair)
- Minister for Health, Jillian Skinner MP
- Minister for Education, Adrian Piccoli MP
- Treasurer, Mike Baird MP
- Attorney General, Greg Smith SC, MP
- Minister for Family and Community Services, Prue Goward MP
- Minister for Mental Health, Healthy Lifestyles and Western NSW, Kevin Humphries.

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

Aboriginal members comprise the NSWALC Chairperson, representing the Coalition of

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

Minister Dominello said the Taskforce, which would develop a draft policy strategy by mid 2012, provided a unique opportunity to involve Aboriginal leaders in the development of policy specific to Aboriginal people in NSW.

The strategy would include concrete reforms around the following Terms of Reference:

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

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

There would be substantial public consultations involving public meetings, including in Aboriginal communities, and an online submission process.

The Taskforce would actively seek the views of all Aboriginal leaders and communities and other stakeholders.

The NSWALC Chairperson and Mr Lester joined Minister Dominello at the public announcement.

Chairperson Ryan expressed confidence progress would be achieved "when the Aboriginal people of NSW sit at the table in true partnership with the NSW government to identify the issues and solutions."

"We look forward to working in true partnership with the O'Farrell Government to help tackle the entrenched disadvantage being experienced in our communities," he added.

The Taskforce held its first meeting in September, 2011. An initial community consultation phase began in December.

Minister Dominello expanded the Taskforce in February with the addition of two females Aboriginal representatives from the Coalition of Aboriginal Peak Organisations, Ms. Iris White and Ms. Maydina Penrith.

He also announced in May that more than 200 written submissions had been received while the initial public consultation phase had involved more than 1700 people.

The wide variety of contributors—including Aboriginal community organisations, non-government organisations, Local Aboriginal Land Councils, schools, businesses and individuals—illustrated an appetite for change.

Connected Communities

Premier Barry O'Farrell and Education Minister Adrian Piccoli joined Minister Dominello in May to publicly announce Connected Communities- a strategy to drive generational improvement in education outcomes for Aboriginal children and young people.

It would see individual schools work in partnership with Aboriginal leaders and be given unprecedented authority to tailor education to student needs.

Schools would become community hubs.

Premier O'Farrell said it was a new approach that "recognises one size does not fit all for Aboriginal education—we have to do things differently."

It was the first major government initiative to be endorsed by the Ministerial Taskforce, Minister Dominello said, and would address key issues that "positively influence Aboriginal students educational and life opportunities."

Engaging the Aboriginal community with its local school was the most important of these and could be achieved by:

- Employing Aboriginal Elders and Aboriginal staff.
- Embedding and celebrating Aboriginal culture and language.
- Building cultural understanding among teachers.
- Engaging and working with parents.

The strategy, he said, would be rigorously monitored and measured.

This would include Aboriginal children's readiness for school, family and community active engagement in schools, attendance rates, and improvements in literacy and numeracy measured against national minimum standards.

Ultimately the benefits of the strategy would depend on effective leadership, good governance and genuine community partnership.

Participating schools would have a specially-selected Executive Principal, a community partnership leader, a community member endorsed to teach Aboriginal languages and culture, and an advisory council.

The NSWALC welcomed the announcement. Chairperson Ryan described it as "a significant step in the right direction," in addressing an absence of aspiration in the educational outcomes in many communities.

The NSWALC also fully supported Premier O'Farrell's call on the Federal Government to get behind the initiative.

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

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

Under the first stage of the plan, 15 schools would become community hubs with health, education, parenting support and anti-gambling measures all coordinated within school grounds.

Further details of the NSWALC's involvement with both the Ministerial Taskforce and the ALRA Review can be found in the achievements sections for the Legal Services Unit and the Policy and Research Unit.

Partnerships with Government

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 \$205 million dollar partnership with the NSW Government to improve and maintain the drinking water and sewerage services in many discrete Aboriginal communities to the same standard as that enjoyed by most of their fellow Australians.
- The NSWALC Education Endowment Fund
- The Subdivision of Former Reserve Lands Project.

Council has expressed the hope its operational and financial involvement in these projects sends a clear message to all other stakeholders that Council is prepared to actively use its financial resources, where possible, 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 both Governments.

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

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

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

However, Council's pursuit of such agreements and initiatives is consistent with the objects of NSWALC as set out in the ALRA and with major 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.

The organisation continued to work to these principles and goals throughout the reporting period and 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

As previously reported 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 well being of Aboriginal People living in discreet communities across the State by improving and maintaining their water and sewerage services.

NSWALC and the State 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 the NSWALC with the other half from Government.

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
As a result of this program 38 Aboriginal communities with a population in excess of 4,000 people were receiving water and sewerage services at a higher level than prior to the program as this reporting period ended.

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.

How the Program Operates

The following steps are undertaken to ensure all participants are fully informed about the required works and services and their potential responsibilities:

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

What the Program Provides

The Aboriginal Water and Sewerage Program is managed by the NSW Office of Water and provides:

Funding for the full routine operation and maintenance servicing of the water supply and sewerage systems in eligible Aboriginal communities

Funding for repairs or remedial maintenance to existing pipes, pumps, treatment plants and associated facilities to return them to full operational efficiency

Funding for emergency repairs to fix pumps or other equipment or infrastructure if it fails or breaks down

Regular inspection to ensure the water supply and sewerage systems are operating correctly

Regular maintenance, cleaning and servicing of the physical infrastructure, mechanical and electrical equipment, and treatment process units

Regular collection and testing of water samples to verify that the water quality meets the agreed standards

Preparation of management plans to identify any risks to the continued safe operation of the water and sewerage systems and identify what to do if something goes wrong

Limited funding for new capital infrastructure to upgrade systems to meet required standards.

Steering Committee

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 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.

The Steering Committee has determined 62 Aboriginal communities meet the criteria and are eligible for funding under the program. As this reporting period ended:

- 21 communities has been found to have satisfactory service equivalent to neighbouring communities, as they were part of a reticulated system prior to commencement of this program.
- Seven had long-term service agreements in place for local water utilities to provide full water and sewerage services equivalent to that in similarly located communities.
- Although only seven long-term service agreements had been signed, services had been improved in other communities to a satisfactory level through interim service arrangements, backlog works, emergency works and infrastructure upgrade works.
- 25 had interim arrangements in place for the local water utilities to provide “best endeavour” in delivering water and sewerage services equivalent to that expected in the wider community. The interim agreements had enabled further investigations and, in some cases, construction of backlog works prior to committing to long term financial agreements.
- Investigations and/or negotiations were continuing at another nine communities to ascertain the extent of work required, overcome issues and determine who should supply the services in the longer term. Some backlog works have been completed at some of these communities whilst these discussions are proceeding.
- Site visits had been held with 60 of the 62 approved communities.

Agreements

Local water utilities, local Aboriginal land councils and the Office of Water have executed agreements for the local water utility to take full responsibility for the day-to-day operation and maintenance of water supply and sewerage systems for up to 5 years at seven Aboriginal communities:

- Gundurimba Reserve (Lismore Council) from 9 June 2010.
- Baryulgil Square (Clarence Valley Council) from 1 December 2010.

- Malabugilmah (Clarence Valley Council) from 1 December 2010
- Brungle Mission (Tumut Shire Council) from 6 September 2011
- Wamba Wamba (Wakool Shire Council) from 20 September 2011
- Nanima Reserve (Wellington Council) from 10 November 2011

No long term service agreements are proposed for the twenty one communities that are receiving full service as part of a wider community.

Financial Expenditure

The \$200m maintenance program is funded on an annual basis under the terms of the agreement signed by NSWALC and the State Government. NSWALC's contribution in the 2011/12 financial year was \$1,942,342.

This brought NSWALC's total investment to \$5,101,542 from July 2008 to June 2012.

The financial investment in each community differs depending on the type of water and sewage service the community receives.

Where communities have on site services such as sewage ponds, septic tanks or bore water systems costs for operation and maintenance are higher than communities on town services.

Following is a breakdown of costs across NSWALC regions from July 2008 – June 2012.

NSWALC REGION	W&S Maintenance Program	Capital Infrastructure Program	Total Expenditure July 2008 – June 2012
North Western Region	\$2,950,037	\$752,656	\$3,702,692
Northern Region	\$253,738	-	\$253,738
South Coast	\$119,038	-	\$119,038
North Coast	\$3,151,662	\$300,000	3451662
Western	\$1,186,237	\$274,426	1460663
Wiradjuri	\$1,546,204	\$173,463	1719667
Central	\$629,996	-	629995
Mid North Coast	\$998,472	\$403,309	1401781
Sydney Newcastle	-	-	-

Notes:

W&S Maintenance Program - These costs are funded 50% NSWALC and 50% State Government.

Capital Infrastructure Program - These costs include new capital items and special provisions which are 100% funded by State Government.

Training and Employment

The program aims to create eight new Water Industry Aboriginal traineeships with Local Councils and Shires in NSW, by June 2013. The traineeships are two year placements and participant Councils have indicated they view the program as workforce development which indicates employment beyond the training period is likely for participants.

The Aboriginal Traineeship Project (ATP) is on track and is progressing in accordance with the approved schedule. State Training Services have signed a partnership agreement with the State to run the program.

The State Training Services is contributing additional resources and is hoping to support up to 30 trainees if there is sufficient interest.

The project team has identified local councils or shires that are well placed to participate in the project by employing an Aboriginal trainee.

Capital Infrastructure Program

NSW Treasury approved reallocation of the NSW Government program savings in 2011-12 of \$1.64 million to the capital program. This brings total capital provisions to \$14.438 million as at June 2012.

The steering committee has approved 20 capital projects detailed in the table below. Five projects are complete, one is not required as operational changes have resolved the problem and 13 are in various stages of investigation and/or construction.

Community	Approved Cost by SCM	Current Predicted or Completed Cost	Status
Baryulgil Square – water quality improvements	\$600,000	\$200,000	Investigation
Baryulgil Square – sewage effluent management system	\$300,000	\$300,000	Delayed
Bellbrook – WS	\$350,000	\$110,000	Construction
Brungle – water ring main	\$125,000	\$67,421	Complete
Clara Hart – chlorine unit for drinking water	\$90,000	\$90,000	Investigation
Corindi Beach – WS fire main	\$75,000	\$63,150	Complete
Corindi Beach – sewage pump station	\$250,000	\$0	Not required
Gingie – chlorination unit for drinking water	\$90,000	\$90,000	Investigation
Gingie – replace and raise tanks	\$415,000	\$415,000	Investigation
Mallee – upgrade sewerage system	\$800,000	\$800,000	Tenders closed
Namoi Village – upgrade sewerage	\$1,100,000	\$1,100,000	Investigation
Namoi Village – upgrade water supply	\$700,000	\$700,000	Investigation
Toomelah – replace 2 septic tanks	\$30,000	\$28,404	Complete
Walhallow – upgrade sewage pump station	\$200,000	\$120,000	Investigation
Wallaga Lake – new Sewerage System	\$4,500,000	\$4,500,000	Investigation
Wallaga Lake – WS disinfection	\$150,000	\$150,000	Investigation
Wamba Wamba – eliminate septic tanks	\$123,500	\$91,625	Complete
Warrali Mission – upgrade sewage pumping stations	\$330,000	\$330,000	Tenders closed
Weilmoringle – chlorination unit on drinking water	\$90,000	\$90,000	Investigation
Wongala - Gravity Sewer Main	\$225,000	\$227,159	Complete
Total for approved projects	\$10,543,500	\$9,472,759	
Funds available		\$14,438,000	

NSW Aboriginal Health Awards

This reporting period ended with the public announcement the Aboriginal Communities Water and Sewerage Program had won two of the 2012 Aboriginal Health Awards.

The Program won the Minister's Award for Excellence in Aboriginal Health and also picked up the award in the Healthy Lifestyles category.

NSW Water Commissioner, David Harriss welcomed the recognition for the Program.

He pointed out that while many people in NSW take the provision of clean water and sewerage services for granted, many remote communities, especially Aboriginal communities, do not have that experience.

Education Endowment Fund

NSWALC's Governing Council made a unanimous decision at its 216th meeting on October 24, 2007 to fund a NSWALC Education Endowment Fund.

The NSWALC acknowledged 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 the NSWALC took the view it should carefully consider an investment in the education of Aboriginal people by assisting in the creation of a new generation, and successive generations, who were better educated.

Council took the view this support should not replace existing benefits available to Aboriginal people in NSW but should supplement them through special initiatives and by generating greater community involvement in assisting those who wished to pursue their education.

One way of doing this was to provide scholarships.

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 and the financial resources available to the NSWALC.

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

Council approved a moratorium on the award of scholarships for the 2011/12 financial year to allow for an independent review. Details on the reasons for the review and its conduct can be found in the Program Management Unit section of this report.

The Subdivision of Former Reserve Lands

As reported in previous years the NSWALC also agreed to commit to a 50-50 funding partnership with the Commonwealth Government to survey and for subdivision of 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, with NSWALC and FaHCSIA each contributing half of the funding.

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.

Most former reserves and missions managed by LALCs have one legal boundary (single title) on which multiple houses are located.

LALCs are responsible for the management and future planning of everything inside this boundary; including all infrastructure and services, including water and sewerage, roads, common areas, play grounds, workshops.

In entering this program NSWALC saw certain benefits to promoting subdivision.

However, at the time of writing, the project has not moved forward at the expected pace.

This is due to the complexity of the planning and infrastructure issues involved. Many have arisen during the Pilot Stage of the project.

The Pilot Stage sought to subdivide four sites.

It has provided key information to assist the NSWALC, the Commonwealth and the State Government in the future development of the program with significant opportunity to achieve outcomes.

The NSWALC has agreed to enter into a stage 2 roll out of the program contingent upon the Commonwealth and State Governments committing to resolve some of the identified barriers to achieving subdivision across the state.

These include:

- Inappropriate zoning of sites
- Conditions of development consent requiring infrastructure be upgraded to meet standards
- Costs arising from the requirement to produce two surveys, one to accompany the DA and the other to obtain the Subdivision Certificate and the requirement to undertake additional studies (for example, a flood study) to accompany a DA
- Complying with conditions of consent including infrastructure upgrade
- Different approaches taken by each Council results in increased resourcing of both time and money and inconsistencies in approval process.
- Need for significant investment in infrastructure to enable dedication and management by Local Councils.

The NSWALC has utilised information from the pilot stage to work with FaHCSIA and Aboriginal Affairs NSW (AANSW) to develop strategies to support a systematic approach to implementing the project statewide.

This will benefit up to 62 communities.

The new stage of the project will start with thirteen communities considered most likely to achieve subdivision because of their current zoning and infrastructure.

These Strategies include:

- Re-Zoning through LEPs - The subdivision pilot phase highlighted that the current zoning of former missions and reserves posed a significant barrier to subdivision for at least thirty-five sites. NSWALC will identify existing zoning under the LEPs and support LALCs to obtain appropriate rezoning to subdivide the land.
- Infrastructure Issues: - A major barrier to achieving subdivision is the condition of road reserve infrastructure on former reserves and missions. Until these are bought up to Australian Standards it is unlikely that local government will be prepared to accept responsibility for continued maintenance. NSWALC will prepare a business case to advance the importance of appropriate funding for improving the infrastructure in order to achieve subdivision.

The thirteen sites are owned and managed by 10 Local Aboriginal Land Councils (LALCs).

All of the LALCs participated in a workshop held in Coffs Harbour on 19 June 2012 to introduce the program.

An information pack was issued and those interested were asked to complete an authority to enable Arup to arrange a site survey and collect information about the site.

As at the 30 June 2012 all 10 LALCs had indicated an interest in participating in stage 2 of the subdivision program.

Financial Implications

The current subdivision program requires NSWALC to contribute \$3M. The Commonwealth has already provided NSWALC their \$3M contribution. To date NSWALC has only spent interest that has been earned on the Commonwealth \$3M for the Pilot Phase and as such at 30 June 2012 there is still \$6M available in budget.

The total fee submitted by Arup for the Stage 2 Program is \$1,468,773 which is based on taking 13 priority sites to subdivision. Cost per site from Survey to DA is \$70,235.

Briefings To Council

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

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

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

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

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

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

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

NSWALC believes every Australian would hope they are achieved.

As noted in this space last year it remains convinced 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 appreciated in Canberra.

Despite this it will continue to pursue effective partnerships with the Federal and State Governments and other stakeholders in the new reporting period.

Water Rights

One such stakeholder is the Murray Darling Basin Authority.

The reporting period saw the release of the *Proposed (Murray Darling) Basin Plan*.

It outlined the most significant water reforms proposed in the nation's history.

The reform process presents a vital opportunity for NSWALC to continue to advocate for land and water rights for the Aboriginal peoples of NSW by incorporating Aboriginal values and needs into water planning and redressing the ongoing inequities in water resource distribution.

The NSWALC convened a two day workshop with the 66 Local Aboriginal Land Councils of the NSW basin area in Dubbo on the 3rd and 4th of April 2012.

LALC representatives developed a submission on the Proposed Basin Plan which reflects the wants, needs and aspirations of the Land Rights Network in respect to the Basin reforms.

The delegates also developed the "*Thubbagah Statement*" which encapsulates the key aspirations of the network.

In summary, the submission recommends:

- a) Recognition of the inherent rights Aboriginal peoples have to water.
- b) At least a 25% allocation from each water resource plan to be developed under the Murray-Darling Basin Plan for Aboriginal peoples, for the cultural, spiritual, environmental, social and economic purposes of those peoples' choosing.

- c) Government policies and assistance to overcome economic and administrative impediments that will prevent Aboriginal peoples from accessing such rightful entitlements.
- d) An Aboriginal Water Trust to purchase access to water for Aboriginal peoples of the Murray-Darling Basin.
- e) The incorporation of Traditional Ecological Knowledge at all levels of water management planning across the entire Murray-Darling Basin.
- f) Special measures in Government programs and strategies to mitigate the socio-economic impacts of the Basin Plan reforms that specifically target Aboriginal socio-economic disadvantage and vulnerability.

The submission and the Thubbagah Statement are available in full at www.alc.org.au

Council will continue to take a close interest in the reform process in the new financial year.

International Advocacy and Engagement

The NSWALC is committed to advocate for the interests and aspirations of Aboriginal people at the international level.

It continued to do so during this reporting period.

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

It allows the NSWALC to advocate on behalf of our people at the United Nations.

The NSWALC's ongoing participation in the work of the United Nations is in line with Council's strategy of active engagement in international advocacy as part of its Corporate Plan.

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

At the same time NSWALC seeks to have international human rights standards, such as

the UN Declaration on the Rights of Indigenous Peoples, adopted and applied in Australia for the benefit of Aboriginal people.

In recent years the Council has sent delegations to the UN Permanent Forum on Indigenous Issues (UNPFII) and Expert Mechanism on the Rights of Indigenous Peoples (EMRIP) to represent, and to advocate on behalf of Aboriginal people in Australia, with particular emphasis on New South Wales.

It did so during this reporting period.

Participation at these forums also presents a useful platform for capacity-building and networking with other First Nation peoples.

UN Permanent Forum on Indigenous Issues (UNPFII)

The UNPFII consists of 16 members elected to serve in their personal capacity as independent experts. It has a mandate to act as an advisory body to the Economic and Social Council (ECOSOC) on Indigenous issues.

These include economic and social development, culture, the environment, education, health and human rights.

The body's work seeks to contribute to the protection, respect and fulfilment of Indigenous peoples rights.

The NSWALC sent a five person delegation to the eleventh session of the United Nations Permanent Forum on Indigenous Issues (UNPFII) from the 7th – 18th May, 2012.

The Policy and Research Unit, in consultation with Council, prepared the following interventions and reports for presentation at the Forum.

- Culture and Heritage (supporting report),
- The Doctrine of Discovery and its enduring impact on Indigenous peoples (supporting report),
- Implementation of the UN Declaration - Indigenous Representative Structures (supporting report), and
- Food Sovereignty - (supporting report)

Expert Mechanism on the Rights of Indigenous Peoples (EMRIP)

The EMRIP was established by the Human Rights Council, the UN's main human rights body, in 2007 as a subsidiary body of the Council.

This mechanism was formed to continue the work of the Working Group on Indigenous Populations.

The EMRIP holds an annual session to allow for states, Indigenous peoples, Indigenous peoples' organisations, civil society, inter-governmental organisations and academia to take part.

Issues discussed form the basis of the agenda items for the following 12th session of the United Nations Permanent Forum on Indigenous Issues (UNPFII) in 2013.

The NSWALC sent a three person delegation to the fifth session of the EMRIP in July, 2012.

The mandated study of this session was the role of language and culture in the protection and promotion of the rights and identities of Indigenous peoples.

Culture and Heritage

The NSWALC Deputy Chairperson and Wiradjuri Region Councillor Craig Cromelin presented the intervention on Culture and Heritage at the UN Permanent Forum.

The State of New South Wales, he said, was home to some of the most important Aboriginal heritage sites in the world.

Many had survived 40,000 years, despite colonisation.

The sites were not just an important part of Australia's heritage but an essential part of the culture and identity of Aboriginal communities.

Australia, he said, had no comprehensive legislation for Aboriginal culture and heritage.

Instead, various State and Territory governments had the main responsibility for the protection and management of Aboriginal peoples culture and heritage.

Aboriginal culture and heritage in New South Wales was managed under a law for the protection of animals and plants.

It was offensive to Aboriginal peoples.

It was alarming that Aboriginal culture and heritage, under this law, was the property of the Queen of England.

Councillor Cromelin told the Forum there had been widespread destruction of Aboriginal culture and heritage under the regime and NSWALC would continue its ongoing campaign to have Aboriginal peoples recognised as the rightful owners of culture and heritage through new stand alone legislation.

The legislation was long overdue.

This campaign was also aimed at having the Australian Government enshrine the UN Declaration on the Rights Of Indigenous People, including its provisions on the protection of Aboriginal culture and heritage, into domestic law and policy.

NSWALC recommended the Permanent Forum encourage Governments to:

- Take urgent action to ensure that all laws that manage Aboriginal culture and heritage protection in Australia, implement the principles espoused in the Declaration.
- Legislate to recognise Aboriginal people as the rightful owners of Aboriginal culture and heritage, including legal recognition of the principle of "free, prior and informed consent."
- Sign the Nagoya Protocol in relation to the Convention on Biological Diversity to bring key Australian legislation, particularly the Environment Protection and Biodiversity Conservation Act 1999 in line with international standards that require "free, prior ad informed consent," of Indigenous people.
- Implement regular public reporting on the state of Indigenous culture and heritage by States including:
 - The past and continued cumulative impacts of the destruction of Indigenous heritage and,
 - Consultation, negotiation and engagement with Aboriginal peoples in the management and protection of Aboriginal culture and heritage.

The Doctrine of Discovery

North Coast Region Councillor, Tina Williams, told the Forum the Doctrine of Discovery had shameful history in international and domestic laws.

It was akin to the Doctrine of Terra Nullius applied in Australia.

The Doctrine is a concept of public international law which has flowed from a series of decisions from the United States Supreme Court law dating back to 1823 to justify the way in which colonial powers laid claim to lands belonging to sovereign indigenous nations during the so-called Age of Discovery.

Under it, title to lands lay with the government whose subjects explored and occupied a territory whose inhabitants were not subjects of a European Christian monarch.

The doctrine has been primarily used to support decisions invalidating or ignoring Aboriginal possession of land in favour of colonial or post-colonial governments.

Councillor Williams said it had been applied under the discriminatory measures adopted under the Northern Territory intervention and its extension of the then proposed Stronger Futures Bill.

The legislation was based largely on ideological assumptions and would continue to undermine the rights of Indigenous people to exercise self determination.

It would allow the Doctrine to continue to drive policy and legislative development in breach of the principles enshrined in the Declaration on the Rights of Indigenous Peoples.

Councillor Williams said an implementation gap existed in Australia between the international human rights voluntarily entered into by the Australian Government and their domestic application.

This existed in constitutional law and through the law, as well as in policy and service delivery processes.

National, state and territory governments protected some human rights but they could always be amended or suspended to limit or remove that protection.

The absence of recognition rendered Aboriginal people invisible in Australia's key legal documents.

Without reform, the Australian Constitution would continue to enable laws to be made that discriminated against Aboriginal people. The discriminatory provisions in the Constitution were not in line with the principles of social justice, equality and a 'fair go' espoused as being fundamental to Australian society.

On behalf of the NSWALC, Councillor Williams recommended:

- The Permanent Forum urge states to ensure that policies, regulations and laws that affect Indigenous peoples comply with international conventions, including ILO Convention 169 through legislative or other measures to enact the various Articles of the Declaration.
- The Permanent Forum recommends to the Expert Mechanism on the Rights of Indigenous Peoples to conduct a study on states compliance with, and implementation of, the Declaration on the Rights of Indigenous Peoples at the domestic level.
- That the Permanent Forum encourages all states to develop with Indigenous peoples a framework for states to report annually on the implementation of the Declaration in policies and practices which provide safeguards to ensure human rights are applied uniformly.
- That the Permanent Forum encourage states, in co-operation with Indigenous representative bodies, to establish a tribunal to make full and just reparations for discriminatory policies based on the principle of self-determination of Indigenous peoples and access to redress for Indigenous peoples affected by forcible removal policies.
- That the Permanent Forum identify the lack of protection against racial discrimination in constitutional arrangements as a fundamental barrier for Indigenous peoples to exercise their rights at the national level and develop a framework for remedial action for when states are in breach of their obligations under international instruments, including the Declaration.
- That the Permanent Forum encourages states to acknowledge the first nations status of Indigenous peoples in their constitutional arrangements as a foundation for partnerships between states and Indigenous peoples.

Indigenous Representative Structures

The NSWALC also presented a paper on Indigenous Representative Structures which canvassed the absence of consistent Indigenous representative bodies at the national level in Australia.

This had weakened Australia's capacity to address a wide range of issues that continue to affect Indigenous peoples.

The paper argued that strong representative structures are required to ensure policy development and program delivery included Indigenous voices, are relevant to our needs, and are not appointed by Government.

It recommended consistent consultation with key Indigenous representative bodies to ensure Indigenous input into decisions about policy-making and program delivery directly affecting Indigenous peoples.

Australia currently lacked a transparent and rigorous process to ensure this.

There was limited capacity for Aboriginal and Torres Strait Islander peoples to determine their own methods of and models of self-representation, which supported the distinct characteristics of Indigenous governance and participatory democracy.

While key international instruments had provided the foundation for Indigenous peoples to seek redress for past injustices, there were significant limitations to the institutions and bodies that effectively implemented the standards enshrined in international law.

These limitations were the result of the lack of formal national infrastructure to protect human rights under Australian legislation.

Australia remained the only Western democracy without a National Bill of Rights or similar legislative protections.

No adequate and appropriate protections were entrenched in the Australian Constitution.

The paper pointed out the Australian Government, with the agreement of all major political parties, had abolished the Aboriginal and Torres Strait Islander Commission ('ATSIC') in 2004.

It was the sole national representative structure elected by Aboriginal and Torres Strait Islander peoples.

ATSIC had been established to provide an Indigenous voice in Government processes and as the primary representative voice for Aboriginal and Torres Strait Islander peoples at the national level.

It had made a powerful representative contribution to the development of policy.

In 2007, the Australian Government committed to establishing a national representative body that would build a partnership between Government and Aboriginal and Torres Strait Islander peoples.

However, the Government made it clear it would not create another ATSIC and, while the body would have regional and remote representation, it would not have a service delivery role, or implement policy, or conduct separate elections.

In these respects, there were limitations about how 'representative' this new body could be at local and community levels.

The paper pointed out that national representative bodies that are not inclusive of all Aboriginal peoples interests and views, risked becoming instruments of top-down government policy.

The recognition and enjoyment of rights concerning all Aboriginal and Torres Strait Islander peoples are required to give full effect to principles embedded in the UN Declaration including Articles 1, 2, 3, 19 and 23.

Continued efforts by states were needed to promote and consolidate legal recognition and accommodation of all Indigenous institutions and representative structures.

Emerging international norms emphasised the right to democratic governance and the link between the right to self-determination and political participation within the framework of state practices.

The NSWALC supported mechanisms which provided all Aboriginal and Torres Strait Islander peoples the power to shape their own representative structures as a means for self-determining their own future.

Indigenous representative structures were essential to the process of achieving practical reconciliation, self-determination, autonomy and self-sufficiency, and must be independently and equally recognised in their capacity to contribute to the direction of policies and programs.

The paper recommended:

- That the Permanent Forum encourages all states to comprehensively and faithfully implement all human rights obligations under the human rights treaties to which they are a party and to bring key national legislation in line with international standards that require the 'prior informed consent' of Indigenous people.
- That the Permanent Forum encourages Governments to continue to develop and seek ways to implement formal legislative infrastructure that protects the rights of Indigenous peoples to participate in decision-making and that all policies be reviewed for consistency with the rights affirmed by the Declaration.
- That the Permanent Forum urge states to recognise and develop mechanisms to support existing Indigenous representative bodies to ensure existing representative bodies can participate in the development of government policy at all levels of decision-making.
- That the Permanent Forum encourages all states to endorse the principles of the Declaration and develop a strong, enforceable accountability framework at national and state levels to guarantee the right to consultation and to obtain free, prior and informed consent from existing representative structures.
- That the members of the Permanent Forum continue the work of the Expert Mechanism on the Rights of Indigenous peoples and undertake a study on the barriers that continue to exist for Indigenous peoples to participate in decision-making processes, in order to achieve the objectives of the Second International Decade of the World's Indigenous Peoples.
- That the Permanent Forum encourages states to review their current legislative and policy

provisions regarding racial discrimination against the benchmarks set out in the Declaration and human rights treaties to which it is party.

- That the Permanent Forum encourage all States to move towards further amendments of their constitutional arrangements to protect Indigenous peoples rights under national legislation and for governments incorporate reporting and monitoring to ensure that measures comply with the standards set out in the Declaration.

Tracker Magazine

The New South Wales Aboriginal Land Council has produced a high quality monthly magazine, Tracker, since April 2011.

The publication grew out of a request from Council in late 2010 for its Media and Marketing Unit to consider the creation of a newsletter to solve the problem of providing direct information on land rights and a range of companion rights-based issues to members of Local Aboriginal Land Councils across NSW.

The inability to provide direct, timely and factual information to LALC members has plagued the organisation given the prohibitive cost of direct mail to more than 20,000 members.

Many have no access to the internet and limited access to social media.

The Unit proposed Council eliminate the establishment and ongoing cost of a newsletter and seek to generate revenue through advertising in a monthly magazine which would seek to be cost neutral to the organisation and also fill the information void.

Tracker has produced an edition in each month since its launch.

It is seen as a community benefit in providing information direct to members without the intervention of third party mainstream and Indigenous-specific media.

It is direct mailed to each LALC member free of charge with 10,000 copies of each print run sold through newsagencies.

It is produced, written and edited by members of the Unit at no additional labour cost to the organisation.

As a start-up publication it has since generated more than \$300,000 in advertising revenue to defray production costs.

The magazine has become a flagship publication which augments the NSWALC's advocacy work.

While most resources have been devoted during the reporting period to its establishment in the marketplace since its launch a strategy to increase advertising revenue was being developed and implemented as the 2011-12 reporting period ended.

It was anticipated this strategy would assist the publication become cost neutral to the NSWALC by the end of the new financial year.

Regular briefings are provided to Council on the development and editorial direction of the magazine.

Further details on this Council initiative can be found in the Media and Marketing Unit's contribution to this report.

Books Behind Bars

As part of its advocacy work 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 our *Books Behind Bars* Project.

The project aims 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 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. They account for 54 per cent of juvenile detainees.

- The Indigenous adult imprisonment rate rose by 37 per cent in Australia between 2001 and 2008.
- The increase in NSW was 48 per cent.
- With the possible exception of offences against justice procedures, 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 in NSW.
- 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.

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.

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

In line with its commitment to advocacy Council decided Books Behind Bars could help improve conditions for prisoners and highlight the increasing incarceration rate.

The NSWALC now collects new and used books and donates them to the Library Services section of Corrective Services in NSW.

More than 5,000 books had collected and been sent into, or were due to be delivered to, the State's prison system by the end of the reporting period.

Materials Required

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

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

They have particular requirements on donated books and educational materials.

The Library will accept book donations if they are:

Of interest to users.

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

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

Zone offices also accept donated books and educational materials.

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

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

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



Gone But Never Forgotten

Councillor Steve Gordon

The NSWALC dedicates this page to Councillor Steve Gordon who was known throughout Australia in his adult life as a tireless advocate for the rights of our people for more than four decades.

Raised as one of six children in an old tin shack on a riverbank near the famous Brewarina fishtraps, Councillor Gordon left school at fourteen to build fences and work in shearing sheds.

He was appalled by the working conditions he saw around him. He refused to be paid in tobacco and demanded cash for a stint in one of those shearing sheds.

He soon set out on his lifelong work as a forceful advocate to improve the rights and well being of his Aboriginal brothers and sisters. In the 1960s he established the Aboriginal Movement in Brewarinna with the "Bush Queen", the late Essie Coffey and the late Tombo Winters.

He recalled establishing the movement because they saw Aboriginal people rounded up on the back of trucks and sent to reserves in appalling conditions.

They resolved to see change in their lifetime and to fight discrimination head on. They worked with other significant organisations to advance the basic living conditions and to protect the rights of Aboriginal people.

Mr. Gordon went on to be appointed the first Aboriginal Ombudsman in NSW and was the first elected Aboriginal person to address the NSW Parliament in June 1997 during a special sitting of the "Black Parliament".

He came to national prominence as an ATSIC Commissioner and was known for successfully advocating, with others, to secure \$450 million in Federal Government funding as a response to the Royal Commission on Aboriginal Deaths in Custody. He also worked to get another \$500 million as part of the National Aboriginal Health Strategy.

Mr. Gordon was the longest serving Commissioner of the fully-elected Aboriginal and Torres Strait Islander Commission. He was elected for five successive terms by the communities in the North West region of NSW.

Following the abolition of the national representative body by the Howard Government he was elected to the New South Wales Aboriginal Land Council in May 2007 as the Councillor for the North West Region. He decided not to seek re-election in 2011 due to declining health.

Mr. Gordon's lifelong activism was recognised in 2002 when he was voted National NAIDOC Person of the Year. Councillor Anne Dennis, who succeeded him on the NSWALC summed up the feelings of all at his Memorial Service when she told mourners:

He may be gone, he will never be forgotten.

REVIEW OF UNIT AND ZONE OPERATIONS AND ACHIEVEMENTS

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

We begin with a review of operations from all Units in what is now the Strategic Division.

Legal Services Unit and Land Claims

Given the crucial importance of land rights to Aboriginal people in New South Wales we begin this section with a review of the operations of the Land Rights Unit and an overview of our land claim work during the reporting period.

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

Section 36 of the ALRA sets out the process for claiming land.

LALCS and NSWALC can claim land under the ALRA. The land that can be claimed is called 'claimable Crown lands'. Claimable crown land is land that is:

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

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

They must grant the claim if the land is claimable crown land.

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

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

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

All refusals are assessed by the LSU.

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

The change of Government in March 2011 precipitated a change in emphasis and approach.

It started with the appointment of two Ministers with responsibilities for determining claims.

The Hon Andrew Stoner MP, Minister for Trade and Investment (and Deputy Premier) and the Hon Katrina Hodgkinson, Minister for Primary Industries have responsibility for administering the *Crown Lands Act*.

They make joint decisions in relation to land claims.

The Government took almost the entire reporting period to finalise its approach and establish new procedures and structures as part of a much wider change in the structure of the public service and ministerial responsibility.

It also announced cuts to staffing levels across the public sector in the May 2012 State Budget.

The number of positions in the Aboriginal Land Claims Investigation Unit, was reduced and those that remained were to be relocated to Dubbo and Newcastle.

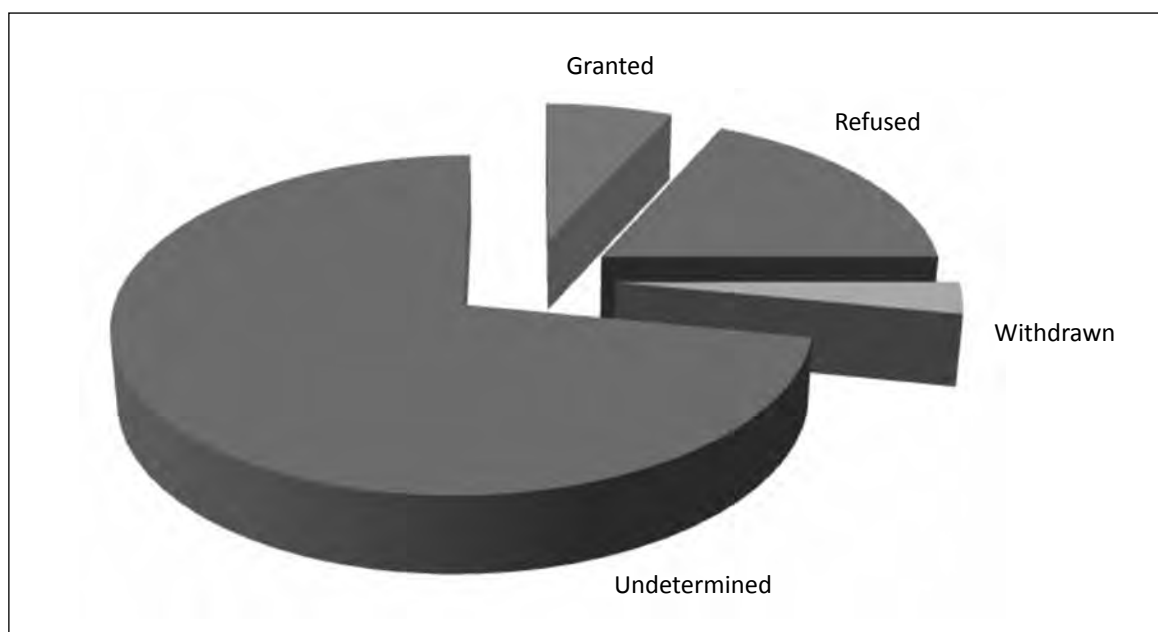
It remained to be seen how these changes would impact on the land claims process as the reporting year ended.

Overview of Land Claims

Following is an overview of land claim determinations.

The chart below is based on the official figures provided by the Land Claims Investigation Unit of the Department of Primary Industries (**DPI**), from the commencement of the ALRA in 1984 until 30 June 2012:

Aboriginal Land Claims as at 30 June 2012¹



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

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

NSWALC continued to negotiate with the Government for the determination of these claims during the period. It will continue to do so in the new year.

¹Pie Chart constructed from the adjusted figures to allow for the LPI's Aboriginal Land Claim statistics. (i.e. one claim across different statistical categories).

Granted	2461
Refused	6543
Withdrawn	1113
Undetermined	25923
Total Lodged	36040

a) New Land Claims lodged with the Registrar

209 land claims were lodged in this reporting period by Aboriginal Land Councils.

- NSWALC lodged **197** land claims (**94.6%**)
- LALCs lodged 12 land claims (**5.74%**).

The LALCs that lodged land claims were:

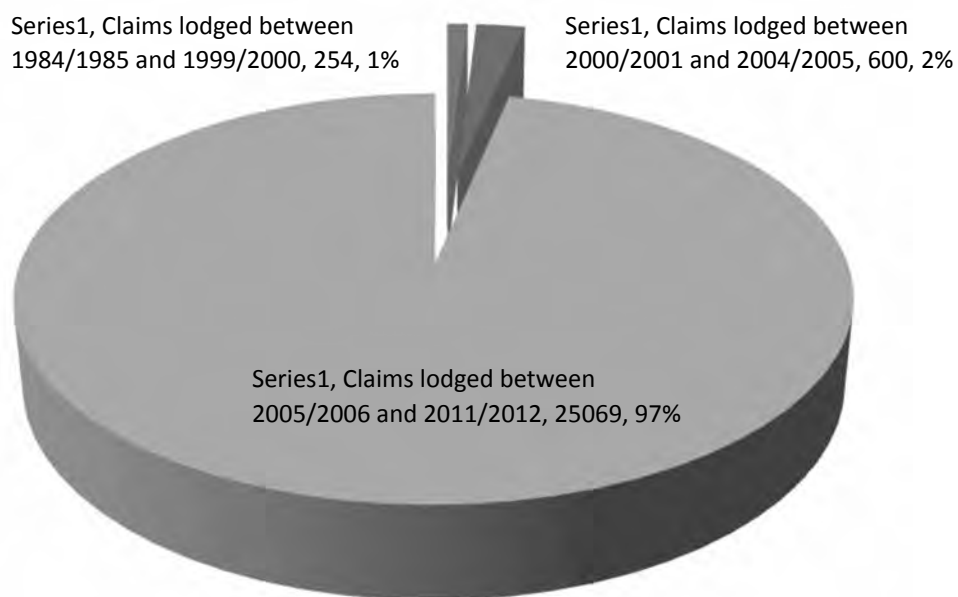
- Dorriggo Plateau 1
- Wamba Wamba 2
- Darkinjung 9

b) Outstanding Aboriginal land claims as at 30 June 2011

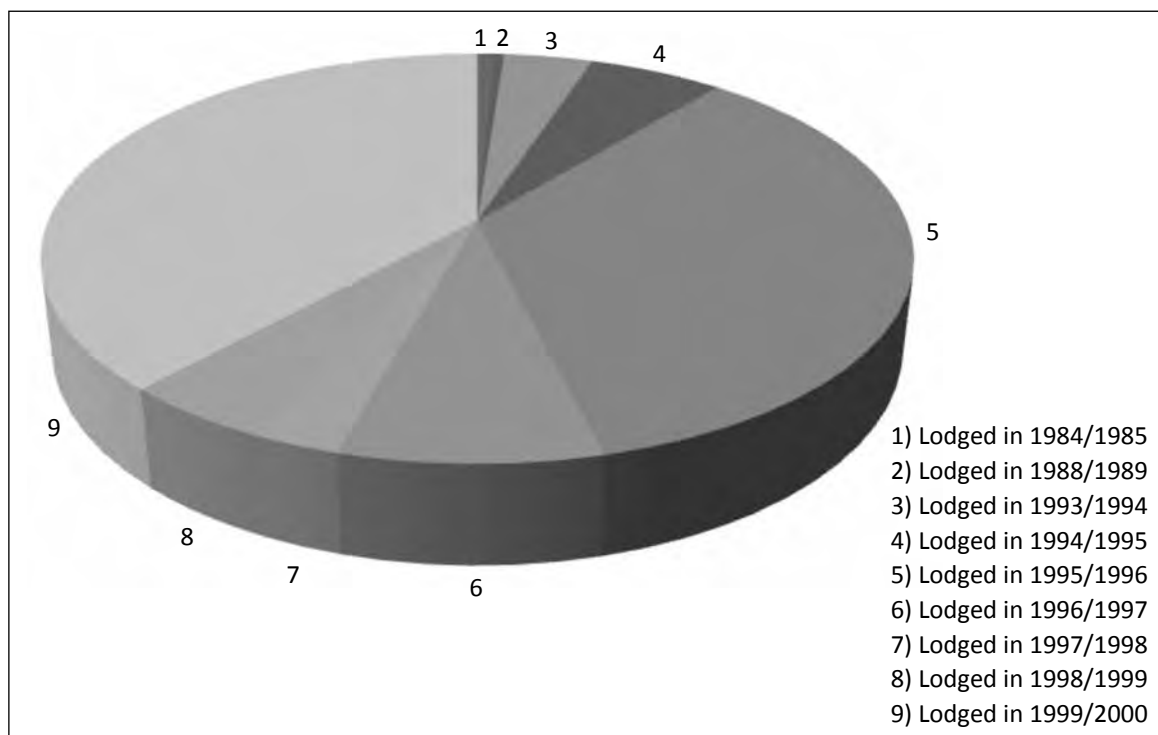
At the end of this reporting period approximately **25,923** land claims awaited determination from the Crown Lands Ministers. Of this number:

- **28,596** are land claims lodged between 2005 and 30 June 2012.
- **600** are land claims lodged between 2000 and 30 June 2005.

Lodgement periods for current undetermined Aboriginal Land Claims



- **254** were lodged before the 2000/2001 financial year. The oldest outstanding land claim was lodged on 29 September 1984:



c) Land Claims granted

The LRU is notified of all determinations (grants and refusals) made by the Crown Lands Ministers.

The Crown Lands Ministers **granted** (in part or in full) **55** land claims during the reporting period.

This is a significant increase in determinations.

Fourteen land claims were granted in the previous period.

As a result of the determinations a total of 1,037 hectares of land will be returned to a number of LALCS.

They are Purfleet Taree, Jana Ngalee, Nowra, Mogo, Wanaruah, Metropolitan, West Wyalong, Mudgee, Griffith, Mindaribba, Weilwan, Peak Hill, Awabakal, Karuah, Nambucca Heads, Bogal, Leeton, Unkya, Bathurst, Moombahlene, Bahtabah, Gandangara, Jali, Murrawarri and Jerinja LALCS.

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

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

d) Land Claims refused

397 land claims were **refused** by the Crown Lands Ministers during the reporting period.

e) Land Claims withdrawn

30 land claims were withdrawn in the reporting period.

This followed advice from DPI the land claimed was freehold land and not able to be claimed.

Improvements in access to inexpensive, accurate and up to date information about the status of crown land to enable claimant land councils to check the status of the land prior to making a claim has been a topic of discussion in the ALRA Review Working Group.

Legal Matters

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

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

The LSU continues to manage the processing of land claim appeals in the LEC and the Court of Appeal. The LSU consults closely with the LALC in whose area the claim was made, particularly should any settlement discussions occur.

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

The LSU also deals with proposed activities on claimed land, for example, proposed compulsory acquisitions of claimed land. It receives requests from public authorities regarding proposed compulsory acquisitions and consults with LALCs regarding those requests.

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

Inspections, Appeals and Settlements

The LSU continued to fulfill its core function of managing the legal process for land claims, particularly appeals to both the LEC and the Court of Appeal. This work is vital to the viability and continued growth of the land base for Aboriginal people in NSW.

Land Claim file inspections

The LSU continue to review the DPI files relating to land claims that were refused by the Crown Lands Ministers (whether the claims are lodged by NSWALC or by Local Aboriginal Land Councils). The purpose of these reviews is to ascertain whether the refusals were lawful and should be appealed to the LEC. Where a refusal has not been made lawfully, LSU manages and pays for an appeal to the LEC.

In the reporting year, the LSU **inspected** the files of DPI relating to the 397 claims refused by the Ministers. Based on the information in the files, 20 of the refusals were appealed. This figure is lower than the previous reporting period, and demonstrates some improvement in the decision making processes of the Government.

Land Claim appeals

NSWALC continues to provide support to the network by managing and funding appeals from refusals by the Ministers.

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

As noted above, NSWALC appealed **20** land claim refusals in the reporting period of the **397** refusals inspected.

Twenty appeals from the previous reporting period also remained on foot at the end of this reporting period.

There were 31 appeals currently before the LEC and two before the Court of Appeal (Goomallee and Malabar Police Station).

Of those appeals, 24 had been stayed pending the outcome of the Goomallee Court of Appeal matter, and one part heard matter was adjourned for the same reason.

The network's success rate in litigation continues to be high – over 80% of the appeals were won in Court or settled in favour of the relevant land council.

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

Of the appeals determined during the reporting period, the LEC upheld three in favour of NSWALC or LALCs.

The Ministers appealed two of those decisions to the Court of Appeal. These are discussed below.

Eleven appeals were discontinued and 31 were settled, the majority in favour of the network. One appeal was heard, with judgment reserved.

One appeal in relation to a refusal by the Ministers to grant land in Menai was managed by Gandangara LALC.

That matter was settled in favour of the LALC.

NSWALC made a contribution of \$30,000 towards the cost of that appeal. The contribution was based on what NSWALC would usually have spent on proceedings that had reached a similar stage before settlement.

NSWALC spends approximately \$1.6 million per annum on the core land rights work of land claims file reviews and appeals, excluding LSU salary costs. While this cost is borne by NSWALC, the benefit of it is passed onto LALCs through land handed back and favourable precedents being set for future determinations.

It is important to note that if LALCs had to fund the costs of appeals, only a handful of the wealthy LALCs in and around Sydney and Newcastle could afford to do so.

Land Claim settlements

NSWALC continues to work with LALCs and the Government to develop mutually acceptable resolutions to outstanding litigation.

Since July 2011, NSWALC has successfully settled 31 appeals.

These settlements have resulted in land being returned to Awabakal, Tharawal, Tamworth, Bathurst, Naradhan, Kempsey, Forster, Parkes, Birrigan Gargle, Nungarook, Menindee, Jali, Wagga Wagga, Albury, Metropolitan, and Deerubbin LALCs. Settlement discussions in other cases continue.

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

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

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

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

Given that the cost of a fully contested appeal is often more than \$100,000 (including counsel's fees), the settlement of claims represents a substantial saving to the network at the same time as returning land to Aboriginal people.

In addition, the process of negotiation can have a positive impact on relationships, leading to further settlements and grants in the future.

The NSWALC welcomes the Government's openness to the settlement of land claims matters before trial as this reduces the costs of appeals for all parties, has a very positive flow on effect on relationships between Government and the land rights network, and avoids an unduly legalistic approach whereby appeals that clearly have a good prospect of success go to a full trial.

Limited Title

The NSWALC expressed its disagreement in this space last year to the Government's policy of transferring land with limited title following successful claim or appeal.

Of the 88 certificates of title issued in the reporting period, 57 were limited.

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

This practice effectively shifts the responsibility for undertaking and paying for surveys to LALCs.

The compensatory value of the land (the primary purpose of the ALRA) is therefore reduced.

In an effort to resolve this issue, NSWALC has commenced a dialogue with officers of the DPI, in order to give both parties a better understanding of the technical and policy issues.

As a result of the discussions, DPI has indicated it will consider removing limitations on title if certain conditions are met.

In the settlement of appeals, NSWALC has sought and been granted orders compelling the Ministers to survey land before it is transferred.

Compulsory Acquisition

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

An acquiring authority can be a local government, a utility provider or a government agency. The same processes apply to crown land.

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

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

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

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

LALCs are sometimes pressured to negotiate at the last minute and accused of 'holding up' development. Similarly, acquiring authorities are frustrated by the delays caused by 'last minute' negotiations.

The Government and NSWALC have agreed on an administrative process to ensure the problems

arising from the current legislative framework can be avoided, as far as possible.

This involves notification and negotiation on the proposed acquisition of crown land.

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

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

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

Where appropriate, the LALC may sometimes agree to the withdrawal of the part of the claim that is the subject of the PAN.

This preserves at least some part of the claim area.

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

The NSWALC received 43 inquiries from acquiring authorities relating to compulsory acquisition during this reporting period. Thirty two were in relation PANS and 11 were seeking to negotiate with the LALC prior to the PAN being issued. Of those 43 inquiries, 15 were over land subject to a land claim.

The NSWALC position on this issue is clear. Land claims should be determined before any proposed compulsory acquisition proceeds.

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

Legal Proceedings commenced by former Councillor Dallas Donnelly

Following his loss in the NSWALC election in August 2011, former Councillor, Mr. Dallas Donnelly commenced legal proceedings against the NSW Electoral Commissioner and NSWALC.

He sought to challenge the general result of the NSWALC election, and the outcome in the North Coast Region which he had contested.

Mr. Donnelly sought a declaration that the election of Ms Tina Williams as Councillor for the North Coast Region was void due to Ms Williams' alleged breach of Regulation 83(c) of the *Aboriginal Land Rights Regulation 2002* (ALRR).

He also sought a determination that the NSWALC election failed generally because of an alleged breach by the Electoral Commissioner of section 19(b) of the *Anti Discrimination Act 1977* and a declaration that the North Coast Region election had failed because of misleading signage at a polling booth.

After some preliminary direction hearings, he advised the Court that his application for legal aid had been unsuccessful.

He discontinued his legal proceedings on 27 January 2012.

Mr. Donnelly then made a written complaint to the Council, making serious allegations about the conduct of the NSWALC CEO and his role in the August 2011 election.

An investigation and assessment found the allegations to be baseless, potentially defamatory, and vexatious.

External Legal Costs

Expenditure on external legal service providers during the reporting period can generally be broken down into the following categories showing LSU budget expenditure as a percentage of its budget (excluding salaries and administrative expenses):

- External legal review of land claim refusals 2.8%
- Land claims litigation (appeals where land

- claims have been refused) 88.8%
- Legal advice relating to the LALC Network (including ALRA Review) 2%
- NSWALC general advice 6.2%
- Other NSWALC litigation 0.2%

The Strategic Determination of Land Claims

The NSWALC has documented in this space over some years the sometimes strained relationship between NSWALC and the previous Government over land claim determinations.

This culminated in a conciliation facilitated by the Ombudsman's Office in December 2010.

Since then NSWALC and DPI officers have maintained a regular dialogue and have sought a positive resolution of the issues.

In October 2011, NSWALC officials met with senior DPI officials and the Registrar of the ALRA to discuss a more effective approach to determination of the approximately 26,000 outstanding land claims.

DPI invited NSWALC to put forward a proposal.

NSWALC proposed a number of changes to the current process to enable a more effective and strategic determination process, including:

- A process for pre-determination conferral between the Government and Land Councils
- Increased use of sections of the ALRA that allow claims to be granted subject to conditions or agreements, including in relation to Travelling Stock Routes
- A policy to govern the prioritisation of undetermined land claims
- The provision of information to assist Land Councils to consider withdrawing land claims

These proposals would allow LALCs and the Government to approach the determination process at a more strategic level, on a LALC-wide or regional basis, rather than on a claim by claim basis.

Through this process, LALCs could identify priorities, including land of particular cultural importance or economic potential.

Prioritisation of land claims would provide an opportunity for all parties to identify where claims fit in broader regional land use planning frameworks, including land use planning about land that is already owned by a LALC.

In addition, NSWALC recommended that DPI review its process in relation to notification on titles, namely limited title (under the *Real Property Act*) and native title (pursuant to section 42 of the ALRA), and to ensure that when land is granted to a land council, limitations are placed on titles only when necessary, rather than as a routine administrative process.

A process focused on negotiation and identification of priorities for determination, with less emphasis on a legalistic approach was supported by Dr. Richard Sheldrake, Director-General of DPI, in his evidence to the Legislative Assembly Public Accounts Committee.

The Public Accounts Committee commented as follows:

The Committee commends the Department of Primary Industries for its recently constructive approach in seeking remedies to the delays and looks forward to implementation of the Department's workplan².

In his evidence, Dr Sheldrake referred to a 'pilot project' to trial a different approach³.

Batahbah LALC had asked the Crown Lands Ministers to determine their identified priority land claims, assisted by the Registrar, ALRA.

The approach being taken by Batahbah LALC is consistent with the approach put forward by NSWALC and with the proposed new approach by the Government. It will be an important precedent for the way in which land claims are determined in the future.

Of the 26,000 undetermined land claims, approximately 20,000 were lodged by NSWALC.

The success of the Bahtabah 'pilot project' will be an important factor in any process of negotiation finally agreed by the Ministers and NSWALC. NSWALC has agreed to make a financial contribution to BLALC's negotiation costs.

NSWALC acknowledges however that any new processes and policies that are developed under the ALRA in its current form would need to be consistent with the ALRA and the obligations of the Ministers to make decisions according to law.

The proposal was reviewed by the ALRA Review Working Group, and many of the recommendations have been incorporated into that process.

Through the Working Group discussions, these proposals will underpin recommendations to the Minister by the ALRA Review Working Group and may result in amendments being made to the ALRA that allow LALCs and the Minister to negotiate outside of the current structure of section 36.

As noted, almost 20,000 of the 26,000 undetermined land claims were made by NSWALC in the period between 2009 and 2011.

The actions of NSWALC were in response to the previous Government's political antagonism towards the NSWALC, the chronically slow rate of determination of claims and the number of refusals that NSWALC successfully challenged in the LEC.

The Council took the view that in order to protect the network in the future, and to ensure that the intention of Parliament to redress the dispossession of Aboriginal people through return of land was not subverted, it should focus its efforts on the core purpose of the ALRA – the return of land.

The language of this discussion is important.

When referring to 26,000 undetermined land claims, Government and the Parliament speak of 'backlog'.

This 'backlog' is assumed to be a land management problem for the Government (implicitly caused by Aboriginal people) because claims have to be determined before the Government can deal with crown land.

² Report on the follow-up of repeat recommendations from the Auditor-General's Financial Audits 2010, Report 4/55, May 2012, paragraph 13.34

³ Paragraph 13.29

NSWALC rejects this description.

The land claims represent a deposit on future Aboriginal economic and cultural security and are exactly what the framers of the ALRA intended.

It is important to note that the land so far returned to its Aboriginal owners under the ALRA represents less than 1% of the total land area of NSW.

NSWALC rejects the implication that once again, Aboriginal people should bear the political and financial cost of the Government's poor land administration and chronic delays in determining land claims, or indeed making decisions about the use and management of Crown land generally.

If Ministers had not taken so long to determine claims, and if decisions were made on the basis of the law and not otherwise, then the 'backlog' may not be as large and the Government would not have to spend so much taxpayers' money now on its unsuccessful defense of land claim determinations.

In his evidence to the Public Accounts Committee in December 2011 Dr Sheldrake observed that the increase in the number of claims reflected:

*"the breakdown that has occurred in developing a process under the existing legislation to deal with it. Some of the claims are probably being made to make the point and to encourage the Government to try and deal with this."*⁴

The recognition by senior officials of what the 26,000 claims represents, politically and practically is a very positive sign.

NSWALC therefore welcomes this higher level of understanding by the new Government, and looks forward to working with it to ensure that the resolution of 26,000 land claims forms the basis of a new and more productive land management partnership between Aboriginal people and the Crown.

Successful appeals to the Land and Environment Court

New South Wales Aboriginal Land Council v The Minister Administering the Crown Lands Act [2012] NSWLEC 1 (Goomallee)

The central issue in the appeal was whether the use and occupation of land under a licence for grazing issued over land reserved for public recreation was valid.

NSWALC argued the land was not lawfully used and occupied because the licence was not authorised by the purpose for which the land was reserved under the *Crown Lands Act 1989*.

The Court upheld the appeal and ordered that the land be transferred to Armidale LALC.

This decision is an important win for the NSWALC and will have a significant impact on the land claims process, as well as on the administration of the public estate more broadly.

All crown land in NSW is subject to the application of the *Crown Lands Act 1989*, which makes it clear that use of land is not permissible unless it was authorised under that Act.

Reservation of land for a particular purpose has long been regarded by the Courts as a restriction on the use of the land.

In this case, land reserved for public recreation must be available to the public as of right, and the land was not available where grazing activities were also taking place.

The Minister appealed the decision to the NSW Court of Appeal (Supreme Court). The hearing will be on 1 August 2012.

La Perouse Local Aboriginal Land Council v The Minister Administering the Crown Lands Act [2012] NSWLEC 1 (Malabar Police Station)

The central issue in this case was what amounts to actual use and occupation under the ALRA.

In early 2009, the Government made a decision to close Malabar Police Station.

⁴ Paragraph 13.28

The station ceased normal police operations on 30 June 2009, but was used for various related purposes for the next six months.

By February of 2010 however, the station was closed.

Mr Chris Ingrey of the La Perouse Local Aboriginal Land Council (LPLALC) visited the site in February and took photographs of the abandoned building.

A claim was lodged on 17 February.

The Minister refused the claim and LPLALC appealed.

The evidence presented in the case revealed a deliberate course of action to contrive the appearance of use and occupation, in order to defeat the land claim.

The Court found that the use and occupation of the land was only notional and ordered the land be transferred to LPLALC. The Minister appealed to the Court of Appeal. The matter will be heard on 2 August 2012.

It is not appropriate for NSWALC to pre-empt the outcome of these appeals, nor to canvass the strengths or weaknesses of the arguments that might be put before the Court of Appeal.

It is important to note however, that the decisions of the Court of Appeal on these issues will have a significant impact on land rights law in NSW.

Review of the ALRA

As noted earlier, the Minister for Aboriginal Affairs released terms of reference for the five yearly review of the ALRA during the reporting period.

The Unit assisted Council and the Chief Executive Officer's consideration of the NSWALC responses to the Review.

It will continue to do so in the new financial year.

Miscellaneous Amendments Group – Housing amendments

The Miscellaneous Amendments Group (MAG) was originally established in 2009.

The MAG was convened to advise the Minister about the operation of the land rights system and miscellaneous amendments to that system.

The Registrar of the ALRA, the NSWALC and AANSW are members of the MAG.

The collaborative approach by parties who come to the table with valuable but diverse experience in land rights administration results in practical and workable alternatives to some areas of the ALRA.

In this reporting period, the Minister requested the MAG to review the implications of the decision of the LEC in *Woods v Gandangara LALC; Thatcher v Gandangara LALC* [2011] NSWLEC 42 and to recommend amendments to resolve the issues that arose for LALCs as a result of that decision.

This case raised some important issues of direct concern to LALCs and their management of housing.

Of most relevance to LALCs was whether the notices of termination were dealings with land under s52E of the ALRA for which a members' resolution was required, or whether this function could be delegated.

Those discussions resulted in the *Aboriginal Land Rights Amendment (Housing) Act 2011*, which commenced on 11 November 2011

The amendments make it clear that tenancy management is a function of the LALC Board, and decisions to enter into, manage or terminate residential tenancies of less than three years do not require a decision of members.

The amendments also made the function delegable, so that it could be undertaken by the CEO. In addition, the amendments allow for Administrators to make these decisions.

Mining and Exploration

During the reporting period, the Council made the decision to participate in the resources industry.

In doing so, Council recognised that significant economic, social and cultural benefits would accrue from being an owner of resource rights, rather than a receiver of resource rent.

NSWALC has applied for both coal and petroleum exploration tenements in areas across NSW. It awaited the Minister's decision as the financial year ended.

In addition, NSWALC has established two proprietary companies to enable it to manage both the risks and opportunities that participation in the resources industry represents, at the same time as ensuring that the benefits of participation can be distributed through community benefits schemes.

The companies had not conducted any business at the end of the reporting period.

Owners of resource rights have much greater control over how those rights are exercised, and that means that NSWALC, through ownership of exploration and mining licences can conduct activities so that cultural heritage is better protected and that Aboriginal people have a stake in the employment and other economic benefits that flow.

The Council acknowledges that this decision may not be wholly supported across the network, and that some Aboriginal people are opposed to any expansion of the resources industry at all.

Despite those differences, NSWALC will continue to pursue opportunities in the resources industry where the result would be beneficial to the network overall.

Corporate Governance Unit

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

Board Governance

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

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

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

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

Type of Meeting	Number of Meetings Held
NSWALC	13
Audit & Risk Committee	8
Finance Committee	6
Governance Committee	5
Investment Committee	5

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

These included the long term sustainability of the land rights network, the ALRA Review, the Ministerial Taskforce on Aboriginal Affairs.

First Meeting of the New Council

The Unit also coordinated the arrangements for the first meeting of the newly elected Council following the elections on 6th August 2011.

This was preceded by a two day information forum for the nine elected Councillors, part of an intensive induction process.

The forum included a report from the Chief Executive Officer, Mr Scott on NSWALC Achievements (2007-2011), along with an Overview of the ALRA, Budget and the Statutory Investment Fund.

The Deputy CEO, Mr Turner, provided a report on the NSWALC organisation structure and key planning documents.

The forum also included a detailed briefing from the Registrar of the ALRA, Mr Stephen Wright, on his role as set out in the ALRA and the legislative requirements of Councillors.

A session on good governance was provided by the Chairperson of the NSWALC Governance Committee, Mr Jon Issacs.

The new Council marked the occasion with an official dinner which was attended by the Minister for Aboriginal Affairs, Mr Dominello, the independent Chairpersons of NSWALC Corporate Committees and key NSWALC staff.

Internal Audit

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

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

Internal Audits completed during 2011/2012	Findings
Review of Travel Claims	5
Review of Recruitment and Termination of Employment	5
Review of Land Dealings	5
Review of Eastern Zone Office	6
Review of Western Zone Office	6
Review of Finance Unit	15
Review of Investment Portfolio	6

There were 49 findings with a range of recommendations.

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

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

The internal audit reviews identified: 21 People Issues, 28 Process Issues and 4 Technology Issues.

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

The following table explains the risk categories:

Residual risk rating	Definition
Significant	Level of residual risk is significant in that it threatens the objectives of the process/area
High	Level of residual risk is important to the organisation and may threaten the objectives of the process/area
Medium	Level of residual risk is of concern to the organisation
Low	No issues or only minor opportunities for improvement to processes identified. BUSINESS IMPROVEMENT OPPORTUNITIES <i>Business improvement opportunities arise where the internal audit considers that a recommendation, if implemented, would result in a benefit to NSWALC (for example, through more efficient and/or cost effective processes). These observations do not represent weaknesses in internal controls and are therefore allocated a low risk rating.</i>

No Significant risks were identified among the 49 findings; 21 were ranked High risks; 16 Medium risks; 12 Low risks. Three business improvement opportunities were also identified during the reviews.

Audit and Risk Committee

The Audit and Risk Committee met on eight occasions during the reporting period.

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

Councillor Peter Smith was appointed as an alternate Councillor.

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

All meetings were supported by the Secretariat.

NSWALC is obliged to publish an Internal Audit and Risk Management Statement for the 2011-2012 Financial Year. This can be found at the end of this report.

Planning & Risk Management

The Unit also worked extensively with senior staff, the Audit and Risk Committee and Council to review and seek approval of the NSWALC's Enterprise Risk Management Plan. It also assisted with the annual review of delegations from the CEO to staff.

Complaints

The NSWALC recorded thirty nine complaints during the reporting period. Twenty three related to LALCs, sixteen to the NSWALC. All complaints were resolved to the NSWALC's satisfaction.

Three formal referrals were made by the NSWALC to ICAC (pursuant to section 11 of the ICAC Act.) Two complaints were referred to the Office of the Registrar of the ALRA.

Changes to NSWALC's Complaints Policy

As noted earlier, the NSWALC CEO approved a new complaints policy in April 2012 to better align complaints handling procedures with the NSWALC's current resources and capabilities.

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

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

The LALC Board's are responsible for directing and controlling the affairs of a LALC.

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

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

Obligations under the Government Information (Public Access) Act 2009

1. Review of Proactive Release Program - Clause 7(a)

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

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

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

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

The NSWALC received five formal access applications (including withdrawn applications but not invalid applications).

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

During the reporting period, NSWALC refused no formal access applications because the information requested was information referred to in Schedule 1 to the GIPA Act. Of those applications, none were refused in full or in part.

4. Statistical Information about Access Applications – Clause 7(d) and Schedule 2

Table A: Number of applications by type of applicant and outcome*								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/ deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	1
Members of the public (application by legal representative)	0	4	0	0	0	0	0	0
Members of the public (other)	0	0	0	0	0	0	0	0

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

Table B: Number of applications by type of application and outcome								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/ deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	4	0	0	0	0	0	1
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

*A **personal information application** is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

The total number of decisions in Table B should be the same as Table A.

Table C: Invalid applications	
Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	1
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	1
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act	
	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	4
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

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

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act	
	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness	
	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	0
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	0

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	1
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	0	0	1

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

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

The NSWALC website has also been updated to include other requirements of the GIPA Act such as the Publication Guide, the Register of Government Contracts, and the Register of Property Disposals.

Obligations under the *Public Interest Disclosures Act 1994 (the PID Act)*

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

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

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

The NSW Ombudsman has oversight of the PID Act.

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

The NSWALC received no PID complaints during the reporting period.

Further information on the requirements of the PID Act can be obtained on the NSWALC website.

Policies and Procedures

The NSWALC is an evolving organisation.

It is constantly analysing and refining its policies and procedures and seeking to focus them on long term sustainability.

Corporate Governance assisted a number of business units revise and develop a range of policies and procedures during the reporting period.

Policy and Research Unit

As noted earlier, the work of the Unit during this reporting period continued to have a constant focus on the need for change in State and Commonwealth culture and heritage laws to provide more ownership and control to Aboriginal people.

This work is in line with the priority set by Council and the land rights network.

The Need for Reform in NSW

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

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

These are not given adequate legal protection in NSW.

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

The legislation states NSWALC has a statutory duty to:

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

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

However, NSWALC and LALCs are given no statutory power of protection.

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

As noted earlier the NSWALC believes this power should reside with Aboriginal people.

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

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

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

NSWALC has long advocated for major reforms to the laws governing Aboriginal Culture and Heritage in NSW.

Both major political parties made a commitment to broader reform when amendments to the *National Parks and Wildlife Act* were introduced into the NSW Parliament in 2010.

A Working Party was established by the then Labor Government late that year to consider the establishment of separate Aboriginal heritage legislation.

The NSWALC was invited by the then Minister for Environment in October 2010 to be represented on the Working Party.

It met on three occasions up to February 2011.

The reform process stalled following the election of the new State Government in March 2011.

The NSWALC and TSCorp Limited wrote jointly to Premier Barry O'Farrell in August 2011 to confirm our commitment to the continuance of the reform process.

We pointed out the process had stalled.

Despite this, the NSW Office of Environment and Heritage released advice on their website in October outlining new arrangements.

A revised broader reform process was due to commence. This included a new consultation process, a new working party structure, and new Terms of Reference.

NSWALC and NTSCORP wrote separately to the Premier expressing concern and disappointment.

Our concerns included:

- a. The hasty commencement of the Government's altered reform process, and release of the *'Aboriginal heritage legislation in NSW: Public consultation on issues for reform'* document prior to the new 'working party' being established.
- b. The exclusion of key Aboriginal community stakeholders, NSWALC and NTSCORP, from the new working party,
- c. The significantly revised and weakened 'objectives' for the reform,
- d. The composition of the 'working party' which is dominated by 'experts' appointed by the government, that does not ensure appropriate Aboriginal community representation, and
- e. The failure by the Government to consult or formally notify key community stakeholders, NSWALC and NTSCORP, of any of these changes to the consultation and reform processes.

NSWALC and NTSCORP subsequently made several recommendations to the Minister for the Environment aimed at improving the process.

NSWALC attended meetings with the Office of the NSW Minister for the Environment in November 2011, in addition to writing letters and briefing notes for the Minister.

The Policy and Research Unit also developed a detailed submission prepared jointly with NTSCORP.

It made the following key recommendations:

- a. The proposed establishment of a Working Party *independent* from government.
- b. Ensuring it comprised of a *majority of Aboriginal members*,
- c. Conducting *additional consultations* with independent facilitators,
- d. Providing at least *one month's notice* of those consultations,
- e. *Prioritising the input of Aboriginal peoples* in the consultation process,
- f. *Amending the Terms of Reference* to ensure that key principles espoused in the United Nations *Declaration on the Rights of Indigenous Peoples* underpin the reform process.

Policy and Research Unit staff also attended a number of consultations and 'feedback forums' hosted by the NSW Office of Environment and Heritage (OEH) during November and December 2011 and June 2012 in relation to the reforms.

The NSWALC continued to be excluded from membership of this group as this reporting period ended.

The Reform Working Party held its first meeting on 14th May 2012 and was due to provide final recommendations to the NSW Government in March 2013.

More than Flora and Fauna

In the meantime the Unit continued to conduct NSWALC's campaign, More Than Flora and Fauna.

The Unit continued to expand on a range of fact sheets, resources, materials and research on culture and heritage issues.

The campaign is aimed at:

- Reducing the unacceptable level of damage and destruction of significant and sacred Aboriginal heritage sites in NSW,
- Returning control of Aboriginal heritage to Aboriginal people,
- To promote NSWALC as a leader on the protection, promotion and preservation of Aboriginal culture and heritage, particularly on statewide policy issues,
- To increase Local Aboriginal Land Councils' capacity to respond to urgent and immediate threats to Aboriginal culture and heritage, particularly threats to Aboriginal sites, and
- To increase awareness and support in the general community about Aboriginal culture and heritage issues.

The Unit continued to work closely with NTSCORP Limited in this regard, underpinned by a Memorandum of Understanding.

The strategy has seen the Unit:

- Providing *regular updates to the Aboriginal Land Council network*, including via email, the NSWALC website, and advertisements in Tracker magazine and the Koori Mail newspaper.

- The development of a *template letter* to assist LALCs make submissions on the reform process. These were distributed by email and post and made available on the NSWALC website. (According to the OEH website, of the 43 written submissions provided to the first stage of the reform process, 30 written submissions were provided by LALC members.)
- The Unit also developed and distributed a range of *More than Flora and Fauna* resources, materials and updated fact sheets.
- Resources and materials were distributed **at NSWALC stalls** at Yabun and the 40th Anniversary of the Aboriginal Test Embassy. Resources were also distributed via mail outs (see below). The Unit also worked with the Media and Marketing Unit to develop advertisements for inclusion in the April 2012 editions of Tracker and the Koori Mail.
- The Unit developed and distributed a *petition* and 'More than Flora and Fauna' to over 500 external organisations. NTSCORP also mailed this petition to approximately 500 members of their network. 10,000 signatures will ensure the petition is debated in the Legislative Assembly or 500 signatures will require the Minister responsible to provide a response to the petition to Parliament. More than 1,100 signatures have been obtained.
- The Unit has received an increased number of calls, emails and requests for advice from the *broader community* in relation to the petition and broader reform process and have attended a number of forums and workshops to present on this issue.
- The Unit also commissioned *research* papers on proposed new models for reform and costings of a new legislative system. Research which proposed three alternative models was released for public consultation during the reporting period.
- The Unit also coordinated and *conducted workshops* in all of the nine NSWALC regions, with the assistance of Zone Offices, on proposed models for new Aboriginal Culture and Heritage laws based on the research papers. NTSCORP attended a number of these workshops. Unit staff also attended a Native Title claimant group meeting.

Commonwealth Heritage laws

The NSWALC prepared a detailed submission in 2009 to the Federal Government's review of the Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth) (ATSIHP Act).

This Act gives the Federal Minister for the Environment the power to make declarations for the protection of Aboriginal objects and areas.

The law has been rarely used.

It has not been effective in protecting Aboriginal heritage.

The Federal Government announced during this reporting period it was still considering the recommendations of the review.

It also announced it would consider the incorporation of the requirements of the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* into a new Australian Environment Act.

This was recommended by the independent review of the *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act) undertaken by Dr. Allen Hawke during 2009.

Limited detail on the outcome of this review has been publicly released.

Given this, the Unit submitted a Freedom of Information (FOI) request to the Federal Department of Sustainability, Environment, Water, Population and Communities (SEWPaC).

It sought information on advice or research which had been considered in deciding to pursue the incorporation of the ATSIHP Act into the EPBC Act.

The papers obtained revealed the Department had recommended major reforms proceed to the ATSIHP Act.

However, they also revealed the Federal Government does not view this reform as a high priority.

The Unit will continue to monitor, and respond to developments in the new reporting period.

Fishing Rights

The NSWALC continued to seek practical measures to increase Aboriginal fishing rights within NSW Marine Parks as a result of the continued restrictions on these rights throughout this reporting period.

The State Government began an independent Scientific Audit of Marine Parks in NSW in June 2010.

It will seek to determine the effectiveness of the existing marine park zoning arrangements.

Representatives from NSWALC, NTSCORP Limited and the Aboriginal Fishing Advisory Council participated in an Indigenous Interests Workshop in November 2011 hosted by the Scientific Audit Panel.

A number of concerns were raised during this workshop regarding the difficulties faced by Aboriginal peoples seeking to undertake traditional fishing activities.

These included:

- An inability to hand down fishing licenses from generation to generation,
- Impediments relating to the high cost of fishing equipment including nets, boats and licenses, to Aboriginal fishers wishing to become involved in the industry,
- Only persons listed on a license are able to participate in fishing activities, including hauling in a net. Traditionally everyone, including women and children, could assist,
- The lack of meaningful consultation with Aboriginal communities in the planning for marine parks which has led to Aboriginal interests being overlooked,
- The loss of access to traditional Aboriginal fishing grounds as a result of the establishment of marine parks and the impact this has on the passing on of traditional knowledge and a loss of food sources,
- The complexity of the laws and policies governing the use of marine parks. Compliance with these rules and regulations are often not clearly understood. This can lead to prosecution of Aboriginal cultural fishers, and
- A perception Aboriginal representation on a marine park committee is consultation with Aboriginal community.

A number of suggestions were made to the Scientific Audit Panel, including:

- The need for Aboriginal liaison officer positions within Marine Parks to be created. This would help facilitate resource management, consultation between communities and Marine Parks, build relationships with local communities and assist communities navigate the complex regulations and laws around accessing Marine Parks,
- The need for NSW to adopt traditional resource use agreements for marine resources, similar to those of other states. This would help ensure Aboriginal interests are included in Marine Park planning. The Marine Parks Authority *'Aboriginal Engagement and Cultural Use of Fisheries Resources Policy'* provides a good framework to start making these types of arrangements.

The continued restrictions on Aboriginal fishing rights in Marine Parks will ensure NSWALC's ongoing advocacy in this area in the 2012-13 financial year.

Aboriginal Fisheries Advisory Council

The NSWALC also continued during this reporting period to advocate for greater fishing rights for the state's Aboriginal fishers through its continued participation and involvement on the Aboriginal Fishing Advisory Council (AFAC).

The Mid North Coast Region Councillor, Peter Smith, represented NSWALC on AFAC during this period.

AFAC was established as a result of the 2009 amendments to the *Fisheries Management Act 1994*.

This provided formal recognition that fishing for the Aboriginal community is an imperative part of culture, encompassing spiritual, social and customary significance.

Under section 229 of the Act, the AFAC provides strategic level advice to the Minister for Primary Industries on issues affecting Aboriginal fishing interests.

Coalition of Aboriginal Peak Organisations (CAPO)

The Unit played a key strategic role in the provision of policy advice to the Council of Aboriginal Peak Organisations on service delivery, accountability and employment policies for Aboriginal peoples in NSW.

The CAPO played an important role in the provision of advice and feedback to the NSW Government on Aboriginal affairs and other related portfolios.

It met twelve times during the reporting period.

In addition to its policy advice the Unit also provided all secretariat services to CAPO throughout the year.

The NSWALC Chairperson was the Chairperson of CAPO throughout the year.

CAPO operates under a Memorandum of Understanding signed at the NSWALC's last State Conference.

The parties to the MOU include the NSW Aboriginal Land Council, the Aboriginal Legal Service (NSW/ACT) Limited, the NSW Aboriginal Education Consultative Group, the Aboriginal Health and Medical Research Council of NSW, Link-Up NSW and the NSW Aboriginal Child, Family and Community Care State Secretariat.

The MOU commits each of the six member organisations to support and foster the social, economic and cultural well-being of Aboriginal peoples in NSW.

Ministerial Taskforce on Aboriginal Affairs

The Policy and Research Unit prepared the NSWALC's submissions to this Taskforce.

Those submissions covered employment, service delivery and accountability.

Additional advice and comment was also provided on a variety of Taskforce positions and materials.

The NSWALC Chairperson participated directly on the Taskforce as the current Chairperson of the Coalition of Aboriginal Peak Organisations (CAPO).

The Policy and Research Unit supported the Chairman in this role.

It also supported both the Council of NSWALC and CAPO in their indirect involvement with the Taskforce.

The latter was provided by the Unit as the secretariat to CAPO.

Major review of NSW Planning laws

NSW planning laws and instruments play a crucial role in land management, heritage protection and economic development.

They establish the framework by which all land uses and all developments in NSW are regulated.

The NSW Minister for Planning and Infrastructure announced a major review of the NSW planning system in July 2011 and established an Independent Planning Review Panel.

This review provides a significant opportunity to seek changes to the NSW planning system to address key issues for Aboriginal peoples and Aboriginal Land Councils.

The Unit provided notices, briefing notes and updates to LALCs on issues related to the planning review and other planning reforms during the period.

Policy and Research staff also twice met with the Planning Review Panel.

The Unit, also developed two comprehensive submissions to the Independent Planning Review Panel in response to the first two stages of the review.

They focused on:

- a. Consultation and engagement with Aboriginal peoples;
- b. Protections for Aboriginal culture and heritage;
- c. Economic development of Aboriginal lands; and
- d. Former Aboriginal reserves and missions.

The Policy and Research staff was assisted in the development of the submission on former Aboriginal reserves and missions by the Program Management Unit.

The NSW Government released a Green Paper in July 2012 after considering recommendations from the Independent Planning Review Panel.

The Green Paper broadly incorporated a number of NSWALC's recommendations.

The Policy and Research Unit will continue to monitor and advocate for reforms in this area.

Review of the *Aboriginal Land Rights Act 1983* (NSW)

The Statutory Review of the Aboriginal Land Rights Act announced by the State Government during the reporting period generated a considerable amount of work for Policy and Research staff along with those from other Units.

Unit assisted the NSWALC Executive with the conduct of the nine regional forums held across the State in March 2012 to gain feedback from the land rights network. and the network roundtable discussion that followed on May 2012.

The Unit prepared the consultation materials.

These included a broad discussion paper and the outcomes reports arising from both the consultations and the roundtable discussion.

These materials are available on the NSWALC website at www.alc.org.au

Importantly, as noted earlier, the outcome of these consultations was fed into the review process.

Network Sustainability

NSWALC has been involved in the ongoing work to ensure the financial sustainability of the land rights network.

The P & R Unit has been involved since the end of 2011.

Further modeling of sustainability options has been overseen and three (3) Council workshops on this critical issue have been conducted.

In June 2012, a discussion paper on one of the options for sustainability, Detailed Modelling of Funding Options for LALCs, was released for public consideration.

More extensive consultations on network sustainability will be conducted in 2012-13.

Economic Development

The Unit continued to monitor developments in government policy related to economic outcomes for Aboriginal people.

The Commonwealth Government finalised its Indigenous Economic Development Strategy 2011-2018 during the period.

The Unit provided a submission to the Commonwealth during the previous reporting period in response to a draft strategy.

The final strategy document contained no substantive change from the draft.

The Policy and Research Unit will continue to monitor the Commonwealth Government's implementation of this policy.

Further policy development by the NSW Government in the area of economic development was subsumed by the Ministerial Taskforce on Aboriginal Affairs.

Murray Darling Basin Reforms

As noted earlier, the proposed Murray-Darling Basin reforms will be the most significant water reforms in the nation's history and provide a vital opportunity for NSWALC and LALCs to continue to advocate for land and water rights for the Aboriginal peoples of NSW.

The Unit secured funding from the Murray Darling Basin Authority to conduct the two day workshop with the 66 Local Aboriginal Land Councils of the NSW basin area and will continue to work with Council and other key stakeholders on the reform process during the new financial year.

National Water Commission – First Peoples Water Engagement Council

NSWALC continued to maintain its support for Policy and Research Unit staff member Phil Duncan's role as Chairperson of the First Peoples Water Engagement Council.

Materials on the First Peoples Water Engagement Council materials are available at: <http://www.nwc.gov.au/planning/fpwec/>.

First Peoples National Water Summit

The First Peoples Water Engagement Council also convened the inaugural First Peoples National Water Summit in Adelaide on the 29th and 30th of March 2012.

The Summit was attended by the NSWALC Chair, Deputy Chair, Councillors and CEO, as well as 80 key Indigenous representatives from across the Country.

The Summit offered a tribute to Matthew Rigney, who was a tireless advocate for Indigenous rights to water. He was Chair of the Ngarrindjeri Regional Authority Inc., and Chair of the Murray Lower Darling Rivers Indigenous Nations.

The NSWALC CEO, Geoff Scott, delivered a presentation on the need for an Aboriginal Economic Water Fund and how to achieve and implement this.

NAILSMA – Sea Country Forum, Mary River

90 Indigenous people from around Australia met at Mary River from the 8th to the 10th of May 2012, to talk about their vision and aspirations for managing sea country.

The Policy and Research Unit attended this forum on behalf of NSWALC.

There was consensus that indigenous aspirations and requirements are not currently being met and constant emphasis on the need to increase involvement in the management of sea country.

This included the need to increase the ability for people to own and control what's going on in policy and legislation, to increased resourcing, capacity, and powers for individual ranger groups directly involved in management on country.

The workshop went on to consider the legal/policy arena, and existing and planned Indigenous Protected Areas (IPAs).

They considered the best ways to develop an IPA model that can include sea country.

Core workshop outcomes included:

- An extensive discussion paper reviewing a large body of background material on sea country management;
- A detailed timeline of significant events in the history of sea country;
- The development of key components of a national framework for sea country management;
- A Statement on Sea Country Management
- A Statement on IPAs;
- A Statement on Marine Protected Areas
- A Statement on fisheries in NSW; and
- The formation of a Working Group.

Walgett Community Fish Project

This project is a good example of how government, community and Aboriginal organisations can work together on mutually beneficial events.

The project was managed by The Department of Primary Industries (Fisheries) in partnership with the Namoi Catchment Management Authority.

It was supported by the Dharriwaa Elders Group, Walgett Local Aboriginal Land Council, Walgett Public School, Walgett Shire Council, Walgett Aboriginal Medial Service and the Walgett Gamillaraay Aboriginal Community Working Party.

It sought to engage the local community in Walgett about fish, fish habitat and acknowledge the special link that the Walgett community have with the river.

The event was aimed at providing information and resources as well as recording oral history and knowledge about the river.

The Policy and Research Unit assisted with recreational fishing clinics for Walgett Primary School kids as part of the event held on the 3rd and 4th May 2012.

The aim of the clinics was to provide participants with knowledge about fishing rules and regulations, the importance of fish habitat and practical skills to enjoy recreational fishing.

Councillor Anne Dennis of North Western Region made a series of presentations of gifts and prizes to those who won various competitions for fish caught and other events.

Biodiversity Banking and Offsets Scheme (BioBanking)

As reported previously the NSWALC undertook a project under a grant from the Office of Environment and Heritage and the NSW Environment Trust in 2009 to support Local Aboriginal Land Councils in relation to the NSW BioBanking Scheme and other sustainable land use options.

The grant supported the development of a number of resources as well as the employment of a Senior Policy Officer (Biobanking) to support the delivery of the resources to the Aboriginal Land Council Network.

Under the grant, NSWALC produced guidance and support materials for LALCs which included:

- A NSWALC Position Statement;
- A Biobanking fact sheet;
- A fact sheet on Aboriginal culture and heritage and Biobanking;
- A comprehensive Guide to Biobanking for Aboriginal Landowners;
- A comprehensive Guide to Biobanking for LALCs as Developers;
- The development of a NSWALC Land Management and Mapping Tool;
- A series of 10 information sheets on environmentally sustainable land uses including biobanking, carbon sinks, hydropower, carbon emission schemes, wind and solar power schemes, biofuel cultivation, conservation scheme and ecotourism ; and
- Website content on the NSWALC website: www.alc.org.au

The 2011/12 financial year saw the conclusion of the grant and the project.

The NSWALC provided a comprehensive submission to the Office of Environment and Heritage in response to the statutory review of the Biobanking Scheme in June 2012.

Other environmental issues

The Policy and Research Unit monitored changes in programs and initiatives and provided responses to a number of inquiries and reviews relating to environmental issues during the reporting period.

These included:

- Carbon Farming Initiative: The PRU provided a series of responses and submissions in relation to the development and implementation of the Carbon Farming Initiative and related legislation, as well as the Indigenous Carbon Farming Fund.
- Biodiversity: The PRU provided a number of submissions to various inquiries regarding the protection of biodiversity and biodiversity management. These included submissions to the House of Representatives Standing Committee on Climate Change, Environment and the Arts and the Committee's Inquiry into Climate Change and Biodiversity, submissions in response to the Australian Government's draft Biodiversity Strategy, submissions to the review of the Environment Protection and Biodiversity Conservation Act and submissions in relation to wildlife corridors management.
- Other environmental areas: The PRU provided a submission to the NSW Regional Pest Management Roundtable as well a submission to the review of NSW Livestock Health and Pest Authority Model.

International Advocacy

As noted earlier, the New South Wales Aboriginal Land Council holds special consultative status with the United Nations Economic and Social Council (ECOSOC).

This allows the NSWALC to advocate on behalf of Aboriginal peoples in NSW and in a collective capacity at the international level when participating at the United Nations through its various bodies and activities.

In addition to the delegations sent to the United Nations during the reporting period the NSWALC also sent a four person delegation to the World Indigenous Housing Conference held in Vancouver BC from 11 – 15 June 2012.

The conference covered five important themes including Health and Housing, Capacity Building, Disaster Preparedness, Governance and Partnerships.

The delegation participated in a number of plenary and side events on Aboriginal housing and gained knowledge of international models.

The NSWALC delegation met with a wide range of representatives to discuss housing issues and the possibility of Australia hosting the next World Conference.

The NSWALC was also a guest at a range of First Nations group meetings and visited land developments hosted by Chiefs of the First Nations to participate in discussions on housing and housing related policies.

Australian Constitutional Reform

As previously reported, the Australian Government has committed to reform of the Australian Constitution to recognise Aboriginal and Torres Strait Islander peoples.

A panel has been appointed to report on options for constitutional reform.

The NSWALC provided a submission as a part of the consultation process.

It recommended the Australian Constitution be amended to:

- i. Provide full constitutional recognition of Aboriginal and Torres Strait Islander peoples as the sovereign First Peoples of Australia;
- ii. Remove section 51(xxvi) of the Constitution, also known as the “race power”, and replace this with a power for the Australian Government to make laws *‘with respect to matters beneficial to Aboriginal and Torres Strait Islander peoples in that such laws are only enacted for the sole purpose of securing the adequate advancement and equal enjoyment or exercise of human rights*

and fundamental freedoms of Aboriginal and Torres Strait Islander peoples’. This conforms to the accepted international standard for ‘special measures’ as allowed under the the Convention on the *Elimination of All Forms of Racial Discrimination*.

- iii. Remove in its entirety section 25 of the Constitution, which anticipates the disqualification of persons of a particular race from voting in state elections; and
- iv. Insert a general guarantee of racial equality and a prohibition on racial discrimination into the Constitution.

The submission noted that any change flowing from this process should reflect Australia’s international human rights obligations.

These include Aboriginal and Torres Strait Islander peoples right to self determination, the right to protect their distinct cultures and identities and the right to be protected from racial discrimination.

The submission also noted that any reform must be based on open consultations with Aboriginal and Torres Strait Islander peak bodies and communities with adequate timeframes in order to obtain their free, prior and informed consent towards any proposal for Constitutional reform.

The NSWALC has recommended the Australian Government move beyond the reform of the Australian Constitution to provide greater rights protections of Aboriginal peoples of Australia.

We have strongly advocated for the Australian Government to move forward from its ‘commitment to formally support’ the UN Declaration on the Rights of Indigenous Peoples, to fully implement these principles into laws, policies and, most importantly, practical measures.

The Unit has developed two information sheets on Constitutional reform which are available for download from the NSWALC website.

Australian Bureau of Statistics 2011 Census

The Unit has commenced a project relating to the ABS 2011 Census.

It includes obtaining and analysing population data at the NSWALC and LALC geographic areas.

The Unit believes this data may be of use in developing and updating Community Land and Business Plans.

It may also provide additional data that builds on the 2006 ABS Census analysis the NSWALC undertook as well as the Population Projects Project that was undertaken in 2008.

This project is due to be completed by 2013.

Roads and Traffic Authority: Aboriginal Cultural Heritage Procedures

The Unit has been involved in extensive negotiations with the former Roads and Traffic Authority on changes to the Roads and Maritime Services Procedure for Aboriginal Cultural Heritage Consultation and Investigation.

The Procedure was finalised during the reporting period without NSWALC's endorsement.

In our view the policy does not contain sufficient guarantees for early and broad reaching community consultation with Aboriginal cultural knowledge holders.

It places far too much reliance upon the problematic Aboriginal Heritage Information Management System.

The Policy and Research Unit will continue to monitor and provide advice to the Aboriginal community on the Roads and Maritime Services implementation of this policy in the new year.

NSWALC Land Management and Mapping Tool

The Unit continued to work on upgrading NSWALC's mapping and land management systems to a fully integrated and electronic Geographic Information System.

The system, funded jointly with the NSW Office of Environment and Heritage and the NSW Environmental Trust, is designed to spatially store the network property register, land claims database and other land management information.

The system has been trialled internally.

It is anticipated it will be made available for testing across the network in the new reporting period.

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 2011-2012.

Following is a comprehensive list of submissions.

Aboriginal Culture and Heritage

Date	Inquiry/review topic
Jan 2012	NSW Office of Environment and Heritage (OEH) Aboriginal Culture and Heritage Review
21/6/12	Submission to the Department of Sustainability, Environment, Water, Populations and Communities on the Australian Heritage Strategy
29/6/12	Submission to Scientific Audit Panel, Marine Parks Authority in response to the Scientific audit of marine parks in NSW

Aboriginal Affairs Taskforce and CAPO

Date	Inquiry/review topic
19/5/12	Submission to the Ministerial Taskforce on Aboriginal Affairs: Service Delivery and Accountability
19/5/12	Submission to the Ministerial Taskforce on Aboriginal Affairs: Employment

Planning

Date	Inquiry/review topic
November 2011	NSW Planning System Review Panel – Stage 1
March 2012	NSW Planning System Review Panel, Submission on Issues Paper – Stage 2
3/5/12	Draft Strategic Regional Land Use Plans for the New England North West and Upper Hunter regions

Natural Resource Management

Date	Inquiry/review topic
18/7/11	Submission to the Inquiry into Climate Change and Biodiversity, House of Representatives Standing committee on Climate Change, Environment and the Arts
10/8/11	Department of Climate Change and Energy Efficiency, Carbon Farming Initiative funding
26/8/11	Response to the National Climate Change Adaptation research Plan: Indigenous Communities (Griffith University)
17/10/11	Submission to the Australian Government Draft Biodiversity Policy (EPBC Act reform)
14/11/12	Response regarding the NSW Regional Pest Management Strategy
13/12/11	Submission in regards to ratifying the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilisation.
6/2/12	Land and Water Advisory Panel letter responding to Communication Strategy
20/4/12	Submission to the Department of Sustainability, Environment, Water, Populations and Communities on the Draft Wildlife Corridors Plan
26/4/12	Submission in relation to the Carbon Credits (CFI) Amendment Regulation 2012
4/5/12	Submission to the Department of Climate Change and Energy Efficiency on the Indigenous Carbon Farming Fund
21/6/12	Submission to the Office of Environment and Heritage on the review of the BioBanking Scheme

International and Human Rights

Date	Inquiry/review topic
2/9/11	Submission to the Australian Government on Constitutional reform and recognition of Aboriginal peoples in the Australian Constitution
3/8/11	Submission to the NSW Government on Summary Offences Amendment (Intoxicated and Disorderly Conduct) Bill 2011
31/1/12	Submission to the Attorney General's Department regarding the consolidation of Commonwealth anti-discrimination laws.
1/2/12	Submission to the Attorney Generals Department in response to the consolidation of anti discrimination laws
7/5/12	Submission to the UN Permanent Forum on Indigenous Issues: Representative Structures / Culture and Heritage / Doctrine of Discovery / Food Sovereignty
11/5/12	Submission to the National Anti-Racism Partnership and Strategy Secretariat in response to the National Anti-Racism Strategy and Discussion Paper
9/07/12	Submission to the Expert Mechanism on the Rights of Indigenous Peoples: Language and Culture

Water

Date	Inquiry/review topic
20/4/12	Submission on the Draft Murray Darling Basin Plan

Other policy areas

Date	Inquiry/review topic
10/4/12	Submission in response to the NSW Long Term Transport Master Plan
25/5/12	<i>Submission to the Review of the NSW Livestock Health and Pest Authority Model</i>

Workshops, events and meetings

This reporting period saw Unit staff attend a number of workshops, events and meetings.

Staff received invitations to attend a number of the Councillor's Regional Forums to present on issues related to Aboriginal Culture and Heritage, Water and the Aboriginal Land Rights Act Review.

Other events and meetings attended by Policy and Research Unit staff included:

- Yabun, 25th January 2012
- Keeping Places Summit
- Presentation to Sydney Progressive Breakfast on Aboriginal Culture and Heritage Reforms, 29th March 2012
- Presentation to lecturers, Academics and PhD students on Planning, environment and land management issues, La Perouse LALC, 29th June 2012
- Constitutional reform seminars and meetings
- Meetings and seminars regarding emerging clean energy programs
- Presentation to international delegates from DFAT
- Attendance at Land Alive subcommittee meetings
- Presentations to the Aboriginal Heritage Advisory Panel (AHAP)
- Attendance at a number of consultations and 'feedback forums' on Aboriginal Culture and Heritage law reforms hosted by the NSW Office of Environment and Heritage
- Meetings with interested stakeholders regarding the reform of Aboriginal culture and heritage laws in NSW

- Meetings regarding the NSW Government's development of Strategic Regional Land Use plans
- Presentation to Local Planning Panel
- Presentation to university student on Land Rights
- NCOSS events on State budget issues

Educational Resources

The Unit has also produced a large number of educational resources during the reporting period.

These included the following materials:

- Culture and heritage information materials including a detailed culture and heritage model report, fact sheets, postcards, flyers, stickers and magnets
- Sustainable land use options information sheets (a series of 10 information sheets)
- Constitutional reform fact sheets (2 fact sheets)
- A variety of resources relating to the Biobanking Scheme
- Human rights fact sheets

Email Bulletin

The Policy and Research Unit has continued to produce an email newsletter ('e-bulletins') during the reporting period as a result of a number of requests from interested members of the broader public for more information about the advocacy and policy work of NSWALC.

The e-bulletin is designed to keep interested parties up to date on current and emerging issues relevant to our network and provides updates on the Unit's activities including submissions, events and publications.

Additional policy advice and assistance

The Unit also responded during this period to a large number of requests for policy advice and assistance via phone, email and mail from the Aboriginal Land Council network and community members.

Issues included:

- Options for protecting Aboriginal heritage sites
- Assistance in developing responses in relation to Aboriginal heritage issues
- Consultation policies and procedures
- Advice to LALCs on planning, zoning and local council issues
- Regular notices to LALCs on opportunities to respond to key policy and legislative review and proposals, including the drafting of Local Environmental Plans (LEPs); and
- Referral letters to LALCs on culture and heritage and planning issues in addition to liquor licences

Media and Marketing

The Unit took on a heavy workload during the reporting period as a result of NSWALC's increased advocacy effort and the demands of producing *Tracker*.

It dealt with a constant stream of inquiries from Aboriginal and mainstream media on the national, state, local and international political activities of the Council, legislative change, and LALC matters.

It also dealt with a stream of email traffic from the NSWALC and Tracker websites seeking a wide array of information on Aboriginal Affairs issues.

Major activities included:

- Informing Local Aboriginal Land Council Boards, their members and staff, as well as NSWALC staff, on a range of issues by drafting and issuing a series of network messages in consultation with the Chairperson and the Chief Executive Officer.
- The preparation of a range of media statements, speeches, and background briefing and decision papers for Councillors and the Chief Executive Officer on a wide range of issues.
- The ongoing development, design and production of Tracker magazine and its companion website; www.tracker.org.au.
- The production of a range of videos.
- The production and distribution of NSWALC's 2010/11 Annual Report.
- The continuing 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 relevant stakeholders.

The Unit also assisted the Council and the Chief Executive Officer with a range of strategic public affairs issues throughout the year.

It continued to work closely with the Policy and Research and Legal Services Units on specific key public awareness campaigns.

These included land rights and the culture and heritage campaign, More Than Flora and Fauna.

New Products

Two major highlights during the reporting period were the ongoing development and production of Tracker Magazine and the continued roll out of the material from the Media and Marketing's Video Production Unit.

While they resulted in a significant increase in the workload of the Unit both are considered essential tools in the NSWALC's advocacy work.

Both followed the decision by Media and Marketing Director, Mr. Graham, to move the production of the Unit to multi-media platforms, in line with the rapidly changing nature of media in Australia.

Tracker Magazine

As noted last year the first edition of Tracker magazine was produced for, and officially launched at, the NSWALC Statewide Conference in April 2011.

The publication grew out of a request from Councillors in late 2010 for the Media and Marketing Unit to consider the creation of a Council newsletter to solve the problem of providing direct information to LALC members across NSW.

The inability to provide direct, timely and factual information to LALC members had constantly plagued the organisation given the prohibitive cost of direct mail to more than 20,000 members.

Many have no access to the internet.

After much consideration the Unit took a proposal to Council to eliminate that cost and generate revenue by producing a news magazine which would operate like a normal business and be cost-neutral to the NSW Aboriginal Land Council.

The magazine, to be called Tracker, would be a rights-based monthly magazine, owned and produced by Aboriginal people which would campaign for the interests of Australia's First Peoples.

Tracker would also:

- promote key NSWALC messages to Aboriginal land council members;
- Key messages from LALCs to the land rights network.
- promote key NSWALC messages to other Aboriginal and non-Aboriginal people across NSW, nationally and internationally;
- advocate strongly for the rights and interests of Aboriginal people in NSW, and beyond.

It was proposed each LALC member would receive a free copy of Tracker by direct mail to their home.

In addition, the publication would be available to the general public through commercial sales in news agencies around the nation and by subscription.

It was pointed out the proposed circulation for Tracker would be at least three times larger than its nearest competitor from its first edition, due to the direct mail to LALC members.

The Registrar of the ALRA had agreed to release a confidential membership mailing list to the NSWALC for direct mail purposes, subject to the NSWALC agreeing to use the list strictly for that purpose.

It was proposed Council provide seed funding for the magazine ahead of the generation of revenue from advertising and a subscription base.

Tracker would eventually be operated as a company limited by guarantee.

The publication would seek to:

- Advance the inherent rights of all Aboriginal and Torres Strait Islander peoples through evidence-based, balanced and culturally appropriate journalism.
- Promote the recognition of those rights, particularly as they apply to Aboriginal people as the First Nations of NSW through fair and accurate reporting and opinion.
- Would not subscribe to any given mainstream political viewpoint.
- Would seek to expose the use of mainstream media as anti-rights propaganda or to promote intolerance and conflict.
- Would express its opposition to discrimination of all kinds and seek to combat racism by promoting debate within all sectors of the community.

Council approved the development, production and launch of the magazine at a meeting in February 2011.

The first edition, as noted earlier, was launched at NSWALC's Statewide Conference in April 2011, immediately after the NSW State Election.

A special section, LALC Land, was devoted to stories about the activities of Local Aboriginal Land Councils across the State.

This has become a permanent feature in each monthly edition published to the end of this reporting period.

The magazine has been well received across the LALC network and with the general public.

Its production has allowed the NSWALC to considerably increase its advocacy effort without resort to third party print and electronic media.

This has been particularly so in response to the misreporting in both mainstream and Indigenous specific media of issues such as support for the beleaguered Toomelah community and the NSWALC bid for exploration licences.

The magazine and website had firmly established themselves within the network and the wider marketplace as this reporting period ended.

While subscriptions and advertising revenue were building it was anticipated the magazine would require ongoing subsidy by the Council for the new financial year.

Considerable effort was being devoted as the reporting period ended to target a substantial increase in the advertising revenue base.

Long term campaign advertising was a key target, particularly from the NSW and Commonwealth Government. Both are publicly committed to support independent Indigenous specific media.

Media Releases, Speeches and Network Messages

The Unit drafted a constant stream of media statements, speeches, speaking notes and network messages for members of NSWALC's Governing Council and the Chief Executive Officer, during the reporting period.

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.

They 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 30 years.

The constant flow of network messages kept the Local Aboriginal Land Council network and NSWALC informed of policy and program developments.

They also sought important feedback from the network.

In addition, Council and management were assisted in drafting a number of opinion pieces for newspapers and online opinion sites such as *The Drum*, which is hosted on the Australian Broadcasting Corporation's website.

Media Statements

The first statement for the new reporting period recorded the election of Chairperson, Stephen Ryan and Deputy Chairperson Craig Cromelin at the 267th meeting of the NSW Aboriginal Land Council in August.

It noted Chairperson Ryan has been a long-time fighter for Aboriginal land rights.

His past employment and appointments crossed the breadth of Aboriginal affairs in NSW, including in the areas of family violence prevention, Aboriginal housing, legal and justice services, native title, Aboriginal Culture and Heritage, and land management.

The NSWALC CEO, Mr. Scott said the outcome was another positive step forward for Aboriginal people - and Aboriginal land rights - in NSW.

Chairperson Ryan and Deputy Chairperson Cromelin brought a wealth of experience to the table in representing the views and interests of Aboriginal people.

They also brought a new energy to the NSW Aboriginal Land Council, and "our organisation has immense confidence in their ability - and that of our new Governing Council - going forward."

"We've made confident strides over the past four years, and I'm certain our next term will be just as industrious for the 20,000-plus Aboriginal members we represent." Mr. Scott added.

"NSWALC quite literally is self-determination in motion. We're heading in the right direction, with the right people in place to make positive change a tangible reality."

The NSWALC publicly welcomed the release in October of the comprehensive report *Addressing Aboriginal disadvantage: the need to do things differently*, from the NSW Ombudsman.

The statement noted it was the second recent report in the past few months which had shone a light on the appalling failures of government service delivery to Aboriginal people in NSW.

It followed the secret Federal Government report, *Indigenous Expenditure Review 2010*, which confirmed a massive underperformance in the Commonwealth Government's effort.

That report revealed billions of dollars of taxpayer funds meant to tackle poverty amongst the nation's most disadvantaged people had been wasted by successive bureaucracies.

Mr. Scott noted the NSW Ombudsman's report went further than any before it.

It strongly acknowledged the need for Aboriginal people to be at the centre of the decision-making processes around government engagement.

"We welcome this report and congratulate the Ombudsman and his staff on taking the initiative to produce this very timely and focused analysis," Mr Scott said. "It succeeds where so many have failed, simply by focusing on the facts.

"The report highlights that the greatest shortcomings are proper process and governance on the part of the government itself.

"The report also clearly exposes the lie of the usual mantra - blame Aboriginal people for the lack of progress and ongoing failures. It also confirms - in stark and clear detail - the reality we all face today. That is that the practices and the cheap point scoring of the past must be cast away.

"Australian taxpayers have a legitimate gripe that all this effort - and it is significant - has not produced the expected results."

Mr Scott said the way forward was clear.

Genuine partnership between government and stakeholders was the key to progress.

"Working alone Aboriginal people, policy makers and government did not have the answers, but working together we have the best chance and arriving at the solutions," Mr Scott said. "To turn this state of affairs around, we need real leadership and courage. And we must we all give a collective commitment to making a real difference.

"If governments do not take heed of the facts and messages of these reports, then the future of Aboriginal people will continue to be uncertain, and our continuing state of disadvantage will remain a blight on all Australians."

Mr Scott acknowledged the NSW Government appeared to have already realised some of the key findings of the Ombudsman's report.

"Despite only being in office a short time, Minister for Aboriginal Affairs, Victor Dominello has already moved quickly to put in place the first initiative to change this sad circumstance."

"He has established a Ministerial Taskforce at which Aboriginal people finally have a seat at the table. This is a strong acknowledgement from the O'Farrell Government that the old 'top down' approach has failed."

"The Taskforce will look into the delivery of government services, particularly in the areas of education and employment opportunities, and while it's very early days, the fact that Aboriginal people are at the centre of the process is encouraging."

"The Ombudsman's report will provide the Ministerial Taskforce with a very good reality check."

The report, which is available from the NSWALC website, acknowledged the crucial importance of organisations such as the NSWALC.

This is some of what it said.

"As the largest self-funded Aboriginal representative organisation in Australia, the NSW Aboriginal Land Council (NSWALC) has a key role to play in formulating economic opportunities."

"The objects of the NSWALC are 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 NSW."

Building Capacity

"Building the economic capacity and wealth of Aboriginal people will require government to identify and address the factors which act as barriers to Aboriginal organisations actively participating in the real economy."

"Given NSWALC's significant asset base and its responsibilities to contribute to the economic, social and cultural development of Aboriginal people, NSWALC and its network of Local Aboriginal Land Councils (LALCs) has a critical role to play in establishing partnerships with government, the corporate sector, philanthropic bodies and others, that are focused on developing innovative enterprises that create real opportunities for Aboriginal people."

The Need for Good Governance

"A significant non-government investor in programs to strengthen governance at a local community level is the NSW Aboriginal Land Council. Through its Training and Development Unit, the NSWALC provides an extensive range of training and development to its network of LALCs, including mandatory training for those community members who are elected to board of management positions."

"This training is principally aimed at assisting LALCs to improve the efficiency and effectiveness of all land council operations. The training and development assistance provided by the NSWALC is generally well-received. Board members who have previously completed mandatory governance training are not required to do it again, yet many re-elected board members chose to do so."

"The NSWALC has also developed an innovative online mode of delivery to extend the availability and timeliness of its training. Its training was recognised as a finalist in the 'Innovation' category of the NSW Training Awards presented in September 2009."

"NSWALC has recently been asked to contribute to a project to improve governance in the Aboriginal Health and Medical Research Council, in Aboriginal medical services across Australia and to develop more robust corporate governance models for the Aboriginal Community Controlled health sector generally."

---NSW Ombudsman's report, Addressing Aboriginal disadvantage: the need to do things differently

Community Issues

The media statements proved important in highlighting a range of community issues.

This is, perhaps, best highlighted by a statements issued to counter inaccurate media reports about the beleaguered community of Toomelah and to announce the NSWALC would assist a 25-strong Aboriginal delegation from Bowraville on the state's north coast in presenting a petition to Deputy Premier Andrew Stoner.

The petition sought to address a number of questions from the community in relation to one of the state's most notorious unsolved serial murders.

16-year-old Colleen Walker-Craig, Evelyn Greenup and Clinton Speedy-Duroux, also 16, were murdered in 1990 in the mission community of Bowraville.

Despite several trials and a coroner's inquest, no person has been convicted of the crimes to date. Chairman Stephen Ryan said the patience of Bowraville's Aboriginal community was wearing thin.

"Members of the victim's families are understandably disillusioned with the justice system, and feel their voices must be heard..." he said.

"To that end I, along with the NSWALC Board, support their push to present this petition and regain some traction with this case."

Councillor for the Mid North Coast, Peter Smith said the crimes were an enduring source of pain and bitterness for the families and the broader community.

The new calendar year began with a statement calling on the federal Aboriginal and Torres Strait Islander Social Justice Commissioner, Mick Gooda, to conduct an independent investigation of the actions of police into the alleged "riot" at the Aboriginal Tent Embassy on January 26.

It followed the release of fresh footage of the incident outside the Lobby restaurant in Canberra, which showed Australian Federal Police dealing inappropriately with protestors, including inciting and committing violence.

Mr Scott said Aboriginal people found themselves in an ugly confrontation with police having staged a successful celebration march to mark the 40th anniversary of the founding of the Tent Embassy only hours earlier.

The available footage of Prime Minister Julia Gillard's exit from the Lobby restaurant clearly showed police were fending off photographers and journalists, not Aboriginal protestors.

"It's now also clear from new video footage that has emerged that there are some serious questions that need to be addressed about the conduct of officers, particularly after the Prime Minister and Opposition leader had been removed from the demonstration."

Mr Scott said there were good reasons why Mr Gooda, whose job was created as part of a broad response to the National Inquiry into Racist Violence, should conduct the inquiry.

"We believe Mr Gooda is an appropriate person to conduct an independent investigation for a number of reasons.

"Firstly, there is a long and unfortunate history in this country of police investigations into police actions falling short of the sort of transparency and probity the public demands.

"Secondly, it's only through an independent investigation that we will be able to rule a line under this incident, and move on to talking about the issues that really matter.

"Aboriginal people want to talk about many issues, including economic development, sovereignty, land rights and treaty. These may be uncomfortable issues for the Australian people, but they are issues that must be resolved, sooner rather than later."

Mr. Scott also issued a statement noting the NSWALC had submitted a number of applications to the NSW Government for petroleum exploration licenses.

This followed public claims in the mainstream media that NSWALC had failed to consult with local communities.

Mr. Scott noted the applications sought to explore for petroleum and gas in three locations - near Murwillumbah and Grafton on the NSW north coast and White Cliffs in north western NSW and stressed they were only applications.

NSWALC faced the same scrutiny and processes to which all applicants are subject.

"We are at the very first stage of the process - effectively we're dipping our toes in the water," he said.

He noted the NSWALC operated independently of Government and did not receive nor rely on government funding to support its activities.

"We have thrived and survived under our own steam since 1998. That is a source of immense pride for our organisation, and for Aboriginal people across the state," he added.

"However, the needs of Aboriginal people in NSW are great. In order to move Aboriginal people to economic independence - one of the core objectives of NSWALC - we must find sources of revenue that can not only sustain our people, but also assist our people to improve their economic and social positions. Ending the cycle of generational poverty is very expensive.

"For decades, Aboriginal people have gotten little more than scraps from mining activities. This strategy is about Aboriginal people breaking through into the real economy, and driving financial benefits back into the land rights network. It is a paradigm shift. It's about us having a seat at the table, rather than waiting for the crumbs.

"NSWALC has concerns about the environmental impacts of mining. That's why we intend to approach these issues from an Aboriginal perspective, and as an organisation that has an established track record of preserving the environmental and cultural sensitivities of our land.

"Aboriginal and non-Aboriginal people right across this state will have differing views on the merits of mining. NSWALC is not blind to that fact. As this process gathers pace, we intend to negotiate closely with stakeholders to ensure the best possible outcomes.

"There are no guarantees that NSWALC will even be granted a license to explore for petroleum and gas.

"And even if we are, there are no guarantees that our explorations will bear fruit.

"But NSWALC is excited about the prospect of finally giving the Aboriginal people of NSW a real shot at self-determination through economic independence."

The NSWALC had not received permission to begin exploring for petroleum and gas, let alone identified sites for exploration.

It had stated publicly on numerous occasions that even if given an exploration licence, any activities conducted would be in consultation with Aboriginal stakeholders.

The NSWALC was also forced to issue public statements of clarification following misleading reports in the mainstream media and the National Indigenous Times which suggested the organisations wanted to shut Toomelah down.

The reverse was true.

Acting CEO Les Turner pointed out that NSWALC had been working to ensure that the residents of Toomelah receive the same basic services as all other NSW residents.

The NSWALC had been working intensively with TLALC for several years to rebuild governance structures in the community, so that Toomelah residents can solve their own problems, as opposed to government solutions being imposed on the community.

The NSW Aboriginal Land Council, under no circumstances, supported an 'intervention' at Toomelah, or any other Aboriginal community. NSWALC supported the strengthening of local decision making to allow Aboriginal people to govern their own future.

Any suggestion to the contrary was false. Chairperson Ryan welcomed the NSW Government's public announcement in May of a proposed radical overhaul of rural and regional education in a bid to lift results in Aboriginal and other disadvantaged communities.

The plan, he said, was a significant step in the right direction in addressing an absence of aspiration in the educational outcomes in many communities.

The NSWALC fully supported the call from Premier Barry O'Farrell's on the Federal Government to get behind the initiative.

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

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

Mr Ryan said Premier O'Farrell's public candour in announcing the education overhaul should also be commended.

"The Premier has declared publicly he's ashamed as a citizen, and determined as Premier, to do something about the poor academic results among Aboriginal students which have shown little improvement in the past ten years.

"He came to office committed to find new ways of doing business in Aboriginal Affairs.

"This new policy is further evidence of his commitment to doing so."

The Government was committed to generational change in educational outcomes. This deserved the full support of all Aboriginal parents in NSW.

The media statements also provide an opportunity to publicly mark the passing of Aboriginal elders during the reporting period.

Chairperson Ryan noted the community was in mourning in December with the loss of Wiradjuri warrior, Trevor Christian.

Trevor, he said, was a Wiradjuri icon who spent his life fighting, not only in the ring, but also for his people.

"The land rights network in this state has immensely close ties with the Christian family and

my condolences and best wishes go out to them, especially the Christian boys, Grant and David. "Many would be aware of Trevor's success in the boxing ring as an amateur, professional and finally as an official."

"Back in 64 Trevor took-off to Singapore to slug out a ten round draw with future Japanese and OPBF champion and WBA/WBC title challenger Hisao Minami.

"He would later famously state: "They called it a draw but I definitely won the fight."

"Trevor fought on into the 70s, but a series of illnesses kept him from training fulltime.

"His passion for the sweet science continued after retirement however and inspired by his Aboriginal idols Dave Sands, George Barnes and Jack Hassen.

"He went on to become the first Aborigine to referee a world title bout in 1990.

"Trevor was built tough, and continued to judge right up until August this year.

"Fittingly, his last stint in the world of boxing was working on the undercard of Aboriginal up-and-comer and current world title holder, Daniel Geale down in Tasmania.

"He truly was the ultimate example for fighters like Daniel Geale and the many other young Aboriginal fighters on the rise, and his legacy in the sport will never fade.

"His work in and out of the boxing ring aside, Trevor did a lot of great things for Aboriginal people.

"Trevor helped countless brothers and sisters to stay out of prison whilst playing a leading role for the Aboriginal Legal Service and ATSIC. He helped those coming out of prison find shelter, employment and in many cases, happiness once again.

"It's an understatement to say he was hugely respected everywhere he went. His passing is such a great loss to the Aboriginal and non-Aboriginal community alike.

“Trevor never stopped punching-on for his family and his people.”

It fell to Chairperson Ryan and North West Councillor Ann Dennis to mark the passing in April of legendary activist Steve Gordon.

He was one of Chairperson Ryan’s mentors.

“He was a strong man in my life, and someone I’ll never forget,” he said.

Steve Gordon was succeeded by Councillor Dennis.

She extended her sincere condolences to the Gordon family on behalf of the NSWALC and the land rights network.

“It was a privilege to be elected to continue the vital work of Councillor Gordon,” she said.

“He may be gone but he will never be forgotten.

“It was widely known that ailing health was taking an increasing toll on Steve in recent years but he will always be remembered as a tireless and colourful pioneer in the fight for our rights. “His passing is a sad day for land rights in New South Wales.”

Another land rights pioneer was publicly acknowledged in June with the sad passing of former federal and NSW state MP Frank Walker.

Mr. Walker was the State’s Attorney General and Minister for Aboriginal Affairs in the reformist Wran Labor Government and Special Minister of State in the Keating Government.

He was a ferocious fighter for the rights of Aboriginal people.

Fortunately he was able to do something concrete about it.

Mr Walker introduced and guided the passage of the Aboriginal Land Rights Act through the New South Wales Parliament almost 30 years ago.

He did so in the face of significant opposition from both the Aboriginal and conservative community.

The legislation set the legal machinery in motion which, 30 years later, still gives us the right to redress our dispossession by seeking legal right to our land and operating with some autonomy from government through our self-funding status.

The legislation is his legacy.

Council decided to dedicate this report to the memory of the late Councillor Gordon and Mr. Walker.

Video Production

Mr. Walker conducted his last known interview with NSWALC staffers, Sol Belleair and Chris Munro as part of the Unit’s Legends of Land Rights video.

The highlights are contained on his dedication page.

Despite a lack of resources, delivery delays in equipment and technological problems the Unit continued to establish in-house video production facilities as part of the Unit’s development of multi-media and social media platforms.

As reported last year one of its first productions was an electronic honour roll which pays tribute to those who fought for land rights, at State and LALC levels, who have passed away.

The video remains a work in progress.

Resource Centre

Established in early 2008, the NSWALC Aboriginal Resource Centre has proved to be an increasingly valuable facility for NSWALC.

The Centre, on the ground floor of Head Office, incorporates the Unit’s work areas, NSWALC reception facilities, and a steadily growing reference library on Aboriginal Affairs issues.

The Unit produces and distributes a range of marketing materials to the ALC network, Aboriginal communities, and the wider public.

All are produced in-house.

The design and desktop publishing activities continued to produce a significant cost saving to the organisation during the reporting period.

The production and distribution of these materials is co-ordinated through the Resource Centre.

The management and operation of the Books Behind Bars program is also conducted from the Centre.

Works in Progress

As this reporting period ended the Unit looked to assess the performance of Tracker magazine and companion website with a view to a restructure of production resources and to increase advertising revenue.

Tracker magazine has become the major media and marketing effort of NSWALC, and as its circulation and revenue grows, it will continue to expand its operations.

The production team is committed to seeking to ensure the production of the magazine is, at very least, cost neutral to the NSWALC, while remaining committed to its long form journalism.

The Media and Marketing Unit has also begun looking closely at the integration of social media and multi-media platforms into the internal and external communications of the organisation.

News stories of interest to our members, and to the broader Australian public, are increasingly accompanied by online video stories and multimedia such as picture galleries.

All of NSWALC's video are streamed on its website and via You Tube.

All of the organisation's news releases, network messages, speeches and background briefing papers can also be found on the website at www.alc.org.au.

Media Protocol

As reported in this space in previous years one of the earliest decisions taken by the outgoing Council was to officially adopt a protocol for NSWALC's dealings with all media.

The protocol sets out the procedure to be observed by NSWALC Councillors and all staff in dealing with media requests about NSWALC policy and its operations.

Under the protocol all Councillors and staff are requested to ensure that all media inquiries on NSWALC policy and operations are referred, in the first instance, to the Media and Marketing 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 and was expected to be endorsed by the incoming Council in August 2011.

The Year Ahead

The work of the Media and Marketing Unit continues to intensify.

The media landscape is changing rapidly, and the NSWALC's view is that it must also change not only how it deals with the media, but how it produces its own media.

The strategies being followed by the Unit will ensure the NSWALC relies less and less on the intervention of third party media to ensure its message reaching its primary targets.

They are the membership of Local Aboriginal Land Councils, decision makers in the State and Federal Parliaments, industry and the wider community.



Frank Walker

Former State and Federal MP, Frank Walker, passed away in June 2012. Mr. Walker was the Minister for Aboriginal Affairs in the reformist Wran Government. He was the Minister responsible for the creation and proclamation of the NSW Aboriginal Land Rights Act (1983) and a passionate supporter of Aboriginal rights throughout his political career.

In a rare interview shortly before he passed away he talked of the background to, and importance of, the legislation, land rights and the creation of a political base for Aboriginal people.

THE LEGISLATION.

...A lot of research we did was on stolen land. We researched the records of the Lands Department and discovered probably hundreds of thousands of hectares of stolen land taken without compensation. That was the basis of the legislation...

THE IMPORTANCE OF LALCS.

The land rights legislation was not only about money and compensation and land. It was about politicising the Aboriginal community. It was about giving them a political base around the state....to organise in local communities and look after their self-interest. Local Aboriginal Land Councils would be funded, have offices working and they would have money for staff and resources so they could run political campaigns locally to ensure they got new land and new funds into their organisations.

LAND RIGHTS TODAY.

Reading the NSWALC Annual Report and looking at how modern and how intelligent are the things happening within it....I think there has been great progress. I think it is a very efficient, very well run, very well staffed by intelligent and capable people. I think that is flowing across to the LALCs. It's a body I'm proud of.

THE FUTURE CHALLENGE.

For the conservatives in the community it really represents a terrible challenge. It is there confronting...getting bigger, better and stronger. ..Developers rule in this state. Labor was responsible for that....I worry that the developers are not happy with land rights and never have been....There will be pressures on governments. I only hope that as soon as there is any real move the streets of Sydney will be full of demonstrators again fighting the good fight because... they will win it.

INVESTMENT

As noted earlier our Chief Investment Officer is Mr. Chadwick Pocock.

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

Before reviewing the performance of the NSWALC's Statutory Investment Fund we consider it to be in the public interest to outline the goals for the Fund and the strategies, principles and management behind it.

Readers should also note the changes made to the NSWALC's Drawdown Rule during this reporting period. Its impact on future budgets is outlined later in the budgeting section of the Corporate Services report.

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 value of the Statutory Investment Fund was \$544 million as at 30 June 2012, compared to \$563 million at the end of the previous reporting period - a decrease of \$19 million.

This was primarily the result of a short fall in the budgeted earnings of the fund.

There is a view, in some quarters that this money simply sits in a bank account.

This is given periodic credence by ill-informed reports, particularly in the media.

It is wrong and does a great disservice to Council, management and all of those in the land rights system who work 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 \$35.5 million was made during the year to fund the operational expenditure of the land rights network, including the administrative costs of both the NSWALC and Local Aboriginal Land Councils.

The required draw down for the new financial year is expected to be \$37.9 million.

Many Local Aboriginal Land Councils face difficulty meeting their financial and reporting obligations.

NSWALC must support those under-performing Local Aboriginal Land Councils.

This places additional burdens on our financial resources - and those we can share within the land rights network - through the cost of appointing investigators, administrators, and for legal expenses, intensive assistance projects and the cost of meeting Local Aboriginal Land Council liabilities.

The transactional costs from the last round of reforms to the Act continue to have a major cost impost on NSWALC's bottom line.

Growth of the Fund

There are those who believe the 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 our 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.

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 Real Return and Downside Risk Objectives.

These are:

- **Real Return Objective**
To invest so as to have a greater than 66% probability of achieving a return of the Consumer Price Index plus 4% over 5 year rolling periods.
- **Downside Risk Objective**
To limit the probability of a negative return in any year to be less than 20%.

These objectives sit alongside the investment beliefs of the Council.

They are as follows:

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

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

The technical aspects of the investment decisions are provided through the combined advice of the external asset consultant, 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 2012/13 is 5.79% of the investment balance.

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 Chairman, Stephen Ryan, and Councillor Des Jones represented Council.

The Investment Committee held five meetings during the reporting period.

They were held on:

- 25th August 2011
- 2nd December 2011
- 14th December 2011
- 24th February 2012
- 25th May 2012

Investment Decisions

A number of important investment decisions were made during the reporting period.

The most significant was the adoption of a new Strategic Asset Allocation (SAA).

The new SAA was adopted as it provides a greater probability of meeting the Real Return and Downside Risk Objectives.

It is as follows

Asset Class	Allocation
Australian Equities	12.0%
Int'l Equities	28.0%
Emerging Markets	5.0%
Global Listed Property	5.0%
Australian Fixed Interest	10.0%
Int'l Fixed Interest	7.5%
Australian Inflation Linked Bonds	7.5%
Diversified Fund of Hedge Funds	17.0%
Absolute Return	6.0%
Cash	2.0%

This Strategic Asset Allocation replaces the one below.

Asset Class	Allocation
	%
Australian Equities	12.0
Overseas Equities (UH)	14.0
Overseas Equities (H)	14.0
Emerging Markets	5.0
Australian REITs	5.0
Australian Inflation Linked Bond	3.75
Global Inflation Linked Bond	3.75
Diversified Fund of Hedge Funds	17.0
Absolute Return (Multi Strat)	6.0
International Fixed Interest (H)	7.5
Australian Fixed Interest	10.0
Cash	2.0
	<hr/> 100.00

The significant differences between the two are the removal of the Australian REITs and Global Inflation Linked Bonds as well as the increased allocation to Australian Inflation Linked Bonds and the new allocation to Global Listed Property.

During the reporting period the following investment managers were appointed.

Copperrock, Zurich, Magellan, Franklin Tempelton, Schroders, Vianova, Kapstream, Ardea and Principal. During the period the following investment managers were terminated: Berstein, State street Global Advisors, Macquarie and Blackrock

The resulting portfolio provided a return of 3.45% against a benchmark of 3.76% for the twelve months to June 30, 2012.

The table on the next page details the investment in each asset class of the portfolio and its performance against the appropriate benchmark for the period ended 30 June 2012

	FUM \$000	Quarter %	Year % pa	3 Years % pa	5 Years % pa
NSW ALC Fund	530,185	- 0.30	3.95	9.00	3.08
NSW ALC Fund Benchmark		- 0.63	3.76	7.28	2.73
Consumer Price Index + 5% pa		1.75	6.18	7.61	7.75
Consumer Price Index + 4% pa		1.50	5.18	6.61	6.75
Australian Equities¹	60,765	-5.21	-7.41	4.83	-3.89
S&P/ASX 300 (All Ords before 1/4/2000)		-5.02	-7.01	5.56	-4.15
Excess Return Over Benchmark		-0.19	-0.40	-0.73	0.26
International Developed Equities (unhedged)	148,068	-4.11	-2.23	6.06	-6.64
MSCI World ex Aust (unhedged)		-4.06	-0.50	2.43	-6.65
Excess Return Over Benchmark		-0.05	-1.73	3.63	0.01
Emerging Markets	27,464	-0.98	2.99	-	-
MSCI EM (Free) NET WHT		-7.92	-12.22	1.42	-3.80
Excess Return Over Benchmark		6.94	15.21		
Total International Equities (including hedging)²	175,532	-2.63	-1.03		
Composite International Equities Benchmark ²		-4.45	-1.53		
Global Listed Property	29,227	4.49	-	-	-
FTSE EPRA/NAREIT Dev (HDG)		2.89	5.86	20.23	-3.33
Excess Return Over Benchmark		1.60			
Australian Fixed Interest³	56,063	2.84	8.34	7.13	6.94
International Fixed Interest³	41,320	2.01	8.85	7.76	8.69
Aggregate Fixed Interest	97,383	2.48	8.57		
50% UBS Composite Bond All Mats, 50% Citigroup WGBI HDG AUD		3.59	12.07	8.65	8.72
Excess Return Over Benchmark		-1.11	-3.50		
Australian Inflation Linked Bonds	39,452	3.08	7.57	-	-
UBS Inflation Linked Bond Index		5.27	19.16	12.14	7.81
Excess Return Over Benchmark		-2.19	-11.58		
Absolute Return⁴	32,714	4.55	21.30	14.79	5.64
UBS Bank Bill		1.05	4.70	4.52	5.27
Excess Return Over Benchmark		3.50	16.60	10.27	0.37
Diversified Fund of Hedge Funds	83,285	-0.15	0.62	-	-
UBS Bank Bill		1.05	4.70	4.52	5.27
Excess Return Over Benchmark		-1.19	-4.08		

¹ Australian Shares performance for month of June inclusive of franking credits earned over the 11/12 FY.

² Total International Equities includes developed market equities, emerging markets and currency hedging. Composite International Equities Benchmark comprises of 40% MSCI World ex Aus Unhedged, 40% MSCI World ex Aus Hedged, 10% MSCI EM and 10% MSCI World Small Caps.

³ Australian Fixed Interest FUM includes 65% of PIMCO Target Return Fund. International Fixed Interest FUM includes 35% of PIMCO Target Return Fund.

⁴ Absolute return historical performance from inception until April 2011 includes performance of diversified fund of hedge fund managers.
50.01% rounding variance. Excludes gains on hedge of \$1,759k. Inclusion of hedge gains increases the portfolio performance to 3.95% for the 12 months to June 30, 2012.

Performance Against Peers

The following table compares the performance of the NSWALC portfolio against two Tcorp Investment portfolios with comparable investment objectives.

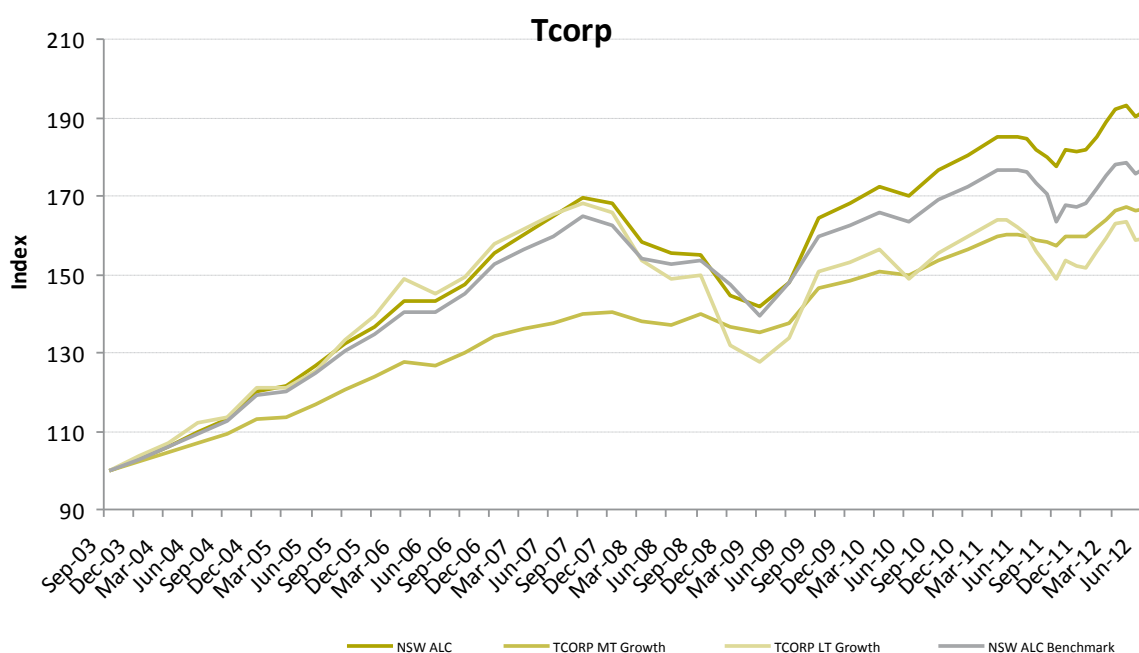
These are run by the New South Wales Treasury.

This is an important comparison.

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

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

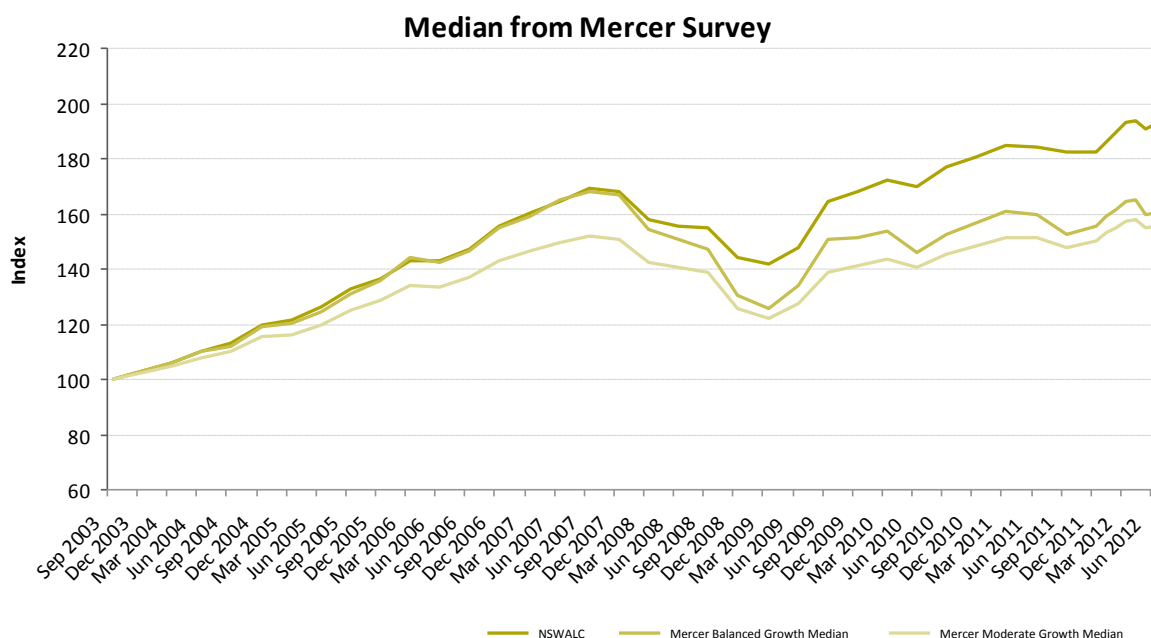
This argument is validated by this performance which clearly shows NSWALC's performance to be less volatile as well as better performing over the different market cycles than that of either of the comparable Tcorp investments.



	1 Year (%)	3 Years (% pa)	5 Years (% pa)
T Corp Medium Term Growth (pre-tax)*	4.8	7.4	4.4
T Corp Long Term Growth (pre-tax)*	-0.7	6.8	-0.7
NSW ALC Fund Benchmark	3.8	7.3	2.7
NSW ALC Fund Actual	4.0	9.0	3.1

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.



	1 Year (%)	3 Years (% pa)	5 Years (% pa)
Mercer Moderate Growth Median (pre-tax)*	2.8	7.1	1.2
Mercer Moderate Growth Upper Quartile (pre-tax)*	3.9	7.8	2.7
Mercer Balanced Growth Median (pre-tax)*	0.6	6.8	-0.6
Mercer Balanced Growth Upper Quartile (pre-tax)*	1.4	7.6	0.3
NSW ALC Fund Actual	4.0	9.0	3.1

* Effective tax rate assumed to be 9% for Moderate Growth Median and 11% for Balanced Growth

The NSWALC's portfolio has performed extremely well relative to its peers.

We now turn to a review of operations from the Operational Division.

Corporate Services Division

This division reported a hectic workload during the reporting period.

Major operational achievements for each Unit are set out below the budget outlook for the new reporting period and out years.

Budgeting

NSWALC submitted its budget for the 2012-13 financial year for the consideration and approval of the Minister for Aboriginal Affairs by the statutory deadline in May 2012. It is required to do so in accordance with s157 of the *Aboriginal Land Rights Act 1983* (ALRA).

The package included projected budgets for the 2013-14 and 2014-15 financial years.

They were the first submitted by the Council elected in August 2011.

Chairperson Ryan advised the Minister Council had worked closely with relevant staff to ensure the budget continued to provide “a sound operational base for NSWALC and the land rights network in the forthcoming financial years.”

“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,” he added.

The budgets, he advised, were formulated after analysing the nature of expenditure, functional dependencies as well as the challenges faced by NSWALC with the current uncertainty in the financial markets.

It was evident spending was not purely under the control of Council or management. Some payments were committed as required by legislation with other contractual commitments to fulfill community development needs.

The balance of the NSWALC equity was \$541.6 million as at 30 April, 2012.

NSWALC had consistently applied an 8.37% rate of return on investment, which was marginally less than the current market expectation provided by the NSWALC’s Investment Adviser, Mercer (Australia) Pty Ltd.

On this basis, Investment income was estimated at \$45.3 million in the 2012-13 financial year, \$46.4 million in 2013-14 and \$47.6 million in the outlying year.

Mercer had quantified the probability of earning the return objective (CPI +4%) to be 61.7% in the new financial year.

The probability of achieving the return objective for the 36 month period ending FY2014-15 was 67.7%. while the probability of the portfolio generating a negative return in any one year was 18.5%.

Forecast revenues for the 2012-13 financial year were expected to total \$50.7 million. Total operational expenditure was budgeted to be \$45.2 million for the period.

Chairperson Ryan advised Council was in the process of exploring opportunities to generate additional revenue streams, including exploration and mining ventures, in order to maintain the sustainability of NSWALC and the land rights network.

One of the major challenges faced by NSWALC was to meet the Drawdown Rule requirements it had imposed since 2010-11 to assist in maintaining self-sustainability.

It was designed to restrict how much cash the NSWALC was able to draw from investment income in any given financial year.

Council was conscious of the need for the NSWALC to curtail operating expenditure.

It aimed to reduce its spending rate from 4.8% to 4.6% plus CPI during the 2012-13 financial year, 4.4% plus CPI during FY2013-14; and to 4.2% plus CPI during FY2014-15.

In effect, the NSWALC would have less cash to spend over the next budget cycles.

Council was continuously monitoring expenses to seek to reduce expenditure without affecting the service levels provided to Local Aboriginal Land Councils and the community.

A number of Initiatives had been taken to curb expenditure.

These included the introduction of a new staffing structure and the reining in of operating costs across the organisation,

The ongoing financial sustainability of the NSWALC, and the land rights network, was the crucial issue to be addressed.

This was particularly so given the ongoing cost of ensuring the NSWALC's regulatory obligations were met.

NSWALC expected to spend \$5.0 million more than the Drawdown Rule amount in the new financial year.

This was mainly due to expenditure required to comply with the provisions of the *ALRA*, inflation, as well as commitments such as the water and sewerage program with the NSW Government.

It was estimated the payment of rates (under s44A of the *ALRA*), legal fees and the cost of Intervention on behalf of LALCs in the new financial year would be approximately \$500,000.

The Community Development levy was expected to be \$305,140 for the same period.

Chairperson Ryan advised Council had passed "in principle" resolutions regarding the proposed disposal or transfer to the land council Network of all NSWALC rural properties due to continuing poor financial performance.

A series of Regional Forums had been held across the state to consult with the land rights network on the issues involved.

At the time of writing, the NSWALC had approved the transfer of Appin Station to the Menindee Local Aboriginal Land Council and was seeking the approval of the Minister of Lands for the transfer, pursuant to the requirements of the *Western Land Act 1901*.

Community consultation on the future of the remaining rural properties was ongoing with Sydney University providing invaluable business planning assistance on potential transfers to Local Aboriginal Land Councils.

The NSWALC expected to decide the future ownership of these properties during the new financial year.

Meanwhile, it would continue with the farming/livestock program at Kaituna Uno.

It had budgeted for an income of \$2.2 million in the new financial year from crop, cattle sales, lease income, subsidies and interest earned. Similar expenditure was projected, with nil impact on budgeted revenue.

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

Council had approved a grant allocation of \$130,000 for each LALC to meet administrative expenses.

A total of \$14.5 million was budgeted for this purpose in the 2012-13 financial year.

This budget was based on the number of LALCs which complied with their statutory regulations under the *ALRA* and NSWALC funding policies.

Chairperson Ryan assured the Minister NSWALC stood ready, within the limitations of the financial resources available to it, to seek to continue with modest initiatives to deliver community benefits to its constituents.

It also sought to enter into partnerships with stakeholders who shared its determination to address the many issues facing Aboriginal people.

Chairperson Ryan said NSWALC had adopted a rigorous and disciplined process to develop the budgets.

He commended the document to the Minister and thanked him for his ongoing support to the NSWALC and the land rights network.

He looked forward to continuing to work with him and the State Government to improve the well-being of all Aboriginal people in New South Wales.

Finance Unit

As noted earlier, the Finance Unit is responsible for ensuring that the financial resources are appropriately and effectively used in order to achieve the strategic and operational goals of NSWALC.

The Unit is also responsible for the ongoing review of financial policies and procedures to ensure they are appropriately and effectively used and that they comply with all statutory and regulatory requirements.

One of the key roles of the Finance Unit is planning with all stakeholders to ensure that the required financial resources are available for all business units to achieve their strategic and operational objectives.

At the same time it must work across the organisation to maintain a balance between earnings and spending for the future sustainability of NSWALC and the land rights network.

This key role has been achieved during the reporting period by having a better understanding of the requirements of other business units, analysing their activities, prioritising their requirements, and by negotiation with them.

The other essential role of the Finance Unit is monitoring performance and facilitating information flows.

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

Tighter budget controls continued to be put in place to ensure the NSWALC's spending have been kept within the limits imposed by its operating budget and the challenges faced to meet the Spending Rule requirements.

In order to achieve the major changes, the Finance Unit underwent a restructure during the reporting period.

The new structure is based on a review completed by our Internal Auditor and an appraisal performed by Senior Management on the systematic arrangement of duties.

The aim of the restructure was to improve the efficiency and the quality of performance in providing financial services to the organisation.

The Finance Unit is also responsible for the coordination of the annual audit by the NSW Audit Office.

It provides a range of information to the auditor to ensure that the audit is completed by the statutory deadline.

NSWALC received an unqualified audit report for this period and met the statutory sign off date for delivery of its financial statements to the Audit Office.

This was the NSWALC's ninth successive unqualified audit.

The Finance Unit also had key input into a number of internal audit reviews.

Analysis of Key Activities

The Unit analysed all key activities within NSWALC and their impact on revenue and expenditure during the period.

This provided a proper basis for the annual budgeting process and enabled Council and senior management to make informed decision-making on financial resources.

The Finance Unit updated its SAP One system from version 8 to version 8.8 and took a number of steps to achieve better information flows for the benefit of all other business units.

It also took an active role in the implementation of a management reporting system so that all business units could periodically assess their financial performance in relation to their operational performance and actively monitor the risks and compliance issues faced by them.

The implementation of new internal procedures led to an improvement in the quality of information utilised within the organisation.

One of the challenges faced by NSWALC is how to remain operational during a disaster, whatever the nature of the disaster. The Finance Unit has taken

an active role in developing a Business Continuity Policy and updated the Business Continuity Plan for implementation.

The final step is the development of a Disaster Recovery Plan for NSWALC.

In summary, the focus of the Finance Unit during the period has been on the analysis and interpretation of NSWALC's financial data to improve its ability to guide decision making and forecast future financial results.

Since January 2012, the Finance Unit has taken a greater coordination role within NSWALC by closely working with all other business units' on their strategic and operational goals.

In addition to its core work, the Unit will participate in the new reporting period on the development of a new Corporate Plan, and seek to have regular periodic reports from all business units compiled into consolidated reports for presentation to Council and senior management and the Council.

Human Resources and Training Unit

The Unit continued throughout the reporting period to provide the Councillors, Management and Staff of NSWALC with a comprehensive range of services as well as providing advice and support to the Zone Offices in their dealings with Local Aboriginal Land Councils.

Recruitment

Formal recruitment action throughout the reporting period was minimal, reflecting the current employment climate.

Recruitment was restricted to critical positions with a number of short term temporary appointments and arrangements to fill emerging gaps.

A number of key appointments were made during the reporting period.

These included the appointment of the Director of Corporate Services, Mr. Kumar Ganendran, the Director of Corporate Governance, Ms Jenny Bedford, the Southern Zone Director, Mr. Yuseph

Deen, the Manager of Strategic Initiatives, Ms. Sally Skyring, and the Southern Zone Operations Manager, Ms. Catherine Wright.

A review was undertaken of the NSWALC's recruitment selection panel documentation in response to an Audit Committee recommendation to include a "Conflicts of Interest" form and an improved process of getting approval to all recruitment appointments.

Organisation and Establishment Structure

Following the last major organisational review in 2011, NSWALC's structure has remained effectively unchanged with minimal vacant positions.

A revised Organisation and Establishment reporting schedule was developed to provide the Executive and Management with a snapshot of positions and employees within the organisation.

These included the title and reporting relationship of all created positions; their classification and grading; the employment conditions and arrangements; the employee details and commentary.

The Unit also provided assistance to the Director of Corporate Services with a review of the Finance Unit.

It prepared new position descriptions and had them evaluated and assessed for classification and grading.

The Unit also assisted the Far West Zone and Western Zone with the provision of temporary establishment arrangements to meet short term operational requirements.

Governance Training for LALCs

The NSWALC continued to provide mandatory governance training to LALC Board members and staff during the reporting period.

LALC Board members, elected between September and December 2011, received online training. They were able to access the online training individually or in groups.

Almost all participants achieved a Statement of Attainment in the Australian Quality Framework unit of competency: Roles and Responsibilities of a Board member.

Graduate Certificate for LALC CEOs

As reported last year, the NSWALC established a partnership with the University of Newcastle to develop a customised course for LALC Chief Executive Officers.

The Graduate Certificate in Business Administration has been designed to address the skills and knowledge requirements of CEOs working in the unique Local Aboriginal Land Council environment.

The NSWALC provided scholarships to the LALC CEOs. Nine CEOs successfully graduated in April 2012.

Staff Training

Nine staff members successfully completed Certificate IV courses including: Project Management; Business Administration; Finance, Governance and Frontline Management.

Staff members are provided with this opportunity on an ongoing basis to participate in this government funded training program.

Three staff members commenced Diploma in Management courses during the reporting period.

Four Senior staff are pursuing Advance Diploma in Management.

Board Induction Kit

The Unit worked with the Corporate Governance Unit as this reporting period ended on a NSWALC Councillor Development Strategy in anticipation of the training and inductions needs of potential new office holders.

Training and Development was involved in the preparation of an Induction Kit for the newly elected Board members in 2011.

A brief introductory training in Computer Applications (MS Word and MS Outlook) formed part of the training for Councillor Support Officers in March 2012.

Senior Managers Training

Training providers were also engaged to provide Management training to NSWALC Senior Managers in the new reporting period.

This training is expected to provide necessary skills to managers to “manage up” to their executives as well as manage their individual team members.

This would benefit not only the individual’s development but will help them in achieving organisational goals.

Training delivery is planned during the 2012-13 financial year.

Industrial Relations

There were no reported significant industrial relations matters raised during the reporting period.

Employment Conditions and Arrangements

The current reporting period saw the successful development and introduction of the Senior Manager Salary Framework (SMSF).

The Framework provides the establishment of a formal remuneration structure for all senior management positions and other contract positions under contractual employment arrangements.

These take into consideration the position's overall accountabilities, responsibilities and impact and influence on NSWALC's operations.

It adopts a specific reference to the position's overall level of expertise, judgment and accountability and provides for yearly salary progression during the term of a contract based on comparable salary movements in the NSW public sector, subject to a satisfactory performance review.

Following its adoption, negotiations were entered into with a significant number of senior managers and contract staff to renew their employment contracts, based on the outcomes of the Framework, and thereby secure their continued expertise and commitment.

The Unit also played a major part in having all outstanding temporary employment and appointment arrangements brought up-to-date and compliant with NSWALC Employment Awards and Instruments.

Payroll and Salaries

As reported last year, the dissolution of Koompahtoo LALC resulted in the NSWALC assuming the responsibility for a number of staff employed at the former LALC.

These staff, under the K2 Bush Enterprises, were employed by NSWALC and determined to be covered by the Gardening & Landscaping Services Award 2010.

The Unit successfully liaised for the amalgamation of their weekly payroll into the normal NSWALC fortnightly payroll, resulting in increased accountability and efficiencies.

During the reporting period NSWALC passed on salary entitlement increases under the NSWALC Enterprise Agreement and under the Gardening & Landscaping Services Award 2011.

Policy Review

The Unit also commenced the development and/or review of a number of significant policies and procedures. They included:

- Purchase Leave Policy-Draft November 2011 awaiting approval
- Government Paid Parental Leave Procedure – introduced July 2011
- Aboriginal Traineeship Program-introduced February 2012
- Code of Conduct-Peer Group review May 2012, awaiting legal advice
- Working from Home Policy-Peer Group review June 2012, being finalised
- Aboriginal Employment Policy-draft March 2012, being finalised

Internships/Traineeships/Work Experience

The NSWALC developed a formal Aboriginal Traineeship Program in February 2012.

The Traineeship is a work based training program that combines work and structured training. It is designed to be either a full time or part-time employment based training arrangement.

During the course a trainee is paid and also learns new skills in a hands-on work environment.

On successful completion, a trainee attains a nationally recognised qualification, a valuable stepping stone to his/her future career.

Three traineeships commenced during the reporting period; two at the Western Zone Office and one in Head Office.

Aboriginal Employment Plan

A draft Aboriginal Employment Plan (AEP) was also developed during the reporting period.

The policy details and explains the organisation's overall policy on Aboriginal employment and career development.

The Plan aims to bring together previous Aboriginal employment initiatives as well as "identifying" Aboriginal positions and creating new positions, establishing recruitment, training and selection policies and mentoring support and career development programs.

When fully developed, the AEP will provide diverse and interesting opportunities for Aboriginal job seekers, and allow scope for development once employed.

The Plan also establishes Aboriginal employment targets that better reflect the organisation's stakeholder and client base and its objectives of increasing Aboriginal employment opportunities for Aboriginal people.

Work Experience

The NSWALC also provided a number of work experience (for high school and recent school leavers) and work placements experience (for adults) both in the Head Office and Zone Offices.

The opportunities provided exposure to the work environment and enabled the participants to provide useful support and operational services to the organisation.

The NSWALC also engaged the services of a number of Interns, under a Professional Year Program/Skilled Migration Internship Program, in the Finance, ICT, Policy & Research and Legal Units.

The interns were initially engaged for periods of up to 12 weeks to get exposure and mentoring in a broad range of accounting processes and information technology support roles to complement their formal tertiary studies.

In addition to the professional assistance NSWALC received by assisting the Interns we also benefited through the assistance they were able to provide

to us in undertaking projects and other work related activities.

Workplace Health and Safety

The new Workplace Health and Safety legislation came into effect on 1 January 2012.

It brought with it an increased emphasis and responsibility on all duty holders managing workplaces.

They must:

- a) *"eliminate risks to health and safety so far as is reasonably practicable, and*
- b) *if it is not reasonably practicable to eliminate risks to health and safety—minimise those risks so far as is reasonably practicable."*

A WH&S Committee was re-established in line with the NSWALC's responsibilities under the new legislation.

As a priority the Committee:

- Undertook WH&S refresher courses-January and March 2012;
- Reviewed the organisations policies and procedures-May and June 2012;
- Updated the hazard reporting and inspection documentation and guidelines-April& May 2012;
- Organised for staff WH&S information sessions and brochures-May 2012;
- Commenced hazard inspections of the workplace to eliminate hazards and risks-May 2012.

Records Management Unit

The Records and Administration Unit reported a challenging year.

Developments included:

- The introduction of a Business Continuity Plan (BCP) as per AS/NZS 5050:2010
- Revision of the existing Records and Administration Unit Disaster Recovery Plan
- An Emergency Evacuation Management plan in collaboration with the Commercial Unit to ensure compliance with AS3745-2010
- Proposed upgrade from HP TRIM 6.x to HP TRIM 7.x

As highlighted in this space last year the second draft of the Functional Retention Disposal Authority (FRDA) was submitted to the State Records for approval.

Following that submission further amendments were suggested and additional consultation was undertaken to ensure every contingency has been considered before the FRDA is submitted first to the NSWALC Councillors for consideration prior to being submitted to State Records.

Once State Records accept the FRDA is approved it will provide an invaluable framework to accurately sentence records unique to NSWALC.

This does not replace the General Disposal Authority (GDA) legislation that allows for sentencing or disposal of records not covered by the FRDA.

The Records and Administration Unit are also active in the training of new staff regarding use of current software packages such as TRIM and the use of the web based Flexi Purchase which is utilised for reconciliation of Corporate Cards.

General Recordkeeping

The Unit continues to conduct regular audits of information stored at Head Office, Zone Offices and Government Records Repository (GRR) to ensure accuracy and compliance.

The Records and Administration Unit, specifically the Senior Records Officer and the Archives and Disposal Officer worked throughout the reporting period to catalogue numerous records received from external stakeholders and Zone Offices.

This included the preparation of the consignment of over 500 boxes for archiving with the Government Records Repository (GRR).

The process of evaluating, registering, storage and where appropriate, disposal of NSWALC records is a continual process.

Reviews of processes involved in the disposal of NSWALC records are continually occurring to ensure compliance with current standards in the industry.

Staff Training

Records and Administration Unit staff will be provided the opportunity in the new financial year to attend training initiatives relative to their respective roles.

NSWALC is committed to the education and advancement of its employees to ensure best practice and continued improvement of service levels to the land council network.

The Unit will also continue to focus on the areas of governance and strategic planning for projects relevant to the FRDA, the Business Continuity Plan, Disaster Recovery Plan, Emergency Evacuation Management and the Community Land and Business Plan.

Information Technology

The Unit continued throughout the reporting period to improve the organisation's technology applications and databases.

Development of the Balanced Scorecard was completed and brought into production.

It utilises information assets to measure the performance of operations against corporate objectives.

Changes were successfully implemented into the LMSS system to improve its performance and maintain alignment with the business processes it supports.

Upgrades to the finance and payroll systems were also completed for continued support.

Technology services and resources for regional offices and the establishment of the Far West Zone office in Broken Hill and a satellite office in the Northern region were also completed during the reporting period.

An ICT Strategy will continue to be developed in the new reporting period to ensure technology is aligned with corporate strategies, legislative reform and to improve the delivery of ICT services across the organisation.

The Unit will work to assist management with new technologies to drive down processing costs and improve effectiveness and efficiency.

The Commercial Unit

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

The Unit performs a dual role for the network of Local Aboriginal Land Councils on land dealings.

It administers the NSWALC's statutory obligations on the approval of proposed land dealing transactions.

It also assists LALCs and the NSWALC in land and commercial matters.

Land Dealings

As reported last year, the *Aboriginal Land Rights Amendment Act 2009* (ALRA) came into effect on March 31, 2010 with significant changes to the land dealing provisions of the Aboriginal Land Rights Act.

At the same time, the NSWALC developed a new policy for the assessment and approval of LALC land dealings.

It is now two years since the Commercial Unit has been operating under the amended legislation and new policy.

Detailed processes and procedures have been developed to ensure the land dealing applications are assessed by the NSWALC in compliance with the legislation and policy, and in a consistent and transparent manner.

This increased the volume and complexity of work for the Unit during the reporting period for a number of reasons.

Amendments to the ALRA have expanded the definition of "deal with land."

This now includes the lodging of a development application with local government.

Whilst the statutory intent was to include major land dealing activities such as multi lot residential

subdivision, the approval of the NSWALC is now required for development applications for minor projects, such as the construction of garages, sheds and decks.

Many LALCs consider these provisions to be onerous.

It is one of a number of issues the NSWALC had raised with the Minister for Aboriginal Affairs in the statutory review of the ALRA as the reporting period ended.

In addition, LALCs became increasingly active in the management and potential development of their land holdings.

During the reporting period, land councils across NSW sought and were granted approval for the following activities:

- Disposal of land
- Lodging of development applications for multi lot residential subdivision, establishment of manufactured home estates, construction of industrial sheds, upgrade of sewerage and drainage infrastructure
- Entering into Property Vegetation Plans and logging activities
- Construction and refurbishment of Aged Care facilities and residential dwellings
- Granting of easements
- Commercial leasing activities
- Transfer of land
- Land swaps
- Head leasing of residential housing stock
- Various other activities

Increased mining activity has also resulted in a shortage of residential accommodation in some areas.

This has driven upward pressure on residential land prices, presenting a range of opportunities for the management and development of LALC land holdings.

Orange Local Aboriginal Land Council

The activities of the Orange Local Aboriginal Land Council (OLALC) provide a positive case study of strategic thinking in this regard.

The LALC met regularly with the NSWALC during the reporting period to advance a range of projects.

One is a training program funded by the Department of Education, Employment and Workplace Relations and run by OLALC.

From February to June 2012, 37 Aboriginal students successfully graduated from a 10 week Certificate 2 Construction course run by OLALC.

Sixteen of those students secured full time employment in construction or related fields following graduation.

The OLALC is developing a training and employment model suitable for Aboriginal people in the region for a range of construction projects, one of which includes the Yugaway Motel project.

The Yugaway Project

With mining activity increasing, the OLALC identified a shortage of motel accommodation in the region and the opportunity for construction of a 110 room 4.5 star motel on OLALC owned land.

Planning for the project was well advanced as this reporting period ended.

The OLALC was close to finalising negotiations for management of the completed facility with one of the world's leading motel chains.

In addition, financial modelling had been completed.

The OLALC were preparing to lodge a development application for construction.

In addition to the Yugaway project, OLALC has identified a number of other opportunities that present themselves as a result of mining activity in their area.

The OLALC was successful in securing \$2.26 million in funding under the Biodiversity Fund through the Department of Sustainability, Environment, Water, Population and Communities in May 2012.

These funds are earmarked to establish businesses focused on native plant seed collection, a native nursery and mine remediation to deliver tangible financial and employment benefits to its community.

NSWALC continued to work closely with the OLALC on the projects as this reporting period ended and on potential land dealing applications which flow from them.

LALC Head Leasing

Clause 45 of Schedule 4 of the ALRA has required Land Councils to consider the future of their existing Social Housing Schemes.

A review of housing stock has prompted many to enter into Head Leases with the Aboriginal Housing Office (AHO) for the management of their housing.

NSWALC Zone offices worked closely with LALCs throughout the reporting period to assist them in their housing stock assessments and the lodgment of land dealing applications for head leasing.

The NSWALC had approved twelve head leasing matters and was assisting a further 15 LALC's in this regard at the end of the reporting period.

Number of land dealings approved by the NSWALC Council during the previous 3 financial years to 30 June 2012

	1 Jul 2009- 30 June 2010	1 Jul 2010- 30 June 2011	1 Jul 2011- 30 June 2012
LALC land dealing with AHO	0	2	12
LALC other land dealings	12	17	23
NSWALC land dealings and other approvals	5	16	15
Total	17	35	50

Number of Dealing Approval Certificates (DACs) and Registration Approval Certificates (RACs) issued by NSWALC during the previous 3 financial years

	1 Jul 2009-30 June 2010	1 Jul 2010-30 June 2011	1 Jul 2011-30 June 2012
DACs issued	2	26	50
RACs issued	4	62	25
Total	6	88	75

At the end of the reporting period the Commercial Unit was assisting LALCs with a further 44 proposed land dealings.

Expert Advisory Panels

A further significant change which came into effect in March 2010 was the proposed establishment of Expert Advisory Panels to provide independent assessments of land dealing applications.

Clause 108 of the *Aboriginal Land Rights Regulation 2002 (ALRR)* requires the NSWALC to *establish a register of persons who may be appointed to expert advisory panels* (the Register).

Section 42I (1) of the ALRA states that NSWALC may constitute expert advisory panels to assess applications for approval of land dealings by LALCs.

A Register has been established in recognition of the increasingly diverse and complex land dealing applications NSWALC receives and the need to outsource the analysis of some applications.

LALCs are now able to select professionals to assist them with land dealings should they choose to do so.

The Register is publicly available, in accordance with the provisions of the ALRA, and can be found in the land dealings section of the NSWALC website.

Dolphin Point

One land dealing application was referred to the Expert Panel by the NSWALC during this reporting period, a large residential subdivision proposed to be undertaken by the Ulladulla LALC (ULALC) at Dolphin Point on the South Coast.

A multiple staged subdivision of 104 residential lots is proposed over six years.

The NSWALC had approved the project in May 2005.

However the LALC experienced subsequent difficulties in gaining development consent, prompting them to take up the issue with the Department of Planning.

Development consent was finally granted in 2009 but market conditions had changed considerably during those four years and the consent project was substantially different to the one originally approved by ULALC members and NSWALC.

All relevant documentation for the project was updated by ULALC and their Joint Venture partners as up to date analysis of the project and revised feasibility was required before moving forward.

In addition, fresh land dealing approvals were required from both Ulladulla members and NSWALC.

The ULALC members approved the project in August 2011.

A land dealing application was subsequently lodged with NSWALC.

The report received from the Expert Panel members confirmed the documents assessed by them:

- Were of an adequate quality and appropriateness for the intended purpose;
- Were reflective of a fair sharing of risk and reward between the parties;
- Were fair and equitable and consistent with industry standards;
- Contained all the standard type of safeguards, controls and remedies as would be expected for an agreement relevant to the type of project anticipated and
- Feasibility information underpinning the transaction provided a fair explanation of the proposed development program/ anticipated returns and appeared realistic

The report provided the NSWALC a level of comfort that the land dealing application could be approved.

Community Development Levy

The new land dealings regime has also seen the introduction of a Community Development Levy designed to redistribute wealth gained from land dealings among the network of Local Aboriginal Land Councils.

The levy is payable by LALCs for any dutiable transaction in dealings with their land.

The NSWALC is required to match this on a dollar for dollar basis

All monies raised can be redistributed by the NSWALC through grants for Community Benefits Schemes, land acquisition and management and any other purpose authorised by the legislation.

Schedule 6A of the ALRR lists the amount of CDL payable in respect of dutiable transactions as follows:

Dutiable Value of Land	Amount of community development levy
More than \$80,000 but not more than \$1,000,000	100% of amount of duty
More than \$1,000,000	150% of amount of duty

Section 32 of the Duties Act 1997 lists the general rate of duty as follows:

Dutiable value of the dutiable property subject to the dutiable transaction	Rate of duty
More than \$80,000 but not more than \$300,000	\$1,290 plus \$3.50 for every \$100, or part, by which the dutiable value exceeds \$80,000
More than \$300,000 but not more than \$1,000,000	\$8,990 plus \$4.50 for every \$100, or part, by which the dutiable value exceeds \$300,000
More than \$1,000,000	\$40,490 plus \$5.50 for every \$100, or part, by which the dutiable value exceeds \$1,000,000

For example, should a LALC sell a block of land worth \$200,000.00, the CDL payable would be \$5,490.00.

The NSWALC had yet to finalise a policy for the distribution of monies from the Community Development Fund as the reporting period ended.

The Office of State Revenue has developed a CDL Calculator to assist LALCs with the calculation levies.

This was anticipated early in the new reporting period.

The CDL Calculator can be found on their website.

The draft policy will then be made available for discussion and comment within the network of Local Aboriginal Land Councils, as required by the legislation.

The NSWALC also developed a series of Fact Sheets to assist LALCs with the process.

These can also be found in the land dealings section of the NSWALC website.

A number of CDL payments have now been made by Local Aboriginal Land Councils as a result of land dealing activities, with NSWALC matching each payment dollar for dollar.

The closing balance of the account at the end of this reporting period was \$1.146.730.

Property Development Assistance Program

The New South Wales Aboriginal Land Council originally introduced the NSWALC funded Property Development Assistance Program (PDAP) in January 2010.

It was designed to assist and support Local Aboriginal Land Councils in New South Wales to explore potential development opportunities and to provide support, guidance and feedback relative to the commercially sound development of LALC land.

The PDAP involved NSWALC engaging the services of an experienced property consultant, Mr. Terry Wilson to provide LALCs with the assistance to assess their property portfolio and to explore development opportunities available to them.

The PDAP was intended to be piloted for a year but due to the interest shown by LALCs, was extended by another 14 months, with funding provided entirely by NSWALC.

During the project period approximately 19 LALCs made use of the PDAP.

Guidance and support was provided on feasibility investigations for residential housing development, land subdivisions, oyster farming, retail development, mining contractor works, mine remediation, quarrying, motel and aged care development, long term leasing, multi-lot subdivisions and motel development.

With demands for funding in other areas, NSWALC had no alternative but to cease the PDAP early in 2012.

Asset Management

A NSWALC-owned nine storey commercial building in the Parramatta Central Business District in Western Sydney is the organisation's chief operational base.

During the reporting period a new tenant, Le Wrap Franchising Pty Ltd. leased space.

Existing tenants, Cash Stop Financial Services, Leckring Pty Ltd., Aboriginal Housing Office, and Aboriginal Legal Services all exercised lease options and continued their tenancies.

A lease to Adecco Australia Pty Ltd expired without renewal in May 2012.

The vacancy rate at June 30 was 13.36%, a slight increase over the previous reporting period.

However, at the time of writing, negotiations were being finalised with a new tenant for the space vacated by Adecco.

The signing of a new lease was anticipated early in the new financial year.

Income for the reporting period (which includes NSWALC's own tenancies) was approximately \$1.749.475, an increase over the preceding year.

Expenditure was stable at approximately \$648.677

Contracts for cleaning services, supply of electricity and building fire safety were renewed during the reporting period. A new contract for lift maintenance was also issued.

Repair and maintenance works in the building included the installation of a new water storage tank, removal of an obsolete building maintenance unit on the roof, repairs to emergency lighting, replacement of a car park fan and exhaust system, upgrade of the Fire Early Warning System, and repairs to the building power factor correction unit.

Non-performing Property Assets

A comprehensive review of all NSWALC owned properties was completed during the previous reporting period.

Recommendations for the rationalisation of non-performing property assets were endorsed by the NSWALC Council and NSWALC Investment Committee.

The review included property assets purchased by now defunct Regional Aboriginal Land Councils which were transferred into NSWALC ownership through amendments to the ALRA in the 1990s.

They have attracted considerable comment from regulatory agencies such as the NSW Audit Office through their continued failure to achieve satisfactory financial returns on investment.

The NSWALC has been mindful of a number of factors in considering the future of these properties.

These include the manner in which the properties were originally acquired, NSWALC's broad responsibilities to the land council network, and the negative financial impact their retention has on NSWALC's capacity to deliver outcomes for Aboriginal people in NSW.

The properties include a number of former Regional Aboriginal Land Council offices and the rural properties, Appin Station, Barooga Karrai, Calooma / Nulty Springs and Kaituna Uno.

As a result of the review Council passed "in principle" resolutions in March 2011 to dispose of a number following consultation with affected LALCs in accordance with section 42D of the ALRA.

Letters were sent to affected LALCs to offer them the opportunity to consider a range of options which had been identified for each property and to be involved in determining future ownership.

They were encouraged to consider all options, discuss those options with neighbouring LALCs, and, ideally, reach agreement on the future ownership of each property.

Given the complex history of many of the properties, the consultation process worked better in some areas, than others, and was ongoing for a number of properties as the reporting period ended.

Some non performing property assets were transferred to LALCs or sold during the year.

Rural Properties

Despite best efforts the four rural properties continued to suffer financial losses during this reporting period which reinforced the need for action to be taken for their disposal.

Appin Station

The NSWALC approved the transfer of Appin Station to the ownership of the Menindee Local Aboriginal Land Council (MLALC) during the reporting period.

Since that approval the NSWALC and MLALC have entered into a deed containing the terms and conditions of the pending transfer.

An application to the Minister for Lands has been lodged for consent to transfer the portions of Appin Station which are currently held under Western Lands Leases.

NSWALC and MLALC were awaiting a response from the Minister before finalising the transfer as the reporting period ended.

Calooma Nulty Springs

This property was non-operational with a caretaker in place as the reporting period ended.

Regional meetings were being held between the NSWALC and relevant LALCs in the Northwest Region to determine the future of the property.

Barooga Karrai

This property is in the final year of a three year sub-lease with cattle and cropping activity.

The Wiradjuri Region was developing business plans for its future operation as the reporting period ended.

Kaituna Uno

This remains the only fully functional property in the rural portfolio.

A broad acre cropping program was run throughout the reporting period.

Previous cattle programs were suspended when high beef prices rendered cattle fattening a risky proposition.

Dry growing conditions at the start of the winter cropping season resulted in significantly reduced growth in some areas and complete crop failure in others.

Approximately 500 tonnes of wheat was harvested, 10% of the expected yield for the season.

The NSWALC held a number of regional forums in the western region to consult with Local Aboriginal Land Councils to determine the future ownership of the rural properties.

Sydney University was providing business planning assistance to LALCs in the far western region for this property.

Vacant land and property management

The NSWALC property portfolio expanded following the dissolution of the Quambone and Koompahtoo Local Aboriginal Land Councils when their assets were transferred to this organisation.

The NSWALC currently manages 10 residential properties in the Quambone, Lake Macquarie and Evans Head areas.

It has a further 12 properties in the Yamba area under head leasing arrangements with Birrigan Gargle Land Council.

The NSWALC is also responsible for approximately 120 parcels of vacant land and management of all the land management issues that come with this large and varied portfolio.

Support provided to the NSWALC Councillors and Zone Offices

The Unit assisted with lease exit and entry arrangements for Councillors following the outcome of the Council elections early in the reporting period.

The Unit also assisted with negotiations and leasing for the establishment of the Eastern Zone office at Gosford, Far Western Zone office at Broken Hill and renewal of leases for the Southern Zone office at Queanbeyan and Northern Zone office at Coffs Harbour.

Indigenous Money Mentor Program

The National Australia Bank has funded an Indigenous Money Mentor (IMM) at the NSWALC since February 2011 to provide assistance to community members with their money matters.

The program has been successful, assisting more than 1,750 clients.

The key responsibilities of the IMM role are to:

- Undertake one-on-one client management.
- Build financial literacy and consumer confidence via community capacity building and financial education; and
- Create access to community microfinance products.

The IMM established good working relationships with Indigenous clients and with the other community agencies and programs which refer people to access the Indigenous Money Mentor service.

It also enabled clients to access a No Interest Loan Scheme (NILS) by creating relationships between Local Aboriginal Land Councils and NILS providers in Dubbo.

Developing community capacity by improving understanding of money matters is an integral part of the role, with community visits as well as face-to-face client work important in building trust with local communities in NSW to address money problems.

Ms. Narelle Hennessy was employed in the IMM role in a full time capacity since the inception of the program. She resigned as this reporting period drew to a close.

Program Management Unit

As noted earlier the Operational Policy Unit has been restructured and renamed the Program Management Unit to reflect its increased responsibilities in the new structure.

The Unit now takes in much of the work of the former Network Services, which was a key operational arm of the organisation.

Given the limiting effect of the draw down rule on the availability of funds each year the Unit gave careful consideration to the amount of funds granted to each program.

It will continue to do so in the new financial year.

It should be noted the key activities for the Aboriginal Communities Water and Sewerage Program and the Subdivision Project can be found in the Council's Year in Review section of this report.

The Education Endowment Fund

During the reporting period the Unit raised the need for a review of the EEF.

This was due to unprecedented demand for scholarships and the cost of meeting it.

Council approved a moratorium on the award of scholarships for 2011/12 to allow for an independent review.

The Review Terms of Reference were approved by Council in December 2011.

A select tender process was conducted and completed by the close of the reporting period.

A Victorian firm, Phillips KPA was conducting the review as this reporting period ended.

Social Housing Schemes

Previous amendments to the ALRA placed a statutory obligation upon the NSW Aboriginal Land Council (NSWALC) to consider applications by LALCs that wish to operate their existing social housing schemes.

A LALC may not operate an existing social housing scheme beyond 30 June 2014 unless it has the approval of NSWALC.

In order to assist LALCs to apply for approval to operate their social housing schemes and assist NSWALC in determining their applications, NSWALC developed a *Policy on the Approval of LALC Social Housing Schemes (Rental Accommodation) Pursuant to sections 52A & 52B, and clause 45 of Schedule 4 of the Aboriginal Land Rights Act 1983*.

As reported previously this policy was approved by the (then) Minister 28 January 2011.

A pre application exercise using the draft guidelines approved in May 2011 was conducted in December 2011 and led to amendments allowing the final approval of the SHAPE Guide for LALCs and the development of an assessment instrument based on this guide.

These developments occurred in the face of the review of the ALRA in which an extension of the

former deadline for approval (31 December 2012) and possible government decisions to create one assessment scheme for community housing were mooted.

The NSWALC has faced considerable uncertainty due to the review and the way in which the NSW Government's Build and Grow Strategy for Aboriginal Community Housing has progressed.

Despite this the NSWALC continued to develop its approach.

This has included:

- Finalisation of the Shape Guide for LALCs
- A LALC Social Housing Budget and Planned Maintenance Tool and a User Guide
- A LALC Social Housing Application Form
- A LALC Social Housing Application Assessment Instrument and User Guide distributed by CD ROM
- A LALC Social Housing Application Evaluation Data Control
- Quality Assurance tool for the evaluation of submissions by Zones.

The *Zone* offices and the PMU were ready at the close of this period to advise and make recommendations for the first four applications for approval to be considered by Council.

Mr. Mandal and Ms. Toledo have made a significant contribution to NSWALC's preparedness to move forward on LALC social housing schemes in 2012/13

Discretionary Grants

Over the years NSWALC has sought to limit the amount of discretionary grants made by it to Aboriginal organisations and individuals given its limited funding base.

NSWALC advises through its website the prospect and availability of funds from other sources and advises applicants to apply for funds from the Commonwealth and NSW government.

NSWALC has approved a limited number of grants as part of a specific community benefit scheme for discretionary grants.

Where Council has approved a grant under this arrangement it is administered by Ms. Jessica Bamblett of the PMU.

The Funeral Assistance Grants Scheme

NSWALC has been providing funeral assistance to support bereaved Aboriginal families for over a decade.

The scheme is uncapped.

This means the NSWALC responds to demand for funeral assistance from year to year.

The financial impact of funerals on bereaved families is high.

Loss is often unexpected and, as is frequently the case for many Australians, financial provision has not been made to cover expenses.

Some preliminary review of the internal administration of the Funeral Assistance Grants Scheme took place during the reporting period. Consideration of whether there are better options for providing funeral assistance to Aboriginal people will continue in 2012/13.

A 2 year contribution of \$200,000 to the “funding pool” was made by the NSW Government via Aboriginal Affairs NSW (AANSW).

By agreement with AANSW this enabled an increased contribution of \$300 per funeral by the NSWALC.

Investigation and Administration of Aboriginal Land Councils

The State Government and the NSWALC are intermittently required to intervene into the affairs of a LALC which has demonstrated a failure to comply with the provisions of the ALRA.

This is seen by the NSWALC as a measure of last resort.

The NSWALC’s primary strategy is to ensure such interventions are not used as an alternative to other more cost effective and efficient mechanisms that are available to achieve the same result.

The financial cost of Investigators and Administrators is prohibitive. Such interventions are a financial and administrative drain on the entire land rights network.

External intervention also has a significant operational and political cost on affected LALCs, and their members.

Part 11 of the *Aboriginal Land Rights Act 1983* sets out the roles and responsibilities of the NSWALC, the Minister, AANSW, and the Registrar on interventions.

The ALRA requires NSWALC and the AANSW to work together in appointing investigators and administrators pursuant to s222 of the Act.

Appointees are selected from a Joint List of investigators and administrators prepared by both NSWALC and AANSW.

The NSWALC and AANSW finalised a review of the Joint List in the reporting period.

A new Joint List was compiled and approved by Council.

It consists of thirty three skilled and experienced individuals from a broad range of firms.

Of the 119 Local Aboriginal Land Councils across the state of NSW three were subject to an administrator during this reporting period.

All had carried over from the previous year.

Two administrators had completed their terms of appointment as this reporting period ended.

One LALC was under administration.

WILCANNIA LOCAL ABORIGINAL LAND COUNCIL (WLALC)

The Minister approved the initial appointment of Mr Andrew Bowcher as administrator to the WLALC from 26 May 2009 to 25 November 2009.

The Minister extended the term of administration on six occasions to allow Mr Bowcher to complete his terms of reference before his appointment ceased on 25 May 2012.

The appointment of an administrator was required because WLALC had failed to establish proper accounts and furnish satisfactory audited financial statements and documents in accordance with Division 2 Part 8 of the ALRA.

The following results were reported at the conclusion of this administration:

- The creation of proper accounts and financial statements in compliance with the ALRA;
- Updated policies and procedures were accepted by the members which provide a comprehensive guide for the operations of the WLALC and are designed to be used to achieve management best practice;
- The recruitment of a CEO;
- Election of Board;
- The recruitment of a bookkeeper to assist the LALC with their financial requirements in compliance with the ALRA;
- Approved a Head Lease agreement with the Aboriginal Housing Office;
- Reviewed and updated Community Land and Business Plan.

COWRA LOCAL ABORIGINAL LAND COUNCIL

This administration began on August 30, 2010 with the appointment of Mr. William Murphy from Steel Walsh for a six month period following receipt of an Investigator's Report by the Minister for Aboriginal Affairs.

Three further extensions were granted by the Minister before Mr. Murphy's appointment ceased on 31 May 2012.

Mr. Murphy was appointed as administrator further to recommendations and findings stated in the final Investigators report to the Minister dated 6 August 2010.

The following outcomes have been reported upon completion of this administration:

- Established proper accounts and financial statement in compliance with the ALRA;
- Recruitment of a competent CEO;
- A new Board elected;
- Approved Head Lease agreement with the Aboriginal Housing Office.

WELLINGTON LOCAL ABORIGINAL LAND COUNCIL

The Minister appointed Mr Andrew Bowcher as administrator at WLALC for a period of six months from 2 December 2010.

The Minister approved three further extensions to 1 December 2012.

The appointment resulted from WLALC's failure to cause proper accounts and records to be kept on all of its operations.

It had also failed to furnish satisfactory financial statements and documents to its Auditor in accordance with Division 2 Part 8 of the ALRA.

Mr Bowcher's extended appointment as administrator aims to achieve the following result at WLALC:

- Restore the WLALC to operational and financial health;
- Recruit a CEO;
- Act as mentor and provide training for the CEO once selected;
- Elect a Board;
- Execute a Head Lease agreement with the Aboriginal Housing Office;
- Arrange for the new Board to receive relevant training.

Lengthy periods of administration place LALCs in jeopardy in addition to the costs imposed on the system.

The Minister has grounds under section 91(g) of the ALRA to consider the amalgamation or dissolution of the LALC where an administrator has been appointed for any three of the past years.

NSWALC and AANSW have been working towards more effective strategies when appointing administrators.

Crucial to improvements is the provision of orientation and training to incoming Administrators and investigators involving Zone directors.

They need to be involved in the planning for the course of the administration, certification of achievements, and preparation of an exit strategy.

Community Land and Business Plans

The ALRA requires each LALC to prepare and adopt a CLBP.

It sets out a consultation and approval process to be adopted in developing and implementing the plans and the matters to be covered by them.

Failure by a LALC to adopt and approve a CLBP, or a substantial failure by a LALC to comply with an approved CLBP, is considered a substantial breach of the requirements of the ALRA.

Such a situation can result in administration.

At the end of the reporting period the NSWALC had approved 100 plans.

At the end of the reporting period, 26 Local Aboriginal Land Council plans were due for renewal.

Local Government Association Conference 2011

The NSWALC sent a delegation of twenty seven representatives to the Local Government Conference in Nowra.

A major outcome was the election of Councillor Ah See to the LGA Executive, its key decision making body.

NSWALC's CEO Geoff Scott also addressed the conference.

Promotion of the "One Association" model which is designed to combine the LGA and the Shires Association has been high on the list of priorities for the LGA.

NSWALC had previously supported the proposal to form "One Association"

The LGA sought several meetings with Council to promote the idea of "One Association" and discuss the voting arrangements that will apply to all members in the future.

The new arrangements will reduce the number of votes available to NSWALC from 27 to 9, in

accordance with the population based voting rights calculated by the architects of "One Association"

A secret ballot of LGA and Shires Association members has voted in support of the One Association model.

The Unit, through Mr. Dennis and Ms. Brown, played a key role in organising and managing the Nowra delegation.

Compliance and Evaluation

As noted earlier, this Unit is the compliance and evaluation hub of the land rights network.

It supports Councillors, Management and Zone Offices in their delivery of services to Local Aboriginal Land Councils to ensure compliance with part 8 of the ALRA, relevant Regulations and policy on LALC Funding and Financial Obligations.

State-wide LALC Funding Category Report

The funding categories of all LALCs are determined by the NSWALC policy on Local Aboriginal Land Council Funding and Financial Obligations.

They are based on each of the LALCs compliance with its obligations under the Aboriginal Land Rights Acts, Regulations and risk level assessed under LALC Management Support System (LMSS).

The Policy has the following categories and risk levels:

FLR: Funded Low Risk – the LALC is in compliance of 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 less than 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 less than 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 28 of the following month.

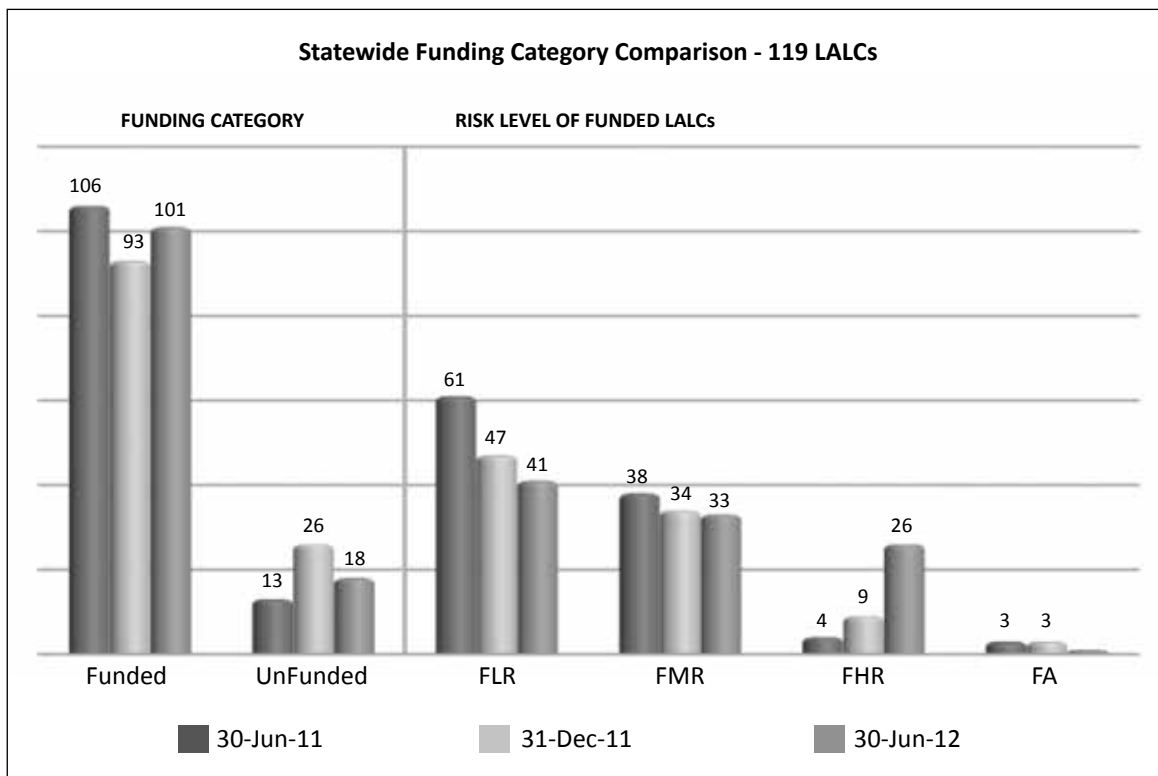
FA: Funded Under Administrator – the LALC is under administration and LMSS assessment is not required.

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, irrespective of its LMSS assessment score, or the LALC is in regulatory compliance but 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 2011.

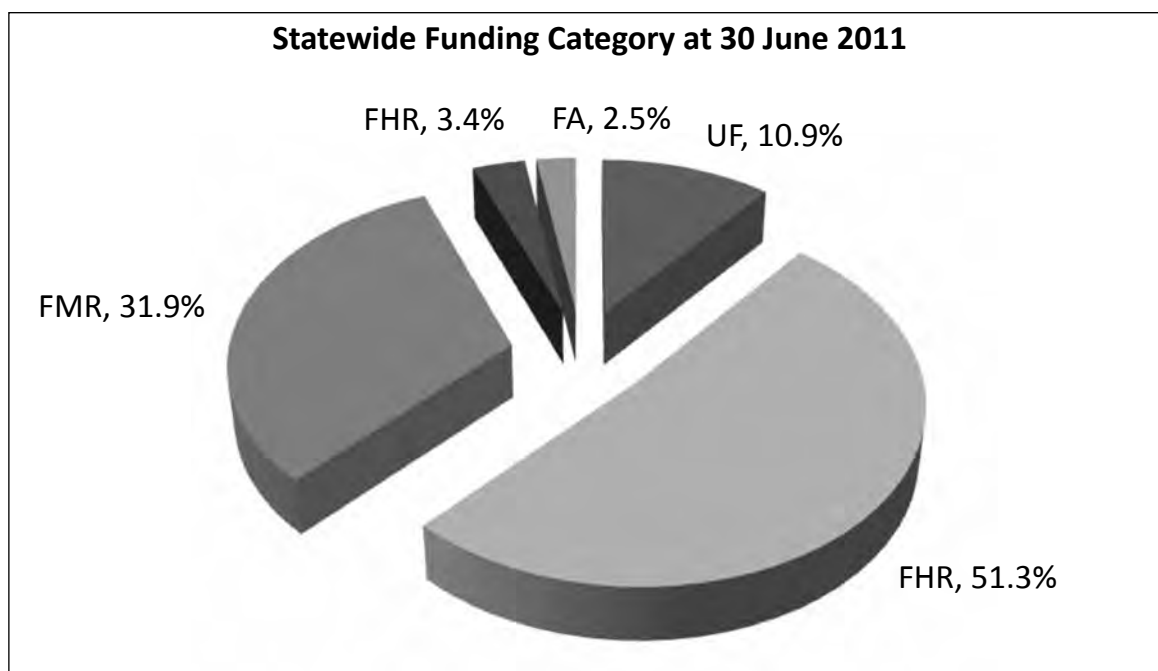


Graph 1 (Funding Category Section - at each report point; Funded +Unfunded =119 LALCs. Risk Category for funded LALCs shows the risk level at each report point; each risk category plus FA=Funded LALCs at that point in time)

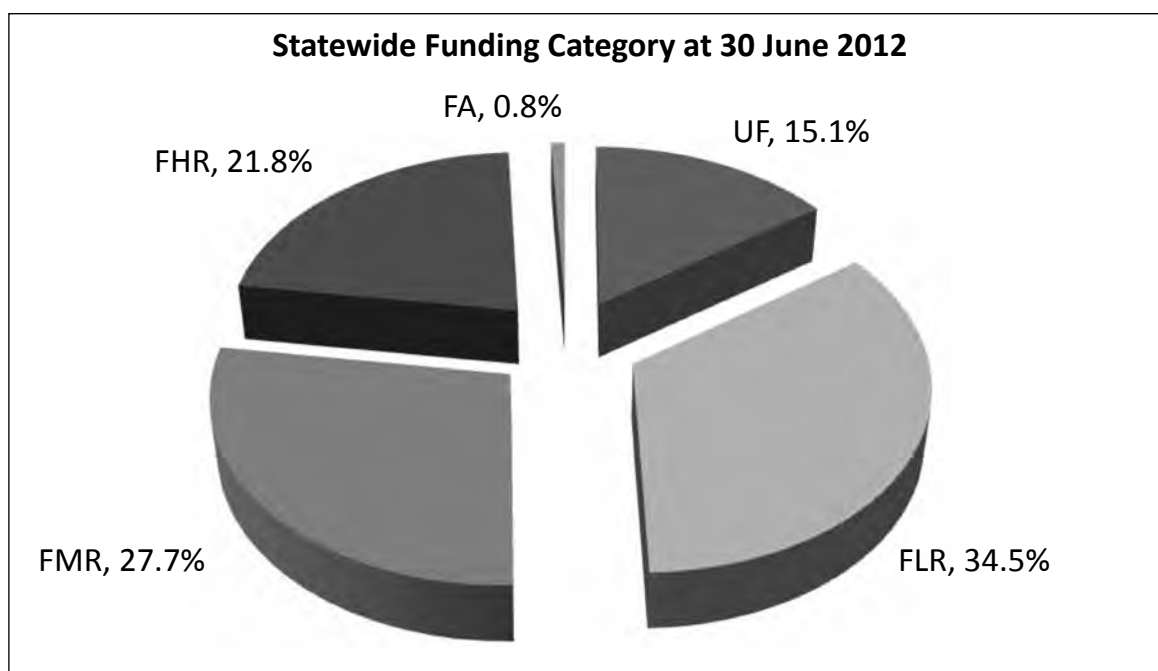
The number of LALCs in the funded category had decreased by five at the end of this financial year. A total of 101 LALCs were in the funded category at this report date, compared with 106 at the end of last report date.

Three LALCs were under administration at the end of last financial year. This had decreased to one at the end of this reporting period.

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 2011)



Graph 3 (State-wide Funding Category at the end of this Financial Year – 30 June 2012)

As noted elsewhere, the LALC Management Support System (LMSS) 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 model was upgraded to reflect more rational performance measurements of the LALCs during this period. The effect of the enhanced model is reflected in Graph 3.

It indicates there are fewer LALCs with lower level of performance risk than the number in Graph 2.

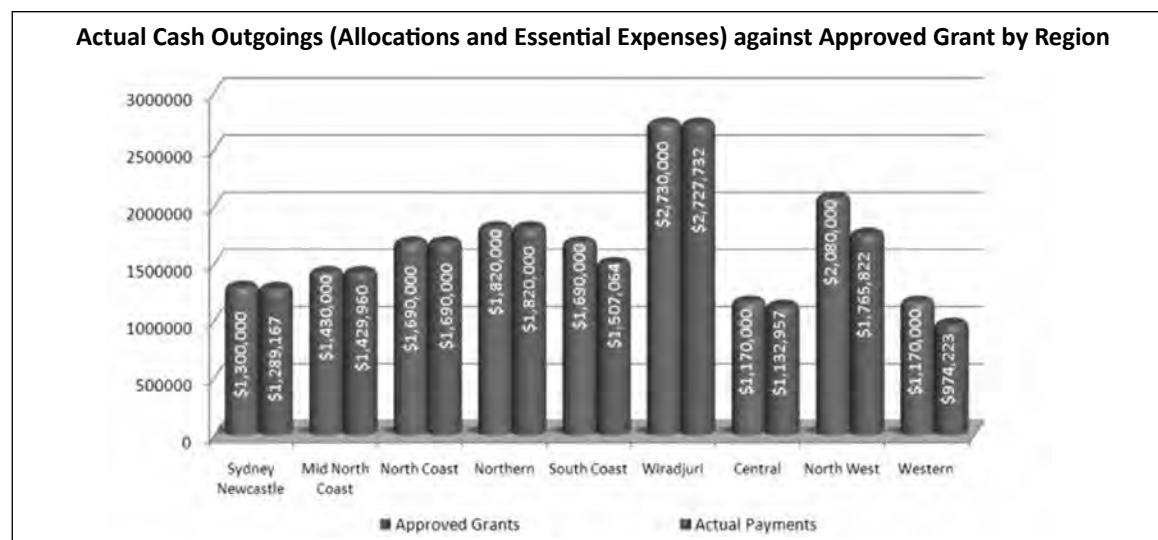
Statewide Grant Allocations Report

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.

Council approved allocation grants to 116 Local Aboriginal Land Councils of \$130,000 each during the 2011-12 financial year.

This amounted to a total grant allocation of \$15,080,000.



The graph measures the actual outgoings, comprising of cash allocations and the essential payments, against the approved grant for the LALCs in each Region.

95.07% of the approved grant of \$15,080,000 has been paid to the LALCs, either in cash allocations or essential payments during this reporting period. Details of these payments, which amounted to a total of \$14,336,923.52, are disclosed in the table below.

It should be pointed out that cash allocations are paid in installments 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.

The annual grant for each LALC that remain unpaid at the end of the financial year is forfeited by the LALC, as a new annual grant is approved by the NSWALC Council for each LALC.

DETAILS OF FUNDS GRANTED AND PAYMENTS TO EACH LALC
FINANCIAL YEAR ENDING 30 JUNE 2012

No.	Region	LALC	Approved Grant	Cash Payment	Essential Payments	Forfeited Grant
1	Sydney Newcastle	Awabakal	\$130,000.00	\$119,166.66		\$10,833.34
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	La Pouse	\$130,000.00	\$130,000.00		
7	Sydney Newcastle	Metropolitan	\$130,000.00	\$130,000.00		
8	Sydney Newcastle	Mindaribba	\$130,000.00	\$130,000.00		
9	Sydney Newcastle	Tharawal	\$130,000.00	\$130,000.00		
10	Sydney Newcastle	Worimi	\$130,000.00	\$130,000.00		
11	Central Coast	Birpai	\$130,000.00	\$130,000.00		
12	Central Coast	Bowraville	\$130,000.00	\$130,000.00		
13	Central Coast	Bunyah	\$130,000.00	\$130,000.00		
14	Central Coast	Coffs Harbour & District	\$130,000.00	\$130,000.00		
15	Central Coast	Forster	\$130,000.00	\$130,000.00		
16	Central Coast	Karuah	\$130,000.00	\$130,000.00		
17	Central Coast	Kempsey	\$130,000.00	\$130,000.00		
18	Central Coast	Nambucca Heads	\$130,000.00	\$130,000.00		
19	Central Coast	Purfleet/Taree	\$130,000.00	\$130,000.00		
20	Central Coast	Stuart Island	\$0.00			
21	Central Coast	Thungutti	\$130,000.00	\$0.00	\$129,959.54	\$40.46
22	Central Coast	Unkya	\$130,000.00	\$130,000.00		
23	North Coast	Baryulgil Square	\$130,000.00	\$130,000.00		
24	North Coast	Birrigan Gargle	\$130,000.00	\$130,000.00		
25	North Coast	Bogal	\$130,000.00	\$130,000.00		
26	North Coast	Casino Boolangle	\$130,000.00	\$130,000.00		
27	North Coast	Grafton Ngerrie	\$130,000.00	\$130,000.00		
28	North Coast	Gugin Gudduba	\$130,000.00	\$130,000.00		
29	North Coast	Jali	\$130,000.00	\$130,000.00		
30	North Coast	Jana Ngalee	\$130,000.00	\$130,000.00		
31	North Coast	Jubullum	\$130,000.00	\$130,000.00		
32	North Coast	Muli Muli	\$130,000.00	\$130,000.00		
33	North Coast	Ngulingah	\$130,000.00	\$130,000.00		
34	North Coast	Tweed Byron	\$130,000.00	\$130,000.00		
35	North Coast	Yaegl	\$130,000.00	\$130,000.00		

36	Northern	Amaroo	\$130,000.00	\$130,000.00		
37	Northern	Anaiwan	\$130,000.00	\$130,000.00		
38	Northern	Armidale	\$130,000.00	\$130,000.00		
39	Northern	Ashford	\$130,000.00	\$130,000.00		
40	Northern	Coonabarabran	\$130,000.00	\$130,000.00		
41	Northern	Dorrigo Plateau	\$130,000.00	\$130,000.00		
42	Northern	Glen Innes	\$130,000.00	\$130,000.00		
43	Northern	Guyra	\$130,000.00	\$130,000.00		
44	Northern	Moombahlene	\$130,000.00	\$130,000.00		
45	Northern	Nungaroo	\$130,000.00	\$130,000.00		
46	Northern	Red Chief	\$130,000.00	\$130,000.00		
47	Northern	Tamworth	\$130,000.00	\$130,000.00		
48	Northern	Walhallow	\$130,000.00	\$130,000.00		
49	Northern	Wanaruah	\$130,000.00	\$130,000.00		
50	South Coast	Bateman's Bay	\$130,000.00	\$130,000.00		
51	South Coast	Bega	\$130,000.00	\$65,000.00	\$29,550.53	\$35,449.47
52	South Coast	Bodalla	\$130,000.00	\$0.00	\$65,386.34	\$64,613.66
53	South Coast	Cobowra	\$130,000.00	\$84,519.07	\$21,578.65	\$23,902.28
54	South Coast	Eden	\$130,000.00	\$130,000.00		
55	South Coast	Illawarra	\$130,000.00	\$130,000.00		
56	South Coast	Jerringa	\$130,000.00	\$130,000.00		
57	South Coast	Merrimans	\$130,000.00	\$130,000.00		
58	South Coast	Mogo	\$130,000.00	\$130,000.00		
59	South Coast	Ngambri	\$130,000.00	\$130,000.00		
60	South Coast	Nowra	\$130,000.00	\$130,000.00		
61	South Coast	Ulladulla	\$130,000.00	\$130,000.00		
62	South Coast	Wagonga	\$130,000.00	\$0.00	\$71,028.96	\$58,971.04
63	Wiradjuri	Albury & District	\$130,000.00	\$130,000.00		
64	Wiradjuri	Condobolin	\$130,000.00	\$130,000.00		
65	Wiradjuri	Cowra	\$130,000.00	\$130,000.00		
66	Wiradjuri	Cummeragunja	\$130,000.00	\$130,000.00		
67	Wiradjuri	Deniliquin	\$130,000.00	\$130,000.00		
68	Wiradjuri	Griffith	\$130,000.00	\$130,000.00		
69	Wiradjuri	Hay	\$130,000.00	\$130,000.00		
70	Wiradjuri	Leeton & District	\$130,000.00	\$130,000.00		
71	Wiradjuri	Moama	\$130,000.00	\$130,000.00		
72	Wiradjuri	Murrin Bridge	\$130,000.00	\$130,000.00		
73	Wiradjuri	Narrandera	\$130,000.00	\$130,000.00		

74	Wiradjuri	Onerwal	\$130,000.00	\$108,333.33	\$19,398.87	\$2,267.80
75	Wiradjuri	Orange	\$130,000.00	\$130,000.00		
76	Wiradjuri	Peak Hill	\$130,000.00	\$130,000.00		
77	Wiradjuri	Pejar	\$130,000.00	\$130,000.00		
78	Wiradjuri	Tumut Brungle	\$130,000.00	\$130,000.00		
79	Wiradjuri	Wagga Wagga	\$130,000.00	\$130,000.00		
80	Wiradjuri	Wamba Wamba	\$130,000.00	\$130,000.00		
81	Wiradjuri	West Wyalong	\$130,000.00	\$130,000.00		
82	Wiradjuri	Bathurst	\$130,000.00	\$130,000.00		
83	Wiradjuri	Young	\$130,000.00	\$130,000.00		
84	Central	Dubbo	\$130,000.00	\$130,000.00		
85	Central	Gilgandra	\$130,000.00	\$130,000.00		
86	Central	Mudgee	\$130,000.00	\$130,000.00		
87	Central	Narromine	\$130,000.00	\$116,720.37		\$13,279.63
88	Central	Nyngan	\$130,000.00	\$130,000.00		
89	Central	Trangie	\$130,000.00	\$130,000.00		
90	Central	Warren Macquarie	\$130,000.00	\$130,000.00		
91	Central	Weilwan	\$130,000.00	\$106,236.50		\$23,763.50
92	Central	Wellington	\$130,000.00	\$130,000.00		
93	North West	Baradine	\$130,000.00	\$130,000.00		
94	North West	Brewarrina	\$130,000.00	\$0.00	\$70,729.82	\$59,270.18
95	North West	Collarenebri	\$130,000.00	\$130,000.00		
96	North West	Coonamble	\$130,000.00	\$130,000.00		
97	North West	Goodooga	\$130,000.00	\$98,897.83		\$31,102.17
98	North West	Lightning Ridge	\$130,000.00	\$130,000.00		
99	North West	Moree	\$130,000.00	\$111,478.47		\$18,521.53
100	North West	Mungindi	\$130,000.00	\$0.00	\$68,254.37	\$61,745.63
101	North West	Murrawari	\$130,000.00	\$130,000.00		
102	North West	Narrabri	\$130,000.00	\$130,000.00		
103	North West	Nulla Nulla	\$130,000.00	\$130,000.00		
104	North West	Pilliga	\$130,000.00	\$32,499.99	\$61,109.61	\$36,390.40
105	North West	Toomelah	\$130,000.00	\$0.00	\$84,572.06	\$45,427.94
106	North West	Walgett	\$130,000.00	\$87,500.00		\$42,500.00
107	North West	Wee Waa	\$130,000.00	\$110,779.55		\$19,220.45
108	North West	Weilmoringle	\$130,000.00	\$130,000.00		
109	Western	Balranald	\$130,000.00	\$130,000.00		
110	Western	Broken Hill	\$130,000.00	\$130,000.00		
111	Western	Cobar	\$130,000.00	\$130,000.00		\$4,000.00

112	Western	Dareton	\$130,000.00	\$120,060.00		\$9,940.00
113	Western	Ivanhoe	\$130,000.00	\$0.00	\$2,045.45	\$127,954.55
114	Western	Menindee	\$130,000.00	\$130,000.00		
115	Western	Mutawintji	\$130,000.00	\$43,333.33	\$28,784.22	\$57,882.45
116	Western	Tibooburra	\$130,000.00	\$130,000.00		
117	Western	Wanaaring	\$0.00	\$0.00		
118	Western	Wilcannia	\$130,000.00	\$130,000.00		
119	Western	Winbar	\$0.00	\$0.00		
			\$15,080,000.00	\$13,684,525.10	\$652,398.42	\$743,076.48

This table summarises payments against grants.

PAYMENT CATEGORY	AMOUNT	PERCENTAGE
Cash Allocations	\$13,684,525.10	91%
Essential Payments	\$652,398.42	4%
Forfeited Grants	\$743,076.48	5%
Approved Grants	\$15,080,000.00	100.00%

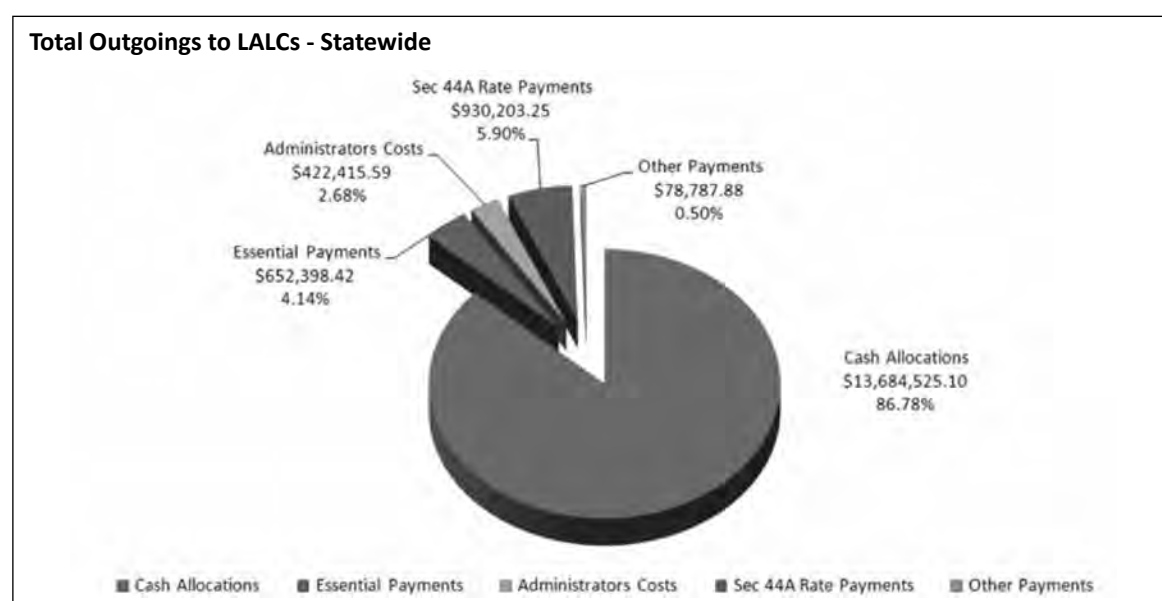
A total of **\$652,398.42** has been paid for essential functions of 12 LALCs while they were unfunded for non-compliance with regulations.

Breakdown of the Essential Payments on LALC and Region Basis

Region	Number of LALC	Number of LALCs	Amount for Each LALC	Total for the Region
Mid North Coast	1			\$129,959.54
		Thungutti	\$129,959.54	
South Coast	4			\$187,544.48
		Bega	\$29,550.53	
		Bodalla	\$65,386.34	
		Cobowra	\$21,578.65	
		Wagonga	\$71,028.96	
Wiradjuri	1			\$16,398.87
		Onerwal	\$19,398.87	
North West	4			\$284,665.86
		Brewarrina	\$70,729.82	
		Mungindi	\$68,254.37	
		Pilliga	\$61,109.61	
		Toomelah	\$84,572.06	
Western Region	2			\$30,829.67
		Ivanhoe	\$2,045.45	
		Mutawintji	\$28,784.22	
TOTAL	12		\$652,398.42	\$652,398.42

A sum of \$557,401.20 was paid out as essential payments for 13 LALCs during the previous financial year ending 30 June 2011.

Total Outgoings for LALCs



In addition to cash allocations and essential payments against the approved grant, the total payments include administration costs, payments of rates and other relevant payments.

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

This is the central database on LALC compliance with legislative requirements and NSWALC funding policies. The database has the following functions.

- Automatically creates the compliance requirements of each LALC, one month before the compliance date.
- Automatically breaches the LALC for non compliance at *midnight on the compliance date*.
- Automatically changes the Funding Category of a LALC at midnight;
 - Compliance date if a funded LALC has failed to comply
 - 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.
- Timely automated e-mails, which include;
 - Reminder to Zones offices and the LALCs regarding the upcoming compliance requirements and dates, including need for a new LMSS performance assessment.
 - 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.
- 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. The Global Help is user friendly and is easy to navigate to find any required help with the operation of the database or interpretation of relevant regulations that have an effect on the database process
- Automatically activates to change the funding category of a LALC based on any change in the risk score of that LALC, as a result of a new synchronised LMSS assessment.
- Recording of executed Funding Agreements and or Assistance Agreements.
- Automatically terminates funding or assistance agreements in accordance with the clauses of the funding and financial obligation policy
- Has SAP (General Ledger) connectivity to download the payments against the approved grants

The database contains the compliance and breach records of all LALCs and this information is 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 need in any of the four formats – (1) Online (2) Adobe Acrobat, (3) Microsoft Excel and or (4) Microsoft Word.

The database has been designed to be flexible enough to accommodate any change in policy, legislation or regulation.

LMSS Upgrade

NSWALC management and internal auditors conducted a review of the LMSS application during the reporting period.

The review indicated the application required adjustment.

An external consultant, PriceWaterhouse Coopers, was engaged to design a model that would reflect an improved risk factor in the assessment of the performance of the LALCs. The model presented by the consultant was subsequently endorsed by NSWALC's Audit and Risk Committee (ARC).

Program Management Unit assumed the responsibility to develop and deploy the approved model.

Antares Solutions, an IT Consulting Firm, developed the model which was fully tested and deployed in January 2012.

LALC Social Housing Scheme

Compliance and Evaluation Unit was engaged in the development of;

- LALC Social Housing Scheme Guidelines
- LALC Social Housing Scheme Budget and Planned Maintenance Tool
- LALC Social Housing Scheme Application Form

- LALC Social Housing Scheme Pre- Application Assessment Instrument
- LALC Social Housing Scheme Application Results Data Control

The Unit worked with the Training and Development Unit in the preparation of social housing application and provider evaluation training materials and the training of expert users who provide training to the Zone staff.

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 the 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.

This is linked to the NSWALC Community Land and Business Plan which, in turn, is linked to the NSWALC Corporate Plan 2008-2012.

The following Corporate Priorities, as identified in both the NSWALC Corporate Plan and Community Land and Business Plan, have the greatest impact on zone activities:

- 1 Advocacy and Rights
- 2 Strong Leadership and Governance
- 3 Productive and Meaningful Partnerships
- 4 Community Health and Well-Being
- 5 Land, Cultural Heritage and Environmental Management
- 6 Community Development and Planning.

LOCAL ABORIGINAL LAND COUNCILS IN THE ZONE

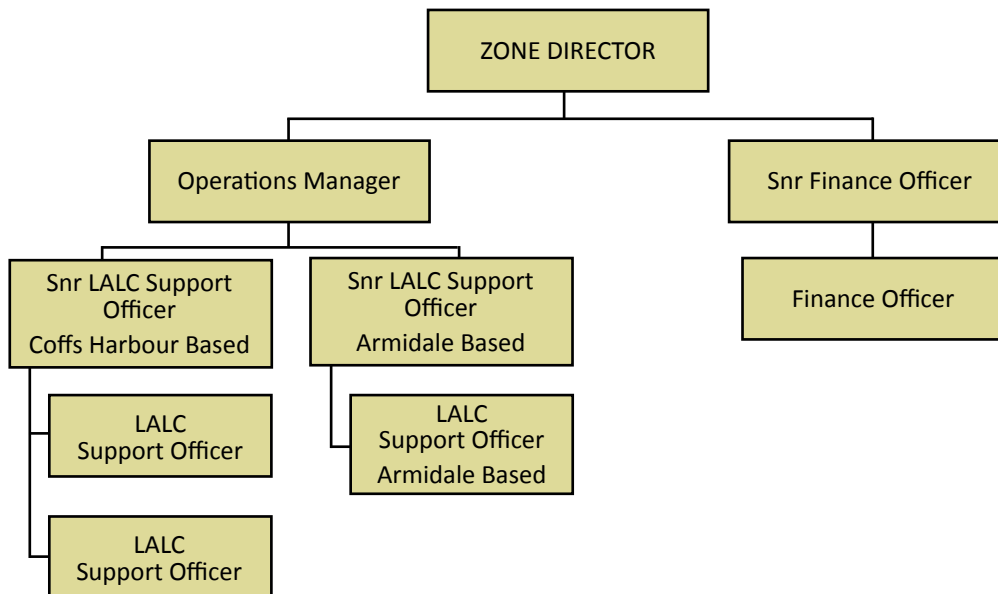
During the reporting period, the Northern Zone comprised 38 LALCs within the following regions:

- North Coast Region (comprising 13 Local Aboriginal Land Councils) represented by NSWALC Councillor Dallas Donnelly (July 2011-August 2011) and then by Councillor Tina Williams (August 2011 to June 2012).
- Mid North Coast Region⁵ (comprising 11 Local Aboriginal Land Councils) represented by NSWALC Councillor and Chairperson Bev Manton (July 2011-August 2011) and then by Councillor Peter Smith (August 2011-June 2012);
- Northern Region (comprising 14 Local Aboriginal Land Councils) represented by NSWALC Councillor Tom Briggs.

⁵The Mid North Coast Region was formerly known as the Central Coast Region.

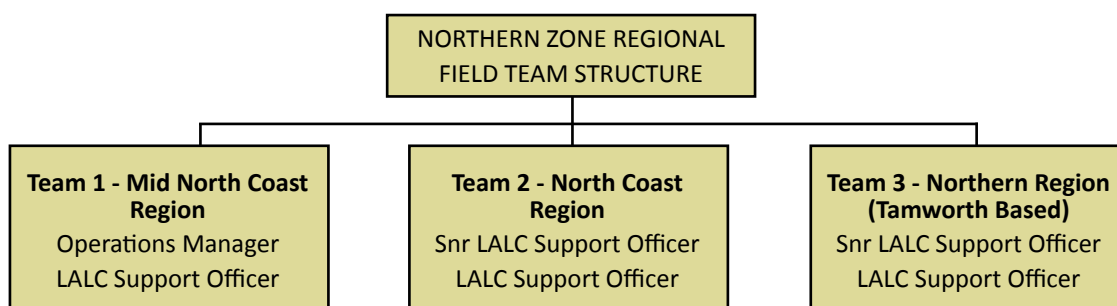
HUMAN RESOURCES

The staffing structure of the Northern Zone for the reporting period is depicted below:



The Northern Zone office of the NSWALC operated from offices in Coffs Harbour and Tamworth during the financial year.

The Tamworth office is staffed by a Senior LALC Support and a LALC Support Officer. They work exclusively with LALCs located in the Northern Region.



Two staff from the Northern Zone office successfully completed an Advanced Diploma of Management during the reporting period.

SUPPORT TO LALCS

Zone staff undertook comprehensive risk assessments of all LALCs in the Zone during the reporting period using the NSWALC LALC Management Support System (LMSS).

The LMSS is a diagnostic tool that assesses LALC performance across five operational areas.

The LMSS assessment 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 and identifies actions required by NSWALC to assist the LALC and actions required to be undertaken by the LALC to address the identified areas of deficiency.

LALC Support Unit (LCSU) staff have primary responsibility for day to day dealings with LALCs on a broad range of issues including assisting LALCs to fulfil their responsibilities under the Act.

LCSU staff provide significant amounts of advice and support to LALCs on the requirements of the Act and Regulations, operational matters, planning, preservation and protection of Aboriginal culture and heritage, land dealing matters, human resource functions and assistance with negotiations with government and other stakeholders.

They also provide significant ongoing advice and assistance to LALCs on social housing management and work collaboratively with NSW Aboriginal Housing Office staff in staging rent setting and housing policy workshops with many LALCs.

These meetings provide an opportunity for LALC members to obtain information in relation to the AHO “Build and Grow” strategy, along with NSWALC’s Social Housing Policy and related guidelines.

The Finance Unit staff provide support to LALCs on budgeting, financial management systems and controls, release of NSWALC grant funds,

processing of “essential payments” along with LALC financial performance monitoring and assistance. They also visit 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.

Review of Operations

MANY RIVERS REGIONAL PARTNERSHIP AGREEMENT

NSWALC is a formal signatory to this Regional Partnership Agreement.

The Implementation of phase one of the agreement, which is focused on developing sustainable Green Team units across the former ATSIC Many Rivers region, has suffered significant problems and difficulties. The focus area of the strategy has withdrawn to the Hunter area in a bid to capitalise on government funded “green initiatives” in that area. All staff of the Green Team Development Unit have been terminated.

A review of phase one actions was underway as this reporting period ended. Once the review is concluded the Regional Partnership Committee will meet to discuss the outcomes of the review and the viability of the RPA as a continuing strategy.

NORTHERN REGION LALC REGIONAL PARTNERSHIP AGREEMENT

A Regional Partnership Agreement (RPA) was successfully negotiated between the 14 LALCs in the Northern Region along with Councillor Tom Briggs and NSW and Australian Government agencies through their relevant Ministers. The RPA is underpinned by a Regional Economic Development Strategy and Implementation Plan developed by the 14 LALCs.

The RPA will initially focus on increasing Aboriginal employment outcomes within the Northern Region by seeking to reduce barriers to employment for Aboriginal people in that region and other activities as included in the Schedule 1 of the RPA.

The Rations Exchange Technical Resource Unit has been established by the 14 LALCs to coordinate, facilitate, deliver and monitor a range of strategies and actions documented in Schedule 1 of the agreement. Australian Government agencies are providing funding and support for the delivery of a range of these strategies and actions.

The Regional Partnership Committee regularly meets to oversee and monitor implementation of actions from Schedule 1. The Committee involves a number of Australian and NSW Government agency representatives along with delegates from the 14 LALCs, Councillor Briggs, and Northern Zone staff.

Further schedules will be negotiated with government in the new reporting period for inclusion in the RPA.

FOUNDATIONS FOR OUR FUTURE STRATEGY AND SALTWATER FRESHWATER ARTS STRATEGY

The Saltwater Freshwater Alliance is made up of 10 LALCs from the Mid North Coast Region and Arts Mid North Coast.

As reported last year, the Alliance was established in 2009 to undertake a range of arts based cultural activities as documented in a regional arts and culture strategy, Foundations For Our Future.

The strategy is known as Saltwater Freshwater Arts Alliance.

This reporting period was one of significant activity for the Alliance.

SALTWATER FRESHWATER ARTS ALLIANCE⁶ 2011-12 PROJECTS

SWFW Stories

Funding was received through the Department of Families, Housing, Community Services and Indigenous Affairs to record Aboriginal stories (contemporary and traditional) from Aboriginal communities on the Mid North Coast of NSW for presentation as a smart phone application. Saltwater Freshwater Arts Alliance has partnered with the Pacific Coast Touring Route to develop an iPhone application that links these Aboriginal stories to GPS locations. Using digital technologies

to continue oral traditions, the application is targeted at tourists visiting the area who can also learn about Aboriginal cultural tourism products and services. It is anticipated the product will be ready for launch in October 2012.

Kempsey Canoes

Funding was received through the Department of Families, Housing, Community Services and Indigenous Affairs to run a canoe building project in Kempsey. The Canoes project was initiated through a range of key youth-focussed Aboriginal organisations in the Macleay Valley area. The project aimed to use cultural education to keep kids in school and it was a resounding success. Aboriginal students from Kempsey High worked with mentors to learn how to build traditional canoes in a number of different styles through weekly sessions and a two-day cultural camp. The project provided the opportunity for significant cultural knowledge to be transferred between the generations whilst the students gained technical, leadership and life skills. The canoes will be displayed at the Saltwater Freshwater Festival.

Stall Holder Development Workshops

Funding was received through the Department of Families, Housing, Community Services and Indigenous Affairs to run educational workshops for Aboriginal small business people interested in being a vendor at the annual Saltwater Freshwater Festival. A range of workshops were held where participants received training in gaining the required certification, accreditation and insurances for food handling, food safety supervision, event preparation and presentation, marketing and social media. Three vendors from the workshops were booked for the 2012 Saltwater Freshwater Festival in Taree.

2012 Saltwater Freshwater Festival

Due to extreme weather conditions and flooding, the much anticipated Saltwater Freshwater Festival to be held in Taree on Australia Day was cancelled on the morning of 26 January 2012. Despite the cancellation, there were many achievements reached in the lead up to the event which promised to be the best organised, programmed and promoted event to date. Acts to perform included Casey Donovan, Microwave Jenny, the Stiff Gins and the Black Turtles; an exciting dance program including local dancers and international acts was scheduled; as were a range

⁶ Information provided by SWFW Alliance.

of workshops including dance, weaving, language and didgeridoo. The value of the community engagement undertaken and awareness created for our Festival has endeared Saltwater Freshwater and its partners to the Aboriginal and broader community in the Manning region and beyond.

SWFW Stitching Workshops

Following on from the successful 'Stitching Memories' quilting program ran in 2009 and 2010, funding was received through Regional Arts NSW Regional Art Fund to run stitching workshops in four communities. Run over a period of 12 weeks, participants in Forster, Birpai and Bunyah met weekly with a local artist to use stitching and sewing techniques to create quilts, bags, cushions, pillowcases and other design products. The Kempsey workshops are starting in July 2012.

National Aboriginal Design Agency

With funding through Department of Education, Employment and Workplace Relations, the National Aboriginal Design Agency was launched in February 2012. Acting as a commercial arm of the Saltwater Freshwater Arts Alliance, the National Aboriginal Design Agency will broker joint ventures between Aboriginal Artists and manufacturers to create unique design products such as carpets, lighting, furniture, textiles, wall coverings, and architectural products with an Aboriginal aesthetic.

Saltwater Freshwater Cultural Festival

As noted above the Festival was cancelled due to widespread flooding on the Mid North Coast and the risk of the site at Taree being inundated, despite many months of planning and activity.

The Alliance plan to stage the annual festival at Taree in 2013.

LALC COMMUNITY LAND AND BUSINESS PLANS

All LALCs in the Zone commenced the reporting period with member, and NSWALC, approved Community Land and Business Plan's (CLBP).

During the reporting period many LALCs obtained NSWALC approval for extensions on their plan timeframes while a review of the LALC plan is undertaken.

Many LALCs are also reviewing their CLBP's prior to

the expiration of the current plan.

The NSWALC has recommended each give careful consideration to the number of goals contained in each plan.

COMPLIANCE MONITORING AND ASSISTANCE

Local Aboriginal Land Councils have many and varied responsibilities under the ALRA.

A major focus for the Northern Zone Office since its establishment has been to assist LALCs with their compliance reporting as required by the ALRA.

It is pleasing to report there have been no Administrators appointed to LALCs within the zone for the third consecutive year.

This is a significant achievement which can be attributed to the hard work of LALC Boards, CEO's and Northern Zone staff.

LALC AUDIT RESULTS

The audited financial statements for all LALCs in the Northern Zone were received during the reporting period.

These relate to LALC operations in the 2010-2011 financial year and resulted in 37 of the 38 LALCs in the Zone gaining unqualified audits.

The related management letters reflected improved internal control and financial management procedures present at the LALCs.

These audit and management letter results are a testament to the work of LALC CEO's and Boards and follow the excellent outcomes achieved in the previous financial year.

RISK BASED FUNDING POLICY AND LMSS RISK ASSESSMENT PROCESSES

This reporting period was the third year of implementation of NSWALC's risk based funding policy, including the use of the NSWALC risk assessment tool known as the LALC Management Support System or LMSS.

There was a major review of the LMSS system undertaken during the period.

As noted earlier the review was conducted with the assistance of external consultants

Pricewaterhouse Coopers and was overseen by the NSWALC internal Audit and Risk Committee.

As a result of this review, changes were made to the LMSS questions to remove ambiguity and some additional questions were introduced.

Each question was allocated a “risk weighting” of either high, medium or low and the operation of the system was moved to a multiplicative basis.

The revised system was utilised for LALC LMSS assessments undertaken during the final quarter of the reporting period in April to June.

LALCs are categorised as Funded or Unfunded based on their compliance with the ALRA and their most recent LMSS assessment score.

A LALC with an LMSS score of less than 50% is deemed by NSWALC to fall into an unfunded category.

Based on the LMSS assessment score, each LALC is then assigned a risk category according to the result in the following manner:

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

The funding and risk category of each LALC then guides the terms and conditions attached to a Funding Agreement offered by the NSWALC to a Funded LALC.

Apart from the LMSS assessment process, if a LALC breaches a section of the NSW Aboriginal Land Rights Act that prevents NSWALC from providing funds directly to that LALC, then the LALC automatically falls into the Unfunded category.

The LALC does not return to a funded category until the legislative breach has been cleared.

The graph below shows the status of LALCs in the Northern Zone as at the beginning and end of the reporting period.

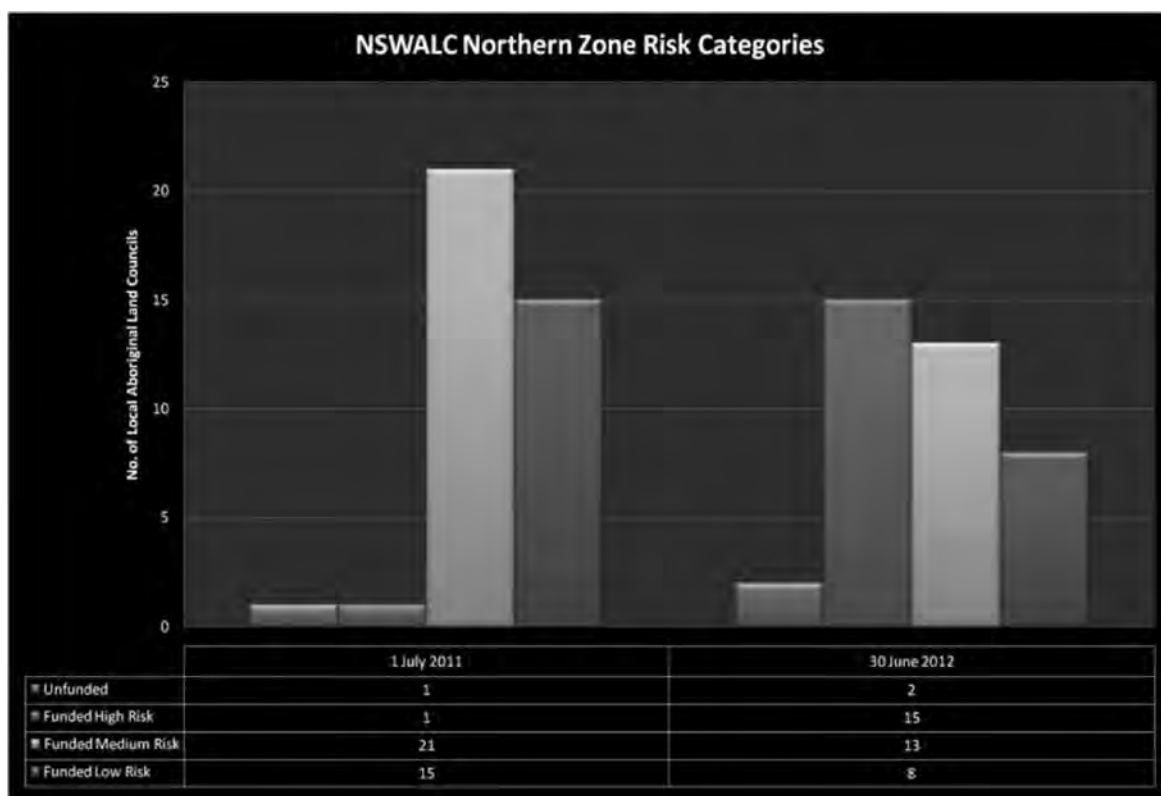
The scores achieved by LALC's at the end of the reporting period were calculated using the revised LMSS system and has resulted in many LALC's across the zone shifting in risk category.

The results of the 4th quarter LMSS assessment clearly shows that there has been a significant increase in the number of LALCs in the high and medium risk categories and a significant decline in the number of LALCs in the low risk category.

Northern Zone staff anticipate these results will improve during the course of the 2012-2013 financial year as LALCs undertake actions to address deficiencies identified in the assessment process, particularly in relation to operational areas that are categorised as either high or medium risk.

The graph indicates the following:

- As at 1/7/11, 97.4% of LALCs in the Zone were in a funded category.
- As at the 30/6/12 there were 94.7% of LALCs in the zone in a funded category with two LALCs only in an unfunded category.
- On the 1/7/11 there were 2.6% of LALCs in the High Risk Category, 55.3% in Medium Risk Category and 39.5% in the Low Risk Category.
- On the 30/6/12 there were 39.5% in the High Risk Category, 34.2 in the Medium Risk Category and 21% in the Low Risk Category.



LALC CAPACITY BUILDING INITIATIVES

Zone staff attended numerous LALC Board and members meetings to provide ongoing information, guidance and support for Board and LALC members on the requirements of the ALRA.

LALC BOARD ELECTIONS

During the reporting period Northern Zone staff acted as Returning Officers for 37 LALC Board elections. The 2011 Board elections resulted in an approximate 50% turnover of Board members.

LALC BOARD MEMBER GOVERNANCE TRAINING

Northern Zone staff also conducted more than fifteen Board member Governance Training workshops for newly elected LALC Board members to undertake the mandatory governance training as required by the NSW Aboriginal Land Rights Act.

REGIONAL DELIVERY OF FAHCSIA LEADERSHIP WORKSHOPS

During the reporting period, LALCs in the Northern Zone were provided with an opportunity to send a number of representatives to a live in Leadership Workshop facilitated by the Australian Government Department of Families and Housing, Community Services and Indigenous Affairs (FaHCSIA).

FaHCSIA delivered a two day workshop for LALCs in the Northern Region at Tamworth.

This initiative was held under the auspices of the Regional Partnership Agreement between the 14 Northern Region LALC's and the Australian and NSW Governments.

More than 60 representatives from Northern Region LALCs attended the workshop.

NSWALC Councillors and Northern Zone staff successfully negotiated with FaHCSIA for the Leadership Course to be staged for the benefit of LALCs in both the Mid North Coast and North Coast Regions.

FaHCSIA Leadership Courses were subsequently held in Port Macquarie and Coffs Harbour.

More than 80 LALC delegates attended these workshops.

Delegates reported the workshops would assist them in carrying out their roles as LALC Board members or leaders within their communities.

The NSWALC believes the workshops complement, and build upon, the skills and knowledge developed by LALC Board members while participating in the NSWALC Board Member Governance Training.

LALC SOCIAL HOUSING ACTIVITIES

The NSW Aboriginal Land Rights Act requires that the NSWALC approve a LALC's operation of a housing rental program referred to in the legislation as their Social Housing Scheme (SHS).

NSWALC has developed related policy and an assessment process.

During August 2011 the Northern Zone office conducted a LALC Social Housing Scheme workshop in each of the three regions within the Zone.

Detailed information was provided to all LALCs in relation to NSWALC's Social Housing Approval and Provider Evaluation (SHAPE) policy and assessment process.

A key component of the NSWALC policy is to offer LALCs a SHAPE pre application process.

This enables a LALC to submit an application to the NSWALC for approval to operate a social housing scheme.

The NSWALC can then assess the application and provide formal feedback to the LALC in relation to areas where it is unable to satisfy the NSWALC SHAPE policy requirements.

This process results in the issuing of a Social Housing Improvement Plan (SHIP) which can guide LALC activities when lodging a final application for the approval of the NSWALC.

Zone staff provided support and assistance to LALCs which indicated they intended to continue to manage their social housing following these workshops.

The Northern Zone received a total of 22 pre-applications from LALCs.

These pre applications were assessed with SHIP's were developed and returned to the applicant LALCs.

Zone staff continued to provide support and assistance to LALCs with the completion and lodgement of their final SHAPE applications.

A number of LALCs in the Zone have received the approval of members to head lease their SHS to the NSW Aboriginal Housing Office.

Four of the ten LALCs have received NSWALC approval for the head lease arrangements.

Many were still working to lodging their final application under the NSWALC SHAPE process as the reporting period ended.

A small number were still considering their options in relation to the ongoing management of their social housing scheme.

INDIGENOUS PROTECTED AREAS

During the reporting period, the Glen Innes LALC continued to operate an IPA on lands owned by the LALC known as The Willows.

The LALC was being supported in the implementation of their Plan of Management with a number of LALC members undertaking traineeships in land management and allied industries on the property during the reporting period.

The Nambucca Heads LALC also declared in IPA during the reporting period.

Known as the Gumma IPA, it was declared on the 26th of November 2011.

The LALC is in the process of establishing a Gumma IPA Advisory Committee to work closely with other stakeholders in the management the IPA and the nearby Gaagal Wanggaan National Park.

Jali LALC have also investigated the declaration of an IPA over LALC owned lands at South Ballina.

The LALC have been working with consultants in developing a draft plan of management and anticipate completing the declaration process prior to the end of the 2012 calendar year.

INTERAGENCY ENGAGEMENT

During the reporting period, staff from the Northern Zone attended the first round of consultations conducted by the NSW Ministerial Taskforce for Aboriginal Affairs Policy.

Zone staff also attended meetings convened by the Aboriginal Affairs NSW in relation to a review of the Priority Community Projects established under the NSW Government's Two Ways Together Policy on Aboriginal Affairs.

The following communities in the Northern Zone are classified as priority communities under this program:

- Taree;
- Gloucester;
- Bowraville;
- Tabulam;
- Ballina;
- Tamworth.

Feedback provided by communities to Government in relation to the success of these programs has been mixed.

Northern Zone staff meet regularly with staff from the NSW Aboriginal Housing Office and the Australian Government Indigenous Coordination Centres' located at Coffs Harbour and Tamworth.

Southern Zone

This Zone Office operates from Queanbeyan, servicing a total of 34 Local Aboriginal Land Councils (LALC) within its boundaries.

Its purpose, aims and objectives are consistent with that of all Zone offices and are delivered in accord with the key objectives of NSWALC's Business and Corporate Plans.

The Zone boundaries encompass two NSWALC regions:

- South Coast Region – comprising 13 LALCs
- Wiradjuri Region – comprising 21 LALCs

Mr. Neville "Jack" Hampton and Mr. Craig Cromelin are the duly elected NSWALC Councillors for the South Coast and Wiradjuri Regions.

The Southern Zone meets each Councillor regularly to provide briefings on operational aspects of the Zone office and LALCs and any issue which may require the Councillors attention.

ZONE STAFFING

There were nine staff positions in the Zone Office as this reporting period ended, a reduction of one on last year.

The Administration / Finance position was abolished at the start of the reporting period as a result of the need to cut operational costs across the organisation.

The office also operated for a majority of the reporting period with two vacant positions due to the loss of personnel following the promotion of the Zone Director and secondment of the Operations Manager.

A recruitment process resulted in the permanent appointment of Zone Director, Mr. Yuseph Deen and Operations Manager, Ms Catherine Wright.

The Zone office was also successful in recruiting, Mr. Daryl Ella-Ritchie to the position of LALC Support Officer.

Recruitment action also resulted in the appointment of Mr. Rowan Lisson and Ms Pam O'Brien to the LALC Support positions, which they had held on a temporary basis.

The Southern Zone also trialled a work experience program during the reporting period.

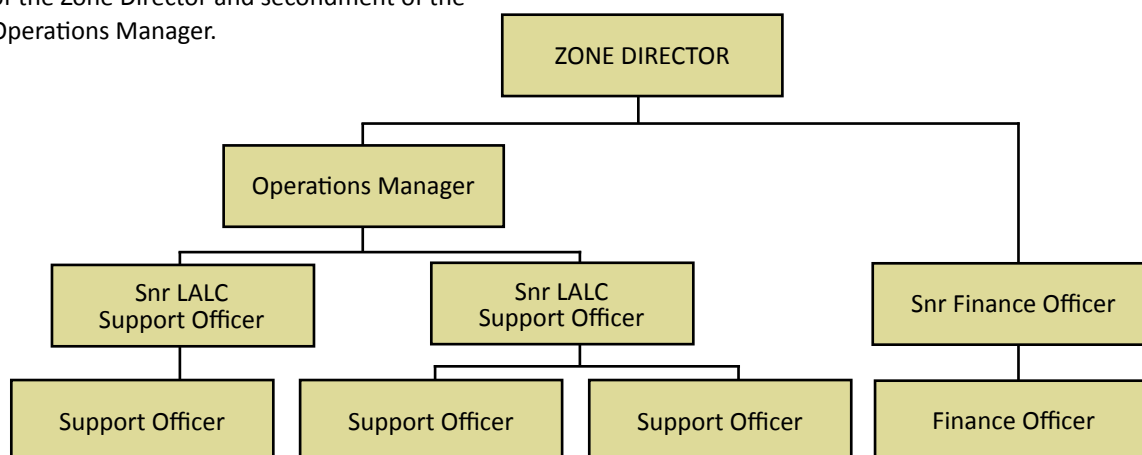
It hosted a young Indigenous school leaver, Ms Hayley Vincent, for an eight week period from December 2011 – January 2012.

The program was designed to assist Ms Vincent develop vocational skills to enhance her job prospects and prepare to enter the work force.

Ms Vincent was successful in securing a 12 month traineeship with a Local Government Authority on completion of the work experience program.

The Zone office is made up of two operational units, the LALC Support Unit and Finance Unit which work interdependently to provide efficient and effective service and support to the 34 LALCs within the Zone.

The staffing structure for the reporting period was as follows:-



SUPPORT TO LALCS

The prime responsibility of all staff in the Southern Zone office is the provision of support and advice to the LALCs.

This includes providing advice in relation to general operational matters, to preservation and protection of Aboriginal culture and heritage, land dealings matters, human resource matters, and providing assistance with negotiations with government on a range of issues.

All staff have a responsibility to deliver accurate and timely advice to assist LALCs to meet their responsibility under the Aboriginal Land Right Act (as amended) and NSWALC Policies.

REGIONAL FORUMS

Two types of regional forums were conducted in the Southern Zone during 2011/12.

They included a Regional Advisory committee forum and a policy specific forum on the statutory review of the ALRA.

LALCs made a significant contribution to the regional forum process during 2011/12.

REGIONAL ADVISORY COMMITTEE FORUMS

- Wiradjuri Regional Advisory Committee Forum, 13 & 14 July 2011, Albury
- Wiradjuri Regional Advisory Committee Forum, 7 & 8 December 2011, Queanbeyan
- Wiradjuri Regional Advisory Committee Forum, 26 & 27 April 2012, Wagga Wagga

Participants were presented with information relating to services and programs that could benefit LALC operations and LALC membership.

These included presentations from the Enterprise and Training Centre, Indigenous Business Australia, Indigenous Money Mentor, Home Power Savings Program, Indigenous Community Volunteers, Independent Commission Against Corruption and Native Title Services.

Participants also discussed the NSWALC Social Housing Approval and Provider Evaluation (SHAPE) policy, the LALC Management Support System, the Draft Murray Darling Basin Plan, the review of the Aboriginal Land Rights Act and the changes to culture and heritage management as a result

of the amendments to *National Parks & Wildlife Amendment Act 2010* (Omnibus bill).

POLICY FORUMS

Four policy specific regional forums were conducted in the Southern Zone during 2011/2012.

- Wiradjuri Region ALRA Review Forum, 20 & 21 March 2012, Wagga Wagga
- South Coast Region ALRA Review Forum, 22 & 23 March 2012, Batemans Bay
- South Coast Region Culture and Heritage Law Reform Forum, 5 June 2012, Batemans Bay
- Wiradjuri Region Culture and Heritage Law Reform Forum, 7 June 2012, Wagga Wagga

They were conducted to provide participants an opportunity for specific input into the current review of the Aboriginal Land Rights Act and elect delegates to represent the regions at the review roundtable discussions.

Participants also had the opportunity to provide feedback on the culture and heritage law reform process and consider draft models proposed by the NSWALC in response to the reform process.

LALC BOARD ELECTIONS

The two year LALC Board terms for 2009-11 concluded during the reporting period.

As a result the Southern Zone assisted LALCs elect new boards.

Southern Zone staff officiated as returning officers in 33 Board elections under delegation from the Office of the Registrar of the ALRA.

A total of 252 LALC Members were elected as Board Members in the third round of elections since the 2007 amendments to the ALRA.

110 of the elected LALC Members are now undertaking duties as LALC Board Members for the first time.

A majority of those elected were female (147). Male Board members now number 105.

Zone staff also assisted in two elections to fill casual vacancies on LALC Boards.

LALC TRAINING

Southern Zone staff continued to focus on the internal governance training of LALCs.

It conducted eight online Governance Training workshops throughout the Zone.

They were attended by 43 LALC Board members.

The following tables represent the breakdown of online training sessions provided in each region:

Wiradjuri	No. of attendees	Delivery Date
Albury and District	4	25th & 26th May 2012
Deniliquin	9	19th April 2012
Griffith	6	12th April 2012
Condobolin	2	11th April 2012
Pejar	7	21st February 2012
Onerwal	2	2nd May 2012

South Coast	No. of attendees	Delivery Date
Batemans Bay	4	11th April 2012
Bega	4	5th April 2012
Nowra	5	16th April 2012

A further eighteen LALC Board Members completed individual online training online.

The Southern Zone office also conducted workshops to assist LALCs in the preparation for the 2012-2013 Budget Application process.

A total of twenty two participants from thirteen LALCs attended the budget training.

Training was also provided to assist LALCs prepare for the Social Housing Assessment and Provider Evaluation (SHAPE) process.

A total of thirty one participants attended.

LALC MANAGEMENT SUPPORT

As noted earlier, the LALC Management Support System (LMSS) assessment application promotes an effective level of compliance by LALCs with the ALRA, the funding policy and the individual funding agreement.

As also noted earlier a new version of the LMSS application was deployed from February 2012.

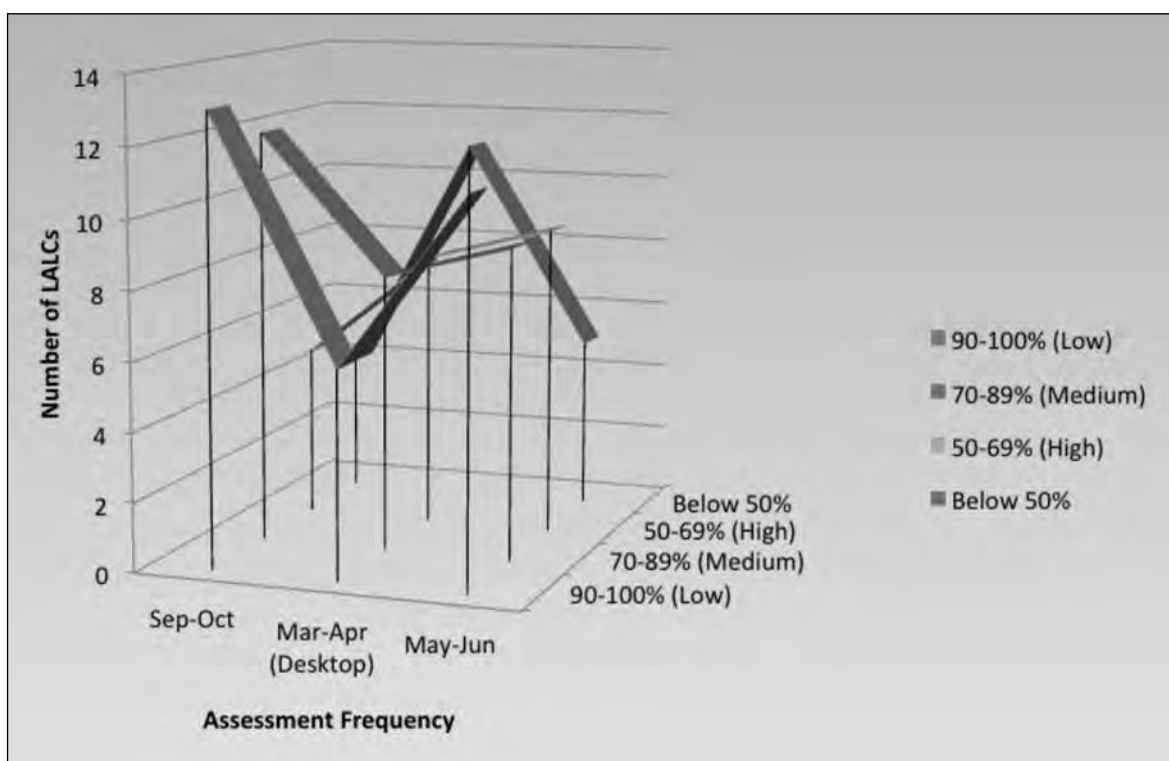
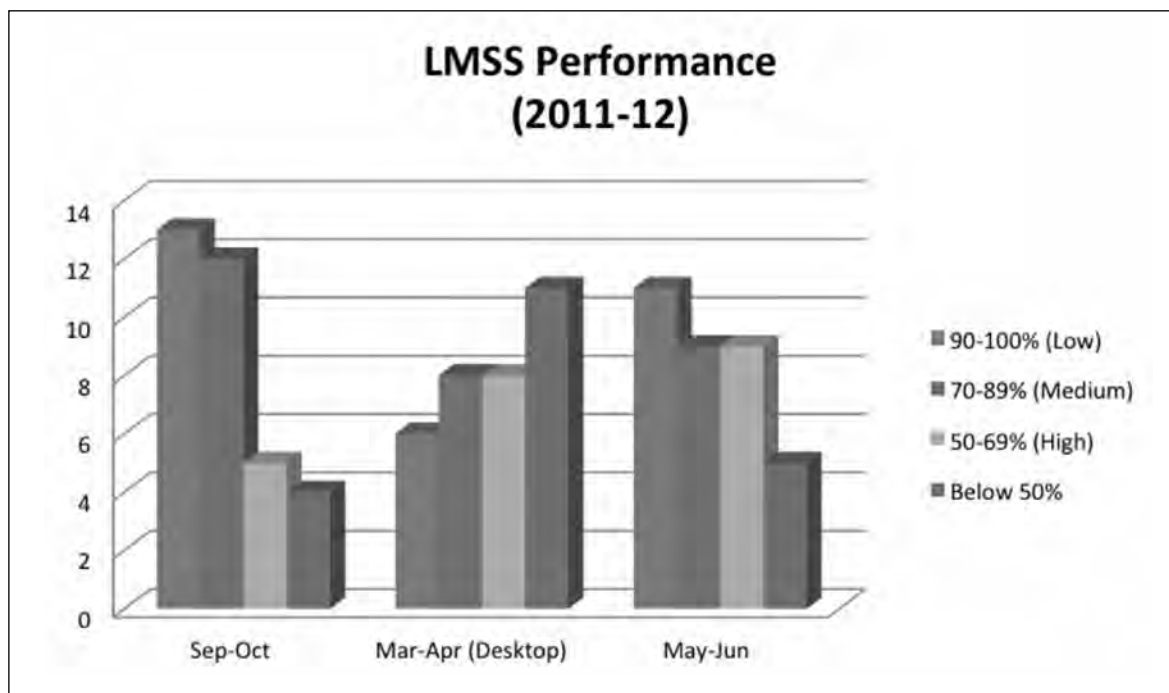
The Southern Zone worked with LALCs to transition into the new arrangements by providing notional LMSS scores calculated by utilising the LALCs responses to the September 2011 LMSS assessments.

The Southern Zone dispatched the notional LMSS scores in March 2012, providing a six (6) week lead in period in order for LALCs to rectify highly weighted risk issues.

This was designed to minimise the impact of the May/June 2012 assessments on the LALC funding status.

The June assessment rendered approximately 14% of LALCs ineligible for funding as compared to 32% in the desktop assessment in March.

The following graph outlines the LALC scores attained in the 2011-12 financial year including the notional results of the March 2012 desktop assessments conducted within the Wiradjuri and South Coast regions utilising the new version of the LMSS:



As shown above, the changes of the LMSS application impacted on LALCs.

The number located in the low risk category reduced by 21%.

This number increased by 11% and resulted in approximately 32% of LALCs being placed in the low risk category.

The results of the medium, high risk categories followed the same trend as low risk placement in that LALCs scores reduced and scored close to the original rating at the subsequent assessment in June 2012.

The results of Southern Zone service provision to LALCs is shown in the relative minor shift between February and the final scores presented in June.

SHAPE

As also noted earlier, the NSWALC finalised its Social Housing and Provider Evaluation (SHAPE) guidelines during the 2011-2012 period.

The Southern Zone staff, were finalising assessments of SHAPE applications for three Local Aboriginal Land Councils seeking NSWALC approval as the reporting ended.

To assist LALCs prepare for the introduction of the SHAPE, the Southern Zone delivered training workshops to LALCs to coincide with the introduction of the policy guidelines in August.

A total of thirty one participants from seventeen LALCs attended the training.

The Southern Zone also offered LALCs a SHAPE pre-application assessment service.

Fourteen took up the offer.

The Southern Zone also provided support to LALC's considering the future management of their Social Housing Schemes through attendance at LALC's member meetings.

Presentations on SHAPE were provided in conjunction with staff from New South Wales Aboriginal Housing Office (AHO) who delivered information on its "Build and Grow" Strategy.

COMMUNITY LAND & BUSINESS PLANS

All but two of the 34 Southern Zone LALCs had NSWALC approved Community Land and Business Plans in place during this reporting period.

Twelve had expired, with two receiving member and NSWALC approval for revised plans.

The remainder were reviewing their plans. These were expected to be completed and approved by December 2012.

One of the other LALCs had submitted its CLBP to NSWALC for approval. The remaining LALC was expected to have its plan completed by the end of 2012.

Nine CLBP's are scheduled to expire during the next reporting period.

Those LALCs are currently reviewing their plans in order to seek NSWALC approval.

LAND CLAIMS, DEALINGS AND MANAGEMENT

The Southern Zone provided advice and support to LALCs throughout the reporting period to identify protect and preserve cultural heritage within their boundaries and secure areas of land through successful land claims.

BATHURST

ALC 14679 was lodged by the NSWALC on behalf of Bathurst LALC on 22nd May 2006 over a 2091 square metre lot near Capertee, NSW.

The land claim was refused by the Minister on 18th January 2011.

The Land and Environment Court made orders in November settling an appeal of the Ministers refusal.

Southern Zone also works with LALCs to promote culturally sensitive and economically viable land development undertaken by LALCs.

The following LALCs had land dealings approved by NSWALC in the reporting period:

COWRA LALC

A Development Application for the construction of a storage shed on Lot 243 DP 752948 was approved in February 2012

NGAMBRI LALC

Two Land Dealing Approval Applications in relation to the Disposal by way of Sale for Lot 118 DP 754875, and the subdivision and land swap of Lot 128 DP 752948

ULLADULLA LALC

Sale to Shoalhaven City Council part Lot 392 in DP 1120111. (Camden Street)
Joint venture between ULALC and Winten No 15 (known as Malbec Pty Ltd) for a multi lot residential subdivision- Lot 171 DP 1081810
Highview Drive Dolphin Point

ORANGE LALC

Sale of Lots 9/13/758693, 4 & 5/133856, 2/18/758693, 3/18/758693, 11 & 12/69/758693 and 1 & 2/20/758693.

EDEN LALC

Disposal of Part Lot 210 DP 1045566 (being part formerly in Lot 24 DP 726793).

AHO HEAD-LEASES

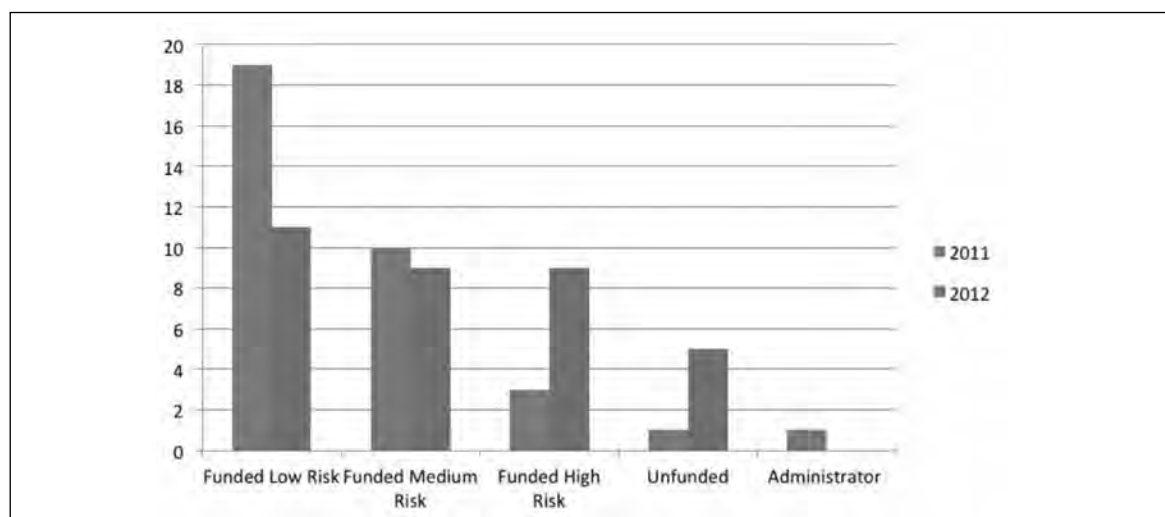
Three LALCs were assisted to Head-Lease to the Aboriginal Housing Office (AHO) as part of the Build and Grow Aboriginal Community Housing Strategy.

They were Cowra, Merrimans and Ngambri LALCs.

MONITORING & COMPLIANCE

A total of thirty three Funding Agreements and four Assistance Agreements were offered to LALCs during the reporting period.

The status of LALC funding categories are outlined in table below:



The graph represents comparative funding between the 2011/2012 financial year and the prior reporting period.

It demonstrates a decrease in the number of both low and medium risk rated LALCs and an increase in the number of high risk rated and unfunded LALCs.

This is considered a reflection of the deployment of the new version of the LALC Management Support System during the reporting period and an increase in the number of LALCs unable to elect a board.

The Southern Zone office developed and implemented a strategy during the current reporting period to make operational payments to three LALCs with ongoing audit qualification issues.

Two were assisted under the discretionary power of the delegate under the Funding Policy.

This involved providing assistance agreements to each LALC to enable payments of operational expenditure, and also to assist each LALC in recruiting Chief Executive Officers and/or the election of Board members, this in turn assisted with the resolution of outstanding compliance matters.

Southern Zone staff provided intensive support to all LALCs during the reporting period to resolve issues.

As a result the LALC that was under an administrator now has an elected Board in place.

It was expected to return to a funded position early in the new reporting period.

Another unfunded LALC under an assistance agreement was also expected to return to a funded category early in the 2012-2013 period.

Western Zone

The Western Zone office covers the largest area of the 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 thirty six Local Aboriginal Land Councils within the Zone’s three regions.

There are nine Local Aboriginal Land Councils in the Central region, sixteen in the North West and eleven in the Western region. The Zone office provides assistance and support to three Regional Councillors.

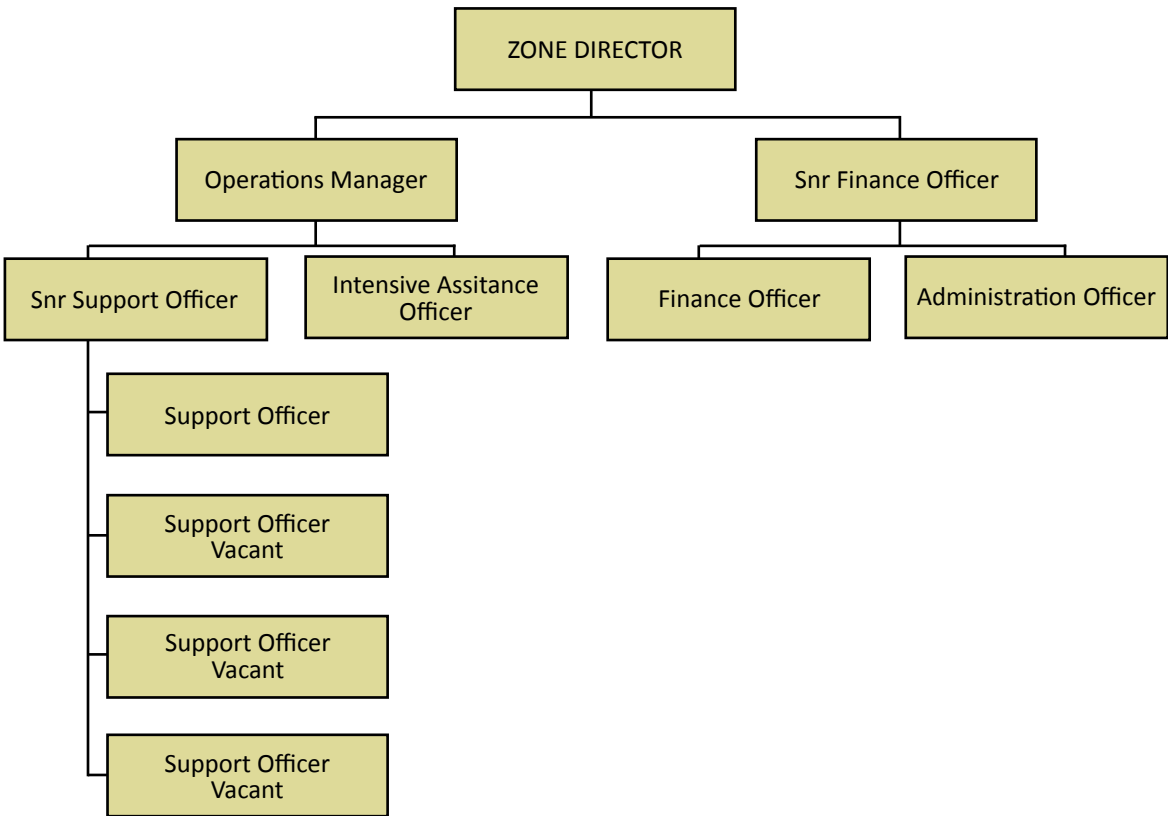
Councillor Stephen Ryan represented the Central Region; Councillor William Murray, the Western Region; and Councillor Stephen Gordon, the North Western Region during the reporting period.

Councillor Gordon was succeeded by Councillor Anne Dennis and Councillor Murray was succeeded by Councillor Des Jones in August 2011.

The Zone Office Staff, under the leadership of Director, Mr. Tony Sutherland, worked closely with all three NSWALC Councillors during the reporting period and provided regular and extended outreach services to all LALCs.

HUMAN RESOURCES

The staffing structure of the Western Zone during the reporting period was comparable to the other Zone offices and is depicted below:



The NSWALC underwent an organisational review during this reporting period which saw the establishment of a Far West Zone office region with the consequent transfer of some Western Zone staff to the new office and responsibility for a number of Local Aboriginal Land Councils.

SUPPORT TO LALCS

Zone staff deliver two primary, and, at times, competing services to LALCs.

They must monitor LALC compliance with their statutory responsibilities under the ALRA. At the same time they must provide support and advice.

MONITORING AND COMPLIANCE

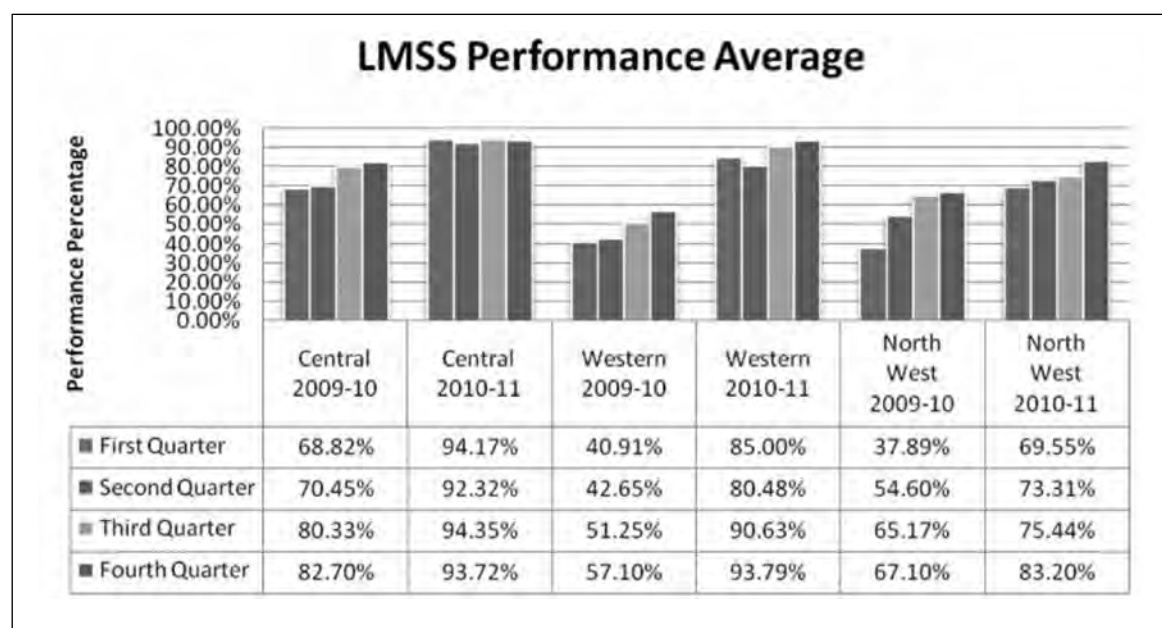
The NSWALC utilises two key monitoring and compliance processes: the LALC Compliance database and the LALC Management Support System

These tools enable the NSWALC to determine whether a LALC has met their ARLA compliance responsibilities; and, have a performance / risk rating that allows the NSWALC to provide funds to LALCs.

LALC MANAGEMENT SUPPORT SYSTEM

As noted earlier, the LALC Management Support System is used to assess LALC operations in five critical areas; Administration; Property; Finance; Human Resources; and, Governance on a quarterly basis. The LMSS ratings are directly linked to the level of funding a LALC receives from the NSWALC.

The use of LMSS, and other capacity building initiatives, has resulted in significant improvements in LALC operations in the Western Zone, particularly among LALCs with a long term record of poor performance and non-compliance with the ALRA.



The table above provides a breakdown of average LMSS performance over the past two reporting years. It shows significant improvement in the operational performance of the majority of LALCs in this reporting period. In the Central Region the average performance improvement from the first quarter of the previous reporting period to the final quarter of this period has increased from 68.82% to 93.72%. This represents an increase during the reporting period of approximately 25%.

In the Western Region the average performance improvement for LALCS over the same period increased from 40.91% to 93.79%--- a dramatic increase during the reporting period of approximately 53%. In the North West Region over the same period the operational performance of LALCs increased from 37.89% to 83.20%. This represents a significant increase during the reporting period of approximately 45%.

The improvement is the result of the early identification of LALCs operational weaknesses, excellent work within LALCs, and the delivery of targeted support by Western Zone staff.

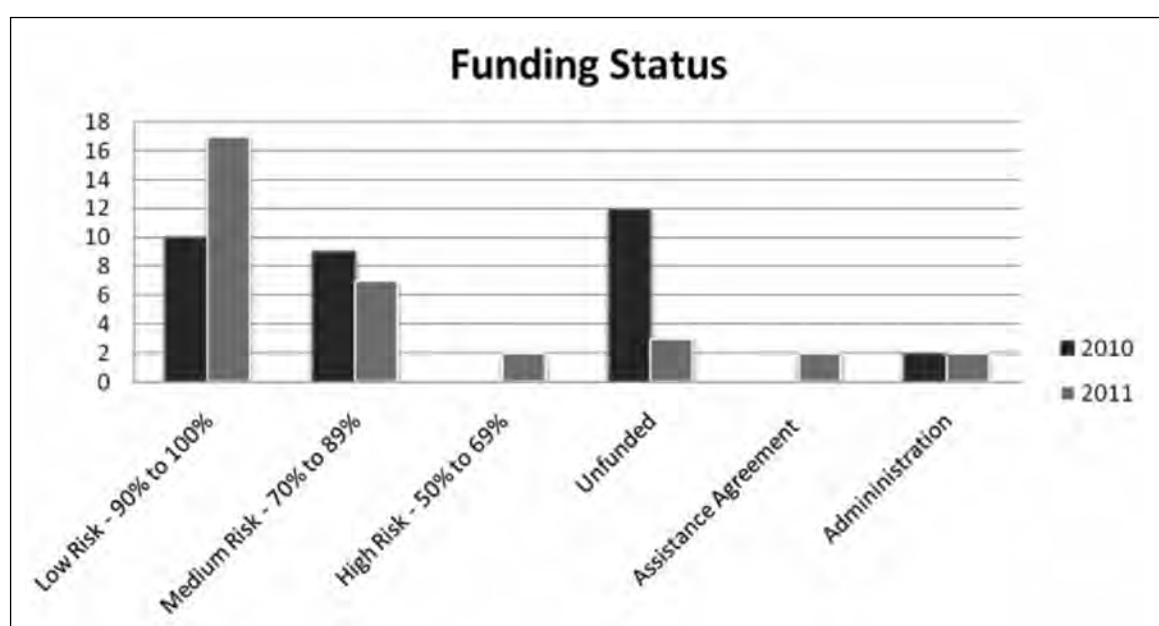
CEO TRAINING

Zone staff provides training to LALC CEO's and other staff in all of the 5 operational areas that encompass LMSS assessment. For example; training is provided in:

Administration	Asset Management; Reporting: AEIFRS; Motor Vehicle; Filing
Property	Property Management; Policy Implementation
Finance	Accounts; Banking; Budgets; Debtors / Creditors; Payments; Wages
Human Resources	Recruitment; Personnel
Governance	Meetings; Audit; Planning

COMPLIANCE AND FUNDING STATUS

The success of the capacity building initiatives at Zone and LALC level are reflected in the funding status of Local Aboriginal Land Councils within the Zone during this reporting period.



As this graph demonstrates a total of twenty six funding agreements and two assistance agreements were offered to LALCs during the period. This represents a marked increase of 57% in the number of funded LALCs when compared to the previous financial year.

This result is outstanding, having been achieved in one year. It is a credit to the efforts and cooperation of Zone and LALC staff in bedding down these capacity building initiatives. A further increase in compliance and performance is expected to be achieved during the next financial year.

TRAINING

A number of training initiatives were provided to LALCs during the reporting period, including mandatory governance training to LALC Boards and operational training to LALC CEO's.

BOARD GOVERNANCE

Western Zone staff implemented a strategy in October 2010 to increase the completion rate of the mandatory Board governance training within the Zone.

Approximately fifty per cent of LALC Board Members had completed this training when this strategy was launched

The completion rate had increased to 98% of Board members by the end of this reporting period.

LALC CEO TRAINING

Zone staff also provided significant training to LALC CEO's in many operational areas during the reporting period.

The training was provided in conjunction with LMSS assessments, or if necessary, in between assessments for LALCs that required more intensive assistance.

Training was provided in office administration, property management; financial management; human resource management; and governance

As noted above, the provision of training and other capacity building initiatives has resulted in significant improvement in LALC operational performance and ALRA compliance.

A number of LALC Chief Executive Officer's also participated in the online graduate certificate program, the joint initiative of the NSWALC and the University of Newcastle.

REGIONAL FORUMS

A number of Regional Forums were conducted during the reporting period.

The forums are attended by representatives from Local Aboriginal Land Councils in each Region. They provided information about NSWALC's Social Housing application and assessment processes.

They also provided LALCs with an opportunity to voice concerns on issues of particular interest to them. They are also valuable opportunity to share information.

WATER AND SEWERAGE

As reported earlier, the NSWALC and the NSW Government have combined to fund the Aboriginal Communities Water and Sewerage Program.

As a result of an extensive consultation and infrastructure / service review during this reporting period, fourteen Water and Sewerage Management Plans were developed.

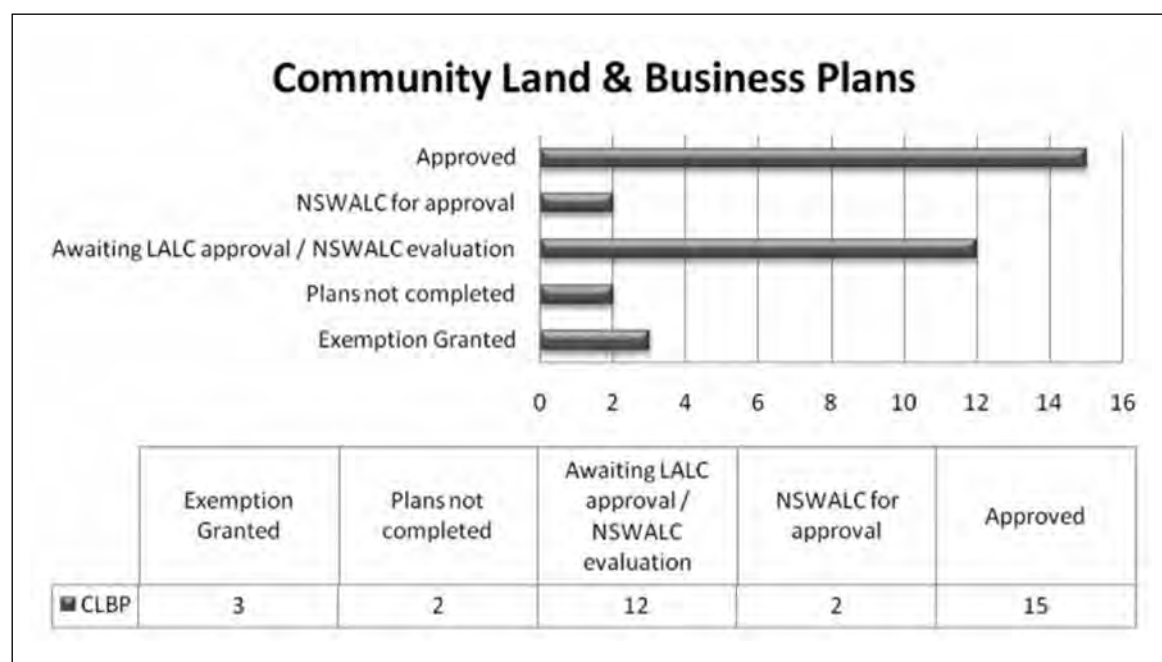
These plans provide direction on what is needed to provide water and sewerage infrastructure to local communities at an equivalent standard to the wider community.

Zone staff monitor the roll out of the Water and Sewerage Program and actively engage with LALCs and NSWoW to resolve a variety of issues as required.

COMMUNITY LAND AND BUSINESS PLANS

All LALCs are required to have an approved Community Land and Business Plan in place. The plans are required to incorporate the views of members, and set the strategic direction for the LALC over the next 2 - 5 years.

Most LALCs across the Zone have developed their CLBPs and are now focused on the implementation and review of the plans.



CASUAL VACANCY ELECTIONS

Western Zone staff acted as returning officers at number casual vacancy elections held within the Zone during this reporting period.

Twelve vacancies on LALC Boards were filled as a result of these elections.

The Far West Zone

As noted earlier, the Far West Zone Office was established in May 2011.

It covers the Western Region from Broken Hill where it is co-located within the office of Aboriginal Affairs NSW.

The Zone incorporates 11 Local Aboriginal Land Councils.

Its purpose, aim and objectives are consistent with all other Zone offices with services delivered in accordance with the key objectives of NSWALC's Community Land and Business Plan and its Corporate Plan.

The establishment of the new Zone Office has been well received by the Local Aboriginal Land Councils within the region.

It has made the NSWALC more accessible to remote Land Councils.

The Office has worked closely with the elected Councillor for the region, Cr. Des Jones, and meets at regular intervals with him to provide briefings on operational and strategic issues.

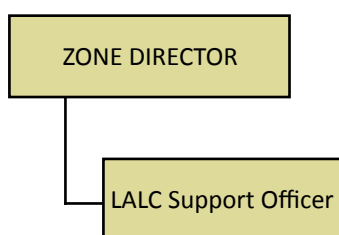
HUMAN RESOURCES

The staffing structure for the Zone Office is established at 2 positions that are outlined in the graph below.

The Office had an original establishment for 3 positions.

Following negotiations with Head Office, the position of Finance Officer was not filled and a supporting role from Head Office Finance Unit has resulted in a streamlined approach to financial activity within the Office.

STAFF STRUCTURE



LALC SUPPORT

During the reporting period, Zone staff assisted and delivered a number of key activities:

- As Returning Officers, conducted LALC Board elections as part of Annual Meetings
- Assisted with Casual Vacancy for LALC Board members throughout the year
- Delivered and assisted with LALC Board mandatory governance training
- Implementation of new LALC Management Support System (LMSS)

Zone staff assisted LALCs across a broad range of issues, including assistance with fulfilling their responsibilities under the Act.

Staff provided advice and support in regards to the requirements of LALCs under the Act and Regulations, operational matters, planning, land dealing matters, social housing management, human resource functions and assistance with other relevant non-government and government stakeholders.

Zone staff also attended many LALC Board and members meetings to promote the NSWALC, the new Zone Office and to provide advice on a range of issues.

COMPLIANCE MONITORING AND ASSISTANCE

A major focus for the Far West Zone has been to establish a working relationship with the LALCs with a strong emphasis towards assistance and support on those compliance issues regularly identified as concerns through the LALC Support Management System (LMSS).

To assist LALCs through the process, Zone Staff undertook an assessment with each LALC to determine the level of improvement required for each to maintain a consistent risk rating with the previous LMSS model.

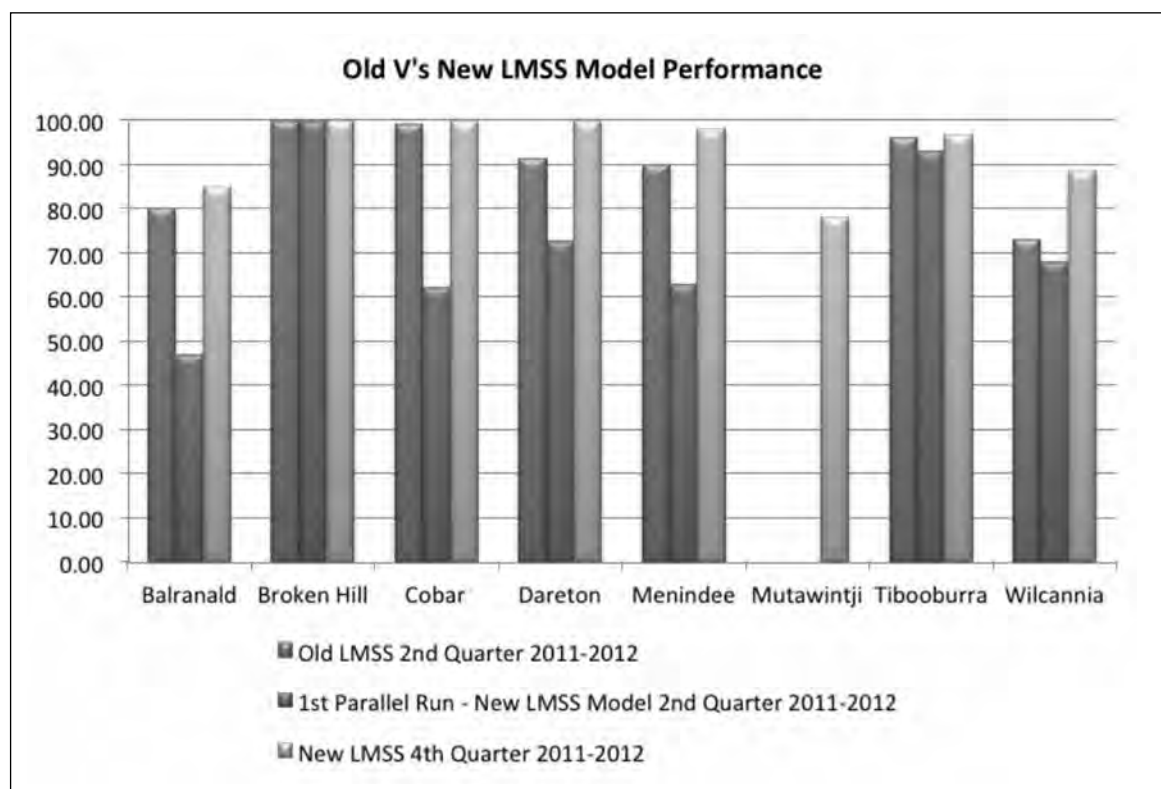
The process with each LALC included:

- The 2nd quarter LMSS assessment included a Parallel run against the new model and provided the LALC's with an indication of issues to be addressed prior to the roll-out of new assessment model in May/June 2012.
- In the 3rd quarter, a further transitional assessment was conducted with LALC's identified as being "At Risk" of significant risk rating reduction, and included an Improvement Plan being developed to support those LALC's with High Risk questions likely to impede their risk rating score.
- The support work done with these LALC's was measured through their 4th quarter assessments.

The following table and graph provides a summary of the outcomes achieved through this improvement plan process.

It is clear that the support offered to those LALCs identified as "At Risk" during the months of March, April and May 2012 resulted in them improving their High Risk areas resulting in risk ratings similar, if not better, to the scores achieved under the Old LMSS model.

LALC	Old LMSS 2nd Quarter 2011-2012	1st Parallel Run - New LMSS Model 2nd Quarter 2011-2012	New LMSS 4th Quarter 2011-2012
Balranald	80.21	47.00	84.93
Broken Hill	100.00	100.00	100.00
Cobar	99.03	62.14	100.00
Dareton	91.39	72.72	100.00
Menindee	90.15	62.80	98.20
Mutawintji	0.00	0.00	78.04
Tibooburra	96.17	93.00	96.80
Wilcannia	72.88	68.04	88.61

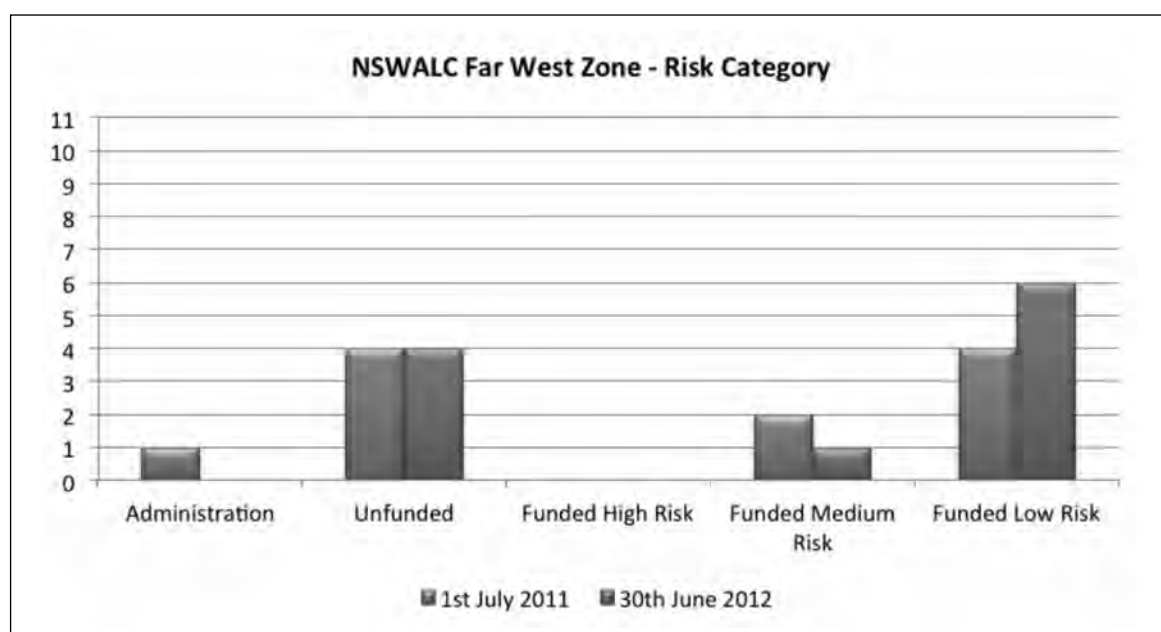


During the reporting period, Wilcannia LALC came out of Administration and has shown continued improvement across all operational and administrative areas.

The NSWALC has made a commitment to working with and supporting the Mutawintji LALC in addressing ongoing compliance issues and working with the Board to bring them back into a funded category.

Their first LMSS assessment indicated the level of work achieved in addressing their operational and governance issues.

The graph reflects the improved performance by LALCs over the reporting period. As can be seen, the



COMMUNITY LAND AND BUSINESS PLANS

There were two LALCs with unapproved Community Land and Business Plans as the reporting period ended.

The first had difficulty in the approval process from the NSWALC.

Zone staff were working with the LALC to review the plan ahead of its re-submission.

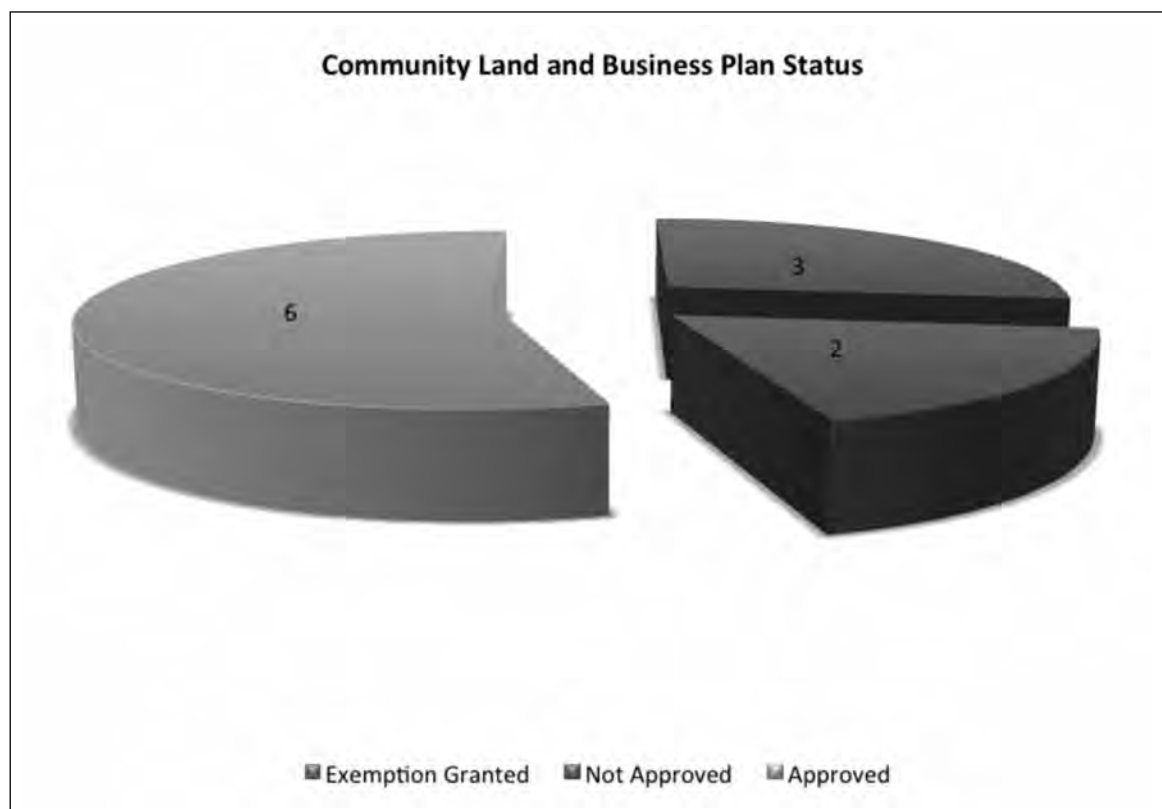
The second LALC has been in the unfunded category for some time but had re-established through an improved working relationship with NSWALC at the end of the reporting period.

It was developing its CLBP for NSWALC approval as the financial year ended.

LALCs with approved plans are due for review in 2013.

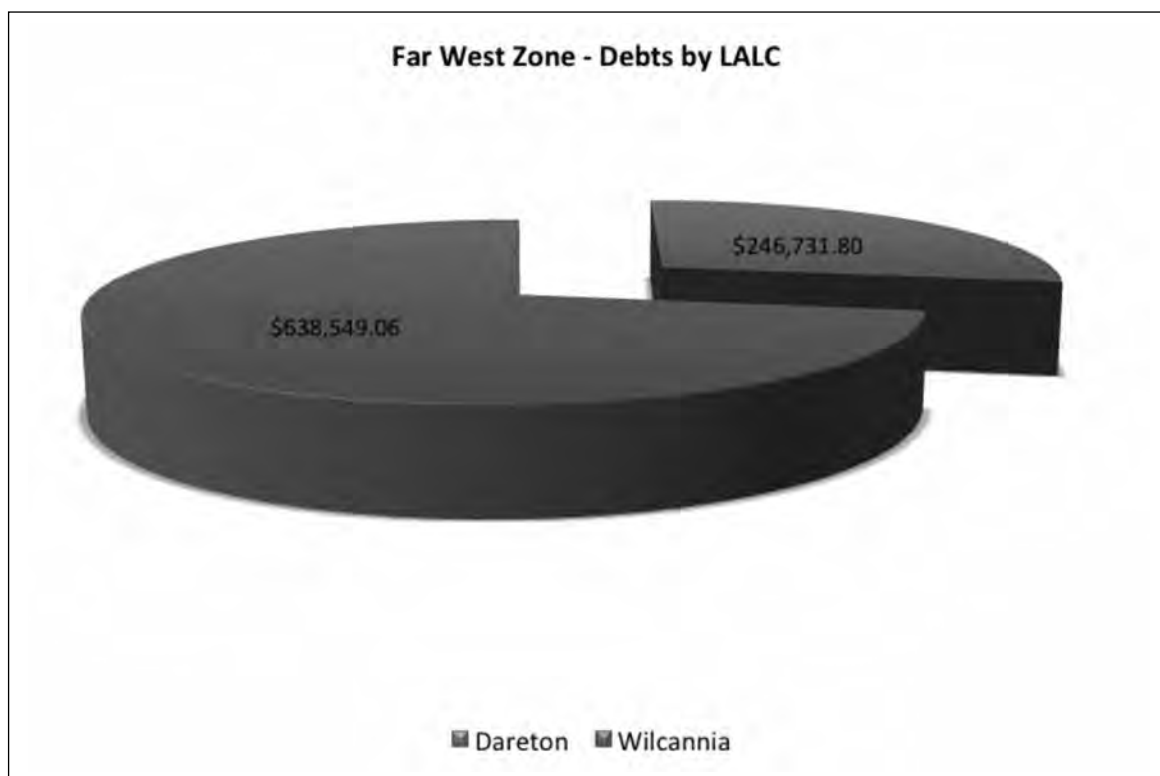
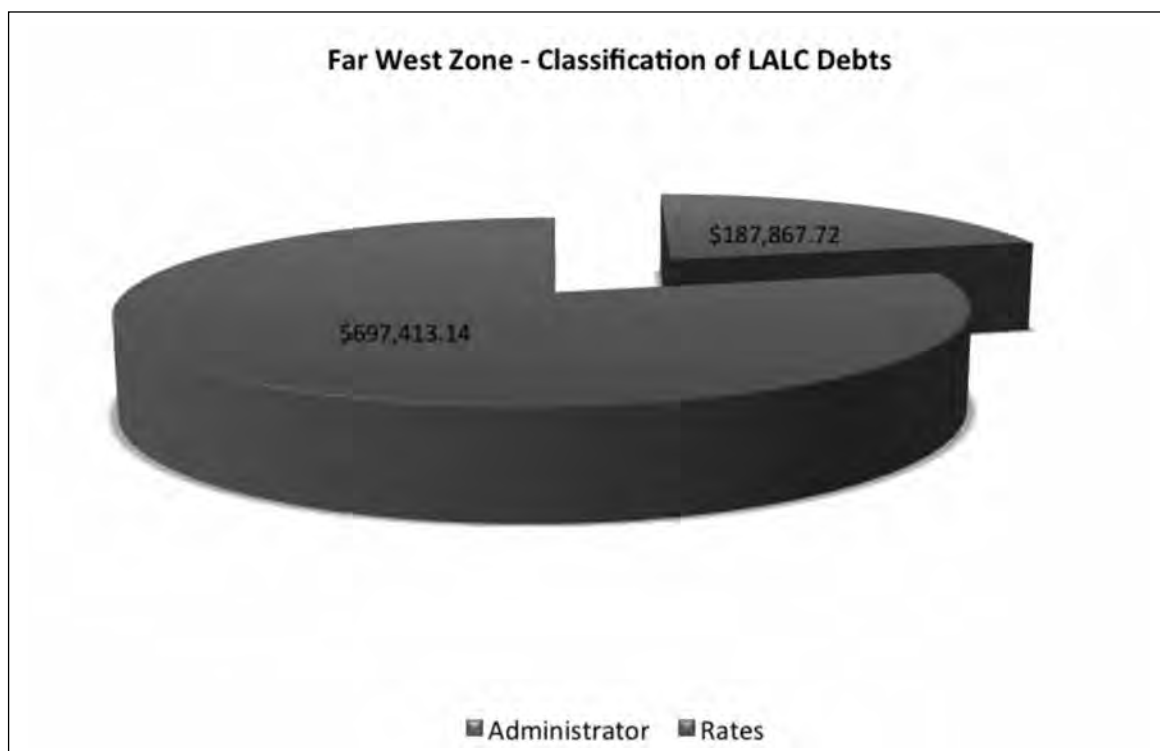
The challenge of these reviews will be for NSWALC to work more closely with the LALCs on achievable goals, as opposed to aspirations, to ensure they reconcile with available resources.

This should ensure their full implementation.



LALC DEBT

At the end of this reporting period, the level of LALC debt to NSWALC within the Zone was \$885,280.86, and is summarised below.



LAND CLAIMS AND LAND MANAGEMENT

During the reporting period Zone staff provided advice and support to LALCs on land claims and culture and heritage.

- A successful land claim was achieved by NSWALC appeal on behalf of the Menindee LALC during this period. The land granted is located on the edge of Lake Menindee in the area where Menindee Lakes Caravan Park and Menindee Lakes Sailing Club are located.
- Menindee LALC will soon take title to Appin Station. This land has been in title to NSWALC for a number of years following the wind up of the former Regional Aboriginal Land Council. The previous NSWALC Council approved a strategy to transfer assets back to the LALC's where it could be shown that the assets would be sustainable for the respective LALC. Menindee LALC subsequently completed a Business Plan that was approved by NSWALC. The NSWALC's Commercial Unit and Zone Office have been working with the LALC during this process. It is anticipated formal title transfer may occur before the end of 2012.

REGIONAL FORUMS

Five Regional Forums were held during the reporting period.

The forums whilst falling within the elected Councillor role, has been one of shared responsibility between Councillor Jones and the Zone Office.

- | | | |
|-----------------------------|---------------|-----------------------------|
| • 27th – 28th July 2011 | - Broken Hill | - Strategic and Operational |
| • 16th – 17th November 2011 | - Wentworth | - Strategic and Operational |
| • 28th – 29th February 2012 | - Broken Hill | - ALRA Review |
| • 30th May – 1st June 2012 | - Wentworth | - Strategic and Operational |
| • 3rd – 4th July 2012-08-01 | - Balranald | - Culture and Heritage |

There was maximum participation from LALC Board representatives and CEO's with a focus on both strategic and operational aspects of the NSWALC and LALCs.

These forums are an essential resource for both the NSWALC and LALCs to come together and share information on important issues from a State, Zone and Local level.

Eastern Zone

The Eastern Zone is the smallest of Zone offices in its geographic size and staff numbers.

Its purpose, aims and functions are 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.

The Zone office relocated from Sydney to Gosford during the reporting period, a move well received by the ten Local Aboriginal Land Councils which it services in the Sydney-Newcastle region.

The office is now centrally located within the Zone.

This makes it more accessible to the Local Aboriginal Land Councils and has reduced NSWALC's travel costs in servicing them.

During the reporting period staff from the Eastern Zone, under the leadership of Director, Steve Merritt, provided guidance and assistance to all LALCS in the region.

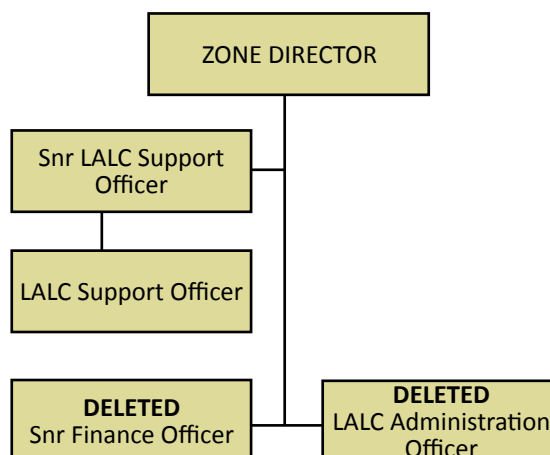
In doing so, they worked closely with the elected Councillor for the region, Mr. Roy-Ah See.

HUMAN RESOURCES

The staffing structure is outlined in the graph below.

As shown the positions of Senior Finance Officer and Administration Officer were lost on NSWALC's organisational restructure just as the reporting period ended.

ORGANISATIONAL STRUCTURE



ACHIEVEMENTS

LALC CAPACITY BUILDING INITIATIVES

Zone staff acted as Returning Officers and assistants in conducting casual vacancy elections for LALC Board members throughout the year.

Mandatory governance training was also delivered to all new LALC Board Members.

Zone staff also attended a range of meetings throughout the year designed to further build the capacity within LALCs.

These meetings ranged from sessions on the roles and responsibilities of LALC Chairpersons and Deputy Chairperson's, Debt Management and information sessions on Social Housing.

Staff also attended workshops held by the NSW Aboriginal Housing Office on its "Build and Grow" strategy.

Zone staff also visited a number of LALCs to deliver information on NSWALC's new Social Housing Policy and Guidelines.

The meetings were designed to assist them to understand their policy obligations ahead of the application and assessment phase of the policy which will begin in the in the next reporting period.

The ongoing management of LALC social housing will be a major issue in the 2012/13 financial year.

ZONE CONFERENCE

A Zone Conference for all Zone staff was held over three days in February 2012.

Much discussion centred on NSWALC's new Social Housing Policy and Guidelines, the new NSWALC Debt Management Policy and Guidelines, a review of LMSS, and changes to NSWALC's LALC Funding Policy and Procedures.

POLICIES AND PROCEDURES

Eastern Zone staff worked with other Zone staff throughout the reporting period to assist in producing a more comprehensive set of NSWALC Policies and Procedures in their dealings with LALCs.

This included the participation of Zone staff in working groups to both update and amend LMSS and debt management policy and procedures.

LAND DEALING WORKSHOPS

Eastern Zone staff also worked with NSWALC's Commercial and Legal Units to fully inform LALCs of the land dealings regime within the ALRA, with particular emphasis on LALC land dealing applications.

Eastern Zone staff also attended rent setting and housing policy workshops for LALCs which were convened by the NSW Aboriginal Housing Office in Penrith and Charlestown.

SCHOLARSHIP INFORMATION SESSIONS

Zone staff also attended workshops throughout the Region with Councillor Ah-See to encourage and assist Aboriginal people to apply to receive financial assistance for their studies through NSWALC's Education Scholarship Fund. A total of ten workshops were held during the reporting period, as listed below.

Date	Time	Venue
3 Feb	9am – 1pm	Tharawal AMS, Airds
4 Feb	9am – 12.30pm	Worimi LALC
4 Feb	1.30pm – 5pm	Mindaribba LALC
7 Feb	9am – 1pm	Oasis Centre, Wyong
15 Feb	1pm – 4pm	Metropolitan LALC
23 Feb	9am – 11am	Yamuloong, Garden Suburb
23 Feb	12pm – 1.30pm	Bahtabah LALC
23 Feb	3.30pm – 4.30pm	Oasis Centre, Wyong
24 Feb	8.30am – 11.30am	Liverpool TAFE
24 Feb	1pm – 2.30pm	La Perouse LALC

The workshops, initiated by Councillor Ah-See, again generated unprecedented interest from LALC members.

As a result the Sydney Newcastle region received the largest amount of Scholarships awarded across the state.

A total of \$261,493.76 was received by LALC members in the region to begin or continue studies.

Disbursement details to the members of each LALC are listed below.

LALC	TOTAL #	TOTAL \$\$\$
AWABAKAL	63	\$45,475.00
BAHTABAH	13	\$8,718.90
DARKINJUNG	51	\$54,989.47
DEERUBBIN	9	\$7,788.50
GANDANGARA	26	\$21,550.00
LA PEROUSE	31	\$28,898.89
METROPOLITAN	44	\$46,470.00
MINDARIBBA	32	\$20,498.00
THARAWAL	4	\$2,800.00
WORIMI	33	\$24,305
TOTAL	306	\$261,493.76

REGIONAL FORUMS

Zone staff assisted Councillor Ah-See conduct a number of Regional Forums during the reporting period.

The Forums brought together representatives from each of the Local Aboriginal Land Councils in the Region.

In the first half of the reporting period the forums were attended by a LALC Chairperson and Chief Executive Officer.

In the second the Forums were attended by elected Board members with CEO's invited as well.

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, particularly since the abolition of Regional Aboriginal Land Councils.

The Forums were attended by all LALCs in the Zone.

LALC MANAGEMENT SUPPORT SYSTEM

The Zone office maintained the LALC Management Support System for all LALCs in the Sydney/ Newcastle region.

An LMSS assessment had been completed with all LALCs in the Zone at the end of this reporting period.

All were assessed as Low Risk.

They averaged a risk rating of 80% and above.

The assessment process provides an excellent vehicle for Zone Staff and LALCs to work together to ensure full compliance with the ALRA.

COMMUNITY LAND AND BUSINESS PLANS.

As reported earlier all LALCs are required to produce and implement Community Land and Business Plans.

One LALC in the Zone had to request an extension of time to allow them to develop new Community Land and Business Plans in this reporting period.

There will be a number of others due for renewal during the reporting period.

All extensions and newly developed CLBP's are required to obtain the approval of LALC members and the NSWALC.

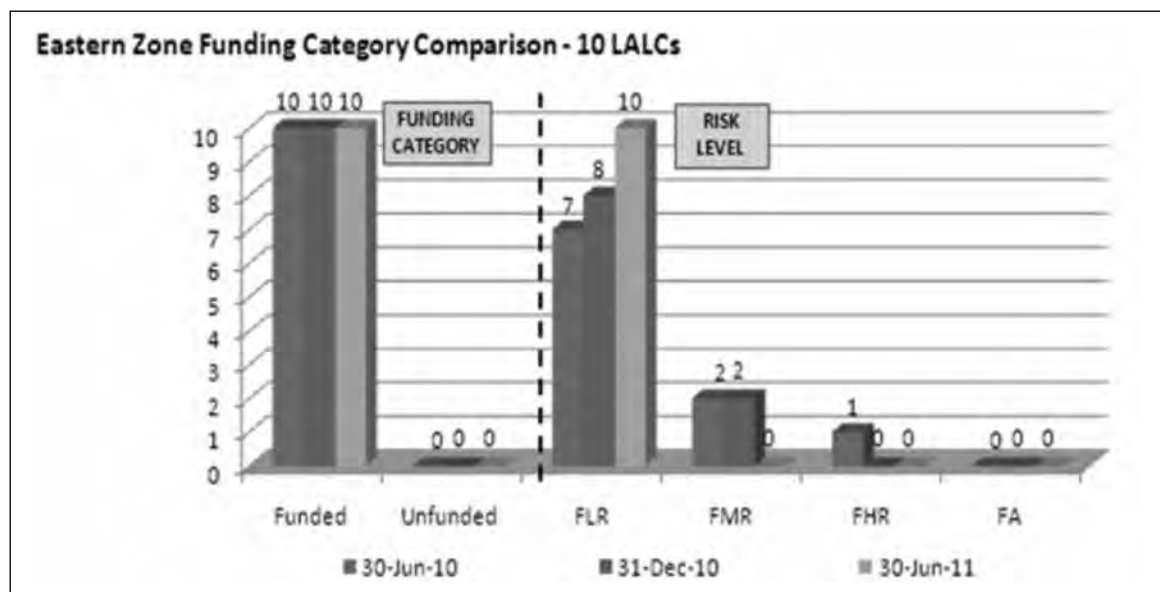
Zone Office staff coordinated a number of CLBP workshops with the Worimi and Darkinjung LALCs during the reporting period to assist them in preparing to update their CLBP's.

The workshops were well received.

LALC FUNDING

Eastern Zone LALCs progressed through a range of funding categories during the reporting period.

The graph below shows the number of LALCs in each funding category at the end of this reporting period, compared with the end of last financial year, and at the end of December 2010.



At all three points in time all 10 LALCs in the Eastern Zone were in compliance and in a funded category.

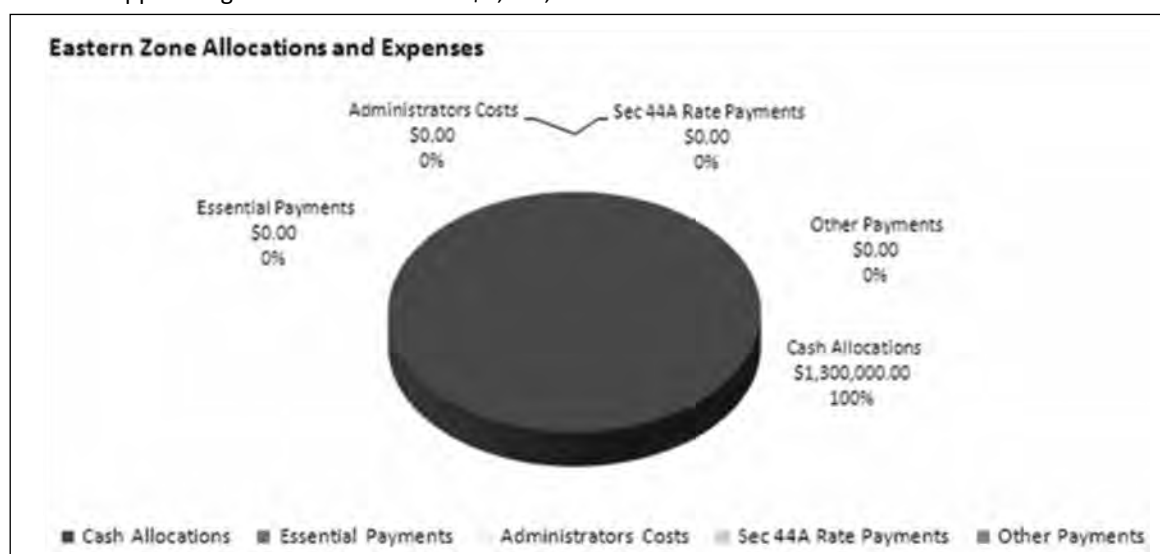
The number of LALCs assessed as being low risk increased from seven at 30 June 2010 to ten at the end of this reporting period.

The Zone was able to assist those LALCs build their capacity in all aspects of their operations, including financial reporting, asset management, business planning and compliance with the provisions of the ALRA.

PAYMENTS TO LALCS

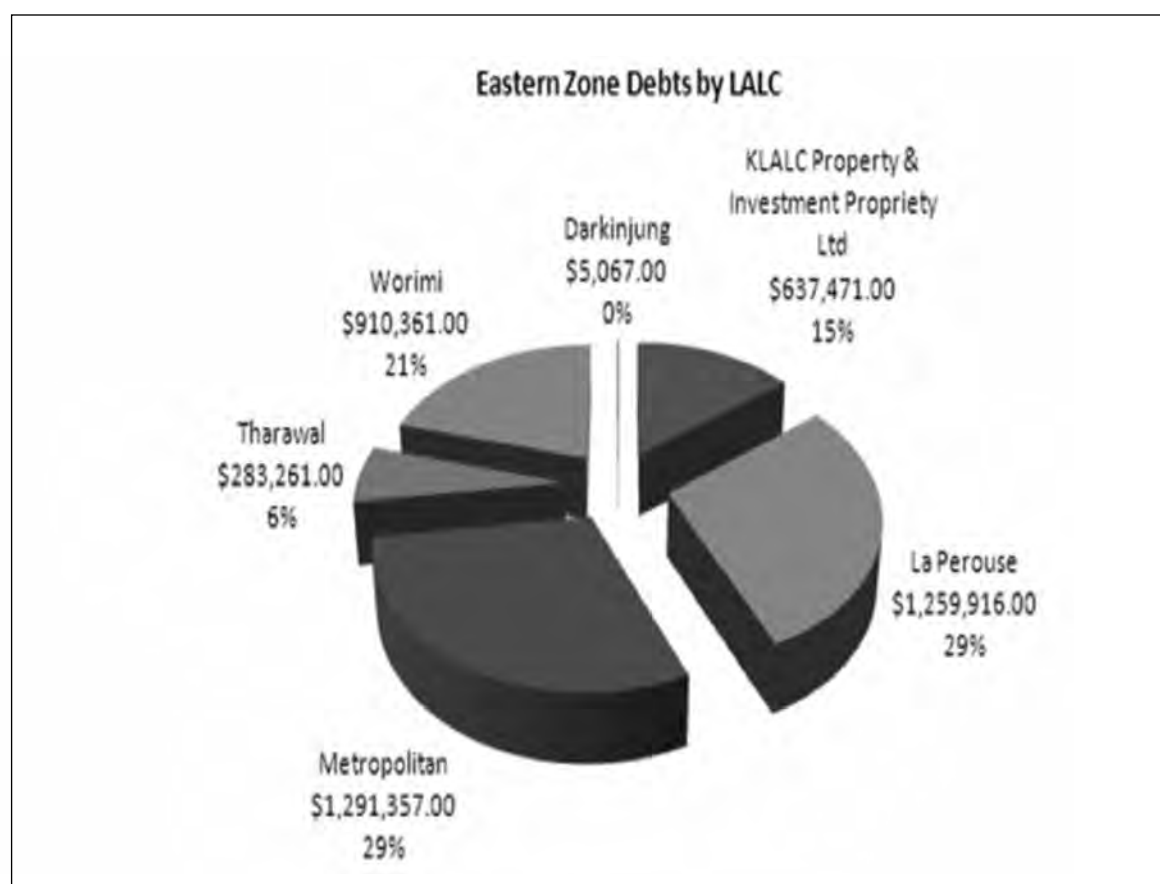
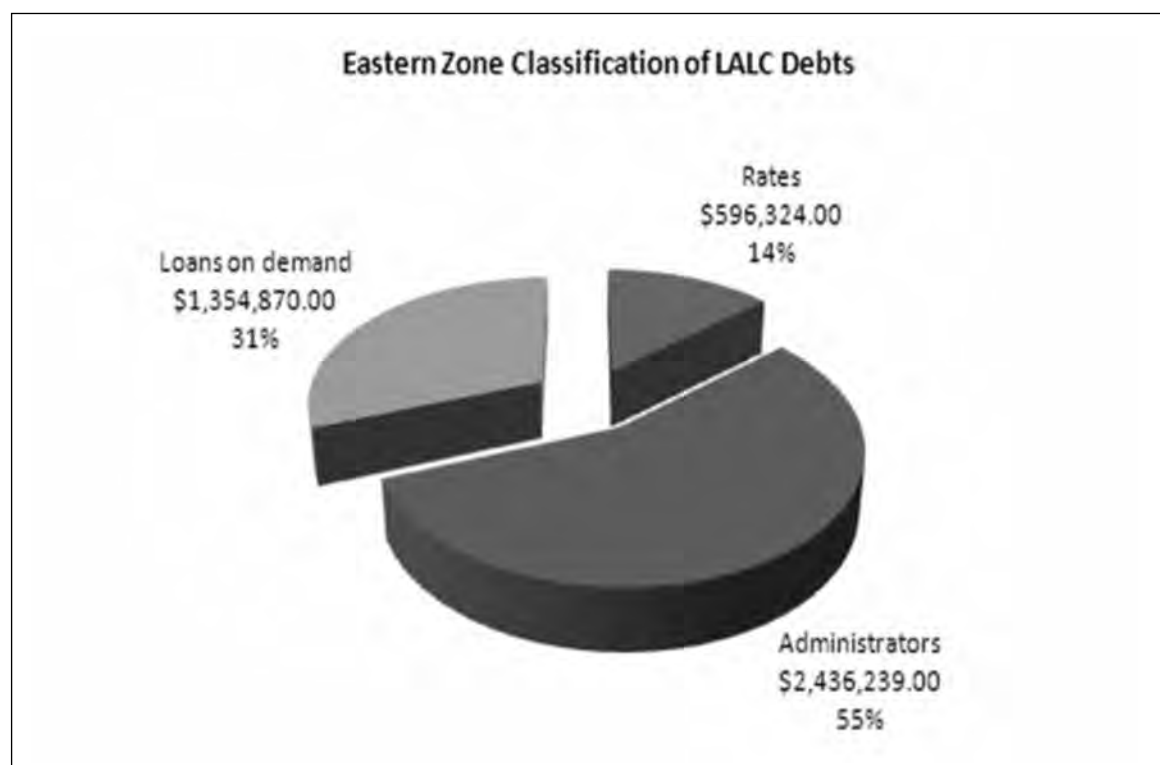
The following graph shows the type of allocations, and expenses, paid to, or on behalf of, LALCs in the Eastern Zone during the reporting period.

The total approved grant for the Zone was \$1,300,000.00.

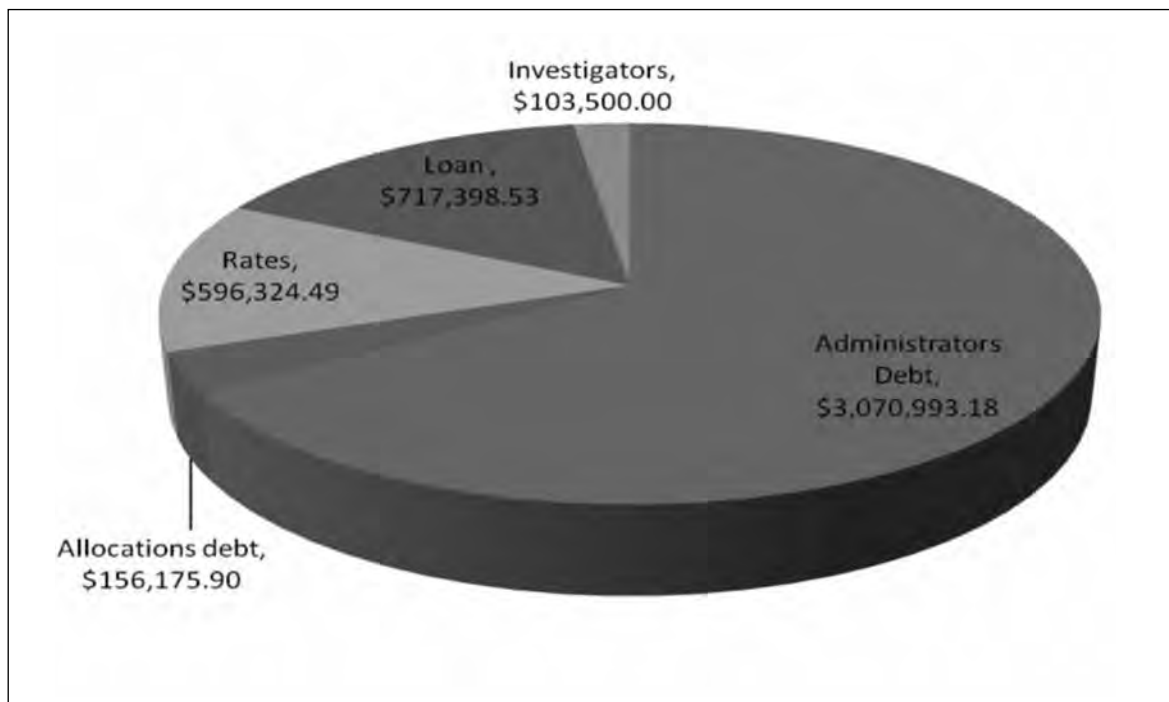


LALC DEBT

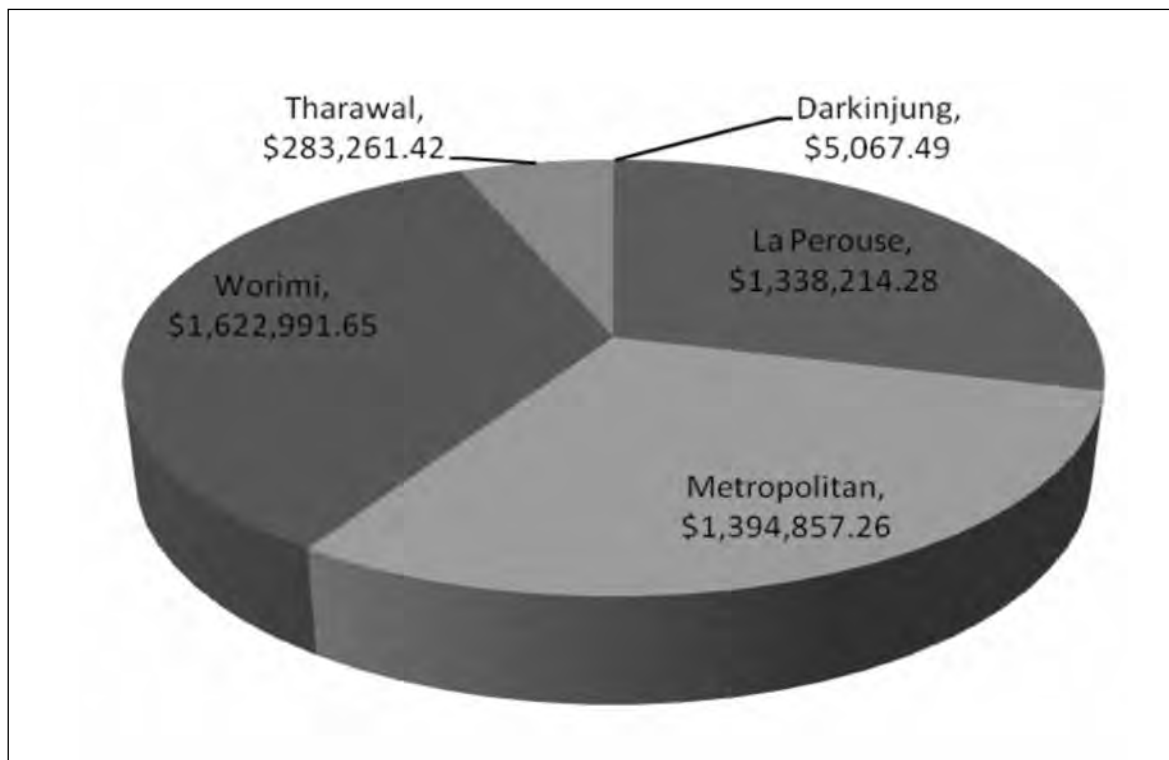
The total LALC debt to NSWALC stood at \$4,387,433 at the end of the reporting period.



Eastern Zone LALC Debt – By Classification



Eastern Zone Debt – By LALC



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.

Section 13 of the Statutory and Other Offices Remuneration Act 1975 requires the Tribunal to make a determination of the remuneration paid to office holders on and from October 1 each year.

The Tribunal's Report and Determination for October 2010 provided for a four per cent salary increase to be paid from the beginning of that month.

This determination set the base annual salary of a member of the NSWALC at \$121,340 with consequential increases for the Chairperson and Deputy Chairperson.

The Tribunal's Report and Determination for October 2011 provided for a two and a half per cent salary increase to be paid from the beginning of that month.

This increased the base annual salary of a member of the NSWALC to \$124,375 with consequent increase in the salary of the Chairperson and Deputy Chairperson in line with their respective responsibility loadings.

The following table sets out particulars of domestic and overseas travelling expenses paid to each NSWALC Councillor during the 2011/12 financial year.

Councillor Name	Direct Travel Exp	Travel Acco. & Meals Allowance	Total
S Ryan	39,973.27	35,131.63	75,104.90
P Smith	1,464.32	37,693.71	39,158.03
A Dennis	10,586.14	21,777.85	32,363.99
Tom Briggs	3,458.18	16,633.75	20,091.93
N Hampton	86.00	26,454.85	26,540.85
Roy Ah-see	891.14	28,690.05	29,581.19
D Jones	16,082.99	26,752.49	42,835.48
C Cromelin	23,647.33	39,322.61	62,969.94
T Williams	29,609.41	28,765.08	58,374.49
Total	125,798.78	261,222.01	387,020.79

Former Councillor's Travelling Expenses 2011/2012

Former Councillor Name	Direct Travel Exp	Travel Acco. & Meals Allowance	Total
Bev Manton	51.10	3,910.38	3,961.48
W Murray	744.39	3,429.05	4,173.44
D Donnelly	30.46	2,531.65	2,562.11
Total	825.95	9,871.08	10,697.03

Funds Granted to Community Organisations

There are two major categories of NSWALC grant funds, the first and by far the largest category is the annual allocation of funds to Local Aboriginal Land Councils, totaling \$14.42m in 2011/2012 compared to \$13.96m in 2010/2011.

These allocations are used primarily as a contribution toward the annual operational expenses of the Councils, and also for Council approved capital acquisitions.

The second category is other grants to community organisations and individuals in several categories, totaling \$1.3m during this reporting period, compared to \$2.2m in the 2010/2011 financial year.

These included a total of \$985,836 in grants to assist with funerals.

Aggregated details of grants less than \$5,000 are provided below, as well as a listing of individual grants of \$5,000 or more and a brief description of the purpose of each of these grants.

Grants Paid - 2011/2012		
Major Grants (> \$5,000)		
Payee	Description	Amount
Discretionary (SALTWATER FRESHWATER ARTS ALLIANCE)	Sponsorship for freshwater festival 2012	10,000
Discretionary (GADIGAL INFORMATION SERVICE ABORIGINAL CORPORATION)	Sponsorship for Yabun Festival 2012	10,000
Discretionary (Holden Leasing)	MV Rental & Petrol for BK56AX - CEO of Wilcannia LALC	18,454
CAF AUSTRALIA	Education Scholarship Grant	210,000
University of Newcastle	Education Scholarship Grant	21,285
Total Major Grants	5	269,739
Minor Grants (<= \$5,000)		
Payee	Description	Amount
Rugby Knockout Team	49 Teams	42,200
Discretionary (WAMBA WAMBA LALC)	Flood relief grant to Wamba Wamba LALC	1,500
Funeral	533	985,836
RESERVE BANK OF AUSTRALIA	Education Scholarship Grant - Tyrone Ball HECS Fee Voluntary payment ref no: 552008640933429221	3,000
Total Minor Grants	584	1,032,536
Summary Total of Grants		
Category	Number of Individual Paid Unit	Amount
Education Scholarship Grant	3	234,285
Discretionary	4	39,954
Funeral	533	985,836
Rugby Knockout Team	49	42,200
Total All Grants Paid	589	1,302,276

Economic Factors

Council and the Executive continued to exercise expenditure restraint and seek to reduce operational expenditure, where possible.

It sought to do so without sacrificing its level of service to the land rights network.

Like many other organisations with a diversified portfolio, NSWALC managed to trim costs and rein in spending, where possible, in order to keep trading successfully while seeking to increase its capacity and cope with the transactional costs to the land rights network flowing from amendments to the ALRA.

List of Consultants

During 2011/12 NSWALC engaged a total of twenty four consultants on projects at a total value of \$632,417.

This compared with a total of thirty three consultants during the previous reporting period who were engaged on projects at a total value of \$736,984.

The major area of work was on the NSWALC Investment Fund.

The following breakdown is supplied in accordance with the requirements of the Annual Reports (Statutory Bodies) Act 1984, as amended.

NAME OF CONSULTANTS	PROJECTS (\$30,000 & ABOVE)	\$
MERCER (AUSTRALIA) PTY LTD	Investment Adviser	291,200
SGS ECONOMICS & PLANNING	Modelling Funding Formula Options	43,230
ADEN RIDGEWAY PTY LIMITED	Development of NSWALC Policies/positions e ALRA Lobbying	39,000
PHILLIPS KPA	Education Endowment Fund Review	31,250
TOTAL AMOUNTS PAID >\$30,000	4	404,680

	NUMBER OF CONSULTANTS	TOTAL PAID \$
CONSULTANTS < \$30,000	20	227,737

TOTAL ALL CONSULTANTS	24	632,417
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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 2011/2012

(A) STATISTICAL INFORMATION ON EEO TARGET GROUPS.

Table 1. Trends in the Representation of EEO Target Groups in %

EEO Group	% of Total Staff ⁷				
	Benchmark or Target	2008/09	2009/10	2010/11	2011/12
Women	50%	51.0%	45.5%	47.5%	48.0%
Aboriginal people and Torres Strait Islanders	2.6%	54.5%	50.5%	54.5%	53.0%
People whose first language was not English	19%	9.5%	7.0%	6.0%	10.0%
People with a disability	N/A%	9.0%	8.5%	8.0%	7.5%
People with a disability requiring work-related adjustment	1.1% (2011) 1.3% (2012) 1.5% (2013)	N/A	N/A	N/A	1.6%

Table 2. Trends in the Distribution of EEO Target Groups

EEO Target Group	Distribution Index ²				
	Benchmark or Target	2008/09	2009/10	2010/11	2011/12
Women	100	N/A	N/A	N/A	78
Aboriginal people and Torres Strait Islanders	100	N/A	N/A	N/A	78
People whose first language was not English	100	N/A	N/A	N/A	75
People with a disability	100	N/A	N/A	N/A	89
People with a disability requiring work-related adjustment	100	N/A	N/A	N/A	100

(B) COMMENTARY ON INITIATIVES TO ELIMINATE DISCRIMINATION IN EMPLOYMENT AND PROMOTE EQUAL EMPLOYMENT OPPORTUNITY (EEO)

B.1 Major policies/programs and their outcomes during the reporting period accounting for planned outcomes set in the previous year

The NSWALC adheres to Anti-discrimination and Equal Employment Opportunity & Diversity legislation that requires employers to provide a discrimination free workplace for their employees, and is central to the development of equitable employment practices.

⁷Excludes casual staff.

⁸A Distribution Index of 100 indicates that the centre of the distribution of the EEO groups across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels.

It has developed a recruitment policy that incorporates Equal Employment Opportunity (EEO), in that staff are employed, trained, promoted and paid according to their merit rather than on the basis of their sex, race, ethnicity, disability, marital status, age or sexual preference.

Training and Development initiatives by NSWALC and external organisations are widely advertised both within Head Office and regional Zones, where appropriate, to ensure that all target groups are given equal opportunity to attend and that information is distributed to all possible participants to actively encourage EEO target group members.

There are a number of activities conducted by EEO target group networks and units, both within and outside NSWALC, for example, a Network of Women who have participated in the Springboard Program, enabling women to have greater influence in their lives and achieve more of their potential.

The organisation provides its services throughout NSW through its regional Zone offices and resources from its Parramatta Head office. Our clients and stakeholders have fair and equitable opportunity to access our services, and our offices are designed to enhance this. We also provide access to our publications on-line.

B.2 Major activities and outcomes planned for the following year.

As noted earlier, the NSWALC has commenced the development of an Aboriginal Employment Plan (AEP) which details and explains the organisation's overall policy on Aboriginal employment and career development.

The Plan aims to bring together previous Aboriginal employment initiatives as well as "identifying" Aboriginal positions and creating new positions, establishing recruitment, training and selection policies and mentoring support and career development programs.

In the following year when fully developed, the AEP will provide diverse and interesting opportunities for Aboriginal job seekers, and will establish Aboriginal employment targets that better reflect the organisation's stakeholder and client base and its objectives of increasing Aboriginal employment opportunities for Aboriginal people.

The organisation has also drafted a new Code of Conduct and in the new reporting year, once approved by Council, it will provide clear guidelines and establishes a common understanding of the standards of behaviour expected of all employees, including zero tolerance to workplace bullying and discrimination.

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	49,990
Allianz	Motor Vehicles	Market Value
Allianz	Public /Products liability	50,000
ACC Health	Personal Accident/Sickness - Councillors	250 / 1.5
Allianz	Machinery Breakdown	100
LondonAustralia	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	500
AFA	Group Personal Accident	100
Vero	Homes	5,850
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
LondonAustralia	Media Professional Indemnity	5,000

**WORK RELATED INJURY
WORKERS COMPENSATION
AND REHABILITATION 2011/2012**

WORK RELATED INJURY & ILLNESS

Number reported 15

Nature of Accidents

Slips, Trips & Falls 5

Mental Health (anxiety, stress) 2

Cuts/Scratches 4

Motor Vehicle Accident 1

Ergonomics/Overuse 0

Sprain/Strain 0

Manual Handling 0

Bites 3

Total 15

Where Injuries Occurred

At the Workplace 9

On the journey to/from work 2

At work away from the normal workplace 4

Total 15

WORKERS COMPENSATION CLAIMS

Claims brought forward from 2010/2011 2

New claims this period 3

Total 5

Claims status at 30.6.12

Claims finalised 4

Claims declined/under investigation 0

Liability accepted & claim continuing 1

Provisional Liability 0

Total 5

Open claims carried forward to 2012/2013 1

REHABILITATION

Cases brought forward from 2010/2011 1

New cases this period 0

Total 1

Cases completed 0

Cases continuing & carried forward to 2012/2013 1

Total 1

**Internal Audit and Risk Management
Statement for the 2011-2012 Financial
Year for the NSW Aboriginal Land
Council**

I am of the opinion that the New South Wales Aboriginal Land Council has an internal audit and risk management processes in place that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 Internal Audit and Risk Management Policy.

I am of the opinion that the Audit and Risk Committee for the New South Wales Aboriginal Land Council is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

Ms. Carolyn Walsh (Independent Chair) appointed 1 April 2011 until 31 March 2014.

Mr Garry Dinnie (Independent Member) appointed 1 April 2011 until 31 March 2013.

Cr. Craig Cromelin (Non-independent Member) appointed 19 August 2011.

These processes provide a level of assurance that enables the senior management of the New South Wales Aboriginal Land Council to understand, manage and satisfactorily control risk exposures.



**Mr. Geoff Scott
Chief Executive Officer**

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
ANNUAL REPORT 2011-2012

FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

New South Wales Aboriginal Land Council

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the New South Wales Aboriginal Land Council (the Council), which comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Council as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

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

The Councillors' Responsibility for the Financial Statements

The members of the Council are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the members of the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Council, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Council
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Steven Martin
Director, Financial Audit Services

22 October 2012
SYDNEY

**NEW SOUTH WALES ABORIGINAL LAND COUNCIL
YEAR ENDED 30 JUNE 2012**

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 2012 and its performance for the year ended on that date in accordance with Australian Accounting Standards and interpretations and the provisions of the *Public Finance and Audit Act 1983*, The Public Finance and Audit Regulation 2010 and the Treasurer's Direction.
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.



Stephen Ryan

Chairperson



Craig Cromelin

Deputy Chairperson

Date: 17/10/2012

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

		2012	2011
	Note	<u>\$'000</u>	<u>\$'000</u>
Revenue			
Sale of Goods and Services	7	1,329	2,409
Investment Revenue	8	15,352	34,733
Grants and Contributions	9	1,210	1,336
Other Revenue	10	4,577	2,672
Total Revenue		<u>22,469</u>	<u>41,150</u>
Expenses excluding losses			
Audit Fees	13	370	344
Consultants Fees		632	737
Enterprise and Farm Expenses		898	1,814
Depreciation	28	1,201	1,229
Amortisation - Intangible Assets	29	312	294
Doubtful Debts and Write Off		568	1,650
Employee Related Expenses	14	12,193	12,746
Funding of Local Aboriginal Land Councils	15	14,418	13,957
Grants	16	2,572	2,217
Legal Expenses		1,764	1,752
Motor Vehicle Expenses	17	742	729
Maintenance Expenses	18	471	405
Travel Expenses and Meal Allowances		946	996
Election Costs		524	69
Insurance		487	387
Rent and Outgoings		764	547
Postage, Printing and Stationery		533	259
Contractor Fees		342	354
Other Expenses	19	2,132	2,558
Program Expenses	20	2,228	2,729
Total expenses excluding losses		<u>44,099</u>	<u>45,772</u>
Gain / (loss) on Disposal of PP&E	11	31	8
Other gains / (losses)	12	3,855	10,328
SURPLUS/(DEFICIT) FOR THE YEAR		<u>(17,744)</u>	<u>5,714</u>
Other comprehensive income/(expenses)	40	(401)	5
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE YEAR		<u>(18,145)</u>	<u>5,719</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

		2012	2011
ASSETS	Note	<u>\$'000</u>	<u>\$'000</u>
Current Assets			
Cash and Cash Equivalents	21	7,572	5,985
Receivables	22	864	2,273
Biological Assets	23	356	683
Financial Assets at Fair Value	24	531,192	549,873
Hedge Instrument Assets	25	35,199	-
Other Assets	27	449	172
Total Current Assets		<u>575,632</u>	<u>558,985</u>
Non-Current Assets			
Receivables	22	1,441	440
Other Financial Assets	26	377	354
Property, Plant and Equipment	28	45,030	45,348
Intangible Assets	29	568	717
Artefacts	30	634	634
Total Non-Current Assets		<u>48,050</u>	<u>47,494</u>
Total Assets		<u>623,682</u>	<u>606,479</u>
LIABILITIES			
Current Liabilities			
Payables	31	4,324	2,701
Hedge Instrument Liabilities	32	33,948	-
Provisions	33	2,012	1,399
Grants received in advance	34	2,931	3,872
Total Current Liabilities		<u>43,216</u>	<u>7,972</u>
NON CURRENT LIABILITIES			
Provisions	33	428	324
Total Non-Current Liabilities		<u>428</u>	<u>324</u>
Total Liabilities		<u>43,644</u>	<u>8,295</u>
Net Assets		<u>580,039</u>	<u>598,183</u>
EQUITY			
Reserves		20,216	20,236
Accumulated Funds		559,823	577,947
Total Equity		<u>580,039</u>	<u>598,183</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Note	Accumulated Funds <i>\$'000</i>	Revaluation Reserve <i>\$'000</i>	Total <i>\$'000</i>
Balance at 1 July 2011		577,947	20,236	598,183
Surplus/(Deficit) for the Year		(17,744)	-	(17,744)
Other comprehensive income/(expenses)	40	(381)	(20)	(401)
Total comprehensive income/(expenses) for the year		(18,125)	(20)	(18,145)
Balance at 30 June 2012		559,823	20,216	580,039
Balance at 1 July 2010		572,228	20,236	592,464
Surplus/(Deficit) for the Year		5,714		5,714
Other comprehensive income	40	5	-	5
Total comprehensive income for the year		5,719	-	5,719
Balance at 30 June 2011		577,947	20,236	598,183

The above statement of changes in equity should be read in conjunction with the accompanying notes.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

CASH FLOWS FROM OPERATING ACTIVITIES		2012	2011
	Note	<u>\$'000</u>	<u>\$'000</u>
Receipts			
Sale of Goods		2,127	3,250
Interest and Investment Income		880	2,363
Grants and Subsidies		136	1,336
Recovery of rates and administrators cost paid on behalf of LALCs		1,251	1,008
Other		5,285	2,094
Total Receipts		<u>9,679</u>	<u>10,051</u>
Payments			
Employee related		12,011	12,666
Grants and subsidies		2,255	2,217
Funding of LALCs		15,860	13,957
Payment of rates and administrators cost on behalf of LALCs		1,433	587
Other		12,776	17,997
Total Payments		<u>44,335</u>	<u>47,424</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	37	<u>(34,656)</u>	<u>(37,372)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of Land and Buildings, Plant and Equipment	11	86	18
Proceeds from sale of Financial Assets		278,660	396,767
Purchases of Property, Plant and Equipment		(243)	(417)
Purchases of Financial Assets		(242,260)	(360,225)
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>36,243</u>	<u>36,143</u>
NET INCREASE/(DECREASE) IN CASH		1,587	(1,228)
Opening Cash and Cash Equivalents		5,985	7,213
CLOSING CASH AND CASH EQUIVALENTS	21	<u>7,572</u>	<u>5,985</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2012

1. REPORTING ENTITY

New South Wales Aboriginal Land Council (the Council) is a Statutory Body constituted by the *Aboriginal Land Rights Act 1983*. The Council is a not-for-profit entity (as profit is not its principal objective).

The Council, as a reporting entity, comprises all the entities under its control including A.C.N. 159 268 041 PTY LTD and A.C.N. 159 272 992 PTY LTD (The companies). A.C.N. 159 268 041 PTY LTD is wholly-owned subsidiary of the Council and A.C.N. 159 272 992 PTY LTD is wholly-owned subsidiary of A.C.N. 159 268 041 PTY LTD. These companies were incorporated on 29 June 2012. The companies did not engage in commercial activities in the financial year ended 30 June 2012.

The financial statements for the year ended 30 June 2012 has been authorised for issue by the Council on 17 October 2012.

2. BASIS OF PREPARATION

(a) Basis of Preparation of Financial Statements

Since there were no commercial activities in A.C.N. 159 268 041 PTY LTD and A.C.N. 159 272 992 PTY LTD, the consolidated financial statements of the Council are same as the financial statements of the ultimate parent entity. Therefore, they were not disclosed separately.

(b) Statement of Compliance

The Council's financial statements are general purpose financial statements which have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations) and the requirements of the *Public Finance and Audit Act 1983 and Regulation, Treasurer's Directions, the New South Wales Aboriginal Land Rights Act 1983 and its regulation*.

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 19 March 2003, the Council has maintained the minimum required capital value of \$485,340,000 through the year.

(c) Profit status of the Council

The Council has assessed its profit status for the financial year ended 30 June 2012 and determined its status as not-for-profit for financial reporting purposes.

(d) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items:

- Financial instruments that are classified as 'at fair value through profit and loss' and 'available for sale investment' are measured at fair value
- Biological assets are measured at fair value less costs to sell
- Property, plant and equipment are measured at fair value
- The defined benefit asset is measured as the net total of the defined benefit plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation

(e) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Council's functional currency.

All amounts are rounded to the nearest one thousand dollars unless otherwise stated.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2012

(f) 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 are included in the following notes:

- Note 3(a)(iii), 3(c)(ii), 3(c)(iv) & 3(c)(vii)
- Note 8 – investment revenue
- Note 22 – bad & doubtful debts
- Note 28 & 29 – 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 & 26 – financial assets, hedge instrument assets and other financial assets
- Note 33 – provisions & defined benefit obligations
- Note 39 – financial instruments

(g) Changes in accounting policy

In the current year, the Council has reviewed all of the new and revised Standards and Interpretations that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2011. As a result, the Council has determined that its accounting policies and disclosure in relation to the presentation of financial statements are appropriate.

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.

(a) Revenue Recognition

The Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met for each of the Council's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction, and the specifics of each arrangement. Revenue is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

(i) Contributions

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 the Statement of Comprehensive Income as grants and contribution on a

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2012

systematic basis in the same period in which the expenses are recognised. Any unspent contributions at year end are 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 and Services

Revenue from the sale of goods and services is recognised as revenue when the Council transfers the significant risks and rewards of ownership of the assets. It is measured at the fair value of consideration received or receivable, net of returns, trade discounts and volume rebates.

(iii) Investment Revenue

Investment revenue comprises interest income on funds invested, dividend income, changes in fair value of financial assets at fair value through the 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) Land Claims

The Council claims land under the *Aboriginal Land Rights Act 1983*. Land claimed from State or Commonwealth government is valued at fair value recognised as income and capitalised as land asset.

(vii) Other revenue

Other revenue is recognised 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)

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(iii) Maintenance expenses

Maintenance expenses are charged as stated in 3 (c) (vii)

(iv) Insurance expenses

The Council holds insurance policies covering property, public liability, workers compensation, Councillors' liability and other contingencies. These insurance covers are conducted through the Omega Insurance Brokers Pty Ltd. The premium is determined by the Insurer based on past claim experience.

(v) Funding expenses for Local Aboriginal Land Councils

Funding for Local Aboriginal Land Councils (LALCs) is charged to the profit and loss as per the agreed amount of allocation paid or payable for the year as per the funding agreement. If a LALC 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 LALCs.

(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.

In the financial year 2010-11, the Council implemented a debt management policy and guidelines to manage and recover statutory debts incurred by the Council on behalf of LALCs. The policy and guidelines established how to assess the recoverability of debts, the amounts to be written-off or waived and the recoverability of outstanding debts. The policy is being implemented during the year and the movement in the allowance for impairment with the outstanding debt is disclosed in Note 22.

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 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

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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 annual rainfall, temperature and ground preparation. Cropping input costs are measured on initial recognition and capitalised at each reporting date at cost of production.

Fair value of grain on hand is determined as the best available estimate for grain with similar attributes such as quality, size and variety less any point-of sale costs.

Grain on hand includes all grain stored in silos on Council's properties 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.

• *Fair value hedges*

The Council faces foreign currency exposure from international investments. Therefore, the Council has developed a strategy to mitigate the changes in fair value of international investments that are designated and qualify as fair value hedges. Any changes in fair value hedges are recognised in Statement of Comprehensive Income immediately, changes in fair value of hedges offset against hedged asset/liability that are attributable to the hedged risk.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2012

- *Impairment of financial assets*

All financial assets, except those measured at fair value through the profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

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 profit and loss, 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 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 38. 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.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2012

(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.

- Capitalisation Thresholds

Property, plant and equipment and intangible assets costing \$1,000 (\$1,000 in 2010-2011) and above individually (or forming part of a network costing more than \$1,000) are capitalised.

- Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for the fair value. The Council reviews the estimated useful lives for major plant and equipment at the end of each annual reporting period. Property is revalued at least every five years or with sufficient regularity to ensure that the carrying amount does not differ materially from its fair value at reporting date. The revaluation of property was completed on 30 June 2009 based on an independent assessment and management considered that there is no significant movement in relation to the current market value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset class previously recognised as an expense in the Statement

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2012

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.

- 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.

* Fittings classified as buildings may have varying depreciation rate and useful life (i.e. 20% Depreciation Rate and 5 years Useful Life).

- 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, but are revalued on a regular basis by an expert valuer. Any change in value is accounted as explained in Note 30.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2012

(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 Profit and loss 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 fair value as at the date of acquisition is capitalised in the fixed asset register.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Council's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Council's intangible assets are amortised using the straight line method over a period of 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.

(d) Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to the Council. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(ii) Employee Benefits and Other Provisions

• Salaries and Wages, Annual Leave and On-Costs

Liabilities for salaries and wages (including non-monetary benefits) and annual leave that fall due wholly within twelve months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at nominal based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 *Employee Benefits*. Market yields on 10 year government bonds of 3.04% (2010-2011 5.21%) was applied to discount long-term annual leave.

The outstanding amounts of workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2012

- Long Service Leave and Superannuation

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 12-06) to all employees using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

In respect of defined contribution schemes (i.e. Basic Benefit and First State Super), expense is calculated as percentage of the employees' salary. For the defined benefit schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

- Other Provisions

Other provisions exist when the Council has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A make good provision for the lease of the Zone and Councillor Offices is discounted at 2.46%, 2.42% and 2.58%, which reflects the current market assessment of the time value of money and the risk specific to the liability.

(iii) Grants received in advance

Grants received in advance are recognised as explained in Note 3 (a) (i)

(e) *Incorporation of Local Aboriginal Land Council*

Pursuant to section 49 (1) of the *Aboriginal Land Rights Act 1983* and clause 18 (1) (a) of the *Aboriginal Land Rights Regulation 2002*, the Minister of Aboriginal Affairs has incorporated Biraban Local Aboriginal Land Council on 15 May 2012. The Council has not made any financial commitment at the balance date.

(f) *Transfer of property to Local Aboriginal Land Councils*

During the year ended 30 June 2012, the Council transferred properties to Nyngan Local Aboriginal Land Council and Batemans Bay Local Aboriginal Land Council at fair value. The net amount transferred after adjusting for the revaluation reserve is disclosed in the Statement of Comprehensive Income.

(g) *Accounting for the Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST, except when:

- The amount of GST incurred by the Council as a purchaser is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense, and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office are classified as operating cash flows.

(h) *Tax Exemptions*

The Council is a Public Benevolent Institution (PBI) under the *Income Tax Assessment Act 1997*. Therefore the Council is exempt from income tax from 1 July 2000. The Council is also exempt from the Payroll Tax under *Payroll Tax Act 2007*.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2012

(i) *Comparative information*

Except when an Australian Accounting Standard permits or requires otherwise, comparative balances were restated to improve clarity and effective presentation of financial statements.

(j) *New Australian Accounting Standards issued but not yet effective*

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.

<p>Whether or not to early adopt the following Standards / Interpretations:</p> <ul style="list-style-type: none"> • AASB 9 and AASB 2010-7 regarding financial instruments • AASB 10 Consolidated Financial Statements • AASB 11 Joint Arrangements • AASB 12 Disclosure of Interests in Other Entities • AASB 13 and AASB 2011-8 regarding fair value measurement • AASB 119, AASB 2011-10 and AASB 2011-11 regarding employee benefits • AASB 127 Separate Financial Statements • AASB 128 Investments in Associates and Joint Ventures • AASB 1053 and AASB 2010-2 regarding differential reporting • AASB 2010-8 regarding deferred tax • AASB 2010-10 regarding removal of fixed dates for first time adopters • AASB 2011-2 regarding Trans Tasman Convergence – RDR • AASB 2011-3 regarding orderly adoption of changes to the ABS GFS Manual • AASB 2011-4 removing individual KMP disclosure requirements • AASB 2011-6 regarding RDR and relief from consolidation • AASB 2011-7 regarding consolidation and joint arrangements • AASB 2011-9 regarding presentation of items of other comprehensive income • AASB 2011-12 regarding Interpretation 20 • AASB 2011-13 regarding AASB 1049 and GAAP/GFS harmonisation 	<p>NSWTC12/04 Mandate not to early adopt any of the new Standards / Interpretations.</p>
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NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2012

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 2012

The Audit Committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to risks faced by the Council. The Director for Corporate Governance in the capacity of the Chief Audit Executive manages the internal audit function by conducting scheduled and ad hoc reviews of risk management control procedures, the results of which are reported to the Audit Committee.

The Council's principal financial instruments comprise cash, short term deposits and portfolio of investments. The main purpose of these financial instruments is to fund Council's operations and its future sustainability. The Council has various other financial instruments such as debtors and trade creditors, which arise directly from its operations. The main risks arising from the Council's financial instruments are interest rate risk, liquidity risk and credit risk. The executive reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Credit Risk

Credit risk is the risk of financial loss to the Council if a Council's debtor or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from the financial assets of the Council, including cash, receivables, term deposits and investment in unit trust deposits. In regards to investments in unit trusts, this credit risk is reflected in the unit prices when the underlying securities are marked to market. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment). The Council has not granted any financial guarantees.

(i) Cash

Cash comprises cash on hand and bank balances with the National Australia Bank, Westpac Banking Corporation and the Commonwealth Bank of Australia. Interest is earned on daily bank balances at the monthly average cash rate. It is the Council's practice to deal with banks with "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.

- *Trade debts*

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis from the monthly aged analysis report. The Director of Corporate Services is responsible for the credit control function of all outstanding trade debtors. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Council will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions. The credit risk is the carrying amount at the balance date net of any allowance for impairment. No interest is earned on trade debtors. Sales are made on 30 day terms.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2012

- *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 a short period of time. The credit risk is exposed in the monthly aged analysis report. The Director of Corporate Services, 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.

(iii) *Investments*

The Council limits its exposure to credit risks by investing in banks by direct deposits, equities and in unit trusts with fund managers whose portfolio of investments are within the risk limits disclosed by the fund managers in the offer documents of their trusts. This risk is monitored by our investment 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 24, are managed by the Council in conjunction with its approved investment consultant and are not guaranteed from credit risk.

The Council has placed funds on deposit with a commercial bank with an "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.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2012

The Council's exposures to market risk are as follows:

- Growth: the depth and length of the global economic downturn, and its impact on the investments held by the Council
- Systematic risk: liquidity and counterparty risks in financial markets
- Lack of Corporate Governance: Universal lack of corporate governance leads to fraud and bankruptcies.

The Council manages its market risk exposure by construction of risk framework that quantifies the risks in the portfolio and the probable outcomes from the portfolio given different events.

(i) *Currency risk*

The Council has direct exposure to foreign currency risk by investing into funds denominated in foreign currencies. In addition, the Council is also exposed to indirect foreign currency risk by the depositing of its funds in international investments by its fund managers. It also has some foreign currency exposure when foreign currency funds are held by the transitional custodian. Investment in foreign currency and foreign currency funds held by the transitional custodian are comprehensively monitored.

The Council has adopted a policy to hedge any risk on currency exposures for its international investments by entering foreign exchange contracts. The Council's Banker, the National Australia Bank, reviews the funds where the Council has international equity investments. They are then benchmarked against the MSCI World ex Australia weightings to determine the currency composition. A decision was endorsed by the Council's Investment Consultants (Mercer) along with the Chief Investment Officer. The Council track its exposure on a daily basis, making the hedge results more transparent.

(ii) *Interest rate risk*

Exposure to interest rate risk arises primarily through the Council's term deposits and fixed income unit trust investment that have marked to market exposure. The Council accounts for any fixed rate financial instruments at fair value through profit or loss or as being available-for-sale. Therefore, for these financial instruments, a change in interest rates would affect the profit and loss and equity. A reasonable possible change of rate provided by investment advisors is used, consistent with current trends in interest rates. This is reviewed quarterly and amended where there is a structural change in the level of interest rate volatility.

The interest rate risk in respect of corporate card facility is considered to be negligible.

(iii) *Other price risk*

Exposure to 'other price risk' primarily arises through investments with fund managers that are held for strategic rather than trading purposes. Investments within the portfolio are managed on an individual basis and all buy and sell decisions are recommended by the Investment Committee for the approval of the Council. The primary goal of the Council's investment strategy is to maximise investment returns in order to meet Council's operating expenses and preserve the funds. Management is assisted by external advisors in this regard. In accordance with this strategy, investments are designated at fair value through the profit and loss because their performance is actively monitored and they are managed on a fair value basis.

In 2009, the Council entered into a Grower Co-Production (GCP) contract to maximise their agricultural production and seek options to mitigate production risks. Any reduction in prices for agricultural produce is mitigated by this contract.

(d) *Operational risk*

The Council manages its operational risk as part of the risk management strategy. Operational risk is the direct and indirect losses arising from a wide variety of causes associated with the Council's processes, personnel, technology, legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risk arises from all of the Council's operations.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2012

The Council's objective is to manage operational risk so as to balance the avoidance of financial losses and damages to the Council's reputation with overall cost effectiveness and to avoid control procedures that restricts initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. The responsibility is supported by the development of standards, policies and procedures in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions
- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and legal requirements
- Documentation of controls and procedures
- Requirements for the periodic reporting to senior management, relevant committees and Councillors.
- Training and professional development
- Risk mitigation, including insurance where this is effective.

Compliance with established standards, policies and procedures is supported by a program of periodic review undertaken by Internal Audit. The results of the internal audit reviews are discussed with management of the business unit to which they relate, with reports submitted to Senior Management, the Audit Committee and the Council.

6. CAPITAL MANAGEMENT

As per the legislative requirement, the Council has to maintain its capital value of \$485,340,000. The Council monitors its return on investments and operating expenditure to maintain its capital value. It has developed two key strategies – 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 5.85% of the investment balance in 2012-13 (5.57% of the investment balance in 2011-12). The draw down is projected to be reduced progressively from 4.8% to 4% over the next 5 years.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2012

REVENUE

7. SALE OF GOODS AND SERVICES

	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Rural Properties	721	2,068
Tracker Advertising Income	298	47
Tracker Subscriptions Income	37	1
K2 Greenies Project	274	293
	<u>1,329</u>	<u>2,409</u>

8. INVESTMENT REVENUE

Interest	182	1,598
Dividends	28,208	13,285
Realised Gains/(Losses)	(13,091)	22,835
Realised Foreign Exchange Gains/(Losses)	53	(2,984)
	<u>15,352</u>	<u>34,733</u>

9. GRANTS AND CONTRIBUTIONS

Land Alive	148	134
Funeral Assistance	200	0
Walgett R&M	160	697
The Estate of Samuel Chandler	176	-
Subdivision	347	309
Other	179	197
	<u>1,210</u>	<u>1,336</u>

10. OTHER REVENUE

Rent Received	1,294	1,036
Rural Properties Other Income	114	116
Investment Managers Fees Rebates	521	540
Reversal of Prior Year's Bad Debts Provision	338	1
Legal Expenses Recovered	173	41
Assets Received at Nil Consideration	1,378	535
Refund from Charities Aid Foundation (CAF)	480	-
Other	279	402
	<u>4,577</u>	<u>2,672</u>

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2012

11. GAIN/(LOSS) ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles	Computer	Plant and Equipment	Artefacts	Land	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
2012						
Proceeds from Disposal	-	-	-	-	86	86
Written Down Value of Assets Disposed	-	-	-	-	(55)	(55)
Net Gain/(Loss) on Disposal	-	-	-	-	31	31
	Motor Vehicles	Computer	Plant and Equipment	Artefacts	Land	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
2011						
Proceeds from Disposal	13	-	5	-	-	18
Written Down Value of Assets Disposed	-	(2)	(8)	-	-	(10)
Net Gain/(Loss) on Disposal	13	(2)	(3)	-	-	8

12. OTHER GAINS/(LOSSES)

	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
CHANGES IN FAIR VALUE OF INVESTMENTS		
Net change in fair value of Hedge Instrument	1,251	-
Net change in fair value of financial assets classified as held for trading	3,605	10,328
Impairment of SEFA investment	(1,000)	-
	<u>3,855</u>	<u>10,328</u>

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2012

EXPENSES EXCLUDING LOSSES

13. AUDIT FEES	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Fees paid to The Audit Office of New South Wales	190	206
Internal and Other Audit Fee	180	138
	<u>370</u>	<u>344</u>
14. EMPLOYEE RELATED EXPENSES	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Salaries and wages	10,049	10,777
Superannuation - defined contribution plans	897	905
Leave expenses	979	863
Workers' compensation insurance	269	200
	<u>12,193</u>	<u>12,746</u>
15. FUNDING OF LOCAL ABORIGINAL LAND COUNCILS	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Local Aboriginal Land Councils	14,418	13,957
	<u>14,418</u>	<u>13,957</u>
16. GRANTS	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Funeral Assistance	986	733
Education Assistance	234	1,334
Community Development Levy	748	-
Properties Transferred to LALCs	522	-
Others	82	150
	<u>2,572</u>	<u>2,217</u>
17. MOTOR VEHICLE EXPENSES	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Motor vehicle operating lease payments	517	509
Other motor vehicle related expenses	225	220
	<u>742</u>	<u>729</u>
18. MAINTENANCE EXPENSES	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Maintenance expense - contracted labour and other (non-employee related)	471	405
	<u>471</u>	<u>405</u>

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2012

19. OTHER EXPENSES	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Staff Training, Development and Recruitment	124	178
Telephone & Communications	377	250
Rates	65	74
Public Relations and Publicity etc	102	114
Meeting Costs	59	41
Workshop and Conference Costs	95	136
Electricity, Gas & Power	208	171
State-wide Conference	1	401
Office Equipment under \$1,000	37	34
Community Consultations	48	75
Cleaning, Gardening & Waste Removal Expenses	167	124
Software Maintenance	108	246
Subscription, Books & Periodicals	85	118
Photocopying Supplies	122	64
Others	537	535
	<u>2,132</u>	<u>2,559</u>
 20. PROGRAM EXPENSES	 2012	 2011
	<u>\$'000</u>	<u>\$'000</u>
Share of Contribution to Water and Sewerage Infrastructure Program*	1,746	1,733
Repair and Maintenance Project**	159	691
Other Program Expenses	323	305
	<u>2,228</u>	<u>2,729</u>

Note:

*The Council paid 50% share of its contribution in relation to operation, maintenance and monitoring of water and sewerage services for Aboriginal Communities. The payment was made to the New South Wales Office of Water who manages the project as per the agreement between New South Wales State Government and the Council.

**The Council received grants from the Commonwealth Government by entering into a Program Funding Agreement with the Department of Families, Housing, Community Services and Indigenous Affairs to undertake a repairs and maintenance project on seventy homes owned by the Walgett Local Aboriginal Land Council. The Council manages this through appointing Arup Pty Ltd as the project consultant and Max Ryan Buildings Pty Ltd as a contractor.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2012

21. CASH AND CASH EQUIVALENTS	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Cash at Bank and in Hand	5,377	5,506
Cash in Transit	1,260	-
Community Development Levy - Cash at Bank	632	187
Funeral Fund - Cash at Bank	304	292
	<u>7,572</u>	<u>5,985</u>

22. RECEIVABLES	2012	2011
a) Current	<u>\$'000</u>	<u>\$'000</u>
Trade Debtors	716	1,346
Statutory Debts (Local Aboriginal Land Council)	161	951
	<u>877</u>	<u>2,297</u>
Less: Allowance for Impairment	(13)	(24)
	<u>864</u>	<u>2,273</u>
b) Non-Current		
Statutory Debts (Local Aboriginal Land Council)	5,764	5,272
Loans on Demand (Local Aboriginal Land Council)	276	226
	<u>6,041</u>	<u>5,498</u>
Less: Allowance for Impairment	(4,599)	(5,058)
	<u>1,441</u>	<u>440</u>

Movement in the allowance for impairment	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Balance at 1 July	5,082	10,734
Amounts written off during the year	(156)	(6,934)
Increase in allowance recognised in Statement of Comprehensive Income	25	1,283
Decrease in allowance recognised in Other Revenue	(338)	(1)
Balance at 30 June	<u>4,613</u>	<u>5,082</u>
Represented by:		
Current	13	24
Non-Current	4,599	5,058
	<u>4,613</u>	<u>5,082</u>

23. BIOLOGICAL ASSETS	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Livestock	122	574
Grain and Other Rural Stock	234	109
	<u>356</u>	<u>683</u>

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2012

Reconciliation of carrying amounts of livestock	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Carrying Amount at 1 July	574	1,174
Increases due to Purchases	170	-
Decrease due to Sales	(622)	(806)
Gain arising from changes in fair value less estimated point-of-sales costs attributable to price and physical changes	-	206
Carrying amount at 30 June	<u>122</u>	<u>574</u>

24. FINANCIAL ASSETS AT FAIR VALUE	2012	2011
Financial Assets Held-for-Trading	<u>\$'000</u>	<u>\$'000</u>
Units in Australian Fixed Income	56,063	55,198
Units in Managed Australian Equities	59,760	65,627
Units in International Equities	148,068	153,222
Units in Emerging Markets	27,464	31,268
Units in Australian Listed Property Trusts	-	25,859
Units in Global Listed Property Trusts	29,227	-
Units in Fund of Hedge Fund	83,314	81,695
Units in International Fixed Income	41,320	41,382
Units in Fixed Income - Target Return Fund	-	-
Absolute Return Funds	32,714	34,617
Inflation - Linked Bond Fund	39,452	43,471
Cash Fund	12,716	15,658
Term Deposits	87	216
Other	1,006	1,660
	<u>531,192</u>	<u>549,873</u>

25. HEDGE INSTRUMENT ASSETS	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Hedge Instrument - National Australian Bank	35,199	-
	<u>35,199</u>	<u>-</u>

26. OTHER FINANCIAL ASSETS	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Mortgages	377	354
	<u>377</u>	<u>354</u>

27. OTHER ASSETS	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Superannuation Assets	12	20
Prepayments	437	152
	<u>449</u>	<u>172</u>

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2012

28. 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>
At 1 July 2011 - fair value						
Gross carrying amount	31,490	14,506	3,691	215	-	49,902
Accumulated depreciation and impairment	-	(1,506)	(2,866)	(182)	-	(4,553)
Net Carrying Amount	31,490	13,000	825	33	-	45,348
At 30 June 2012 - fair value						
Gross carrying amount	32,296	14,496	3,750	215	-	50,757
Accumulated depreciation and impairment	-	(2,249)	(3,277)	(200)	-	(5,727)
Net Carrying Amount	32,296	12,247	473	15	-	45,030

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>
Year ended 30 June 2012						
Net carrying amount at 1 July 2011	31,490	13,000	825	33	-	45,348
Additions	1,378		81			1,459
Disposal	(55)					(55)
Transfer to LALCs	(517)	(5)				(522)
Write Off			(1)			(1)
Capitalisation						-
Depreciation expense		(749)	(433)	(19)		(1,201)
Net Carrying Amount at 30 June 2012	32,296	12,247	473	15	-	45,030
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
At 1 July 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)
Net Carrying Amount	30,865	13,850	974	52	4	45,745
At 30 June 2011 - fair value						
Gross Carrying amount	31,490	14,506	3,691	215	-	49,902
Accumulated depreciation and impairment	-	(1,506)	(2,866)	(182)	-	(4,553)
Net Carrying Amount	31,490	13,000	825	33	-	45,348

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2012

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>
Year ended 30 June 2011						
Net carrying amount at 1 July 2010	30,865	13,850	974	52	4	45,745
Additions	625	30	315			970
Disposals			(9)			(9)
Transfer to LALCs						-
Write Off		(120)	(5)			(125)
Capitalisation					(4)	(4)
Depreciation expense		(760)	(450)	(19)		(1,229)
Net Carrying Amount at 30 June 2011	31,490	13,000	825	33	-	45,348

29. INTANGIBLE ASSETS

	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Gross carrying amount	1,540	1,253
Accumulated amortisation and impairment	(1,034)	(722)
Work In Progress of Software Development	62	186
Carrying amount	568	717

Reconciliation

	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Net carrying amount at 1 July	531	808
Additions	287	17
Amortisation	(312)	(294)
Net carrying amount at 30 June	507	531
Work In Progress of Software Development	62	186
Carrying amount at 30 June	568	717

30. ARTEFACTS

	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Carrying value at 1 July	634	634
Additions	-	-
Write Off	-	-
Revaluation increment	-	-
Carrying value at 30 June	634	634

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 2012

31. PAYABLES	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Accrued Salaries, Wages and On-Costs	316	406
Creditors	2,815	2,003
Community Development Levy	889	-
Funeral Fund - Refundable Contributions	304	291
	<u>4,324</u>	<u>2,701</u>

32. HEDGE INSTRUMENT LIABILITIES	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Hedge Instrument - National Australian Bank	33,948	-
	<u>33,948</u>	<u>-</u>

33. PROVISIONS	2012	2011
	<u>\$'000</u>	<u>\$'000</u>

Current

Current Employee benefits and related on-costs

Provision for Annual Leave-Short Term	686	601
Provision for Long Service Leave - Short Term	99	112
Provision for Annual Leave-Long Term	385	304
Provision for Long Service Leave - Long Term	276	194
Provision for Unfunded Superannuation (refer to Note 33(a))	566	188
	<u>2,012</u>	<u>1,399</u>

Non-Current

Non-Current Employee Benefits

Provision for Long Service Leave	320	268
	<u>320</u>	<u>268</u>

Other Non-Current Provisions

Provision for Make-Good	108	56
	<u>108</u>	<u>56</u>
	<u>428</u>	<u>324</u>

Aggregate Employee Benefits and Related On-Costs

Provisions - Current	2,012	1,399
Provisions - Non Current	320	268
Accrued Salaries and Wages (refer to Note 31)	316	406
	<u>2,648</u>	<u>2,073</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:

Provision for Make-Good	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Carrying amount at 1 July	56	52
Additional Provisions Recognised	52	4
Carrying amount at 30 June	<u>108</u>	<u>56</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 2012

(a) Defined Benefit Superannuation

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

State Authorities Superannuation Scheme (SASS)
State Superannuation Scheme (SSS)
State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership.
All the Schemes are closed to new members.

Reconciliation of the present value of the defined benefit obligation

	SASS	SANCS	SSS
	30-Jun-12	30-Jun-12	30-Jun-12
	\$'000	\$'000	\$'000
Present value of partly funded defined benefit obligation at beginning of the year	247	39	935
Current service cost	8	1	-
Interest cost	11	2	48
Contributions by Fund participants	4	-	-
Actuarial (gains)/losses	(75)	(3)	329
Benefits paid	(195)	(39)	(53)
Present value of partly funded defined benefit obligation at end of the year	-	-	1,259

Reconciliation of the fair value of Fund assets

	SASS	SANCS	SSS
	30-Jun-12	30-Jun-12	30-Jun-12
	\$'000	\$'000	\$'000
Fair value of Fund assets at beginning of the year	188	59	806
Expected return on Fund assets	16	4	65
Actuarial gains/(losses)	(78)	(8)	(65)
Employer contributions	64	(4)	(60)
Contributions by Fund participants	4	-	-
Benefits paid	(195)	(39)	(53)
Fair value of Fund assets at end of the year	-	12	693

Reconciliation of the assets and liabilities recognised in Statement of Financial Position

	SASS	SANCS	SSS	Total
	30-Jun-12	30-Jun-12	30-Jun-12	30-Jun-12
	\$'000	\$'000	\$'000	\$'000
Present value of partly funded defined benefit obligation at end of year	-	-	1,259	1,259
Fair value of Fund assets at end of year	-	(12)	(693)	(704)
Subtotal	-	(12)	566	555
Net liability/(Asset) recognised in balance sheet at end of year	-	(12)	566	555

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2012

Expense recognised in Statement of Comprehensive Income

	SASS	SANCS	SSS	Total
	30-Jun-12	30-Jun-12	30-Jun-12	30-Jun-12
Components Recognised in Income Statement	\$'000	\$'000	\$'000	\$'000
Current service cost	8	1	-	9
Interest cost	11	2	48	61
Expected return on Fund assets (net of expenses)	(16)	(4)	(65)	(85)
Expense/(income) recognised	3	(1)	(17)	(15)

Amounts recognised in other comprehensive income

	SASS	SANCS	SSS	Total
	30-Jun-12	30-Jun-12	30-Jun-12	30-Jun-12
	\$'000	\$'000	\$'000	\$'000
Actuarial (gains)/losses	2	5	394	401
Adjustment for limit on net asset				

34. GRANTS RECEIVED IN ADVANCE

	2012	2011
	\$'000	\$'000
Unexpended Grants	2,931	3,872
	<u>2,931</u>	<u>3,872</u>

35. COMMITMENTS FOR EXPENDITURE

Operating Lease Commitments

	2012	2011
	\$'000	\$'000
Future Non-Cancellable Operating Lease Rentals not Provided for and Payable:		
Not Later Than One Year	84	4
Later Than One Year and Not Later Than Five Years	586	596
Total (Including GST)	<u>670</u>	<u>600</u>

GST of \$61K (\$55K 2010-2011) has been included in the total above.

Operating Lease Commitments:

These operating leases are not recognised in the financial statements as liabilities. The figure for operating lease does not include the residual value that may lead to a potential liability at the end of the lease term depending on the movement in the market value for motor vehicles.

36. CONTINGENT LIABILITIES

	2012	2011
	\$'000	\$'000
(a) Contingent liabilities		
Legal Claims	850	400
	<u>850</u>	<u>400</u>

The above legal claims in respect of various outstanding court cases may not result in actual liabilities to NSWALC.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2012

37. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET SURPLUS

	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Operating surplus/(deficit) from ordinary activities	(17,744)	5,714
Investment earnings	(15,170)	(32,370)
Unrealised gains	(4,855)	(10,328)
Impairment of SEFA investment	1,000	-
Depreciation & amortisation	1,512	1,523
Allowance for impairment	568	1,650
Land claims at fair value	(1,378)	(535)
Superannuation actuarial gain/(loss) directly charged to accumulated funds	(15)	-
Non cash items adjustment - GST	(111)	14
Reversal of prior years impairment	(338)	(1)
Waiver of debts	-	(7,301)
(Gain)/ loss on sale of non-current assets	(31)	(8)
Properties transferred at fair value	522	-
Non cash grants received	(1,086)	-
Other changes in assets and liabilities in respect of ordinary activities		
Increase/ (decrease) in leave and superannuation provisions	339	48
Increase/ (decrease) in provisions for doubtful debts	(131)	
Decrease/ (increase) in receivables	877	3,954
Decrease/ (increase) in imputation tax receivable	-	36
Decrease/ (increase) in other financial assets	(23)	(23)
Decrease/ (increase) in prepayment	(285)	
Decrease/ (increase) in other assets	-	168
Increase/ (decrease) in creditors	1,366	(709)
Decrease/ (increase) in inventories	327	796
Net cash inflows from ordinary activities	<u>(34,656)</u>	<u>(37,372)</u>

38. LIABILITY AS TRUSTEE

The Council acts as trustee for the Gumbaynggir Tribal Aboriginal Elders Corporation.

The movement in the Trust bank account is:

	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Opening balance at 1 July	107	103
Add: Receipts	5	4
Closing balance at 30 June	<u>112</u>	<u>107</u>

Manager for a reserve trust (R52164)

As per the NSW Government gazette notice dated 27 January 2006 at Folio 504, the former Koornpathoo Local Aboriginal Land Council (KLALC) was appointed to manage the Awaba Community Hall (R52164) Reserve Trust by the Minister for Lands as the Minister administering the Crown Lands Act 1989. The Reserve Trust was dissolved by the Minister for Regional Infrastructures and Services on 20 July 2012 listed on NSW Government Gazette No.73.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2012

39. 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	Carrying Amount
			2012	2011
Class:			\$'000	\$'000
Cash and cash equivalents	21	N/A	7,572	5,985
Receivables ¹	22	Loans and receivables	830	1,401
Financial assets at fair value	24,25	Investment at fair value through profit or loss – classified at held for trading	565,385	549,144
Other financial assets	26	Loans and investments not for trading	377	354

Financial Liabilities	Note	Category	Carrying Amount	Carrying Amount
			2012	2011
Class:			\$'000	\$'000
Payables ²	31,34	Financial liabilities measured at amortised cost	6,904	6,085
Financial Liabilities at fair value	32	Hedged instruments at fair value through profit or loss – classified at held for trading	33,948	-

Notes

1. Excludes statutory receivables and prepayments (i.e. not within the scope of AASB 7).
2. Excludes statutory payables and unearned revenue (i.e. not within the scope of AASB 7).

Fair Value Recognised in the Statement of Financial Position

The Council uses the following hierarchy for disclosing the fair value of financial instruments by valuation techniques.

Level 1 - Derived from quoted prices in active markets for identical assets

Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly

Level 3 - Derived from valuation techniques that include inputs for the asset not based on observable market data (unobservable inputs)

	Level 1	Level 2	Level 3	2012 Total
	\$'000's	\$'000's	\$'000's	\$'000's
Financial assets at fair value				
Managed funds	530,099	-	-	530,099
Term deposits	-	87	-	87
Other cash facilities	-	-	-	-
	530,099	87	-	530,186

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2012

(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 5.09% (5.20% in 2010-2011), while over the year the weighted average interest rate was 4.66% (5.41% in 2010-11) on a weighted average balance during the year of \$13.9M (\$4.8M in 2010-11). None of these assets are past due or impaired.

(ii) Receivables – trade debtors

	Total^{1,2}	Past due but not impaired^{1,2}	Considered impaired^{1,2}
	\$'000	\$'000	\$'000
2012			
< 3 months overdue	238	238	-
> 3 months overdue	315	302	13
2011			
< 3 months overdue	948	948	-
> 3 months overdue	227	203	24

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^{1,2}	Past due but not impaired^{1,2}	Considered impaired^{1,2}
	\$'000	\$'000	\$'000
2012			
< 3 months overdue	-	-	-
> 3 months overdue	653	402	251
2011			
< 3 months overdue	-	-	-
> 3 months overdue	580	354	226

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 2012

(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 Amount¹	Nominal bearing	< 1 yr	1-5 yrs	> 5 yrs
		\$'000	\$'000	\$'000	\$'000	\$'000
2012						
Payables		3,668	3,668	3,668	-	-
Funeral Fund-Contributions Refundable		304	304	-	-	304
Unexpended Grants		2,931	2,931	2,931	-	-
Financial Liabilities at fair value		33,948	33,948	33,948		
		40,852	40,852	40,548	-	304
2011						
Payables		1,922	1,922	1,922	-	-
Funeral Fund-Contributions Refundable		291	291	-	-	291
Unexpended Grants		3,872	3,872	3,872	-	-
		6,085	6,085	5,794	-	291

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2012

(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\$67.39M as at 30 June 2012. (\$730K as at 30 June 2011). The Council also exposed to indirect foreign currency risk by investing in various foreign currency investments as disclosed in Note 24.

(ii) Interest rate risk

	Carrying Amount \$'000	-1% Profit \$'000	Equity \$'000	1% Profit \$'000	Equity \$'000
2012					
Financial assets					
Cash and cash equivalents	7,572	(76)	7,497	76	7,648
Receivables	830	(8)	821	8	838
Financial assets at fair value	565,385	(5,654)	559,731	5,654	571,039
Other financial assets	377	(4)	374	4	381
Financial liabilities					
Payables	6,904	(69)	6,835	69	6,973
Financial liabilities at fair value	33,948	(339)	33,609	339	34,288
2011					
Financial assets					
Cash and cash equivalents	5,985	(60)	5,925	60	6,045
Receivables	1,401	(14)	1,387	14	1,415
Financial assets at fair value	549,144	(5,491)	543,652	5,491	554,635
Other financial assets	354	(4)	351	4	358
Financial liabilities					
Payables	6,085	(61)	6,024	61	6,146

(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:

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2012

Facility	Investment Sectors	Investment Horizon	2012 \$'000	2011 \$'000
Cash facility	Cash, money market instruments	Up to 1.5 years	42,771	5,985
Strategic cash facility	Cash, money market and other interest rate instruments	1.5 years to 3 years	87	216
Long-term growth facility	Cash, money market instruments, Australian, International Bonds and Shares	3 years and over	530,098	548,928

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 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 are provided in the following table:

Analysis of Price Risks	Carrying value as at 30 June 2012 \$'000	Percentage Spread %	Actual rate return 30 June 2012 %	Carrying value as at 30 June 2011 \$'000	Percentage Spread %	Actual rate return 30 June 2011 %
Australian Equities	59,760	11.27%	(8.59%)	65,627	11.95%	12.32%
International Equities	148,068	27.93%	(1.84%)	153,222	27.90%	7.48%
Listed Property				25,859	4.71%	5.62%
Global Listed Property	29,227	5.51%	23.28%			
Australian Fixed Income	56,063	10.57%	8.09%	55,198	10.05%	2.82%
International Fixed Income	41,320	7.79%	9.78%	41,382	7.54%	3.71%
Australian Inflation-linked Bond Fund	39,452	7.44%	11.55%			
Absolute Returns	32,714	6.17%	20.81%	34,618	6.30%	16.43%
Index Global Inflation - Linked Bond Fund				43,471	7.92%	9.15%
Fund of Hedge Fund	83,314	15.71%	2.18%	81,695	14.88%	2.14%
Emerging Markets	27,464	5.18%	3.41%	31,268	5.69%	2.99%
Cash Fund	12,716	2.40%	4.65%	15,658	2.85%	3.06%
Term Deposit	87	0.02%	5.54%	216	0.04%	7.52%
Other Cash Facilities				931	0.17%	
	530,186	100%	3.46%	549,145	100%	9.39%

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

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2012

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 2012	530,186	2.10%	29,802	559,988	(29,802)	500,384
Total Portfolio of Investments as at 30 June 2011	549,145	+or-5.55%	29,574	578,719	(29,574)	519,571

(a) Interest rate risk will only affect the short term deposits

(b) Estimated risk is based on Mercer's Capital Market Assumptions as at 30 June 2012.

40. OTHER COMPREHENSIVE INCOME/ (EXPENSES)

	Accumulated Funds	Revaluation Reserve	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
2012			
Actuarial gain on defined super	(401)	-	(401)
Properties transferred to Local Aboriginal Land Council	20	(20)	-
	(381)	(20)	(401)
	Accumulated Funds	Revaluation Reserve	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
2011			
Actuarial gain on defined super	5	-	5
Properties transferred to Local Aboriginal Land Council	-	-	-
	5	-	5

41. SUBSIDIARIES

Name of entity	Country of Incorporation	2012	2011
		%	%
A.C.N. 159 268 041 PTY LTD	Australia, NSW	100	
A.C.N. 159 272 992 PTY LTD	Australia, NSW	100	

The above companies were incorporated in Australia on 29 June 2012 in order to explore any commercial potential for mining in the future. A.C.N. 159 268 041 PTY LTD issued 100 shares of \$1.00 each to the Council and A.C.N. 159 272 992 PTY LTD issued 1000 shares of \$1.00 each to A.C.N. 159 268 041 PTY LTD. Apart from the issue of shares, there were not any activities for the financial year ended 30 June 2012.

42. 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
Jerrinja
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
Trangie
Warren-Macquarie
Weilwan
Wellington

Sydney/Newcastle

Awabakal
Bahtabah
Darkinjung
Deerubbin
Gandangara
La Perouse
Metropolitan
Mindaribba
Tharawal
Worimi

Central Coast

Birpai
Bowraville
Bunyah
Coffs Harbour
Forster
Karuah
Kempsey
Nambucca Heads
Purfleet/Taree
Stuart Island
Thungutti
Unkya



Be Informed. Be Involved. Be Inspired.