

2013-2014

NEW SOUTH WALES
ABORIGINAL LAND COUNCIL
ANNUAL REPORT



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NEW SOUTH WALES ABORIGINAL LAND COUNCIL

ABN 82 726 507 500

31 October 2014

The Hon. Victor Dominello
Minister for Aboriginal Affairs
Level 18, 52 Martin Place
SYDNEY NSW 2001

Dear Minister,

In accordance with the provisions of the *Aboriginal Land Rights Act 1983*, the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Finance and Audit Act 1983*, we are pleased to submit the 2013-2014 New South Wales Aboriginal Land Council Annual Report.

We commend this report to you.

Yours sincerely,

Craig Cromelin
Chairperson
NSW Aboriginal Land Council

Roy Ah-See
Deputy Chairperson
NSW Aboriginal Land Council

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CHAIRPERSON'S WELCOME



I have served as an elected Councillor for the Wiradjuri region since 2007 and as Deputy Chairperson of NSWALC after the 2011 elections. I was humbled to be elected as Chairperson of the New South Wales Aboriginal Land Council in October 2013. I am honoured to be leading the pre-eminent Aboriginal land rights organisation in the country and following in the footsteps of other former Chairpersons.

I would like to pay tribute to my predecessor, Councillor Stephen Ryan, for his tireless work for the Council and, in particular, in representing the Council and the land rights network in negotiations with the State Government on proposed changes to the *Aboriginal Land Rights Act 1983*. Amendments to that legislation were being formulated at the end of this reporting period.

I would also like to acknowledge the contribution of the current Deputy Chairperson, Councillor Roy Ah-See, to the effective functioning of the Council and in assisting me in the Chair's duties over the past few months.

Once again it has been a busy year for Council. We farewelled Geoff Scott as CEO and welcomed Lesley Turner as his successor. I would like to thank Geoff for his substantial contribution in heading the organisation for many years and achieving significant outcomes for NSWALC and the land council network.

During the year, the Council has worked closely with the administration arm in implementing the NSWALC Strategic Plan for 2013-2017, and in pursuing new initiatives. In particular, and in fulfilment of a key component of the Strategic Plan, we have been focused on the development of an Economic Development Policy.

The new Economic Development Policy will build on the foundations of the land rights system and provide for a range of economic development opportunities in our communities. The aim is to ensure ongoing sustainability and economic self reliance for the network. The new policy is to be rolled out in the next financial year.

The Council and the land rights network have faced a number of challenges during the year and we have fought hard to maintain the gains made over the last thirty years in achieving and strengthening the land rights system.

We have worked constructively with the NSW State Government in relation to a number of legislative reviews. These include the reviews of Aboriginal Culture and Heritage, the *Aboriginal Land Rights Act*, and the *Crown Lands Act*. Council has been a strong advocate for our rights and in setting out our issues and concerns. We will continue to work with the Government to ensure our views are clearly understood and seriously considered.

Council has also engaged with the new Commonwealth Government and there have been a number of meetings with the Commonwealth Minister. Council is keen to ensure that the new Government's commitments in Aboriginal Affairs are translated into tangible benefits for the land rights network and the wider Aboriginal community in New South Wales.

As always, as a Councillor and now as Chairperson, it is a highlight for me to visit Land Councils and participate in meetings and community functions. I look forward to visiting many more. I would like to take this opportunity to thank all LALC members, and in particular Board members and staff, for their continued commitment to the land rights network and on behalf of Council we applaud their efforts in seeking to strengthen the system.

Finally, I would like to thank my fellow Councillors for their contributions during the year and for their ongoing commitment. Together we will continue to work on behalf of all our members to ensure that the land rights system is protected and strengthened for generations to come.

As Chairperson, and on behalf of my fellow Councillors, I say thank you and commend this report to you.

A handwritten signature in black ink, appearing to be 'G. Cromelin'.

Craig Cromelin

Chairperson, NSWALC



This is my first report as Chief Executive of the NSW Aboriginal Land Council, a position I was proud to accept in May 2014. I have been Acting Chief Executive Officer since October 2013, following the departure of Mr Geoff Scott. I have worked with NSWALC since 2007 and feel both humbled and privileged to lead such a significant Aboriginal organisation. NSWALC is the largest member based Aboriginal organisation in Australia. It is self funding and run by a democratically elected Council.

My first role in NSWALC was as Zone Director of the Southern Zone and this gave me a great appreciation of the diversity and strength of the Local Aboriginal Land Council (LALC) network. It is important for all of us to remember that we are here for the Aboriginal people of NSW. NSW Aboriginal people have fought hard for land rights and part of my responsibility as CEO is to ensure that we all remember this and are vigilant in maintaining and expanding on those hard fought gains.

The 12 months from July 2013 have been a period of change and consolidation for NSWALC. NSWALC has welcomed new Office Bearers: Councillor Craig Cromelin from the Wiradjuri Region was elected as Chairperson and Councillor Roy Ah-See from the Sydney/Newcastle Region became Deputy Chairperson on 31 October 2013.

The role of NSWALC Administration is to support the Council and deliver on Council's Strategic Plan. During 2013-14 senior staff worked with Councillors on a number of key initiatives. These included governance training for LALCs, an Aboriginal Employment Strategy for NSWALC, an independent review of Corporate Committees and a key focus on Economic Development.

Along with the social and cultural importance of land for our people, land rights should deliver economic development for our people. The growth and prudent management of the NSWALC Investment Account and the success of land claims over the past 30 years has delivered a good platform for economic self reliance. It is now time to take the next step and invest in economic development to realise the economic aspirations of the Aboriginal people of NSW.

To this end, in the past 12 months Council and staff have worked on a detailed Economic Development Policy, which

will be implemented next financial year. The aim is to invest much needed capital and build capacity and economic self-reliance amongst LALCs.

To provide expert advice to Council a new Economic Development Advisory Committee has been appointed. Representatives with expertise in business and finance will be drawn from the Aboriginal community, private and non-government sector.

Over the last 12 months the NSW Government has pursued several key legislative reviews which will impact on NSWALC. NSWALC has undertaken a strategic engagement with Government in order to advocate our rights and concerns. This has included major reviews of the *Aboriginal Land Rights Act 1983* and Regulations, the *Crown Lands Act*, and the *Culture and Heritage Act*. Indications from Government are that Exposure Drafts of proposed legislative changes will be released in 2014-15. It is critical that NSWALC monitors this closely and is influential in these discussions in order to protect our rights.

An ongoing concern is the large number of unresolved land claim determinations. NSWALC has had some good wins in this period—but we need to keep up the pressure to ensure that more determinations are made in a timely fashion, enabling claimants to see the results of their considerable efforts.

I would like to pay tribute to the staff and Council of NSWALC for their efforts and professionalism. I would also like to acknowledge our membership and all the volunteers, Board members and LALC staff who give their time and effort to our cause. Our members are our strength.

A handwritten signature in black ink, appearing to read 'L. Turner'.

Lesley Turner

Chief Executive Officer

The organisation was formally constituted as a statutory corporation with the passage of the *Aboriginal Land Rights Act* (ALRA) in 1983. This Act was passed following a Parliamentary Inquiry into land rights in NSW by the Legislative Assembly Select Committee on Aborigines and the release of a Government Green paper proposing a scheme for land claims.

The ALRA provided a mechanism to make claims to limited classes of Crown land, and by providing a fund to support economic development, the purchase of land on the open market and self-determination through a network of representative land councils. The Statutory Investment Fund was established and resourced with an amount equal to 7.5% of land tax on non-residential land for a period of fifteen years. All government contributions to the Fund ceased at the end of this period.

The NSW Aboriginal Land Council (NSWALC) has managed the Fund on behalf of the Aboriginal people of New South Wales. Over the past thirty years, NSWALC has grown the capital while funding its own operations and a network of 120 local Aboriginal Land Councils from a proportion of the earnings.

The specific functions of NSWALC as set out in section 106 of the Aboriginal Land Rights Act 1983 are:

- Land Acquisition
- Oversight of Local Aboriginal Land Councils
- Policy and Advice
- Administration of Statutory Accounts
- Aboriginal Culture and Heritage
- Financial Stewardship.

OUR CLIENTS

NSWALC's principal client comprises the network of Local Aboriginal Land Councils (LALCs) which manage the range of support services delivered at a local level to their communities. These services include housing, legal affairs, employment, training, culture and heritage, property acquisition and management.

The Land Councils have been structured with the aim of achieving a high degree of participation and involvement by every Aboriginal person in the affairs of their local community. There are 120 LALCs in New South Wales. Each LALC elects its own Board and staff with members able to access advice, information and support from NSWALC in relation to all aspects of land rights. LALCs are supported financially and through relevant training and development to build capacity to strategically plan and manage affairs at a local level.

COUNCIL STRUCTURE

NSWALC's Councillors are elected by registered voting members of LALCs to serve a four year term. Nine Councillors are elected to represent each of the nine NSW regions. The elected Council itself votes for a Chairperson and Deputy Chairperson to hold office for a term of two years who are then eligible for re-election if otherwise qualified.

The statutory positions of Councillor are established under the NSW ALRA (1983) with salaries determined by the Statutory and other Offices Remuneration Tribunal for Public Office Holders. The role of each Councillor is to:

- direct and control the affairs of the Council in accordance with the Act
- participate in the allocation of the Council's resources for the benefit of Aboriginal people
- participate in the creation and review of the Council's policies and objectives
- review the performance of the Council in the exercise of its functions and the achievement of its objectives
- represent the interests of LALC members and respond to concerns
- facilitate communication between LALC members and NSWALC.

2013-2014 COUNCILLORS



Chairperson Craig Cromelin

Wiradjuri Region

Craig is a descendant of Ngilyampaa & Wiradjuri people. Craig is a long standing member of the Murrin Bridge LALC. He has chaired both the MBLALC and the former Wiradjuri RALC. Craig is the current NSWALC Chairperson and has been a NSWALC Councillor since 2007. Craig has spent most of his life in Murrin Bridge and has settled there with his family.



Deputy Chairperson Roy Ah-See

Sydney/Newcastle Region

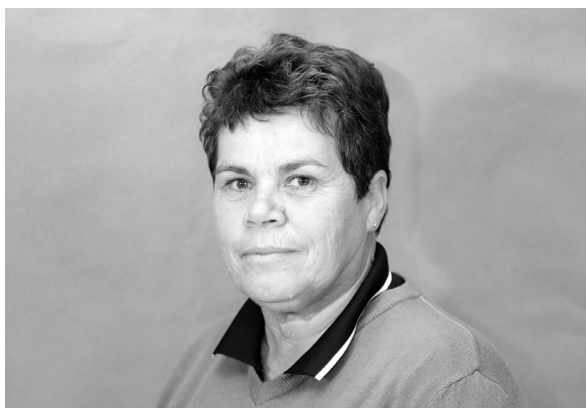
Roy is a Wiradjuri man raised on Nanima Reserve near Wellington. He is a member of the Darkinjung LALC. He has previously worked at the NSW Aboriginal Housing Office and as a Policy Officer in various government departments and at NSWALC. Roy was elected as a NSWALC Councillor in 2007 and holds a BA in Social Welfare.



Councillor Tom Briggs

Northern Region

Tom is a member of the Gumbainggir nation and has spent most of his life in the Armidale district. He is a member of the Dorrigo Plateau LALC. Tom has extensive experience in human resources and training gained from a twenty year career with the Department of Education, Employment and Training. He is the current Chairperson of the NSW Aboriginal Justice Advisory Council and has qualifications in Administrative Leadership.



Councillor Anne Dennis

North West Region

Anne Dennis is a Gamilaraay woman from Walgett. Anne was an active Board Member of Walgett LALC for more than ten years and was appointed CEO of Walgett LALC in 2009. Anne is passionate about progressing LALCs towards independence and self sufficiency through employment, better educational outcomes and social justice for Aboriginal people.

2013-2014 COUNCILLORS



Councillor Neville "Jack" Hampton

South Coast Region

Jack is a Yuin man and has been active in Aboriginal affairs for more than forty years. He worked as an Aboriginal employment consultant with Mission Australia after a thirty year career with Jervis Bay National Park. Together with his wife Eileen, he has also mentored Aboriginal students living in hostels. Jack has a degree in Adult Education and continues to be a member of Nowra LALC.



Councillor Des Jones

Western Region

Des is a Moorawarri man born in Brewarrina and raised in the NT, although he has spent the last thirty four years in western NSW. During this time Des has been involved in community, regional and state development as a former Chairperson of both Murdi Paaki Regional Housing Corporation and Maari Ma Health Aboriginal Corporation and as a board member of the NSW Aboriginal Housing Office. He is currently an active representative on the Murdi Paaki Regional Assembly.



Councillor Stephen Ryan

Central Region

Wiradjuri man Stephen Ryan is based in Dubbo. He has worked in a range of areas dealing with issues such as family violence and land management and worked at NSW Native Title Services for 5 years. Stephen is a current member of the Dubbo LALC and former Chairperson of both NSWALC and Dubbo LALC.



Councillor Peter Smith

Mid North Coast Region

Dungutti man Peter Smith has been based in the Taree area for nearly thirty years. He was Chairperson of the Purfleet-Taree LALC for ten years. He has a great deal of local community experience gained through working for the NSW Police Service and the Hunter New England Area Health Service for many years.

2013-2014 COUNCILLORS



Councillor Tina Williams

North Coast Region

Tina Williams is a Bundjalung woman from Lismore. As a member of Ngulingah LALC, she became Executive Secretary and then Coordinator for a number of years. Tina has also worked at various levels of NSWALC for more than 6 years. Tina is qualified in Community Management, holds a Certificate IV in Frontline Management and other tertiary qualifications in business management.

SENIOR MANAGEMENT

Chief Executive Officer*

Lesley Turner BA (Admin)

Mr Turner was appointed to the position of NSWALC CEO as from 7 May 2014. Prior to this, Mr Turner held the position of Deputy CEO and was acting in the role of CEO prior to his appointment to that position. He has held director and executive roles at NSWALC for the past seven years.

This followed his earlier experience which included roles at multiple levels with ATSIC and administrative roles in the Northern Territory. He held federal senior executive service roles for ATSIC as a state manager and then a national program manager, and later led the Indigenous Arts and Private Sector Branch for the then Department of Communications, Information Technology and the Arts.

**Geoff Scott was Chief Executive Officer during the year under review for the period from 1 July 2013 to 31 December 2013.*

Acting Deputy Chief Executive Officer

Malcolm Davis Adv. Cert. (Community Management)

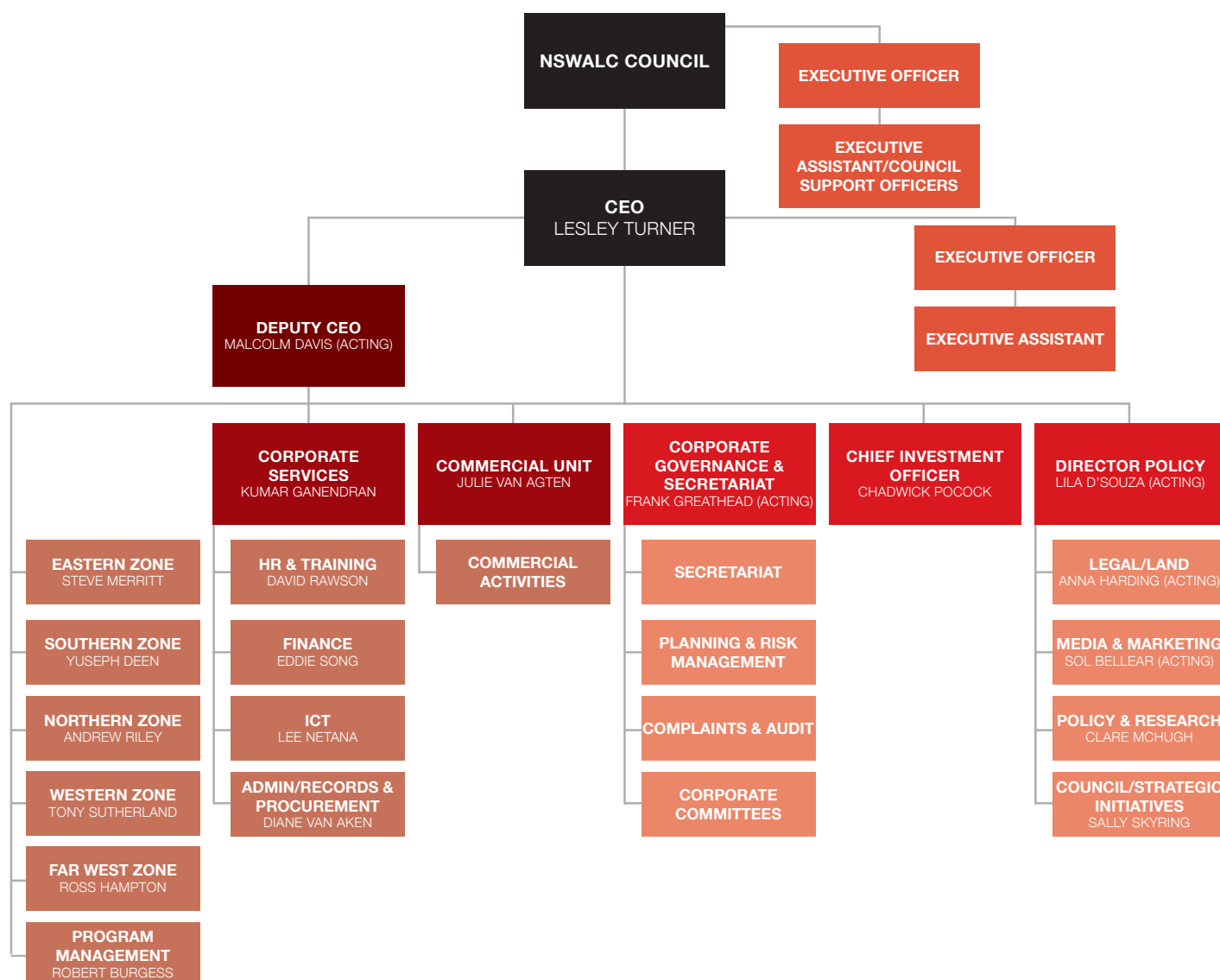
Mr Davis currently holds the position of Director - Policy within NSWALC and has been acting in the role of Deputy CEO since October 2013, awaiting the completion of recruitment action.

Mr Davis has previously worked through both personal and professional involvement with the wider NSW Aboriginal Communities for a total of 25 years, at the grass roots level and at senior executive, administrative and political levels.

ORGANISATION STRUCTURE

NSWALC Organisational Chart

As at 30 June 2014



The Chief Executive Officer of NSWALC has delegated authority from the Council for all aspects of the day to day operation of the Council's affairs. The Council's Head Office is located in Parramatta with Zone Offices established in Dubbo, Queanbeyan, Coffs Harbour, Broken Hill and Gosford.

REVIEW OF **OPERATIONS**

The year in review has been one of change and consolidation for NSWALC. In October 2013 a new Chairperson, Councillor Craig Cromelin, and a new Deputy Chairperson, Councillor Roy Ah-See, were elected. The new leadership team has focused on the core business of promoting and securing land rights and working with the land rights network and other key stakeholders to achieve those objectives.

NSWALC farewelled Chief Executive Officer, Geoff Scott, in December 2013. Geoff worked steadfastly for the organisation for over ten years, and in later years as CEO, was instrumental in setting new directions for NSWALC. Lesley Turner has accepted the CEO role and as a former Deputy CEO, brings a wealth of knowledge and experience on land rights to the organisation.

Throughout the year, NSWALC has moved to implement the initiatives contained in the NSWALC Strategic Plan for 2013-2017. One of the key strategic priorities in the Plan is to drive economic development to assist in wealth creation and increased wellbeing for Aboriginal communities. To this end, NSWALC consulted extensively with the network on the development of its Economic Development Policy and has committed \$16 million over five years to support particular initiatives. The new Policy is to be implemented in the next reporting period.

NSWALC also continues to pursue opportunities in the resources industry to create employment and economic opportunities for Aboriginal communities. NSWALC applications for exploration tenements under the Mining and Petroleum Acts remain to be decided by the State Government. In the meantime, and in preparation, NSWALC has entered into a Heads of Agreement with Indigenous Energy Group (IEG) to assist in managing the implementation of such resource developments.

NSWALC continues to work with State and Commonwealth Governments to progress specific initiatives and projects to improve Aboriginal health and well being. NSWALC has also been keen to engage with the NSW Government to ensure that its views are heard, and its interests protected, in the various legislative reviews being undertaken.

NSWALC has been active in reviewing its policies and programs. A new grants policy was established which now better delineates the provision of discretionary funding. The funeral fund was also reviewed and some efficiencies in its administration will follow in the next financial year.

NSWALC also endorsed 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, mentoring support and career development programs.

Finally, NSWALC is moving into the digital age with the decision to cease publication of the monthly print magazine, Tracker, from June 2014. Council will now focus on a new web based and digital communications strategy which will include a new monthly e-newsletter to both inform existing Land Council members and engage with non-members and Aboriginal youth.

In recognition of the emerging value and commercial interest in the land estate now held by LALCs and NSWALC and the need for its sustainable development and management, the Commercial Unit was established in April 2004. It oversees:

- Land dealing issues including the appraisal of all land dealing applications submitted to NSWALC by LALCs.
- Financial and operational management of NSWALC's large property portfolio, including NSWALC's head office building, vacant land and rural holdings.
- Commercial advice and assistance to all areas of NSWALC.
- Establishment and management of leasing arrangements for multiple Zone and Councillor's offices.

The Unit has engaged qualified and experienced personnel with a broad range of skills to provide professional and timely advice to NSWALC and LALCs. They have extensive experience in property development, commercial and residential management, financial, commercial and strategic management, business and planning skills.

The Unit performs a dual role in relation to land dealings for LALCs. It administers NSWALC's statutory duty to approve proposed land dealing transactions in line with its obligations as set out in the ALRA. The Unit also assists LALCs and NSWALC in land and commercial matters.

LAND DEALINGS

Significant changes to the land dealing provisions of the *Aboriginal Land Rights Act* came into effect on March 31, 2010 through the *Aboriginal Land Rights Amendment Act 2009*. At this time, NSWALC developed a new assessment and approval policy to comply with its revised statutory obligations.

The detailed policy and procedures are to ensure LALCs can effectively use the land dealing application process and guarantee a consistent and transparent NSWALC assessment process.

The land rights network has now been operating under the new provisions, policy and procedures for four years and the system is working effectively to protect the interests of LALC members, although some components of the legislation are considered to be prescriptive and at times, cumbersome. NSWALC believes a number of these issues justify further amendments and following consultation with LALCs a number of amendments are currently being considered by the Minister for Aboriginal Affairs.

SCOPE AND APPROVAL OF LAND DEALINGS

Local Aboriginal Land Councils across the State continue to analyse their land holdings and to develop strategic plans for their utilisation with a focus on delivering commercial, social and cultural benefits to their communities.

LALCs sought and were granted approval during the reporting period for the following activities:

- Lodging of development applications for multi lot residential subdivision, mixed residential/commercial development, motel and conferencing facilities, construction of new homes for members, demolition of derelict buildings, refurbishment of LALC offices, construction of cultural centre and offices and the subdivision of former reserve lands and infrastructure upgrade.
- Entering into Property Vegetation Plans, logging and carbon sequestration activities.
- Granting of easements to assist with installation of government infrastructure benefiting the whole community.
- Commercial leasing activities.
- Consolidation of land and boundary adjustments.
- Transfer of land and land swaps with local government and other entities.
- Head leasing of residential housing stock and entering into funding agreements for upgrade of existing facilities.
- Acquisition of land/mortgage.
- Disposal of land and sale of homes to LALC members.
- Various other activities.

SIGNIFICANT LAND DEVELOPMENT PROJECTS

Menindee Ridge Subdivision

All stages of a significant residential subdivision project were previously approved for Darkinjung Local Aboriginal Land Council's (DLALC) "Menindee Ridge" project at Blue Haven on the NSW Central Coast. In developing its land at Blue Haven, DLALC is generating development profits from the sale of subdivided lots which will be used to build 11 additional homes for DLALC members on the Central Coast.

Planning for this project began in 2009 with development consent for the 110 lot residential subdivision project being achieved in February 2011. The development is being delivered over 7 stages with each stage subject to approval by both DLALC members and NSWALC.

Over the past year, the development of stage 1A has been completed, with the sale and settlement of 12 residential lots finalised. Stages 1B and 1C are underway with a further 27 lots to be offered to the market for sale. At the end of the year under review, the plan of subdivision for stages 1B & 1C was due to be registered, following which the sale of multiple lots will also be finalised.

DLALC has retained five lots from the first three stages of the development and has already started the construction of new homes for its members.

NSWALC has also approved a further four stages of the

development (stages 2A, 2B, 3A & 3B) which will result in the creation and sale of another 59 lots and the construction of a further six homes for DLALC members. To date, the Menindee Ridge project at Blue Haven has very successfully delivered a large number of building blocks to the market together with a number of new homes for the benefit of DLALC members.

Ngambri Development

Another major project is the large combined residential and commercial development being undertaken by the Ngambri Local Aboriginal Land Council (NLALC). The project involves the construction of thirty two high quality residential apartments and 360 square metres of commercial office space in Lowe Street which is centrally located to the Queanbeyan CBD and overlooks the park.

To date, NLALC has received development consent for the project and lodged a land dealing application before NSWALC, seeking approval to proceed with a range of land dealing activities necessary to facilitate construction and sale of the finished apartments.

The Commercial Unit has provided significant support to Darkinjung and Ngambri Local Aboriginal Land Councils and their advisors to progress these developments. Regular meetings have been held to discuss each project and the assessment and approval processes necessary to achieve legislative compliance and to deliver the intended outcomes for the community. Good progress was also reported with other significant LALC projects.

Worimi Murook Centre

Worimi Local Aboriginal Land Council (WLALC) has received a steady stream of income for a number of years from sand extraction operations involving WLALC land at Stockton Beach near Newcastle on the Central Coast. This income is being used to benefit WLALC members, including a planned upgrade of facilities at WLALC's Murook Centre at Williamtown. The centre is located on a large parcel of land some 4.96 hectares in size and was purchased by

WLALC over ten years ago. The Murook Centre houses the WLALC offices and is badly in need of upgrade. WLALC has engaged an architect to design a significant upgrade and refurbishment of the centre and the relocation of the WLALC offices to another part of the site. At the end of the reporting period NSWALC had granted approval for the lodging of a Development Application for the upgrade of the Murook Centre and WLALC were awaiting development consent from Port Stephens Council.

LALC HEAD LEASING

During the year there has been a strong focus on head leasing and funding agreements between LALCs and the NSW Aboriginal Housing Office (AHO). Clause 45 of Schedule 4 of the ALRA requires LALCs to consider the future of existing Social Housing Schemes. A LALC may not operate an existing social housing scheme beyond 31 December 2015 unless it has the approval of NSWALC.

The Commercial Unit and NSWALC Zone offices have continued to work closely with LALCs to assist them in the assessment of their housing stock and lodgment of land dealing applications for head leasing and funding agreements with the AHO. Many LALCs have entered into head leases with the AHO.

Others have preferred to retain the management of their housing stock as approved Aboriginal Housing Service Providers and have entered into funding agreements with the AHO to access funding for repairs and maintenance of LALC residential properties. At the end of the reporting period, NSWALC had approved a further 18 head leases and funding agreements for the year. The table following shows the number and type of land dealing approvals by NSWALC:

LAND DEALINGS APPROVED BY THE NSWALC COUNCIL

	1 Jul 2009 – 30 June 2010	1 Jul 2010 – 30 June 2011	1 Jul 2011 – 30 June 2012	1 Jul 2012 – 30 June 2013	1 Jul 2013 – 30 Jun 2014
LALC land dealing with AHO	0	2	12	26	18
LALC other land dealings	12	17	23	23	22
NSWALC land dealings and other approvals	5	16	15	18	11
LALC land dealings non approvals	-	-	-	1	1
Total	17	35	50	68	52

DEALING APPROVAL CERTIFICATES (DACs) AND REGISTRATION APPROVAL CERTIFICATES (RACs) ISSUED BY NSWALC

	1 Jul 2009 – 30 June 2010	1 Jul 2010 – 30 June 2011	1 Jul 2011- 30 June 2012	1 Jul 2012 – 30 June 2013	1 Jul 2013 – 30 Jun 2014
DACs issued	2	26	50	47	56
RACs issued	4	62	25	30	76
Statement of non-requirement	-	-	1	1	5
Total	6	88	76	78	137

The table above shows the increasing volume of land dealing activities by LALCs in NSW.

In addition to the work involved in the approval of formal land dealing applications, the Commercial Unit is increasingly engaged with LALCs on a multitude of options being considered by LALCs for the use of their land. The Unit assisted LALCs in a range of land dealing applications during the year. NSWALC declined to approve one LALC land dealing application during the reporting period.

ASSET MANAGEMENT

NSWALC owns a nine storey commercial building at 33 Argyle Street in the Parramatta CBD in Western Sydney. This is the organisation's chief operational base. NSWALC leases out the office space which is in excess of its needs. The overall rental income for 33 Argyle Street Parramatta was \$1,755,853 for the year, including rent for the portion of the building which NSWALC itself occupies. This is an increase of 3.89% from the previous reporting period.

One tenant vacated space within the building during the year with the current vacancy rate in the building now being 12.09% with approximately 638m² available for lease. NSWALC is currently in negotiations to lease part of this vacant space on Level 9, and if successful the overall occupancy will rise to 90.47% with a reduced vacancy of 9.53%.

Total repairs and maintenance expenditure during the reporting period was \$145,853 with total expenditure for the building of \$805,367. This represents a 10% increase from the previous year; however this figure includes capital expenditure in relation to the installation of a new building security system together with some initial scoping works for a new Building Management System.

NON-PERFORMING PROPERTY ASSETS

The Commercial Unit undertook a comprehensive review of all NSWALC owned properties in the 2011-2012 reporting period which recommended rationalisation of non-performing property assets. This was endorsed by Council and the NSWALC Investment Committee. The review included property assets purchased by now defunct Regional Aboriginal Land Councils (RALC) which had been transferred into NSWALC ownership by amendments to the ALRA in the 1990s. Many of these properties have consistently failed to achieve satisfactory financial returns on investment.

The rural properties include Appin Station, Barooga Karrai, Calooma/Nulty Springs and Kaituna Uno and a number of former RALC offices. As a result of the review, Council passed "in principle" resolutions to dispose of, or transfer ownership of a number of these properties. Consultation with affected LALCs was to be conducted in accordance with section 42D of the ALRA. This reflected a concern that the transfer of these properties might represent a financial burden to recipient LALCs.

Council required interested LALCs to provide NSWALC with comprehensive business plans to demonstrate that a transferred property would not become a liability to the community. NSWALC has conducted extensive consultation across the network, particularly through regional forums, on the future of these properties.

NSWALC Council has approved the transfer of many of these properties to LALCs and rationalisation work has been ongoing. To date, the properties in the following table have been successfully transferred to LALCs as a direct result of the rationalisation project:

COMPLETED NSWALC PROPERTY TRANSFERS TO LALCS

LALC	Property Folio/Description	Address/Name	NSWALC Council Approved	Transfer Registered
Forster	Lot 130 DP 47915 and Lot 128 DP 47924	Curreeki Creek Road, Coolongolook	14-Mar-11	11-Sep-13
Jerrinja	Lot 1 DP 1144191 & 1144192		27-Sep-11	12-Jun-12
Nyngan	Lot A DP 936232 Warrigal, Nyngan	Warrigal Nyngan	14-Mar-11	16-Mar-12
Onerwal	Lot 248 DP 754135 Boorowa Road, Rye Park and Lot 323 DP 48623 Wargeila Road, Rye Park		26-Jun-12	09-Oct-12
Wanaruah	Lot 44 DP 753813	412 Putty Valley Road, Putty	14-Mar-11	01-Nov-12
Batemans Bay	Auto Consol 15118-189 and Lot 482 DP 755901	Father Ted Kennedy's land at Araluen	27-Oct-11	29-May-12
Wilcannia	Lot 1 DP 983704 & 983705	59-61 Hood Street, Wilcannia	27-Sep-11	10-Jan-13
Moama	Lot 1 DP 1190071	52 (Also known as 79 Chanter) Street Moama	20-Feb-13	02-May-14
Nungaroo	Lots 5 & 6 Section 8 DP 758863	143 Loder Street, Quirindi	09-Sep-13	03-Apr-14
Biraban	Lot 556 DP 729949	60 Stockton Street Morisset	10-Jan-14	22-Feb-14
Menindee	"Appin Station" being Lot 2211 in DP 764218, Lot 355 in DP 761037, Lot 4769 in DP 767984, Lot 1 in DP 754372, Lots 4 & 6 in DP 754390, Lots A & B in DP 438726	Appin Station	19-Jul-11	22-Apr-14

RURAL PROPERTIES

Over the past few years, NSWALC has facilitated a number of regional forums to provide LALCs the opportunity to discuss options for the future ownership and operation of each of the rural properties. It has always been the intention of NSWALC to transfer both the non performing property assets (land and improvements to the land) together with any non fixed assets such as machinery, vehicles and other operational equipment. Planning for the future use of each property has been complex and time consuming and has often involved consultation with a large number of LALCs.

The current status of each property is summarised below:

Appin Station

Consultation with LALCs in the Western Region resulted in a decision that Appin Station be transferred to Menindee LALC and at the end of the last reporting period, NSWALC had lodged an application with the Minister for Lands seeking approval for the transfer. Ministerial approval has

since been granted for the transfer of Appin Station to Menindee LALC with the transfer coming into effect on 22 April 2014.

Calooma Nulty Springs and Kaituna Uno

The proposed divestment of these rural properties involved lengthy consultation with the seventeen LALCs which have land in the North Western Region and the development of detailed business planning around the future use of each property. The issues for each property were complex, particularly for Kaituna Uno and it took some time for detailed "start up" business plans to be developed by the recipient LALCs.

NSWALC approved the transfer of the properties in December 2012 to a Regional Charitable Trust, to be known as the North West Land Corporation (NWLC) subject to a number of implementation activities being undertaken by 31 July 2013.

The implementation activities were completed and the complex administrative process of lodging applications

to the Minister for Lands seeking approval for the transfer commenced. Ministerial consent for the transfer of these properties has been granted and NSWALC has had discussions with the NWLC about the timing of the transfer of Calooma Nulty Springs and Kaituna Uno.

Barooga Karrai

Following consultation with NSWALC, the LALCs in the Wiradjuri Region collectively agreed that Barooga Karrai should be transferred to the Murrin Bridge Local Aboriginal Land Council (MBLALC).

MBLALC formulated a suitable business plan for the operation of Barooga Karrai, and in December 2013 the NSWALC Council approved the transfer of Barooga Karrai to MBLALC. An application seeking consent for the transfer of Barooga Karrai to MBLALC is currently with the Minister for Lands. NSWALC anticipates consent will be granted early in the new financial year allowing the transfer to MBLALC to be finalised.

SUPPORT PROVIDED TO NSWALC COUNCILLORS AND ZONE OFFICES

The Commercial Unit provided assistance with lease arrangements for the offices of Councillors and staff during the reporting period. The Unit exercised the option to renew the office lease/licences for Councillors Ryan, Smith, Dennis and Ah See. Options over leases for the Northern Zone office at Coffs Harbour, Eastern Zone office at Gosford and the Western Zone office at Dubbo were also negotiated.

VACANT LAND AND PROPERTY MANAGEMENT

The NSWALC property portfolio expanded with the dissolution of the Quambone and Koompahtoo Local Aboriginal Land Councils. In addition to a large number of vacant land holdings, the portfolio now includes a number of properties subject to residential tenancy arrangements. Residential homes in Quambone and Evans Head and the Lake Macquarie area have now been transitioned to head leasing arrangements with the AHO.

NSWALC owns a further twelve properties in the Yamba area which continue to be managed under head leasing arrangements with Birrigan Gargle Local Aboriginal Land Council, with those arrangements extended for a further 12 months to September 2015.

During the reporting period, the Commercial Unit project managed a revaluation of the entire NSWALC portfolio, instructing valuers across NSW to provide valuation reports for all properties. This project was finalised just prior to the end of the financial year, with updated property value information being provided to the NSWALC Finance Unit.

The Policy and Research Unit (PRU) plays a vital role in supporting the advocacy work of NSWALC. This includes monitoring government policies which may impact on the Aboriginal people in NSW and the consequent provision of high level strategic advice to the Council, the Chief Executive Officer and the Land Council network.

PRU undertakes evidence based research to support NSWALC's strategic policy priorities, and maintains ongoing dialogue and partnerships with a range of government and non-government agencies. The Unit continued to focus on a range of significant policy and legislative reform areas including:

- The review of the *Aboriginal Land Rights Act 1983*
- Aboriginal culture and heritage law reform
- The review of planning laws in NSW
- Ministerial Taskforce on Aboriginal Affairs.

The Unit dealt with a range of other issues, including human rights, international engagement, natural resource management, the environment, water, native title and analysis of the 2011 ABS Census.

The Director of Policy and Research is supported by three Senior Policy and Research Officers and two Policy and Research Officers. As part of an ongoing Student Internship Program managed by the Unit for the past four years, the team continued to be assisted with key projects by university student interns from the Aurora Program and the University of Technology Sydney.

CULTURE AND HERITAGE REFORM IN NSW

The Minister for the Environment and Heritage, the Minister for Aboriginal Affairs and the NSW Office of Environment and Heritage (OEH) have been pursuing a process to reform Aboriginal culture and heritage laws for more than two years.

In September 2013 OEH released the NSW Government's proposals for reform in response to the Working Party's recommendations¹. The OEH held 19 consultations across the state from November 2013 to February 2014. Staff from the PRU, Zone Offices and Councillors attended the majority of these workshops. PRU met with a number of government and other external stakeholders to discuss the reform proposals, and presented at a number of Councillor Regional Forums on this issue. The Unit developed a detailed submission to Government outlining NSWALC's key concerns with the Government proposals and recommending reforms to better protect Aboriginal heritage.

[1] Proposed NSW Government model as outlined in 'Reforming the Aboriginal Cultural Heritage System in NSW' released in September 2013, available at: www.environment.nsw.gov.au/achreform/ACHproposedmodel.htm

Recommendations included that:

- The new system must focus on providing better protections for Aboriginal heritage, rather than facilitating destruction.
- Aboriginal Land Councils must be recognised in the new system.
- Aboriginal people having genuine decision-making roles and being the sole determiners of Aboriginal cultural heritage.
- Support for a genuinely independent Aboriginal Culture and Heritage Commission to operate at State level with key oversight, governance, support, advocacy and compliance functions.
- Proper appeal processes and review rights must be incorporated.
- NSWALC supports the Government's position that a broad all-encompassing definition of Aboriginal culture and heritage that captures the tangible and intangible, as well as whole of landscape values must be included in new laws.

During the year OEH and the Minister for the Environment and Heritage did not announce the next stages of the reform process. It is anticipated the intentions of the State Government will be made clear in late 2014.

NSW PLANNING LAWS REVIEW

During the reporting period the NSW Government introduced two Planning Bills into NSW Parliament proposing major changes to planning, development and land use laws in NSW. NSWALC raised a number of key concerns regarding the proposals in the Planning Bills particularly relating to:

- Inadequate and non-binding provisions relating to community participation
- Discretionary powers of the Minister and Director-General in decision-making processes
- Limitations on review and appeal processes
- Expanded code assessment regime removing the public's right to comment
- Lack of recognition and inadequate protections for Aboriginal heritage.

The Planning Bills were significantly amended in the Upper House, but the NSW Government has not agreed to the changes and as such, the Planning Bills are yet to pass Parliament. The PRU will continue to monitor developments in the reform process on behalf of Council and its advocacy for reforms.

LOCAL GOVERNMENT REVIEWS

During the year the final reports of two Local Government reviews were released for public comment. Both of the reviews commenced in 2012 and aimed to address a broad range of issues to improve the overall operation and sustainability of the sector. The *Local Government Act* Taskforce final report proposed significant changes to the *Local Government Act*, while the Independent Local Government Review Panel final report proposed a number of changes regarding governance models, financial issues, structural issues and boundary changes.

NSWALC provided a detailed submission in response to the two reports focusing on:

- Promoting ongoing community participation at the local level
- Improving engagement mechanisms with Aboriginal people and organisation including at representative levels
- Ensuring that local government land management initiatives and processes incorporate the views of Aboriginal people
- Local Government recognition and promotion of economic independence for Aboriginal peoples in accordance with the *Aboriginal Land Rights Act*
- Structuring Local Government laws to better protect Aboriginal culture and heritage
- Further consultation with LALCs in relation to proposals for a new Far West Regional Authority.

The NSW Government is yet to provide its response to the submissions received, however it is anticipated that the Minister for Local Government will announce the next steps in the review process later in 2014.

REVIEW OF THE *ABORIGINAL LAND RIGHTS ACT 1983*

NSWALC continued to work with the NSW Government on the Review of the *Aboriginal Land Rights Act 1983*, in an effort to ensure that any resulting reforms deliver better outcomes for the Aboriginal peoples of NSW. Under section 252A of the Act, this Review is required every 5 years to consider if the policy objectives of the Act are still valid and if the terms of the Act are still suitable for achieving those objectives.

Throughout the Review process, PRU continued to support NSWALC's engagement with the Review; providing policy advice to the NSWALC Council and Executive, and playing a key role in liaising and negotiating with stakeholders and the NSW Government.

In August and September 2013 the NSW Government held

community consultations on the Review in each of the nine regions. These forums were facilitated and recorded by the Office of the Registrar of the *Aboriginal Land Rights Act*. PRU monitored and participated in these forums as needed. Participants at the consultations were asked to consider and provide comment on reform proposals relating to land claims, social housing schemes and regulatory mechanisms of the *Aboriginal Land Rights Act 1983*. At the time of writing, the majority of the proposals considered at the consultations form the substantive suite of reforms being progressed by the Review process. An earlier suite of miscellaneous amendments aimed at improving the administrative and operational efficiency of the *Aboriginal Land Rights Act 1983*, were passed by the NSW Parliament in September 2013.

NETWORK SUSTAINABILITY

The PRU continued to support NSWALC's work on sustainability options for the land rights network. The Unit developed a discussion paper and consulted with the Aboriginal land rights network on proposed options to achieve a more sustainable network. Workshops were held in conjunction with discussions on economic development in each of the nine regions during September and October 2013. A network policy roundtable then met in November to discuss the outcomes of these forums. As a result of the feedback from the network, NSWALC is planning further work and has directed efforts towards generating income and wealth for the network and Aboriginal community through economic development measures.

ECONOMIC DEVELOPMENT

With the launch of the NSWALC Strategic Plan 2013-17, the Council established driving economic development as one of NSWALC's five strategic priorities. In September and October 2013, consultations on economic development were held in conjunction with discussions on network sustainability in each of the nine regions. A network policy roundtable met in November 2013 to discuss the outcomes of these forums.

Economic development has been a thread throughout the history of the *Aboriginal Land Rights Act 1983*. The growth of NSWALC's Account, the claiming of land and the focus on the governance foundations of Aboriginal Land Councils over those thirty years has delivered a platform for true economic self-reliance. It is the view of NSWALC that it is now time to take the next step, and further invest in economic development to realise the full aspirations of Aboriginal Land Rights and the Aboriginal people of NSW.

In February 2014, the Policy and Research Unit took carriage of NSWALC's Economic Development Policy with a draft policy circulated to all LALCs in March 2014 for

comment following community consultations. The policy outlines the broad strategies and initiatives that NSWALC will pursue over the next five years to drive economic development towards wealth creation and wellbeing for Aboriginal people in NSW. NSWALC has committed up to \$16 million over this timeframe to support these initiatives.

Three strategic priorities have been identified for achieving the goal of wealth creation and wellbeing for Aboriginal people in NSW:

- 1. Facilitation of Local Aboriginal Land Council business enterprise:** including the provision of support, skills and resources necessary to drive local and regional knowledge and initiatives into successful and sustainable businesses.
- 2. Facilitation of Aboriginal employment in NSW:** focused on coordinating and facilitating existing programs and service providers, to link members to services and employment opportunities.
- 3. NSW Aboriginal Land Council business enterprise:** continue to prudently manage and grow the statutory NSWALC Account including opportunities in the minerals and energy sector.

The draft policy was sent to the Minister for Aboriginal Affairs in May 2014 for approval and gazettal, both of which are required before it can be adopted and implemented by NSWALC.

CROWN LANDS REVIEW

In June 2012 the NSW Government began a review into the management of Crown land to address the overall management of Crown land including legislation, financial management, governance and business structure. In April 2014 the Government released a Crown Lands Review White Paper.

Throughout the review process NSWALC has been actively attempting to seek information and engage with the NSW Government about proposals for changing the way the Government manages Crown land.

NSWALC developed a comprehensive submission to the White Paper which is available on the NSWALC website. Overall, NSWALC is advocating for:

- Aboriginal peoples' interests in Crown land being genuinely incorporated into the considerations of the Government regarding the review of Crown lands and new proposals to manage Crown land.
- The review process advancing principles embedded in the UN Declaration on the Rights of Indigenous Peoples.
- The review process and any proposals supporting the objects and purpose of the Aboriginal Land Rights Act

in which Aboriginal Land Councils are entitled to claim Crown land.

- The review process and any proposals recognising that the interests of Aboriginal Land Councils in Crown land includes, but is not limited to the use and management of land for culture and heritage purposes as well as providing economic development opportunities for Aboriginal peoples.

CROWN LANDS AMENDMENT (MULTIPLE LAND USE) ACT 2013

The *Crown Lands Amendment (Multiple Land Use) Act 2013* amends the *Crown Lands Act 1989* (NSW) to make further provision of multiple uses of land reserved or dedicated under that Act for a public purpose. The NSW Aboriginal Land Council had concerns regarding the Act which was highlighted in a series of network messages and briefs available on the NSWALC website.

CARBON FARMING INITIATIVE

The PRU has undertaken research and analysis of the Commonwealth Government's Carbon Farming Initiative. The CFI is a carbon offset scheme that has been established by the Australian Government that enables landowners to earn carbon credits by storing carbon or reducing greenhouse gas emissions on their land. The PRU was awarded a grant under the Indigenous Carbon Farming Fund to develop a range of resource materials for the Aboriginal Land Council network on carbon farming.

YOUTH ENGAGEMENT RESEARCH

The PRU continued to research a Youth Development Plan as part of the NSWALC 2013-2017 Strategic Plan.

INTERNATIONAL ADVOCACY

NSWALC has engaged with a number of international bodies and forums over the past ten years, including participation and attendance at the United Nations Permanent Forum on Indigenous Issues (UNPFII), attending the Expert Mechanism on the Rights of Indigenous Peoples (EMRIP), and engaging with the Special Rapporteur on the Rights of Indigenous Peoples to lobby and advocate on behalf of Aboriginal peoples and to provide a NSWALC presence at the international level.

NSWALC holds special consultative status with the United

Nations Economic and Social Council (ECOSOC). This status allows 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. NSWALC's ongoing participation in the work of the United Nations and more particularly the UNPFII and EMRIP is in line with Council's decision to adopt and maintain a strategy of active engagement in international advocacy.

The development of networks through engagement at the international level also assists 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 engage in discussions on best-practice mechanisms to have human rights standards adopted and applied in Australia for the benefit of Aboriginal people.

This includes the UN Declaration on the Rights of Indigenous Peoples, which affirms that Indigenous peoples have the right to participate in decision-making in matters which affect their rights. In recent years the Council has sent delegations to the UNPFII and EMRIP to represent and to advocate on behalf of Aboriginal people in Australia, with particular emphasis on New South Wales. Participation at these forums presents a useful platform for capacity building and networking with other First Nation peoples and Indigenous networks in the Pacific. The Unit prepared a number of submissions and interventions for Councillors to present to forums held at the United Nations during the reporting period.

UN PERMANENT FORUM ON INDIGENOUS ISSUES

NSWALC sent a four person delegation to the thirteenth session of the United Nations Permanent Forum on Indigenous Issues (UNPFII) from the 12th – 23rd May, 2014. Consistent with the UNPFII biannual working method – one policy year and one review year, the special theme for the thirteenth session was 'Principles of Good Governance and the United Nations Declaration on the Rights of Indigenous Peoples'.

The UNPFII consists of 16 members elected to serve in their personal capacity as independent experts and 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 UNPFII is one of three United Nations bodies mandated to deal specifically with Indigenous Issues. The others are the Expert Mechanism on the Rights of Indigenous Peoples (EMRIP) and the Special Rapporteur Rights of Indigenous Peoples.

The PRU prepared the following interventions and reports

for presentation at the UNPFII Forum:

- Good Governance (supporting report)
- Doctrine of Discovery including mechanisms for redress (supporting report)
- Implementation of the UN Declaration on the Rights of Indigenous Peoples into Australian domestic law.

Lobbying packages were also prepared on the submissions and NSWALC's recent work. NSWALC has forged a good relationship with Indigenous networks including the expert members of the Permanent Forum and the United Nations Special Rapporteur on Indigenous Issues, through its engagement with the UN and in hosting events at these forums.

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 efforts of the Working Group on Indigenous Populations and provides thematic advice on the rights of Indigenous peoples. 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 14th session of the United Nations Permanent Forum on Indigenous Issues (UNPFII) in 2015.

NATIVE TITLE

The Unit undertook work in relation to native title which included the development of a guide on native title and land rights and a discussion of the interaction between the two regimes. The guide will be ready for publication in the coming year.

The Strategic Initiatives group provides the Council with preliminary analysis and research on strategic and emerging issues and develops projects consistent with the Council's strategic goals. This year the focus has been on the Resource Development Project (RDP). NSWALC has identified the resources industry as an area of opportunity for Aboriginal people in NSW. NSWALC has applied for exploration tenements under the *Mining Act 1992* and the *Petroleum (Onshore) Act 1991* which will enable it to lead Aboriginal participation in the resources industry in NSW.

Through ownership of these resource rights and direct commercial links with the resources industry, NSWALC and the network will be better placed to:

- Create employment and economic opportunities for Aboriginal people
- Ensure that Aboriginal peoples' responsibilities to protect and manage their cultural heritage can be fulfilled
- Minimise the financial and political risks to the network through agreements with key industry partners.

- Two Expressions of Interest to apply for an Exploration Licence for Uranium over the fly ash dams of the Vales and Munmorah, and Liddell and Bayswater power stations.

On 6 August 2013, the Minister for Resources and Energy advised NSWALC that its expression of interest to apply for a coal exploration licence over land near Bulga in the Hunter Valley had been declined.

During the year, NSWALC made three further applications:

- Petroleum Exploration Licence 150
- Petroleum Exploration Licence 151
- Petroleum Exploration Licence 152

Consistent with NSW Government regulation, the three new applications were registered on 25 November 2013 and advertised in local and statewide media in December 2013. A public comment period of one month follows the advertisement of tenements. Two (2) comments were received in relation to PELA 151.

RESOURCE DEVELOPMENT PROJECT

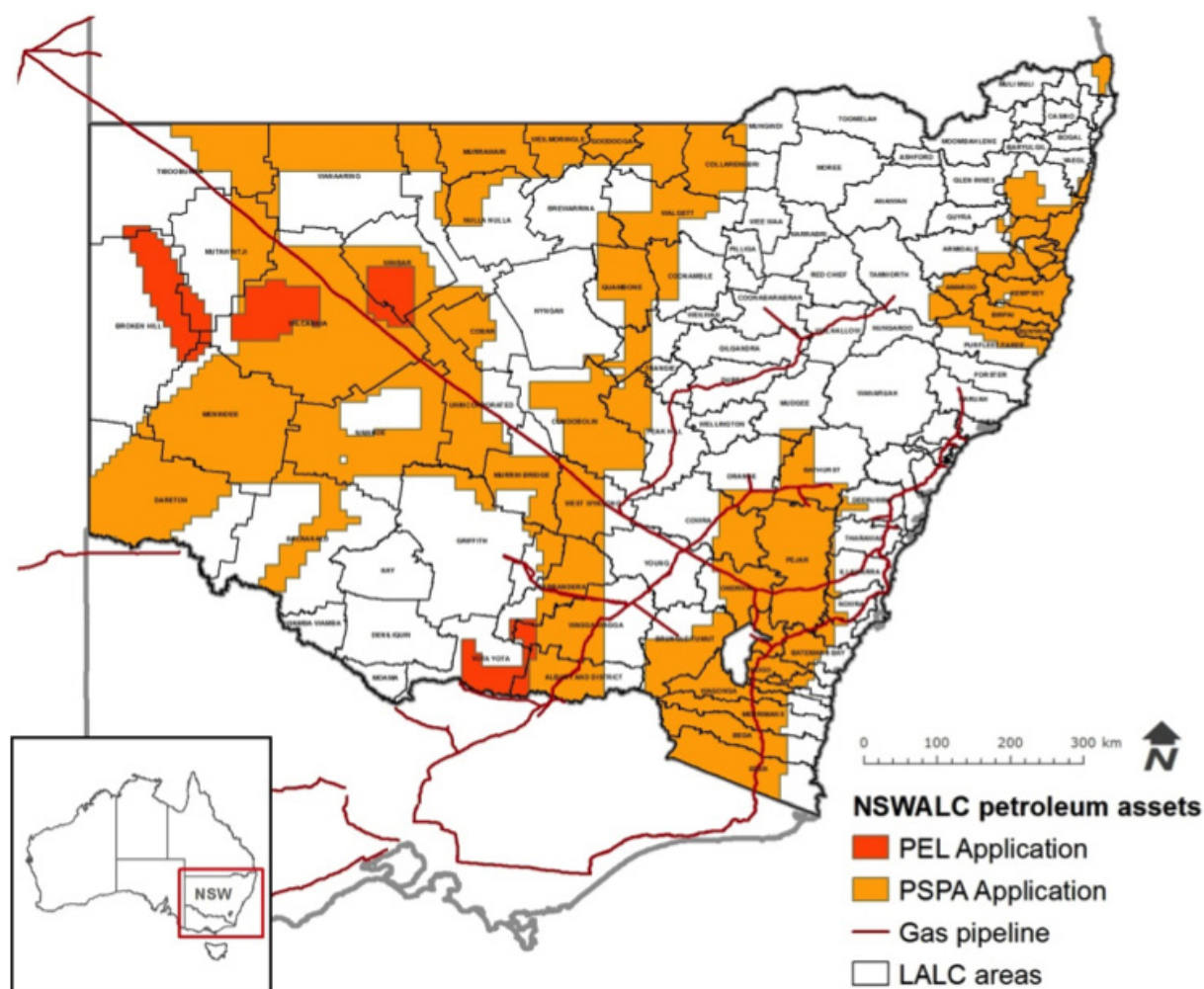
NSWALC continued to develop its relationships within the resources industry and in April 2014, NSWALC signed a Heads of Agreement with the Indigenous Energy Group (IEG). This Agreement sets out the obligations of NSWALC and IEG to work together to identify and develop resource opportunities (Resource Development Project) and sets out the responsibilities of each party for funding and managing the process.

The Agreement specifies that the Resource Development Project will be in two stages, which reflects the different statutory requirements and processes, as well as the different financial commitments required. Stage One focuses on fulfilling the license requirements of the Petroleum Special Prospecting Authority (PSPA) and identifying opportunities for Petroleum Exploration Licence (PEL) applications. Stage Two focuses on applying for and holding PELs and working with LALCs to develop those PELs, create economic opportunities and establish community benefits schemes. In order to implement the Resources Development Project, the Agreement provides for a jointly owned company to be established.

The following applications for tenements were outstanding at the start of the year:

- Petroleum Special Prospecting Authority 55
- Petroleum Special Prospecting Authority 56
- Petroleum Special Prospecting Authority 57
- Petroleum Special Prospecting Authority 60
- Petroleum Exploration Licence 144

NSWALC TENEMENT APPLICATION AREAS 30 JUNE 2014



In May 2014, Council held a workshop to formulate a more detailed set of Project Implementation Principles. These Principles will serve as a foundation for the governance of the Resources Development Project, and the conduct of activities on the ground.

These Principles will continue to be refined and firmly embedded in the governance structures of the jointly owned company to ensure that the RDP has a solid social licence to operate.

PROJECT IMPLEMENTATION PRINCIPLES

- Take a measured approach, underpinned by good research, thorough consultation and respect for everyone's rights and interests in land.
- Build a co-operative relationship with the mining and exploration industry, based on shared business interests, and mutual respect for values.
- Create local employment and economic opportunities for Aboriginal people in NSW.
- Develop innovative Community Benefits Schemes for Aboriginal people.
- Lead the way in protecting cultural, spiritual, historical and environmental values as an active participant in the resources industry.
- Set new benchmarks for the protection and management of Aboriginal cultural heritage through a collaborative approach to the design and implementation of systems.
- Share the profits of our participation in the resources sector with Aboriginal Land Councils, traditional owners and the wider Aboriginal community.
- Create wealth for Aboriginal people, and the wider community, through its economic development activities.

A CHANGING POLICY LANDSCAPE

In the time since NSWALC made its first applications for petroleum tenements in NSW there have been significant changes to the Government's policy framework and administrative structures and a change in ministerial responsibilities which have impacted on the timing and focus of the RDP.

In February 2013, the Government established the Office of Coal Seam Gas (OCSG) to administer petroleum titles (not just Coal Seam Gas) and monitor, audit and enforce compliance with legislation and licence conditions. Since then, there have been a number of significant regulatory and policy changes:

- introduction of the Strategic Regional Land Use Policies (SRLUP) to identify exclusion zones for petroleum exploration around cities and towns, strategic agricultural land and Critical Industry Clusters (equine industries and vineyards)
- establishment of an independent Mining and Petroleum Gateway Panel, comprising experts in the fields of hydrogeology, mining and petroleum and agricultural science, to oversee the Gateway establishment of a Land and Water Commissioner
- introduction of an Aquifer Interference Policy and Codes of Practice for Well Integrity and Fracture Simulation.

These changes, along with further analysis of geological data, tenure, land use and levels of community support prompted NSWALC and IEG to review the focus of its RDP. In June 2013, NSWALC met with Government officials to signal its intention to prioritise the western area of NSW. In reorienting the focus of the RDP, NSWALC can concentrate its resources on achieving economic outcomes for Aboriginal people in western NSW, an area where the benefits of land rights have not been as great.

As a result, NSWALC has decided to withdraw its applications for PSPAs 55 and 60. The formal processes will be commenced early in the next reporting period.

RELATIONSHIPS WITH INDUSTRY

In addition to engaging in a formal commercial relationship through the Heads of Agreement, in August 2013, NSWALC became an associate member of the Minerals Council of NSW. Membership of the Minerals Council entitles NSWALC to participate in the Exploration and Community and Environment Committees. In doing so, NSWALC is able to put the views and issues of Aboriginal people directly to the industry, and to participate in shaping policy and the Minerals Council's approach to government relations. It is important for NSWALC to have a voice in areas such as the continuing process of Aboriginal culture and heritage law reform.

NSWALC's tenement applications have now been before the Government for more than two years. It is important to note that the delays have affected all tenement applicants, not just NSWALC. Within this time NSWALC has sought to increase its level of dialogue and communication with the network and to refine its approach to the RDP. The decision to grant or refuse NSWALC's applications lies with the Minister for Resources and Energy and until those decisions are made, NSWALC cannot implement its RDP.

NSWALC acknowledges that support for the resources industry is not universal within the network, the wider Aboriginal community, nor more generally. However, the opportunities that participation in the resources industry provides for Aboriginal people are too significant to ignore. In the coming year, the focus of the RDP is to:

- develop principles for the establishment of community benefits schemes
- develop governance structures that reflect NSWALC's Project Principles
- develop structures and processes for LALC participation
- negotiate agreements with LALCs and native title parties so that native title and land rights work together to maximise the value of Aboriginal rights in land.

The work of the Legal Services Unit (LSU) goes to the core purpose of NSWALC, the return of land to the Aboriginal people of NSW. The Unit provides legal advice and assistance to NSWALC and the LALC network to further the development of land rights in NSW. It also provides advice to the Council and staff on a wide range of statutory, administrative and commercial issues to enable the organisation to operate effectively and consistently, within its obligations under the *Aboriginal Land Rights Act 1983*.

The Unit's work during the reporting period included:

- Reviewing all land claim refusals in the reporting period, to assess whether they were correctly refused by the Ministers for Crown Lands.
- Close supervision of land claim appeals, native title and other matters briefed out to external lawyers to ensure a co-ordinated and strategic approach, and to obtain instructions from the relevant LALC where appropriate.
- Legal advice on the Review of the *Aboriginal Land Rights Act 1983* being undertaken by the Minister for Aboriginal Affairs.
- Legal advice to the Council and NSWALC staff about the operation of the *Aboriginal Land Rights Act 1983*.
- Legal advice to NSWALC on a wide range of commercial and contractual matters and policies and guidelines.
- Providing assistance and advice to LALCs on matters of importance to the operation and effectiveness of the land rights network as a whole, including the referral of legal matters to external law firms on a pro bono basis in some cases.
- Overseeing all of NSWALC's legal risk management issues.

At the end of this reporting period, the Unit comprised a Principal Legal Officer, two Senior Legal Officers, two Legal Officers, two Paralegals and one Administrative Assistant. The Unit was assisted by six volunteer legal interns during the reporting period. They were placed in the Unit as part of the Aurora Project, which is run by the University of New South Wales.

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 30 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 as many LALCs do not have the resources to make claims on their own behalf. Claims are lodged by NSWALC, with the LALC's knowledge, on the basis that if the land is granted by the Crown Lands Minister it is transferred to the relevant LALC. The LRU 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 also provides tenure history searches to the LSU in relation to Native Title Applications, Appeal matters and the proposed compulsory acquisition of land under claim by various government and non-government agencies. The management of land already under claim is forming an increasing part of the LRU workload.

LAND CLAIMS

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 land or an essential public purpose
- 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. The Ministers 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 either 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). The LEC then makes the determination in place of the Ministers' original decision. The Ministers bear the onus of proving to the Court that the land is not claimable Crown land.

OVERVIEW OF LAND CLAIMS

The statistical information below is based on the official figures provided by the Aboriginal Land Claim Investigations Unit of the Department of Primary Industries (DPI), from the commencement of the ALRA in 1984 until 30 June 2014.

A total of 36,739 claims have been lodged over the following periods:

- Claims lodged between 1984-2000 6,471
- Claim lodged between 2000-2005 973
- Claims lodged between 2005-2014 29,295

Three claims lodged between 1983-84 and 1992-93 have not yet been determined. These are the only claims remaining of the 166 oldest claims that the previous government made a public commitment to finalise by the end of 2010.

NEW LAND CLAIMS LODGED WITH THE REGISTRAR

In this reporting period a total of 214 land claims were lodged by Aboriginal Land Councils, 164 of these were lodged by NSWALC and 50 by Local Aboriginal Land Councils.

The breakdown of these lodgement figures is as follows:

- NSWALC lodged 164 land claims (76.64%)
- LALCs lodged 50 land claims (23.36%). The LALCs that lodged land claims were:
 - Biraban 19
 - Darkinjung 12
 - Metropolitan 8
 - Dorrigo Plateau 9
 - Wamba Wamba 1
 - Eden 1

OUTSTANDING ABORIGINAL LAND CLAIMS AS AT 30 JUNE 2014

At the end of this reporting period 25809 land claims are awaiting a determination from the Crown Lands Ministers. Of this number:

- 25053 are land claims lodged between 01 July 2005 and 30 June 2014.
- 544 land claims lodged between 01 July 2000 and 30 June 2005.
- 212 were lodged before the 2000-2001 financial year and the oldest outstanding land claim was lodged on 29 September 1984.

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) 43 land claims during the reporting period. This will significantly boost

the portfolios of recipient LALCs. 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.

LAND CLAIMS REFUSED

The Crown Lands Ministers refused or part refused 178 land claims during the reporting period.

LAND CLAIMS WITHDRAWN

Within the reporting period 28 land claims were withdrawn – either in full or in part.

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 continues to review the Government's files relating to land claims that were refused by the Crown Lands Ministers (whether the claims are lodged by NSWALC or by LALCs). 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 reviewed 176 of the 178 claims refused or part refused by the Ministers.

LAND CLAIMS LITIGATION – APPEALS AND SETTLEMENTS

NSWALC continues to provide support to the network where appropriate, by managing and funding appeals against the Ministers' refusals of land claims. The LSU works closely with LALCs to obtain instructions for the conduct of appeals, including settlement. Based on the information in the files, ten of the refusals in this reporting period were appealed.

Five of the ten appeals filed during the reporting period were settled in favour of the Land Councils. One of these was discontinued as the Minister introduced new evidence supporting the lawfulness of the refusal. Two appeals from previous years were settled in favour of the network during the reporting period.

Six appeals from previous years were determined by the Court during the reporting period. Four were decided in favour of the Land Councils, and two were decided against the Land Councils. The Minister successfully appealed one of the decisions that it lost to the NSW Court of Appeal (Limbri).

There are nine appeals currently before the LEC and one (representing two individual land claims) before the Court of Appeal (Nelson Bay). Of those appeals, three of the matters before the LEC have been heard and are awaiting a reserved judgment, and Nelson Bay has also been heard and judgment is reserved.

The network's success rate in litigation continues to be high – over 80% of the appeals have been won in Court or settled in favour of the relevant Land Council. The practice of reviewing the Government's files has enabled NSWALC to make more strategic and informed decisions about appeals.

KEY LAND CLAIMS LITIGATION

During the course of the year the LSU and external law firm Chalk and Fitzgerald were involved in litigating a number of land claim appeals on behalf of NSWALC and LALCs. Examples include Limbri, Newcastle Post Office, Barmedman, Boggabri 1 & 2, and Berrima Gaol.

Limbri

Limbri had been decided in favour of NSWALC in the Land and Environment Court in the last reporting period, but had been appealed by the Minister to the NSW Court of Appeal. This matter followed on from the case law set out in the Goomallee cases, where NSWALC successfully argued that a licence for grazing that had been issued over land reserved for public recreation was invalid, and therefore the land was claimable under the ALRA because it was not lawfully used and occupied. Limbri dealt with the question of whether a licence for grazing issued over land reserved for future public requirements was valid.

The Court of Appeal held that these licences were valid, and therefore that the land was lawfully used and occupied and the land claim was correctly refused under the ALRA. This sets a precedent for other land claims that have been made over land that is subject to a licence for grazing and a reserve for future public requirements, and a number of appeals that had been stayed pending the outcome of these proceedings were discontinued as a result.

Newcastle Post Office

Given the iconic nature of the Newcastle Post Office and the fact that the government of the day spent over \$4.25 million on the building before the land claim was lodged, this appeal was always going to be a high profile case.

The Court agreed with NSWALC's assertion that the evidence establishes that the proposed uses of the land was for private, and not public, purposes. This is because all of the evidence pointed to the government seeking a private developer to contract with to develop the land for any number of private purposes. At no stage did the government ever intend to actually use the land for "community services, heritage purposes, urban services, regional requirements and tourism facilities and services" or any of them. Furthermore, the Court found that in any case the Minister's asserted essential public purposes were not "essential" purposes within the meaning of s. 36(1)(c) of the ALRA. This was a very good win for the network.

Mountain Lagoon Road

A significant number of appeals settled out of court and prior to a final hearing, resulting in savings in costs and

time for both NSWALC and the Crown. For example, the Mountain Lagoon Road Appeal was settled in favour of Deerubbin LALC without the need for a hearing when the Minister made an offer to settle the proceedings that was acceptable to Deerubbin LALC.

The appeal was lodged in relation to the Crown Lands Minister's refusal of Aboriginal Land Claim 21594, which was lodged by Deerubbin LALC over land on Mountain Lagoon Road at Bilpin, in the Blue Mountains, on 16 October 2009. The parcel of land in question is 10.26 hectares in size and is worth over \$1 million dollars. The Minister initially refused the claim on 11 September 2012 on the basis that "...the land was lawfully used and occupied for the purpose of orchard and farming activities".

The land contains a fruit orchard and associated buildings including a house, and has been used for agriculture and orchard purposes under various tenures for several decades. The Minister made an offer to settle the appeal, which was accepted, and all of the land the subject of the appeal is to transfer to Deerubbin LALC. This is a very good outcome for the network.

PROPOSED DEALINGS WITH CLAIMED LAND (INCLUDING COMPULSORY ACQUISITIONS)

Land Councils are increasingly being approached by public authorities and private individuals who wish to deal with Crown land that is the subject of an undetermined Aboriginal Land Claim. An acquiring authority can be a local government, a utility provider or a government agency.

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. Because Land Councils have an inchoate right in the land from the time the land claim is lodged, this protection applies from the date the claim is made.

In the past, there has not been a process in place for authorities to provide for notification to Land Councils where dealings are proposed with Crown land under claim. This has unfortunately resulted in proponents only learning of a land claim at a very late stage in their processes.

NSWALC has observed a significant improvement in the processes of Government and Local Councils in factoring in land claims early in the process to allow the land claim to be determined within the timeframe of the proposed acquisition, or negotiations to occur for the land claim to be withdrawn. This is welcomed, but there is still work to be done.

During the reporting period, NSWALC received approximately 71 inquiries from acquiring authorities relating to compulsory acquisition. Of those inquiries, 27 were in relation to PANs (Proposed Acquisition Notice under the *Land Acquisition (Just Terms Compensation) Act 1991*) and the remainder were seeking to negotiate with the LALC prior to the PAN being issued. Of the 71 inquiries, 33 were over land that was subject to a land claim.

NSWALC holds the view that where an Aboriginal land claim already exists in respect of the land, the claim should be determined before any proposed compulsory acquisition proceeds. Nevertheless, the LALCs concerned generally 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. The LSU and LRU support LALCs through this process.

The outcomes of these matters are providing benefits to LALCs in the form of building better relationships with Local Government and other people or organisations in the LALC's community, recognition and protection of culture and heritage in the development process and, in some cases, compensation for the withdrawal of the land claim.

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.

The LSU continues to provide advice in relation to the current review of the ALRA, required to be undertaken by the Minister for Aboriginal Affairs pursuant to section 252A. It has also provided advice in relation to the Crown Lands Review. The Unit continues to review all land claim refusals and manage land claim appeals in the LEC and the Court of Appeal. These appeals are run by external lawyers, but the LSU manages the process of getting instructions from the Council or the relevant LALC, particularly should any settlement discussions occur. This provides for the most cost effective approach to land claims litigation and has proven to have good results for the Network. 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.

The LSU provides legal advice to the various NSWALC Units in relation to proposed legislative amendments, land dealings, statutory interpretation, compliance, and assists in reviewing and drafting Council Submissions and legal instruments such as contracts, leases, licences and deeds. Legal assistance and support was also provided to LALCs 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.

NON-LAND CLAIMS LITIGATION

Darlingjungle LALC v Wyong Coal Pty Ltd & Others

The Wallarah 2 Coal mine case involves a dispute between Wyong Coal Pty Ltd and Darlingjungle LALC. Darlingjungle LALC (DLALC) owns land at Bushells Ridge. Wyong Area Coal Joint venture Group (Wyong Coal) is the Korean

controlled owner of the Wallarah 2 Coal Project and the proponent for Development Application (DA) SSD4974. Part of the project seeks access across DLALC's land.

Because of the nature of the proposed project, NSWALC and DLALC's view was that NSWALC's consent to the DA was required under Clause 49(3A) of the Environmental Planning and Assessment Regulation 2000. NSWALC resolved to refuse consent to the making of the DA over DLALC's land. DLALC negotiations with Wyong Coal failed to reach an agreement satisfactory to both parties.

In the Land and Environment Court of NSW (NSWLEC) DLALC argued the case that in light of NSWALC's refusal of consent, the DA had not been validly "made" for the purposes of the *Environmental Planning and Assessment Act* or the Environmental Planning and Assessment Regulation, and for that reason could not be the subject of a valid consent. NSWALC made submissions in support of DLALC.

Wyong Coal and the Minister for Planning had the same position in the case, arguing that NSWALC's consent to the DA was not required by law. The Court held that NSWALC's consent was required and ordered Wyong Coal and the Minister to pay DLALC's costs.

EXTERNAL LEGAL COSTS

Expenditure on external legal service providers can 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	2.97%
• Land claims litigation (appeals where land claims have been refused)	58.56%
• Legal advice relating to the LALC Network	1.46%
• Legal advice relating to native title (including Network native title)	2.94%
• NSWALC general advice (including ALRA Review)	15.99%
• Other network related litigation	12.14%
• Legal advice relating to mining	4.9%
• Consultants fees	1.04%

OTHER LEGISLATIVE AMENDMENTS

Crown Lands Amendment (Multiple Land Uses) Act

The LSU provided advice on the above Bill, which was the NSW Government's response to decisions made by the Courts to grant a land claim known as 'Goomallee' (discussed above). As a result of the Goomallee case², any tenure (lease/licence) that has been granted over crown land reserved for a public purpose is likely to be invalid unless it is for the same purpose as the reserve or promote

[2] A copy of the NSW Court of Appeal judgment Minister Administering the Crown Lands Act v New South Wales Aboriginal Land Council (Goomallee Claim) [2012] NSWCA 358 can be accessed online at: www.caselaw.nsw.gov.au/action/PJUDG?s=1000;jgmid=161676

the purpose of the reserve (such as a licence for a kiosk over a reserve for public recreation). The Act confirms the validity of these tenures into the future, and provides that the Minister can issue tenures for multiple uses over Crown reserves. Importantly, land claims lodged before 12 November 2012 are not affected by this Act.

Aboriginal Land Rights Regulation 2002 Remake

The LSU provided advice on the proposed amendments to the ALRR, which are due to be re made in the second half of 2014. The amendments deal with a range of minor issues, and are intended to clarify parts of the Regulation and Model Rules that have caused confusion.

Economic Development

The LSU has provided advice on the development of NSWALC's Economic Development Policy, its participation in the resources industry and, through its involvement with the Review of the ALRA, is providing advice and assistance to ensure that any lack of clarity about the investment and business functions of Land Councils is clarified, and that any amendments support Land Councils that wish to operate flexibly and commercially in the 21st century.

Native Title

Native title is an area of increasing significance for the Land Council Network as native title claims are increasingly being progressed to determination by the Federal Court in NSW.

Land rights under the ALRA and native title are two very different systems, each with their own aims and benefits. Native title offers recognition of rights and interests held under traditional laws and customs. In most cases a native title determination in NSW is likely to recognise non-exclusive rights, such as the right to hunt and gather. In contrast the grant of land under the ALRA is a form of compensation for dispossession, and does not require any traditional connection to land. A land claim, if granted, will generally result in the LALC having a freehold interest in the land. The following Guiding Principles on Native Title have been endorsed by the Council:

1. NSWALC recognises that native title and land rights are both important systems that provide positive rights for, and advance the interests of, Aboriginal peoples.
2. NSWALC seeks to demonstrate leadership by being proactive in its approach to dealing with the interaction of land rights and native title in NSW.
3. NSWALC seeks to work respectfully, constructively and collaboratively with all native title claimants, native title holders and NTSCORP and others to deliver the best of both systems to Aboriginal peoples, and to negotiate agreed positions wherever possible.
4. NSWALC recognises that Local Aboriginal Land Councils are autonomous bodies corporate that exist for the benefit of all Aboriginal people in their area and their members, and that LALCs must make decisions about their land and resources in accordance with the interests of their members.

5. NSWALC seeks to promote community cohesion, equitable outcomes, and to minimise conflict wherever possible.
6. Recognising and respecting that Aboriginal Land Councils are land owners with property interests, NSWALC seeks to provide information and assistance to LALCs about native title claims in their boundary area in order to ensure that each LALC can make informed decisions about how the LALC engages with native title.

Council also resolved to provide support and assistance to LALCs that are affected by native title claims to allow them to make informed decisions about how they want to be involved in native title matters. For those LALCs that decide to be joined as a respondent party to a native title claim, NSWALC will provide assistance with understanding what lands under claim or land already owned by the LALC will be affected by a native title determination, how it will be affected, support and financial assistance in the form of funding external legal advice for the LALC throughout the native title consent determination process and general training on native title issues.

As a result, the LSU has provided assistance to the following LALCs involved in specific native title matters:

- Nambucca Heads LALC and Unkya LALC, who are involved in the Gumbaynggirr (Gumma – Warrell Creek) native title claim (NSD6054/1998) which is expected to be determined on 15 August 2014 and will be the first native title determination over Land Council owned land.
- Broken Hill, Dareton, Menindee, Mutawintji and Wilcannia LALCs who are involved in the Barkandji native title claim (NSD6084/1998).
- Yaegl and Birrigan Gargle LALCs on the Yaegl No 2 native title claim (NSD6052/1998).

NSWALC has also provided information sessions at Regional Forums and advice to the Policy & Research Unit on a draft Community Guide on Native Title. It has also made a submission on the Review of the *Native Title Act* by the Australian Law Reform Commission on the role of Land Councils in the native title process.

The LSU is also working on options to address the difficulties that arise from section 42 of the ALRA, which requires a native title determination over land before a Land Council can deal with land granted to it which may be subject to native title. This puts Land Councils in a position of having to make a non-claimant application to the Federal Court for a determination that no native title exists before it can deal with land. The difficulties this creates have been recognised by the Report of the Working Group on the Review of the ALRA.

A suggested improvement in the administrative processes of Government would result in a notification that land subject to section 42 of the ALRA had been placed on the Land Council's title when native title has been extinguished and the grant is no longer subject to native title. NSWALC is pleased to see some progress in this regard, including a process implemented by Land and Property Information that allows for the removal of these notifications where appropriate.

The Program Management Unit (PMU) is responsible for administering NSWALC's major funding programs:

- The Aboriginal Communities Water and Sewerage Program
- The Freddy Fricke Scholarship Scheme
- The Funeral Assistance Grants Scheme
- The Subdivision Program
- Discretionary Grants

The Unit works in close consultation with NSWALC Zone Offices in the preparation of advice to Council on the approval of community land and business plans, community benefit schemes, the appointment of investigators and administrators when, and if, required and the approval of social housing schemes.

The PMU also managed a range of Local Government issues on behalf of Council in addition to its responsibility for the monitoring and state wide reporting of LALCs compliance with the requirements of the ALRA.

Given the limiting effect of the 'draw down rule' on the availability of funds each year the PMU gives careful consideration to the amount of funds granted to each program and the way in which these funds are administered.

The Director of the Program Management Unit is supported by a staff of five. In addition to the administration of the funding programs above, the Unit is responsible for Community Land and Business Plans, LALC Community Benefits Schemes and the provision of ongoing support to NSWALC's Governing Council, management and Zone Offices in delivering compliance and evaluation services to Local Aboriginal Land Councils.

Compliance and Evaluation

The PMU is the compliance and evaluation hub of NSWALC's financial oversight of the land rights network. Two major data bases (the Compliance and Funding data base and the Risk Assessment System (RAS) data base) are maintained by the Unit.

This information supports:

- 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.
- The preparation of breach and allocations reports to Council and control of the payment of grant allocations to individual LALCs.
- The appointment of investigators and administrators.

A further data base was developed to monitor the progress of the approval of LALC social housing schemes either as

operated by the LALCs themselves or head leased to the Aboriginal Housing Office.

The PMU supports Councillors, management and Zone Offices in their delivery of services to LALCs to ensure compliance with Part 8 of the ALRA, relevant Regulations, and NSWALC's Policy on LALC Funding and Financial Obligations.

Interventions

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

Comprehensive decision briefs are compiled for NSWALC on the need for the appointment of investigators or administrators to LALCs and if the need arises, on any extension to their terms of appointment. NSWALC then considers each recommended appointment based on the information provided. However, the ultimate power to approve such appointments rests with the Minister for Aboriginal Affairs. NSWALC considers such appointments to be a measure of last resort.

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

ABORIGINAL COMMUNITIES WATER AND SEWERAGE PROGRAM

A State Government survey in 2008 identified inadequate operation, maintenance and management of water supply and sewage systems was placing the health of many Aboriginal communities at risk. As a result, NSWALC and the State Government entered into a 25-year partnership agreement for the maintenance, operation and repair of water and sewage systems in over 60 Aboriginal communities at a cost of \$200 million.

The program was established in June 2008 and has been operating for six years as at the end of June 2014. Since the program commenced, 61 Aboriginal communities have been identified as meeting the eligibility criteria under the program.

Prior to the program, drinking water and sewerage services in many communities were poor and did not meet basic standards enjoyed by the wider Australian population. Since the commencement of the program, 41 Aboriginal communities with a population in excess of 4,000 people are now receiving water and sewerage services at a higher level than prior to the program.

As at 30 June 2014, of the 61 eligible communities:

- 21 have been found to have satisfactory service equivalent to neighbouring communities as they were part of a reticulated system prior to commencement of this program.
- 14 now have 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 14 long term service agreements have been signed, services have been improved to a satisfactory level through interim service arrangements, backlog works, emergency works and infrastructure upgrade works.
- 22 interim arrangements are in place for the local water utilities to provide “best endeavour” in delivering water and sewerage services that are equivalent to services in the wider community in similar positions. Further investigations and, in some cases construction of backlog works, are required before the system is fully robust.
- As a result of both the long term and interim agreements, 41 communities are receiving operation, maintenance and monitoring services by qualified personnel. This was not occurring prior to the program.
- Backlog works were identified in 38 communities and are now complete in all but four communities where it was determined capital upgrade or town connection was a preferred solution.
- Water and Sewerage Management Plans have been developed for all 41 communities.

Since the program commenced in 2008 there have been verified improvements in water quality and infrastructure including the introduction of water disinfection. Studies have shown that the risk of diarrhoeal disease associated with sub-standard water and sewerage systems is between 2.5 and 3.85 times higher than in communities with well-managed systems. There is also an elevated risk for many other diseases such as respiratory infections.

Employment Outcomes

The Aboriginal Employment Unit (AEU) was engaged to negotiate eight new Certificate III (CIII) Water Operations traineeships with participating councils under the program. The AEU brief was to liaise with selected councils on creating and maintaining CIII Water traineeships.

As at 30 June, 2014 the AEU had established four New Entrant Traineeships at Clarence Valley – Baryulgil & Tabulam, Griffith and Narrandera. Nine Existing Worker Trainees were in place at Brewarrina (3), Goodooga (2), Wilcannia (2), Lake Cargelligo (1) and Ivanhoe (1).

Four local government councils are still considering their recruitment options at the time of this report. Those councils are: Wentworth, Cowra, Cobar and Wilcannia who are considering an additional New Entrant Trainee.

In addition to the nine Existing Worker CIII Water trainees and four New Entrant CIII Water traineeships, two councils have recruitment currently underway and a further four councils are exploring their staffing options. See table below:

RECRUITMENT UPDATE		
Councils	Existing worker	New Entrant
Brewarrina	3	
Goodooga	2	
Lachlan – Lake Cargelligo	1	
Wilcannia	2	
Ivanhoe	1	
Clarence Valley – Ecoteam (Baryulgil, Tabulam)		2
Narrandera		1
Griffith		1
Total	9	4

KEY DELIVERABLES	PROGRESS	COMMENT
A. Participating local councils and shires identified	Councils identified 9 existing workers needed up-skilling to industry standards	Brewarrina Shire Council Lachlan Shire Council Central Darling Shire Council Clarence Valley Council Griffith City Council Narrandera Shire Council
B. Potential Aboriginal Trainees identified	9 existing council workers identified	9 Existing worker trainees established. Training delivered by Western NSW TAFE.
C. Up to eight Aboriginal Trainees matched with a local shire or council	Up to 8 councils identified and pledged commitments	IEP freeze has delayed recruitment on the further 8 trainee positions.
D. Each Aboriginal trainee commences either a Certificate II or III in Water Operations	9 existing council workers and 4 new entrant trainees at Baryulgil, Tabulam, Griffith & Narrandera undertaking Water Operations CIII	AEU progressing with recruitment support for 4 trainees: Wilcannia considering an additional trainee Wentworth, Cowra and Cobar are still considering their options.
E. Each Aboriginal trainee completes either a Certificate II or III in Water Operations	Existing workers due to complete	TAFE currently doing final assessments on a number of existing worker trainees.

Financial Assessment

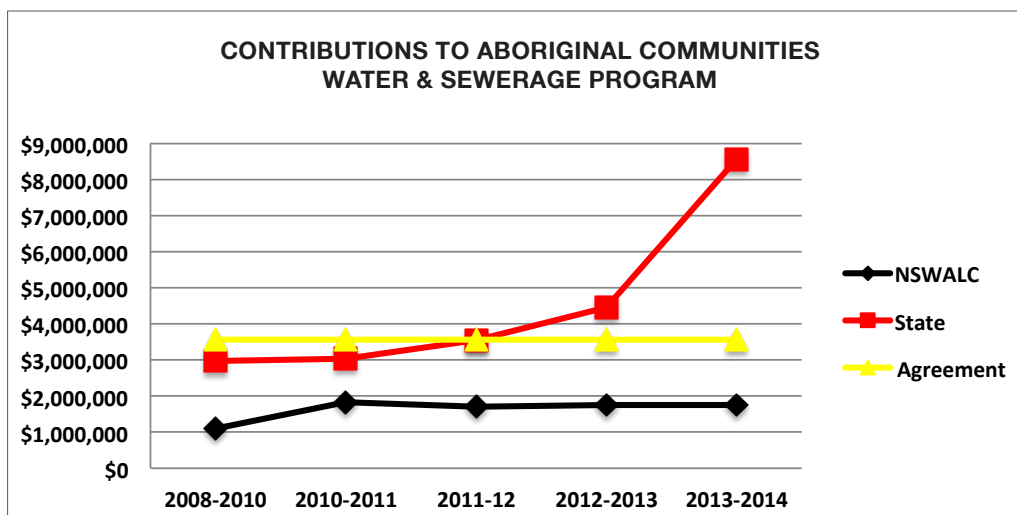
The overarching agreement between NSWALC and the State Government forecast NSWALC's 50% contribution annually to be \$3,565,000 per year. To date the annual liability has been significantly less than the agreement figure.

The graph below demonstrates NSWALC and the State Government's contribution from the establishment of the program until June 2014. The line marked "Agreement" is the figure NSWALC has committed to provide per annum under the overarching agreement. It is clear from this diagram that NSWALC has not been required to meet the forecast figure within the agreement. In fact even in the peak year of 2010/11 NSWALC's contribution was 51.4% less than the overarching agreement requirements.

In the first two years 2008-10 NSWALC spent a combined total of \$1,100,828 which reflects the establishment phase of the program. NSWALC's contribution peaked in 2011 at \$1,833,938 and has been trending down slightly since then. In the previous financial year, NSWALC made a cost saving of \$375,000 on predicted expenditure of \$1,675,000.

During the reporting period, NSWALC expended the predicted amount of \$1,750,000. With backlog works largely completed and a reduction in emergency works due to new and improved systems, the annual cost to NSWALC is expected to remain at approximately \$1,600,000 per annum.

NSWALC has contributed \$7,798,224 since inception of the program. The State government's contribution has been greater than the NSWALC share every year as it contributes costs to program management, health evaluation and the capital program.



SUBDIVISION PROGRAM

In NSW, approximately 49 Local Aboriginal Land Councils (LALCs) own and manage housing on 59 former Reserves and Missions. The dwellings on former Reserves and Missions are typically located on a single title, with one legal boundary. All land within the boundary is considered private land and therefore LALCs are responsible for the management and future planning of everything inside this boundary; including roads and services.

The current title arrangement precludes LALCs from considering long term tenure options, such as home ownership or long term leasing for the residents. In order to address this situation, in June 2008, NSWALC entered into a partnership project with the Commonwealth Department of Families & Housing, Community Services and Indigenous Affairs (FaHCSIA) for the surveying and subdivision of former Aboriginal Reserves in NSW. A total of six million dollars in funding was allocated to the project between the two funding bodies.

As stated in the Funding Agreement, the Program objective is to facilitate the subdivision of former Reserves and Missions in NSW. To assist in achieving the aims of the Subdivision Program, NSWALC engaged Arup Pty Ltd, a planning, engineering and technical specialist company. To date, there have been two significant packages of work:

Stage 1 sites are Namoi, Gingie, Walgett, Corindi, Wongala and Coffs Harbour with services completed in 2012. Under the Agreement dated 14 June 2012, 13 priority sites for subdivision have been selected for the Stage 2 process.

SITE NAME	LALC NAME	NSWALC REGION
Bellwood	Nambucca Heads LALC	Mid North Coast
Bowraville	Bowraville LALC	Mid North Coast
Box Ridge	Bogal LALC	North Coast
Cabarita	Forster LALC	Mid North Coast
Coomaditchie	Illawarra LALC	South Coast
Crescent Head	Kempsey LALC	Mid North Coast
Green Hill	Kempsey LALC	Mid North Coast
Gulargambone	Weilwan LALC	Central
Gunnedah Hill	Coonabarabran LALC	Central
Narwan Village	Armidale LALC	Northern
New Burnt Bridge	Kempsey LALC	Mid North Coast
South West Rocks	Kempsey LALC	Mid North Coast
Three Ways	Griffith LALC	Wiradjuri

STAGE 2 SITES - SUBDIVISION PROCESS PHASES AND ACTIVITIES		TARGETING THE BARRIERS		
Phase	Activities	Engagement Activities		
1 Mobilisation	Introductory information pack sent to LALC	Planning Review Process	Stakeholders Engagement including: Liaison with Australian, NSW and local government agencies	Infrastructure Review
	Authority form received from LALC			
2 Information Gathering	Site Survey			
	Initial information sessions with LALC Board			
	Road reserve desk study			
	Planning report			
	Liaison with Local Government Authority (Council)			
	Written agreement to proceed to Phase 3			
3 Subdivision Concept Planning	Development Application Planning Meeting with LALC			
	Pre-lodgement meeting held with Council			
	Plan of subdivisions for DA agreed			
	Written agreement to proceed to Phase 4			
4 Development Application	Development Application prepared			
	Land dealing meeting for DA held			
	DA submitted to Council			
	Development Consent received from Council			
	Written agreement to proceed to Phase 5			
5 Subdivision Certificate Application	Control survey and plan of subdivision for LPI lodgement prepared			
	Subdivision certificate Application prepared			
	Subdivision certificate Application submitted to Council			
	Council provides the Subdivision certificate			
	Written agreement to proceed to Phase 6			
6 Land Titles	Land Dealing for LPI Lodgement			
	LPI submission lodged			
	New titles received			

Applying the lessons learned during the pilot stage (Stage 1), the Stage 2 subdivision is being undertaken as a sequential process of six phases that each site will move through.

There are also 'parallel' Engagement Activities that are undertaken concurrently to remove identified barriers to subdivision and to inform the process. Some of these activities include work and investigations related to sites beyond those in Stage 2. Details of those sites in relation to these tasks have not been included for the purposes of this report.

The Stage 2 sites were chosen on the basis of approved selection criteria such as current site zoning, infrastructure condition, land suitability, and locality. With respect to the selection criteria, the priority sites were considered to have the fewest barriers to subdivision.

The primary goal of Phase 2 of the Subdivision Program has been to undertake detailed investigations, including sourcing and collating all available information on each site. This information is required to further assess the

feasibility and likelihood that these sites can be subdivided, to identify any additional barriers to subdivision, and to provide a basis of information upon which the plans of subdivision and the development application will be based in subsequent phases.

The Phase 2 investigations have also informed a more detailed understanding of the required tasks and activities, specifically for each individual site. This is to be used to provide indicative time and costs for achieving subdivision on a site by site basis and will inform Phase 3 and 4 activities.

For each of the Stage 2 sites, the Phase 2 information has been gathered and collated as follows:

Planning Report

A Planning Report has been completed to outline the planning framework relevant to each site including information relating to the site locality, the zoning, site features, and relevant planning controls.

Road Condition Desk Study

A Road Condition Desk Study has been completed to outline the condition of any internal site roads and how they may compare with current local council standards.

Site Survey

A detailed Site Survey was undertaken in order to establish and document the physical site features. This site survey will also be used as a basis for the plans of subdivision to be drawn up in Phase 3.

Consultation with the Local Aboriginal Land Council

The project team has been working closely with the LALC to identify issues regarding the individual sites and to provide information and receive feedback on the overall program. This culminated in a presentation to the LALC Board at the end of the phase in order to present the outcomes of the information gathering activities.

Consultation with Local Council

The relevant Local Councils have been consulted regularly with regards to the rates and charges information. Furthermore, a meeting with Council and LALC representatives was undertaken towards the end of the phase with the intention of engaging Councils on an individual level. These meetings were also used to get a sense of the Council's willingness to proceed with subdivision and draw out some of the planning issues.

Specialist Reports

Where required for Development Applications, fire assessment and flood reports as well as drainage assessment and flora and fauna studies have also been undertaken. As at 30 June 2014, most sites had progressed to Phase 3 of the development of Subdivision concept plans. One site has progressed to Phase 4 and a Development Application has been submitted following land dealing approvals from members and NSWALC in accordance with the ALRA.

Engagement Activities

The purpose of the Engagement Activities has been to engage with, inform, involve and empower key stakeholders for the duration of the program with a view to removing the barriers to subdivision. The pilot stage of the project clearly identified that there are two main barriers to subdivision of the former reserves; the current planning system and the need for capital funding to upgrade infrastructure to enable dedication to Local Government.

NSWALC has continued to focus on informing and involving the following key stakeholders with the aim of overcoming these barriers:

All levels of government:

- The Australian government, represented by FaHCSIA, both the State Office and in Canberra

- The NSW government at both a state and regional level, including, but not limited to, Aboriginal Affairs NSW, Department of Planning and Infrastructure, Housing NSW, Aboriginal Housing Office, Department of Local Government (DoLG), Land and Property Information (LPI), Valuer General (VG), Roads and Maritime Services (previously RTA), and NSW Health.

Local government:

- Specific to the Stage 2 sites
- Councils with former Reserves and Missions in their Local Government Area

Representative organisations:

- Local Government NSW (previously Local Government and Shires Association)
- Planning Institute of Australia

Engagement Activities have included:

- Presentations to the Subdivision Steering Committee, which is chaired and hosted by FaHCSIA.
- Regular meetings with the DPI and Local Government NSW specifically focused on removing barriers to subdivision (such as application of development controls by Councils, section 94 contributions, etc) and advice on strategies for the effective engagement of Councils.
- Liaison with DPI and DoLG to discuss feasibility of obtaining state level exemptions to section 94 and 64 contributions.
- Ongoing liaison with the DoLG, LPI and the VG in order to determine the basis for the valuation and rating of land and to determine the impact, if any, of subdivision on existing rates and charges.
- Member of the Steering Committee for the development of the Community Lands Trust Model by the University of Western Sydney.

Key outcomes of Phase 2 Engagement Activities

- A strategy for the informing and ongoing involvement of Councils developed with DPI and Local Government NSW.
- The joint hosting of working sessions with DPI and Local Government NSW for local governments commencing with Grafton. Key messages from these sessions included:
 - Taking the former Reserves and Missions through a development approval process was “the right way to go” “there’s a record of decisions” and “there’s a clear paper trail” for all decisions made.
 - Leadership from the state government is necessary.
 - There was “good will” within Councils to accept the dedication of infrastructure.

- The adequacy of existing infrastructure would be the key consideration if Councils were to assume responsibility.
- Further working sessions would be of value as “it was useful (and interesting) to see other sites” and understand the commonalities.
- An invitation to present a paper on “Planning for Sustainable Futures for Aboriginal Land Councils” at Planning Institute of Australia’s upcoming conference entitled “New directions: taking planning into the next generation”.
- The continuing engagement of the members of the Subdivision Steering Committee, which is chaired and hosted by FaHCSIA.
- The refinement of Fact Sheets produced during Stage 1 to reflect lessons learnt.

Most significantly NSWALC developed a Case for Infrastructure Funding with support and contributions from a state and federal government working group; the purpose of which is to seek funding for the upgrade of road reserves on former Reserves and Missions. This case for funding has been presented to the Federal Minister for Indigenous Affairs by the NSWALC Council. This work will continue to be a significant pillar of the Subdivision Program in the coming year.

LOCAL GOVERNMENT

The NSW Local Government Association and the Shires Association of NSW amalgamated with the new association known as Local Government NSW (LGNSW). NSWALC is an “ordinary” member of the association. This entitles the NSWALC full voting rights at the association’s annual conference where NSWALC exercises nine votes rather than the 27 votes it exercised before the amalgamation. However, NSWALC retains a significant bloc of votes as a member of LGNSW.

THE FREDDIE FRICKE SCHOLARSHIP PROGRAM

The PMU supports the Freddie Fricke Scholarship Scheme which is conducted with the assistance of the Charities Aid Foundation (CAF).

This year one Aboriginal tertiary student, Mr Samuel Brazel (Tamworth LALC) was selected and granted a \$5000 scholarship. Samuel is 20 years old and in his second year studying a Bachelor of Agricultural Economics degree at the University of Sydney. Samuel is an Aboriginal Student Ambassador at the University of Sydney.

Samuel has been working at a summer camp for indigenous students to help inspire and teach students how to approach

the years of school before graduation. He wants to assist and inspire other students towards further education.

The Unit was in negotiations with the new management team at CAF as the reporting period ended. These discussions were aimed at improving the administration of the Freddie Fricke Scholarship Scheme and increasing a student’s flexibility in spending scholarship funds so that their individual needs and requirements are met sufficiently to support them in the completion of their studies.

THE FUNERAL ASSISTANCE GRANTS SCHEME

NSWALC has been providing funeral assistance grants to support bereaved Aboriginal families for over a decade. The scheme is uncapped, with NSWALC responding to the demand for funeral assistance from year to year. Aboriginal Affairs NSW (AANSW) no longer contributes funds to ease the strain on the NSWALC budget.

In June 2014 NSWALC’s Governing Council resolved to continue granting funds of \$5000 to contributors to the original insurance scheme and \$1000 to non-members. A total of 504 grants were made during the reporting period at a total cost of \$784,382. These included 47 grants to members of the original Funeral Fund and 457 grants to non-members.

DISCRETIONARY GRANTS

Council called for the development of a grants policy to guide decision making on discretionary grants. This was presented to Council in August 2013. Council approved a new community benefit scheme worth \$135,000 with \$90,000 allocated for state wide events and \$45,000 for regional discretionary grants.

Grants for state wide events in 2013-14 were approved for the traditional applicants and these included grants to the Aboriginal Rugby League Knockout, the Aboriginal Golf Day and the Saltwater Freshwater and Yabun festivals. Details of these grants are listed in the Appendices section of this report.

NSWALC has sought to limit its discretionary grants given its limited funding base and the availability of funds from other sources, particularly the Commonwealth and NSW governments.

Regional discretionary grants are recommended by Councillors with the PMU evaluating the applications with particular reference to the priorities of the NSWALC Strategic Plan. The approved grants in 2013-14 helped to sponsor the participation of young people in major sporting events including overseas competitions, assisted a family left destitute after their house burnt down and a number of NAIDOC activities.

UPGRADE OF LMSS TO RISK ASSESSMENT SYSTEM AND PERFORMANCE ASSESSMENT SYSTEM

NSWALC developed and deployed LMSS (LALC Management Support System) in July 2009 for use by the zones to assess LALC's performance and risk level based on a calculator that assumed equal value for each operational area.

In 2011 the model was subjected to an internal review and external audit which resulted in introduction of an enhanced model from January 2012. Among other improvements, the enhanced model introduced two major changes:

- Categorisation of the operational risk ranks into low, medium and high risks with appropriate weightings assigned to each risk rank.
- A multiplicative calculator to assess the operational risk level of LALCs based on weightings assigned to each operational risk rank.

In 2013, NSWALC undertook an internal review of the LMSS Application to simplify the model and concentrate on the identification of high risk areas of operation. As a result, the application with 108 questions has been split into two assessment systems as below:

- **Risk Assessment System** has 36 questions with two different risk ranks and weightings while the LMSS Model has 108 questions with three different risk ranks and weightings. This system is to be used by the zones to assess high risk operational areas and identify any weakness that needs to be improved and eliminated by the LALC.
- **Performance Assessment System** which has 39 questions to be used by the LALCs to identify the weak performance areas in their operation and implement corrective programs for improvements. Negative response to any of 39 questions in four functional categories will identify a performance weakness that will need to be improved by the LALC in order to eliminate/minimize any possible risk.

The new Risk Assessment System and Performance Assessment System were launched in January 2014.

STATE-WIDE LALC FUNDING CATEGORY REPORT

The funding category of LALCs is based on their compliance with the *Aboriginal Land Rights Act*, Regulations and the NSWALC policy on Local Aboriginal Land Council Funding and Financial Obligations.

In response to the removal of section 163 from the NSW *Aboriginal Land Rights Act 1983*, a new funding policy was developed by NSWALC and approved by the Minister for Aboriginal Affairs. The LALC Management Support System (LMSS) was revised and simplified and a new Risk Assessment System (RAS) was devised. The RAS concentrates on higher order risk factors which are currently being used to determine the frequency of cash allocations to LALCs and their financial reporting obligations.

A LALC in absolute compliance with all regulatory requirements and a RAS assessment score equal to and above 50% is fully funded. Those found to be in breach of a compliance requirement or that have a RAS assessment score below 50% are placed in the unfunded category.

The risk levels of the LALCs are determined by risk measurement of the LALCs under the Risk Assessment System. The RAS assessment determines the risk level and the frequency of cash allocations to the LALCs and financial reporting obligations of the LALCs.

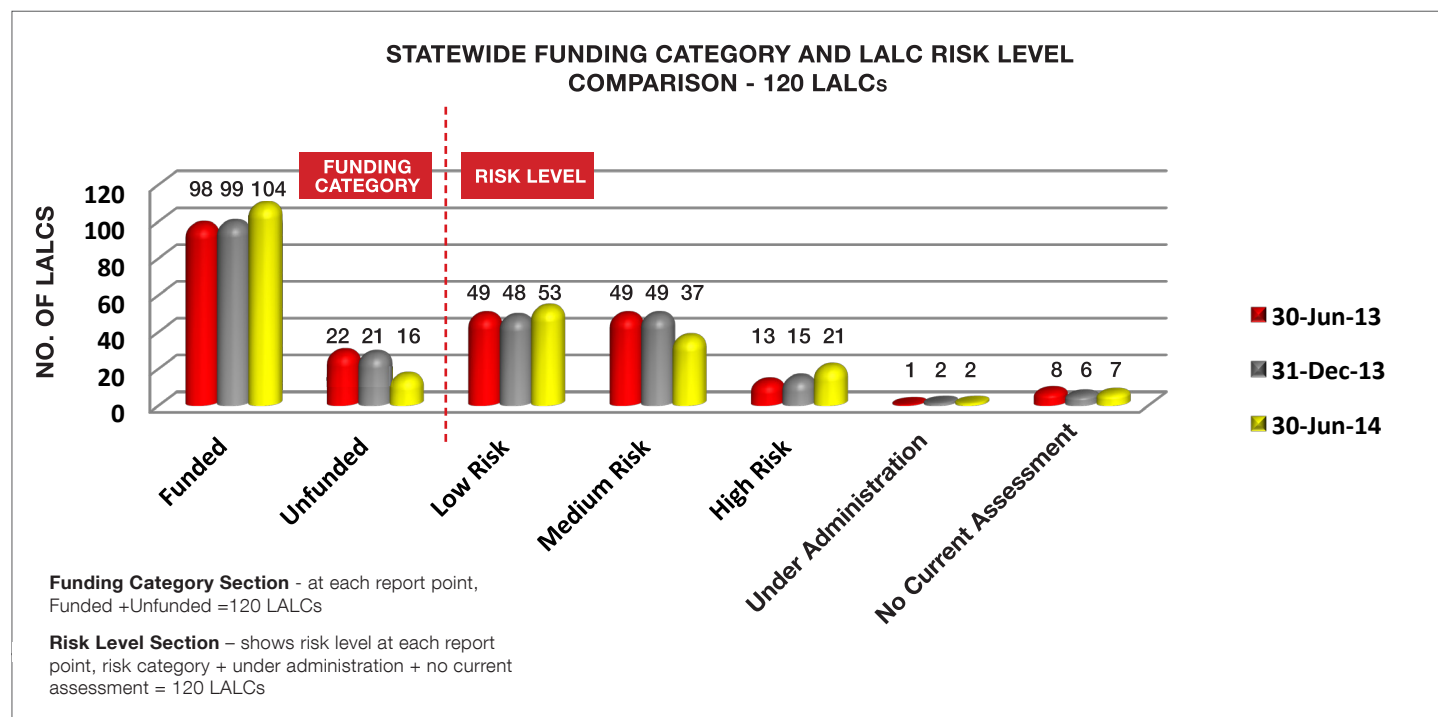
The table presented below illustrates the entitlements and responsibilities attached to each funding category:

FUNDING CATEGORY	RISK LEVEL	RAS ASSESSMENT RATING	BASIS OF GRANT REMITTANCE	FINANCIAL REPORT FREQUENCY
Funded	Low Risk	Equal to and above 90%	Cash on quarterly basis	Half Yearly
Funded	Medium Risk	Equal to 70% to below 90%	Cash on quarterly basis	Quarterly
Funded	High Risk	Equal to 50% to below 70%	Cash on bi monthly basis	Bi Monthly
Unfunded	High Risk	Below 50%	Essential payments, at discretion of NSWALC	-

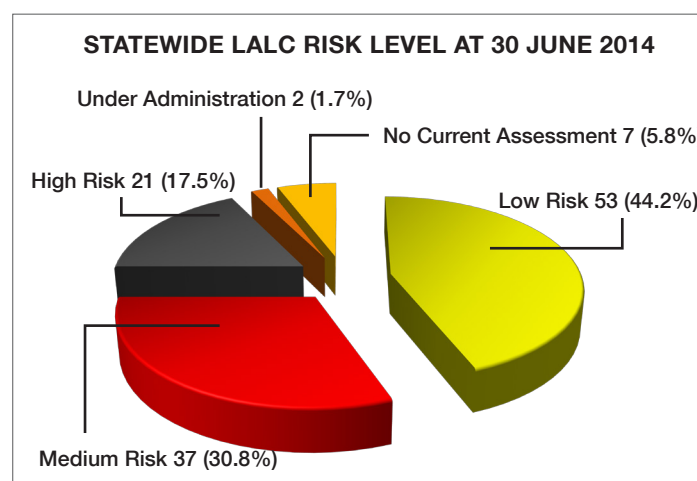
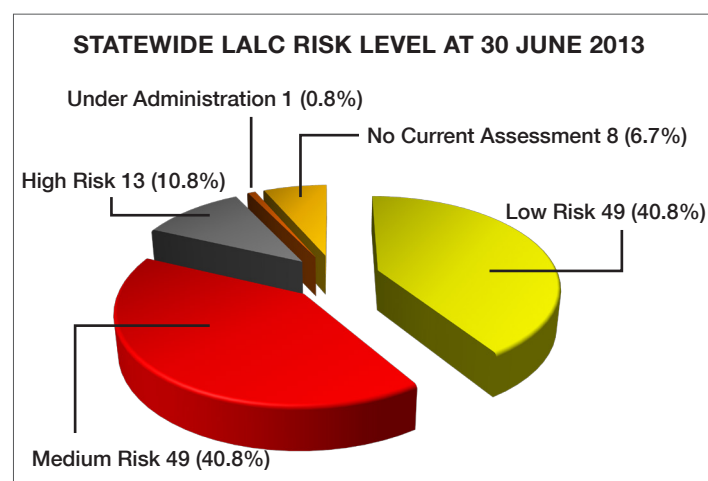
The LALCs that have an Administrator appointed by the Minister are automatically treated as if they are in a funded category with the grant releases made quarterly and the Administrator reports in accordance with the terms of appointment.

The following 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 2013.

The number of LALCs in the funded category has increased by six at the end of this financial year. A total of 104 LALCs were in the funded category at this report date, compared with 98 at the end of last report date. One LALC was under administration at the end of last financial year and this count has increased by one at the end of this financial year placing two LALCs under Administration.



The following graphs compare the number of LALCs in RAS Risk Level at the end of this financial year 2014 and at the end of last financial year 2013.



CATEGORY	30 JUNE 2013	30 JUNE 2014	MOVEMENT
Low Risk Level	49	53	Increased by 4
Medium Risk Level	49	37	Decreased by 12
High Risk Level	13	21	Increased by 8
Under Administration	1	2	Increased by 1
No Current Assessment	8	7	Decreased by 1
Total LALC	120	120	

The table above shows the movements in RAS risk level of the LALCs during the year under review.

A slight improvement in performances of the LALCs can be noted as the number of LALCs classed as a low risk level has increased by four during the reporting period.

STATEWIDE GRANT ALLOCATIONS REPORT

Section 106(8) (e) of the ALRA requires 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 117 LALCs of \$133,900 each during the 2013-14 financial year, amounting to a total grant allocation of \$15,666,300.

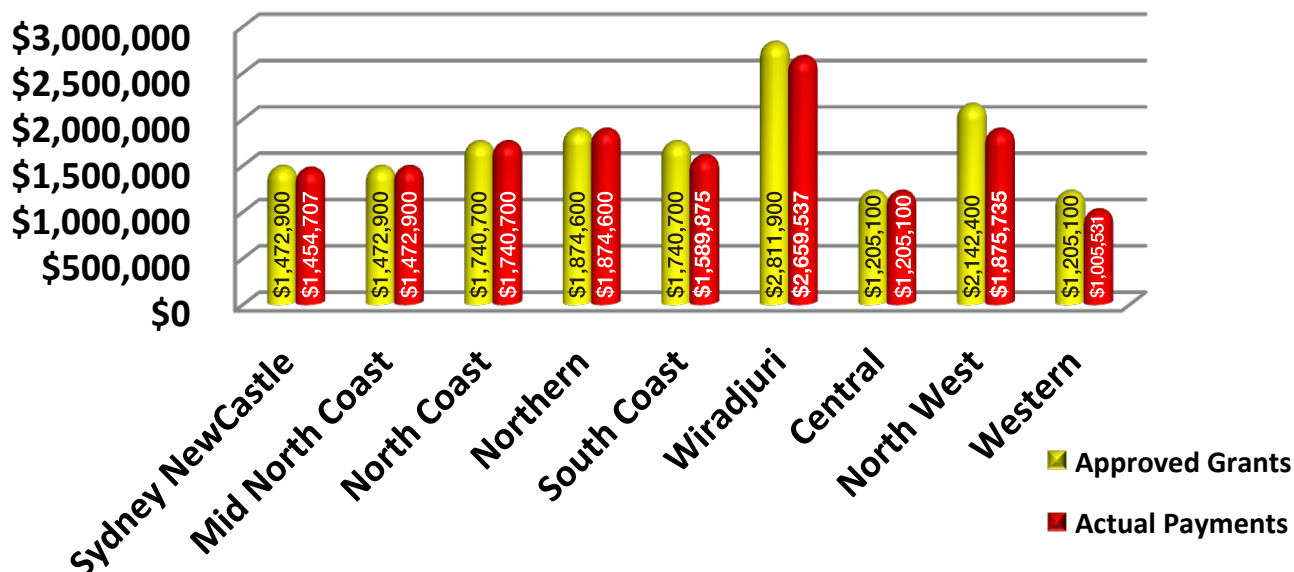
Payments against Approved Grant of \$15,666,300

The graph below measures the actual outgoings, comprising of cash allocations and the essential payments, against the approved grant for the LALCs in each region. Any other payments, such as administrators fees, and rates are not included.

The payments under sections 106(8) (e) of ALRA are made against the grants approved by the NSWALC Council for each functional LALC. The approved grants are remitted to the LALCs in cash allocations to compliant LALCs in accordance with their funding categories. NSWALC in its sole discretion may make essential payments to non compliant LALCs under an assistance agreement for the operation of their essential functions. However, essential payments may also be granted to unfunded LALCs without an 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 remains 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.

ACTUAL CASH ALLOCATIONS AND ESSENTIAL EXPENSES AGAINST APPROVED GRANT BY REGION



DETAILS OF FUNDS GRANTED AND PAYMENTS TO EACH LALC

FINANCIAL YEAR ENDING 30 JUNE 2014

No.	Region	LALC	Approved Grant	Cash Payment	Essential Payments	Forfeited Grant
1	Sydney Newcastle	Awabakal	\$133,900.00	\$133,900.00		
2	Sydney Newcastle	Bahtabah	\$133,900.00	\$133,900.00		
3	Sydney Newcastle	Biraban	\$133,900.00	\$133,900.00		
4	Sydney Newcastle	Darkinjung	\$133,900.00	\$133,900.00		
5	Sydney Newcastle	Deerubbin	\$133,900.00	\$133,900.00		
6	Sydney Newcastle	Gandangara	\$133,900.00	\$115,707.00		\$18,193.00
7	Sydney Newcastle	La Perouse	\$133,900.00	\$133,900.00		
8	Sydney Newcastle	Metropolitan	\$133,900.00	\$133,900.00		
9	Sydney Newcastle	Mindaribba	\$133,900.00	\$133,900.00		
10	Sydney Newcastle	Tharawal	\$133,900.00	\$133,900.00		
11	Sydney Newcastle	Worimi	\$133,900.00	\$133,900.00		
12	Mid North Coast	Birpai	\$133,900.00	\$133,900.00		
13	Mid North Coast	Bowraville	\$133,900.00	\$133,900.00		
14	Mid North Coast	Bunyah	\$133,900.00	\$133,900.00		
15	Mid North Coast	Coffs Harbour & District	\$133,900.00	\$133,900.00		
16	Mid North Coast	Forster	\$133,900.00	\$133,900.00		
17	Mid North Coast	Karuah	\$133,900.00	\$133,900.00		
18	Mid North Coast	Kempsey	\$133,900.00	\$133,900.00		
19	Mid North Coast	Nambucca Heads	\$133,900.00	\$133,900.00		
20	Mid North Coast	Purfleet/Taree	\$133,900.00	\$133,900.00		
21	Mid North Coast	Stuart Island				
22	Mid North Coast	Thungutti	\$133,900.00		\$133,900.00	
23	Mid North Coast	Unkya	\$133,900.00	\$133,900.00		
24	North Coast	Baryulgil Square	\$133,900.00	\$133,900.00		
25	North Coast	Birrigan Gargle	\$133,900.00	\$133,900.00		

DETAILS OF FUNDS GRANTED AND PAYMENTS TO EACH LALC

FINANCIAL YEAR ENDING 30 JUNE 2014

No.	Region	LALC	Approved Grant	Cash Payment	Essential Payments	Forfeited Grant
26	North Coast	Bogal	\$133,900.00	\$133,900.00		
27	North Coast	Casino Boolangle	\$133,900.00	\$66,950.64	\$66,949.36	
28	North Coast	Grafton Ngerrie	\$133,900.00	\$133,900.00		
29	North Coast	Gugin Gudduba	\$133,900.00	\$133,900.00		
30	North Coast	Jali	\$133,900.00	\$133,900.00		
31	North Coast	Jana Ngalee	\$133,900.00	\$133,900.00		
32	North Coast	Jubullum	\$133,900.00	\$133,900.00		
33	North Coast	Muli Muli	\$133,900.00	\$133,900.00		
34	North Coast	Ngulingah	\$133,900.00	\$133,900.00		
35	North Coast	Tweed Byron	\$133,900.00	\$133,900.00		
36	North Coast	Yaegl	\$133,900.00	\$133,900.00		
37	Northern	Amaroo	\$133,900.00	\$133,900.00		
38	Northern	Anaiwan	\$133,900.00	\$133,900.00		
39	Northern	Armidale	\$133,900.00	\$133,900.00		
40	Northern	Ashford	\$133,900.00	\$133,900.00		
41	Northern	Coonabarabran	\$133,900.00	\$133,900.00		
42	Northern	Dorrigo Plateau	\$133,900.00	\$133,900.00		
43	Northern	Glen Innes	\$133,900.00	\$133,900.00		
44	Northern	Guyra	\$133,900.00	\$133,900.00		
45	Northern	Moombahlene	\$133,900.00	\$133,900.00		
46	Northern	Nungaroo	\$133,900.00	\$133,900.00		
47	Northern	Red Chief	\$133,900.00	\$133,900.00		
48	Northern	Tamworth	\$133,900.00	\$133,900.00		
49	Northern	Walhallow	\$133,900.00	\$133,900.00		

DETAILS OF FUNDS GRANTED AND PAYMENTS TO EACH LALC

FINANCIAL YEAR ENDING 30 JUNE 2014

No.	Region	LALC	Approved Grant	Cash Payment	Essential Payments	Forfeited Grant
50	Northern	Wanaruah	\$133,900.00	\$133,900.00		
51	South Coast	Bateman's Bay	\$133,900.00	\$133,900.00		
52	South Coast	Bega	\$133,900.00	\$133,900.00		
53	South Coast	Bodalla	\$133,900.00		\$29,620.50	\$104,279.50
54	South Coast	Cobowra	\$133,900.00	\$100,425.00	\$4,060.12	\$29,414.88
55	South Coast	Eden	\$133,900.00	\$133,900.00		
56	South Coast	Illawarra	\$133,900.00	\$133,900.00		
57	South Coast	Jerringa	\$133,900.00	\$66,950.00	\$49,819.44	\$17,130.56
58	South Coast	Merrimans	\$133,900.00	\$133,900.00		
59	South Coast	Mogo	\$133,900.00	\$133,900.00		
60	South Coast	Ngambri	\$133,900.00	\$133,900.00		
61	South Coast	Nowra	\$133,900.00	\$133,900.00		
62	South Coast	Ulladulla	\$133,900.00	\$133,900.00		
63	South Coast	Wagonga	\$133,900.00	\$133,900.00		
64	Wiradjuri	Albury & District	\$133,900.00	\$128,360.88	\$5,539.12	
65	Wiradjuri	Bathurst	\$133,900.00	\$133,900.00		
66	Wiradjuri	Condobolin	\$133,900.00	\$133,900.00		
67	Wiradjuri	Cowra	\$133,900.00		\$20,939.04	\$112,960.96
68	Wiradjuri	Cummeragunja	\$133,900.00	\$133,900.00		
69	Wiradjuri	Deniliquin	\$133,900.00	\$133,900.00		
70	Wiradjuri	Griffith	\$133,900.00	\$133,900.00		
71	Wiradjuri	Hay	\$133,900.00	\$133,900.00		
72	Wiradjuri	Leeton & District	\$133,900.00	\$133,900.00		
73	Wiradjuri	Moama	\$133,900.00	\$133,900.00		
74	Wiradjuri	Murrin Bridge	\$133,900.00	\$133,900.00		
75	Wiradjuri	Narrandera	\$133,900.00	\$133,900.00		
76	Wiradjuri	Onerwal	\$133,900.00	\$131,930.74	\$1,969.26	

DETAILS OF FUNDS GRANTED AND PAYMENTS TO EACH LALC

FINANCIAL YEAR ENDING 30 JUNE 2014

No.	Region	LALC	Approved Grant	Cash Payment	Essential Payments	Forfeited Grant
77	Wiradjuri	Orange	\$133,900.00	\$133,900.00		
78	Wiradjuri	Peak Hill	\$133,900.00	\$133,900.00		
79	Wiradjuri	Pejar	\$133,900.00	\$133,900.00		
80	Wiradjuri	Tumut Brungle	\$133,900.00	\$133,900.00		
81	Wiradjuri	Wagga Wagga	\$133,900.00	\$133,900.00		
82	Wiradjuri	Wamba Wamba	\$133,900.00	\$66,950.00	\$27,547.94	\$39,402.06
83	Wiradjuri	West Wyalong	\$133,900.00	\$133,900.00		
84	Wiradjuri	Young	\$133,900.00	\$133,900.00		
85	Central	Dubbo	\$133,900.00	\$133,900.00		
86	Central	Gilgandra	\$133,900.00	\$133,900.00		
87	Central	Mudgee	\$133,900.00	\$133,900.00		
88	Central	Narromine	\$133,900.00	\$133,900.00		
89	Central	Nyngan	\$133,900.00	\$133,900.00		
90	Central	Trangie	\$133,900.00	\$133,900.00		
91	Central	Warren Macquarie	\$133,900.00	\$133,900.00		
92	Central	Weilwan	\$133,900.00	\$133,900.00		
93	Central	Wellington	\$133,900.00	\$133,900.00		
94	North West	Baradine	\$133,900.00	\$133,900.00		
95	North West	Brewarrina	\$133,900.00	\$105,249.28	\$28,650.72	
96	North West	Collarenebri	\$133,900.00	\$133,900.00		
97	North West	Coonamble	\$133,900.00	\$133,900.00		
98	North West	Goodooga	\$133,900.00	\$133,900.00		
99	North West	Lightning Ridge	\$133,900.00	\$133,900.00		
100	North West	Moree	\$133,900.00	\$133,900.00		
101	North West	Mungindi	\$133,900.00		\$22,381.84	\$111,518.16
102	North West	Murrawari	\$133,900.00	\$22,316.67		\$111,583.33
103	North West	Narrabri	\$133,900.00	\$133,900.00		

DETAILS OF FUNDS GRANTED AND PAYMENTS TO EACH LALC

FINANCIAL YEAR ENDING 30 JUNE 2014

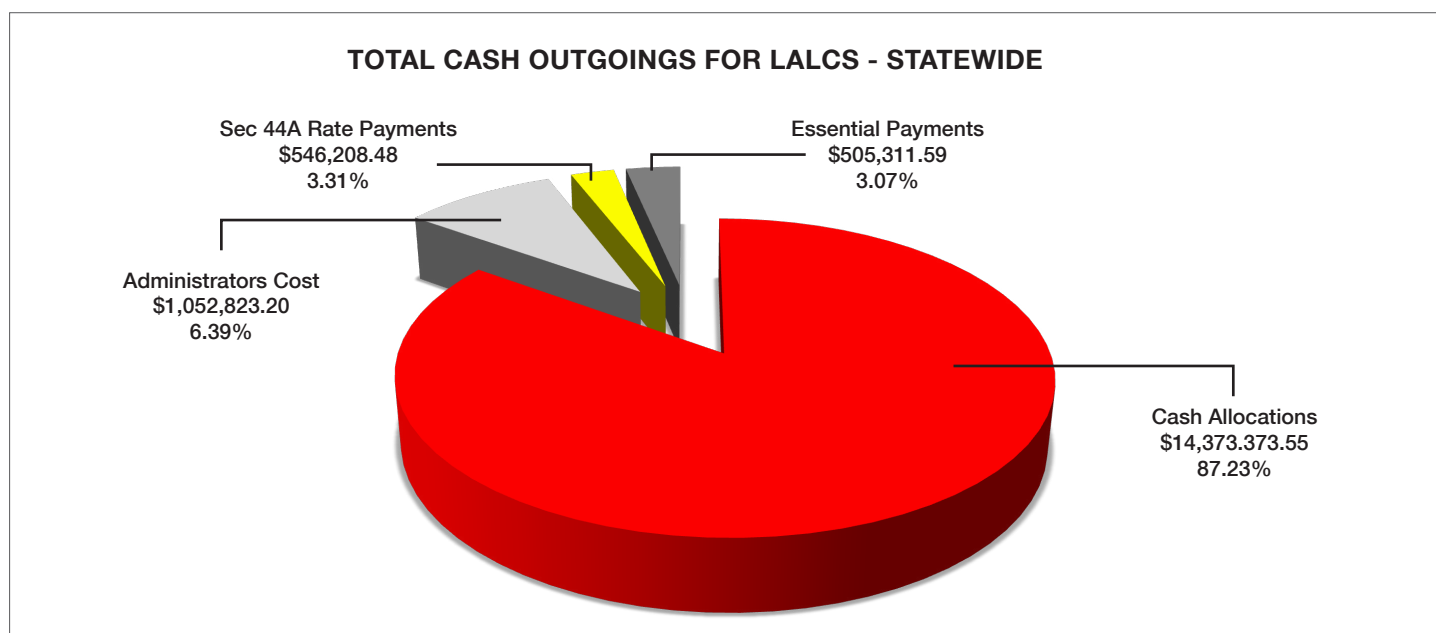
No.	Region	LALC	Approved Grant	Cash Payment	Essential Payments	Forfeited Grant
104	North West	Nulla Nulla	\$133,900.00	\$133,900.00		
105	North West	Pilliga	\$133,900.00	\$133,900.00		
106	North West	Toomelah	\$133,900.00		\$112,652.80	\$21,247.20
107	North West	Walgett	\$133,900.00	\$133,900.00		
108	North West	Wee Waa	\$133,900.00	\$111,583.34		\$22,316.66
109	North West	Weilmoringle	\$133,900.00	\$133,900.00		
110	Western	Balranald	\$133,900.00	\$66,950.00		\$66,950.00
111	Western	Broken Hill	\$133,900.00	\$133,900.00		
112	Western	Cobar	\$133,900.00	\$133,900.00		
113	Western	Dareton	\$133,900.00	\$133,900.00		
114	Western	Ivanhoe	\$133,900.00		\$1,281.45	\$132,618.55
115	Western	Menindee	\$133,900.00	\$133,900.00		
116	Western	Mutawintji	\$133,900.00	\$133,900.00		
117	Western	Tibooburra	\$133,900.00	\$133,900.00		
118	Western	Wanaaring				
119	Western	Wilcannia	\$133,900.00	\$133,900.00		
120	Western	Winbar				
			\$15,666,300.00	\$14,373,373.55	\$505,311.59	\$787,614.86

SUMMARY OF PAYMENTS AGAINST APPROVED GRANT

PAYMENT CATEGORY	AMOUNT	PERCENTAGE
Cash Allocations	\$14,373,373.55	91.75%
Essential Payments*	\$505,311.59	3.22%
Forfeited Grants	\$787,614.86	5.03%
Approved Grants	\$15,666,300.00	100.00%

*A total of \$505,311.59 has been paid for essential functions of 13 LALCs state-wide, while these LALCs were unfunded for not being in compliance with regulations.

Total Outgoings for LALCs



This graph shows the total outgoings of \$16,477,716.82 to LALCs for the financial year ending 30 June 2014.

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. It is a comparatively intelligent database which:

- automatically creates compliance requirements of each LALC
- automatically breaches the LALC for non compliance
- automatically changes the Funding Category of a LALC
- generates timely automated emails, LALC Contact and Database User authorisation details
- has a built in Global Help function to assist users in updating information and creating a range of reports.

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 meetings of NSWALC's Governing Council.

The Users have flexibility to create Compliance, Breach and Funding Reports tailored to their needs. The database has been designed to be flexible enough to accommodate any change in policy, legislation or regulation.

SOCIAL HOUSING SCHEMES

NSWALC is obliged by law 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 31 December 2015 unless it has sought and gained the approval of NSWALC. It should be noted that for various reasons this deadline has been extended several times by the NSW Government.

NSWALC developed a Policy on the Approval of LALC Social Housing Schemes (Rental Accommodation) to ensure the land rights network comply with these obligations. The policy was then used to develop a tool for the assessment of existing social housing schemes.

This is known as the Social Housing Assessment and Provider Evaluation (SHAPE) Guide. However, NSWALC and LALCs faced considerable uncertainty in this area during the financial year due to the statutory review of the ALRA. The review has foreshadowed a reduction in the duplication of assessments conducted by NSWALC and those deemed necessary by the NSW Government's Aboriginal Housing Office under its Build and Grow Strategy for Aboriginal Community Housing. It is hoped the uncertainty over assessment and funding arrangements can be resolved over the course of the new reporting period.

COMMUNITY LAND AND BUSINESS PLANS

Each LALC is required by law to prepare and adopt a Community, Land and Business Plan (CLBP). Failure to do so, or a substantial failure to comply with an approved CLBP, is considered a substantial breach of the requirements of the ALRA. At the close of the reporting period there remained uncertainty whether the ALRA review would result in the power to approve CLBPs being devolved to the Boards of LALCs or whether it would remain with NSWALC.

INVESTIGATION AND ADMINISTRATION OF ABORIGINAL LAND COUNCILS

The State Government and NSWALC are intermittently required to intervene into affairs of a LALC which has demonstrated a failure to comply with the provisions of the ALRA. This is seen by NSWALC as a measure of last resort.

NSWALC's primary concern is to ensure such interventions are not used in the first instance when other more cost effective and efficient mechanisms 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.

The roles and responsibilities of NSWALC, the Minister, AANSW, and the Registrar on interventions are set out in Part 11 of the *Aboriginal Land Rights Act 1983*. In cases where a LALC is not compliant the Minister may appoint an investigator pursuant to section 216(1) of the ALRA or an administrator pursuant to section 222(1) of the ALRA.

Of the 120 Local Aboriginal Land Councils across the state of NSW two were subject to an administrator during the reporting period.

Gandangara LALC Administrator

Pursuant to Section 222 of the ALRA the Minister appointed Mr David Lombe from Deloitte Touche Tohmatsu as administrator for the Gandangara LALC (GLALC). The initial term of appointment was for three months from 20 August 2013 until 19 November 2013.

On 19 November 2013 the Minister extended Mr Lombe's term of office as administrator for GLALC for one month. The Minister granted a further extension to Mr Lombe's term of office as administrator for a further three months from 20 December 2013 until 19 March 2014.

At the completion of Mr Lombe's term of office on 19 March 2014 the Minister appointed Mr Peter Hillig of Smith Hancock as administrator of GLALC for a period of six months from 20 March 2014 to 19 September 2014.

Brewarrina LALC Administrator

In accordance with section 222(1) of the ALRA the Minister appointed Mr Andrew Bowcher from RSM Bird Cameron Partners as administrator of Brewarrina LALC (BLALC) for a period of six months to take effect from 13 November 2013 to 12 May 2014.

The decision to appoint an administrator to BLALC was based on the grounds that BLALC had an extensive breach history. The LALC had been in an unfunded category since March 2004. Despite receiving intensive assistance from NSWALC, the BLALC were reluctant to fully cooperate with NSWALC in its attempt to provide remedial assistance.

Due to the complexity of the appointment the Minister granted Mr Bowcher a further six month extension to his appointment as administrator effective from 13 May 2014 to allow for the completion of the terms of appointment. Mr Bowcher is due to complete his term of appointment as administrator at BLALC on 12 November 2014.

NORTHERN ZONE

The Northern Zone comprises 38 LALCs within the following regions:

- North Coast (NC) Region (comprising 13 Local Aboriginal Land Councils) represented by Councillor Tina Williams;
- Mid North Coast (MNC) Region (comprising 11 Local Aboriginal Land Councils) represented by Councillor Peter Smith;
- Northern Region (comprising 14 Local Aboriginal Land Councils) represented by Councillor Tom Briggs.

Staffing

The Northern Zone office of NSWALC operated from offices in Coffs Harbour and Tamworth during the 2013-14 financial year. The Northern Zone Director is supported by a staff of eight.

Two LALC Support Teams operate from the Coffs Harbour office with an Operations Manager, Senior LALC Support Officer and two LALC Support Officers. They support LALCs in the North Coast and Mid North Coast Regions. The Tamworth office is staffed by a Senior LALC Support and a LALC Support Officer who work exclusively with LALCs located in the Northern Region. The Northern Zone Finance Unit provides a range of support, advice and assistance to LALCs across the zone. This unit is staffed by a Senior Finance Officer and a Finance Officer.

ZONE SUPPORT TO LALCS

Risk Assessment System and Performance Improvement Planning

Zone staff undertook comprehensive risk assessments of all LALCs in the zone during the reporting period using the NSWALC Risk Assessment System (RAS). The RAS is a tool that evaluates LALC performance across six key areas of operation and this performance assessment then informs the LALC's deemed risk rating.

During the year NSWALC transitioned from the former LALC Management Support System (LMSS) to RAS. The RAS focuses on high to critical risk areas and is used to allocate LALCs into risk categories. NSWALC staff work closely with LALCs to address areas where the system has identified that the LALC was not able to satisfy the requirements of the various questions posed using the RAS.

A supplementary component of RAS is the development of a Performance Improvement Plan (PIP) linked to a separate group of questions that focus on operational areas not deemed to be high or critical risk areas. This plan is provided to the LALC for its own use and is not closely monitored by NSWALC other than to ensure that the areas of deficiency are being addressed. The PIP process does not impact on the LALC's risk rating.

The LALC Support Unit (LCSU) has primary responsibility for day to day dealings with LALCs on a broad range of issues including assisting LALCs to fulfill their responsibilities under the Act.

General Support to LALCs

LCSU staff provided significant amounts of advice and support to LALCs in relation to the requirements of the Act and Regulations, operational matters, planning, preservation and protection of Aboriginal culture and heritage, land dealing matters, human resource functions and assistance with negotiations with government and other stakeholders. Northern Zone staff attended many LALC Board and members meetings throughout the course of the 2013-14 reporting period. They also provide significant ongoing advice and assistance to LALCs in relation to social housing management and work collaboratively with NSW Aboriginal Housing Office staff on such matters.

The Finance Unit provides 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. Finance Unit staff also make frequent visits to LALCs to assist them in their financial management functions. The Finance Unit provided internal services to ensure the efficient and effective operations of the Northern Zone office and participated 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 (RPA). LALC representatives from the North and Mid North Coast Regions, Councillors Williams and Smith and NSWALC Northern Zone staff actively participated in RPA initiatives and the RPA Committee.

Over the course of the year the group focused on attempting to facilitate improved Aboriginal employment outcomes across the footprint of the RPA. The group worked with numerous State and Australian Government agencies, as well as other job service agencies in a bid to improve Aboriginal employment. A LALC representative from the NC and MNC Regions were each employed on a part time basis under the RPA to assist in coordinating inter agency meetings and liaise with LALCs. Notwithstanding the effort deployed and good partnerships developed, the number of employment outcomes achieved was relatively insignificant. This RPA is now undergoing a formal evaluation process. The term of this RPA expires in August 2014.

Northern Region LALC Regional Partnership Agreement

This RPA was negotiated by the 14 Northern Region LALCs and the Australian and NSW Governments. Schedule 1 of the RPA focuses on Employment and Business Development. Representatives of the NR LALCs, Councillor Tom Briggs and NSWALC Northern Zone staff actively participated in RPA initiatives and Committee meetings.

Warri-li Resource Unit Inc (the social business arm established by the NR LALCs under the RPA) co-ordinated and supported the establishment of the Northern Region Coalition of Aboriginal Peak Organisations (NRCAPO). This body was established in order to lodge an expression of interest to be a trial site for Local Decision Making (LDM), a key strategy within the NSW State Governments OCHRE Aboriginal Affairs Plan. The group was successful in being announced as a Stage 2 trial site for LDM. Warri-li also worked with the NR LALCs to identify and commence investigations into a range of business opportunities. This work is ongoing and early indications are that several LALCs will either purchase or establish viable businesses within the coming year.

A major RPA initiative during the reporting period was the staging of the Lighting the Fire youth engagement forum. This activity received some seed funding from AANSW and was strongly supported by the University Of New England (UNE). The event saw young people (16-24) from across the Northern Region and beyond come together on 8-10 November 2013 at UNE Armidale. Participants engaged in a range of leadership activities that were aimed at fostering future LALC membership. Speakers at the Forum included NSWALC Councillors Tom Briggs and Roy Ah See, former NSWALC Chairperson Bev Manton, Aden Ridgeway and Gary Foley. UNE, as a part of their sponsorship and support for the event, announced a number of scholarships that they will make for Aboriginal students. It is anticipated that the Lighting the Fire initiative will be an annual event.

LALC/Community Consultation and Engagement

Over the reporting period, Northern Zone staff assisted in facilitating a number of consultation workshops throughout the zone. They included:

- Sustainability and Economic Development Forums: all regions.
- ALRA Review Consultations: all regions
- LALC participation in Office of Environment and Heritage "Culture and Heritage Legislative Reform" Workshops: all regions.

LALC Regional Forums

Zone staff worked with Councillors Smith, Williams and Briggs to stage a Joint Regional Forum for LALCs held in Coffs Harbour on 12-13 March 2014. This was the first three-region joint forum staged in the zone and was highly successful with more than ninety LALC members across the zone in attendance. In addition to the Joint Regional Forum, zone staff supported the three regional forums for the Mid North Coast, two for the North Coast and four for the Northern Region.

Regional forums provide opportunities for LALCs to come together to discuss issues of common concern, develop regional strategies and approaches and receive information in relation to NSWALC initiatives. Forums also provide a good opportunity to engage with external stakeholders.

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 fourth consecutive year. This is a significant achievement which can be attributed to the hard work of LALC Boards, CEOs and Northern Zone staff.

LALC Audit Results

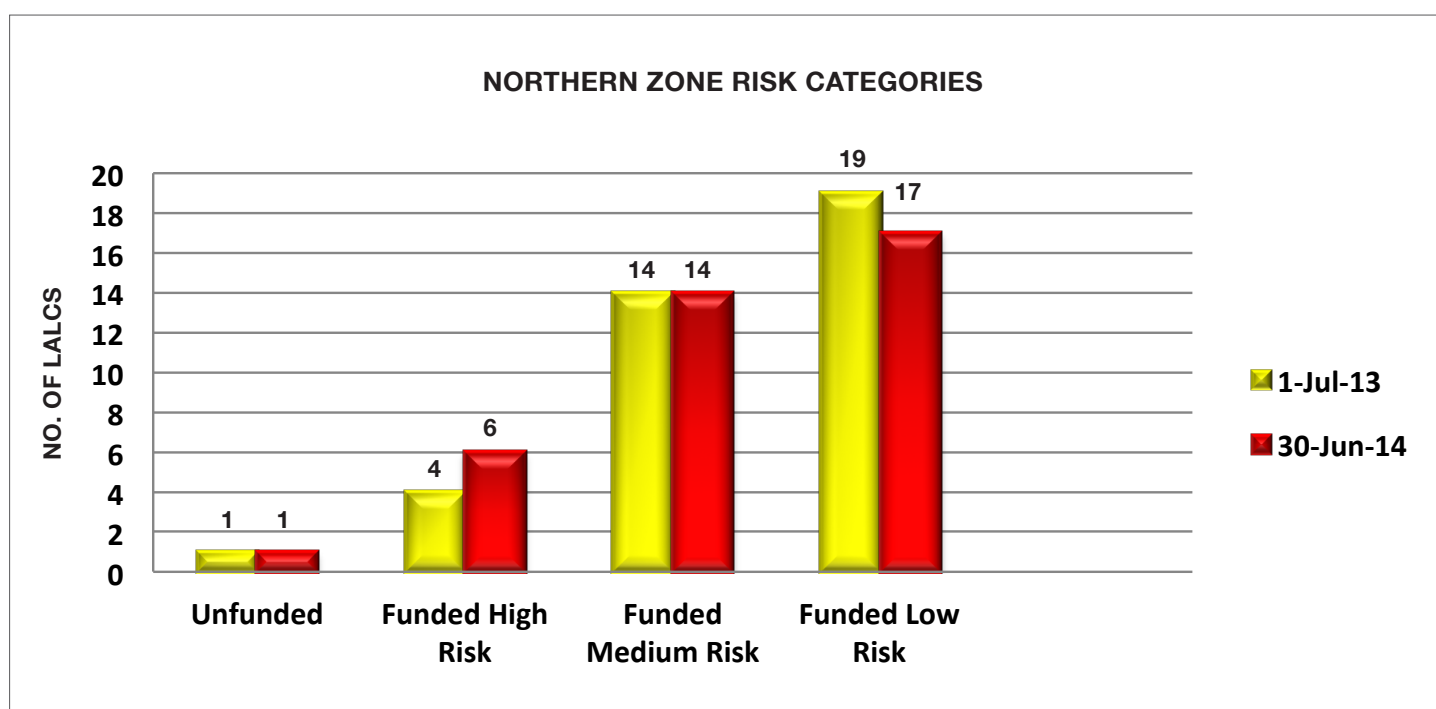
The audited financial statements for all LALCs in the Northern Zone were received during the reporting period. These audited statements relate to LALC operations in the 2012-2013 financial year and resulted in 36 of 38 LALCs in the zone gaining unqualified audits.

The related management letters also reflect improved internal control and financial management procedures established at the LALCs. These audit and management results are testament to the work of LALC CEOs and Boards and follow the excellent outcomes achieved in the previous financial year.

Risk Assessment Results

NSWALC utilises a Risk Assessment System to categorise LALCs into risk categories to determine whether NSWALC will offer a funding agreement and provide operational funding and also defines the terms and conditions of such funding agreements.

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	Bi Monthly financial reporting and Bi Monthly funding releases	Quarterly
70% - 89%	Funded	Medium Risk	Quarterly financial reporting and Quarterly funding releases	Half Yearly
90% and above	Funded	Low Risk	Six Monthly financial reporting and Quarterly funding releases	Annually



The graph indicates the following:

- As at 30 June 2014, 97.4% of LALCs in the Zone were in a funded category.
- On 1 July 2013 there were 10.53% of LALCs in the High Risk Category, 36.84% in Medium Risk Category and 50% in the Low Risk Category.
- At 30 June 2014 there were 15.78% in the High Risk Category, 36.84% in the Medium Risk Category and 44.73% in the Low Risk Category.

LALC Board Elections and Support

During the reporting period Northern Zone staff acted as Returning Officers for 37 LALC Board elections. The 2013 Board elections resulted in the following results:

- 312 Board members elected

- 186 of these Board members are women (60%).
- 123 Board members are men (40%).
- Three casual vacancies exist.

One LALC is still to hold their Board election. 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.

Training & Workshops

Northern Zone staff also conducted in excess of 20 LALC Board member Governance Training workshops. These workshops provided an opportunity for newly elected LALC Board members to undertake the mandatory governance training as required by the *NSW Aboriginal Land Rights Act*.

The NSWALC Strategic Plan 2013-2017 includes a priority and goal of "Driving our Economic Development". NSWALC has developed a partnership with Indigenous Business Australia (IBA) in an effort to build LALC capacity in business development. The 'Into Business' Workshops have been tailored towards LALC operations and involves participation in three workshops that progressively build towards business development. Workshops were held in Armidale for Northern Region LALCs and in Coffs Harbour for North and Mid North Coast LALCs. Follow up workshops will be delivered to participating LALCs in the coming year.

Workshops were staged in Lismore, Port Macquarie and Tamworth for LALCs across the zone to provide training and development in relation to budgeting and financial management training. These workshops were attended by LALC CEOs and Board members.

Native Title and NSW Aboriginal Land Rights Act Interaction

An information session was presented at the Joint Regional Forum to all attending LALCs in relation to the interaction of the *Native Title Act* and the *NSW Aboriginal Land Rights Act*.

This information focused on the differences in the legislation and the possible impact of Native Title claims on LALC owned land. The information provided was designed to build LALCs understanding of the complex legislative interactions brought about by the differing pieces of legislation and was particularly relevant as Native Title claim determination ramps up across the zone.

LALCs were encouraged to look for positive ways that native title claims and land rights gained through the ALRA could complement each other for the broader benefit of the community. More work is required in this area as the interaction of the Acts is proving complex and challenging.

Local Decision Making Initiatives

Zone staff provided support to LALCs in the Mid North and North Coast Regions to bring together a representative coalition of Aboriginal organisations from Tweed Heads to Karuah to develop and lodge an expression of interest to be a trial site for the Local Decision Making (LDM) initiative. LDM is a component of the NSW Government Aboriginal Affairs Plan known as OCHRE. LDM provides an opportunity to influence the delivery of state government services to Aboriginal people.

This work resulted in the establishment of the Many Rivers Coalition of Aboriginal Peak Organisations (MRCAPO) and an Expression of Interest was lodged. The drafting of the EOI was undertaken by MNC and NC LALC representatives and Northern Zone staff. The MRCAPO was successful in being selected as a Stage 1 pilot site. Zone staff have continued to provide support to the LALCs and other organisations participating in the initiative.

Zone staff also provided similar assistance to the LALCs, and other Aboriginal organisations in the Northern Region. This work resulted in the establishment of the Northern Region Coalition of Aboriginal Peak Organisations

(NRCAPO). This group resolved to also lodge an EOI to be an LDM pilot site. The drafting of the EOI was undertaken by Northern Zone staff and staff from Warri-li Resource Unit Inc, the social business arm of the Northern Region LALCs. The NRCAPO were successful in being announced as a Stage 2 pilot site for participation in the LDM initiative.

FAR WESTERN ZONE

The Far Western Zone consists of 11 Local Aboriginal Land Councils. The Far Western Zone Office operates from Broken Hill, to provide services to 8 LALCs that are currently operating within the western region boundary. It is expected that one more LALC will become operational in the next financial year.

Councillor Des Jones is the elected NSWALC representative for the Western Region. Zone staff meet with Councillor Jones at regular intervals to provide briefings on operational and strategic issues from a NSWALC, LALC and community perspective.

Staff

Staffing for the Zone Office was set at three positions for this reporting period comprising the Zone Director, a LALC Support Officer and a Finance Officer. Following negotiations with Head Office, the position of Finance Officer has not been filled and a supporting role from Head Office Finance Unit has resulted in a streamlined approach to financial activity within the Region. The current structure is being evaluated in an effort to realign the positions to support NSWALC and the LALCs with economic and business development in line with the NSWALC Strategic Plan.

LALC Support

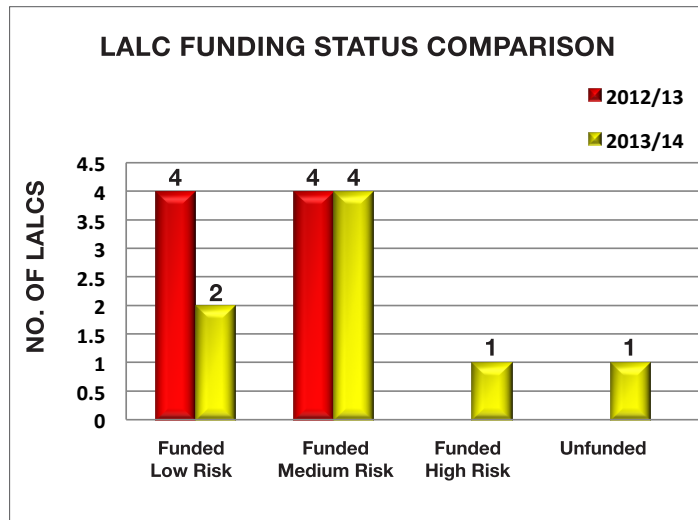
Zone office has the primary responsibility for the provision of support and advice to the Local Aboriginal Land Councils within the Far Western Zone. This included advice on LALC roles and responsibilities as required under the ALRA and Regulations, operational matters, planning, land dealing matters, social housing management, human resource functions and assistance with other relevant non-government and government stakeholder meetings.

A major focus for the Far Western Zone has been to continue to build upon the working relationship with the LALCs with a strong emphasis towards assistance and support on those compliance issues regularly identified as concerns through the NSWALC Risk Assessment System.

Risk Assessment System

The NSWALC Risk Assessment System (RAS) was implemented for all LALCs in the 4th quarter of the 2014 year in review. It replaces the previous LALC Management Support System (LMSS) and is a more effective way to measure the overall risk of a LALC with a LALC self assessment tool to guide them through a self improvement plan process.

The graph below provides a comparison between the overall LALC risk rating for the 2013 and 2014 years.

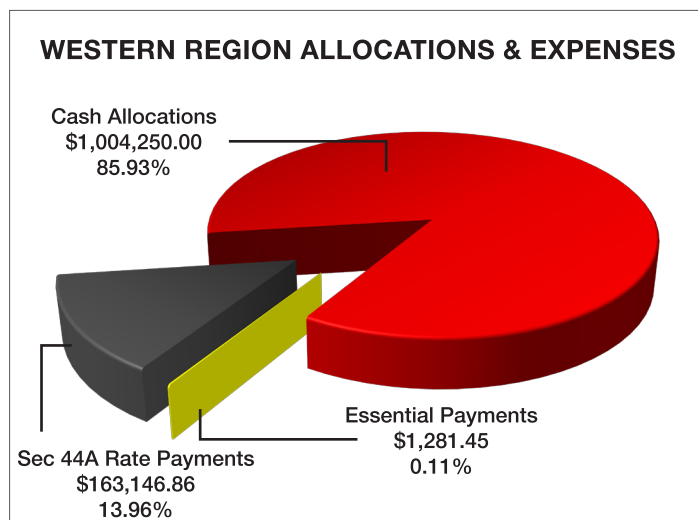


Monitoring and Compliance

For the 2014 year amendments to the *Aboriginal Land Rights Act* resulted in eligible LALCs being offered two half yearly Funding Agreements. During the first half of the financial year a total of eight Funding Agreements were offered to LALCs whilst in the second half of the financial year, a total of seven Funding Agreements were offered to LALCs.

The NSWALC Council approved a total grant of \$1,205,100 for nine LALCs in the Far Western Zone. However, the actual total grant paid to the LALCs in the zone was \$1,004,250 in cash instalments and \$1,281.45 in payments of essential expenses while a LALC was in an unfunded category. The variation of \$199,568.55 represents the forfeited portion of grants for Balranald and Ivanhoe LALCs, as these LALCs were not in compliance throughout the financial year. The Rate Payments become LALC debt to NSWALC and all payments are recovered under Payment Agreements with the relevant LALCs.

The graph below represents the type of allocations and expenses paid to or on behalf of LALCs in the Far Western Zone.

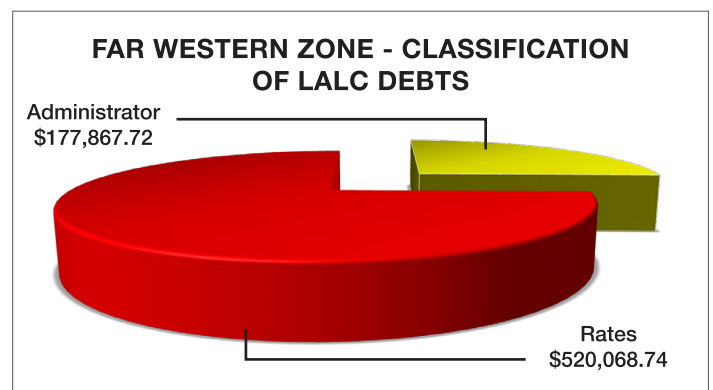


Community Land and Business Plans

During the reporting period all LALC Community Land and Business Plans were due for review. The majority of LALCs are currently in the process of review and realignment to be consistent with the new NSWALC Strategic Plan. The challenge of these reviews will be for NSWALC to work more closely with the LALCs to foster and support economic/business development goals. It is anticipated that NSWALC's economic development policy will assist the LALCs in progressing detailed economic development plans and establishment of business opportunities.

LALC Debt

The affected LALCs have entered into Repayment Agreements and have made repayments in line with these agreements as at 30 June 2014. At the end of the year, the level of LALC debt to NSWALC within the Zone was \$697,936.46, and is summarised in the graph.



Land Claims, Dealings and Management

During the reporting period Zone staff provided advice and support to LALCs on a range of land related matters.

Menindee LALC:

- August 2013 - NSWALC approved land dealing application for the head leasing of social housing to the NSW Aboriginal Housing Office.
- April 2014 - title transfer of Appin Station from NSWALC to the LALC.
- June 2014 - submitted a land dealing application to NSWALC for approval of the sale of a house to the current Aboriginal tenant.

The Zone office also supported a number of LALCs with land dealing meetings across a range of issues throughout the reporting period:

- Wilcannia LALC: Proposed sale and leasing of vacant land
- Dareton LALC: Proposed sale of vacant land
- Balranald LALC: Proposed leasing of rural property.

The Zone office has been working with a number of LALCs in identifying use and management of land obtained through

the land claim process or purchased directly by the LALC, including vacant residential land. The NSWALC Economic Development Policy will support these LALCs in compiling land management plans, enabling them to plan their own opportunities around wealth creation and social economic development in partnership with relevant stakeholders in government and the NGO sector.

Social Housing

During this reporting period, Menindee LALC signed the management of their housing portfolio over to the NSW Aboriginal Housing Office under head lease arrangements.

Cobar LALC has been a recipient of the NSW Health Habitat program, Housing for Health. This program is project managed by NSW Health and has a focus on the environmental health aspects of a house, electricity, water, sewerage, kitchen and bathrooms. The program has been well supported by the LALC who has been heavily involved in selecting community members to undertake supervised scoping surveys on all houses as a lead in to the works program.

The extension of NSWALC Social Housing Evaluation (SHAPE) to December 2015 has provided a further opportunity to LALCs to become compliant under this evaluation process. Over the next 12-18 months, LALCs will need to significantly improve housing management policies, practices and processes or consider alternative options.

Water and Sewerage Program

The NSWALC/NSW Government partnership program on water and sewerage infrastructure maintenance for Land Council Reserves has a direct impact for the Wilcannia, Dareton and Balranald LALCs in the Western Region.

During this reporting period, the Central Darling Shire (Wilcannia) and Balranald Shires expressed their interest in maintaining the water and sewerage infrastructure on the respective Land Council Reserves. This expression was supported by the Wilcannia and Balranald LALCs. The Office of Water has subsequently engaged the Shires for this service delivery.

The Dareton LALC has supported the expression of interest from a local contractor to undertake the maintenance of the water and sewerage infrastructure on their Reserve. This local contractor has been maintaining the infrastructure over the past 10 years and has built up a good rapport with the LALC.

Under the Wilcannia Remote Service Delivery program, the Commonwealth has committed to installing a new water and sewerage treatment plant for the benefit of the Wilcannia community. The Commonwealth budget allocation is approximately \$2.2million. This project is now underway with the successful local contractor employing around 12 local Aboriginal community members. This project will complement the NSWALC/NSW Government program and will benefit the LALC through new infrastructure on its Reserves.

Regional Forums

Regional forums provide an essential opportunity for NSWALC and LALCs to come together and share/provide information on important issues from a state, regional and local perspective.

Five forums were held during the year with responsibility shared between Councillor Jones and the Zone Office.

- 29 August 2013
Cobar - ALRA Review Consultations
- 12-13 September 2013
Broken Hill - Sustainability and Economic Development
- 12-13 November 2013
Broken Hill - Strategic and Operational
- 13-14 February 2014
Broken Hill - Strategic and Operational
- 29-30 May 2014
Broken Hill - LALC/Barkandji Native Title Joint Meeting

There was maximum participation from LALC Board representatives and CEOs with a focus on both strategic and operational aspects of NSWALC and LALCs. A key objective of the forums has been to expose LALCs to economic and business development opportunities that exist within their own asset base. This continued exposure will gather momentum for future forums with the implementation of NSWALC's economic development policy.

Local Aboriginal Land Council Activities

During the year, the Local Aboriginal Land Councils have been very active in supporting and delivering community activities. Following is a snapshot of some of these activities within various LALCs.

Bookkeeping Service

Broken Hill LALC has adopted an innovative approach to assist other LALCs with their financial management and reporting. Without resources such as land, water licenses and rural properties, Broken Hill LALC had a limited capacity to grow beyond their housing management service. The CEO and Board identified key strengths within the organisation and subsequently approved the establishment of a Bookkeeping business arm within its structure. The Business arm provides a financial management service to LALCs within the region with limited financial capacity and/or other priority areas for development within their own organisation. The service is based on a fee for service arrangement and currently provides the bookkeeping service to two LALCs in the region, including the preparation of accounts for audit purposes.

The benefits to the LALCs under this service have been enormous from an operational, compliance and governance perspective. The concept promotes and supports business development opportunities from within the LALC network, whilst providing a quality service that meets the reporting and compliance requirements for partner LALCs.

Community Literacy Program

Wilcannia LALC supported a literacy program in partnership with University of New England, Aboriginal Housing Office, Brookfield Multiplex, Central Darling Shire, Murdi Paaki Regional Enterprise Corporation, Ambassador for Cuba, NSWALC, Wilcannia Central School, NSW Police, and supporting NGOs. A number of Aboriginal community members completed the second phase of the literacy program with Wilcannia LALC coordinating and facilitating delivery by accredited local Aboriginal community members. The program continues to be a major success with a successful program recently being delivered in the communities of Bourke, Weilmoringle and Enngonia.

Taroo Lands Cultural Heritage Project

In partnership with National Parks and Wildlife Service, Western Local Land Services, Office of Environment and Heritage, Willandra Lakes World Heritage Area Unit, Taroo Negotiation Team and Barkindji Maraura Elders Environment Team, the Dareton LALC was engaged to undertake a detailed cultural heritage site assessment within the Taroo lands.

The assessment included the training of young site monitors, mapping of cultural sites and protection and fencing of the sites. Outcomes of the project include:

- Improved relationship towards partnership between all stakeholders
- Aboriginal site protection, including the installation of over 700 sandbags and 300sq metres of shade cloth
- 1.5km of stock proof fencing and stock exclusion from culturally sensitive areas
- Wider community education and promotion of the cultural heritage project.

Appin Station Fencing Project

A condition of the transfer of Appin Station from NSWALC to the Menindee LALC was a requirement to complete 90km of boundary fencing. As the previous holder of title, NSWALC was responsible to upgrade the boundary fences and approved the purchasing of fencing material as part of its obligation.

Menindee LALC in partnership with Murdi Paaki Regional Enterprise Corporation agreed to host the Remote Jobs Community Program (RJCP), a Commonwealth employment and training program for identified remote communities, as the work based activity for community participants in completing the fencing requirements.

RJCP participants undertook necessary training as a lead in to the manual labour, and to date have completed approximately 30km of boundary fencing. The partnership between the LALC and Murdi Paaki Regional Enterprise Corporation will continue to grow with other work based activities being planned for Appin Station through the utilisation of the RJCP and community participants.

EASTERN ZONE

The Eastern Zone is geographically the smallest of the five Zones and comprises eleven LALCs. In many respects, however, it deals with a range of more complex issues given the size and strength of Local Aboriginal Land Councils in the region.

The Zone is staffed by a Zone Director, a Senior Support Officer, a Support Officer and a Finance Officer. The skill and dedication of staff enabled the Zone to continue to provide efficient and effective service and support to the Councillor and LALCs within the Zone despite a turnover in personnel.

Eastern Zone Staff have also participated in a number of internal and external learning and development opportunities during the reporting period, such as a Diploma of Management, Cert IV Project Management and Cert IV Training Assessment Education.

Over the last year the Eastern Zone Staff had the opportunity to work with other staff from other Zones at two Zone Conferences during the year. The main focus of the Zone Conferences was to discuss the review of the ALRA and changes required to existing NSWALC policies pending the amendments being approved. The staff then participated in small working groups to prepare draft policies based on the ALRA amendments.

Support to LALCs

The Eastern Zone is responsible for the monitoring of LALC compliance with their statutory responsibilities under the ALRA whilst providing support and advice. The staff provide ongoing support to LALCs in relation to the requirements under the ALRA, operational matters, planning, land dealing matters, human resource functions and assistance with negotiations with government and other stakeholders.

Zone staff make frequent visits to LALCs to provide support on budgeting, releasing of grant funds and any financial performance monitoring and assistance required. This support led to the LALCs improved Risk Assessment System scores.

Community Benefit Schemes

The Zone has been providing assistance to a number of LALCs in the region regarding identified Community Benefit Schemes other than social housing. One LALC in the region submitted an application to NSWALC, which was approved by Council in June 2014. There are currently two additional LALCs in the region that have identified possible Community Benefit Schemes that are consistent with their current Community Land & Business Plans, and will go through the process of seeking NSWALC approval.

Risk Assessment System

During the reporting period the LMSS System was amended in line with changes to the ALRA, NSWALC Funding policy and Funding Agreements. This system has

become the Risk Assessment System. The implementation of the new RAS system went smoothly and saw minimum change to the LALC scores and funding categories. The Zone office maintains the Risk Assessment System for the eleven LALCs in the Sydney/Newcastle region.

Board Elections

The Zone staff officiated as Returning Officers at eleven Elections and numerous Casual Vacancy elections held across the region in the reporting period. Due to the changes to the ALRA, the elected Board Members have been granted an extension to the mandatory governance training awaiting finalisation of the new training package. Training is expected to commence early 2015.

LALC Training

Zone staff continued to attend a range of workshops throughout the year designed to build the capacity of the LALCs. These workshops included Budget and Finance Training for Non Accountants, Workplace Bullying, and Conducting Effective Meetings. Once the zone staff attended these workshops, feedback was given to NSWALC regarding the content of the training, and how they should be rolled out to the LALCs. To date the LALCs in the Sydney/Newcastle region have attended the Budget & Finance Training for Non Accountants.

Social Housing

A number of Social Housing Approval and Provider Evaluation (SHAPE) pre assessments were conducted throughout the year. Four LALCs in the Region are SHAPE approved and a number of LALCs are very close to submitting an Application. Zone staff are continuing to support the LALCs who are yet to apply for SHAPE Approval.

Land Dealings

Eastern Zone staff, in conjunction with the Commercial and Legal Units, continued to work collaboratively to inform LALCs of the land dealings regime within the ALRA, with particular emphasis on LALC land dealing applications. Staff also continued to work closely with the Governance Unit to deal with complaints made by LALC members in the Sydney/Newcastle region.

Regional Forums

Councillor Roy Ah-See conducted a number of Regional Forums in the Zone during the reporting period. These brought together representatives from each of the Local Aboriginal Land Councils in the Region. The forums were attended by LALC Chairpersons and Chief Executive Officers or their delegates.

These 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 and provide a crucial feedback vehicle since the abolition of Regional Aboriginal Land Councils.

Community Land and Business Plans

The Zone Office coordinated a number of Community Land and Business Plan (CLBP) workshops to assist LALCs in preparing to update their CLBPs during the reporting period. Workshops were well received as a positive step forward in ensuring LALCs are well prepared for updating an expired CLBP. All LALCs were working towards the goals and strategies outlined in the plans as the reporting period ended.

NAIDOC

The Zone received invitations from many LALCs in the region to celebrate NAIDOC with them. Zone staff went right across the region celebrating NAIDOC at Maitland, East Lakes and West Lakes (Lake Macquarie), Wyong, Gosford, and Picton. It was a great opportunity to get out and celebrate this special week with the LALCs and Aboriginal communities.

Economic and Community Development

There is a diverse range of Economic Developments within the Sydney/Newcastle Region which includes Sand Extraction, Residential Estate Developments, Friable Sand Stone Extraction, and Sand Dune Adventure Tours.

Community development projects such as the Social Health and Learning hub include Kindergarten Day Care, homework and training centre and gymnasium. Other projects provide a number of wellbeing programs including education focused mentoring, youth justice programs and family wellbeing support.

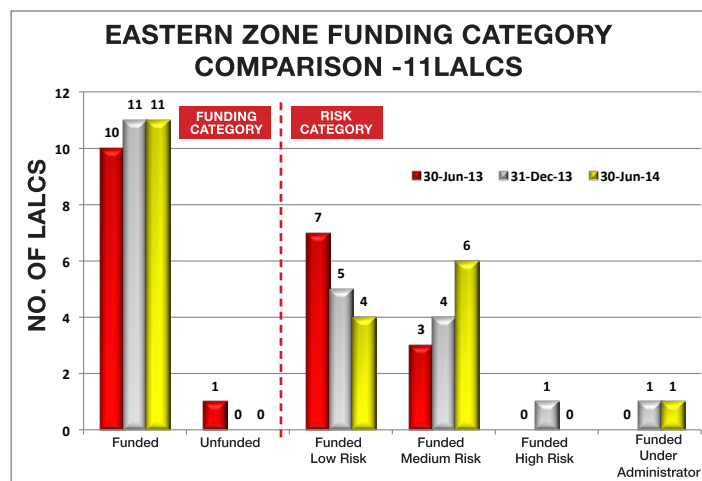
National Aboriginal Health Strategy (NAHS) has been revitalised in the La Perouse Community with the Aboriginal community better placed to enjoy healthier living through this initiative. This resulted in the completion of three purpose built elders residential units as well as a complete refurbishment of two other residences and a series of urgent health and safety repairs on many other homes.

The Lower Hunter Plan

Eight LALCs located in the Lower Hunter Region were keen to show the NSW Government that LALCs are more than just land holders. CEOs met and finalised a response to convey their disappointment with the discussion paper released by the Department of Planning and Infrastructure. This discussion paper failed to recognise the LALCs within the Region as Aboriginal organisations, even though many were the largest private land holders within the local government areas.

LALC Funding

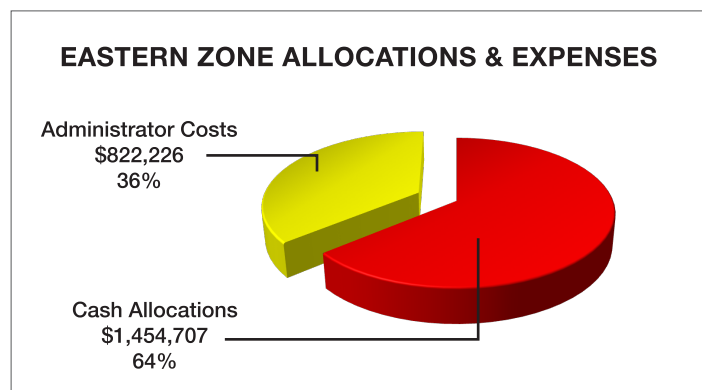
LALCs in the zone progressed through a range of funding categories during the reporting period. The graph below shows the number of LALCs in each funding category at the end of this reporting period, compared with the end of last financial year, and at the end of December 2013.



There is currently one LALC Funded under Administration, and the remaining 10 LALCs have been compliant throughout 2013-2014 and are currently Funded. The Zone assisted the LALCs to build 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 graph below represents the type of allocations and expenses paid to or on behalf of LALCs in the Eastern Zone. The total approved grant for the zone was \$1,339,000. This amount was based on ten LALCs receiving full year allocation as one of the eleven LALCs in the region had remained Unfunded since 2012. The total cash outgoings for the financial year was \$1,454,707, the variation to budget being \$115,707 paid to the Unfunded LALC as they became Funded in August 2013 with the appointment of an Administrator into the LALC.



The graph above shows the dollar amount of each type of cash outgoings, and the percentage of each type of the total cash outgoings for the Zone to the end of the year to 30 June 2014. The total cash outgoings for the financial

year are based on eleven LALCs Allocations of \$1,454,707 and \$822,226.79 paid towards Administrator Costs. No other category of cash outlays has been incurred for the Eastern Zone LALCs.

LALC Debt

The total LALC debt to NSWALC at the end of the reporting period stood at \$1,009,930.21. The total amount of debt has reduced since the prior reporting period as two of the LALCs have paid their debts off in full throughout this reporting period. There will be an increase in LALC debt to NSWALC in the next reporting period due to Administrator Debt within one of the LALCs.

SOUTHERN ZONE

The Southern Zone Office operates from Queanbeyan, servicing a total of 34 Local Aboriginal Land Councils within its boundaries. 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 Councillor’s attention.

Staffing

There are eight staff positions supporting the Zone Director – an Operations Manager, two senior Support Officers, three Support Officers, a Senior Finance Officer and a Trainee Finance Officer. Staff are divided into two operational units, the LALC Support Unit and Finance Unit which work together to provide efficient and effective service and support to the 34 LALCs within the Zone.

Support to LALCs

The primary 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, preservation and protection of Aboriginal culture and heritage, land dealings, human resources and assistance with government negotiations on a range of other issues. All staff have a responsibility to deliver accurate and timely advice to LALCs to meet their responsibilities under the *Aboriginal Land Rights Act* (as amended) and NSWALC Policies.

Regional Forums

Two Regional Forums were convened in the Southern Zone area in December 2013. They included the Wiradjuri Regional Forum held in Wagga Wagga and the South Coast Regional Forum at Batemans Bay.

Participants at both the Wiradjuri and South Coast Forums were informed about NSWALC's proposal to implement an Economic Development Framework that could benefit LALC operations as well as changes to NSWALC Policy on LALC Funding brought about by amendments to the NSW Aboriginal Land Rights Act (ALRA).

Participants also discussed the ALRA Review, Sustainability of the Network, the NSWALC Investment Fund, the NSWALC Strategic Plan 2013-2017, NSWALC's Mining Exploration Licence Applications, developments relating to the Land Claims Appeal Process and Determinations, LALC training needs, Community Land & Business Plans, NSWALC Social Housing Approval and Provider Evaluation (SHAPE) policy, AHO's Build & Grow Strategy, NSWALC's LALC Management Support System and NSWALC's position regarding Culture & Heritage Law Reforms in NSW.

Additionally, participants of the South Coast Regional Forum were presented with information relating to the Australian Indigenous Mentoring Experience as well as the Southern Shire Councils Group campaign to reduce illegal dumping on public land.

LALC Board Elections

As 2013-14 was a LALC Board election year the Southern Zone conducted 32 Board elections with a total of 241 (137 female and 104 male) Board members elected, 90 of those elected were new Board members. The Southern Zone conducted a total of four casual vacancy elections in the reporting period; this resulted in the election of six new Board members (four female and two male).

LALC Training

Southern Zone staff continued to focus on the internal governance training of LALCs in 2013-14. A number of Board Members throughout both Wiradjuri and South Coast regions completed the online governance training.

The following tables represent the breakdown of governance training completed in each region.

WIRADJURI	NO. BOARD MEMBERS COMPLETED	COMPLETION DATE
Albury	7	15th April 2014
Condobolin	4	11th March 2014
Deniliquin	4	15th April 2014
Griffith	6	13th March 2014
Murrin Bridge	5	12th March 2014
Brungle/Tumut	4	31st March 2014
Wamba Wamba	4	15th April 2014

SOUTH COAST	NO. BOARD MEMBERS COMPLETED	COMPLETION DATE
Jerrinja	7	19th March 2014
Illawarra	3	16th June 2014
Mogo	9	18th March 2014

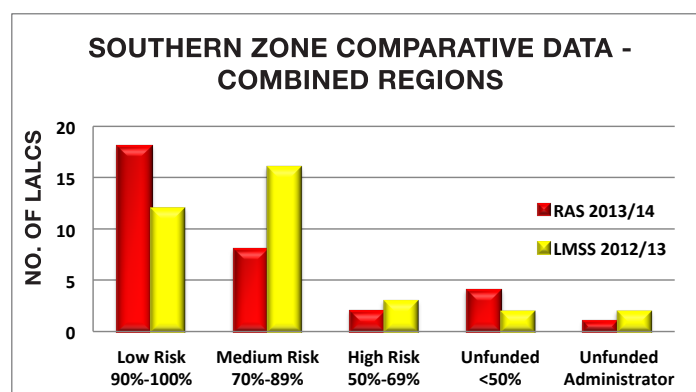
The Southern Zone office also conducted workshops to assist LALCs in the preparation for the 2014-15 Budget Application process. Ten participants attended the budget training which is provided each year to LALC CEOs.

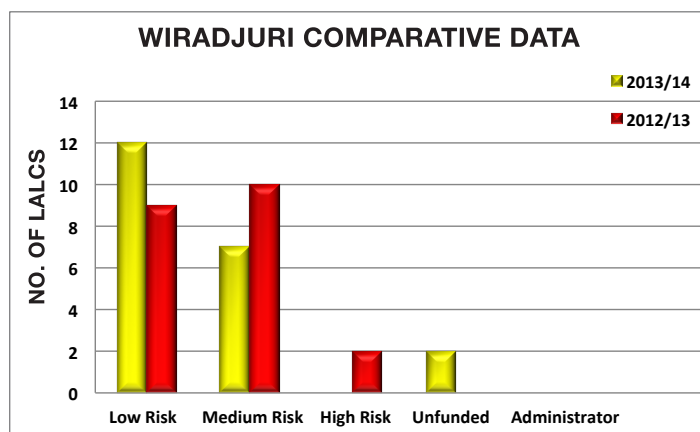
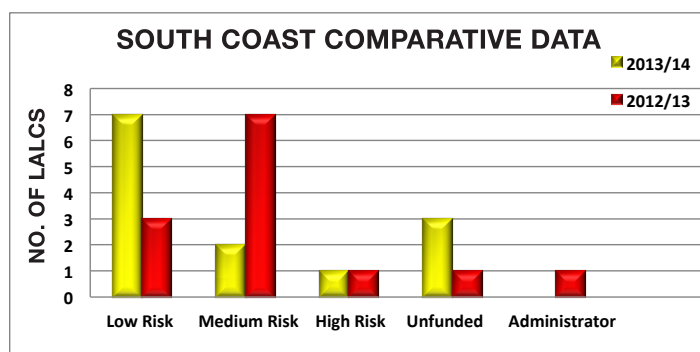
Risk Assessment System

In the second half of the financial year, the LALC Management Support System (LMSS) was replaced with the Risk Assessment System in January 2014. The new system still promotes an effective level of compliance by LALCs with the ALRA, the funding policy and the individual funding agreement. The RAS acknowledges that different LALCs pose different levels of risks to the network.

The following graphs outline LALC risk ratings achieved in the 2012-13 & 2013-14 financial years within the Wiradjuri and South Coast regions utilising both the LMSS and RAS. This is also an indication of the effect on LALC risk ratings due to the transition from the former LMSS to the RAS regime from an overall perspective. Significant results were achieved within both the South Coast Region and the Wiradjuri region in the financial year. A total of 67 assessments (LMSS & RAS) were conducted with LALCs in both regions in this period.

The graphs below provide an overarching comparison of LALC movements in terms of risk ratings over the 2012-13 and 2013-14 financial years for both the South Coast and Wiradjuri Regions. This is also an indication of the effect on LALC risk ratings due to the transition from the LMSS to RAS on a regional basis. The Southern Zone works collaboratively with LALCs to adapt to a changing environment while meeting compliance requirements and maintaining LALC operations.





END OF FINANCIAL YEAR RISK RATING - SOUTH COAST LALCS	2012-13	2013-14
High Risk: 50-69%	1	1
Medium Risk: 70-80%	7	2
Low Risk: 90-100%	3	7
Unfunded	1	3
Administrator	1	0

END OF FINANCIAL YEAR RISK RATING- WIRADJURI LALCS	2012-13	2013-14
High Risk: 50-69%	2	0
Medium Risk: 70-80%	10	7
Low Risk: 90-100%	9	12
Unfunded	0	2
Administrator	0	0

LALC Social Housing Activity

The Southern Zone assisted LALCs to finalise their arrangements for the future management of their Social Housing Schemes by presenting detailed information at

LALCs member meetings and ongoing support in relation to the NSWALC Social Housing Approval and Provider Evaluation (SHAPE).

To date only two LALCs have gained approval under SHAPE to manage their own housing and no new approvals occurred during the reporting period. A further four applications were received in the reporting period and these are currently being assessed to ensure that they meet all statutory requirements before being submitted for approval. A further eleven LALCs have indicated that they intend to submit SHAPE applications prior to June 2015.

A total of ten LALCs have entered into Head Lease arrangements with the New South Wales Aboriginal Housing Office (AHO). Of these, three were approved during the reporting period. A further eight LALCs have indicated that their preferred housing management arrangements is by head leasing to AHO but are yet to hold a Land Dealings Meeting to obtain members approval for this action.

Community Land and Business Plans

All but one of the 34 Southern Zone LALCs had NSWALC Approved Community Land and Business Plans (CLBP) in place during the reporting period. Of the twenty nine expired or due to expire during the year, seven had revised CLBPs approved by Members and NSWALC, two have submitted their CLBP to NSWALC for approval and a further seven have submitted draft plans for NSWALC consideration prior to obtaining Members approval. The remaining LALCs are in the process of reviewing their plans. These plans are expected to be completed and approved by June 2015. None of the CLBPs will expire during the next reporting period.

Land Claims, Dealings and Management

In conjunction with NSWALC Commercial Unit, a Zone priority was assisting and guiding LALCs with the Land Dealings process in relation to Head Leasing of the LALC Social Housing Scheme to the AHO. During the year the Southern Zone provided advice and support to the following LALCs who successfully held Land Dealing decisions in relation to Head Leasing proposals:

LALC	STATUS
Condobolin	Approved by NSWALC October 2013
Wagonga	Approved by NSWALC February 2014
West Wyalong	Approved by NSWALC October 2013

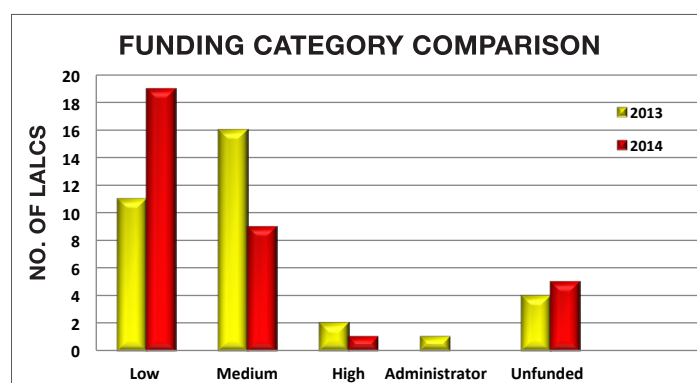
The Southern Zone continued to provide advice and support with regard to the following successful Land Dealings decisions:

LALC	STATUS
Cobowra	Proposed sale of several lots to Eurobodalla Shire Council
Bathurst	Proposed easement Lot 250 DP 1158187 to Transgrid
Condobolin	Transfer of old land claims land from NSWALC : Lots 36,43,44,47-53,57,58 DP 754800 Barton Street & Lot 5 DP 258822 WLL 1429 Nymagee
Cummeragunja	Proposed sale to tenant – 2-10 Corry Street Barmah VIC
Deniliquin	Proposed easement over several lots - 91/756310, 1/107/758782 & 2/107/7587822, 4/107/758782, 5/8/107/758782, 6/8/107/758782, 8/107/758782 & 20/107/758782.
Griffith	Proposed subdivision and development of "Three Ways" being former Reserve Lot 1222 DP 751709, Wiradjuri Pl, Griffith
Merrimans	Proposed 4x 5 year consecutive lease to NBN- Part lot 835 DP 752155
Mogo	99 Year lease to Goobah Development Pty Ltd- 20 Queen Street Mogo being Lots 13-17 Sec 17 DP 758688
Murrin Bridge	Consent to lodge DA to demolish 34 Nyampha Street, Murrin Bridge
Ngambri	Multi lot residential subdivision and development in Lowe Street, Queanbeyan., Easement and boundary adjustment - Lot 65 DP 754907
Orange	Proposed Training Centre Development – JV Lot 224 & 225 DP 101881. Proposed granting of mortgage in favour of Westpac Bank over lot 952 DP 833085 being 46 Dalton Street, Orange. Proposed DA for motel development – JV Lot 230 DP 1011881
Wagga Wagga	Subdivision and sale - Best St, Uranquinty, DA to renovate 153 Docker Street, Mortgage over 159 Docker Street, Sale of vacant lots - Lots 1,2,9 & 10 DP Sec 6 DP 758326 Currawarna and Lot 4 DP 249556 Koorngal
West Wyalong	Sale to encroaching neighbour Lot 964 DP 753135

The Southern Zone also provided support to LALCs throughout 2014-15 with regards to identifying, protecting and preserving culture and heritage within their boundaries and secure areas of land through successful land claims. The following Land Claims were successfully appealed by NSWALC on behalf of the following LALCs in the Southern Zone area during the reporting period.

LALC	STATUS
Peak Hill	ALC 18347 - Lot 19, DP754013 settled on 19/7/13
Ulladulla	ALC 25429 - Lot 7304, DP1166765ALC settled on 7/3/14

Monitoring & Compliance



A total of 30 Funding Agreements and one Assistance Agreement were offered to LALCs during the second half of the year. The status of LALC funding categories are outlined in the table above.

The graph represents comparative funding categories between the 2013-2014 financial year and the prior reporting period. It demonstrates an increase in the number of both low risk rated and unfunded LALCs and a decrease in the number of medium and high risk rated LALCs as well as those under administration. This is considered a reflection of both the deployment of the new RAS and an increase in the number of LALCs unable to elect a board.

The Southern Zone developed and implemented a strategy during the current reporting period to make operational payments on behalf of five LALCs experiencing ongoing governance issues. All five were assisted under the discretionary powers of the delegate. In one case an Assistance Agreement was offered, but the LALC was not in a position to accept the agreement, another of the LALCs returned to a funded category for a short period of time but was not able to sustain this, even with the intensive support provided by Southern Zone. Three of the five LALCs remain unable to engage the services of a Chief Executive Officer.

Southern Zone staff continue to provide support to all LALCs with a view to resolving both ongoing and new issues. Currently there are no LALCs operating under an administrator.

WESTERN ZONE

The Western Zone office covers a large area of New South Wales. Its administrative reach extends from Toomelah and Boggabilla in the north, Bourke in the west and to Mudgee in the east.

There are 25 Local Aboriginal Land Councils within two regions: nine in the Central Region represented by Councillor Stephen Ryan and sixteen in the North Western Region represented by Councillor Anne Dennis. Zone Office staff work closely with both Councillors in the Western Zone, providing regular and extended outreach services to LALCs.

Staffing

The Zone Director is supported by five staff: a Senior Finance Officer, Finance Officer, two Senior Support Officers and a Support Officer. Western Zone Staff participated in a number of internal and external learning and development opportunities during the reporting period, such as a Diploma of Management and LALC Pilot Training.

Over the last year, Western Zone staff had the opportunity to work with other Zone staff at two Zone Conferences. The main focus of the Zone Conferences related to changes required to existing NSWALC policies due to anticipated legislative amendments.

Support to LALCs

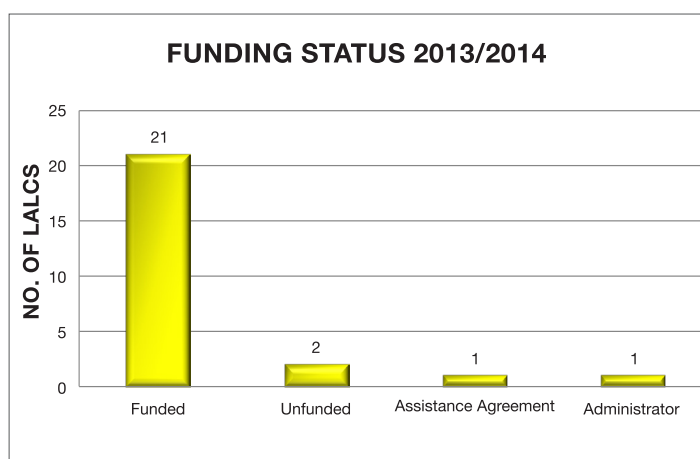
Zone staff have responsibility for delivering two primary services to LALCs. The first is to monitor LALC compliance with their ALRA responsibilities; and the second is to provide support and capacity development. NSWALC utilises two key monitoring and compliance processes - the LALC Compliance database and the Risk Assessment System. These tools enable NSWALC to determine whether a LALC has met their ALRA compliance responsibilities and determine a risk rating that allows NSWALC to provide funds to LALCs in a risk averse and responsible manner.

Compliance and Funding Status

Western Zone staff provide monitoring and support to LALCs to assist them in meeting their responsibilities and obligations under the Aboriginal Land Rights Act 1983. Compliance with the ALRA is a critical consideration in providing funding to LALCs.

Due to legislative changes that affected NSWALC funding to LALCs, two six monthly funding agreements were offered during the 2013-14 financial year.

- During the first six months, 22 Funding Agreements and three Assistance Agreements were offered
- During the second six months 21 Funding Agreements and one Assistance Agreement were offered
- During the same period one Administrator was appointed

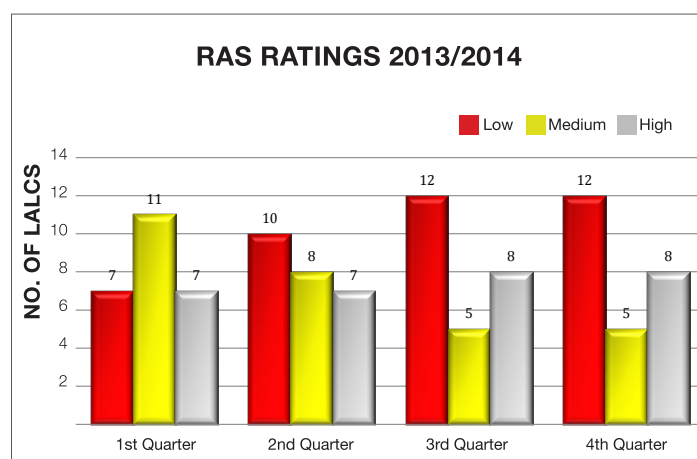


Risk Assessment System

The Risk Assessment System is a risk management tool utilised by NSWALC to assess LALC operations in a number of critical operational areas. The RAS has been adopted as the primary risk assessment tool used by NSWALC to determine what risk category a LALC will fall into. This determination provides guidance as to the terms and conditions under which annual NSWALC funding will be offered.

The RAS assessments also highlight specific areas of operational weaknesses at an early stage, allowing for necessary and immediate action to be taken to address any deficiencies. Early detection and early intervention assists LALC capacity building, mitigates poor operational performance and enhances positive audit outcomes. Overall, the improvement in performance and the mitigation of risk areas has been considerable.

*Third quarter results were rolled over to the fourth quarter as part of the adjustment from LMSS to RAS



Support and Capacity Development

A number of capacity development initiatives were provided to LALCs during the reporting period. This included providing mandatory governance training to Boards and operational training to LALC CEOs.

Board Governance Training and Elections

Zone staff provide group or individual governance training to LALC Boards to ensure the elected representatives receive the relevant mandatory training to enable a better understanding of the role of the Board and meet compliance in this important function.

To ensure Board Members have undertaken mandatory governance training, the Western Zone and the NSWALC Training and Development Unit have conducted a number of workshops to provide training to new Board Members.

Zone staff also officiated as Returning Officers at twenty three elections and numerous Casual Vacancy elections held across the regions in the reporting period.

LALC CEO Training

During the year, zone staff provided significant training to LALC CEOs in many operational areas. This training has been provided in conjunction with RAS assessments, or if necessary, in between assessments for LALCs that need more intensive assistance.

Training has been provided to LALCs in office administration, financial management, human resource management and governance. The provision of training and other capacity building initiatives has resulted in significant improvement in operational performance and ALRA compliance.

Regional Forums

A number of Regional Forums were conducted during the reporting period. The forums are attended by representatives from LALCs in each Region. The forums provided LALCs with an opportunity to voice concerns on issues of particular interest to them. They are also a valuable opportunity to share information. During this reporting period, LALCs also had the opportunity to participate and contribute to the ALRA review.

Water and Sewerage

NSWALC and the NSW Government have combined to fund the Aboriginal Communities Water and Sewerage Program to ensure water and sewerage services in Aboriginal communities are operated and maintained to the standard normally provided in the wider community. Zone staff continue to monitor the roll out of the Water and Sewerage Program and actively engage with LALCs and NSW Office of Water to resolve a variety of issues as required.

Community Land and Business Plans

During the reporting period, zone staff facilitated a number of LALC CLBP reviews to assist LALCs with updating their CLBPs. All LALCs continue to report to NSWALC on progress in implementing the strategies outlined in their CLBP.

NSWALC investments are managed by the Chief Investment Officer. This position has the overall responsibility for the establishment and oversight of risk management and reviews of NSWALC's investments.

Risk management policies are established to identify and analyse the risks faced by the Council, to set risk limits and controls, and to monitor risks. Compliance with policies is also reviewed by the Internal Auditor on a continuous basis.

Statutory Investment Fund

The NSWALC Statutory Investment Fund was established under the *Aboriginal Land Rights Act 1983*. For fifteen years (1984 - 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 accumulated over the first 15 years of the Council's existence and stood at \$281 million at December 1998 when the land tax payments stopped.

Since then, NSWALC and the land council network have been self sufficient. The network is not funded by the taxpayers of NSW.

Current Management and Value

The Statutory Investment Fund was valued at \$633 million as at 30 June 2014, compared with a value of \$591 million at the end of the previous year. This represents an increase of \$42 million in the value of the Fund over the reporting period, largely the result of a strong investment performance.

Where Our Money Goes

A major component of NSWALC's annual budget is the direct funding to Local Aboriginal Land Councils. This funding is delivered in a direct grant allocation of \$133,900 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 \$36.09 million was made during the year to fund the operational expenditure of the land rights network, including the administrative costs of both NSWALC and LALCs.

The required draw down for the new financial year is expected to be \$38.99 million. Many LALCs face difficulty meeting their financial and reporting obligations. NSWALC supports those under-performing LALCs. 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.

Investment and Growth of the Fund

The fund is to provide compensation for future generations. Prudent financial management is essential to maintain growth. It is important to understand that while NSWALC has substantial sums 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 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
- provide a stable and growing level of distributions for funding NSWALC's ongoing activities
- at least preserve the indexed book value of the assets.

The Council has defined this Investment Mission into a set of measurable Real Return and Downside Risk Objectives:

Real Return Objective

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

Limit the probability of a negative return in any year to less than 20%.

These objectives sit alongside the investment beliefs of the Council as set out below:

NSWALC INVESTMENT BELIEFS

Mission and Governance	Implication
1. Investing	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	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)

NSWALC INVESTMENT BELIEFS

Mission and Governance	Implication
3. The principal time horizon of the Fund is relatively long term	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	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	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)	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	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	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 factors in the previous drawdown, average asset value and long term spending rate in calculating the projected drawdown. The annual future drawdown is equal to 70% of the drawdown in the previous year and 30% of the average asset value in the previous year times the long term spending rate. Therefore, the projected maximum drawdown for expenditure in 2014-2015 is 4.82% of the investment balance. This constraint on the drawdown 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 Councillors Des Jones and Anne Dennis represented the Council. The Investment Committee held four meetings during the reporting period on 23 June 2014, 13 March 2014, 25 November 2013 and 23 August 2013.

Investment Decisions

Significant investment decisions during the year included the appointment of Fund Managers Allan Gray, Alleron and Investec and the removal of Northward, Ardea, BT and Rogge.

The Strategic Asset Allocation (SAA) remained unchanged for the period as shown:

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%

NSWALC commissioned testing of the current strategic asset allocation against the return and risk tolerance statements using our asset consultants capital market assumptions (June 2014).

STRATEGIC OBJECTIVE	CURRENT STRATEGY
Invest so as to have a greater than 66% probability of achieving a return of the Consumer Price Index plus 4%, over rolling 5 year periods	70.7%
Limit the probability of a negative return in any year to less than 20%	16.1%

The investment portfolio provided a return of 13.31% against a benchmark of 12.09% for the twelve months to 30 June, 2014. The table below details the investment in each asset class of the portfolio and its performance against the appropriate benchmark.

Investment Performance

The portfolio has the following expected outcomes over 20 years: Return: 8.58% pa. Risk: 9.57% pa

LONG TERM PERFORMANCE					
Returns to 30 June 2014	FUM \$000	Quarter %	Year %pa	3 Years %pa	5 Years %pa
NSWALC Fund	616,529	2.71	13.31	11.17	11.35
NSWALC Fund Benchmark		2.94	12.09	9.70	9.46
Consumer Price Index + 4% pa		1.00	6.53	6.04	6.56
Consumer Price Index + 5% pa		1.25	7.53	7.04	7.56
Australian Equities	80,685	0.70	17.65	10.90	11.15
S&P/ASX 300 (All Ords before 1/4/2000)		0.86	17.25	9.95	10.95
Excess Return Over Benchmark		-0.16	0.39	0.95	0.20
International Developed Equities (unhedged)	216,778	2.44	18.83	15.75	13.61
MSCI World ex Aust (unhedged)		3.03	20.41	16.83	11.49
Excess Return Over Benchmark		-0.60	-1.58	-1.08	2.12
Emerging Markets	37,751	6.24	5.56	6.82	-
MSCI EM (Free) NET WHT		4.67	10.86	3.88	5.91
Excess Return Over Benchmark		1.57	-5.30	2.94	-
Total International Equities (including hedging)*	255,112	3.50	17.45	13.06	-
Composite International Equities BM		3.88	21.50	15.35	-
Excess Return Over Benchmark		-0.38	-4.05	-2.29	-
Global Listed Property	33,575	6.75	16.02	-	-
FTSE EPRA/NAREIT Dev (HDG)		7.84	15.33	13.80	19.33

LONG TERM PERFORMANCE

Returns to 30 June 2014	FUM \$000	Quarter %	Year %pa	3 Years %pa	5 Years %pa
Excess Return Over Benchmark		-1.09	0.68		-
Australian Fixed Interest	37,461	1.42	3.54	5.51	5.92
International Fixed Interest	36,418	1.39	4.63	6.57	6.83
Aggregate Fixed Interest	73,878	1.40	4.00	5.96	-
50% UBS Composite Bond All Mats, 50% Citigroup WGBI HDG AUD		2.77	6.74	7.43	-
Excess Return Over Benchmark		-1.37	-2.74	-1.47	-
Australian Inflation Linked Bonds	31,818	1.32	4.66	5.15	-
UBS Inflation Linked Bond Index		5.59	8.99	8.84	8.82
Excess Return Over Benchmark		-4.27	-4.33	-3.69	
Absolute Return	35,817	6.16	16.84	12.67	12.27
UBS Bank Bill		0.67	2.68	3.55	3.90
Excess Return Over Benchmark		5.50	14.15	9.12	8.36
Diversified Fund of Hedge Funds	98,573	1.80	9.35	6.68	-
UBS Bank Bill		0.67	2.68	3.55	3.90
Excess Return Over Benchmark		1.13	6.67	3.13	
Cash	7,002	0.66	2.67	3.53	-
UBS Bank Bill		0.67	2.68	3.55	3.90
Excess Return Over Benchmark		-0.01	-0.01	-0.02	

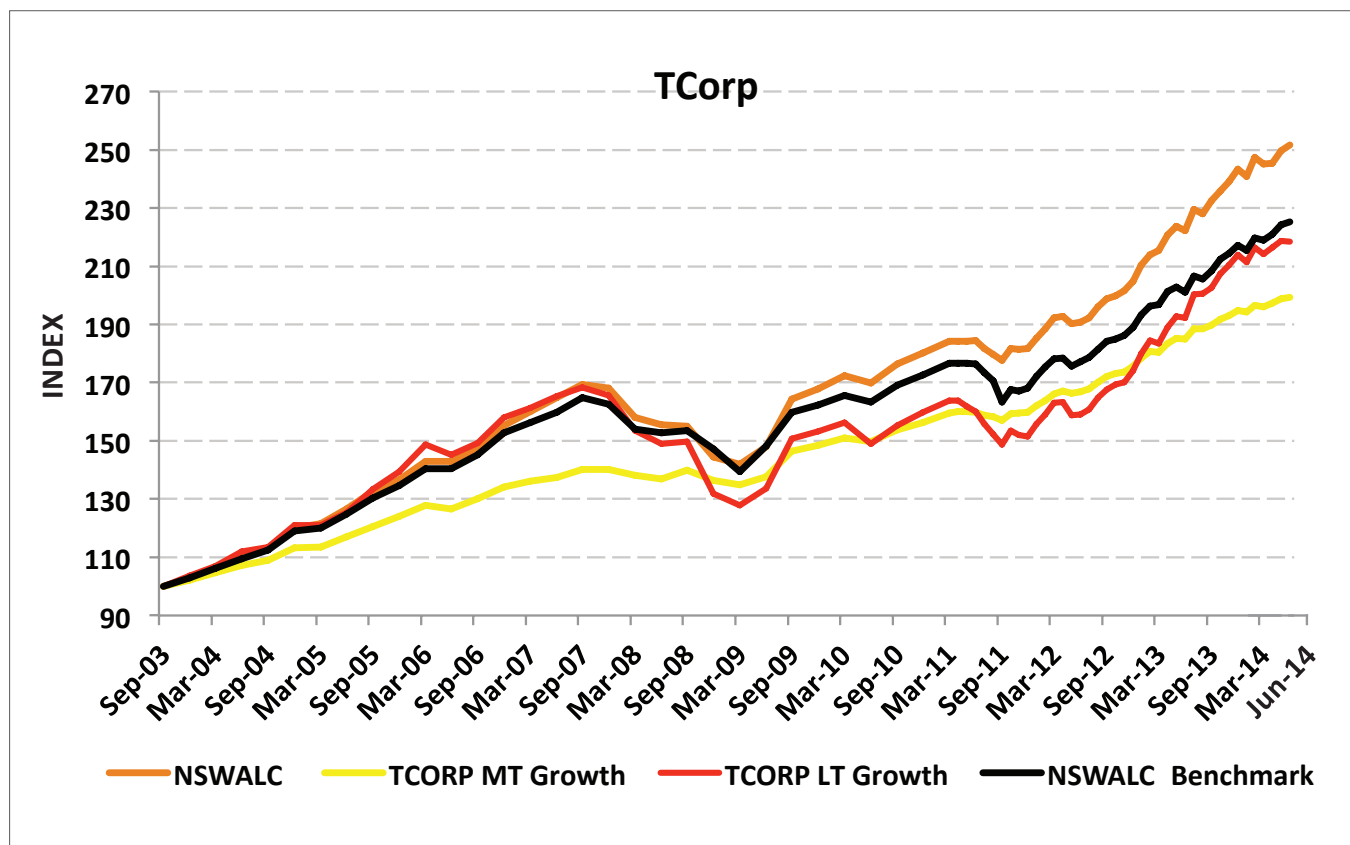
*Total International Equities (including hedging) includes International Developed Equities (unhedged), Emerging markets and Currency Hedging.

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 New South Wales Treasury Corporation.

NSWALC's investment rationale is to promote diversity

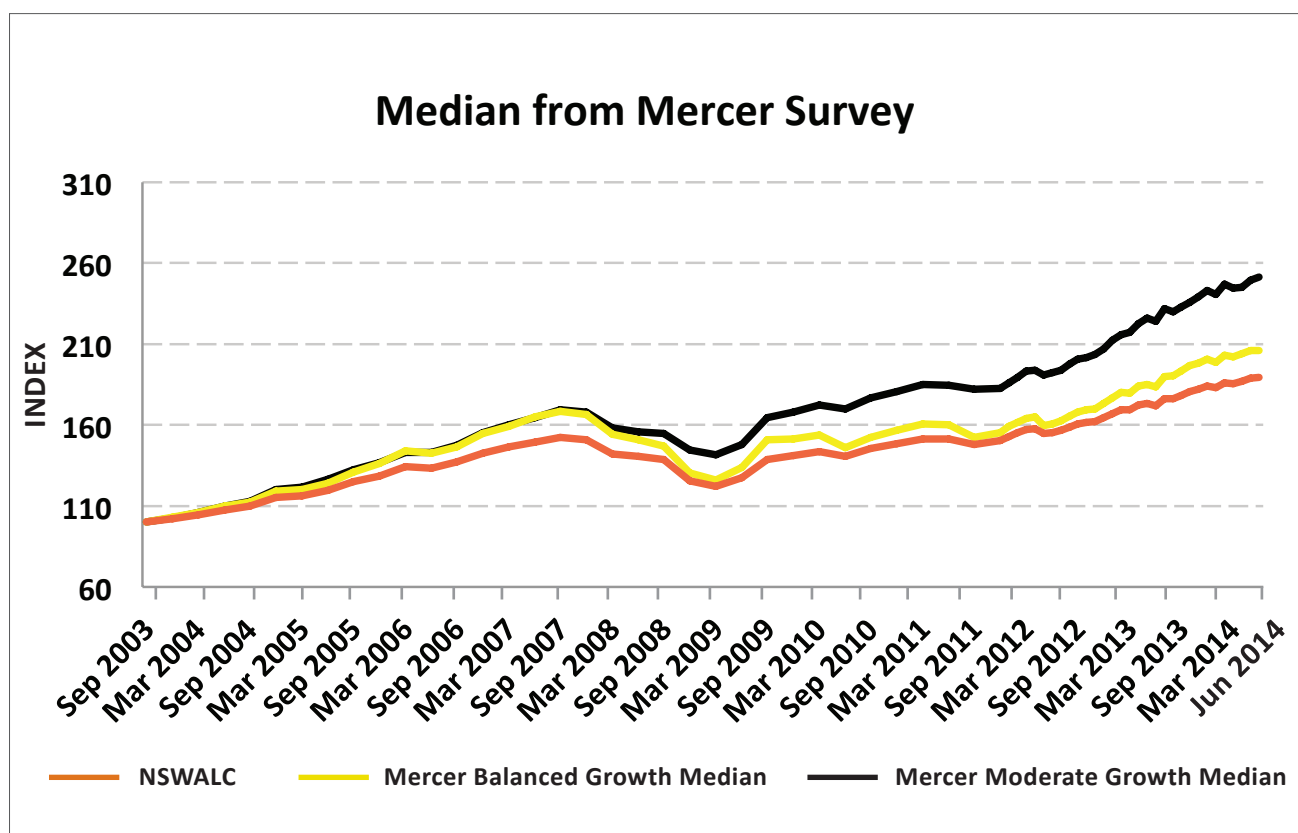
across asset class and across fund managers. This conflicts with the belief that the funds should be invested solely with NSW Treasury Corporation. NSWALC's investment position is validated by this performance which clearly shows NSWALC's performance to be less volatile as well as better performing over the different market cycles than either of the comparable TCorp investments.



RETURNS AS AT 30 JUNE 2014	QUARTER	1 YEAR	3 YEARS	5 YEARS
Total Fund	2.71	13.31	11.17	11.35
Fund Benchmark	2.94	12.09	9.70	9.46
TCorp Medium Term Growth (pre-tax)	1.63	7.65	7.53	7.68
TCorp Long Term Growth (pre-tax)	1.98	13.57	10.72	10.29

The table below compares the performance of the NSWALC portfolio against two Mercer median portfolios. This provides a comparison of the performance of NSWALC's portfolio

against similar portfolios held by other institutions. NSWALC's portfolio has performed extremely well relative to its peers.



RETURNS AS AT 30 JUNE 2014	QUARTER	1 YEAR	3 YEARS	5 YEARS
Total Fund	2.71	13.31	11.17	11.35
Fund Benchmark	2.94	12.09	9.70	9.46
Mercer Moderate Growth Median (pre-tax)	2.05	10.90	8.83	8.94
Mercer Moderate Growth Upper Quartile (pre-tax)	2.15	11.88	9.27	9.48
Mercer Balanced Growth Median (pre-tax)	2.16	13.88	10.32	10.10
Mercer Balanced Growth Upper Quartile (pre-tax)	2.36	14.87	11.10	10.66

The Media & Marketing Unit has an important role in the ongoing development and promotion of the objectives of the New South Wales Aboriginal Land Council and the land rights network.

It aims to raise the profile of the organisation and to facilitate improved communication within the Land Council network and the broader community about matters of significance to Aboriginal peoples in NSW.

It seeks to do so by increasing awareness of the importance of land rights, culture and heritage matters, social and economic objectives and attendant issues. This underpins the advocacy work of NSWALC, its staff, and Local Aboriginal Land Councils.

The Unit's formal functions and responsibilities include:

- providing strategic advice and briefings on media and marketing issues to Councillors, Local Aboriginal Land Councils and senior staff
- attending regional forums hosted by NSWALC Councillors
- media monitoring
- media training
- initiating positive stories about land rights and the land rights network
- 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.

During the year under review, staff in the Unit continued to visit communities around NSW to film the successful series "Legends of Land Rights", being a series of interviews of prominent persons in the land rights movement, to capture their stories and experiences.

In June 2014 the Unit issued the last edition of Tracker, a print form monthly magazine that had been published by NSWALC since 2011. This occurred as a result of the NSWALC Council's decision in February 2014 to phase out publication of Tracker and pursue a new direction to communicate directly with the land council network, key stakeholders and the wider community. Tracker was subject to the same challenges faced by mainstream print media in terms of cost and effectiveness, as well as the rise of the Internet and social media. The NSWALC Council therefore decided to move to a new web based, digital and interactive communications strategy including a new monthly e-newsletter with a view to informing existing Land Council members about land rights as well as seeking to engage with non-members and Aboriginal youth. The new website ourmob.org.au and associated e-newsletter are to be launched in the new financial year. NSWALC acknowledges the dedication of the staff that put together Tracker and their hard work on this magazine.

Corporate Services Division is responsible for providing a wide range of services including finance, records management and administration, human resources and training, information and communications services. These services are provided through four functional business units detailed as follows.

FINANCE UNIT

The Finance Unit is directly responsible for the financial management and stewardship of NSWALC. It provides the comprehensive range of financial services necessary to manage financial resources and discharge the financial accountability function in an effective and efficient manner. The Unit ensures that NSWALC's financial position remains healthy and sustainable. The Finance Unit also undertakes an ongoing review of Treasury Circulars, guidelines, Australian Accounting Standards and interpretations, financial management policies and procedures to ensure that NSWALC adopts best practice and meets its legislative and business requirements.

The Finance Unit Manager is supported by five staff members who are responsible for the following functions:

- Preparation of the NSWALC annual budget with the aim of controlling expenditure within the 'drawdown rule' and at the same time allocating resources in an efficient manner to achieve strategic objectives and goals.
- Provision of efficient and timely accounting services including accounts payable, receivable, other transaction processing and responding to all finance related queries.
- Ensuring statutory and regulatory compliance on all financial matters that affect NSWALC.
- Preparation of monthly cash flow forecast to coordinate with the Chief Investment Officer for redemption of investments to ensure sufficient funds are available for the payment of monthly commitments.
- Ensuring timely payments of all commitments including salary for staff and Councillors, allocation to LALCs, grant payments and credits.
- Analysing earnings and expenditure against budget.
- Monitoring and reporting investment performance.
- Debt management of all debts receivable from LALCs and coordinating with zone staff to recover outstanding debts.
- Reporting periodically on the financial performance and sustainability of NSWALC.
- Preparation of Year End Financial Statements for External Audit.
- Facilitating NSWALC asset management in respect of

valuation, recording and control of its existence.

- Facilitating the implementation of cost saving measures approved by the Council.
- Implementation of audit recommendation to improve controls and efficiency.
- Developing or updating various financial policies and procedures to improve governance and internal controls.
- Collection and analysis of information to facilitate the implementation of the strategic plan.

Finance Unit Achievements

- Analysis of the cost drivers and nature of expenses with the goal of controlling expenditure within the "drawdown rule" which was instrumental to the preparation of the 2014-15 annual budget.
- Preparation of monthly management accounts to submit to the Finance Committee and the Council. The report now provides meaningful information for monitoring performance and decision making.
- Successfully recorded all investment transactions from excel spreadsheets into SAP Inventory System to maintain proper monitoring and control of data.
- Efficient management of payments with limited resources within required time frames.
- Timely accounts and reports on investments to the Chief Investment Officer to monitor and control investments.
- Correct forecasts of all monthly cash flow requirements to ensure no cash shortage occurs as well as prevention of excess cash in the operating account.
- Preparation of Year End Financial Statements within the legislative timeframe and submitted to the relevant Committees.
- Receipt of an unqualified audit opinion from the Auditor General issued on the financial statements of 2012-2013 as prepared by the Finance Unit.
- Co operation with both Internal and External Auditors to perform their audits and implemented any suggested recommendations to improve internal controls.

HUMAN RESOURCES & TRAINING UNIT

The Human Resources and Training (HR&T) Unit provides NSWALC with a comprehensive range of human resources and training development services. The Unit also undertakes an ongoing review of workplace related policies and procedures to ensure the organisation adopts best practice and meets its legislative and business requirements.

The HR&T Unit Manager is supported by four staff members with the following functions and responsibilities:

- Maintaining the organisational establishment of employees needed to accomplish NSWALC's priorities as per the Strategic Plan and continuously maintaining organisation structure changes
- Staffing recruitment and induction
- Coordinating career development, involving learning and training functions/programs in line with the Capacity Development Plan
- Employee maintenance including:
 - Employment relations policies, strategies and programs
 - Provision of employee terms, conditions, entitlements and salaries
 - Processing and payment of employee entitlements
 - Rights and protections:
 - Workplace Health & Safety (WH&S)
 - Workplace and Industrial Relations
- Performance planning and monitoring
- Advocacy and dispute resolution.

The Unit also maintains a five year Capacity Development Plan and provides an extensive range of training and development services for Councillors, staff, and Local Aboriginal Land Councils in NSW. These services are aimed at improving governance and providing capacity building by achieving sustained improved efficiency and effectiveness in Land Council operations.

The training functions include:

- Development of the NSWALC Capacity Development Plan
- Working in collaboration with the Zone Offices to:
 - determine training needs for LALC Network
 - develop training materials for LALC training
 - provide training to LALC network
- Sourcing external funding and/or related assistance
- Provision of mandatory governance training
- Monitoring and reporting of training and development activities.

Recruitment

Recruitment for the role of the new CEO was undertaken and finalised in May 2014. As a result, recruitment action for the new Deputy CEO position commenced in June and the outcome of this action will be reported in the next year. Other recruitment action and the filling of vacant positions throughout the reporting period were minimal, reflecting the continued low employee turnover activity within the organisation.

Organisation and Establishment Structure

During the reporting year the HR&T Unit was involved in regularly monitoring and updating the organisational establishment, detailing all of the approved variations to Business Unit/Zone structures, position titles, classification, grading, and employment arrangements. The Unit also assisted a number of Business Units in the preparation or review of position descriptions and then having them assessed and evaluated.

Employment Conditions

NSWALC's application for a new 2013-2016 Enterprise Agreement was confirmed by the Fair Work Commission and it commenced operation from 4 November 2013. The Enterprise Agreement sets out and details all the differing employment conditions/arrangements and entitlements for NSWALC staff.

Payroll and Salaries

In April 2014 the ICT Steering Committee approved the implementation of the Revised Payroll system, which will include a number of improvements to the current payroll services. It is planned that the new system will be introduced in a phased approach and reported in the next year.

During the year NSWALC passed on salary entitlement increases determined under the NSWALC Enterprise Agreement and Senior Manager Salary Framework (SMSF). Comparative forecast and actual staff salary projection schedules were also prepared during the year for inclusion into the Budget process for the current financial year and forward years.

Workplace Health and Safety

In accordance with the Workplace Health & Safety legislation, the NSWALC WH&S Committee met regularly throughout the year. The Committee's main focus involved:

- Provision of WH&S Information Sessions for Council and Executive
- Information Sessions to the LALC Network
- Completing and updating hazard reporting and inspections for all Zone and Head offices
- Revision of WH&S policies and procedures.

The 2013-14 Internal Audit Plan required Deloitte, the internal auditor, to undertake a Follow-Up WH&S assessment of compliance. The outcome of this follow-up was not finalised by the end of June and will be reported next year.

Policy Review

During the year the HR&T Unit undertook a review of a number of significant policy and development processes:

- A new Code of Conduct was endorsed by the NSWALC Council in October. Since then discussions and clarification have been held involving the Registrar's

Office and NSWALC is currently awaiting the Registrar's approval of the new Code.

- The Aboriginal Employment Plan was endorsed by the Council in February. The Plan detailing and explaining the organisation's overall policy on Aboriginal employment and career development.
- The Performance Agreement Planning Assessment process and forms were reviewed and it is anticipated the new system will commence early in the new year.
- NSWALC's Travel, Meal and Other Allowances policy rates were also updated.

Traineeships/Internships/Work Experience

During the year two new Aboriginal Employment Traineeships commenced, one in December and the other in May. These Traineeships will initially cover a two year program where NSWALC will support the successful candidates with the provision of Cert III or Cert IV in accredited training via a registered training provider, providing the trainees with mentoring and the opportunity to gain work experience while learning.

NSWALC also engaged the services of a number of Interns under a Professional Year Program/Skilled Migration Internship Program in the Policy & Research and Legal Units. A number of work experience opportunities were also offered during the year at both the Head Office and Zone Offices.

Industrial Relations

During the reporting period one significant industrial relations matter arose involving a former employee. The matter was listed for conference before the Fair Work Commission, with the outcome being successfully negotiated and a notice of discontinuance issued from the Fair Work Commission.

Training

NSWALC's Training is committed to providing NSWALC Councillors, staff and Land Councils Network with training and development opportunities relevant to NSWALC's corporate priorities identified in the Strategic Plan 2013-17. The 2013-14 financial year has been a very active period with varied training initiatives planned and accomplished as detailed below.

Capacity Development Plan

NSWALC Strategic Plan 2013 – 2017 identified 5 key priority areas, including "Driving Our Economic Development". Skills development through appropriate/adequate training to LALCs was considered the right direction to take in achieving Strategic Planning initiatives.

As per the requirements under s107 of the *Aboriginal Land Rights Act 1983*, NSWALC Training prepared a Capacity Development Plan encompassing training for NSWALC Councillors, NSWALC staff and Local Aboriginal Land Councils. This was approved by the Council in September

2013. The aim of NSWALC's capacity development was to build the capabilities of NSWALC and the LALC Network via the provision of quality and timely training.

During the reporting period, NSWALC staff have been provided with training in the following areas:

Staff Training

DATE	TRAINING
September 2013	Reading and interpreting Surveys
November 2013	Computer Applications Training (Microsoft Excel)
December 2013	Business Management & Leadership*
February 2014	Budget/Finance Training*
February 2014	General Administration Training*
March 2014	Completely Organised Workshop
April 2014	Facilitation Skills
May 2014	Advanced Business/Report Writing Skills
June 2014	Workplace Bullying
June 2014	Defensive Driving

*Pilot Training sessions held involving key staff to assess the suitability of training to LALCs in future

Accredited Training

During the reporting period, 18 staff were enrolled in government funded as well as non-funded Accredited Training. Diploma courses include the Diploma of Management. Certificate courses include Frontline Management, Training & Assessment and Project Management.

Training For Local Aboriginal Land Councils

Governance Training for LALCs

As per section 65 of the *Aboriginal Land Rights Act*, NSWALC continued to deliver the ongoing mandatory governance training to LALC Board members and staff. Approximately 155 Board Members have been trained during the reporting period 2013-14.

As per cl. 25G (2) of the *Aboriginal Land Rights Act Regulations 2002*, the training package is to be reviewed once in two years. A review process began during this reporting period and is scheduled to be completed during the next reporting year.

Grants Writing Workshops for LALCs

In October 2013, NSWALC organised Grants Writing Workshops for LALCs, facilitated by our community to provide LALCs with knowledge of the funding that might be

available to enhance a project initiative or program. Topics included funding options, grant application templates, contact list of funding avenues, project planning, joint venture partnerships etc.

Training Needs Analysis for LALCs

NSWALC completed a Training Analysis for Local Aboriginal Land Councils during the financial year, with a view to broadening and identifying training needs for the LALC network and providing additional support through training to enhance the capability of LALCs.

Budget and Finance Training for LALCs

Budget/Finance emerged as one of the priority areas from the Training Needs Analysis. Two-day training sessions were scheduled and rolled out in the Regional areas between March and April 2014. The contents ranged from basic accounting principles/concepts to financial analysis and interpretation of financial reports. The response rate has been good with the participants unanimously expressing their satisfaction with this beneficial training, which was facilitated by Newcastle Innovation (subsidiary of University of Newcastle).

Indigenous Business Workshops for LALCs



In line with the Strategic Plan initiative of Economic Development, NSWALC has prioritised LALC development of necessary skills/know-how to successfully develop sustainable and successful businesses. To this end, NSWALC partnered with Indigenous Business Australia (IBA) to facilitate Business Workshops for LALCs.

Through training, NSWALC intends to draw out potential within the LALCs that may not have had the opportunity to surface. This self-sustainability and leadership training is anticipated to be a catalyst for increased numbers of Aboriginal entrepreneurs in rural and regional Australia who will be role models for the younger generation to follow in their footsteps.

Two pilot workshops were held in June 2014, which were

well received by the participants. Further Workshops are planned for the next financial year.

NSWALC Councillor Training

Four Councillors were enrolled to pursue Government funded Training - Diploma of Management during 2013-14. Pursuant to the new Workplace Health & Safety legislation, a Duty Holders Information Session was held for Councillors in April 2014.

INFORMATION AND COMMUNICATIONS TECHNOLOGY UNIT

The Information and Communications Technology Unit (ICT) is fundamental to enabling efficient and effective operations for Councillors, executives and staff of the NSW Aboriginal Land Council. The Unit provides technology governance, advice and assistance to meet increasing demand and support for initiatives consistent with NSWALC strategic objectives. The ICT Manager is supported by two other staff.

The Unit is responsible for:

- Systems and business analysis of improvements to business systems, processes and workflows aligned with the needs of operations and the Strategic Plan.
- Development, implementation and regular reviews of the ICT Disaster Recovery and Business Continuity Plan to support Core Business Processes and manage related risks under the NSWALC Enterprise Risk Management framework.
- Development and delivery of the ICT Strategy congruent with the Strategic Plan and interrelated activities.
- Management and maintenance of infrastructure (data centre, power, cooling, servers, and storage network) and telecommunications (data and voice) to ensure infrastructure is optimised to support geographically dispersed services and resources.
- Management and maintenance of bespoke applications, software and associated data for continuity of underpinning business processes.
- Providing technical support to Councillors, executives and staff via a centralised Service Desk which receives diverse ICT requests and incidents including but not limited to desktop/laptop computers, mobile devices, printers, network access, telephony and IT procurement.
- Monitoring and maintenance of Network and Information Security, safe guarding NSWALC systems and information assets from potential threats and data loss.
- Contributing to and/or management of projects for cost effective application of technology that delivers benefits for efficient and effective operations.

Operations Support

The Unit continues to support NSWALC operations, maintaining high availability to systems and applications. A key function of ICT is the provision of technical support. During the year, the unit completed 1,807 requests and incidents from Councillors, executives and staff.

Monthly performance reports were introduced to provide executives with information on key support activities using these performance metrics:

- Number and type of requests compared to previous month
- Preventative maintenance compared to previous month
- Number of requests resolved per capita
- Average resolution time per request type
- Number and type of outages compared to previous month
- Security metrics compared to previous month.

Trend analysis is currently being introduced, leveraging the metrics data above to identify patterns, manage capacity and plan for resources.

Electronic Board Papers

The Unit led and supported Councillors, Corporate Governance and Secretariat through a transition from paper to electronic board papers. This innovative solution has streamlined management and distribution of board papers. Other benefits include reduced costs, improved governance and increased security of information. Use of electronic board papers will extend to committee and related meetings where the same benefits will be realised.

ICT Steering Committee

An Information & Communications Technology (ICT) Steering Committee was re-introduced in February 2014. The Committee has a key technology governance role ensuring effective application and management of ICT systems and resources is consistent with operational and strategic priorities.

The Committee structure consists of a Chairperson, three advisory members and an external member. Meetings are held monthly where progress of approved projects is reported by respective project managers and members consider proposals and business cases for emerging needs and priorities.

Another role of the Committee is to act as a Change Advisory Board (CAB) where changes to systems and processes are reviewed and considered for approval. Typically, changes are brought about by projects or remedial action that may be necessary as a result of an incident.

ICT Strategy

An ICT Strategy is being finalised to set the direction of ICT in supporting the achievement of strategic outcomes

and legislative reform. The key drivers for change in the Strategy are:

- NSWALC Strategic Plan 2013-2017
- Amendments to the ALRA
- Telecommunications
- Risk and compliance
- Information management
- Technology trends.

Implementation of the approved strategy will commence in the second quarter of the next financial year.

Project Management

The Unit has adopted project management methodologies for structured delivery of approved projects and their deliverables. As they are refined to NSWALC needs, it is expected they will be widely adopted throughout the organisation to assist with delivery of strategic priorities.

RECORDS & ADMINISTRATION UNIT

The Records & Administration Unit provides various administrative and record keeping services, primarily to the business units located at Head Office and also offers collaborative assistance to Zone Offices, Councillors and their support staff. The Records & Administration Unit Manager is supported by three other staff.

The Unit aims to provide the following services in a timely and cost effective manner:

- Best practice is adopted in the acquisition of goods and services for all business units of NSWALC
- Enabling all staff and Councillors to comply with the relevant legislation in respect of the following activities:
 - Tendering and contracting out
 - Procurement of goods and services
 - Record keeping
 - Disclosure of information.
- Enabling all staff and Councillors to comply with the relevant policies and procedures of the organization in respect of the following activities:
 - Use of purchasing card
 - Travel arrangements
 - Fleet operations
 - Record keeping.

The Records and Administration Unit continues to train new and existing 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 the NAB Corporate Card.

Legislative Framework

The Records & Administration Unit ensures that NSWALC remains compliant with the following primary legislation in order to perform various functions:

- *Aboriginal Land Rights Act*
- *NSW State Records Act*
- *Privacy and Personal Information Protection Act*
- *Government Information (Public Access) Act*

Fleet Management

The Unit manages all vehicles provided to Councillors and staff at Head Office and Zone offices. Monitoring the usage of the vehicle and associated costs, and ensuring that vehicles are replaced in a timely and cost effective manner.

Travel

Records & Administration Unit manages bookings, cancellations and changes to travel arrangements for NSWALC staff and Councillors. This includes managing Cabcharge cards and vouchers.

Corporate Purchasing Cards Management

For efficient and controlled procurement of goods and services NSWALC utilises Corporate Purchasing cards. The Unit manages all corporate card matters; including the ordering, issuing and cancellation of cards, and monitoring usage of the cards.

Procurement

The procurement function is centralised within the Records & Administration Unit. The Unit liaises on a regular basis with Councillors and staff to ensure the correct application and compliance with procurement policies and procedures.

Tenders & Contracts Management

A comprehensive Contract Register is maintained by the Records & Administration Unit Manager. The Register is monitored in collaboration with the relevant business units to ensure that the information is consistent and current. All necessary information as per the GIPA requirement is published on the NSWALC website on a regular basis. The Unit also has a role in the process of managing Requests for Tender. All applications are secured and recorded upon receipt by a Records Officer.

NSWALC Premises

Records & Administration Unit is responsible for organising and maintaining the majority of services, utilities and ongoing maintenance for NSWALC accommodations and Councillor Offices.

Record keeping

The Records & Administration Unit is responsible for the provision of all record keeping services, training and materials to the organisation. NSWALC has a dedicated Electronic Document Management System, TRIM. The Unit

ensures that all TRIM records are registered and managed in a secure manner. The Unit continues to conduct regular audits to ensure accurate holdings are maintained at Head Office, Zone Offices and Government Records Repository. Regular reviews of practices are conducted to ensure compliance with current standards and best practices in the industry.

Archiving, Storage and Retrievals

The Unit is responsible for:

- the physical control of all files in secured areas
- dedicated facility for vital records
- archiving of files as per required practices and functional disposal authority
- retrieval of records from off-site storage when required
- disposal and destruction of records as per legislative requirements.

Mail

The Unit is responsible for the daily processing of incoming mail to NSWALC. All items are processed 'same-day' as receipt, and available to staff after being reviewed by the CEO. Outgoing mail is processed in a cost-effective manner to reduce postal costs. This includes the purchase and issue of specialised mail products, such as Parcel Post, Express and Registered Post.

Administration

The Unit:

- replaced many fleet vehicles during the year with the Zones currently changing over vehicles with an expected completion date of October 2014.
- completed a review of all NSWALC contracts in December 2013. The review identified many areas for improvements in current practices. New software packages are being evaluated and it is anticipated that new processes will automate the recording of contracts and improve procedures.
- organised fit-out to accommodate the Economic Development Unit on Level 5 of Head Office.
- provided necessary support to the Councillors and support staff at Regional Forums.
- Assisted in the clear-out of the Loading Dock and associated areas.

Records

- Archives sent to the Government Records Repository in period: 500 boxes
- NSWALC Functional Retention Disposal Authority: All historical records relating to the operation of LALCs and former RALCs identified and boxed for eventual transfer to the State as permanent state archives
- Aboriginal Lands Trust files: Files formerly belonging to the Trust are now able to be transferred to State Records
- Certificates of Title: In April/May the Unit took possession of Certificates of Title from the Land Rights Unit. After being scanned and registered on TRIM, all items were moved to secure storage
- Ongoing file transfers from operational units for recording and storage.

The Corporate Governance Unit (CGU) provides corporate and administrative support to the NSWALC Council and the Chief Executive Officer. There are five operational areas within the Unit: Secretariat, Corporate Committees, Internal Audit, Planning and Risk Management and Complaints Handling.

Board Governance

The NSWALC Council is required by legislation to meet at least four times a year. The Unit planned, prepared and facilitated a total of fifteen meetings of the NSWALC Council during the reporting period. This comprised six scheduled ordinary meetings and nine extraordinary meetings.

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

The New South Wales Minister for Aboriginal Affairs, the Hon Victor Dominello MP, attended two meetings of NSWALC held on 9 September 2013 and on 23 October 2013.

The Commonwealth Minister for Indigenous Affairs, Senator the Hon Nigel Scullion, attended the Council meeting of 11 December 2013 and the Council Workshop of 27 May 2014.

The Unit also provided support to six Council Workshops during the year. The Workshops considered and discussed a range of major policy issues including the sustainability of the land rights network, proposed amendments to the *Aboriginal Land Rights Act*, the development of the NSWALC Economic Development Policy, and native title issues. A specific Workshop on governance issues was held on 28 November 2013 and facilitated by Ms Fiona Shand.

In addition to Council meetings and workshops, the CGU also provided support to a number of Council Committee meetings during the reporting period. The total number of meetings is outlined below:

TYPE OF MEETING	NUMBER OF MEETINGS HELD
Council Meetings	15
Council Workshops	6
Audit & Risk Committee	5
Finance Committee	5
Governance Committee	3
Investment Committee	4
Economic Development Advisory Committee	2

Review of Corporate Committees

In line with a requirement in the NSWALC Strategic Plan, a review of the NSWALC Committee structure was undertaken in the second half of 2013. Mr Geoff Carter of the Strategic Governance Group was commissioned to undertake the review.

The main conclusion of the review was that the NSWALC Committees generally exhibit a good level of governance practice (based on a five level standard with 'good' at level 2). The results revealed "a sufficiently adequate, effective and reliable basis for enabling a good standard of governance oversight assurance for, and advice to, the entity in the current stage of its business life cycle".

The review also identified a number of areas to enhance and improve governance practice and, in general, proposed a more standardised and uniform approach to Committee practices. These recommendations are being used to assist in the ongoing review and updating of Committee operations and practices.

In response to a specific review recommendation, Council decided in December 2013 that the NSWALC Chairperson not be a formal member of any Committee, although he could attend any Committee meeting as a non-voting member. As a consequence, new appointments were made to the Audit and Risk Committee, the Governance Committee and the Investment Committee.

Internal Audit

All internal audits are focused on identifying areas for improvement and the means by which NSWALC can achieve and maintain best practices. During the reporting period, the following internal audit reviews were completed:

INTERNAL AUDITS COMPLETED DURING 2013/2014	FINDINGS
In-house Portfolio Management	5
Information & Communication Technology (ICT) Performance Assessment	9
Travel Claims Reimbursement – Councillors	4
Procurement & Contract Management	6
Funeral Grants Assessment	8

There were 32 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 outdated 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: 12 People Issues, 19 Process Issues and one Technology Issue.

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	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.

Among the 32 findings one was ranked a Significant risk, 10 were ranked High risk, 11 Medium risk and 10 Low risk. One business improvement opportunity was also identified during the reviews.

Audit and Risk Committee

The Committee comprised Ms Carolyn Walsh, the independent Chair, Mr Garry Dinnie, independent member, and Council representative Craig Cromelin, Deputy Chairperson. On 11 December 2013 Councillor Cromelin, was replaced by Councillor Peter Smith as the Audit and Risk Committee representative, due to Councillor Cromelin's new position as Council Chairperson. Councillor Tom Briggs is an alternate Councillor.

The Audit and Risk Committee met on five occasions during the reporting period. The meetings of the Audit and Risk Committee were regularly attended by the NSWALC 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 2013-2014 Financial Year which appears on the following page.

**Internal Audit and Risk Management Attestation for the 2013-2014 Financial Year for
New South Wales Aboriginal Land Council**

I am of the opinion that NSWALC has 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 NSWALC 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) reappointed 1 April 2014 until 31 March 2015
- Mr Garry Dinnie (Independent Member) appointed 17 April 2013 until 31 March 2015
- Cr. Peter Smith (Non-independent Member) appointed 11 December 2013
- Cr. Craig Cromelin (Non-independent Member) member until 11 December 2013

These processes provide a level of assurance that enables the senior management of NSWALC to understand, manage and satisfactorily control risk exposures.



Mr. Lesley Turner
Chief Executive Officer

Planning & Risk Management

The Corporate Governance Unit also worked extensively with senior staff, the Audit and Risk Committee and Council to review NSWALC's Enterprise Risk Management Plan.

Insurance

A summary of NSWALC's insurance cover is set out below:

INSURANCE COMPANY	POLICY	SUM INSURED \$'000
QBE	Industrial Special Risks	\$48,085
Allianz	Motor Vehicle	Market Value
Allianz	Public/Products Liability	\$50,000
QBE	Umbrella Liability	\$20,000
Lloyds	Directors & Officers	\$20,000
Lloyds	PI – Primary Layer	\$10,000
Lloyds	PI – Excess Layer	\$10,000
Allianz	Machinery Breakdown	\$100
Accident & Health	Personal Accident	\$250
AFA	Journey Accident	\$100
Accident & Health	Corporate Travel	Various Limits
AFA	Voluntary Workers	\$50
Lloyds	Media Liability Run Off	\$5,000
Vero	Yamba Homes	\$519 each

Note: Media Liability Run Off cover is from 30/06/2014 to 30/06/2015

Complaints

NSWALC recorded 107 complaints during the reporting period, as outlined below. The majority of complaints related to the conduct or operation of Local Aboriginal Land Councils. All complaints were resolved to NSWALC's satisfaction.

RECEIVED BY	NUMBER
NSWALC Head Office	66
Eastern Zone Office	20
Far West Zone Office	1

Northern Zone Office	7
Southern Zone Office	10
Western Zone Office	3
TOTAL	107

Complaints Policy

The complaints handled in this reporting period were undertaken in line with the NSWALC complaints policy published in 2012. This policy better aligned complaints handling procedures with NSWALC's current resources and capabilities. NSWALC has no formal powers under the *Aboriginal Land Rights Act 1983* to investigate the conduct of a Local Aboriginal Land Council, 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 Boards 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 NSWALC can be found on our website at www.alc.org.au.

Review of Complaints Procedures

As part of the NSWALC internal audit program, Deloitte conducted a review of the NSWALC Complaints Handling Framework in this reporting period. Recommendations and process changes from this audit will be implemented in the 2014-15 reporting period.

One recommendation from the review was to report complaints received at both NSWALC Head Office and Zone Office levels. Figures in previous NSWALC Annual Reports only recorded complaints registered at Head Office. The current report provides the combined figures in the table above.

Independent Commission against Corruption

Four formal referrals were made by NSWALC to ICAC (pursuant to section 11 of the ICAC Act).

Further information relating to requirements under the *Annual Reports (Statutory Bodies) Act 1984* and *Annual Reports (Statutory Bodies) Regulation 2010* is contained in this section.

GOVERNMENT INFORMATION (PUBLIC ACCESS)

Review of Proactive Release Program - Clause 7(a)

NSWALC is undertaking an assessment of current policies and procedures which could be made publicly available. This follows a recent internal audit review of the organisation's procedures for handling access applications under the GIPA Act and proactively releasing available information.

Number of Access Applications Received – Clause 7(b)

NSWALC received a total of three formal access applications during the reporting period.

One application was deemed valid; however, it was indicated to the applicant that, under section 60(1)(a) of the GIPA Act, the application could be refused as it would require an unreasonable and substantial diversion of the agency's resources. The applicant was asked to consider amending the application but no further advice was received. As such, the application did not proceed and it is not noted in the tables below.

Another application was deemed invalid as it did not meet all the requirements as set out in section 41 of the GIPA Act. The applicant did not proceed with this application and it is not noted in the Tables A and B below.

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.

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	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	1	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

GOVERNMENT INFORMATION (PUBLIC ACCESS) (CONTINUED)

Access applications (other than personal information applications)	0	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	1	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	0
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	0
Excluded information	0
Documents affecting law enforcement and public safety	0

GOVERNMENT INFORMATION (PUBLIC ACCESS) (CONTINUED)

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)	1
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
TOTAL	1

GOVERNMENT INFORMATION (PUBLIC ACCESS) (CONTINUED)

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	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
TOTAL	0	0	0

*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

PUBLIC INTEREST DISCLOSURES

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.

NSWALC has developed 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 NSWALC. The policy is on the NSWALC website.

NSWALC received no PID complaints during the reporting period.

COUNCILLOR MEETING ATTENDANCE

SUMMARY OF COUNCILLOR ATTENDANCE AT BOARD MEETINGS, WORKSHOPS AND TRAINING AS REQUIRED BY LEGISLATION FROM 1 JULY 2013 TO 30 JUNE 2014

Meeting	No Meeting Days	Date	Cr Ryan	Cr Cromelin	Cr Ah-See	Cr Briggs	Cr Dennis	Cr Smith	Cr Hampton	Cr Jones	Cr Williams	Total	Comments
2013/2014 Financial Year Attendances at Council Meetings													
296th Extraordinary Council Meeting (teleconference)	1	17-Jul-13	1	1	1	0	0	1	1	1	1	7	Cr Briggs & Cr Dennis LOA-unable to connect to teleconference
297th Extraordinary Council Meeting	1	8-Aug-13	1	1	1	1	1	1	1	1	1	9	

SUMMARY OF COUNCILLOR ATTENDANCE AT BOARD MEETINGS, WORKSHOPS AND TRAINING AS REQUIRED BY LEGISLATION FROM 1 JULY 2013 TO 30 JUNE 2014

Meeting	No Meeting Days	Date	Cr Ryan	Cr Cromelin	Cr Ah-See	Cr Briggs	Cr Dennis	Cr Smith	Cr Hampton	Cr Jones	Cr Williams	Total	Comments
2013/2014 Financial Year Attendances at Council Meetings													
297th Extraordinary Council Meeting	2	9-Aug-13	1	1	1	0	1	1	1	1	0	7	Cr Briggs LOA Ill Health/Cr Williams LOA Sorry Business
298th Council Meeting	1	9-Sep-13	1	1	0	1	1	1	1	1	1	8	Cr Ah-See Leave of Absence
298th Council Meeting	2	10-Sep-13	1	1	0	1	1	1	1	1	1	8	
298th Council Meeting	3	11-Sep-13	1	1	0	1	1	1	1	1	1	8	
299th Extraordinary Council Meeting	1	30-Sep-13	1	1	1	0	1	1	1	1	1	8	Cr Briggs Leave of Absence
300th Extraordinary Meeting (teleconference)	1	18-Oct-13	0	1	1	1	1	0	1	1	1	7	Cr Ryan /Cr Smith LOA Ill Health
301st Extraordinary Council Meeting	1	22-Oct-13	1	1	1	1	1	0	1	1	1	8	Cr Smith Leave of Absence
301st Extraordinary Council Meeting	2	23-Oct-13	0	1	1	1	1	1	1	1	1	8	Cr Ryan LOA Sorry Business
301st Extraordinary Council Meeting	3	24-Oct-13	0	1	0	1	1	1	1	1	1	8	Cr Ryan LOA Sorry Business
302nd Extraordinary Council Meeting	1	31-Oct-13	0	1	1	1	1	1	1	1	1	8	Cr Ryan LOA Ill Health
302nd Extraordinary Council Meeting	2	1-Nov-13	0	1	1	1	1	1	1	1	1	8	Cr Ryan LOA
303rd Extraordinary Council Meeting	1	27-Nov-13	0	1	1	1	1	1	1	1	1	8	
304th Council Meeting	1	10-Dec-13	1	1	1	1	1	1	1	1	1	9	
304th Council Meeting	2	11-Dec-13	1	0	1	1	1	1	1	1	1	8	Cr Cromelin LOA Ill Health
304th Council Meeting	3	12-Dec-13	0	1	1	1	1	1	1	1	1	8	Cr Ryan LOA Ill Health
305th Extraordinary Council Meeting	1	23-Jan-14	1	1	1	1	1	1	1	1	1	9	
306th Extraordinary Council Meeting	1	18-Feb-14	1	1	1	1	1	1	1	1	1	9	
306th Extraordinary Council Meeting	2	19-Feb-14	1	1	1	1	1	1	1	1	1	9	
306th Extraordinary Council Meeting	3	20-Feb-14	1	1	1	1	1	1	1	1	1	9	
307th Extraordinary Council Meeting	1	11-Mar-14	0	1	1	1	1	1	1	1	1	8	Cr Ryan LOA (AHO Board Training)
308th Council Meeting	1	8-Apr-14	1	1	1	1	1	1	1	1	1	9	
308th Council Meeting	2	9-Apr-14	1	1	1	1	1	1	1	1	1	9	

SUMMARY OF COUNCILLOR ATTENDANCE AT BOARD MEETINGS, WORKSHOPS AND TRAINING AS REQUIRED BY LEGISLATION FROM 1 JULY 2013 TO 30 JUNE 2014

Meeting	No Meeting Days	Date	Cr Ryan	Cr Cromelin	Cr Ah-See	Cr Briggs	Cr Dennis	Cr Smith	Cr Hampton	Cr Jones	Cr Williams	Total	Comments
308th Council Meeting	3	10-Apr-14	0	1	1	1	1	0	1	1	1	7	Cr Ryan LOA Ill health / Cr Smith LOA Sorry business
309th Extraordinary Council Meeting	1	7-May-14	1	1	1	1	1	1	1	1	1	9	
310th Council Meeting	1	24-Jun-14	1	1	1	1	1	1	1	1	1	9	
310th Council Meeting	2	25-Jun-14	1	1	1	1	1	1	1	1	1	9	
310th Council Meeting	3	25-Jun-14	1	1	1	1	1	1	1	1	1	9	
Total Council Meeting out of 29 days			20	28	25	26	28	26	29	29	27		
2013/2014 Financial Year Attendances at Council Workshops/Training													
Council Workshop	1	6-Aug-13	1	0	1	0	1	1	1	1	1	7	Cr Cromelin LOA Sorry Business/ Cr Briggs LOA Ill health
Council Workshop	2	7-Aug-13	1	0	1	1	1	1	1	1	1	8	Cr Cromelin LOA Sorry Business
Council Training in Governance	1	28-Nov-13	1	1	1	1	1	1	1	1	1	9	
Council Workshop	2	29-Nov-13	1	1	1	1	1	1	1	1	1	9	
Council Board Pad Training	1	9-Dec-13	1	1	1	1	1	1	1	1	1	9	
Council Workshop	1	3-Feb-14	0	1	0	1	1	1	1	1	1	7	Cr Ryan and Cr Ah-See LOA
Council Workshop	2	4-Feb-14	1	1	1	1	1	1	1	1	1	9	
Council Workshop	3	5-Feb-14	1	1	1	1	1	1	1	1	1	9	
Council Workshop	4	6-Feb-14	1	1	1	1	1	1	1	1	1	9	
Council Workshop	5	7-Feb-14	1	1	1	1	1	1	1	1	1	9	
Council Workshop	1	17-Feb-14	1	1	1	1	1	1	1	1	1	9	
Council Workshop	1	10-Mar-14	1	1	1	1	1	1	1	1	1	9	
Council Workshop	1	26-May-14	1	0	1	0	1	1	1	1	1	7	Cr Cromelin LOA sorry Business/ Cr Briggs LOA family
Council Workshop	2	27-May-14	1	1	1	0	1	1	1	1	1	8	Cr Briggs LOA family
Council Workshop	3	28-May-14	1	1	1	1	1	1	1	1	1	9	
Council Workshop	4	29-May-14	1	1	1	1	1	1	1	1	1	9	
Total Workshops/Training out of 16 days			15	13	15	13	16	16	16	16	16		

PRIVACY & PERSONAL INFORMATION PROTECTION

At the present time, NSWALC has several practices in place to comply with the *Privacy and Personal Information Protection Act 1998* (PPIPA). The Human Resources & Training Unit (HR & T) keeps all confidential personal information on a separate drive only accessible to staff members from that Unit. Similarly, personal information with a heightened level of confidentiality is kept on a drive only accessible by the HR Manager. Physical files are kept in a locked cupboard. Payroll information is kept by HR & T securely and is regularly audited. Any information requested by a third party is only disclosed with the consent of the person to which the information relates.

NSWALC is also currently developing a Privacy Management Plan as required by Section 33 of the PPIPA. The plan will set out NSWALC's practices (including those set out above) to comply with the Information Protection Principles in the PPIPA and Health Privacy Principles in the *Health Records and Information Privacy Act 2002* (HRIIPA). The Plan will enable NSWALC staff to understand how we deal with personal information and will also reference several resources where further information can be accessed. It will also be made available to the public in order for the wider community to understand our policies, particularly in relation to internal reviews.

OVERSEAS VISITS

NSWALC STAFF AND OFFICERS OVERSEAS TRAVEL SUMMARY FY 2013-14		
Employee Name	Overseas Travel Purpose	Travel Period (FY 2013/14)
Craig Cromelin	6th Session of Expert Mechanism on Rights of Indigenous Peoples - Geneva	04/07/13 - 14/07/13
	UN Forum - US	08/05/14 - 24/05/14
David Lee	6th Session of Expert Mechanism on Rights of Indigenous Peoples - Geneva	04/07/13 - 14/07/13
	Geneva UN Conference	13/09/13 - 22/09/13
	National Minority Supplier Development Council Conference (NMSDC)	25/10/13 - 4/11/13
Geoff Scott	6th Session of Expert Mechanism on Rights of Indigenous Peoples - Geneva	04/07/13 - 14/07/13
	Geneva UN Conference	13/09/13 - 22/09/13
	National Minority Supplier Development Council Conference (NMSDC)	25/10/13 - 4/11/13
Haylee Davis	Geneva UN Conference	04/09/13 - 29/09/13
	UN Forum - US	10/05/14 - 04/06/14
Peter Smith	UN Forum - US	08/05/14 - 24/05/14
Sharon Close	UN Forum - US	10/05/14 - 04/06/14
Tina Williams	6th Session of Expert Mechanism on Rights of Indigenous Peoples - Geneva	04/07/13 - 14/07/13

CONSULTANTS

CONSULTANTS FEES 2013-14		
Name of Consultants	Projects (\$50,000 & Above)	\$
Mercer Investments (Aust) Limited	Consulting for NSWALC Investments	323,296
KPMG	Professional Fees for due diligence procedure relating to IEG	57,474
First State Advisors And Consultants Pty Ltd	Government Relations & Strategic Advice	50,000
Total Amounts Paid \$50,000 and above		430,770
	No. of Projects (Below \$50,000)	
Environmental	1	
Finance	2	
Legal	1	
Management Services	4	
Recruitment Services	5	
Training	1	
Total Number Of Projects (Below \$50,000)	14	186,493
Total All Consultants Fees		617,263

GRANTS

GRANTS PAID - 2013/2014		
MAJOR GRANTS (ABOVE \$5,000)		
Payee	Description	Amount
NSWALC Community Fund Account	NSWALC share to ComFund account for levies received from OSR	376,963
Biraban Local Aboriginal Land Council	Start up cost for Biraban LALC	285,244
Former North Coast Region - 13 LALCs	The net proceeds from the sale of Lot B DP 306716 - 25 Orion Street, Lismore to be distributed evenly (\$14,585.68 for each LALC) between the 13 LALCs in the former North Coast Region	189,614
Newcastle Yowies Sports Association	Nomination Fees - 2013 NSW Aboriginal Rugby League Knockout	75,000
North West Land Corporation Pty Ltd	Establishment of NWLC Trust	36,917
Mutawintji LALC	30 Year Celebration - Contribution to Mutawintji LALC	25,000
Discretionary (Lloyd McDermott Rugby Development Team Inc)	2014 Coffs Harbour Ella 7s Tournament and Hong Kong 10s Tournament	20,000
Warra-Li Resource Unit Incorporated	NSWALC Contribution - 12 Months Rent of Tamworth Suite	16,636
Discretionary (Saltwater Freshwater Arts Alliance)	Partner level sponsorship - Saltwater Freshwater Festival 2014	10,000
Brewarrina Shire Council	Contribution for Weilmoringle Levee Bank Project	7,143
Total Major Grants	22	1,042,517
MINOR GRANTS (\$5,000 OR LESS)		
Payee	Description	Amount
Funeral Grants	504	784,382
30th Anniversary Grant	30th Anniversary Grant - \$1,000 for each LALC (Total 114 LALCs)	114,000
Discretionary (Councillors)	52	38,858
Discretionary (Gadigal Information Service Aboriginal Corporation)	Grant for Yabun Festival 2014	5,000
Discretionary (Others)	3	2,950
Total Minor Grants	674	945,190
SUMMARY TOTAL OF GRANTS		
Category	Number of Individual Paid Unit	Amount
Funeral	504	784,382
NSWALC Community Fund Account	1	376,963

GRANTS PAID - 2013/2014

Biraban Local Aboriginal Land Council	1	285,244
Former North Coast Region - 13 LALCs	13	189,614
30th Anniversary Grant - 114 LALCs	114	114,000
Discretionary	58	76,808
Newcastle Yowies Sports Association	1	75,000
North West Land Corporation Pty Ltd	1	36,917
Mutawintji LALCs	1	25,000
Warra-Li Resource Unit Incorporated	1	16,636
Brewarrina Shire Council	1	7,143
Total All Grants Paid	696	1,987,707

HUMAN RESOURCES

CATEGORY	% OF TOTAL STAFF		
	2011/12	2012/13	2013/14
Senior Managers Framework	NA	22%	20.5%
Salary Group 8 Year 1 to Group 13 Year 3	NA	51.5%	53%
Salary Group 1 Year 1 to Group 7 Year 3	NA	19.5%	19%
Councillors	NA	7%	7.5%

There were no exceptional movements in wages, salaries or allowances as the movements within NSWALC were in accordance with the Enterprise Agreement, Senior Manager Salary Framework and yearly review of allowances as determined by the Taxation Office.

EQUAL EMPLOYMENT OPPORTUNITY (EEO)

Statistical Information on EEO Target Groups

Table 1. Trends in the Representation of EEO Target Groups in %

EEO GROUP	% OF TOTAL STAFF*				
	Benchmark or Target	2010/11	2011/12	2012/13	2013/14
Women	50.0%	47.5%	48.0%	49.0%	51.5%
Aboriginal people and Torres Strait Islanders	2.6%	54.5%	53.0%	52.0%	46.5%
People whose first language was not English	19.0%	6.0%	10.0%	16.0%	27.0%
People with a disability	N/A		7.5%	14.0%	14.0%
People with a disability requiring work-related adjustment	1.1% (2011) 1.3% (2012) 1.5% (2013)		1.6%	3.0%	2.5%

*Excludes casual staff

EQUAL EMPLOYMENT OPPORTUNITY (EEO) (CONTINUED)

Table 2. Trends in the Distribution of EEO Target Groups

EEO TARGET GROUP	DISTRIBUTION INDEX*				
	Benchmark or Target	2010/11	2011/12	2012/13	2013/14
Women	100	N/A	78	73	73
Aboriginal people and Torres Strait Islanders	100	N/A	78	81	77
People whose first language was not English	100	N/A	75	62	79
People with a disability	100	N/A	89	83	88
People with a disability requiring work-related adjustment	100		100	100	100

*A 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. A distribution index based on an EEO based survey response rate of less than 80% may not be completely accurate.

Major policies/programs and their outcomes during the reporting period accounting for planned outcomes set in the previous year

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.

NSWALC has developed a recruitment policy that incorporates Equal Employment Opportunity, 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; demonstrating NSWALC's commitment to EEO principles.

Training and Development initiatives by NSWALC and external organisations are widely advertised both within Head Office and Zones, where appropriate, to ensure that all target groups are given equal opportunity to attend. This is to ensure that information is distributed to all possible participants and to actively encourage EEO target group members to attend.

There are a number of activities conducted by EEO target group networks and units, both within and outside NSWALC, for example, Spokeswomen's Network, Aboriginal Employees Network, Women's Action Groups. These are communicated to all the target groups within NSWALC.

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.

Major activities and outcomes planned for the following year

In the reporting year NSWALC Council approved the implementation of the 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.

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 completed its new Code of Conduct. The Code was supported by the Audit and Risk and Governance Committees and endorsed 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. We are currently awaiting the Registrar's approval of the new Code.

The organisation has scheduled Bullying and Harassment training for the entire workplace in the new reporting year.

WORKPLACE HEALTH & SAFETY

The NSWALC WH&S Committee met regularly throughout the year. The Committee's charter is to:

Provide direction and advice to the NSWALC Executive on aspects of Workplace Health & Safety performance, program and policies:

- Act as the principal management forum for NSWALC's WHS strategic directions and establishing accountability for WH&S performance
- Monitor and evaluate NSWALC's WH&S activities
- Initiate activities, projects and programs for the improvement of health and safety within NSWALC.

WORKPLACE HEALTH & SAFETY (CONTINUED)

The main focus of the Committee throughout the year involved:

- Provision of WH&S Information Sessions for Council and Executive
- Information Sessions for the LALC Network
- Completing and updating hazard reporting and inspections for all Zone and Head offices
- Revision of WH&S policies and procedures
- Preparation and meeting with the Internal Auditors in preparation for the 'Follow-Up' compliance audit.

The 2013-14 Internal Audit Plan required Deloitte to undertake a Follow-Up WH&S assessment of compliance. The outcome of this follow-up was not finalised by the end of June and will be reported next year.

Workers Compensation and Rehabilitation 2013/2014

WORK RELATED INJURY & ILLNESS

Number reported	5
-----------------	---

Nature of Accidents

Slips, Trips & Falls	4
----------------------	---

Mental Health (anxiety, stress)	1
---------------------------------	---

Cuts/Scratches	
----------------	--

Motor Vehicle Accident	
------------------------	--

Ergonomics/Overuse	
--------------------	--

Sprain/Strain	
---------------	--

Manual Handling	
-----------------	--

Bites	
-------	--

Sickness	
----------	--

TOTAL	5
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WHERE INJURIES OCCURRED

At the Workplace	3
------------------	---

On the journey to/from work	2
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At work away from the normal workplace	0
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TOTAL	5
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WORKERS COMPENSATION CLAIMS

Claims brought forward from 2012/2013	0
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New claims this period	1
------------------------	---

TOTAL	1
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CLAIMS STATUS AT 30.6.14

Claims finalised	1
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Claims declined/under investigation	0
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Liability accepted & claim continuing	0
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Provisional Liability	0
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TOTAL	1
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OPEN CLAIMS CARRIED FORWARD TO 2014/2015	0
---	----------

REHABILITATION

Cases brought forward from 2012/2013	1
--------------------------------------	---

New cases this period	0
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TOTAL	1
--------------	----------

Cases completed	1
-----------------	---

Cases continuing & carried forward to 2014/2015	0
---	---

TOTAL	1
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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 Tribunal first determined base salaries of Councillors in 2007 with an additional loading of ten per cent to be paid to the Chairperson and a loading of five per cent to be paid to the Deputy Chairperson. This was in recognition of the additional responsibilities they would carry following amendments to the ALRA abolishing the previous positions of Chairperson, Secretary and Treasurer.

Section 13 of the *Statutory and Other Offices Remuneration Act 1975* (SOOR Act) 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 2013 provided for a 2.5% salary increase to be paid. The base annual salary of a member of NSWALC prior to this increase was \$127,485. This new Determination set the base annual salary of a member of NSWALC at \$130,670 with consequential increases for the Chairperson and Deputy Chairperson.

However, the Tribunal's Reports and Determinations for Part 3 Office Holders (the Judges and Magistrates Group, the Court and Related Officers Group and the Public Office Holders Group) were made on 27 September 2013, published in the Government Gazette on Tuesday 12 November 2013 and disallowed by resolution of the Legislative Assembly on 12 November 2013, pursuant to section 19A of the SOOR Act. The effect of the disallowance is that the Tribunal's previous year's determinations of 9 November 2012 continue in effect. However, from 1 October 2013 up to the date of disallowance (being 12 November 2013) remuneration will be paid in accordance with the disallowed 2013 determinations. The 2012 determinations will then apply from 12 November 2013.

REMUNERATION OF COUNCILLORS (CONTINUED)

The Determination will have the following salary effect:

	FROM 1 OCT TO 11 NOV 2013		FROM 12 NOV 2013
Position	Current Salary	New Salary	Revert to old Salary
Chairperson	\$140,230 (10% allowance)	\$143,737	\$140,230
Deputy Chairperson	\$133,860 (5% allowance)	\$137,204	\$133,860
Councillor	\$127,485	\$130,670	\$127,485

PERFORMANCE AND NUMBER OF EXECUTIVE OFFICERS

	CURRENT YEAR			PRIOR YEAR	
Executive Positions	No	Male	Female	Male	Female
SES 4 equivalent	1	1	0	1	0
SES 3 equivalent	1	1	0	1	0
SES 2 equivalent	1	0	1	1	0

BUDGETS

The NSWALC Budget for 2013-2014, as initially prepared together with the outcomes as at year end 2013-2014 is set out below:

BUDGET VARIATION				
MAIN BUDGET VS REVISED BUDGET				
		Main Budget FY 2013/14	Revised Budget FY 2013/14	Budget Variance FY 2013/14
	GAINS/ (LOSS) ON DISPOSAL OF NON CURRENT ASSETS			
	GRANTS AND SUBSIDIES RECEIVED	68,266	93,000	24,734
	INTEREST INCOME	180,012	180,012	
	INVESTMENT INCOME			
	REALISED GAIN ON INVESTMENT	49,419,894	49,419,894	
	RENTAL INCOME	1,637,106	1,647,253	10,147
	SALES/ OTHER INCOME - RURAL PROPERTIES	1,519,635	1,369,635	(150,000)
	SUNDRY INCOME	1,617,804	1,333,542	(284,263)
	REVENUE FROM ORDINARY ACTIVITIES	54,442,717	54,043,336	(399,382)
	AUDIT AND INVESTIGATION FEES	373,017	502,117	129,100
	BAD AND DOUBTFUL DEBTS	750,000	750,000	
	COMPUTER EXPENSES	278,602	282,570	3,968
	CONSULTANT FEES	1,361,101	955,832	(405,269)
	DEPRECIATION AND AMORTISATION	1,540,000	1,540,000	
	EMPLOYEE EXPENSES	14,637,598	14,524,126	(113,472)
	FUNDING OF LOCAL ALC	15,000,000	14,874,998	(125,001)
	GRANTS EXPENSE	943,900	1,147,960	204,060
	INSURANCE	411,814	411,814	
	LEGAL EXPENSE	1,322,739	1,322,739	0
	MOTOR VEHICLE EXPENSES	755,417	701,070	(54,347)
	OTHER EXPENSES	7,652,850	7,798,239	145,389
	PROPERTY LEASING EXPENSES	835,850	822,515	(13,335)
	REPAIRS AND MAINTENANCE	219,568	366,986	147,418
	RURAL PROPERTIES EXPENSES	1,295,049	1,145,049	(150,000)
	EXPENSES FROM ORDINARY ACTIVITIES	47,377,505	47,146,015	(231,490)
	OPERATING SURPLUS	7,065,212	6,897,321	(167,892)

BUDGETS (CONTINUED)

An outline of the budget for 2014-15 as endorsed by the NSWALC Council and the Minister for Aboriginal Affairs is as follows:

NSWALC BUDGET FOR 2014-15	\$'000
REVENUE	
Revenues from ordinary activities	52,860
Total Revenue for the year	52,860
EXPENSES	
Payment as per requirement of ALRA	(750)
Contractual Commitment by NSWALC for Community Development Projects	(2,250)
Allocated to Network and Community	(16,658)
Fixed & Variable Expenses for Councillors	(2,362)
Committed Operational Expenses	(13,793)
Legal Expenses	(1,000)
Other Operational Expenses	(2,500)
Expenses relating to Commercial Activities	(700)
Non Cash Expenses	(2,290)
TOTAL EXPENSES FROM ORDINARY ACTIVITIES (42,303)	
NET OPERATING SURPLUS (LOSS)	10,557

WASTE

NSWALC has a number of measures in place to reduce waste and recycle resources in line with the NSW Government's Waste Reduction and Purchasing Policy. These include:

- Disposal of computer equipment
- Recycling of printer cartridges
- Energy saving measures.

NSWALC will continue to review its operating activities to explore further opportunities to reduce waste and increase recycling.

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 2014, the statement of profit or loss and other 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 2014, 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 Councillors 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 Councillors determine is necessary to enable the preparation of financial statements that give a true and fair view and 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Councillors, 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.



Karen Taylor
Director, Financial Audit Services

29 September 2014
SYDNEY

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

YEAR ENDED 30 JUNE 2014

STATEMENT BY THE COUNCIL MEMBERS

Pursuant to Section 41C of the Public Finance and Audit Act 1983, we state that in our opinion:

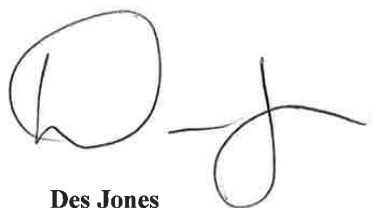
1. The accompanying financial statements exhibit a true and fair view of the financial position of the New South Wales Aboriginal Land Council as at 30 June 2014 and its performance for the year ended on that date in accordance with Australian Accounting Standards and interpretations and the provisions of the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2010 and the Treasurer's Directions.
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.



Craig Cromelin

Chairperson



Des Jones

Councillor

Date: 29/09/2014

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

		2014	2013
	Note	<u>\$'000</u>	<u>\$'000</u>
REVENUE			
Sale of Goods and Services	7	638	2,544
Investment Revenue	8	35,077	16,265
Grants and Contributions	9	87	3,107
Other Revenue	10	3,245	3,416
Total Revenue		<u>39,047</u>	<u>25,332</u>
EXPENSES EXCLUDING LOSSES			
Employee Related Expenses	13	13,412	13,271
Depreciation	26	813	1,048
Amortisation	27	190	234
Doubtful Debts and Debt Write Off		1,306	1,683
Funding to Local Aboriginal Land Councils	14	14,879	14,367
Grants	15	7,410	1,886
Legal Expenses		1,083	1,549
Other Operating Expenses	16	7,644	8,798
Program Expenses	17	3,007	2,720
Total Expenses Excluding Losses		<u>49,744</u>	<u>45,556</u>
Gain / (Loss) on Disposal of Property, Plant and Equipment	11	268	33
Other Gains / (Losses)	12	39,653	68,698
NET RESULT		<u>29,224</u>	<u>48,507</u>
Other Comprehensive Income/(Expenses)	38	6,506	142
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE YEAR		<u>35,730</u>	<u>48,649</u>

The above Statement of Profit or Loss and Other 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 2014

		2014	2013
ASSETS	Note	<u>\$'000</u>	<u>\$'000</u>
Current Assets			
Cash and Cash Equivalents	18	5,803	6,017
Restricted Assets	19	3,413	4,979
Receivables	20	1,589	2,499
Biological Assets	21	13	380
Financial Assets at Fair Value	22	615,123	578,053
Derivatives	23	48,798	41,192
Other Assets	24	15	13
Total Current Assets		<u>674,754</u>	<u>633,133</u>
Non-Current Assets			
Receivables	20	410	351
Other Financial Assets	25	415	397
Property, Plant and Equipment	26	43,109	43,396
Intangible Assets	27	103	370
Artefacts	28	634	634
Total Non-Current Assets		<u>44,671</u>	<u>45,148</u>
TOTAL ASSETS		<u>719,425</u>	<u>678,281</u>
LIABILITIES			
Current Liabilities			
Payables	30	4,134	3,846
Derivatives	31	48,214	43,068
Provisions	32	2,062	2,004
Total Current Liabilities		<u>54,410</u>	<u>48,918</u>
Non-Current Liabilities			
Provisions	32	597	675
Total Non-Current Liabilities		<u>597</u>	<u>675</u>
TOTAL LIABILITIES		<u>55,007</u>	<u>49,593</u>
NET ASSETS		<u>664,418</u>	<u>628,688</u>
EQUITY			
Reserve		26,084	20,217
Accumulated Funds		638,334	608,471
TOTAL EQUITY		<u>664,418</u>	<u>628,688</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 2014

	Note	Accumulated Funds <i>\$'000</i>	Revaluation Reserve <i>\$'000</i>	Total <i>\$'000</i>
Balance at 1 July 2013		608,471	20,217	628,688
Net Result for the year		29,224	-	29,224
Other Comprehensive Income	38	639	5,867	6,506
Total Comprehensive Income for the year		29,863	5,867	35,730
Balance at 30 June 2014		638,334	26,084	664,418
Balance at 1 July 2012		559,823	20,216	580,039
Net Result for the year		48,507	-	48,507
Other Comprehensive Income	38	141	1	142
Total Comprehensive Income for the year		48,648	1	48,649
Balance at 30 June 2013		608,471	20,217	628,688

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 2014

CASH FLOWS FROM OPERATING ACTIVITIES		2014	2013
	Note	<u>\$'000</u>	<u>\$'000</u>
Receipts			
Sale of Goods and Services		1,715	3,828
Interest and Investment Income		146	195
Grants and Contributions		87	84
Recovery of Rates and Administrators Cost Paid on behalf of LALCs		1,102	721
GST Received from ATO		2,434	2,205
Other		306	315
Total Receipts		<u>5,790</u>	<u>7,348</u>
Payments			
Employee Related Expenses		(13,492)	(12,884)
Grants and Subsidies		(1,988)	(1,799)
Funding to LALCs		(15,388)	(14,420)
Rates and Administrators Cost Paid on behalf of LALCs		(1,599)	(715)
Payment for Goods and Services		(11,959)	(15,346)
Total Payments		<u>(44,426)</u>	<u>(45,164)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	35	<u>(38,636)</u>	<u>(37,816)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Land and Buildings, Plant and Equipment	11	1,099	184
Proceeds from Sale of Financial Assets		36,087	43,768
Purchases of Property, Plant and Equipment		(231)	(47)
Purchases of Financial Assets		-	(3,025)
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>36,955</u>	<u>40,880</u>
NET INCREASE/(DECREASE) IN CASH		(1,681)	3,064
Opening Cash and Cash Equivalents		10,637	7,573
CLOSING CASH AND CASH EQUIVALENTS	18&19	<u>8,956</u>	<u>10,637</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 2014

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, comprised 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 was a wholly-owned subsidiary of the Council and A.C.N. 159 272 992 PTY LTD was a 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 years 2013 and 2014. A.C.N. 159 272 992 PTY LTD was deregistered on 19 June 2013 and A.C.N. 159 268 041 PTY LTD was deregistered on 3 July 2013.

The financial statements for the year ended 30 June 2014 have been authorised for issue by the Council on 29th September 2014.

2. BASIS OF PREPARATION

(a) Basis of Preparation of Financial Statements

The financial statements of the Council are general purpose financial statements which have been prepared on an accrual basis in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2010* and Treasurer's Directions; and
- the *New South Wales Aboriginal Land Rights Act 1983* and its Regulation.

As there were no commercial activities in A.C.N. 159 268 041 PTY LTD and A.C.N. 159 272 992 PTY LTD, they are not disclosed separately. As a result, the consolidated financial statements of the Council are the same as the financial statements of the ultimate parent entity

(b) Statement of Compliance

The Council complied with the legislative requirements and other authoritative pronouncements stated under the 'Basis of preparation of accounts' throughout the year in the preparation and the final presentation of the Financial Statements.

In accordance with the interpretation of the Crown Solicitor regarding 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 throughout the year.

(c) Profit status of the Council

The Council has assessed its profit status for the financial year ended 30 June 2014 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

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

(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.

(f) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that effect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision of 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)(iii), 3(c)(v) & 3(c)(viii)
- Note 8 – Investment Revenue
- Note 20 – Receivables
- Note 26 – Property, Plant and Equipment
- Note 27 – Intangible Assets

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)(iv), 3(c)(v), 3(c)(viii) & 3(d)(ii)
- Note 22 – Financial Assets at Fair Value
- Note 23 – Derivatives
- Note 25 – Other Financial Assets
- Note 32 – Provisions
- Note 37 – Financial Instruments

(g) Changes in accounting policy

In the current year, the Council has reviewed all of the new and revised Accounting Standards and Interpretations that are relevant to its operations and effective for the annual reporting period beginning on 1 July 2013. As a result, the Council has determined that its accounting policies and disclosures in relation to the presentation of these financial statements are appropriate.

The adoption of the revised AASB 119 *Employee Benefits* has changed the accounting for the Council's Annual Leave obligations. As the Council does not expect all annual leave to be taken within 12 months of the respective service being provided, Annual Leave obligations expected to be settled after 12 months from the end of the year are now classified as long-term employee benefits.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Council to all periods presented in these financial statements.

(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.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

(i) Contributions

Contributions received (including grants and donations) are recognised as revenue when the Council obtains control over the assets comprising the contributions unless proved otherwise as per the agreement. Control over contributions is normally obtained upon the receipt of cash.

(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 of:

- interest income on funds invested;
- dividend income; and
- changes in the fair value of financial assets at fair value through the profit and loss account.

Interest income is 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. Changes in the fair value of financial assets at fair value through the profit and loss account refer to Note 3 (c) (v) for details.

(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 Profit or Loss and Other 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 Profit or Loss and Other 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 in the profit and loss 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, 9.25% defined contribution incurred for employees under defined contribution scheme and amounts

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Notes to and forming part of the Financial Statements for the year ended 30 June 2014

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) (viii)

(iii) Maintenance expenses

Maintenance expenses are charged as stated in 3 (c) (viii)

(iv) Insurance expenses

The Council holds insurance policies covering property, public liability, workers compensation, Councillors' liability and other contingencies. After analysing the insurable risks, the Council has taken necessary insurance cover against these risks. The premium is determined by the Insurer.

(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 for the year in accordance with the funding agreement. If a LALC is in breach of the statutory requirements, only essential payments are made pursuant to the *Aboriginal Land Rights Act 1983* these are expensed in the profit and loss as funding of LALCs.

(vi) Expenditure for community benefits

Pursuant to Section 108 of the *Aboriginal Land Rights Act 1983*, the Council incurs expenses for the benefits of indigenous community. These expenses may be incurred in a form of asset such as shares or loans. In 2012, NSWALC incurred such expenses and received one million shares in Social Enterprise Finance Australia Ltd (SEFA). NSWALC does not have significant influence in SEFA and shares were revalued at one dollar. Therefore, the equity accounting is not adopted.

(c) Assets

(i) Cash and cash equivalents

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) Restricted assets

Restricted assets include cash and cash equivalents and property held by the Council for special projects or as a trustee. These assets cannot be used for operating purpose.

(iii) 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.

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The Council has a debtor 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 and the amounts to be written-off or waived. The policy has been implemented during the year and the movement in the allowance for impairment with the outstanding debt is disclosed in Note 20.

Short-term receivables with no stated interest rate are measured at the original invoice amount as the effect of discounting is immaterial.

(iv) 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. The products of these activities are used for a combination of profit making purposes including: marketed and sold for food; used for future plantings; and fodder for livestock.

The livestock asset cycle from acquisition to disposal is dependent on seasonal conditions including quality of feed. Livestock is valued at fair value less estimated point-of-sale costs. Gains or losses arising on initial recognition of biological assets at fair value less estimated point-of-sale costs and from changes in fair value less estimated point-of-sale costs are included in the Statement of Profit or Loss and Other 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.

The cropping asset cycle from planting to harvest is also 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 as cost of production.

The 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.

(v) 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 Profit or Loss and Other 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 Profit or Loss and Other 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 of or impaired, at which time the cumulative gain or loss previously recognised in equity is recognised in the Statement of Profit or Loss and Other Comprehensive Income. However,

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interest calculated using the effective interest method and dividends are recognised in the Statement of Profit or Loss and Other 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 investing in international equities. The Council enters into derivatives to mitigate this exposure. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Any changes in the fair value are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

- *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.

- *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.

(vi) *Trust Funds*

The Council receives monies in a trustee capacity for the Gumbaynggir Tribal Aboriginal Elders Corporation as set out in Note 36. The Council has no control of the funds and the funds cannot be used for the achievement of the Council's own objectives. The Council performs as a custodial role in respect of these funds. Therefore, these funds are not recognised in the financial statements.

(vii) *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 recognises this amount as superannuation asset and takes advantage of it in the form of a reduction in the required contribution rate 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. This is recognised as a liability.

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Notes to and forming part of the Financial Statements for the year ended 30 June 2014

(viii) 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 price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 2012-2013) 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 14-1). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any social-political restrictions imposed by government. In most cases after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants’ perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer Note 29 for further information regarding fair value.

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 properties was completed on 30 June 2014 by independent registered valuers who are experienced in the respective regions of properties located.

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.

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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 of Profit or Loss and Other Comprehensive Income, in which case the increase is credited to the Statement of Profit or Loss and Other Comprehensive Income to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of property, plant and equipment 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 property, plant and equipment carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

- **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 respective 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 rates and useful lives (i.e. 20% Depreciation Rate and 5 years Useful Life).

- **Maintenance**

Day-to-day servicing costs or maintenance are charged as expenses 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.

(ix) **Artefacts**

Artefacts include aboriginal artwork, sculptures carvings 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 for as explained in Note 28.

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(x) Leased Assets

A distinction is made between finance leases which substantially transfer from the lessor to the lessee 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.

(xi) 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 between three and twenty 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 are expected to be 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.

Annual leave is not wholly expected to be settled within twelve months and is measured at present value in accordance with AASB 119 *Employee Benefits*. A market yield on 10 year government bonds of 3.54% (2012-2013 3.76%) 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.

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- 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 14-04, 14-05) to all employees using current rates of pay. These factors were determined based on 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 2.54%, 2.69% and 2.99% (2, 3 and 5 years Government Bond Rates), which reflects the current market assessment of the time value of money and the risk specific to the liability.

(e) *Incorporation of Local Aboriginal Land Council*

There was no new Local Aboriginal Land Council incorporated during the financial year (none in 2012-2013).

(f) *Transfer of property to Local Aboriginal Land Councils*

During the year ended 30 June 2014, the Council transferred properties to Biraban Local Aboriginal Land Council, Forster Local Aboriginal Land Council, Nungaroo Local Aboriginal Land Council, Menindee Aboriginal Land Council and Moama Local Aboriginal Land Council at carrying value. The net amount transferred after adjusting for the revaluation reserve is disclosed in the Statement of Profit or Loss and Other Comprehensive Income (See Note 15).

(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*.

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Notes to and forming part of the Financial Statements for the year ended 30 June 2014

(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*

At the date of authorisation of the financial statements, the Standards and Interpretations listed in Note 39 were in issue but not yet effective. NSW Treasury has mandated not to early adopt any of the new Standards / Interpretations through Treasury Circular NSWTC14-03.

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. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. The Council categorises, for disclosure purposes, the valuation techniques based on the inputs grouped into three levels of fair value hierarchy as follows:

- Level 1 – quoted prices in active markets for identical assets/liabilities that the Trust can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

NSWALC recognises transfers between levels of the fair value hierarchy at the end the reporting period during which the change has occurred.

Refer Note 22 and Note 29 for further disclosures regarding fair value measurements of financial and non-financial assets.

(i) *Property, plant and equipment*

The fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs.

(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.

(iii) *Trade and other payables*

Trade and other payables are expected to be paid within a short period of time and considered as fair values.

When applicable, further information about the assumptions made in determining fair values are disclosed in the notes specific to the asset or 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

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Notes to and forming part of the Financial Statements for the year ended 30 June 2014

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 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 the 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 Council on its activities. The Chief Investment Officer reports to the Investment Committee, which in turn reports regularly to the Council 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 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 Council 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. Interest is earned on daily bank balances at the monthly average cash rate. It is the Council's practice to deal with banks with the highest 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 in accordance with Debtor Management Policy.

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Notes to and forming part of the Financial Statements for the year ended 30 June 2014

- *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 uncollectable 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.

- *Other debts*

The Council is exposed to various concentrations of credit risk through other debts (other than statutory debts) receivable from Local Aboriginal Land Councils. These debts were incurred as a result of the payment of minor loans and advances repayable within in a short period of time. Credit risk exposure is reported in the monthly aged analysis report. The Director of Corporate Services, in conjunction with Zone Directors, is responsible for the collection of debts due from Local Aboriginal Land Councils. The counter party risk that arises from mortgage loans is considered to be not significant. 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 consultant. The selection of asset classes into which the Council invests 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 22, are managed by the Council in conjunction with its investment consultant and are not guaranteed from credit risk.

The Council has placed funds on deposit with a commercial bank with the highest rate 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 NSW Treasury Circular (TC11/12). If trade terms are not specified, payment is made no later than

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

the end of the month following the month in which an invoice or a statement is received. TC11/12 allows the Minister to award interest for late payment. No interest was paid during the year.

(c) *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the income or value of the holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Council's exposures to market risk are as follows:

- Growth: the depth and length of the global economic downturn, and its impact on the investments held by the Council
- Systematic risk: liquidity and counterparty risks in financial markets
- Lack of Corporate Governance: Universal lack of corporate governance leads to fraud and bankruptcies.

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 the risk on currency exposures for its international equity investments by entering into 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 Consultant 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. 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.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

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.

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 for its capital management:

- a) Strategic Asset Allocation - to generate revenue and mitigate risks relate to investments.
- b) Drawdown Rule - to control operating expenditure.

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 former 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 6.04% of the investment balance in 2013-14 (6.63% of the investment balance in 2012-13). The draw down is projected to be reduced progressively from 4.2% to 4% over the next 2 years.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2014

	2014	2013
	<u>\$'000</u>	<u>\$'000</u>
7. SALE OF GOODS AND SERVICES		
Rural Properties Crop and Cattle Sales	316	1,985
Tracker Advertising Income	285	296
Tracker Subscriptions Income	23	19
K2 Greenies Project	14	244
	<u>638</u>	<u>2,544</u>
8. INVESTMENT REVENUE		
Interest	175	238
Dividends	29,287	15,731
Realised Gains/(Losses)	5,615	296
	<u>35,077</u>	<u>16,265</u>
9. GRANTS AND CONTRIBUTIONS		
Funeral Assistance	-	25
Walgett Repair and Maintenance	-	9
Subdivision - Restricted Use	-	2,931
Other	87	143
	<u>87</u>	<u>3,107</u>
10. OTHER REVENUE		
Rental Income	1,292	1,162
Rural Properties Other Income	109	106
Investment Managers Fees Rebates	853	778
Movement in Impairment	699	625
Legal Expenses Recovered	73	265
Refund from Charities Aid Foundation (CAF)	-	39
Other	219	442
	<u>3,245</u>	<u>3,416</u>

11. GAIN/(LOSS) ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment	Land and Building	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
2014			
Proceeds from Disposal	-	1,105	1,105
Written Down Value of Assets Disposed	(1)	(830)	(831)
Commission on Disposal	-	(6)	(6)
Net Gain/(Loss) on Disposal	(1)	269	268
	Plant and Equipment	Land and Building	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
2013			
Proceeds from Disposal	-	184	184
Written Down Value of Assets Disposed	-	(151)	(151)
Net Gain/(Loss) on Disposal	-	33	33

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2014

	2014	2013
	<u>\$'000</u>	<u>\$'000</u>
12. OTHER GAINS/(LOSSES)		
CHANGES IN FAIR VALUE OF INVESTMENTS		
Net change in fair value of Hedge Instrument	583	(1,876)
Net change in fair value of Financial Assets classified as held for trading	39,070	70,573
	<u>39,653</u>	<u>68,698</u>
13. EMPLOYEE RELATED EXPENSES		
Salaries and Wages (Including Recreation Leave)	11,295	10,747
Superannuation Expenses	1,045	959
Leave Expenses	959	1,130
Workers' Compensation Insurance	113	435
	<u>13,412</u>	<u>13,271</u>
14. FUNDING TO LOCAL ABORIGINAL LAND COUNCILS		
Fully Funded	13,390	12,740
Partially Funded	984	911
Essential Expenses Paid for LALCs	505	716
	<u>14,879</u>	<u>14,367</u>
15. GRANTS		
Funeral Assistance	784	841
Community Development Levy	377	100
Properties Transferred to LALCs	5,422	86
Others	827	859
	<u>7,410</u>	<u>1,886</u>

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

	2014	2013
	<u>\$'000</u>	<u>\$'000</u>
16. OTHER OPERATING EXPENSES		
Audit Fees - The Audit Office of NSW	180	175
Audit Fees - Internal Auditor and Investigator	220	300
Consultants Fees	617	871
Enterprise and Farm Expenses	716	1,455
Motor Vehicle Expenses	573	594
Maintenance Expenses*	464	375
Travel Expenses and Meal Allowances	1,017	904
Insurance	341	453
Rent and Outgoings	773	628
Postage, Printing and Stationery	271	348
Contractor Fees	416	325
Electricity, Gas & Power	242	278
Telephone & Communications	241	218
Statewide Conference Expenses	2	457
Leased Property Other Expenses	127	147
IT Related Expenses	114	159
Photocopying Expenses	200	187
Staff Training, Development and Recruitment	179	109
Miscellaneous Expenses	951	813
	<u>7,644</u>	<u>8,798</u>

* All maintenance work carried out by the external contractors and there is no employee related expenses included.

17. PROGRAM EXPENSES

Share of Contribution to Water and Sewerage Infrastructure Program*	1,800	1,700
Repair and Maintenance Project**	-	6
Subdivision Project***	1,207	994
Other Program Expenses	-	20
	<u>3,007</u>	<u>2,720</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. The project was completed in 2011-12 financial year.

***In 2008, NSWALC and the Commonwealth entered into a partnership agreement to facilitate subdivision of former Aboriginal reserves in NSW. The pilot and research phase completed in 2010. After obtaining agreement with LALCs in the area, Stage 2 of the project which includes 13 ex-reserve sites to be subdivided through a standard Development Application (DA) process.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2014

	2014	2013
	<u>\$'000</u>	<u>\$'000</u>
18. CASH AND CASH EQUIVALENTS		
Cash at Bank and in Hand	5,481	5,703
Funeral Fund - Cash at Bank	322	314
	<u>5,803</u>	<u>6,017</u>

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short-term deposits. Also, include cash and cash equivalents under Restricted Assets (Refer to Note 19).

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows.

Details regarding Credit Risk, Liquidity Risk and Market Risk including financial assets that are either past due or impaired are disclosed in Note 37.

19. RESTRICTED ASSETS

Subdivision Project - Cash at Bank	993	3,170
Community Development Levy - Cash at Bank	2,095	1,386
Wallung Trust - Cash at Bank	65	63
Wallung Trust - Property*	260	360
	<u>3,413</u>	<u>4,979</u>

*The Council has resolved to dispose the property at 54 Belgrave Street Kempsey and to distribute the proceeds equally to the eight LALCs within the region. The depreciation expenses of the property have been adjusted in the Council's accounts.

20. RECEIVABLES

a) Current

Trade Debtors	332	901
Statutory Debts (Local Aboriginal Land Council)	94	248
Prepayments	343	325
Franking Credit Rebates	822	1,028
	1,591	2,501
Less: Allowance for Impairment	(2)	(2)
	<u>1,589</u>	<u>2,499</u>

b) Non-Current

Statutory Debts (Local Aboriginal Land Council)	3,651	3,061
Loans on Demand (Local Aboriginal Land Council)	41	266
	3,692	3,327
Less: Allowance for Impairment	(3,282)	(2,976)
	<u>410</u>	<u>351</u>

Movement in the allowance for impairment

Balance at 1 July	2,978	4,613
Amounts written off during the year	(288)	(1,649)
Increase in allowance recognised in Statement of Comprehensive Income	1,293	638
Decrease in allowance recognised in Other Revenue	(699)	(625)
Balance at 30 June	<u>3,284</u>	<u>2,978</u>

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2014

	2014 <u>\$'000</u>	2013 <u>\$'000</u>
Represented by:		
Current	2	2
Non-Current	3,282	2,976
	<u>3,284</u>	<u>2,978</u>

21. BIOLOGICAL ASSETS

Livestock	-	275
Grain and Other Rural Stock	13	105
	<u>13</u>	<u>380</u>

Reconciliation of carrying amounts of livestock

Carrying Amount at 1 July	275	122
Increases due to Purchases	-	773
Decrease due to Sales	(275)	(620)
Carrying amount at 30 June	<u>-</u>	<u>275</u>

22. FINANCIAL ASSETS AT FAIR VALUE

Australian Fixed Income	37,461	54,667
Australian Equities	79,863	69,284
International Equities	216,778	189,545
Emerging Markets	37,751	29,739
Global Listed Property Trusts	33,575	28,940
Hedge Fund	98,573	90,141
International Fixed Income	36,418	39,492
Absolute Return Funds	35,817	30,655
Inflation - Linked Bond	31,818	38,705
Cash Fund	7,002	6,820
Term Deposits	67	65
	<u>615,123</u>	<u>578,053</u>

Refer to Note 37 for further information regarding fair value measurements, credit risk, liquidity risk and market risk arising from financial instruments.

23. DERIVATIVES (ASSETS)

Foreign Currency Forward Contracts	48,798	41,192
	<u>48,798</u>	<u>41,192</u>

Refer to Note 37 for further information regarding fair value measurements, credit risk, liquidity risk and market risk arising from financial instruments.

24. OTHER ASSETS

Superannuation Assets	15	13
	<u>15</u>	<u>13</u>

25. OTHER FINANCIAL ASSETS

Mortgages	415	397
	<u>415</u>	<u>397</u>

Refer to Note 37 for further information regarding fair value measurements, credit risk, liquidity risk and market risk arising from financial instruments.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2014

26. 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 30 June 2013 - fair value						
Gross carrying amount	31,954	14,222	3,673	215	-	50,064
Accumulated depreciation and impairment	-	(2,941)	(3,514)	(213)	-	(6,668)
Net Carrying Amount	31,954	11,281	159	2	-	43,396

At 30 June 2014 - fair value

Gross carrying amount	30,666	12,291	3,298	196	75	46,526
Accumulated depreciation and impairment	-	-	(3,222)	(195)	-	(3,417)
Net Carrying Amount	30,666	12,291	76	1	75	43,109

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 2014						
Net carrying amount at 1 July 2013	31,954	11,281	159	2	-	43,396
Additions	-	65	25	-	75	165
Disposal	(745)	(711)	(1)	-	-	(1,457)
Transfer to LALCs	(4,902)	(317)	-	-	-	(5,219)
Revaluation Movement	4,359	2,678	-	-	-	7,037
Depreciation expense	-	(705)	(107)	(1)	-	(813)
Net Carrying Amount at 30 June 2014	30,666	12,291	76	1	75	43,109

	Land	Building	Plant and Equipment	Motor Vehicle	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
At 1 July 2012 - fair value					
Gross carrying amount	32,146	14,286	3,750	215	50,397
Accumulated depreciation and impairment	-	(2,249)	(3,277)	(200)	(5,727)
Net Carrying Amount	32,146	12,037	473	15	44,670

At 30 June 2013 - fair value

Gross carrying amount	31,954	14,222	3,673	215	50,064
Accumulated depreciation and impairment	-	(2,941)	(3,514)	(213)	(6,668)
Net Carrying Amount	31,954	11,281	159	2	43,396

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

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 \$'000	Building \$'000	Plant and Equipment \$'000	Motor Vehicle \$'000	Total \$'000
Year ended 30 June 2013					
Net carrying amount at 1 July 2012	32,146	12,037	473	15	44,670
Additions	-	-	11	-	11
Disposal	(120)	(25)	(6)	-	(151)
Transfer to LALCs	(72)	(14)	-	-	(86)
Depreciation expense	-	(716)	(319)	(12)	(1,048)
Net Carrying Amount at 30 June 2013	31,954	11,281	159	2	43,396

	2014 \$'000	2013 \$'000
27. INTANGIBLE ASSETS		
Gross carrying amount	1,512	1,637
Accumulated amortisation and impairment	(1,409)	(1,267)
Carrying amount	103	370

Reconciliation

Net carrying amount at 1 July 2013	370	507
Additions	65	97
Transfer to LALC	(143)	-
Amortisation	(189)	(234)
Carrying amount at 30 June 2014	103	370

28. ARTEFACTS

Carrying value at 1 July 2013	634	634
Carrying value at 30 June 2014	634	634

Artefacts were revalued in 2009 and will be revalued in 2015 by an independent specialised valuer. There are no additions and write off during the year.

29. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

(a) Fair value hierarchy

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total Fair Value \$'000
2014				
Property, plant and equipment				
Land and buildings (Note 19, 26)	-	43,217	-	43,217
Artefacts (Note 28)	-	634	-	634
	-	43,851	-	43,851

There were no transfers between Level 1 or 2 during the period.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2014

(b) Valuation techniques, inputs and processes

Land and buildings

The valuation techniques used to value land and buildings are:

1. Market Approach– this approach uses prices generated by market transactions involving identical or similar assets; and
2. Cost Approach– applicable where current market buying prices cannot be observed the depreciated replacement cost method of valuation has been adopted.

Land assets have been valued using market evidence with adjustment for condition, location, comparability, etc and therefore are categorised as Level 2.

The majority of building assets are valued using market evidence with adjustment for condition, location, comparability, etc and therefore are categorised as Level 2.

Artefacts

The valuation technique used to value art and artefacts is the market approach- this approach uses prices generated by market transactions involving identical or similar assets.

	2014 <u>\$'000</u>	2013 <u>\$'000</u>
30. PAYABLES		
Accrued Salaries, Wages and On-Costs	386	329
Creditors	1,332	1,816
Community Development Levy	2,094	1,386
Funeral Fund - Refundable Contributions	322	314
	<u>4,134</u>	<u>3,846</u>

Details regarding credit risk, liquidity risk and market risk including maturity analysis of the above payables are disclosed in Note 37.

31. DERIVATIVES (LIABILITIES)

Foreign Currency Forward Contracts	48,214	43,068
	<u>48,214</u>	<u>43,068</u>

Refer to Note 37 for further information regarding fair value measurements, credit risk, liquidity risk and market risk arising from financial instruments.

32. PROVISIONS

Current

Current Employee benefits and related on-costs

Provision for Annual Leave-Long Term	1,069	1,127
Provision for Long Service Leave - Long Term	520	473
Provision for Unfunded Superannuation (refer to Note 32(a))	388	404
	<u>1,977</u>	<u>2,004</u>

Other Current Provisions

Provision for Make-Good	10	-
Provision for Legal Appeal	75	-
	<u>85</u>	<u>-</u>
	<u>2,062</u>	<u>2,004</u>

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Non-Current

Non-Current Employee Benefits

Provision for Long Service Leave	484	552
	484	552

Other Non-Current Provisions

Provision for Make-Good	113	123
	113	123
	597	675

Aggregate Employee Benefits and Related On-Costs

Provisions - Current	1,977	2,004
Provisions - Non Current	484	552
Accrued Salaries and Wages (refer to Note 30)	386	329
	2,847	2,885

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

Carrying amount at 1 July	123	108
Additional Provisions Recognised	-	15
Carrying amount at 30 June	123	123

Provision for make-good has been provided for the leased offices by the Council at the end of the lease terms.

(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.

The disclosure on Defined Benefit Superannuation is minimised as the number of employees is not significant.

Significant Actuarial Assumptions at the Reporting Date

As at 30/06/2014

Discount rate	3.57% pa
Salary increase rate	2.27% pa to 30 June 2015, then 2.5% pa to 30 June 2018,
(excluding promotional increases)	3.0% pa from 1 July 2018 to 30 June 2023, and 3.5% pa
Rate of CPI increase	2.5% pa
Pensioner mortality	as per the 2012 Actuarial Investigation of the Pooled Fund

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Reconciliation of the present value of the defined benefit obligation - 2014

	SANCS 30-Jun-14 \$'000	SSS 30-Jun-14 \$'000	Total 30-Jun-14 \$'000
Present value of partly funded defined benefit obligation at beginning of the year	-	1,173	1,173
Interest cost	-	44	44
Actuarial (gains)/losses	(1)	35	34
Benefits paid	-	(52)	(52)
Taxes, premiums & expenses paid	1	6	7
Present value of partly funded defined benefit obligation at end of the year	-	1,206	1,206

Reconciliation of the fair value of Fund assets - 2014

	SANCS 30-Jun-14 \$'000	SSS 30-Jun-14 \$'000	Total 30-Jun-14 \$'000
Fair value of Fund assets at beginning of the year	13	769	782
Interest income	1	28	29
Actual return on Fund assets less interest income	1	67	68
Benefits paid	-	(52)	(52)
Taxes, premiums & expenses paid	1	6	7
Fair value of Fund assets at end of the year	16	818	834

Reconciliation of the assets and liabilities recognised in Statement of Financial Position - 2014

	SANCS 30-Jun-14 \$'000	SSS 30-Jun-14 \$'000	Total 30-Jun-14 \$'000
Present value of partly funded defined benefit obligation at end of year	-	1,206	1,206
Fair value of Fund assets at end of year	(16)	(818)	(834)
Subtotal	(16)	388	372
Net liability/(Asset) recognised in balance sheet at end of year	(16)	388	372

Expense recognised in Statement of Comprehensive Income - 2014

	SANCS 30-Jun-14 \$'000	SSS 30-Jun-14 \$'000	Total 30-Jun-14 \$'000
Components Recognised in Income Statement			
Net Interest	-	15	15
Defined benefit cost	-	15	15

Amounts recognised in other comprehensive income - 2014

	SANCS 30-Jun-14 \$'000	SSS 30-Jun-14 \$'000	Total 30-Jun-14 \$'000
Actuarial (gains)/losses on liabilities	(1)	35	34
Actual return on Fund assets less Interest income	(1)	(67)	(68)
	(2)	(32)	(34)

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Reconciliation of the present value of the defined benefit obligation - 2013

	SANCS 30-Jun-13 \$'000	SSS 30-Jun-13 \$'000	Total 30-Jun-13 \$'000
Present value of partly funded defined benefit obligation at beginning of the year	-	1,259	1,259
Interest cost	-	38	38
Actuarial (gains)/losses	-	(84)	(84)
Benefits paid	-	(39)	(39)
Present value of partly funded defined benefit obligation at end of the year	-	1,174	1,174

Reconciliation of the fair value of Fund assets - 2013

	SANCS 30-Jun-13 \$'000	SSS 30-Jun-13 \$'000	Total 30-Jun-13 \$'000
Fair value of Fund assets at beginning of the year	11	693	704
Expected return on Fund assets	1	57	58
Actuarial gains/(losses)	1	58	59
Benefits paid	-	(39)	(39)
Fair value of Fund assets at end of the year	13	769	782

Reconciliation of the assets and liabilities recognised in Statement of Financial Position - 2013

	SANCS 30-Jun-13 \$'000	SSS 30-Jun-13 \$'000	Total 30-Jun-13 \$'000
Present value of partly funded defined benefit obligation at end of year	-	1,174	1,174
Fair value of Fund assets at end of year	(12)	(769)	(781)
Subtotal	(12)	405	393
Net liability/(Asset) recognised in balance sheet at end of year	(12)	405	393

Expense recognised in Statement of Comprehensive Income - 2013

	SANCS 30-Jun-13 \$'000	SSS 30-Jun-13 \$'000	Total 30-Jun-13 \$'000
Components Recognised in Income Statement			
Interest cost	-	37	37
Expected return on Fund assets (net of expenses)	(1)	(57)	(58)
Income recognised	(1)	(20)	(21)

Amounts recognised in other comprehensive income - 2013

	SANCS 30-Jun-13 \$'000	SSS 30-Jun-13 \$'000	Total 30-Jun-13 \$'000
Actuarial (gains)/losses on liabilities	-	(142)	(142)
	-	(142)	(142)

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2014

33. COMMITMENTS

	2014	2013
	<u>\$'000</u>	<u>\$'000</u>
Operating Leases Payables		
Future Non-Cancellable Operating Lease Rentals not Provided for and Payable:		
Not Later Than One Year	814	654
Later Than One Year and Not Later Than Five Years	<u>773</u>	<u>581</u>
Total (Including GST)	<u>1,587</u>	<u>1,235</u>

Operating leases payables relate to properties, printers and motor vehicles. These leases are not recognised in the financial statements as liabilities. The figure for operating leases does not include the residual value that may lead to a potential liability at the end of the lease term depending if the Council will purchase the printers or motor vehicles at end of the lease term. GST of \$144K (\$112K 2012-2013) has been included in the total above.

Operating Leases Receivables

Future Non-Cancellable Operating Lease Payments not Received and Receivable:		
Not Later Than One Year	1,077	831
Later Than One Year and Not Later Than Five Years	<u>1,451</u>	<u>1,145</u>
Total (Including GST)	<u>2,528</u>	<u>1,976</u>

Operating leases receivables relate to rental properties. These are entered into at market rates and on commercial terms. Regular market valuations and tendering processes are carried out to ensure commercial arrangements are maintained. GST of \$230K (\$180K 2012-2013) has been included in the total above.

34. CONTINGENT ASSET/LIABILITY

	2014	2013
	<u>\$'000</u>	<u>\$'000</u>
(a) Contingent assets		
Legal Claims	<u>100</u>	<u>-</u>
	<u>100</u>	<u>-</u>

There is one outstanding legal appeal that may result in a contingent asset for NSWALC. That would be anticipated successful appeal in Nelson Bay case (**NSWALC and Worimi LALC v Minister Administering the Crown Lands Act**) for \$100K. There is no known contingent liability as at the balance date.

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Notes to and forming part of the Financial Statements for the year ended 30 June 2014

35. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET SURPLUS

	2014	2013
	<u>\$'000</u>	<u>\$'000</u>
Operating Surplus/(Deficit) from Ordinary Activities	29,224	48,507
Investment earnings	(34,933)	(16,805)
Unrealised gains	(39,653)	(68,698)
Depreciation & amortisation	1,002	1,282
Allowance for impairment	13	1,045
Superannuation actuarial (gain)/loss directly charged to accumulated funds	15	(21)
Non cash items adjustment - GST	86	(28)
Reversal of prior years impairment	(699)	(625)
(Gain)/ loss on sale of non-current assets	(268)	(33)
Properties transferred at fair value	5,422	86
Other non cash transactions	(1,026)	(3,012)
Other Changes in Assets and Liabilities in respect of Ordinary Activities		
Increase/ (decrease) in leave and other provisions	(5)	401
Increase/ (decrease) in provisions for doubtful debts	1,293	638
Decrease/ (increase) in receivables	(29)	(28)
Decrease/ (increase) in other financial assets	(18)	(20)
Decrease/ (increase) in prepayment	(19)	113
Increase/ (decrease) in creditors	592	(595)
Decrease/ (increase) in inventories	367	(24)
Net Cash Inflows from Ordinary Activities	<u>(38,636)</u>	<u>(37,816)</u>

36. LIABILITY AS TRUSTEE

The Council acts as trustee for the Gumbaynggir Tribal Aboriginal Elders Corporation.
The movement in the Trust bank account is:

	2014	2013
	<u>\$'000</u>	<u>\$'000</u>
Opening balance at 1 July	127	112
Add: Receipts	16	15
Closing balance at 30 June	<u>143</u>	<u>127</u>

Manager for a reserve trust (R52164)

As per the NSW Government gazette notice dated 27 January 2006 at Folio 504, the former Koombahtoo Local Aboriginal Land Council (KLALC) was appointed to manage the Awaba Community Hall (R52164) Reserve Trust by the Minister for Lands as the Minister administering the Crown Lands Act 1989. The Reserve Trust was dissolved by the Minister for Regional Infrastructures and Services on 20 July 2012 listed on NSW Government Gazette No.73. There are no known risks or liabilities faced by NSWALC.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2014

37. FINANCIAL INSTRUMENTS

The carrying amounts of the Council's principal financial instruments are outlined below. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. During the year Council invested through a number of fund managers as recommended by the Investment Consultant.

(a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
			2014	2013
Class:			\$'000	\$'000
Cash and cash equivalents	18,22	N/A	5,870	6,082
Restricted cash and cash equivalents	19	N/A	3,153	4,619
Receivables ¹	20	Loans and receivables	176	897
Financial assets at fair value	22,23	Investment at fair value through profit or loss – classified at held for trading	663,854	619,180
Other financial assets	25	Loans and investments not for trading	415	397

Financial Liabilities	Note	Category	Carrying Amount	Carrying Amount
			2014	2013
Class:			\$'000	\$'000
Payables ²	30	Financial liabilities measured at amortised cost	4,072	3,747
Financial liabilities at fair value	31	Hedged instruments at fair value through profit or loss – classified at held for trading	48,214	43,068

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.

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	2014 Total
	\$'000's	\$'000's	\$'000's	\$'000's
Financial assets at fair value				
Managed funds	265,728	349,328	-	615,056
Derivatives - Assets	-	48,798	-	48,798
	265,728	398,126	-	663,854
Financial liabilities at fair value				
Derivatives - Liabilities	-	48,214	-	48,214
	-	48,214	-	48,214

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2014

(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 the highest 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 2.81% (3.30% in 2012-2013), while over the year the weighted average interest rate was 2.68% (3.19% in 2012-13) on a weighted average balance during the year of \$6.99M (\$9.7M in 2012-13). None of these assets are past due or impaired.

(ii) Receivables – trade debtors

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
2014			
< 3 months overdue	117	117	-
> 3 months overdue	17	15	2
2013			
< 3 months overdue	360	360	-
> 3 months overdue	271	269	2

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
2014			
< 3 months overdue	-	-	-
> 3 months overdue	456	415	41
2013			
< 3 months overdue	-	-	-
> 3 months overdue	664	438	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 2014

(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		
	Nominal	Non-interest	< 1 yr	1-5 yrs	> 5 yrs
	Amount	Bearing			
	\$'000	\$'000	\$'000	\$'000	\$'000
2014					
Payables	3,750	3,750	3,750	-	-
Funeral Fund-Contributions Refundable	322	322	-	-	322
Financial Liabilities at fair value	48,214	48,214	48,214	-	-
	52,286	52,286	51,964	-	322
2013					
Payables	3,433	3,433	3,433	-	-
Funeral Fund-Contributions Refundable	314	314	-	-	314
Financial Liabilities at fair value	43,068	43,068	43,068	-	-
	46,815	46,815	46,501	-	314

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2014

(d) Market risk

(i) Currency risk

The Council has direct exposure to foreign currency by investing in International Equities. To mitigate this risk, the Council has entered into forward foreign exchange contracts with National Australia Bank. The carrying value of foreign currency exposure is AU\$98.4M as at 30 June 2014. (\$83.06M as at 30 June 2013).

(ii) Interest rate risk

	Carrying Amount \$'000	-1% Profit \$'000	Equity \$'000	1% Profit \$'000	Equity \$'000
2014					
Financial assets					
Cash and cash equivalents	5,870	(59)	5,811	59	5,929
Restricted cash and cash equivalents	3,153	(32)	3,121	32	3,185
Financial assets at fair value	663,854	(6,639)	657,215	6,639	670,493
Other financial assets	415	(4)	411	4	419
Financial liabilities					
Financial liabilities at fair value	48,214	(482)	47,732	482	48,696
2013					
Financial assets					
Cash and cash equivalents	6,082	(61)	6,021	61	6,143
Restricted cash and cash equivalents	4,619	(46)	4,573	46	4,665
Financial assets at fair value	619,180	(6,192)	612,988	6,192	625,372
Other financial assets	397	(4)	393	4	401
Financial liabilities					
Financial liabilities at fair value	43,068	(431)	42,637	431	43,499

(iii) Other price risk

Exposure to 'other price risk' primarily arises through the investment with fund managers which are held for strategic rather than trading purposes. The Council has the following investments:

Facility	Investment Sectors	Investment Horizon	2014 \$'000	2013 \$'000
Short-term facility	Cash, money market instruments	Up to 1.5 years	54,667	47,274
Strategic cash facility	Cash, money market and other interest rate instruments	Up to 3 years	615,056	577,988

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 consultant. The performance of investment fund managers is continually monitored by investment consultant who reports on a regular and exceptional basis to Chief Investment Officer, the Investment Committee and the Council.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL
Notes to and forming part of the Financial Statements for the year ended 30 June 2014

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 2014 \$'000	Percentage Spread %	Actual rate return 30 June 2014 %	Carrying value as at 30 June 2013 \$'000	Percentage Spread %	Actual rate return 30 June 2013 %
Australian Equities	79,863	12.98	17.64	69,284	11.99	25.21
International Equities	216,778	35.24	20.46	189,545	32.79	31.92
Global Listed Property	33,575	5.46	16.01	28,940	5.01	21.54
Australian Fixed Income	37,461	6.09	3.56	54,667	9.46	4.73
International Fixed Income	36,418	5.92	4.62	39,492	6.83	6.26
Inflation-linked Bond Fund	31,818	5.17	4.66	38,705	6.70	3.27
Absolute Returns	35,817	5.82	16.84	30,655	5.30	0.92
Fund of Hedge Fund	98,573	16.02	9.35	90,141	15.59	10.29
Emerging Markets	37,751	6.14	5.56	29,739	5.14	12.11
Cash Fund	7,002	1.14	2.67	6,820	1.18	3.23
Term Deposit	67	0.01	2.94	65	0.01	3.47
	615,123	100.00	13.31	578,053	100.00	16.83

Funds other than direct deposits in banks do not have direct holdings in underlying assets. Hence, 'interest rate risk' or 'currency risk' are not applicable and are therefore not individually analysed other than 'other price risk'. The sensitivity analysis in relation to 'other price risk' is determined using standard deviation based on stochastic Global Asset Model provided by the investment consultants, and the percentage allocation of funds of the portfolio of investments held by the Council as at the year end. The following table provides the overall other price risk of the Council with 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 2014	615,123	2.10%	40,954	656,077	(40,954)	574,169
Total Portfolio of Investments as at 30 June 2013	578,053	2.10%	35,475	613,528	(35,475)	542,578

(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 2014.

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

38. OTHER COMPREHENSIVE INCOME/ (EXPENSES)

	Accumulated Funds	Revaluation Reserve	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
2014			
Actuarial gain on defined super	34	-	34
Net increment on revaluation	-	6,472	6,472
Properties transferred to Local Aboriginal Land Council	605	(605)	-
	639	5,867	6,506
	Accumulated Funds	Revaluation Reserve	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
2013			
Actuarial gain on defined super	142	-	142
Properties transferred to Local Aboriginal Land Council	(1)	1	-
	141	1	142

39. CHANGES TO ACCOUNTING STANDARDS

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting period. The Council did not early adopt any of these Accounting Standards and Interpretations that are not yet effective:

- AASB 9 *Financial Instruments* (1 January 2017)
- AASB 11 (NFP) *Joint Arrangements* (1 January 2013)
- AASB 12 (NFP) *Disclosure of Interests in Other Entities* (1 July 2013)
- AASB 127 (NFP) *Consolidated and Separate Financial Statements* (1 July 2013)
- AASB 128 (NFP) *Investments in Associates* (1 July 2013)
- AASB 1031 *Materiality* (1 January 2014)
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (1 January 2017)
- AASB 2011-7 (NFP) *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (1 January 2014)
- AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (1 January 2014)
- AASB 2012-6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures* (1 January 2013)
- AASB 2013-3 *Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets* (1 January 2014)
- AASB 2013-4 *Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]* (1 January 2014)
- AASB 2013-5 *Amendments to Australian Accounting Standards – Investment Entities* (1 January 2014)
- AASB 2013-6 *Amendments to AASB 136 arising from Reduced Disclosure Requirements* (1 January 2014)
- AASB 2013-7 *Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policyholders* (1 January 2014)
- AASB 2013-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities* (1 January 2014)
- AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* [Operative dates: Part A Conceptual Framework – 20 December 2013; Part B Materiality – 1 January 2014; Part C Financial Instruments – 1 January 2015]

40. EVENT AFTER THE BALANCE DATE

There is no known event after the balance date.

End of Audited Financial Statement

ACRONYMS

AANSW	Aboriginal Affairs New South Wales	PID	Public Interest Disclosures
AEP	Aboriginal Employment Plan	PMU	Program Management Unit
AEU	Aboriginal Employment Unit	PPIPA	Privacy and Personal Information Protection Act
AHO	Aboriginal Housing Office	PRU	Policy & Research Unit
ALRA	Aboriginal Land Rights Act	PSPA	Petroleum Special Prospecting Authority
CAF	Charities Aid Foundation	RALC	Regional Aboriginal Land Council
CFI	Carbon Farming Initiative	RAS	Risk Assessment System
CLBP	Community Land and Business Plan	RDP	Resource Development Project
DoLG	Department of Local Government	RJCP	Remote Jobs Community Program
DPI	Department of Primary Industries	RPA	Regional Partnership Agreement
ECOSOC	United Nations Economic and Social Council	SHAPE	Social Housing and Provider Evaluation
EMRIP	Expert Mechanism on the Rights of Indigenous Peoples	SIOP	Statement of Investment Objectives Policy
FaHCSIA	Department of Families & Housing, Community Services and Indigenous Affairs	SRLUP	Strategic Regional Land Use Policies
GIPA	Government Information Public Access	UNPFII	United Nations Permanent Forum on Indigenous Issues
IBA	Indigenous Business Australia	VG	Valuer General
ICT	Information & Communications Technology		
IEG	Indigenous Energy Group		
LALC	Local Aboriginal Land Council		
LCSU	LALC Support Unit		
LDM	Local Decision Making		
LEC	Land and Environment Court		
LGNSW	Local Government New South Wales		
LMSS	LALC Management Support System		
LPI	Land and Property Information		
LRU	Land Rights Unit		
LSU	Legal Services Unit		
MRCAPO	Many Rivers Coalition of Aboriginal Peak Organisations		
NAHS	National Aboriginal Health Strategy		
NGO	Non-government Organisation		
NRCAPO	Northern Region Coalition of Aboriginal Peak Organisations		
NSWALC	New South Wales Aboriginal Land Council		
NSWLEC	NSW Land and Environment Court		
NTSCORP	Native Title Service Provider		
NWLC	North West Land Corporation		
OCHRE Plan	Opportunity Choice Healing Responsibility Empowerment Aboriginal Affairs Plan		
OCSG	Office of Coal Seam Gas		
OEH	Office of Environment & Heritage		
PAN	Proposed Acquisition Notice		
PELA	Petroleum Exploration Licence Application		

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