

# 2014-2015

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL **ANNUAL REPORT**



# CONTENTS

Chairperson's Welcome	5	Sewerage Program	23	Support to LALCs	37
From the Chief Executive Officer	6	Subdivisions	24	Community Benefit Schemes	37
About Us	7	Discretionary Grants	24	Risk Assessment System (RAS)	37
Our Clients	7	Community Land and Business Plans	24	LALC Board Elections	37
Council Structure	7	Local Government - LGNSW	24	LALC Training	37
2014-2015 Councillors	8	Submissions and Publications	24	Social Housing	38
Senior Management	10	Workshops, Events and Meetings	25	Land Dealings	38
Organisation Structure	11	Additional policy advice and assistance	25	Regional Forums	38
Year in Review	13	Economic Development	25	Community Land and Business Plans (CLBP)	38
Policy and Programs	14	Strategic Initiatives	26	NAIDOC	38
Land & Property	14	Resource Development Project	26	Economic / Community Development	38
Land Claims	14	The Policy Landscape	27	Native Title	38
Overview Of Land Claims	14	Minerals Council of NSW	28	LALC Funding	38
Claims Lodged With The Registrar	14	Minerals Industry IBA	28	LALC Debt	40
Outstanding Aboriginal Land Claims As At 30 June 2015	14	Consultation	28	Southern Zone	40
Land Claims Granted	14	Housing	28	Staffing	40
Land Claims Refused	14	Zone Offices	29	Support to LALCs	41
Land Claims Withdrawn	15	Northern Zone	29	Regional Forums	41
Contamination Issues And Risk Mitigation	15	Staffing	29	LALC Board Elections	41
Property Register	15	General Zone Support to LALCs	29	LALC Training	41
Proposed Dealings With Claimed Land (Including Compulsory Acquisitions)	15	Specialised Support to LALCs	29	Risk Assessment System (RAS)	42
Land Dealings	15	Many Rivers Regional Partnership Agreement	29	LALC Social Housing Activity	43
Scope and Approval Of Land Dealings	15	Northern Region LALC Regional Partnership Agreement (RPA)	30	Community Land and Business Plans (CLBP)	43
Certificates Of Title	16	LALC / Community Consultation and Engagement	30	Economic Development Program	44
Significant Land Development Projects	16	LALC Regional Forums	30	Land Claims, Dealings and Management	44
Ngambri On The Park	16	Compliance Monitoring and Assistance	30	LALC Funding	45
Darkinjung - Casar Motorsports Lease	16	LALC Audit Results	30	Western Zone	45
Forster - Sale To Midcoast Water	16	Risk Assessment System and Performance Improvement Planning	31	Staffing	45
Subdivision Project - Subdivision Of Former Reserves	16	LALC Board Elections and Support	32	Support to LALCs	45
Property Holdings And Management	18	Training and Workshops	32	Compliance and Funding	45
Property Portfolio	18	Native Title and NSW Aboriginal Land Rights Act Interaction	32	Risk Assessment System (RAS)	46
Rural Properties	18	Local Decision Making (LDM) Initiatives	32	LALC Support and Capacity Development	47
Kaituna Uno And Calooma Nulty Springs	18	Far Western Zone	32	LALC Board Governance Training and Elections	47
Barooga Karrai	18	Human Resources	32	LALC CEO Training	47
LALC Head Leasing	19	Support to LALCs	33	Regional Forums	47
Policy & Programs	20	Monitoring and Compliance	33	Water and Sewerage	47
Culture and Heritage Reform	20	Payments to LALCs	33	Community Land and Business Plans (CLBP)	47
Review of the Aboriginal Land Rights Act 1983	20	Community Land and Business Plans	34	LALC Regional Initiatives	48
Crown Lands Review	21	LALC Debt	34	Central Regional Aboriginal Land Council (CRALC)	48
Crown Lands Amendment (Public Ownership of Beaches and Coastal Lands) Bill	21	Land Claims, Dealings and Management	35	North West Land Corporation	48
International Advocacy	21	Social Housing	35	Finance, Investments and Governance	48
Community Fund	22	Water and Sewerage Program	36	Governance	48
Freddy Fricke Scholarship	22	Regional Forums and CEO Meetings	36	Governance Unit	48
Funeral Fund	22	Local Aboriginal Land Council Activities	36	Board Governance	48
NSW Rural Fire Service - Fire and Rescue Community Resilience Innovation Program	22	Broken Hill LALC	36	Internal Audit and Risk Committee	49
Waste Management	22	Wilcannia LALC	36	Audit and Risk Committee	50
Aboriginal Communities Water and		Menindee LALC	36	Planning and Risk Management	50
		Dareton LALC	37	Complaints	50
		Eastern Zone	37	Annual Report	50
		Organisational Structure	37		

Strategic Plan	50	Online and Social Media	75	Consultants	88
Attestation Statement	51	Media Releases and Network Messages	75	Grants	89
Complaints and Evaluation Section	52	Events	75	Human Resources	90
Compliance and Funding Database	52	Training	75	Workforce Diversity	91
Risk Assessment System and Performance Assessment System	52	Crown Lands Rally	75	Aboriginal Employment Plan (AEP)	92
Statewide LALC Funding Category Report	53	Freedom Ride Re-Enactment	75	Workers Compensation and Rehabilitation	92
Statewide Grant Allocations Report	55	2015 Statewide Conference	75	Remuneration of Councillors	93
Payments against Approved Grant	55	2015 NSWALC Election	75	Number of Senior Staff and Executive	93
Interventions	62	Information and Communications Technology Unit	75	Budgets	94
Investigation and Administration of Aboriginal Land Councils	62	Operations Support	76	Waste	96
Gandangara LALC Administrator	62	ICT Steering Committee	76	Insurance	96
Brewarrina LALC Administrator	62	ICT Strategy	76	Financial Statements	101
Balranald LALC Administrator	63	ICT Project Deliverables	76		
Mungindi LALC Administrator	63	Human Resources and Training Unit (HR&T)	77		
Finance Unit	63	Human Resources	77		
Year End Accounts	63	Recruitment	77		
Annual Budget	63	Organisation and Establishment Structure	77		
Monthly Management / Investment Reports	64	Employment Conditions	78		
Cash Flow Management	64	Payroll and Salaries	78		
Expenditure Control	64	Workplace Health and Safety (WH&S)	78		
Customer Services	64	Policy Review	78		
Investment	64	Traineeships/ Internships/ Work Experience	78		
Statutory Investment Fund	64	Training	79		
Current Management and Value	64	Capacity Development Plan	79		
Where Our Money Goes	64	NSWALC Councillors' Training	79		
Investment and Growth of the Fund	64	NSWALC Staff Training	79		
Investment Committee	66	Training for Local Aboriginal Land Councils	80		
Investment Decisions	66	Records and Administration Unit	80		
Investment Performance	67	Fleet Management	81		
Performance against Peers	69	Travel	81		
Corporate Services	71	Corporate Purchasing Cards Management	81		
Legal Services Unit (LSU)	71	Procurements	81		
Legal Matters	71	Tenders and Contracts Management	81		
External Legal Costs	1	NSWALC and Associated Premises	81		
Inspections, Appeals and Settlements	72	Records Management Functions	81		
Land Claim File Inspections	72	Record-Keeping	81		
Land Claims Litigation – Appeals and Settlements	72	Archiving, Storage and Retrievals	81		
Key Land Claims – Litigation	72	Mail	81		
Nelson Bay	72	Major Activities	82		
Moonbi	72	Records Unit	82		
Key Land Claims - Settlements	73	Staff Development for Records and Administration Activities	82		
Parramatta Gaol	73	The Year Ahead	82		
Oberon	73	Appendices	83		
Native Title	73	Obligations under the Government Information (Public Access) Act 2009	83		
Barkandji	73	Councillor Meeting Attendance	86		
Yaegl	74	Councillor Travel Expenses	88		
Western Bundjalung	74	Overseas Visits	88		
New claims	74	Privacy and Personal Information Protection	88		
General native title work	74				
Media and Communications	74				



## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

ABN 82 726 507 500

30 October 2015

The Hon. Leslie Williams MP  
Minister for Aboriginal Affairs  
52 Martin Place  
Sydney NSW 2000

Dear Minister,

In accordance with the provisions of the *NSW 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 2014-2015 New South Wales Aboriginal Land Council Annual Report.

We commend this report to you.

Yours sincerely,

Craig Cromellin  
Chairperson  
NSW Aboriginal Land Council

Roy Ah See  
Deputy Chairperson  
NSW Aboriginal Land Council

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## CHAIRPERSON'S WELCOME



The past year marked the beginning of a new era for Land Rights in New South Wales. In November, NSWALC launched a new \$16 million economic development policy to foster wealth creation for Aboriginal people through business opportunities managed and delivered by Local Aboriginal Land Councils. This investment in the Land Rights network is significant because it will also build the capacity of Local Aboriginal Land Councils to use land for the economic, cultural and social development of our people.

The policy will provide start-up capital, financial training and business development support to turn Aboriginal local knowledge into successful and sustainable businesses. Being able to use our land assets to build a sound economic base is vital because this will help guarantee our mob's long-term future as a distinct, self-determining people.

Our focus on economic development demonstrates the Land Rights network's success in driving a positive agenda for Aboriginal people in New South Wales.

A key part of our economic development strategy is NSWALC's entry into the resources industry. Last year we formed a joint venture company, Paradigm Resources. The aim of Paradigm is to give us new self-supporting income streams that build on the independence and resilience of Aboriginal communities across NSW. At the end of the reporting period Paradigm was planning to start exploring for natural gas, graphite and diamonds in the far west of NSW.

Just before the launch of our economic development strategy, the NSW Parliament passed amendments to the *Aboriginal Land Rights Act*. These amendments were developed with NSWALC's input and received our support. The amendments will allow Aboriginal Land Councils and government to negotiate land agreements to resolve Land Claims, outside of the rigid structures of the current legislative scheme. We hope they will help address the current backlog of outstanding land claims, which stretches back many years.

Although our focus this year was very much on the future, we were also reminded that we can never take the hard won gains of our movement for granted. In early November,

the then Crown Lands Minister introduced legislation that would have retrospectively extinguished hundreds of Aboriginal land claims over coastal areas, some dating back as far as two decades.

Hundreds of our members attended a peaceful rally outside the NSW Parliament and NSWALC worked with LALCs to explain the unfairness of the Bill to Government, Opposition and Cross Bench MPs. Fortunately, the Parliament and Government listened to our concerns and the Bill was withdrawn.

Honouring the past was the focus of an event that NSWALC participated in with the University of Sydney and the Charles Perkins Trust. Together we commemorated the 50th anniversary of the Freedom Rides by retracing the journey across western and northern NSW. I was humbled to participate in the journey and learn more about the Freedom Rides, which changed people's lives and did so much to combat racism in our state.

All of us who are members of a LALC follow in the footsteps of the Freedom Riders and our Land Rights pioneers. Our involvement in this great movement continues their work to empower Aboriginal people and help create a better, more just Australia.

I would like to thank all LALC members, and in particular Board members and staff, for their continued commitment to the land rights network. On behalf of Council we applaud your efforts to strengthen our system.

Thank you also to our NSWALC staff and my fellow Councillors, particularly our Deputy Chairperson, Roy Ah-See for their tireless work in what will prove to be a defining year for Land Rights in NSW.

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

A handwritten signature in black ink, appearing to read 'C. Cromelin'.

**Craig Cromelin**

Chairperson, NSWALC



2014-15 has been a strong year for the New South Wales Aboriginal Land Council and our network of Local Aboriginal Land Councils. Our focus has been on economic development—taking the next steps and building on our asset base to provide opportunities for Aboriginal people in NSW.

Along with the social and cultural importance of land for our people, land rights should deliver economic benefits. This year the NSWALC Economic Development Unit has worked with Local Aboriginal Land Councils on 19 projects ranging from tourism ventures, residential sub divisions, social housing initiatives, quarries and agricultural initiatives to service provision for the resource development sector. These projects are all in different stages of development and should soon be delivering on the economic aspirations of the Aboriginal people of NSW.

In early 2015 NSWALC called for applications for grant funding to assist with land acquisition where other avenues for funding have been exhausted and to undertake land management activities. Eligible LALCs are able to apply for grants of up to \$50,000 and funding should be allocated before the end of the 2015 calendar year. This is a result of previous amendments to the *Aboriginal Land Rights Act 1983 (ALRA)*, which introduced the community development levy mechanism to evenly spread the wealth from land councils with more valuable land holdings to those councils with less valuable land and development opportunities.

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. During the 2014-15 year 2,408 land claims were lodged. It is of great concern that only 58 land claims were determined, of which 15 claims were granted (in part or in full). I am pleased to report that this trend seems to be improving following the NSW State election in March, which led to the appointment of the Crown Lands Minister Niall Blair. Minister Blair has determined a number of claims since March.

Some of the recent successful claims have included the Newcastle Post Office, a 7.8 hectare parcel of land at Nelson Bay and Parramatta Gaol. The return of this land is

significant in delivering on the intent of the Aboriginal Land Rights Act and in supporting the economic development of our people.

However, there remain over 28,000 land claims waiting determination. 211 of these were lodged before 30 June 2000 and the oldest was lodged on 20 September 1984. We will continue to try to hold the Government to account in this area.

Over the last 12 months NSWALC has also advocated our rights, raised concerns and engaged with Government on a range of key issues including proposed legislative changes. Late last year an amendment to the *Crown Lands Act 1989* was introduced to Parliament (the *Crown Lands Amendment (Public Ownership of Beaches and Coastal Lands) Bill 2014*). This had the potential to extinguish all land claims over beaches and coastal areas. NSWALC and the Local Aboriginal Land Council Network were united in publicly opposing the Bill. The Bill was withdrawn by the Deputy Premier on the 4 November 2014.

Other legislative activity included major reviews of the *Culture and Heritage Act*, the *Crown Lands Act* and the ALRA. NSWALC maintained strong positions with the Government throughout these review processes. Our positions were developed with close cooperation and significant contributions from the Network, developed through formal consultations throughout all the regions and through discussions and presentations at numerous regional forums.

In November last year Amendments to the ALRA passed Parliament. New provisions relating to Aboriginal Land Agreements; governance, planning, reporting and compliance, social housing, business enterprise, accountability and enforcement come into effect on 1 July 2015.

The New South Wales Aboriginal Land Council is the largest membership based Aboriginal organisation in Australia. My aim is to make sure that the organisation is working as smoothly and effectively as possible—so that we are able to realise the influence that such a major organisation should have. In this regard I acknowledge the professionalism and dedication of the NSWALC staff and Council. We are of course all here for the benefit of Aboriginal people in New South Wales. The important role that Local Aboriginal Land Councils play in their regions and the time and effort contributed by staff, Boards and members cannot be underestimated. Our members are our strength.

**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 clients are the network of 120 Local Aboriginal Land Councils (LALCs) and the 23,000 Aboriginal people who are their individual members. LALCs manage the range of support services delivered at a local level to their communities including 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. 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.

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.

## 2014-2015 COUNCILLORS



**Chairperson Craig Cromelin**

**Wiradjuri Region**

Craig Cromelin is a descendant of Ngiyampaa & Wiradjuri people. Craig is a long-standing member and former Chair of the Murrin Bridge LALC. He also chaired the former Wiradjuri Regional Aboriginal Land Council. Craig has been a NSWALC Councillor since 2007 and was elected Chairperson in October 2013. He is one of two NSWALC Board Members of Paradigm Resources. 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 Ah-See 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 has been a NSWALC Councillor since 2007 and was elected Deputy Chairperson in October 2013. He has a Bachelor of Arts in Social Welfare.



**Councillor Tom Briggs**

**Northern Region**

Tom Briggs 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 worked with the Department of Education, Employment and Training for 20 years, primarily in the areas of human resources and training. He is the current Chairperson of the NSW Aboriginal Justice Advisory Council.



**Councillor Peter Smith**

**Mid North Coast Region**

Dunghutti man Peter Smith has been based in the Taree area for nearly 30 years. He was Chairperson of the Purfleet-Taree LALC for 10 years and chair of the Biripi Aboriginal Medical Service for 15 years. Peter also worked for the NSW police service for 10 years, and the Hunter New England Area Health Service for 11 years.

He currently sits on the NSWALC Audit and Risk Committee, is the NSWALC representative on the Police Aboriginal Strategic Advisory Council and the Aboriginal Fishing Advisory Committee and is a board member of Dunghutti Elders.



## 2014-2015 COUNCILLORS



**Councillor Neville "Jack" Hampton**

**South Coast Region**

Jack Hampton is a Yuin man and has been active in Aboriginal affairs for more than 40 years. He worked as an Aboriginal employment consultant with Mission Australia after a 30-year career with Jervis Bay National Park. Together with his wife Eileen, he has also mentored Aboriginal students living in hostels. Jack continues to be a member of Nowra LALC. He has a Bachelor of Adult Education.



**Councillor Tina Williams**

**North Coast Region**

Tina Williams is a Bundjalung woman from Lismore. She is a member of Ngulingah LALC, where she was Executive Secretary and then Coordinator for a number of years. Tina also worked at various levels of NSWALC for more than six years. Tina has an Advanced Diploma in Community Management and a Certificate IV in Frontline Management.



**Councillor Des Jones**

**Western Region**

Des Jones is a Murrawari man born in Brewarrina and raised in the NT, although he has lived for more than 30 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, including five years with NSW Native Title Services. Stephen is a current member of the Dubbo LALC and former Chairperson of both NSWALC and Dubbo LALC.

## 2014-2015 COUNCILLORS



**Anne Dennis**

### **North West Region**

Anne Dennis is a Gamilaraay woman from Walgett. Anne was a Board Member of Walgett LALC for more than 10 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. Anne is one of two NSWALC Board Members of Paradigm Resources.

## SENIOR MANAGEMENT

### **Chief Executive Officer**

#### **Mr Lesley Turner**

Lesley Turner is an Arrernte man from Central Australia. He was appointed to the position of NSWALC CEO as from 7 May 2014. Prior to this, Les held the position of Deputy CEO. 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 as 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. Lesley has a Bachelor of Arts in Administration.

### **Acting Deputy Chief Executive Officer**

#### **Mr Malcolm Davis**

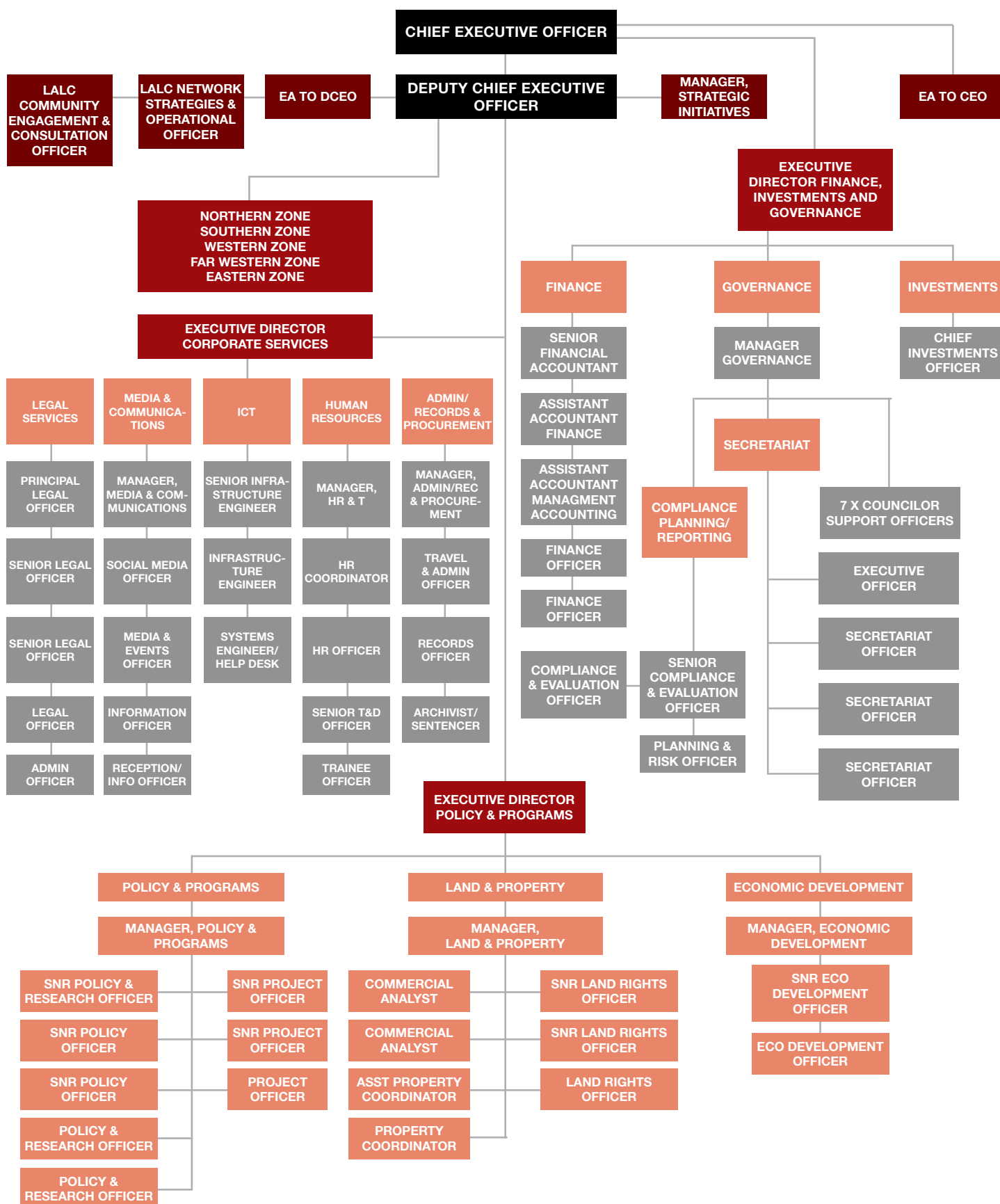
Cal Davis is a Dungutti man and has lived in Worimi Country (The Great Lakes) since his early childhood.

As Deputy CEO, Cal heads up the operational division of NSWALC and oversees the policy program area, commercial and land rights area along with the NSWALC's five Zone Offices and the corporate services area of the organisation.

Prior to joining NSWALC Cal spent 10 years working with the Forster Local Aboriginal Land Council as the manager. During his period of engagement he had an extensive focus on community development and enterprise development. Cal has an Advanced Certificate in Community Management.

# ORGANISATION STRUCTURE

NSWALC Organisational Chart As at 30 June 2015



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, Canberra, Coffs Harbour, Broken Hill and Gosford.

# REVIEW OF OPERATIONS

The focus of NSWALC's activities in 2014-15 has been to leverage the gains of the land rights movement into positive economic outcomes for Aboriginal people in NSW.

In November 2014, NSWALC launched a \$16 million economic development policy to foster wealth creation for Aboriginal people through business opportunities for Local Aboriginal Land Councils. Following a call for expressions of interest from across the Local Aboriginal Land Council (LALC) network, 19 pilot projects were selected for business development support and training under the policy. The projects ranged from tourism ventures, residential sub divisions, social housing initiatives, quarries and agricultural initiatives to service provision for the resource development sector.

A key element of the economic development policy is NSWALC's entry into the resources industry with the formation of a joint venture company, Paradigm Resources. At the end of the reporting period Paradigm was planning to start exploring for natural gas, graphite and diamonds in the far west of NSW.

The last reporting period also saw a realignment of NSWALC's administrative arrangements under the recently appointed Chief Executive Officer. A restructure of NSWALC's staff organisation, provided for three Executive Directors heading up the divisions of Policy and Programs, Finance, Investments and Governance as well as Corporate Services.

NSWALC also worked with the NSW Government on amendments to the *Aboriginal Land Rights Act 1983* that passed the Parliament in November 2014. The amendments will allow Local Aboriginal Land Councils and government to negotiate land agreements to resolve outstanding land claims. It is hoped that this will help address the current backlog of outstanding land claims, which stretches back decades.

Successful land claims that were resolved in the past year included the Newcastle Post Office, a 7.8 hectare parcel of land at Nelson Bay and Parramatta Gaol.

However, NSWALC also sought to assist LALCs in having land returned to Aboriginal people where the land claim process was not available to them. In early 2015 applications were called for grant funding to assist with land acquisition and land management. The aim of this program is to more evenly spread the wealth from land councils with more valuable land holdings to those councils with less valuable land and development opportunities.

Increasing the amount of NSW land in Aboriginal ownership, control and management is the first goal in NSWALC's Strategic Plan 2013-2017. Other key initiatives in the Plan include an Economic Development Strategy, improving governance, as well as protecting and promoting culture, heritage and the environment. Halfway through the life of the Plan, an analysis prepared for Council indicated that 80 per cent of the Strategic Plan has been completed or is progressing well towards completion.

The last reporting period also saw NSWALC unite with LALCs to protect gains that had been achieved under the 30 years of the NSW land rights system. Hundreds of people attended a peaceful rally outside Parliament House in early November after the then Crown Lands Minister introduced legislation that would have retrospectively extinguished hundreds of Aboriginal land claims over coastal areas, some dating back as far as two decades. A number of Members of Parliament addressed the rally. The Parliament and Government listened to the concerns of the network and the Bill was withdrawn.

Following the March state election, NSWALC was able to develop positive relationships with the Baird Government. There was an increase in land determinations and both the Aboriginal Affairs Minister and Premier acknowledged the beneficial nature of the NSW Aboriginal Land Rights Act. NSWALC also welcomed the willingness of the Aboriginal Affairs Minister to facilitate engagement with the Premier and other key Ministers about issues of concern to Aboriginal people in NSW.

NSWALC and the LALC network honoured an earlier generation of activists with the commemoration of the 50th anniversary of the Freedom Rides. Organised with University of Sydney and the Charles Perkins Trust, the event retraced the journey of the original Freedom Riders across western and northern NSW.

Finally, NSWALC's ability to communicate all of this work with its Network and the broader community was enhanced in August 2014 with the launch of *Our Land Council, Our Mob, Our Future*, a monthly e-newsletter and website featuring extensive video reports particularly aimed at informing and inspiring young people.



## LAND & PROPERTY

The Land and Property Unit (LPU) was formed in August 2014 from the merger of the former Commercial Unit and the Land Rights Unit (previously part of the Legal Services Unit).

The LPU assists the NSWALC in carrying out its core business and the statutory functions of making land claims and determining land dealing applications by Local Aboriginal Land Councils. The LPU also assists the NSWALC in land management and commercial matters.

The LPU's core functions and responsibilities include:

- Making land claims on behalf of NSWALC and LALCs;
- Assisting LALCs to lodge land claims;
- Responding to acquisition and other land claim enquiries;
- Assisting LALCs to deal with enquiries;
- Assessing land dealing application and preparing submissions to the Council of NSWALC;
- Financial and operational management of the NSWALC's property portfolio;
- Operational Management of the NSWALC's land portfolio including vacant land and rural holdings;
- Providing commercial advice and assistance to NSWALC; and
- Establishment and management of leasing arrangements for Councillor and Zone offices.

### LAND CLAIMS

LPU's Land Rights Officers research, lodge, monitor and manage land claims on behalf of NSWALC and LALCs. This work is 'core business' for NSWALC and implements the objects of the ALRA – that land is of spiritual, social, cultural and economic importance to Aboriginal people. The land claim work of the LPU also recognises that a viable land base is integral to Aboriginal self-determination and autonomy.

The granting of land remains the only form of compensation for dispossession of land for Aboriginal people under the ALRA. Section 36 of the ALRA sets out the process for claiming land, and provides that LALCs and NSWALC can claim 'claimable Crown lands'.

The LPU 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.

The Minister administering the Crown Lands Act is responsible for determining whether to grant or refuse a land claim. The Minister must grant the claim if the land is claimable Crown land. That determination involves the Minister 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.

LALCs and NSWALC are notified when the Minister makes a determination either to grant or refuse to grant the claimed land. All refusals and part-refusals are referred to the Legal Services Unit for review and consideration as to whether an appeal should be lodged.

### 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 1983 until 30 June 2015.

### CLAIMS LODGED WITH THE REGISTRAR

In this reporting period a total of 2,408 land claims were lodged by Aboriginal Land Councils, 1747 of these were lodged by NSWALC and 661 by Local Aboriginal Land Councils. This is a significant increase on the 214 claims lodged during the previous reporting period.

### OUTSTANDING ABORIGINAL LAND CLAIMS AS AT 30 JUNE 2015

At the end of this reporting period 28,019 land claims are awaiting a determination from the Crown Lands Ministers. Of this number:

- 211 are land claims lodged between 10 June 1983 and 30 June 2000 with the oldest outstanding land claim being lodged on 20 September 1984.
- 543 are land claims lodged between 01 July 2000 and 30 June 2005.
- 15,601 are land claims lodged between 01 July 2005 and 30 June 2010.
- 11,664 are land claims lodged between 01 July 2010 and 30 June 2015.

### LAND CLAIMS GRANTED

The Crown Lands Ministers granted (in part or in full) 15 land claims during the reporting period. This is significantly less than the number of claims determined as grants in recent years and NSWALC wrote to the Crown Lands Minister expressing concern at the fall off in determinations in general. The area of land granted was approximately 135 hectares.

### LAND CLAIMS REFUSED

43 land claims were refused or part refused by the Crown Lands Ministers during the reporting period. This is also significantly less than the number of claims determined as refusals in recent years.

## LAND CLAIMS WITHDRAWN

146 land claims were withdrawn, either in full or in part, within the reporting period.

## CONTAMINATION ISSUES AND RISK MITIGATION

NSWALC recognises the potential liability of being granted contaminated land, and in particular, the potential financial burden to the Network of having to monitor, manage and remediate contaminated land.

To mitigate the risk of NSWALC and Local Aboriginal Land Councils (LALCs) claiming and/or being granted contaminated land the Land & Property Unit (LPU) has:

- Obtained from NSW Crown Lands details of land under claim which may be contaminated;
- Commenced analysis of the 466 properties listed as being potentially contaminated and subject to an Aboriginal land claim; 99 LALCs are affected with the claims having been lodged by NSWALC, by NSWALC on behalf of the LALC or by the LALC in its own right;
- Commenced action to withdraw claims NSWALC has lodged over potentially contaminated land. There have been six Aboriginal land claims withdrawn over land affected by asbestos, used for landfill or used as a cemetery during the reporting period;
- Identified land where further information is considered necessary to make a decision (requests will continue to be made pursuant to section 36(14) of the ALRA and the Crown's files inspected to obtain this additional information);
- Established a Contaminated Lands Register so that land known to be potentially contaminated is not claimed in the future.

Over the coming financial year the LPU will continue to take action outlined above and will liaise with LALCs to assist them to mitigate this risk.

## 2014-2015 PROPERTY REGISTER

The LPU maintains a Register of all land held by NSWALC and LALCs, pursuant to NSWALC's obligations under section 106(2)(g) of the ALRA. This register includes identifying details of all land parcels within NSW, that have NSWALC or a LALC currently recorded as the registered owner. Properties appear on the Register regardless of how the land was acquired (e.g. - by way of Aboriginal land claim, purchase or by other means).

Currently, there are in excess of 5800 properties listed on the Register. NSWALC receives data directly from the NSW Government's Land and Property Information Division (LPI) and entries on the Register are updated accordingly.

Under section 106(2)(g) of the ALRA, LALC members can be provided with a listing of properties owned by the LALC of which they are a member, on request to NSWALC.

## PROPOSED DEALINGS WITH CLAIMED LAND (INCLUDING COMPULSORY ACQUISITIONS)

Land Councils are increasingly being approached by public authorities, companies and private individuals who wish to acquire or otherwise 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.

NSWALC has observed a significant improvement in the way Government and Local Councils factor 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.

During the reporting period, NSWALC received approximately 108 enquiries from acquiring authorities relating to compulsory acquisition. Of those enquiries, 32 were in relation to Proposed Acquisition Notices (PANs) and the remainder involved seeking to negotiate with the LALC prior to the PAN being issued.

NSWALC holds the view that where an Aboriginal 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 LPU supports LALCs throughout this process and provides advice in relation to the options available to LALCs

## LAND DEALINGS

NSWALC is currently reviewing its "Policy on the Assessment and Approval of LALC Land Dealings" as required by section 113(3) of the ALRA (5 year review) and it is expected that the revised policy will be referred to LALCs for comment later this year.

## 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 a variety of activities, including:

- Lodging of development applications for a multi-lot residential subdivision, mixed residential and commercial developments;
- Granting of easements;
- Commercial leasing activities;
- Transfer of land and land swaps with local government and other entities;
- Head leasing of residential housing stock and entering into of funding agreements for upgrade of existing facilities;

- Acquisition of land / mortgage; and
- Disposal of land.

## CERTIFICATES OF TITLE

In NSW, ownership of land is usually evidenced by a Certificate of Title. Without a Certificate of Title, owners cannot do many things with their property such as sell it. Some LALCs have not been able to finalise the sale of their land because they have not been able to locate and hand over the Certificates of Title to the purchaser. It is therefore very important that LALCs and NSWALC keep their Certificates of Title in a safe, fireproof place, document where each certificate is kept and if it has been removed, by whom and for what purpose.

During the reporting year NSWALC has assisted a number of LALCs to apply for replacement Certificates of Title. The process is:

- arduous (involves the LALC searching its records, contacting its former and current solicitors and banks and any other person or organisation who may have the Certificates of Title);
- time consuming (the LALC's CEO or Chair is required to declare by way of a statutory declaration all the steps taken by the LALC to try to locate the Certificates of Title);
- prescriptive (the person declaring the statutory declaration needs to provide several forms of identification and the LALC needs to provide a rates notice showing the LALC as the owner of the property);
- a strain on sometimes limited resources (NSWALC as well as the LALC personnel are required to search records to ensure the Certificates of Title were not provided as security for a loan by the LALC); and
- costly (the Land and Property Information Division can charge up to \$219 per replacement Certificate of Title as well as legal fees a LALC may be charged by its solicitor).

As LALCs change key personnel, Certificates of Titles can get misplaced. Therefore, in order to avoid having to apply for replacement Certificates of Title, good record keeping and safe custody procedures are required. NSWALC is able to assist by keeping LALC Certificates of Title in NSWALC's safe, free of charge.

## SIGNIFICANT LAND DEVELOPMENT PROJECTS

### *Ngambri on the Park*

The Ngambri Local Aboriginal Land Council has gained NSWALC approval for a major mixed use land development project known as "Ngambri on the Park".

The proposal is for the construction of a multi-lot strata title development of residential apartments and commercial office space in the heart of Queanbeyan.

### *Darkinjung - CASAR Motorsports Lease*

Darkinjung Local Aboriginal Land Council (DLALC) has gained

approval from NSWALC to lease a DLALC property at Bushells Ridge to CASAR Motorsports (CASAR) for up to 60 years and to consent to the making of a development application by CASAR for the development of a Motorsports precinct and associated facilities. DLALC will benefit from an income stream from the Property over a lengthy period of time and the land will remain in LALC ownership at the end of the lease. The income stream will provide DLALC with funds to pursue and advance the goals in their CLBP. The lease will also result in employment opportunities for DLALC's members.

### *Forster LALC - sale to MidCoast Water*

Forster Local Aboriginal Land Council (FLALC) has owned two large parcels of land in Nabadig since about the 1990s. MidCoast Water (MCW) had been interested in acquiring a large proportion of these two parcels for over 10 years but negotiations only reached agreement in early 2015. In April 2015, the Council of NSWALC approved FLALC subdividing the two parcels, retaining the Medika Nursery and selling the balance to MCW, subject to MCW granting FLALC a perpetual right (through an easement to be registered on the title to the land sold) for FLALC members to be able to access the land for cultural purposes. Contracts have now exchanged and this deal will result in a great financial, social and environmental outcome for not just FLALC and its members but also the wider Forster and Tuncurry community as MCW will be able to provide better water services to these areas, at lower pumping costs and reduce the demand on the water extracted from the Manning River.

### *Subdivision Project - Subdivision of former Reserves*

In June 2008 NSWALC entered into a partnership with the Australian Government to each contribute \$3 million towards the "Subdivision Project" which was a joint initiative aimed at subdividing 57 former reserves owned by 49 LALCs, to:

- improve infrastructure (such as roads and sewer and drainage systems) and housing management on former reserves;
- transfer the ownership of infrastructure to local authorities or utility providers; and
- give the LALCs more options to deal with their houses individually as the subdivision would result in the houses being on separate titles.

A number of LALCs have been interested in subdividing their former reserves and during the reporting year the Council of NSWALC approved three LALCs lodging Development Applications with their shire councils to subdivide their former reserves. Two of the LALCs have received development consent to proceed with the subdivision, and the third LALC received approval from the Council of NSWALC to lodge an amended Development Application to subdivide its former reserve.

The Council of NSWALC expects to approve more land dealings relating to the “Subdivision Project” as further LALCs are proposing to hold meetings for their members to approve the subdivisions.

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

<b>LAND AND PROPERTY UNIT - NUMBER OF DEALING APPROVAL CERTIFICATES (DACs) AND REGISTRATION APPROVAL CERTIFICATES (RACs) ISSUED BY NSWALC DURING THE CURRENT AND PREVIOUS 4 FINANCIAL YEARS</b>					
	1 Jul 2010 – 30 June 2011	1 Jul 2011 – 30 June 2012	1 Jul 2012- 30 June 2013	1 Jul 2013 – 30 June 2014	1 Jul 2014 – 30 Jun 2015
DACs issued	26	50	47	56	49
RACs issued	62	25	30	76	105
Statement of non-requirement	-	1	1	5	4
<b>Total</b>	<b>88</b>	<b>76</b>	<b>78</b>	<b>137</b>	<b>158</b>

<b>LAND AND PROPERTY UNIT - NUMBER OF LAND DEALINGS DETERMINED BY THE NSWALC COUNCIL DURING THE CURRENT AND PREVIOUS 4 FINANCIAL YEARS</b>					
	1 Jul 2010 – 30 June 2011	1 Jul 2011 – 30 June 2012	1 Jul 2012- 30 June 2013	1 Jul 2013 – 30 June 2014	1 Jul 2014 – 30 Jun 2015
LALC land dealing with AHO	2	12	26	18	7
LALC other land dealings	17	23	23	22	25
NSWALC land dealings and other approvals	16	15	18	11	13
LALC land dealings non approvals	-	-	1	1	1
<b>Total</b>	<b>35</b>	<b>50</b>	<b>68</b>	<b>52</b>	<b>46</b>

## PROPERTY HOLDINGS AND MANAGEMENT

33 Argyle Street is a NSWALC owned ten-story commercial building in the Parramatta Central Business District in Western Sydney and is the organisation's head office.

NSWALC leases the office space that is not required for its operations.

The overall rental income for 33 Argyle Street Parramatta was \$1,734,398 for the year, including rent for the portion of the building which NSWALC itself occupies.

One tenant vacated space within the building during the year whilst two new tenants moved into the previously vacant space on Level 9. This has resulted in a reduction of the building's vacancy rate from 12.09 percent to 6.29 percent.

During the current reporting period NSWALC has undergone extensive renovations of the building, installing a new Building Management System (BMS) and refurbishing NSWALC's own tenancy on Levels 4 and 5. The installation of the BMS has resulted in NSWALC using an average of 28.6 percent less electricity in the April - June quarter of 2015 compared to the same quarter from the previous reporting period.

Furthermore, as a result of the building's new tenants and recent refurbishments, the value of 33 Argyle Street, as at 30 June 2015, is now \$17.3 million plus GST which is a \$3 million increase from the previous valuation (\$14.3 million plus GST as at 30 June 2014).

Total repairs and maintenance expenditure during the reporting period was \$155,515 with total expenditure for the building being \$898,090.

This represents approximately an 11 percent increase from the previous reporting period; however this figure includes capital expenditure in relation to the installation of the new BMS as well as the cost of refurbishing NSWALC's suites on Levels 4 and 5 of the building and relocating all staff onto these floors.

## PROPERTY PORTFOLIO

During the reporting period, the LPU 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.

Currently NSWALC has a property portfolio which consists of 122 properties. The properties range from the building in Parramatta (NSWALC's Head Office) to multiple vacant land holdings as well as a number of residential houses. The NSWALC portfolio is spread across New South Wales with properties being located in Armidale, Evans Head, Gosford, Kempsey, Ivanhoe, Nymagee, Parramatta, Quambone, Yamba and the Lake Macquarie Region. The majority of these properties are vacant land holdings concentrated in the Lake Macquarie area and zoned Environmental Conservation.

Over the past year, NSWALC has been steadily transferring

property assets that are no longer required out of its portfolio (consistent with resolutions passed by the NSWALC Council, and consistent with the recommendations of the Finance and Investment Committee). These properties have either been gifted to Local Aboriginal Land Councils (LALCs) or sold via commercial transactions reflective of market value. At the end of the current reporting period, NSWALC had a total of five properties which are either on the market for sale, or in the process of being transferred to other parties.

## RURAL PROPERTIES

Over the past year, NSWALC continued to hand rural properties in various regions of the state back to the local communities in which these properties are located.

### *Kaituna Uno & Calooma Nulty Springs*

Following preparatory work that commenced in the previous financial year, Ministerial approval was granted for the transfer of Kaituna Uno & Calooma Nulty Springs to the North West Land Corporation (NWLC). This occurred in November 2014. The NWLC was set up as trustee of the North West Land Trust (NWLTL), which will hold the properties in trust for the LALCs in the North West Region.

### *Barooga Karrai*

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

The table below lists the properties that NSWALC has transferred to various parties in the past year:



## COMPLETED NSWALC LAND TRANSFERS TO LALCS (JUL 2014 - JUN 2015)

LALC	Transaction Type	Property Folio/Description	Address/Name	NSWALC Council Approved	Date Registered
Mindaribba	Land Claims	Lot 105 DP 755241	Mount View Road Mount View	19-Aug-14	23-Oct-14
Wagonga	Rationalisation	Lot 1 DP 524752	16 Canty Street, Narooma	09-Sep-13	19-Aug-14
Calooma	Rationalisation	Lot 2329 DP 764293, Lot 2331 DP 764295, Lot 4674 DP 767838, Lot 4675 DP 767839, Lot 5719 DP 768619, Lot 5720 DP 768620, Lot 949 DP 761928	Calooma	17-Dec-12	04-Nov-14
Nulty Springs	Rationalisation	Lot 2327 DP 764291	Nulty Springs	-	04-Nov-14
Uno	Rationalisation	Lot 9 DP 754218	Uno	-	14-Nov-14
Kaituna	Rationalisation	Lot 13 DP 754257, Lot 25 DP 720298 & Lot 43 DP 704138	Kaituna	-	19-Nov-14
Biriban	Rationalisation	402/48820, 570/1040179, 408/755242, Lots 11-17 Section 19 DP 758707, Lots 17- 20 Section 16 DP 758707, Lots 7-12 Section 18 DP 758707	NSWALC transfer to Biraban LALC	25-Jun-14	23-Dec-14
Biriban	-	Lot 425 DP 823739, Lot 12 DP 734192, Lot B DP 379267, Lot 4 DP 238877, Lot 11 DP 562939, Lot 8 DP 263418 and Lot 445 DP 1040188	-	25-Jun-14	06-Feb-15

As can be seen above, towards the end of 2014 NSWALC transferred 27 properties to Biraban LALC. These 27 properties were inherited by NSWALC in 2010 following the dissolution of the former Koompahtoo LALC and the property transfers were successfully negotiated between Biraban LALC, NSWALC and the Registrar of the ALRA.

As at 30 June 2015, NSWALC's property portfolio had a total value of \$36,006,300

NSWALC approved a further seven head leases and funding agreements during the reporting period.

### LALC HEAD LEASING

The LPU and NSWALC Zone offices have continued to work closely with LALCs to assist them in the assessment of their housing stock and with the lodgment of land dealing applications for head leasing and funding agreements with NSW Aboriginal Housing Office (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 Land Council homes.

## THE POLICY AND PROGRAMS UNIT (PPU)

In August 2014 the Policy and Research Unit and the Programs Management Unit were merged to form the Policy and Programs Unit.

The Policy and Programs Unit is responsible for the advocacy work of the NSWALC and promotes the principles, objectives and functions of the *Aboriginal Land Rights Act 1983* (ALRA). 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 nine-member Council, the Chief Executive Officer and the Aboriginal Land Council network. Additionally, the Policy and Programs Unit is responsible for administering NSWALC's programs including:

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

In this reporting period the work of the Unit primarily focused the following policy and legislative reform areas:

- The review of the *Aboriginal Land Rights Act 1983*
- Aboriginal culture and heritage law reform
- The NSW Government's Crown lands review

The Unit also focused on a range of other issues, including human rights, international engagement, planning law, natural resource management and the environment.

The Unit also worked with NSWALC Zone Offices in the preparation of advice to Council on the approval of community land and business plans, community benefit schemes, and when required, the approval of social housing schemes.

### 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 five years.

NSWALC sought updates from both the Department and Ministers and has strongly advocated for the Government to significantly amend the proposals for reform as well as for genuine consultation with Aboriginal communities to occur prior to the release of any draft legislation.

NSWALC also communicated to Government its concerns about the length of time the reform process has taken with

the direction of the Government's reform proposals and the time.

The OEH and Minister for the Environment and Heritage had not announced the next stages of the reform process by the end of the reporting period.

### REVIEW OF THE ABORIGINAL LAND RIGHTS ACT 1983

During the reporting period NSWALC continued to work with the NSW Government on the Review of the *Aboriginal Land Rights Act 1983* (NSW). Throughout the Review process, the Policy and Programs Unit supported NSWALC's engagement with the Review; providing policy advice to the NSWALC Council and Executive, liaising and negotiating with stakeholders and the NSW Government and engaging with the Network at regional forums.

On the 12 November 2014 the *Aboriginal Land Rights Amendment Act 2014* (the **Act**) passed the NSW Parliament, with a number of amendments commencing on the 1 July 2015. Key amendments included:

- There will now be an ability to undertake land negotiations through Aboriginal Land Agreements;
- LALC Boards terms increase from 2 years to 4 years;
- There are changes to planning, reporting and compliance requirements including:
  - NSWALC approval of Community Land and Business Plans, budgets and supervision of Community Benefit Schemes will no longer be required;
  - Tailoring LALCs reporting requirements and outlining that Financial Statements and Annual Reports will need to be prepared in accordance with NSWALC Policy; and
  - Social Housing Schemes will be treated and need approval as an ordinary Community Benefit Schemes, making it easier for housing schemes to be approved.
- A new "misconduct" framework will replace the "misbehaviour" framework, including a more streamlined process for dealing with misconduct matters;
- Inactive voting members will no longer be included in the calculation of LALC quorums. LALC CEOs will be able to declare a voting member as inactive for this purpose only if that member has not attended six consecutive meetings and due process involving notice to the member has been followed;
- The current function of Aboriginal Land Councils has been clarified to facilitate forming, acquiring, operating or managing business enterprises;
- It has been clarified that Aboriginal Land Councils can enter into arrangements involving separate entities including corporations to assist them in the exercise of

their functions;

- LALCs will need to establish, acquire or operate corporations under the *Corporations (Aboriginal and Torres Strait Islands) Act 2006 (Cth)*, unless an applicable policy of NSWALC allows for incorporation under the *Corporations Act 2001 (Cth)*.

## CROWN LANDS REVIEW

In June 2012 the NSW Government began a review into the management of Crown land. The aim of the review was 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.

In this reporting period, the Government announced that the review process included four trials to test methodologies relating to land with local values being transferred to local councils. The Government noted that no land would be transferred as a part of the pilot.

The Government noted that the local land pilot would test and refine the draft criteria for identifying local land, as recommended by the Crown Lands Management Review. The draft local land criteria are:

- land that is providing a public good predominantly for people in the local area or in adjacent parts of neighbouring local government areas;
- land that is used for purposes that are consistent with the functions of local councils;
- land that is managed as a community asset by councils or some other body.

Four local councils have been selected for the local land pilot. These are:

- Warringah Council
- Tamworth Regional Council
- Tweed Shire Council
- Corowa Shire Council

Throughout the review process NSWALC has sought information and engagement with the NSW Government about proposals for changing the way the Government manages Crown land, including seeking the involvement of Local Aboriginal Land Councils in the local land pilots.

The Policy and Programs Unit has developed a number of resources for the Aboriginal Land Council network including information sheets, network messages and has given a series of presentations at regional forums and roundtables with the Network about the relationship between the Aboriginal Land Rights Act and proposed changes to Crown lands laws.

## CROWN LANDS AMENDMENT (PUBLIC OWNERSHIP OF BEACHES AND COASTAL LANDS) BILL

On 21 October 2014 the *Crown Lands Amendment (Public*

*Ownership of Beaches and Coastal Lands) Bill 2014* (the Bill) was introduced into the NSW Parliament. The Bill was the NSW Government's response to a decision made by the Land and Environment Court (LEC) to grant an Aboriginal land claim over an area of land known as 'Red Rock,' near Coffs Harbour. Orders made in the Red Rock case resulted in land that included a significant stretch of beach and foredune being transferred to an Aboriginal Land Council, subject to perpetual easements for public access.

Overall, the Bill would have allowed the Government to classify broad areas of land as no longer claimable under the Aboriginal Land Rights Act (ALRA), and to refuse Aboriginal land claims over an expanded category of Crown lands.

The NSWALC was concerned that the Bill significantly undermined the objectives of the ALRA. The Policy and Programs Unit prepared series of network messages and briefs communicating NSWALC's position to the LALC Network and broader community.

The Bill was withdrawn by the Deputy Premier on the 4 November 2014.

## 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 Mechanisms on the Rights of Indigenous peoples (EMRIP), and engaging with the Special Rapporteur on the Rights of Indigenous Peoples.

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

This status allows the NSWALC to advocate on behalf of Aboriginal peoples in NSW and in a collective capacity at the international level when participating at the United Nations through its various bodies and activities.

The 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 the NSWALC in the management of its broader statutory functions, relating to policy and advice as well as Aboriginal culture and heritage.

At the same time the 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. This year NSWALC did not send

delegations in person, however, the Unit prepared a number of submissions and interventions that were submitted to forums held at the United Nations during the reporting period.

## COMMUNITY FUND

The 2009 amendments to the *Aboriginal Land Rights Act 1983* (ALRA) introduced the community development levy mechanism to evenly spread the wealth from land councils with more valuable land holdings to those councils with less valuable land and development opportunities.

The mechanism levies certain Local Aboriginal Land Council land dealings and, with matching contributions from NSWALC, generates funds in the NSWALC Community Fund. Monies from the NSWALC Community Fund are to be made available on the basis of need so as to increase resources and assets available for less advantaged Local Aboriginal Land Councils.

In 2015 the Council developed the NSWALC Community Fund Policy which sets out what funding from the NSWALC Community Fund can be used for, which LALCs are eligible for such funding, and on what basis funding applications will be assessed.

The funding round for 2015 also opened with applications to be received by 3 July 2015. In accordance with the NSWALC Community Fund Policy, eligible LALCs could apply for grants of up to \$50,000 for assistance with the acquisition of land and for undertaking land management activities.

## FREDDY FRICKE SCHOLARSHIP

The PPU supports the Freddy Fricke Scholarship Scheme which is conducted with the assistance of the Charities Aid Foundation (CAF). The Freddy Fricke Scholarship Program offers financial assistance to Aboriginal students to undertake university study. The program provides financial assistance through the provision of a one-off payment for scholarship holders to purchase text books, pay enrolment fees and/or HECS fees and other approved course related expenses. This year NSWALC received a strong field of candidates and three Aboriginal students were selected and granted scholarships. Scholarships were awarded to:

- Dunghutti and Gamilaraay man Jonathon Captain-Webb from Mortdale, Sydney. Mr Captain-Webb is studying a Bachelor of Arts and Bachelor of Law at the University of NSW.
- Worimi woman India Latimore from Newcastle. Ms Latimore is studying a Bachelor of Medicine at the University of Newcastle.
- Barkandji man Leroy Bates from Wilcannia. Mr Bates is studying a Bachelor of Environmental Science in Parks, Recreation and Heritage at Charles Sturt University.

Since 2002, 45 Aboriginal students have been awarded Freddy Fricke Scholarships.

## FUNERAL FUND

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.

In the 2014-15 financial year a total of 522 grants were made at a total cost of \$715,548. These included 51 grants to members of the original Funeral Fund and 471 grants to non-members.

In early 2015 work commenced on new policies and procedures relating to funeral assistance grants. These new policies and procedures became effective on 1 July 2015 and will be reported on in the 2015-16 Annual Report.

## NSW RURAL FIRE SERVICE - FIRE AND RESCUE COMMUNITY RESILIENCE INNOVATION PROGRAM

During October 2014 Fire and Rescue NSW (FRNSW) received a Community Resilience Innovation Program (CRIP) grant. As a part of this grant, FRNSW has worked with the NSWALC and the LALC network in NSW over this reporting year to build capacity regarding fire safety in households.

As a result of this working partnership between NSWALC and FRNSW, the CRIP home fire safety training has been delivered to a number of communities across NSW including Dubbo, Bega, Narooma, Batemans Bay, Moruya, Nowra, Moree, Coffs Harbour, Kempsey, La Perouse, Sydney City – Metro LALC on the Block, Orange, Tarro and Tamworth. Further LALCs and communities will be targeted in the next financial year.

In partnership with NSWALC, FRNSW undertook fire safety training with the NSWALC Council and Senior Management in June 2015.

## WASTE MANAGEMENT

In 2015 NSWALC became a member of the Sustainable Waste in Aboriginal Communities (SWAC) Working Group. The SWAC Working Group was established to assist Waste Aid and the Environmental Protection Authority (EPA) in the development of a statewide strategy aimed at addressing waste management issues in Aboriginal communities in NSW. The current Membership of SWAC is:

- NSW Aboriginal Land Council (NSWALC)
- Local Government NSW (LGNSW)
- NSW Health
- Aboriginal Affairs NSW (AA NSW)
- NSW Environmental Protection Authority (EPA)
- Resource Recovery Australia (RRA)
- Waste Aid (WA)
- Australian Packaging Covenant (APC)

The PPU advised the SWAC Working Group on the implementation and delivery of services and resources to



the Nulla Nulla LALC in Bourke and the Murrawarri LALC and in Clare Hart Village in Engonnia NSW.

## ABORIGINAL COMMUNITIES WATER AND SEWERAGE PROGRAM

In 2008 the NSW Government and the NSWALC entered into a 25 year agreement for the operation, maintenance and monitoring of water supply and sewerage services in approximately 60 discrete Aboriginal communities. The term of the Agreement is 1 July 2008 to 30 June 2033. The Program is managed by a Steering Committee drawing together a range of stakeholders and is delivered by the DPI Water with the support of NSWALC.

The 2014-15 reporting period is the seventh year of the program's operation.

The aim of the program is to provide eligible Aboriginal communities with water and sewerage services that are equivalent to those in non-Aboriginal communities, ultimately improving the health and well-being of the Aboriginal people that live in these communities.

The program brokers and funds five year service agreements with the owner LALCs and the Local Council to deliver service for the operation, maintenance and monitoring of water supply and sewerage services in Aboriginal communities.

Since its launch in June 2008, the Program has assessed water and sewerage services at 61 eligible communities.

Of the 61 eligible Aboriginal communities:

- 21 communities are being provided full service by a local water utility or local government.
- 28 have five year 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 28 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.
- Eight have interim arrangements in place for the local water utilities to provide "best endeavour" in delivering water and sewerage services that are equivalent to that expected in the wider community.
- Services are yet to be agreed with local councils for Walhallow, Quambone and Gulargambone Mission.

Water and Sewerage infrastructure assets at 41 communities were assessed to require backlog maintenance work. Of these, backlog maintenance work has been completed at 28 communities and has commenced at five communities.

Following the assessment of some assets it was determined that a capital fund was needed to upgrade and replace some infrastructure. This fund has been developed over the life of the program through unspent funds contributed by the State Government. NSWALC does not contribute

funds to the infrastructure fund.

As of 28 February 2015, 13 projects had been completed at a cost to the Program of \$4,972,713 (some of the costs were met under a Commonwealth Remote Services Delivery Program and by contributions by local councils). This resulted in Namoi being connected to the town water and sewerage systems and the Mallee and Warrali communities in Wilcannia being connected to a new town gravity sewerage system.

Total program expenditure including the operation and maintenance program and the capital infrastructure program is \$39,529,855 since July 2008.

This includes the state's contribution of \$29,497,453 and NSWALC's contribution of \$10,032,402.

Table 1: Program Expenditure and number of capital projects (to June 2015)

STATUS OF BACKLOG & CAPITAL WORKS	CAPITAL PROJECTS	EXPENDITURE
Completed	14	4,972,713
Investigation	3	540,000
Tender	4	5,095,000
Under Construction	4	688,000
Under construction (backlog)	1	0
<b>Grand Total</b>	<b>25</b>	<b>11,295,713</b>

Of particular note during the reporting period the following 14 projects have been completed:

- Baryulgil Square Effluent Irrigation
- Brungle Water Supply Ring Main
- Corindi Water Supply Main
- Toomelah E1 Systems
- Wamba Wamba Sewer Main
- Wongala Gravity Sewer Main
- Namoi Water Supply
- Namoi Sewerage
- Mallee Sewerage Scheme
- Warrali Mission Sewerage Scheme
- Toomelah Telemetry System
- Stanley Village Telemetry System
- Mehi Crescent Telemetry System
- Collarenebri Water Treatment Plant

Additionally a contractor has been appointed to build a new gravity sewerage system connected to the town plant for the Wallaga Lake Community. Work commenced in June 2015. This project was originally identified over 10 years



ago as part of the Aboriginal Community Development Program (ACDP) but was never achieved.

## **SUBDIVISION**

In June 2008, NSWALC entered into a partnership project with the Australian Government for the surveying and subdivision of former Aboriginal Reserves in NSW. A total of \$6 million was allocated to the project with both NSWALC and the former Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) contributing 50 percent each (\$3 million).

To assist in achieving the aims of the Subdivision Program, NSWALC engaged Arup Pty Ltd, a planning, engineering and technical specialist company.

To date 27 surveys of former reserves have been complete. The program is currently in stage two, which aims to offer LALCs the opportunity to subdivide up to 10 communities. There are currently a number of challenges to achieving subdivision, most significantly the planning process and the need for infrastructure funding to meet any conditions of Development Consent.

During the reporting period six LALCs have held land-dealing meetings to seek members' approval for subdivision, four LALCs achieved land dealing approval, one LALC did not achieve approval and one LALC failed to consider the matter at the meeting due to time constraints.

Of the four LALCs that achieved approval development applications were lodged with the relevant Local Governments. Bowraville LALC was the first to receive Development Consent from Council followed by Weilwan LALC. Both Forster LALC and Armidale LALC have Development Applications submitted and have been working through issues to achieve consent of these applications.

Of the original 10 sites, one site is not progressing following LALC members voting not to support subdivision. Two sites are on hold due to changing priorities of the LALC, one site is awaiting a land dealing meeting and one site is working towards providing further information to members and residents before deciding whether to proceed.

The Bowraville Development Application consent and the work on the Forster and Armidale Development Applications has resulted in Local Governments either accepting the dedication of road reserves and water and sewerage pipes or indicating that, if approved, dedication will be acceptable to the Local Government. This will result in the Local Government being responsible for street lighting, guttering, drainage and the road surface. It will also enable post services to the door and legal street addresses for each house.

Concurrent to the stage two site Development Applications, NSWALC has also been working towards overcoming the issues of Planning Controls and Infrastructure Funding. To this end NSWALC has been distributing the *A Case for Infrastructure* document to Governments and interested parties in an effort to seek a Government Business Case

to fund infrastructure upgrades and maintenance in the 60 Aboriginal communities affected.

NSWALC is continuing to lobby and work collaboratively with the Department of Environment and Planning and Aboriginal Affairs NSW to overcome the planning issues that impact these communities such as incompatible zonings that impede subdivision.

## **DISCRETIONARY GRANTS**

In 2014-15 Council approved a 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 2014-15 were approved for 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.

Regional discretionary grants are recommended by Councillors and are approved by the CEO. The approved grants in 2014-15 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 supported a number of NAIDOC activities.

## **COMMUNITY LAND AND BUSINESS PLANS**

Throughout the reporting year the PPU worked with the Zones in the preparation of submissions to Council regarding the approval of LALC Community Land and Business Plans.

The purpose of Community, Land and Business Plans are to describe the strategic vision and aims of LALCs and to develop strategies and document activities by which these can be achieved.

Prior to 1 July 2015, in accordance with s.84(6) of the ALRA, a Community, Land and Business Plan approved by a LALC only took effect when it was approved by NSWALC. In 2014-15 NSWALC approved 15 LALC CLBPs.

## **LOCAL GOVERNMENT - LGNSW**

Local Government NSW held its annual conference between 19-21 October 2014. NSWALC is an ordinary member of LGNSW, which entitles NSWALC to nine votes. A number of Councillors attended the conference as well as the CEO, who gave a presentation on NSWALC's work. The PPU provided support to the Councillors attending the conference through the development of briefing notes as well as logistical arrangements.

## **SUBMISSIONS AND PUBLICATIONS**

The PPU prepared a number of formal submissions to Parliamentary, Government and other inquiries during the reporting period.

These included submissions in relation to:

- *Fisheries Management Amendment Bill 2015*

- Development of Aboriginal Cultural Fishing Regulations
- Review of Indigenous Training and Employment Taskforce
- *Crown Lands Amendment Bill 2014*
- Constitutional reform
- Crown Lands Review
- Aboriginal Culture and Heritage Review
- Aboriginal Land Rights Amendment Bill
- UNPFII
- NSW Planning laws
- National Landcare Programme
- National Ice Taskforce

The Unit also prepared a number of publications including:

- *Our Story, Our Rights, Our Future*
- *Success Stories in Aboriginal Land Rights*
- *Community Guide to Land Rights and Native Title*

## WORKSHOPS, EVENTS AND MEETINGS

Unit staff also attended a large number of workshops, events and meetings during the reporting period including Councillors' Regional Forums to present on issues related to Aboriginal Culture and Heritage, the Aboriginal Land Rights Act Review and the Crown lands review. The Unit also facilitated a series of seminars in the NSW Parliament attended by Parliamentarians. These seminars - *Success Stories in Aboriginal Land Rights* and *Our Stories, Our Rights, Our Future* discussed the key initiatives and successful work of Aboriginal Land Councils throughout NSW. They were attended by a number of Members of Parliament and their advisors as well as NSWALC Councillors and senior staff.

## ADDITIONAL POLICY ADVICE AND ASSISTANCE

The Policy and Programs Unit contributed to NSWALC's political engagement activities throughout this reporting period. NSWALC has built relationships with Parliamentarians' both in NSW and at the Federal level. NSWALC engagement is bi-partisan, aimed at strengthening Parliamentarians' commitment to the Aboriginal Land Rights Act and advancing the objects, purpose and intent of the Aboriginal Land Rights Act.

During the reporting period the Policy and Programs Unit responded to a large number of requests for policy advice and assistance via phone, email and mail from the Aboriginal Land Council network and community members.

The issues covered included:

- Options for protecting Aboriginal culture and heritage sites;
- Assistance in developing responses in relation to Aboriginal culture and heritage issues;

- Consultation policies and procedures;
- Advice to LALCs on planning, zoning and local council issues;
- Regular notices to LALCs on opportunities to respond to key policy and legislative review and proposals, including the drafting of Local Environmental Plans (LEPs);
- Questions regarding the Community Fund.

## ECONOMIC DEVELOPMENT

Consistent with the key strategic goal of economic development in the NSWALC Strategic Plan 2013-17, the Council formally approved a 'Draft Economic Development Policy' in March 2014. The policy followed extensive consultation with the network and the Economic Development Advisory Committee.

Sections 113 and 114 of the *Aboriginal Land Rights Act 1983* provide that certain policies made by NSWALC must be subject to consultation and Ministerial approval. The draft policy was referred to the network in March 2014 in accordance with these requirements and to the Minister for Aboriginal Affairs in May 2014 for approval and gazettal. The Minister formally approved the policy in August 2014.

In October 2014, NSWALC formally launched its Economic Development Policy. Underpinning the policy, NSWALC has committed up to \$16 million over five years to achieve the objectives of driving our economic development for wealth creation and wellbeing. These objectives are to be achieved by facilitating Aboriginal Land Council enterprises, employment and NSWALC's own enterprise.

Three strategic priorities were 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 investing in building the capacity of those involved in establishing and operating business enterprises with an aim of equipping them with the necessary knowledge and skills to develop and operate sustainable and successful businesses, and through providing business development funding to provide capital to facilitate LALC and LALC related business enterprises.
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.

To coordinate the delivery of the policy initiatives, an Economic Development Unit (EDU) was established in September 2014. A key focus of the EDU is to link a range of private sector, banking and government and non-government agencies to LALCs to help connect, facilitate and fund the economic development initiatives.

Since launching the policy, the following outcomes have been achieved:

- The creation of an EDU to support the implementation of the policy;
- Establishing an Independent Assessment Panel to assist NSWALC in reviewing the viability of economic development initiatives and recommending these for approval of business development funding where appropriate;
- Implementation of a 12 month trial implementation period (January to December 2015) of the policy to test and improve procedures prior to full scale rollout;
- Strong commitment from the network with almost half of the network (52 LALCs) engaging in the policy initiatives and submitting EOIs (46 LALCs) to participate in the trial period process;
- Selecting 19 business ideas submitted through the EOI process (using independent Assessment Panel assistance) to test the policy prior to the full-scale rollout. The projects selected for the trial period include residential and aged care developments, residential subdivisions and rezonings, tourism, land management and agriculture. Five of these have progressed past initial assessment to the funding discussion stages;
- Establishing a panel of industry experts across a diverse range of industries to ensure LALCs get access to the best industry advice to progress their initiatives;
- Developing partnerships with a range of private sector banking as well as state, federal and local public sector bodies; and
- Development of procedures and templates to support the delivery of the policy.

As traditionally very few business ideas progress to operating enterprises broadly, NSWALC has cautioned LALCs to maintain reasonable expectations of progress from the trial period.

Due to the long lead-time to start enterprises (typically 12-24 months) NSWALC does not expect any LALC enterprises to be started during this period. Also due to the traditionally large numbers of ideas that do not progress to funding readiness (up to 90 percent), NSWALC expects one to two business enterprises may be commenced post trial period. Additionally, success from the trial period involves analysing the trial processes and making recommendations about the implementation of the policy across the network.

As at the end of June 2015 the following statistics were available on the progress of the trial period:

- NSWALC worked intensively with the LALCs and independent assessment panel to review the 19 shortlisted ideas;
- 16 out of the 19 ideas had successful business development grant applications and initial assessment work was in progress or completed;
- Five out of the 16 ideas progressed past initial assessment through to initial funding discussions.

## STRATEGIC INITIATIVES

### RESOURCES DEVELOPMENT PROJECT

The Strategic Initiatives unit provides the Council with preliminary analysis and research on strategic and emerging issues and develops projects consistent with the Council's strategic goals. In this reporting period, the focus of the Strategic Initiatives Unit was NSWALC's Resources Development Project.

The NSWALC Strategic Plan identifies 'Driving Our Economic Development' as a strategic priority. The development and implementation of an Economic Development Policy is identified as a strategic goal for achievement of that priority. The Resources Development Project is identified in the NSWALC Economic Development Policy as a focus for NSWALC business enterprise.

The key priorities for NSWALC in this project are to:

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

The operational plan priorities for this reporting period for the Resources Development Project are:

- Establish partnerships and commercial ventures in the resources industry;
- Seek investment in commercial ventures;
- Engage with industry through membership of industry organisations; and
- Establish suitable corporate structures to enable NSWALC and LALCs to participate in resources industry commercial opportunities.

Significant progress has been made to achieve these priorities, despite a change in government policy (see below).

The next reporting period will also include a focus on developing community benefit schemes to enable LALCs to participate in commercial ventures.

As reported last year, 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.

In this reporting period, NSWALC resolved to incorporate a proprietary company as the main commercial vehicle for implementation of the Resources Development Project. In September 2014, NSWALC Resources Pty Ltd (ACN 602 043 274) was incorporated under the Corporations Act

2001. It is a wholly owned subsidiary of NSWALC. The Directors of NSWALC Resources are:

- Craig Cromelin (Wiradjuri Region Councillor and Chairperson of NSWALC)
- Anne Dennis (North West Councillor)

The primary purpose of NSWALC Resources Pty Ltd is to hold shares in companies that are established to pursue commercial partnerships in the resources sector.

In December 2014, Paradigm Resources Pty Ltd (ACN 602 694 155) was incorporated under the Corporations Act 2001. NSWALC Resources Pty Ltd holds 50 percent equity in Paradigm Resources Pty Ltd, with the Indigenous Energy Group Pty Ltd holding the remaining 50 percent. The Directors of Paradigm Resources are:

- Aden Ridgeway (Independent Chair)
- Craig Cromelin (NSWALC Chairperson and director of NSWALC Resources)
- Anne Dennis (NSWALC Councillor and director of NSWALC Resources)
- Andrew Mayo (nominee director of IEG)
- Jason Needham (nominee director of IEG)

Paradigm Resources Pty Ltd is a unique commercial and cultural collaboration, which brings together the skills and expertise of the resource industry with the skills and expertise of Aboriginal people in NSW. Paradigm Resources has adopted the following Governance Principles to guide its operations:

(a) In assessing the economic benefits of potential Resource Development Projects, Paradigm Resources will weigh up the social and environmental benefits and risks of each project and make an informed decision.

(b) Paradigm Resources aims, amongst other objectives, to create economic benefits for local communities through the Resource Development Projects.

(c) Paradigm Resources will consult with Local Aboriginal Land Councils, traditional owner groups and wider stakeholders before any material project developments and respond to any concerns as and when they arise.

(d) Paradigm Resources will use current best practices to ensure that its operations protect the health and safety of its staff, contractors, communities and local environment.

(e) Paradigm Resources will minimise, wherever possible, the impact of resource development on the natural environment and Aboriginal culture and heritage.

(f) Paradigm Resources will be a good neighbour, operating transparently and responsibly.

NSWALC retains significant oversight of and involvement in the operations of Paradigm through a shareholders' agreement. Significant decisions, including the adoption of an annual plan and budget, acceptance of tenements,

bringing in new investors, changing the constitution and the appointment of additional directors for example all require shareholder approval. Paradigm reports regularly on significant financial and operational matters to NSWALC. The Chair of Paradigm meets with the Council on a regular basis.

## THE POLICY LANDSCAPE

As discussed in the previous reporting period, the NSW Government's policy framework for petroleum exploration has undergone regular change for a number of years. That policy landscape continued to change in the first half of the reporting period, during which NSWALC's eight tenement applications for Petroleum Special Prospecting Authorities and Petroleum Exploration Licenses remained unconsidered.

On 13 November 2014, the NSW Government introduced its Gas Plan. The Gas Plan set out a new regulatory and policy framework for petroleum exploration and production in NSW. On the same day, the Government introduced legislation into the Parliament to 'extinguish' NSWALC's tenement applications, along with those of 10 others. The Council agreed to make strong representations to the Government and other members of the Legislative Council about the significant implications the proposed legislation would have for NSWALC's resources development plan.

After meeting with NSWALC representatives, the Hon Reverend Fred Nile, MLC agreed to sponsor an amendment that preserved the priority of NSWALC in respect of any new petroleum tenement applications for the areas covered by NSWALC's existing applications. The amendment was passed unanimously by the Upper House in the early hours of Wednesday 19 November. The Government has also made a public commitment to assist NSWALC in making applications under the new framework, and has invited NSWALC to participate in the development of that framework.

The Hansard reports:

*"I hope all members support that amendment which will provide employment opportunities for the NSW Aboriginal Land Council in the future. The Government must assist the Aboriginal people of this State to move away from a welfare mentality and provide them with an opportunity to secure their own economic future. I look forward to hearing the Minister for Fair Trading confirm those arrangements. With that assurance, the Christian Democratic Party will support the bill". (the Hon Reverend Fred Nile, 18 November 2014, page 2925)*

While the loss of existing tenements was a challenge to the progress of the resources development project, the opportunity presented by the amendment is significant. NSWALC is first in the queue for making applications for petroleum exploration licenses under the new strategic release framework. At the end of the reporting period, the Government had not yet released its Strategic Release Framework.

NSWALC however continued to pursue resources development opportunities, though Paradigm Resources. As a result of the new policy framework for petroleum exploration



and the time that it has taken the Government to fully implement the Gas Plan, other resource development opportunities were identified and agreed. In May 2015, Paradigm applied for two exploration licenses under the *Minerals Act 1992*:

- Exploration Licence Application 5175 for Graphite (near Nyngan)
- Exploration Licence Application 5176 for Diamonds (near Wilcannia)

These applications were advertised in May 2015 according to NSW Government regulation. Pursuit of opportunities in addition to petroleum resources is an important part of the overall resources development project. Subject to resources and local support, Paradigm (and NSWALC) will continue to canvass all of its options.

At the end of the reporting period, the licences were still under consideration by the Minister.

### **MINERALS COUNCIL OF NSW (NSWMC)**

NSWALC has continued its membership of the Minerals Council of NSW in this reporting period. A representative of NSWALC participates in the Exploration Committee of the NSWMC, and also in the Community and Environment Network. 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.

The Chairman of NSWALC and staff attended the NSWMC annual Environment and Community Conference in August 2014.

### **MINERALS INDUSTRY IBA**

As part of its OCHRE policy, the NSW Government has established a series of Industry Based Agreements. In June 2013, The Minister and the Minerals Council signed one for the minerals industry. While NSWALC is not a party to the agreement, it became a member of the Steering Committee that oversees the implementation of the Minerals Industry IBA in July 2014.

The Steering Committee comprises representatives from the Government, the Minerals Council and the minerals industry. In March 2015, it sponsored a successful Industry Forum as part of the Hunter Coal Festival. Councillor Tom Briggs and NSWALC staff attended. The Action Plan for the IBA supports a range of practical activities to support Aboriginal businesses and individuals in the resources sector.

### **CONSULTATION**

Central to NSWALC's resources development project is to engage with the network and with the wider Aboriginal community about its work.

In October 2014, IEG director Andrew Mayo joined NSWALC staff and Council at the Far West Regional Forum to discuss the resources development project. On the first day, LALC

representatives engaged in a lively and informative discussion about the project. On the second day, guests from the Central Darling Shire Council and the Local Land Services Board were invited to a briefing about the project.

## **HOUSING**

NSWALC is required under the NSW Aboriginal Land Rights Act (ALRA) to provide an approval for those LALCs that wish to continue to operate and manage their stock of housing, which is typically leased to members under residential tenancy agreements. This approval must be gained by 31 December 2015. This deadline has been extended a number of times by the NSW Government since 2007, for a variety of reasons.

NSWALC had previously developed a Policy on the Approval of LALC Social Housing Schemes (Rental Accommodation) in order to ensure that LALCs operate their housing schemes in compliance with the requirements of the ALRA. The policy was complemented by a tool to be used for the assessment of applications from LALCs. The policy and processes adopted by NSWALC are known as the Social Housing Assessment and Provider Evaluation or SHAPE. Since development, a total of 14 LALCs have received NSWALC approval under this policy.

A number of LALCs have engaged with the NSW Government's Aboriginal Housing Office under its Build and Grow Strategy for Aboriginal Community Housing. Under this strategy, Aboriginal housing providers had a choice to undertake the Provider Assessment Registration System (PARS). Successful accreditation then made the provider eligible to access a range of programs under the Build and Grow Strategy, including backlog maintenance. A total of 20 LALCs achieved PARS accreditation, six of those LALCs also obtained NSWALC's approval under the SHAPE provisions.

Under the AHO's Build and Grow Strategy, LALCs also had the option of head leasing their housing properties to the AHO for a period of 10 years. Entering into a head lease with the AHO also enabled those LALCs to access a range of programs offered under the Strategy, including backlog maintenance. A total of 43 LALCs have head leased their houses to the AHO.

Those LALCs who have achieved PARS accreditation, along with those who have head leased their houses to the AHO have been registered as Aboriginal housing organisations under the Aboriginal Housing Act.

During the period, the ALRA has been reviewed. A key issue that the review sought to resolve is the duplication of assessment processes conducted by NSWALC and the NSW Government's Aboriginal Housing Office. The amendments to the ALRA that occurred in late 2014 have resulted in NSWALC only having to approve the housing schemes of those LALCs that are not registered Aboriginal housing organisations or registered community housing providers within the meaning of the Community Housing Providers National Law (NSW). This represents a total of 40 LALCs that now require NSWALC



approval to continue to operate their housing schemes.

During the second half of the reporting period NSWALC has developed a policy on the Approval of LALC Community Benefits Scheme (Residential Accommodation). This policy has been developed in accordance with the 2014 amendments to the ALRA. Along with the policy, NSWALC has developed a Community Benefits Scheme (Residential Accommodation) Guide for LALCs, a range of templates for use by LALCs when applying to NSWALC for approval under the policy and also an assessment tool for NSWALC staff. The Policy was approved by the NSWALC Council on 18 June 2015 and has been approved and gazetted by the NSW Minister for Aboriginal Affairs as required under Section 114 of the ALRA.

NSWALC is now well placed to work closely with those 40 LALCs who will be required to obtain NSWALC approval to continue to operate their housing schemes by 31 December 2015.

## ZONE OFFICES

### 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 of NSWALC operated from offices in Coffs Harbour and Tamworth during the 2014-15 financial year. The Northern Zone Director is supported by a staff of eight. During the financial year three staff members celebrated ten years of service milestones with the organisation.

In March 2015 the Northern Zone Director position was taken over by the Operations Manager in an Acting capacity until the position is permanently filled during 2015-16. One staff member was also seconded from the zone office to the Economic Development Unit (EDU) from October 2014 for the remainder of the financial year.

Two LALC Support Teams operated from the Coffs Harbour office with two Senior LALC Support Officers and two LALC support Officers. They support LALCs in the North Coast and Mid North Coast Regions. The Tamworth office is staffed by an Acting Operations Manager 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 who was seconded to the EDU for part of 2014-15.

### General Zone Support to LALCs

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.

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 2014-15 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 and the NSWALC Commercial Unit 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 Risk Assessment System (RAS) assessments, along with LCSU staff. Debt management and management of LALC statutory liabilities is another key area of assistance provided by zone staff.

### Specialised Support to LALCs

Zone staff work closely with many other units within NSWALC to provide a variety of specialist assistance to LALCs including NSWALC's commercial, legal and policy units. During the financial period a number of matters arose requiring significant zone resources including:

- Aboriginality and Membership Issues;
- Native Title Matters;
- NSWALC's Subdivision Program;
- Several Land Dealings including the landmark Forster LALC Cultural Access Agreement with Mid Coast Water (refer to NSWALC Commercial Unit report);
- Workplace Bullying, Unfair Dismissal and Other Employment Matters.

### Review Of Operations:

#### Many Rivers Regional Partnership Agreement

NSWALC was a formal signatory to the Regional Partnership Agreement (RPA), which expired during 2014. LALC representatives from the North Coast and Mid North Coast

Regions, Councillors Williams and Smith and NSWALC Northern Zone staff actively participated in RPA initiatives and the RPA Committee.

A new committee has since formed called the Many Rivers Regional Employment Committee. The committee has much of the same membership as the RPA group including NSWALC and LALCs. The primary focus of the committee has been on monitoring and securing Aboriginal employment through major Government contracts such as the Pacific Highway upgrades and other infrastructure projects within the Many Rivers region.

More recently the scope and focus of the committee has expanded to encompass Aboriginal business enterprise opportunities through fixed NSW and Federal Government Aboriginal procurement targets.

### **NORTHERN REGION LALC REGIONAL PARTNERSHIP AGREEMENT (RPA)**

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.

The RPA expires in March 2016 and a facilitated workshop was held in March 2015 involving NSW and Federal Government representatives as well as NR LALCs, Councillor Tom Briggs and NSWALC Northern Zone staff to review Schedule 1 of the RPA and prioritise activities for the remaining 12 months of the RPA.

Warri-li Resource Unit Inc (the social business arm established by the NR LALCs under the RPA) was successful in obtaining Federal funding for the remaining term of the RPA to assist with implementation of the reviewed RPA initiatives.

Jobs and education are the key priorities within the RPA and will be assisted by Warra-li's direct involvement and through their Vocational Training & Employment Centre (VTEC) sub-contract as well as the Memorandum of Understandings (MoUs) that are currently being negotiated with TAFE New England and the University of New England by Councillor Tom Briggs, NR LALCs and assisted by NSWALC Northern Zone staff.

### **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:

- Crown Lands Act Review All regions.
- ALRA Amendment Consultations All regions.

- NSWALC Economic Development Program All regions.
- NSWALC Policy Consultations All regions.
- Anti-corruption Workshops (ICAC) All regions.
- Protected Interest Disclosures (NSW Ombudsman) All regions.

### **LALC REGIONAL FORUMS**

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 and service providers.

Zone staff worked with Councillors Smith and Williams to stage a joint regional forum in Tweed Heads during March 2015 as well as regional forums in each of the respective Councillors regions during 2014. Councillor Briggs also held several regional forums and regional partnership committee meetings during the reporting period which zone staff were present and provided direct assistance and facilitation.

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

During the period there were three LALCs that were required to be on an assistance agreement, two of which have returned to a funding agreement. The zone continues to commit staff and resources to these LALCs to increase their capacity and return the LALCs to a funded category in the shortest timeframe possible. In the majority of cases the zone has committed to be at every Board and Members meetings for these LALCs.

### **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 2013-2014 financial year and resulted in 38 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 letter results are

a testament to the work of LALC CEOs and Boards and follows the excellent outcomes achieved in the previous financial year.

## 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 five key areas of operation and this performance assessment then informs the LALCs deemed risk rating.

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

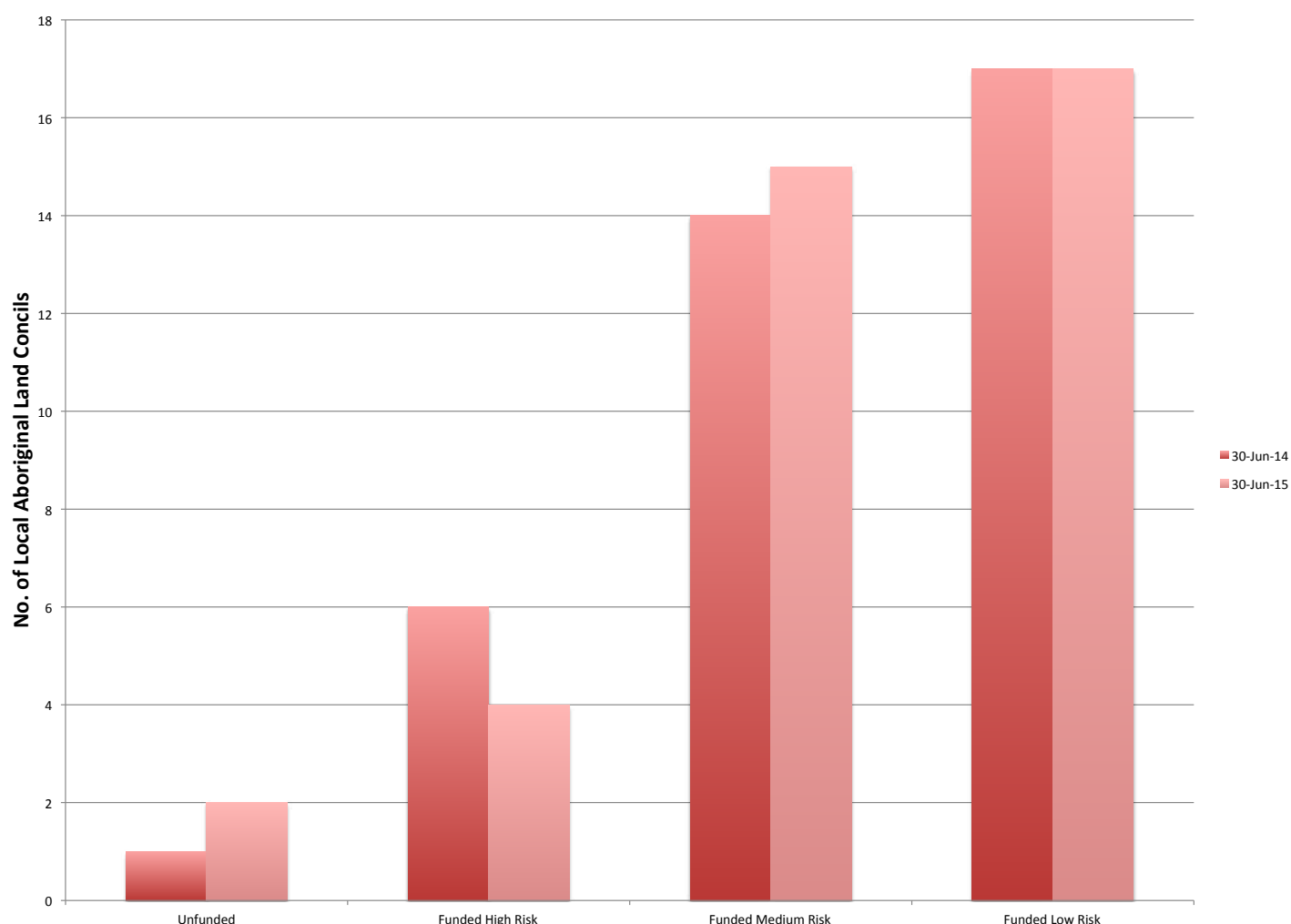
monitored by NSWALC other than to ensure that the areas of deficiency are being addressed. The PIP process does not impact on the LALC's risk rating unless the LALC fails to monitor and/or implement the PIP.

The graph indicates the following:

- As at 30 June 2015, 94.7 percent of LALCs in the Zone were in a funded category.
- On 1/7/14 there were 15.78 percent of LALCs in the High Risk Category, 36.84 percent in Medium Risk Category and 44.73 percent in the Low Risk Category.
- On 30/6/15 there were 10.53 percent in the High Risk Category, 39.47 percent in the Medium Risk Category and 44.73 percent in the Low Risk Category.

NSWALC utilises the 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.

NSWALC Northern Zone Funding & Risk Categories



## **LALC BOARD ELECTIONS AND SUPPORT**

During the reporting period Northern Zone staff acted as Returning Officers for several board vacancy elections. The introduction of the expanded “two meeting rule,” whereby a member has to attend at least two meetings over the preceding year in order to vote or stand as a candidate in a LALC election, had an impact on the number of eligible candidates.

## **TRAINING & WORKSHOPS**

Northern Zone staff participated on the working group responsible for redevelopment of the LALC Board Member Governance Training package. Board training was put on hold until this new package is rolled out. Tranby Aboriginal College did however run Advanced Governance Training for selected LALC Board Members from each region which was funded by NSWALC.

During the period LALC training was organised in conjunction with the NSWALC training unit on effective meetings, financial skills for Board Members, HR and Payroll Training and Employment and Workplace Training. Indigenous Business Australia also held the second round of Into Business workshops for LALCs.

NSWALC Staff also attended numerous training sessions during the financial period including relationship management, Diploma in Management, Certificate IV in Training and Evaluation, Communication and Negotiation Skills as well as a number of LALC Pilot Training sessions.

## **NATIVE TITLE AND NSW ABORIGINAL LAND RIGHTS ACT INTERACTION**

During the reporting period there were a number of Native Title discussions/consultations occurring throughout the Zone including Indigenous Land Use Agreement (ILUA) negotiations between the Unkya and Nambucca Heads LALCs and the Wanggaan (Southern) Gumbaynggirr Nation Aboriginal Corporation who are a newly formed prescribed body corporate. All parties are in the process of negotiating an ILUA in relation to the Gaagal Wanggaan National Park following the consent determination in August 2014.

In March 2015 and June 2015 the NSWALC legal department also held consultation meetings in Tweed Heads and Ballina respectively with those LALCs affected by the Western Bundjalung Claim. A number of the affected LALCs have agreed to become respondents to the claim. All LALCs covered by the claim were represented at the initial meeting in Tweed Heads.

The Yaegl Native Title Claim was determined on 25 June 2015 which affected both the Yaegl and Birrigan Gargle LALCs. Negotiations between the LALCs and Native Title group were extremely positive. These were facilitated by the NSWALC legal department and Native Title Tribunal

and with support from zone staff to assist both LALCs with their formal decision making.

Several other claims exist within the Northern Zone boundary but are in their early stages including Wijabul Wia-bal People, Gomeroi and several claims in Wonnarua country. Zone staff have allocated significant resources to attend these meetings so as to be in a position to pass on knowledge to LALC representatives and assist in informed decision making.

## **LOCAL DECISION MAKING (LDM) INITIATIVES**

Currently operating in the Zone are two regional local decision making groups. Operating in the North Coast and Mid North Coast is the previously named Many Rivers Coalition of Aboriginal Peak Organisations (MRCAPO). This group has since changed its name to the Regional Aboriginal Development Alliance (RADA). The Zone office was involved in the initial setup of the group and application process but has recently taken a back seat. However, Zone office staff have continued to attend local decision making group meetings. There will eventually be six pilot LDM sub- groups in Greater Taree, Macleay Valley, Coffs Harbour, Clarence Valley, Richmond Valley and Tweed Heads which will operate as a subsidiary of the regional body.

In the Northern Region funding has also been approved for the establishment of the Northern Region Coalition of Aboriginal Peak Organisations (NRCAPO). This group is in the establishment phase and zone staff have been involved in facilitating a number of workshops with the interim board. A structure has been developed for the LDM body as well as a draft operational plan. At present LALC representatives are the driving force behind the group.

## **FAR WESTERN ZONE**

The Far Western Zone represents the NSWALC Western Region which consists of 11 Local Aboriginal Land Councils (LALCs). The Far Western Zone Office operates from Broken Hill, to provide services to eight LALCs that are currently operating within the Western Region boundary.

Its purpose, aim and objectives are consistent with all other Zone offices with services delivered in accordance with the key objectives of NSWALC's Strategic Plan.

Des Jones is the elected NSWALC Councillor for the Western Region. Zone staff meets at regular intervals with Councillor Jones to provide briefings on operational and strategic issues from a NSWALC, Local Aboriginal Land Council and community perspective.

## **HUMAN RESOURCES**

The staffing establishment for the Zone Office was two positions for this reporting period.

The vacant position of Finance Officer and that of LALC Support Officer were amalgamated to create the Senior Project Officer. The current structure supports the NSWALC and the Local Aboriginal Land Councils (LALCs) with social enterprise/business development in line with the NSWALC Strategic Plan.

### SUPPORT TO LALCs

The zone office has a primary responsibility for the provision of support and advice to the Local Aboriginal Land Councils within the Far Western Zone.

The provision of support and advice included LALC roles and responsibilities as a requirement under the ALRA and Regulations, operational matters, planning, land dealing matters, residential accommodation 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 relationships 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 (RAS) and the development of social enterprise and business ideas that the LALCs have prioritised in their Community Land and Business Plans.

### MONITORING AND COMPLIANCE

- NSWALC Risk Assessment System (RAS)

The Risk Assessment System is a risk management tool utilised by NSWALC to assess LALC operations across number of areas. The RAS is the primary risk assessment tool used by NSWALC to determine a risk category that a LALC will fall into, and also provides guidance as to the terms and conditions under which annual NSWALC funding will be offered.

The below graph provides a comparison between the risk rating of LALCs and their funding category for the 2014 and 2015 years.

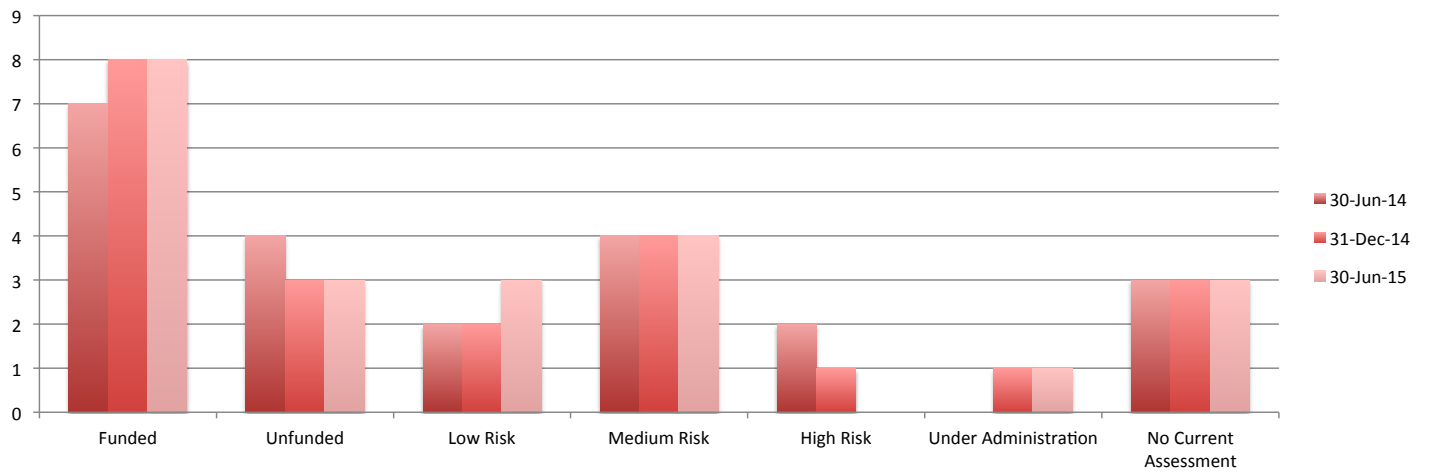
### MONITORING AND COMPLIANCE

During this reporting period a total of 7 Funding Agreements were offered to LALCs.

### PAYMENTS TO LALCS

NSWALC approved a total grant of \$1,235,250 for eight LALCs in the Far Western Zone. However, the actual total grant paid to the LALCs in the in the zone was \$1,043,547.55 in cash instalments. No payment for essential expenses was recorded while a LALC was in an unfunded category. The variation of \$191,702.45 represents the forfeited portion of grants for Balranald and Ivanhoe LALCs, as these LALCs were not in compliance throughout the financial year.

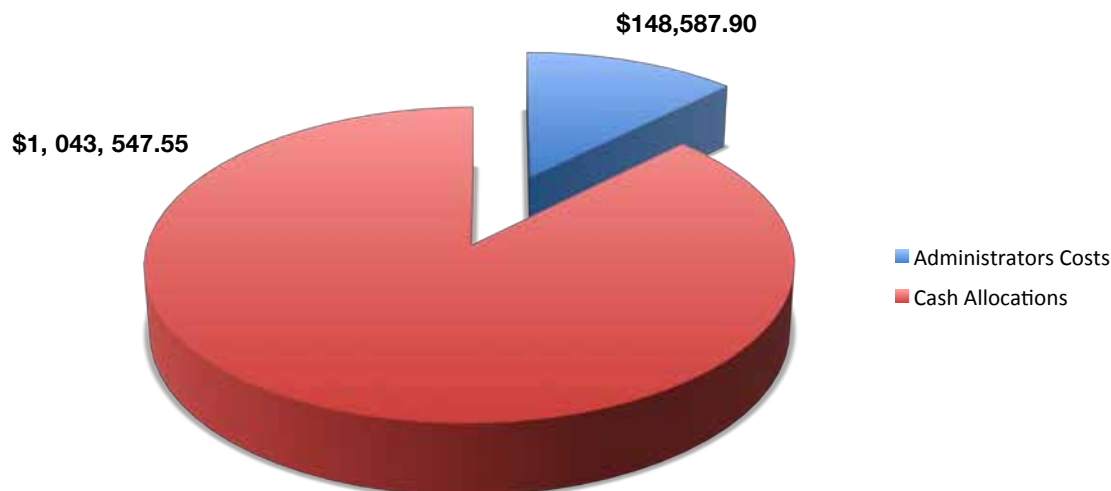
Far Western Zone Funding Category Comparison 11 LALCs





The pie graph represents the type of allocations and administrators expenses paid to or on behalf of LALCs in the Far Western Zone. Balranald LALC has an administrator appointed and administration costs of \$148,587.90 have been recorded for financial year ending 30 June 2015.

**Far Western Zone Allocations and Administrators Costs**



The Administrator costs become a LALC debt to NSWALC with payments being recovered under Debt Repayment Agreements with the relevant LALCs.

#### COMMUNITY LAND AND BUSINESS PLANS

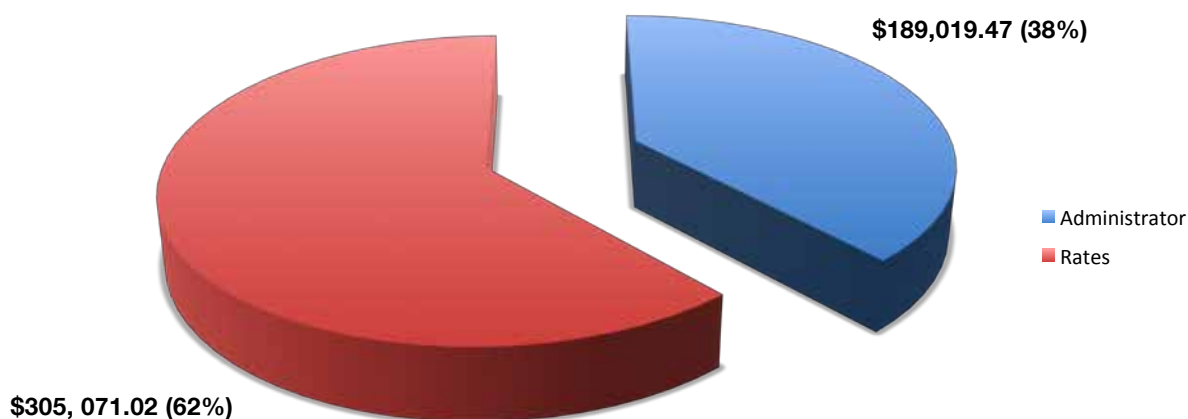
During the reporting period all LALC Community Land and Business Plans were due for review. The majority of LALCs are currently in the process of review and realignment to be consistent with the requirements of impending amendments to the *Aboriginal Land Rights Act 1983* (ALRA).

The challenge of these reviews will be for NSWALC to work more closely with the LALCs to foster and support economic/business development ambitions.

#### LALC DEBT

At the end of this reporting period, the level of LALC debt to NSWALC within the Zone was \$494,090.49 and is summarised in the below graph.

**Far Western Zone - Classification of LALC Debts**



The affected LALCs have entered into Repayment Agreements and have made repayments in line with these agreements as at 30 June 2015.

## LAND CLAIMS, DEALINGS AND MANAGEMENT

During the reporting period there has been no successful land claim determined for LALCs across the Zone.

Advice and support has been provided to LALCs on a range of land related matters:

- **MENINDEE LALC**

In August 2014, NSWALC approved a land dealing application for the sale of one of the LALC's houses to the current Aboriginal tenant.

- **DARETON LALC**

In June 2015, NSWALC approved a land dealing application for the sale of three vacant blocks of land.

In June 2015, NSWALC approved a land dealing application for the amendment of the LALC's property listing under their head lease to the Aboriginal Housing Office.

## SOCIAL HOUSING

During this reporting period, Dareton Local Aboriginal Land Council was successful with a NSW Health Habitat program, Housing for Health. This program will improve a number of health and safety issues in the LALC's 47 social housing properties. This program will conclude in May 2016.

With the exception of one LALC, all others are either under head lease to the Aboriginal Housing Office or operating an approved social housing community benefit scheme through their NSWALC approval process under SHAPE.

The one remaining LALC will need to be assessed against the NSWALC (Residential Accommodation) Policy before 31 December 2015. This new policy comes into effect as of 1 July 2015 as a result of amendments to the Aboriginal Land Rights Act 1983 (ALRA).

The below table summarises status of each LALC's housing situation;

LALC	HEAD LEASE TO AHO	NSWALC CBS APPROVED	NSWALC CBS UNAPPROVED
Balranald	LD approved, awaiting signing of HL		
Broken Hill		Approved through SHAPE	
Cobar			To be assessed before 31/12
Dareton	Under HL		
Ivanhoe	No Housing		
Menindee	Under HL		
Mutawintji	No Housing		
Tibooburra		Approved through SHAPE	
Wanaaring			To be assessed before 31/12
Wilcannia	Under HL		
Winbar	No Housing		

## WATER AND SEWERAGE PROGRAM

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. This program has a direct impact for the Wilcannia, Dareton and Balranald LALCs in the Western Region.

Under the Wilcannia Remote Service Delivery program, the Commonwealth committed \$2.2million for the following works that would improve the water and sewerage systems for the Wilcannia community:

1. Water treatment plant upgrading
2. Water supply reservoir relining
3. Mallee and Warrali Mission sewerage systems upgrading and associated Works

All three works projects have now been completed and have complemented the NSWALC/NSW Government program and directly benefited the LALC through new infrastructure on its two Reserve areas.

## REGIONAL FORUMS AND CEO MEETINGS

Regional forums and CEO meetings continue to be essential for both the NSWALC and LALCs to come together and share/provide information on important issues from a State, Regional and Local perspective.

During the reporting period five Regional forums were held.

The Zone Office assisted Councillor Jones to organise and host these forums.

DATES	VENUE	FOCUS
30th-31st July - 1st August 2014	Broken Hill	LALC Native Title meeting
7th-9th October 2014	Broken Hill	LALC/Council Resource meeting
16th-19th February 2015	Dubbo	NSWALC Policy, Crown Lands & Operational
10th-12th April 2015	Broken Hill	LALC Native Title meeting
29th-30th June 2015	Cobar	Crown lands, ALRA & Operational

## LOCAL ABORIGINAL LAND COUNCIL ACTIVITIES:

During this reporting period, the LALCs have been very active in supporting and delivering community activities. These activities have included:

### BROKEN HILL LALC

Broken Hill LALC in partnership with Orange and Deniliquin LALCs have been successful with their application to the NSW Government for the provision of an Ability Links

Program. The result of this application has seen the employment of three Ability Links staff members in the LALC office who will provide a service across the Far West area, including Broken Hill, Menindee, Tibooburra, Wilcannia, Cobar, Bourke and Dareton.

Staff work with local communities to help them become more welcoming and inclusive of people with disability. Ability Links differs from traditional case management with its emphasis on working alongside people with a disability, rather than for them and is available to people between the ages of nine to 64.

The same three LALCs have recently been successful with a further joint application that will provide an Ability Links service for Youth (aged up to eight). The LALCs will shortly be engaging an additional staff member to service this program extension.

### WILCANNIA LALC

The Wilcannia LALC has a partnership with Murdi Paaki Regional Enterprise Corporation and its Remote Jobs Community Program (RJCP). This partnership provides for work based activities identified by the LALC to be carried out by the RJCP participants. There have been projects with fencing and land improvements to date, with further activities being planned around housing maintenance and food security.

The Wilcannia LALC, NSWALC and Aboriginal Affairs NSW have an informal partnership with Sydney University and their RARE program. Post and under graduates have been working with these stakeholders in assessing options for food security in Wilcannia. The LALC is hosting this initiative and will be supported by RJCP participants. The initial pilot will be based around a bush order arrangement through Broken Hill Woolworths, and will hopefully expand into another competitive store for the Wilcannia community.

### MENINDEE LALC

The Menindee LALC has been successful with an Indigenous Advancement Strategy (IAS) grant from the Federal Government. The LALC will receive approximately \$460,000 for the 2015-2016 year. This funding will assist the LALC to improve the infrastructure on Appin Station and to also develop small business enterprise models around tourism and catering.

Similar to Wilcannia LALC, the Menindee LALC also has a partnership with Murdi Paaki Regional Enterprise Corporation and its RJCP. This partnership provides for work based activities identified by the LALC to be carried out by the RJCP participants. There have been projects with fencing, land management and sites identification undertaken to date.

## **DARETON LALC**

The DLALC is currently engaged in a land management project for Namatjira Reserve in partnership with Max Employment, Mid Lachlan Aboriginal Housing Management Co-operative, NSW Health, NSWALC and Local Land Services - Western Region.

The aim of the project is to improve the condition of the Reserve through a land management project using Max Employment “work for the dole” registered participants as the workforce.

It is hoped that this project will ultimately lead to employment for a land maintenance team and housing maintenance team.

## **EASTERN ZONE**

The Eastern Zone, represented by Councillor Roy Ah-See, is geographically the smallest of the five Zones and comprises 11 Local Aboriginal Land Councils (LALCs). In many respects, however, it deals with a range of more complex issues given the size and strength of LALCs in the region.

### **ORGANISATIONAL STRUCTURE**

The Zone is staffed by a Zone Director, a Senior Support Officer, a Support Officer and a Finance Officer who provide service and support to the Councillor and LALCs within the Zone.

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

Over the last year the Eastern Zone Staff had the opportunity to work with staff from other Zones at a NSWALC Conference, held in December 2014. The main focus of the Conference was to discuss the ALRA amendments 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 provides 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 achieving improved Risk Assessment System scores.

### **COMMUNITY BENEFIT SCHEMES**

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

### **NSWALC RISK ASSESSMENT SYSTEM (RAS)**

The Zone office maintains the Risk Assessment System for the 11 LALCs in the Sydney/Newcastle region. Throughout the reporting period there were LALCs that changed funding categories to a High Risk funding category as a result of the Risk Assessment. However, through ongoing support from the Zone Office these LALCs were able to revert back to a Medium or Low Risk funding category following further Risk Assessments being conducted. At the time of this report being written there is one LALC currently unfunded as a result of the RAS, and the remaining LALCs are either in a Medium or Low Risk funding category.

### **BOARD ELECTIONS**

The Zone staff officiated as Returning Officers at numerous Casual Vacancy elections held across the region in the reporting period.

Due to the changes to the ALRA, all elected Board Members have been granted an extension to the mandatory governance training awaiting finalisation of a new training package. Training is expected to commence following the board elections conducted in September 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 Finance Skills Training for Board Members, and Employment and Workplace Training.

To date the LALCs in the Sydney/Newcastle region have attended the Employment and Workplace Training workshop. The workshop was conducted at the Gosford RSL and had representation from majority of LALCs in the region. There are four LALCs that have undertaken the Finance Skills for Board Members workshop. This training was done with each individual LALC at the LALC premises. There has been very positive feedback received from the LALCs that have participated in these workshops. The LALCs that have not yet participated in the Finance Skills for Board Member workshops will be offered throughout 2015-2016.

The LALCs have also attended training organised through the NSWALC and Zone Office. Public Interest Disclosure Training conducted by the NSW Ombudsman Office and a

Membership Roll Workshop conducted by the Office of the Registrar ALRA were both held at the NSWALC Parramatta, with a number of LALCs from the region attending.

### **SOCIAL HOUSING**

A number of Social Housing Approval and Provider Evaluation (SHAPE) pre-assessments were conducted throughout the year. Five LALCs in the Region are SHAPE approved and a number of LALCs were close to submitting an application.

With the ALRA Amendments commencing from 1 July 2015 the LALCs that are not yet SHAPE approved will have their Social Housing approved by the NSWALC as a Community Benefits Scheme (CBS). Zone staff are continuing to support the LALCs who are not yet SHAPE approved and will be requiring CBS approval.

### **LAND DEALINGS**

Eastern Zone staff, in conjunction with Commercial and Legal Units, continued to inform LALCs of the land dealings regime within the ALRA, with particular emphasis on LALC land dealing applications.

### **REGIONAL FORUMS**

Councillor Ah-See conducted a number of Regional Forums during the reporting period. These brought together representatives from each of the LALCs in the region. The forums were attended by LALC Chairpersons and Chief Executive Officers or their delegates. The Forums have become important for NSWALC Councillors to report on their activities and provide LALCs an opportunity to voice concerns and issues across the region.

This reporting period saw important information conveyed to the LALCs regarding Native Title, the Crown Lands Review and current Land Claims, and the ALRA Amendments including NSWALC policy reviews.

### **COMMUNITY LAND AND BUSINESS PLANS (CLBP)**

During the reporting period there were six LALCs in the region with an expired CLBP, three LALCs with expiring CLBPs throughout 2015-2016, and two LALCs with approved plans. The Zone Office has continued to support the LALCs in progressing towards renewing their plans. Due to the ALRA Amendments commencing 1 July 2015 a number of LALCs in the region have made the decision to wait until the new Boards are elected in September 2015 as there will be the requirement to approve or amend the plan within nine months of being elected.

### **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, and Gosford. It was a great opportunity to get out and celebrate this special week with the LALCs and the Aboriginal communities they serve.

### **ECONOMIC /COMMUNITY DEVELOPMENT**

There is a diverse range of economic developments within the Sydney/Newcastle Region, including 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 a training centre and gymnasium. Other projects provide a number of wellbeing programs including education focused mentoring, youth justice programs and family wellbeing support.

The National Aboriginal Health Strategy (NAHS) has been revitalised in La Perouse 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 by the La Perouse LALC as well as a complete refurbishment of two other residences and a series of urgent health and safety repairs on many other homes.

During the reporting period the NSWALC commenced its Economic Development program with LALCs. The NSWALC Economic Development Unit (EDU) held forums in each region informing LALCs of the program and the application process to participate in it. Two LALCs were selected to participate in the program from each region. The Sydney/Newcastle region received a number of applications, with Biraban LALC and Tharawal LALC being the successful applicants. Biraban LALC will be working towards a Land Development Residential Estate, and the Tharawal LALC will be looking into opportunities to develop land for a cemetery.

### **NATIVE TITLE**

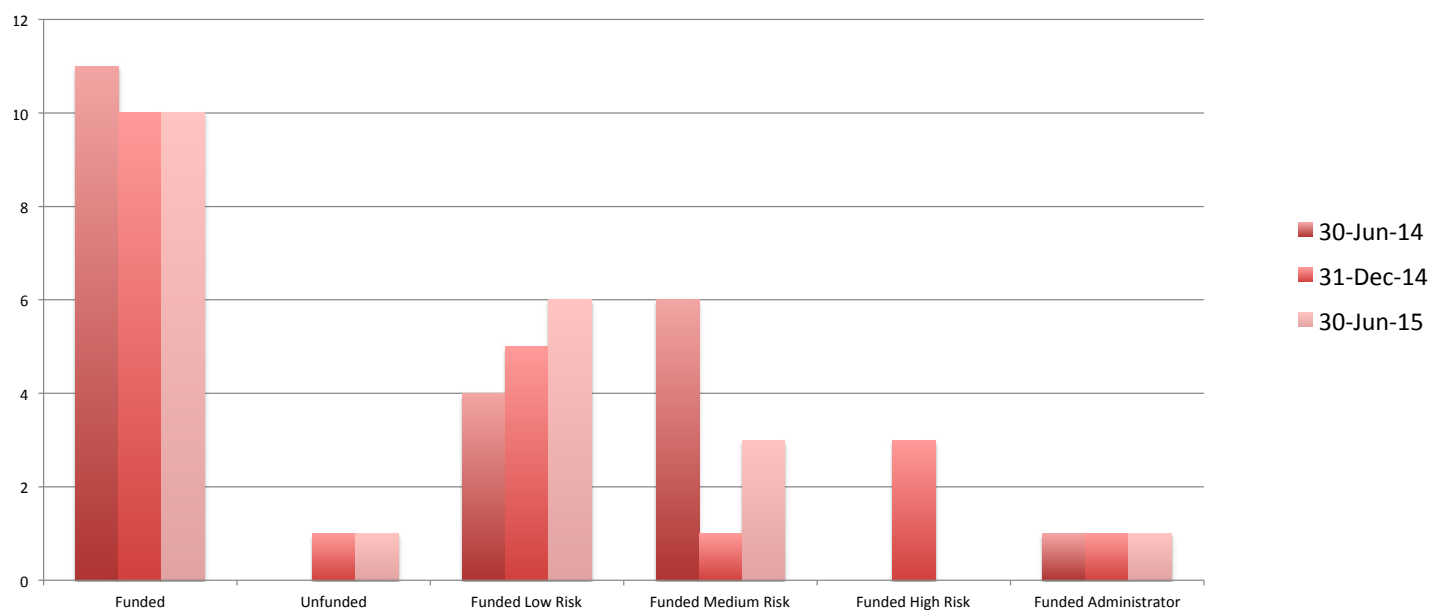
The Sydney/Newcastle LALCs participated in a Native Title Information session which was held as part of one of Councillor Ah See's Regional Forums. There were a number of issues discussed at the forum regarding how current claims are affecting the LALCs' abilities to conduct Land Dealings. The NSWALC Legal Unit has also been providing information to a number of LALCs in the region on how they may be affected by Native Title claims. In particular, the Scott Franks Claim could potentially affect four LALCs in the Sydney/Newcastle region.

### **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 2014.



### Eastern Zone Funding Category Comparison - 11 LALCs

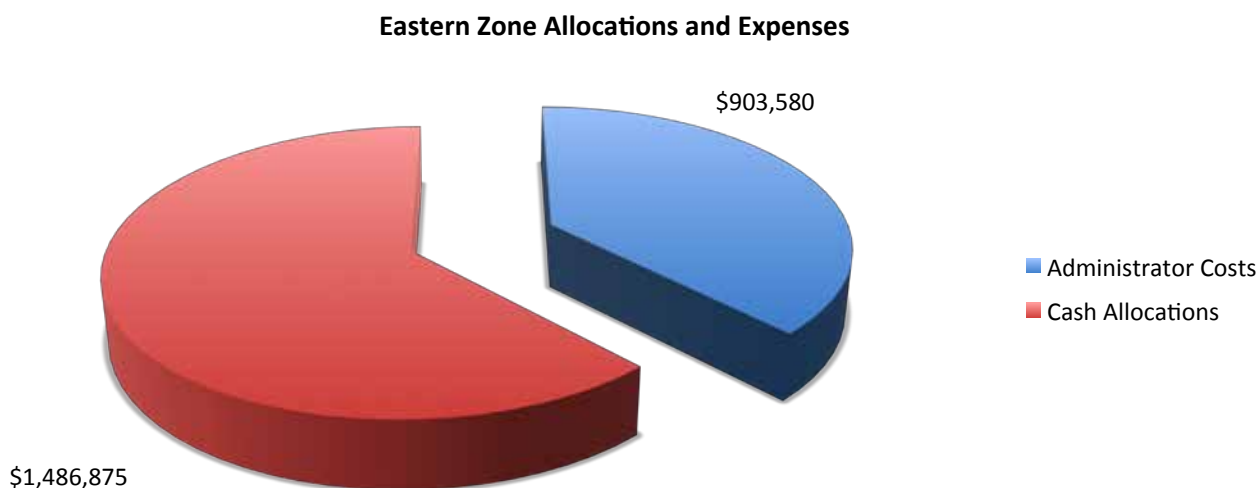


There is currently one LALC funded under administration and one LALC that has not been compliant throughout 2014-2015 and is currently unfunded. The remaining nine LALCs have been compliant and are currently funded. The Zone assisted the LALCs to build capacity in all aspects of their operations including 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 \$1,509,750. This amount was based on 11 LALCs receiving full year allocation, including one LALC funded under Administration. The total cash outgoings for the financial year were \$1,486,875.



The total cash outgoings for the financial year is based on ten LALCs' allocations of \$1,372,500, one LALC's allocation of \$114,375 and \$903,579.88 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 \$1,658,760.09. The total amount of debt has increased since the prior reporting period due to administrator debt within one of the LALCs.

## SOUTHERN ZONE

The Zone Office operated for a majority of the reporting period from Queanbeyan, however the Zone operations relocated to the Canberra suburb of Fyshwick, prior to end of 2014-15 as a cost saving measure at the end of the Queanbeyan lease.

The Zone Office services the South Coast and Wiradjuri Region, capturing a total of 34 Local Aboriginal Land Councils (LALC) within its boundaries:

- South Coast Region – comprising 13 LALCs
- Wiradjuri Region – comprising 21 LALCs

Councillor Neville “Jack” Hampton and Councillor Craig Cromelin (NSWALC Chairperson) continued to serve as the elected NSWALC Councillors for the South Coast and Wiradjuri Regions respectively.

Southern Zone staff meet 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.

## ZONE STAFFING

There were nine staff positions in the Zone Office as this reporting period ended.

The Zone office is made up of 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 prime responsibility of all staff in the Southern Zone office is the provision of support and advice to the LALCs.

This includes providing advice on general operational matters, preservation and protection of Aboriginal culture and heritage, land dealings, human resources, economic development initiatives, land claims matters, land use and management as well as providing assistance with negotiations with government on a range of issues.

## REGIONAL FORUMS

Six Regional Forums were convened in the Southern Zone area during 2014-15:

- South Coast Regional Forum, 26 & 27 August 2014, Batemans Bay
- Wiradjuri Regional Forum, 16 – 18 September 2014, Wagga Wagga
- Wiradjuri Regional Forum, 11 & 12 February 2015, Wagga Wagga
- South Coast Regional Forum, 19 February 2015, Batemans Bay
- South Coast Regional Forum, 18 & 19 March 2015, Wollongong
- Wiradjuri Regional Forum, 12 & 13 May 2015, Orange

Common items presented at both the South Coast and Wiradjuri Regional Forums included information relating to the implementation of NSWALC's Economic Development Policy trial period, NSWALC's Resources Development Project, NSWALC's Community Fund Program, Draft NSWALC policies resulting from amendments to the *Aboriginal Land Rights Act* (ALRA), the intersection of the Commonwealth *Native Title Act* and ALRA and developments regarding the NSW Crown Lands Review, its impact on the ALRA and NSWALC's position on the matter.

Additional presenters at the South Coast Regional Forums included the Office of the Registrar, ALRA, the South East Local Land Services, and the Independent Commission Against Corruption (ICAC).

Additional presenters at the Wiradjuri Regional Forums included the Office of the Registrar, the Department of Prime Minister and Cabinet regarding the Indigenous Advancement Strategy, Riverina Local Land Services, the Environmental Defenders Office, the NSW Office of Water and the Deniliquin LALC regarding the Ability Links Program.

Participants also discussed the *Aboriginal Land Rights Act* (ALRA) Review, the Aboriginal Housing Office's Build and Grow Strategy, rationalisation of NSWALC properties, culture and heritage protection laws and practices, sustainability of the network, the NSWALC Investment Fund, developments relating to the land claims appeal process and determinations, LALC training needs, Community

Land and Business Plans, LALC to LALC mentoring, the LALC Funding Risk Assessment System, NSWALC's policy and procedures on LALC funding and financial obligations, issues relating to proof of Aboriginality, MOUs with local shire councils, and cultural jurisdiction issues.

The Regional Forums were also used as a vehicle to deliver training to LALCs in areas such as grant submission writing, public interest disclosure statutory reporting requirements, and effective LALC meeting practices.

## LALC BOARD ELECTIONS

As 2014-15 was generally not a LALC board election year the Southern Zone was only required to assist with conducting one general board election during the reporting period as well as four casual vacancy elections as they arose. The general board elections and the four casual vacancy elections conducted by the Zone office resulted in the election of 16 new board members (10 female and six male).

## LALC TRAINING

Due to NSWALC's review of the Mandatory Governance Training Module that is normally delivered to board members elected for the first time, exemptions were granted across NSW to all LALC board members during the reporting period. Therefore, the Southern Zone office prioritised the delivery of governance training to LALCs that contained a majority of newly elected board members as well as to those LALCs that specifically requested the training to be delivered during the period of exemption.

A total of 15 board members primarily from the South Coast region completed the online governance training on an individual basis.

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

WIRADJURI	NO. BOARD MEMBERS COMPLETED	COMPLETION DATE
Nil		

SOUTH COAST	NO. BOARD MEMBERS COMPLETED	COMPLETION DATE
Bodalla LALC	8	5 March 2015
Merrimans LALC	7	4 March 2015

The Southern Zone office also conducted workshops to assist LALCs in the preparation for the 2015-16 LALC funding application process. Eleven participants attending training on the preparation of LALC budgets for the upcoming financial year.

In addition, zone staff also assisted in the delivery of training to LALCs on employment and workplace training for LALC personnel as well as finance workshops for LALC board members.

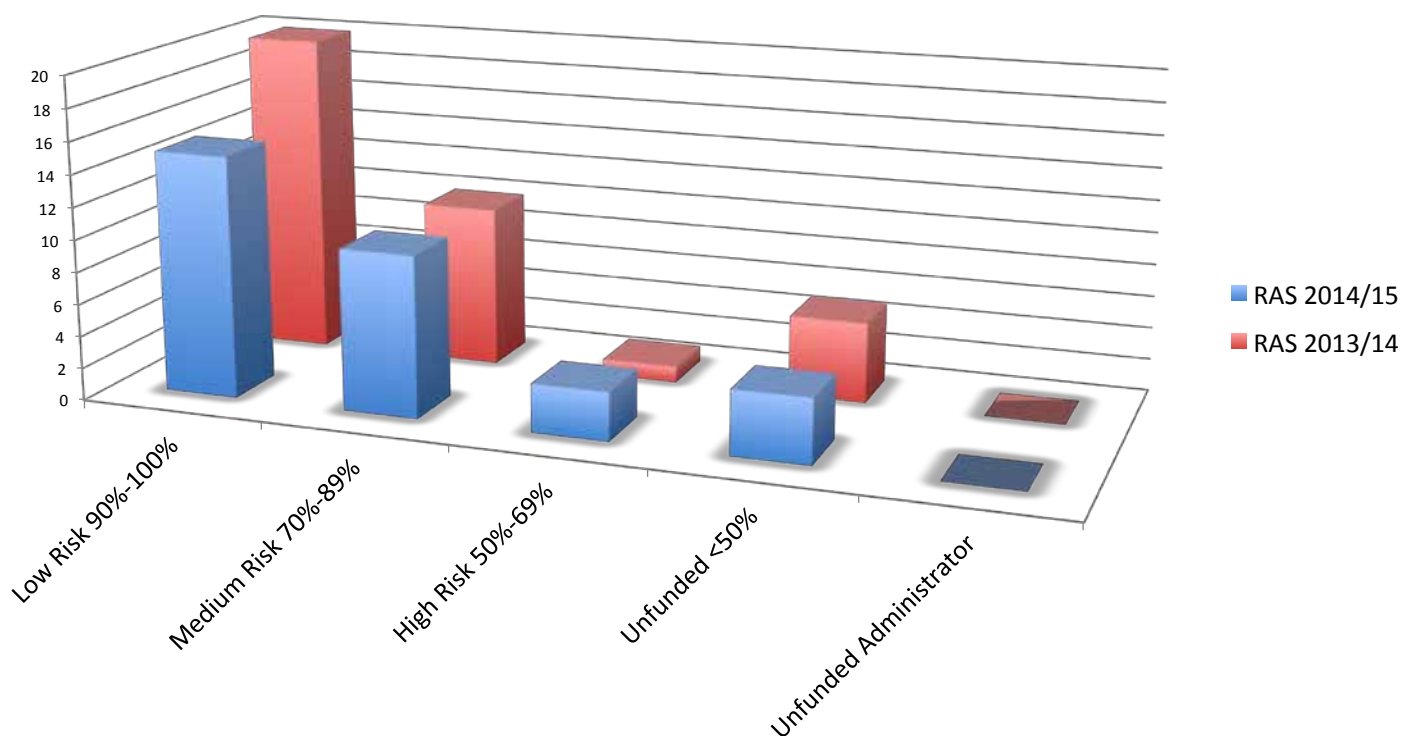
### RISK ASSESSMENT SYSTEM

2014-15 was the first full year of operation of the Risk Assessment System (RAS) which replaced the LALC Management Support System (LMSS) in January 2014. The RAS is used as a tool to inform funding categories of LALCs. The RAS focuses on high and critical risk from a NSWALC perspective that relate to a LALC's compliance with the ALRA, NSWALC's funding policy and the individual funding agreement as well as a LALC's financial statutory obligations to third parties. The RAS acknowledges that different LALCs pose different levels of risks to the network.

A combined total of 49 RAS assessments were conducted across the South Coast and Wiradjuri Regions during the 2014-15 period.

The following graph outlines LALC risk ratings achieved at the end of the period compared to the ratings achieved in 2013-14 financial year within the Wiradjuri and South Coast regions.

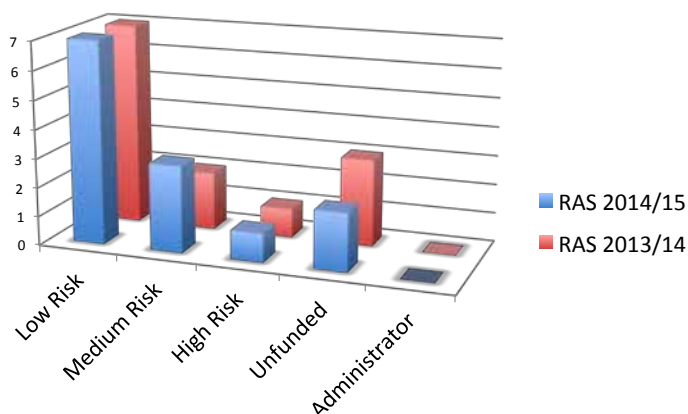
**Southern Zone Comparative Data - Combined Regions**



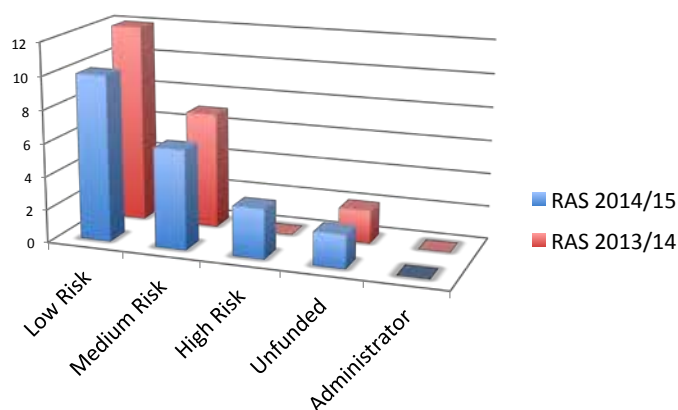
As demonstrated by the comparative data, there was a reduction in the number of LALCs located within the low risk and unfunded categories in 2014-15 as opposed to 2013-14. The number of LALCs situated in the high risk level increased with the medium risk level remaining relatively static.

The below graphs provide an overarching comparison of LALC movements in terms of risk ratings across the 2014-15 period as opposed to the 2013-14 financial year for both the South Coast and Wiradjuri Regions.

**South Coast Comparative Data**



**Wiradjuri Comparative Data**



END OF FINANCIAL YEAR RISK RATING - SOUTH COAST LALC'S	2014-15	2013-14
High Risk: 50-69%	1	1
Medium Risk: 70-80%	3	2
Low Risk: 90-100%	7	7
Unfunded	2	3
Administrator	0	0
END OF FINANCIAL YEAR RISK RATING- WIRADJURI LALC'S	2014-15	2013-14
High Risk: 50-69%	2	0
Medium Risk: 70-80%	6	7
Low Risk: 90-100%	10	12
Unfunded	2	2
Administrator	0	0

## LALC SOCIAL HOUSING ACTIVITY

Although it was anticipated that the review of the ALRA would result in amendments to the Social Housing provisions of the Act and consequentially NSWALC's Social Housing Approval and Provider Evaluation (SHAPE) policy, the Southern Zone continued to assist LALCs attend to the future management of their social housing schemes by progressing the assessment of LALC applications under SHAPE and providing constructive feedback.

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 total of 12 LALCs have entered into head lease arrangements with the New South Wales Aboriginal Housing Office (AHO). Of these, one was approved during the reporting period. A further four LALCs have indicated to the AHO that their preferred housing management arrangements is by head leasing. However, all but two of these LALCs are yet to hold a land dealings meeting to obtain members' approval for this action.

## COMMUNITY LAND & BUSINESS PLANS (CLBPS)

As with the previous reporting period, all but one of the 34 Southern Zone LALCs had NSWALC Approved Community Land and Business Plans in place during this reporting period.



Twenty three had or were due to expire during the reporting period. Of these 23 LALCs, 14 have had their revised CLBPs approved by Members and NSWALC, seven have submitted draft plans for NSWALC's consideration prior to obtaining members' approval and the remaining two are in the process of reviewing their plans. These plans are expected to be completed and approved by June 2016.

None of the CLBPs will expire during the next reporting period.

## **NSWALC'S ECONOMIC DEVELOPMENT PROGRAM**

The Southern Zone office facilitated the dissemination of information and policy advocacy in relation to NSWALC's Economic Development Program during 2014-15, particularly in relation to the Program's trial period during which LALCs were invited to submit Expressions of Interests (EOI) to participate. Two LALCs from the South Coast Region and six LALCs from the Wiradjuri Region submitted EOIs to participate in the trial. The EOIs were assessed by NSWALC's Independent Assessment Panel (IAP) comprising external economic development experts. The following LALCs were selected to participate in the trial period phase:

### **Wiradjuri Region**

- Cummeragunja LALC – Farming Property
- Orange LALC – Mine Rehabilitation Enterprise.

### **South Coast Region**

- Wagonga LALC – Residential Property
- Eden LALC – Tourism Enterprise.

It should be noted that a maximum quota of two LALCs per region was set for the trial period phase.

## **LAND CLAIMS, DEALINGS AND MANAGEMENT**

A priority for the Southern Zone office during 2014-15 was working with the NSWALC Land and Property Unit to assist LALCs with the land dealings process in relation to head leasing of LALC Social Housing Schemes to the Aboriginal Housing Office (AHO). During the reporting period the Southern Zone office provided advice and support to the following LALCs who successfully held land dealing decisions in relation to head leasing proposals:

**Onerwal LALC** – Approved by NSWALC, August 2014.

**Bega LALC** – Approved by LALC Members.

**Mogo LALC** – Approved by LALC Members.

The Southern Zone office in collaboration with the NSWALC Land and Property Unit also provided advice and support to LALCs throughout the reporting period on the following successful land dealing matters:

**Bega LALC** - Proposed Licence to Telstra- Lot 100 DP 118615 Thompson Drive, Tathra.

**Cobowra LALC** – Proposed sale of several lots to Eurobodalla Shire Council.

**Cummeragunja LALC** - Old 99 year lease to Cummeragunja Housing and Development Aboriginal Corporation which commenced on 1 January 1986.

**Leeton & District LALC** - Proposed Property Vegetation - Lots 18 & 264 DP751682 and Lot 280 DP726688, Brobenah.

**Merrimans LALC** - Proposed 4x 5 year consecutive lease to NBN- Part lot 835 DP 752155 – Approved by NSWALC, August 2014.

**Mogo LALC** – 99 Year lease to Goobah Development Pty Ltd- 20 Queen Street Mogo being Lots 13-17 Sec 17 DP 758688.

**Ngambri LALC** – Multi lot residential subdivision and development in Lowe Street, Queanbeyan., Easement and boundary adjustment - Lot 65 DP 754907 – Approved by NSWALC, April 2015.

**Ulladulla LALC** - Proposed four consecutive leases to Vodafone over Mollymook - 210 Matron Porter Drive, Narrawallee (Lot 385 DP 45117).

**Wagga Wagga LALC** - Mortgage over 159 Docker St, Wagga Wagga, Proposed sale of 149 Docker St, Wagga Wagga (Approved by NSWALC, October 2014), Consent to lodge DA to subdivide Best St, Uranquity (Approved by NSWALC, October 2014).

**Wagonga LALC** - Proposed sale of vacant lots located in Badja, Nerrigundah, Narooma and Wagonga – Approved by NSWALC, December 2014.

**Young LALC** - Lease and easement to NBN Co. and over Part Lot 550 DP 721075.

The Southern Zone office also assisted in the following Land Claims matters during the reporting period:

**Cowra LALC** – ALC 9313 & the Mt Darling Communication Tower matter; and ALC 13689 & Proposed Water Supply Pipeline construction.

**Illawarra LALC** - Lots 2-6 DP259828 and Lot 32 DP771155, & the proposed creation of easement.

**Orange LALC** – ALC 14772 & the Macquarie Pipeline Project.

**Peak Hill LALC** – Compensation Agreement for withdrawal of Land Claim relating to proposed Parkes Hospital site.

**Wagonga LALC** – ALC 20073 & the Proposed Acquisition of Part Lot 701 DP 1020246 by NSW Roads and Maritime Services; and ALC research regarding Lot 1 DP 1177640.

**Wamba Wamba LALC** – ALC 11696 & proposed crown licence for stock and domestic water supply.

**Young LALC** - ALC 24420, Lot 307 DP 754598 and Lot 1 DP 722123, and Murringo TSR Lot 158 DP 754588 & the re-alignment of an access road.

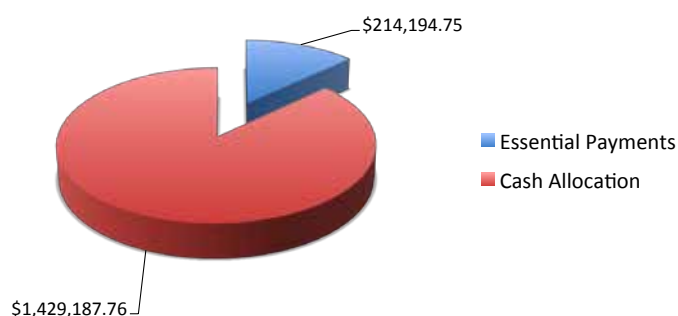
## LALC FUNDING

The number of funded LALCs across the Southern Zone has remained relatively consistent on a comparative basis, with 30 funding agreements offered in 2014-15 compared to 29 in 2013-14. Three Assistance Agreements were offered and accepted, one of those by a LALC that had been non-operational for an extended period of time and was previously assisted by way of essential payments only. Currently there are no LALCs operating under an administrator in the Southern Zone.

The below graphs indicate the sum of funds by Region released under the terms and conditions of the 30 Funding Agreements offered and executed in 2014-15:

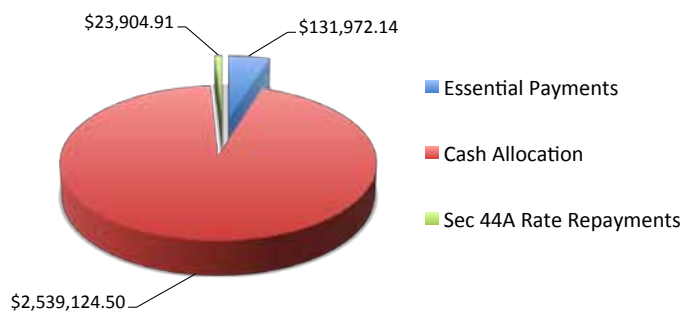
### SOUTH COAST REGION

South Coast Region Allocations & Expenses



### WIRADJURI REGION

Wiradjuri Region Allocations & Expenses



The above graphs also outline the assistance provided by the Southern Zone by way of essential payments made on behalf of five LALCs during the reporting period. The Southern Zone continues to devise and implement intensive support strategies for those longer-term unfunded LALCs that have struggled to engage and/or retain the services of a CEO or have experienced governance issues. Through ongoing support and assistance four of the 5 LALCs mentioned above now have a CEO in place.

## WESTERN ZONE

The Western Zone office covers a large area of New South Wales - 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 16 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, Finance, Effective Meetings and Corporate Governance Training.

### SUPPORT TO LALCS

Zone staff have responsibility for delivering two primary services to LALCs and NSWALC: monitoring LALC compliance with their ALRA responsibilities; and providing support and capacity development for LALCs.

Compliance with the ALRA is a critical consideration in providing funding to LALCs.

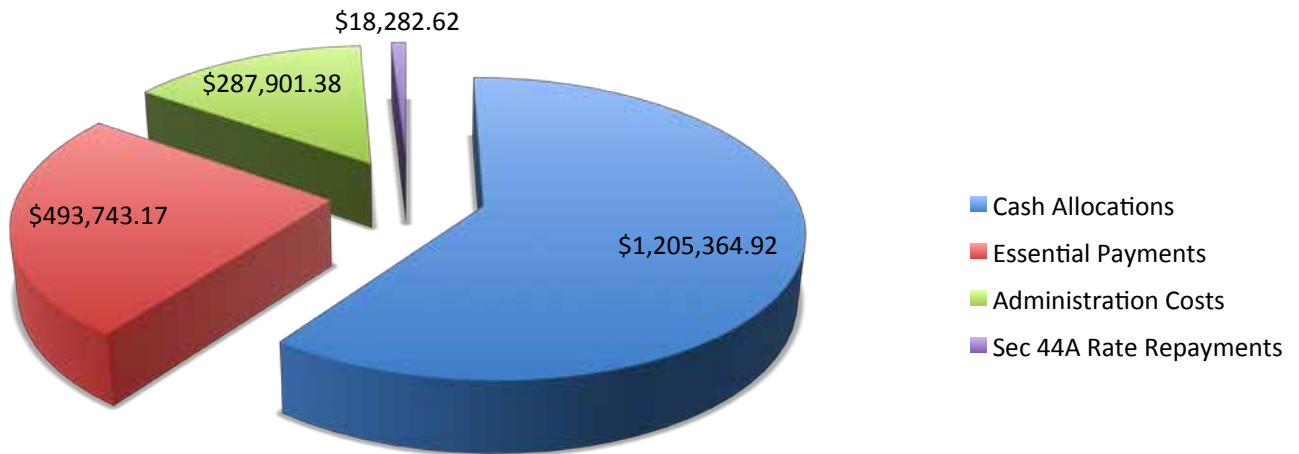
### COMPLIANCE AND FUNDING

NSWALC utilises two key monitoring and compliance processes - the LALC Compliance database and the Risk Assessment System (RAS). 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.

### Central Region Allocations & Expenses



### North West Region Allocations & Expenses

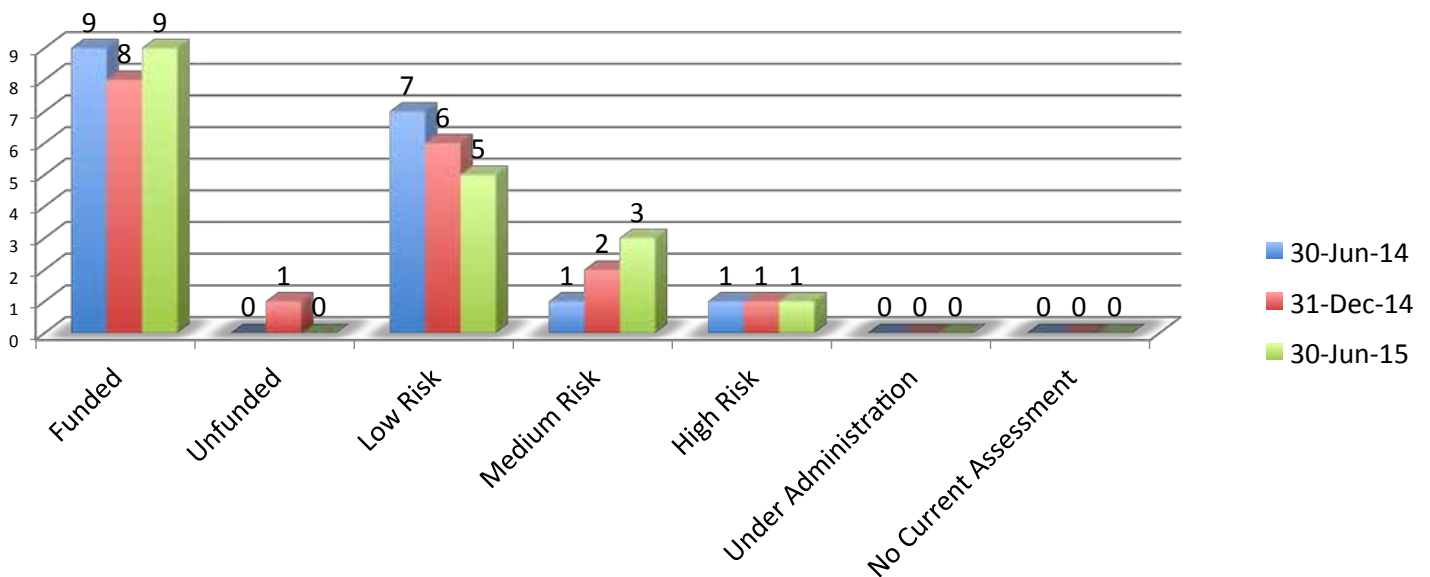


### RISK ASSESSMENT SYSTEM (RAS)

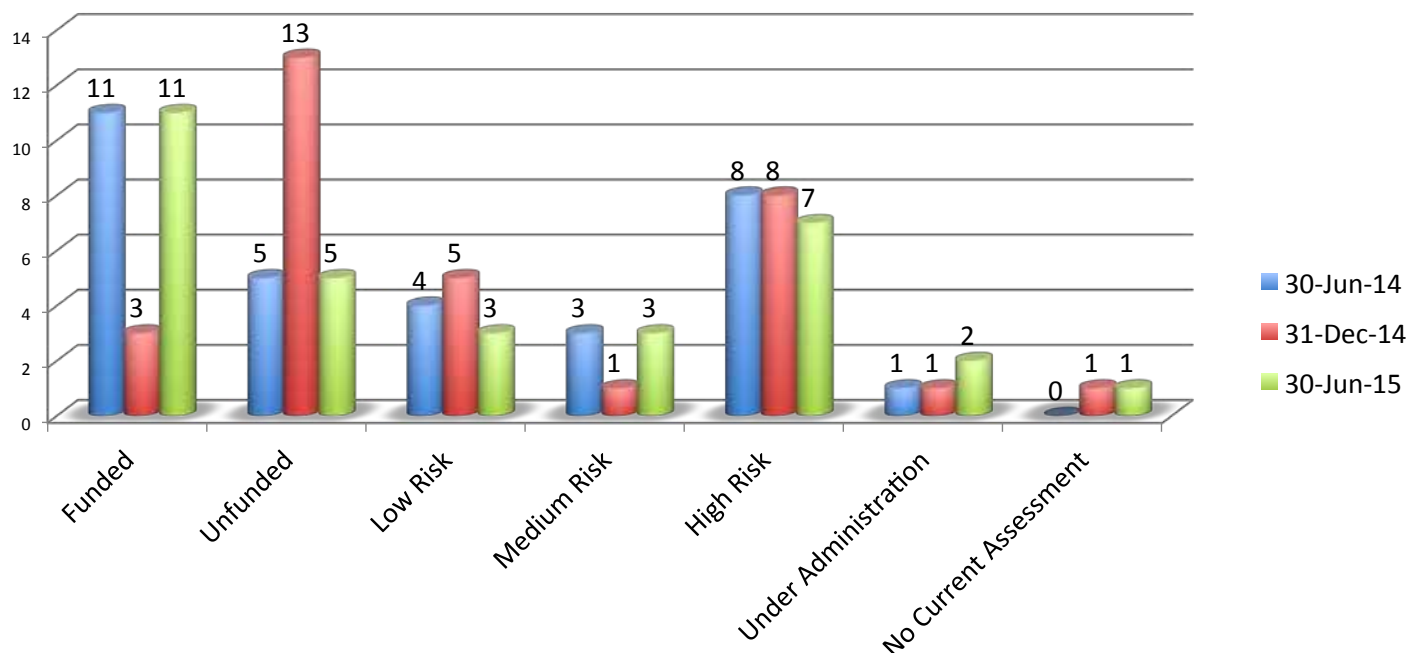
The Risk Assessment System is a risk management tool utilised by NSWALC to assess LALC operations in a number of critical operational areas. The RAS has been adopted as the primary risk assessment tool used by NSWALC to determine what risk category a LALC will fall into. This determination provides guidance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

### Central Region Funding Category Comparison 9 LALCs



**North West Region Funding Category Comparison 16 LALCs**



## LALC 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.

### LALC 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.

### 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, effective meetings, corporate governance, human resource management and mandatory 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 for LALC representatives were conducted during the reporting period. Topics covered in the Regional Forums included:

- ALRA Review;
- Crown Lands Review;
- Freedom Ride Commemoration;
- Economic Development;
- North West Land Corporation; and
- Central Region Aboriginal Land Corporation

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.

## 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 (CLBP)

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.

## LALC REGIONAL INITIATIVES

### *Central Regional Aboriginal Land Council (CRALC)*

The Central LALCs are currently establishing a LALC owned Regional Entity (CRALC) to represent the nine LALCs of the Central Region.

Representatives from the nine LALCs have met on a number of occasions and have reached consensus as to how they wish to progress their economic development aspirations through regional collaboration. There is strong capacity amongst the Chief Executive Officers and Board members of these LALCs. They are supported by the staff of the Western Zone office and have been assisted through pre-corporation steps by a commercially experienced Economic Development Officer (EDO) who was employed on a temporary basis by the Western Zone.

This project will develop community, organisational and individual capacity in the areas of corporate governance, business and economic development, financial and commercial acumen, partnership building and enterprise leadership.

This will be achieved through the pursuit of wealth creation, employment and training opportunities particularly suited to the region in which the corporation will operate.

The project exists specifically to regionally target the goal of economic independence and social equality for Aboriginal people of Central NSW.

### *North West Land Corporation*

The North West Land Corporation (NWLC) is a newly established Local Aboriginal Land Council (LALC) owned corporation comprising 17 LALCs of the North West Region of NSW as member/shareholders, targeting regional economic and social development, education/training and employment outcomes for the Aboriginal people of North West NSW. The NWLC acts as Trustee for the North West Land Trust.

The North West Land Trust (NWLT) is a newly established (May 2013) regional charitable trust representing the visions and aspirations of the Aboriginal people of the North Western region of NSW with the purpose of creating or supporting activities and raising funds that can be used exclusively to relieve suffering; advance education; improve and promote health and wellbeing and promote social and economic advancement through enterprise, employment and contracting opportunities.

In December, 2014, the NWLT received ownership of four rural properties in the Bourke and Coonamble areas. These properties will provide the asset base upon which the NWLC can begin to build and develop regional enterprises for creating employment, education and training opportunities for the Aboriginal people of the region.

The corporation is led by an elected Board of Directors and operationally managed by a full-time, experienced Chief Executive Officer. The corporation operates under an approved business plan that is reviewed annually by the Board.

## GOVERNANCE UNIT

The Governance Unit (GU) provides corporate and administrative support to the NSWALC Council and the Chief Executive Officer.

Operational areas within the Unit include Secretariat, Corporate Committees, Internal Audit and Risk Management and Complaints Handling.

Since August 2014, with the organisational restructure, additional corporate planning and reporting functions were added to the Unit including responsibility for LALC compliance and evaluation.

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

### 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 13 meetings of the NSWALC Council during the reporting period. This comprised six scheduled ordinary meetings and seven extraordinary meetings.

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

The previous New South Wales Minister for Aboriginal Affairs, the Hon Victor Dominello MP, attended one meeting of the NSWALC held on 29 October 2014. The current New South Wales Minister for Aboriginal Affairs, the Hon Leslie Williams MP, attended one meeting of the NSWALC held on 17 June 2015.

The Unit also provided support to 10 Council Workshops during the year. The Workshops considered and discussed a range of major policy issues including resource development, economic development, the strategic plan and the NSWALC Election platform.

A specific Workshop on governance issues was held on 10 June 2015 and facilitated by Indigenous Corporate Partners. Another Workshop on leadership was held on 11 June 2015 and facilitated by Five Grants Consulting.

In addition to Council meetings and workshops, the Governance Unit 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	13
Council Workshops	10
Audit & Risk Committee	7
Finance Committee	6
Governance Committee	5
Investment Committee	4
Economic Development Advisory Committee	4

Two of the Committee Chairs – Dr Andrew Refshauge (Investment Committee) and Mr Jon Isaacs (Finance and Governance) - have indicated their desire to relinquish those roles. At the time of preparation of this report, an Expression of Interest process was underway to consider applicants for these positions.

## INTERNAL AUDIT AND RISK MANAGEMENT

### Internal Audit

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

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

INTERNAL AUDITS COMPLETED DURING 2014/2015	FINDINGS
Eastern Zone	7
Western Zone	11
In-house Portfolio Management	6
Finance Function Internal Audit and Follow Up	2
Discretionary Grants	2
Land Dealings	4

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: 11 People Issues, 18 Process Issues and 3 Technology Issues.

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

The following table explains the risk categories:

RESIDUAL RISK RATING	DEFINITION
Significant	Level of residual risk is significant in that it threatens the objectives of the process/area
High	Level of residual risk is important to the organisation and may threaten the objectives of the process/area
Medium	Level of residual risk is of concern to the organisation
Low	<p>No issues or only minor opportunities for improvement to processes identified.</p> <p><b>Business improvement opportunities</b></p> <p>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.</p>

No significant risks were identified among the 32 findings; one was ranked high risk; 11 medium risk; 20 low risk. One business improvement opportunity was also identified during the reviews.

## AUDIT AND RISK COMMITTEE

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

The Committee comprised Ms Carolyn Walsh, the independent Chair (July 2014 – March 2015), independent member, Mr Garry Dinnie, and Council representative, Councillor Peter Smith. Ms Carolyn Walsh's term as Chair expired on 31 March 2015. Mr Garry Dinnie was appointed as the Chair of the Committee as of 1 April 2015 and Ms Carolyn Walsh the independent member.

Councillor Tom Briggs is an alternate Councillor.

The meetings of the Audit and Risk Committee were regularly attended by the NSWALC CEO, the Executive Director, Finance Investments and Governance, the Manager Governance (Chief Audit Executive), representatives of the NSW Audit Office and Internal Auditors (Deloitte).

All meetings were supported by the Secretariat.

NSWALC is obliged to publish an Internal Audit and Risk Management Statement for the 2014-2015 Financial Year. This can be found on the following page.

## PLANNING AND RISK MANAGEMENT

The Unit also worked extensively with senior staff, the Audit and Risk Committee and the Council to develop and implement the Strategic Risk Framework (previously known as Enterprise Risk Management). This involved the review of each business unit's activities, integrating the strategic plan and the assessment of NSWALC's strategic risks.

## COMPLAINTS

### NSWALC's Complaints Policy

The complaints handled in this reporting period were undertaken in line with the published NSWALC complaints policy and procedure which aligns complaints handling procedures with NSWALC's resources and responsibilities.

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

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

The LALC 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 review of the NSWALC Complaints Policy and Procedure

has been undertaken by the Governance Unit and a revised policy is expected to be released later in 2015.

## COMPLAINTS RECEIVED

The NSWALC recorded 175 complaints during the reporting period. The majority of complaints related to the conduct or operation of Local Aboriginal Land Councils. All complaints were resolved to the NSWALC's satisfaction. The table below indicates the number of complaints handled by the central office and Zone offices:

RECEIVED BY	NUMBER
NSWALC Head Office	113
Eastern Zone Office	34
Far West Zone Office	1
Northern Zone Office	25
Southern Zone Office	2
Western Zone Office	0
TOTAL	175

## INDEPENDENT COMMISSION AGAINST CORRUPTION (ICAC)

One formal referral was made by the NSWALC to ICAC (pursuant to section 11 of the ICAC Act).

## ANNUAL REPORT

With the NSWALC restructure of August 2014, the Governance Unit assumed responsibility for the management, production and publication of the NSWALC Annual Report 2013-2014.

A contractor was engaged to assist in writing and design, and the Annual Report was provided to the Minister for Aboriginal Affairs within the statutory timeframe.

## NSWALC STRATEGIC PLAN

The Executive Director Finance, Investments and Governance has overall responsibility for monitoring the implementation of the NSWALC Strategic Plan 2013-2017.

In the period under review, a reporting template was developed and trialed with Council utilising a 'traffic light' system to indicate the degree of progress with individual actions.

The Governance Unit has responsibility for two key actions in the Strategic Plan:

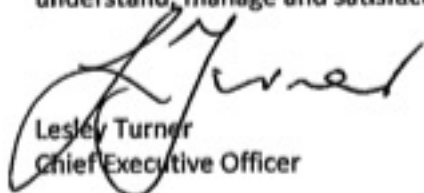
**Internal Audit and Risk Management Attestation for the 2014-2015 Financial Year for  
New South Wales Aboriginal Land Council**

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:

- Mr Garry Dinnie (Independent Chair) appointed 1 April 2015 until 31 March 2018
- Ms Carolyn Walsh (Independent Member) reappointed 1 April 2015 until 31 March 2017
- Cr. Peter Smith (Member - Councillor) appointed 11 December 2013
- Cr. Tom Briggs (Alternate Member - Councillor) appointed 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.



Lesley Turner  
Chief Executive Officer

- A review of the NSWALC Corporate Committee structure – an external review was undertaken in November 2013 (see details in last year's Annual Report); and
- Maintaining the efficient and effective operation of the organisation and ensuring the implementation of decisions of Council – as reported above, secretariat and other support to Council and Council Committees was provided throughout the year.

## COMPLIANCE AND EVALUATION SECTION

The compliance and evaluation section, which became a part of the Governance Unit during the current financial year, is the hub of NSWALC's financial oversight of the land rights network. Two major databases (the Compliance and Funding database 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. Section 159 of ALRA requires a report to the Minister specifying the amount of funds granted to LALCs and the purposes for which the funds were granted and whether the LALCs concerned were in regulatory compliance with the financial obligations imposed in relation to those grants.
- 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.
- Appropriate control of compliance data to be maintained by the Zone Offices.
- Maintenance of a List of NSWALC Accepted Auditors for the LALCs.
- The appointment of investigators and administrators.

A further database has been 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 Unit 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.

## COMPLIANCE AND FUNDING DATABASE

This is the central database on LALC compliance with legislative requirements and NSWALC funding policies. It:

- Automatically creates the compliance requirements of each LALC;
- Automatically breaches the LALC for non-compliance;

- Automatically changes the Funding Category of a LALC;
- Generates timely automated e-mails, a LALC Contact and Database User authorisation details; and
- 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.

## RISK ASSESSMENT SYSTEM AND PERFORMANCE ASSESSMENT SYSTEM

The NSWALC Risk Assessment System has been developed to assess the risk level of the Local Aboriginal Land Councils (LALCs) in our network and to implement risk management plans that would determine elimination/minimisation of the identified risks. The definition and category of the risks have been drawn from the LALC Management Support System application, which also creates a separate assessment system to identify LALC performance weaknesses that will need to be improved.

By using a series of standard, objective questions for all LALCs, it ensures a fair and consistent result across the nine regions of the New South Wales Aboriginal Land Council.

In addition to this, the assessment score achieved by a LALC is used to categorise the funding and risk level of that LALC.

The simplified Risk Assessment System and Performance Assessment System were deployed in January 2014.

The Risk Assessment System has 36 questions with two different risk ranks and weightings. This system is used by the Zones to assess the operational risk areas and identify any weakness that needs to be improved and eliminated by the LALC.

The Performance Assessment System has 39 questions to identify the weak performance areas in the operation of the LALCs so that a timely corrective program is implemented. Initially the application is being used by Zones to assess the operational performances of the LALCs, but eventually the application will be handed to the LALCs for self-assessment of their operational performance.

Negative response to any of 39 questions in four functional categories of the application identifies a performance weakness that needs to be improved by the LALC in order to eliminate or minimise any possible risk.

## 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 existing risk analysis system was also simplified and deployed as a new Risk Assessment System (RAS). 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 percent is fully funded. Those found to be in breach of a compliance requirement or that have a RAS assessment score below 50 percent are placed in the unfunded category.

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:

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 under assistance agreement, at discretion of NSWALC	Bi Monthly

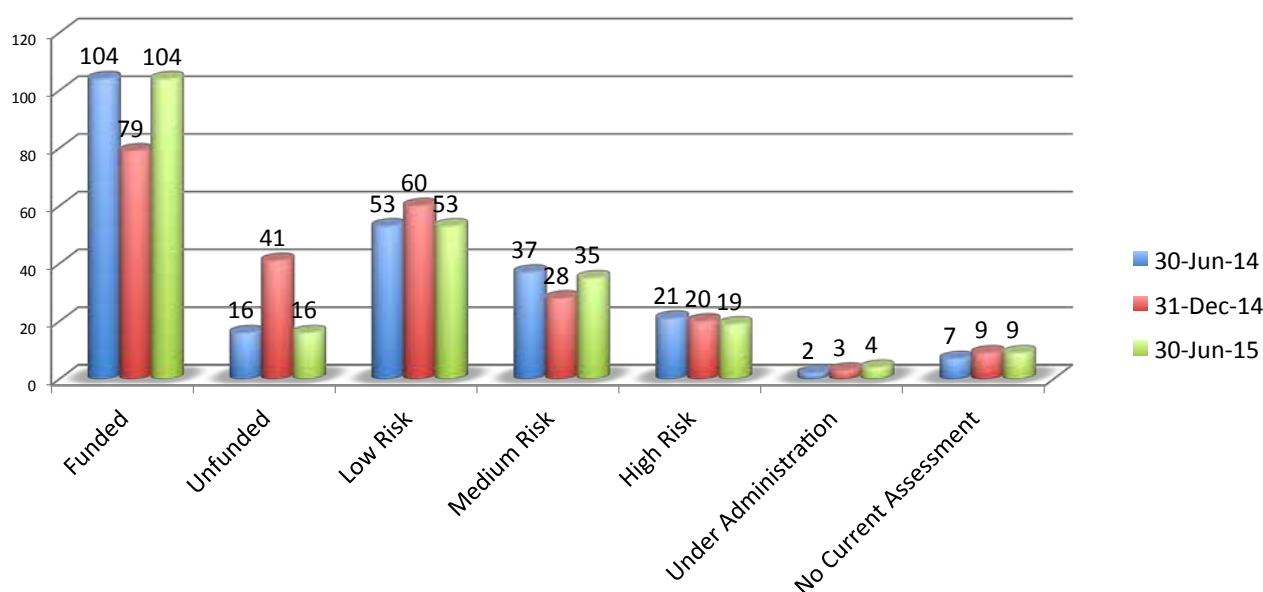
The LALCs, irrespective of their RAS ratings, must be in compliance with relevant regulations and the NSWALC funding policy in order to receive any cash allocation. If a LALC is experiencing difficulties to clear the regulatory breach or achieve the required RAS score then it is offered an Assistance Agreement under which it can have expenses for the operation of its essential functions paid by NSWALC. However, if the payments are required to protect or preserve LALC assets or to avoid significant liabilities, then payments are made at the sole discretion of NSWALC without any assistance agreement.

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 reporting in accordance with the terms of appointment.

The following column graph compares the number of LALCs in each funding category at the end of this financial year compared with their category at the same point last year and at the end of December 2014.



### Statewide Funding Category & LALC Risk Level Comparison - 120 LALCs



**GRAPH 1 - FUNDING CATEGORY SECTION** - at each report point, Funded +Unfunded =120 LALCs.

**RAS RISK LEVEL SECTION** – shows the risk level at each report point, risk category + under administration + no current assessment = 120 LALCs

The number of LALCs in the funded category at the end of the financial year 30 June 2015 has remained the same as the end of the previous financial year (104 out of 120 LALCs).

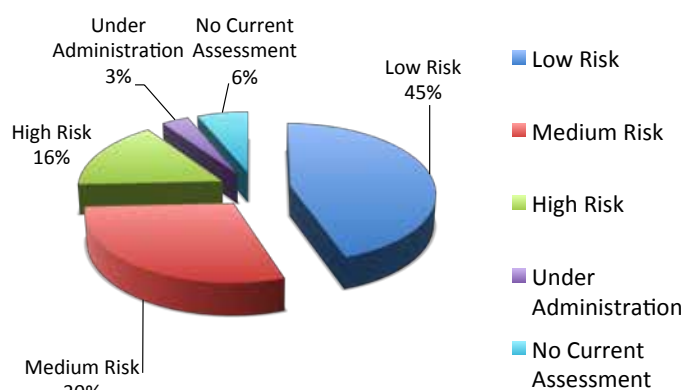
Two LALCs were under administration at the end of last financial year and this count has increased by two at the end of this financial year, thus placing four LALCs under Administration.

The following pie graphs compare the number of LALCs in RAS Risk Level at the end of this financial year 2015 and at the end of last financial year 2014.

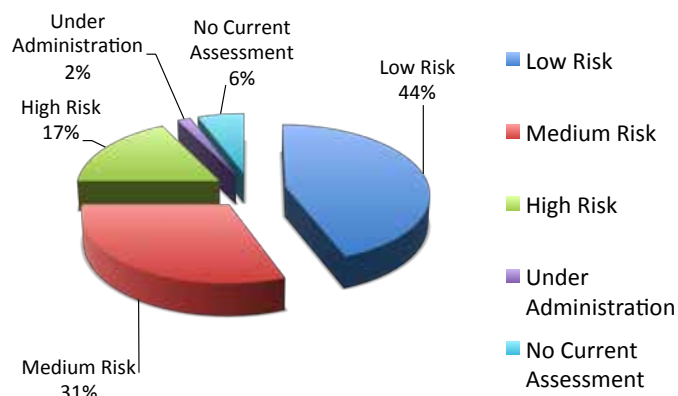
**GRAPH 2** - State-wide RAS Risk Level at the end of Last Financial Year – 30 June 2014

**GRAPH 3** - State-wide RAS Risk Level at the end of this Financial Year – 30 June 2015

### Statewide LALC Risk Level at 30 June 2015



### Statewide LALC Risk Level at 30 June 2014



The table below shows the movements in RAS risk level of the LALCs between financial year 30 June 2014 and financial year 30 June 2015.

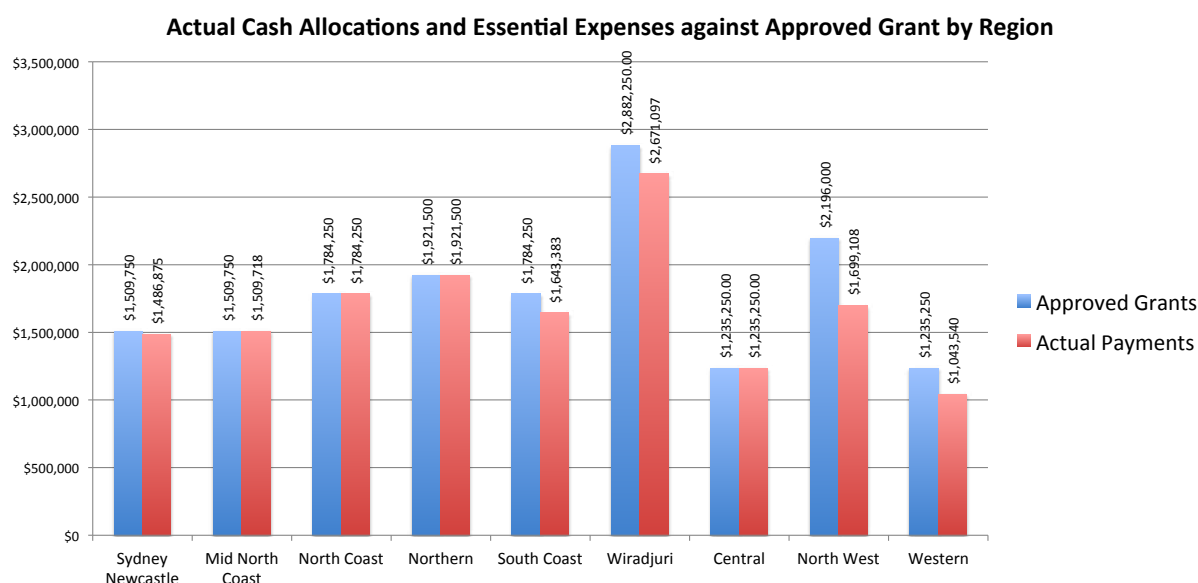
CATEGORY	30 JUNE 2014	30 JUNE 2015	MOVEMENT
Low Risk Level	53	53	No movement
Medium Risk Level	37	35	Decreased by 2
High Risk Level	21	19	Decreased by 2
Under Administration	2	4	Increased by 2
No Current Assessment	7	9	Increased by 2
Total LALC	120	120	

## STATEWIDE GRANT ALLOCATIONS REPORT

Section 106(8)(e) of the ALRA requires the NSWALC to grant funds for the payment of the costs and expenses of LALCs, whether under funding agreements or otherwise. The ALRA prescribes this function to NSWALC's Governing Council.

Council approved allocation grants to 117 Local Aboriginal Land Councils of \$137,250 each during the 2014-15 financial year, amounting to a total grant allocation of \$16,058,250.

### PAYMENTS AGAINST APPROVED GRANT OF \$16,058,250



The column graph above 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. The NSWALC in its sole discretion may make essential payments to non-compliant LALCs under assistance agreements for the operation of their essential functions. However, essential payments may also be granted to unfunded LALCs without assistance agreements, 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.

## DETAILS OF FUNDS GRANTED AND PAYMENTS TO EACH LALC

Financial Year Ending 30 June 2015

No.	Region	LALC	Approved Grant	Cash Payment	Essential Payments	Forfeited Grant
1	Sydney Newcastle	Awabakal	\$137,250.00	\$114,375.00		\$22,875.00
2	Sydney Newcastle	Bahtabah	\$137,250.00	\$137,250.00		\$0.00
3	Sydney Newcastle	Biraban	\$137,250.00	\$137,250.00		\$0.00
4	Sydney Newcastle	Darkinjung	\$137,250.00	\$137,250.00		\$0.00
5	Sydney Newcastle	Deerubbin	\$137,250.00	\$137,250.00		\$0.00
6	Sydney Newcastle	Gandangara	\$137,250.00	\$137,250.00		\$0.00
7	Sydney Newcastle	La Pouse	\$137,250.00	\$137,250.00		\$0.00
8	Sydney Newcastle	Metropolitan	\$137,250.00	\$137,250.00		\$0.00
9	Sydney Newcastle	Mindaribba	\$137,250.00	\$137,250.00		\$0.00
10	Sydney Newcastle	Tharawal	\$137,250.00	\$137,250.00		\$0.00
11	Sydney Newcastle	Worimi	\$137,250.00	\$137,250.00		\$0.00
12	Mid North Coast	Birpai	\$137,250.00	\$137,250.00		\$0.00
13	Mid North Coast	Bowraville	\$137,250.00	\$137,250.00		\$0.00
14	Mid North Coast	Bunyah	\$137,250.00	\$137,250.00		\$0.00
15	Mid North Coast	Coffs Harbour & District	\$137,250.00	\$137,250.00		\$0.00
16	Mid North Coast	Forster	\$137,250.00	\$137,250.00		\$0.00
17	Mid North Coast	Karuah	\$137,250.00	\$102,937.50	\$34,302.61	\$9.89
18	Mid North Coast	Kempsey	\$137,250.00	\$137,250.00		\$0.00
19	Mid North Coast	Nambucca Heads	\$137,250.00	\$137,250.00		\$0.00
20	Mid North Coast	Purfleet/Taree	\$137,250.00	\$137,250.00		\$0.00
21	Mid North Coast	Stuart Island				\$0.00
22	Mid North Coast	Thungutti	\$137,250.00		\$137,227.78	\$22.22

## DETAILS OF FUNDS GRANTED AND PAYMENTS TO EACH LALC

Financial Year Ending 30 June 2015

No.	Region	LALC	Approved Grant	Cash Payment	Essential Payments	Forfeited Grant
23	Mid North Coast	Unkya	\$137,250.00	\$137,250.00		\$0.00
24	North Coast	Baryulgil Square	\$137,250.00	\$137,250.00		\$0.00
25	North Coast	Birrigan Gargle	\$137,250.00	\$91,202.21	\$46,047.79	\$0.00
26	North Coast	Bogal	\$137,250.00	\$137,250.00		\$0.00
27	North Coast	Casino Boolangle	\$137,250.00	\$137,250.00		\$0.00
28	North Coast	Grafton Ngerrie	\$137,250.00	\$137,250.00		\$0.00
29	North Coast	Gugin Gudduba	\$137,250.00	\$137,250.00		\$0.00
30	North Coast	Jali	\$137,250.00	\$137,250.00		\$0.00
31	North Coast	Jana Ngalee	\$137,250.00	\$137,250.00		\$0.00
32	North Coast	Jubullum	\$137,250.00	\$137,250.00		\$0.00
33	North Coast	Muli Muli	\$137,250.00	\$137,250.00		\$0.00
34	North Coast	Ngulingah	\$137,250.00	\$137,250.00		\$0.00
35	North Coast	Tweed Byron	\$137,250.00	\$137,250.00		\$0.00
36	North Coast	Yaegl	\$137,250.00	\$137,250.00		\$0.00
37	Northern	Amaroo	\$137,250.00	\$137,250.00		\$0.00
38	Northern	Anaiwan	\$137,250.00	\$137,250.00		\$0.00
39	Northern	Armidale	\$137,250.00	\$137,250.00		\$0.00
40	Northern	Ashford	\$137,250.00	\$137,250.00		\$0.00
41	Northern	Coonabarabran	\$137,250.00	\$137,250.00		\$0.00
42	Northern	Dorrigo Plateau	\$137,250.00	\$137,250.00		\$0.00
43	Northern	Glen Innes	\$137,250.00	\$137,250.00		\$0.00
44	Northern	Guyra	\$137,250.00	\$137,250.00		\$0.00

## DETAILS OF FUNDS GRANTED AND PAYMENTS TO EACH LALC

Financial Year Ending 30 June 2015

No.	Region	LALC	Approved Grant	Cash Payment	Essential Payments	Forfeited Grant
45	Northern	Moombahlene	\$137,250.00	\$137,250.00		\$0.00
46	Northern	Nungaroo	\$137,250.00	\$137,250.00		\$0.00
47	Northern	Red Chief	\$137,250.00	\$137,250.00		\$0.00
48	Northern	Tamworth	\$137,250.00	\$137,250.00		\$0.00
49	Northern	Walhallow	\$137,250.00	\$137,250.00		\$0.00
50	Northern	Wanaruah	\$137,250.00	\$137,250.00		\$0.00
51	South Coast	Bateman's Bay	\$137,250.00	\$137,250.00		\$0.00
52	South Coast	Bega	\$137,250.00	\$125,312.76	\$11,937.24	\$0.00
53	South Coast	Bodalla	\$137,250.00		\$78,792.92	\$58,457.08
54	South Coast	Cobowra	\$137,250.00	\$68,625.00	\$17,152.42	\$51,472.58
55	South Coast	Eden	\$137,250.00	\$137,250.00		\$0.00
56	South Coast	Illawarra	\$137,250.00	\$137,250.00		\$0.00
57	South Coast	Jerringa	\$137,250.00		\$106,312.17	\$30,937.83
58	South Coast	Merrimans	\$137,250.00	\$137,250.00		\$0.00
59	South Coast	Mogo	\$137,250.00	\$137,250.00		\$0.00
60	South Coast	Ngambri	\$137,250.00	\$137,250.00		\$0.00
61	South Coast	Nowra	\$137,250.00	\$137,250.00		\$0.00
62	South Coast	Ulladulla	\$137,250.00	\$137,250.00		\$0.00
63	South Coast	Wagonga	\$137,250.00	\$137,250.00		\$0.00
64	Wiradjuri	Albury & District	\$137,250.00	\$80,062.00		\$57,188.00
65	Wiradjuri	Bathurst	\$137,250.00	\$137,250.00		\$0.00
66	Wiradjuri	Condoblin	\$137,250.00	\$137,250.00		\$0.00



## DETAILS OF FUNDS GRANTED AND PAYMENTS TO EACH LALC

Financial Year Ending 30 June 2015

No.	Region	LALC	Approved Grant	Cash Payment	Essential Payments	Forfeited Grant
67	Wiradjuri	Cowra	\$137,250.00		\$5,781.82	\$131,468.18
68	Wiradjuri	Cummeragunja	\$137,250.00	\$137,250.00		\$0.00
69	Wiradjuri	Deniliquin	\$137,250.00	\$137,250.00		\$0.00
70	Wiradjuri	Griffith	\$137,250.00	\$137,250.00		\$0.00
71	Wiradjuri	Hay	\$137,250.00	\$137,250.00		\$0.00
72	Wiradjuri	Leeton & District	\$137,250.00	\$137,250.00		\$0.00
73	Wiradjuri	Moama	\$137,250.00	\$137,250.00		\$0.00
74	Wiradjuri	Murrin Bridge	\$137,250.00	\$125,812.50		\$11,437.50
75	Wiradjuri	Narrandera	\$137,250.00	\$137,250.00		\$0.00
76	Wiradjuri	Onerwal	\$137,250.00	\$137,250.00		\$0.00
77	Wiradjuri	Orange	\$137,250.00	\$137,250.00		\$0.00
78	Wiradjuri	Peak Hill	\$137,250.00	\$137,250.00		\$0.00
79	Wiradjuri	Pejar	\$137,250.00	\$137,250.00		\$0.00
80	Wiradjuri	Tumut Brungle	\$137,250.00	\$137,250.00		\$0.00
81	Wiradjuri	Wagga Wagga	\$137,250.00	\$137,250.00		\$0.00
82	Wiradjuri	Wamba Wamba	\$137,250.00	\$0.00	\$126,190.32	\$11,059.68
83	Wiradjuri	West Wyalong	\$137,250.00	\$137,250.00		\$0.00
84	Wiradjuri	Young	\$137,250.00	\$137,250.00		\$0.00
85	Central	Dubbo	\$137,250.00	\$137,250.00		\$0.00
86	Central	Gilgandra	\$137,250.00	\$137,250.00		\$0.00
87	Central	Mudgee	\$137,250.00	\$137,250.00		\$0.00
88	Central	Narromine	\$137,250.00	\$137,250.00		\$0.00

## DETAILS OF FUNDS GRANTED AND PAYMENTS TO EACH LALC

Financial Year Ending 30 June 2015

No.	Region	LALC	Approved Grant	Cash Payment	Essential Payments	Forfeited Grant
89	Central	Nyngan	\$137,250.00	\$137,250.00		\$0.00
90	Central	Trangie	\$137,250.00	\$137,250.00		\$0.00
91	Central	Warren Macquarie	\$137,250.00	\$137,250.00		\$0.00
92	Central	Weilwan	\$137,250.00	\$137,250.00		\$0.00
93	Central	Wellington	\$137,250.00	\$137,250.00		\$0.00
94	North West	Baradine	\$137,250.00	\$137,250.00		\$0.00
95	North West	Brewarrina	\$137,250.00	\$137,250.00		\$0.00
96	North West	Collarenebri	\$137,250.00	\$22,875.00	\$854.49	\$113,520.51
97	North West	Coonamble	\$137,250.00	\$137,250.00		\$0.00
98	North West	Goodooga	\$137,250.00	\$137,250.00		\$0.00
99	North West	Lightning Ridge	\$137,250.00		\$86,915.73	\$50,334.27
100	North West	Moree	\$137,250.00	\$137,250.00		\$0.00
101	North West	Mungindi	\$137,250.00	\$34,312.50		\$102,937.50
102	North West	Murrawari	\$137,250.00		\$92,264.86	\$44,985.14
103	North West	Narrabri	\$137,250.00	\$137,250.00		\$0.00
104	North West	Nulla Nulla	\$137,250.00	\$61,614.92	\$11,637.08	\$63,998.00
105	North West	Pilliga	\$137,250.00	\$80,062.50		\$57,187.50
106	North West	Toomelah	\$137,250.00		\$124,629.84	\$12,620.16
107	North West	Walgett	\$137,250.00	\$137,250.00		\$0.00
108	North West	Wee Waa	\$137,250.00		\$123,187.24	\$14,062.76
109	North West	Weilmoringle	\$137,250.00	\$45,750.00	\$54,253.93	\$38,585.17
110	Western	Balranald	\$137,250.00	\$82,797.55		\$54,452.45

DETAILS OF FUNDS GRANTED AND PAYMENTS TO EACH LALC						
Financial Year Ending 30 June 2015						
No.	Region	LALC	Approved Grant	Cash Payment	Essential Payments	Forfeited Grant
111	Western	Broken Hill	\$137,250.00	\$137,250.00		\$0.00
112	Western	Cobar	\$137,250.00	\$137,250.00		\$0.00
113	Western	Dareton	\$137,250.00	\$137,250.00		\$0.00
114	Western	Ivanhoe	\$137,250.00			\$137,250.00
115	Western	Menindee	\$137,250.00	\$137,250.00		\$0.00
116	Western	Mutawintji	\$137,250.00	\$137,250.00		\$0.00
117	Western	Tibooburra	\$137,250.00	\$137,250.00		\$0.00
118	Western	Wanaaring				\$0.00
119	Western	Wilcannia	\$137,250.00	\$137,250.00		\$0.00
120	Western	Winbar				\$0.00
			\$16,058,250.00	\$13,937,239.44	\$1,057,488.24	\$1,063,522.32

This table below shows summary of the payments against approved grant.

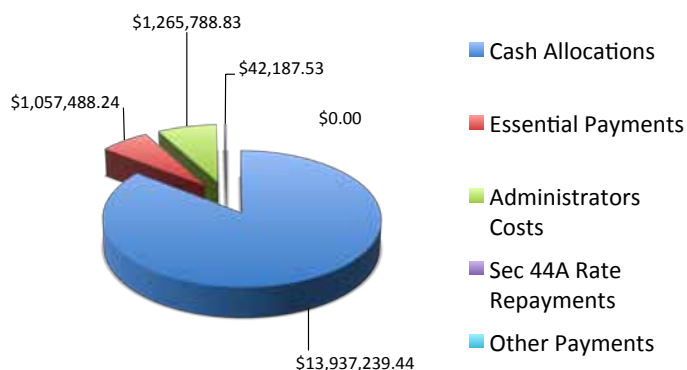
PAYMENT CATEGORY	AMOUNT	PERCENTAGE
Cash Allocations	\$13,937,239.44	86.79%
Essential Payments	\$1,057,488.24	6.59%
Forfeited Grants	\$1,063,522.32	6.62%
Approved Grants	\$16,058,250.00	100.00%

A total of \$1,057,488.44 was paid for essential functions of 16 LALCs, while these LALCs were unfunded for being not in compliance with regulations.

## TOTAL OUTGOINGS FOR LALCS

This graph shows the total outgoings of \$16,302,694.04 to LALCs for the financial year ending 30 June 2015.

**Total Cash Outgoings for LALCs - Statewide**



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.

## 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 where the appointment of investigators or administrators to LALCs are warranted 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 Governance 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.

## INVESTIGATION AND ADMINISTRATION OF ABORIGINAL LAND COUNCILS

The State Government and the NSWALC are intermittently required to intervene into the affairs of a LALC which has demonstrated a failure to comply with the provisions of the ALRA. This is seen by 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 s 216(1) of the ALRA or an administrator pursuant to s 222(1) of the ALRA.

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

### GANDANGARA LALC ADMINISTRATOR

Pursuant to Section 222 of the ALRA the Minister appointed Mr Peter Hillig from Smith Hancock as Administrator for the Gandangara LALC (GLALC) from 20 March 2014. The initial appointment was for 6 months to end on 19 September 2014, but his term of office was extended three times as follows:

- extended for six months to end on 19 March 2015
- extended for three months to end on 19 June 2015
- extended for three months to end on 19 September 2015

The extensions were made because the Administrator needed to finalise a number of significant outstanding operational and legal matters. A new Chief Executive Officer has been appointed to the LALC (appointment from August 2015).

A total of \$829,289.55 has been recorded for Gandangara LALC administration costs for the financial year ending 30 June 2015.

### 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.

Brewarrina LALC had been in an unfunded category since March 2004. Despite receiving intensive assistance from NSWALC, the LALC was reluctant to fully cooperate with NSWALC in its attempt to provide remedial assistance.

The initial appointment of the Administrator was for six months to end on 12 May 2014. However, due to the complexity of the operational issues, the Minister granted Mr Bowcher further extensions to his appointment as follows:

- extended for six months to end on 12 November 2014
- extended for six months to end on 12 May 2015
- extended for six months to end on 12 November 2015

A total of \$262,901.38 has been recorded for Brewarrina LALC administration costs for the financial year ending 30 June 2015.

## BALRANALD 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 Balranald LALC.

Balranald LALC had been in an unfunded category since January 2014. The LALC had governance, financial and property related issues that were becoming difficult to resolve under the normal administration.

Mr Bowcher was appointed as Administrator on 24 November 2014 initially for six months to end 23 May 2015. The Administrator's term of his appointment was extended for a further six months to end 23 November 2015.

A total of \$148,587.90 has been recorded for Balranald LALC administration costs for the financial year ending 30 June 2015.

## MUNGINDI LALC ADMINISTRATOR

In accordance with Section 222(1) of the ALRA the Minister appointed Mr Andrew Hoholt from Hoholt Consulting as Administrator of Mungindi LALC.

Mungindi LALC has had an extensive breach history and as a result, had been in an unfunded category since July 2009. Other matters identified are audit management letter issues, operational performance issues, residential property management issues, unidentified expenditure and refusal to cooperate with NSWALC.

Mr Hoholt has been appointed as Administrator for six months from 24 April 2015 to 23 October 2015.

A total of \$25,000.00 has been recorded for administration costs for the financial year ending 30 June 2015.

## FINANCE UNIT

The Finance Unit works with NSWALC's Management Team on strategic financial management and resource allocation. It ensures the effective use of available financial resources, achievement of strategic objectives and discharge of the financial accountability function in an effective and efficient manner. In order to ensure NSWALC continues to adopt best practice and meets its legislative and business requirements, the Unit has been undertaking an ongoing review of Treasury Circulars, guidelines, Australian Accounting Standards and Interpretations as well as financial management policies and procedures.

The key functions of the Finance Unit Manager and five team members are:

- Ensuring appropriate governance and financial stewardship. This is achieved by developing or updating financial policies and procedures to improve internal controls.
- Ensuring that NSWALC is focusing on its financial sustainability by applying the Drawdown Rule policy adopted by the Council and monitoring the allocation

of financial resources through the annual budgetary process. Financial resources are allocated in an efficient manner to achieve strategic objectives and goals with the object of maximising benefit and minimising cost services rendered.

- Monitoring and control of financial resources through a monthly Management Reporting process by including non-financial information as far as possible to explain the financial outcome or resources deployed.
- Facilitating the availability of necessary funds for the operational needs through cash flow forecasting and requesting the Chief Investment Officer to redeem these funds from investments.
- Preparation of a Statutory Report in accordance with legislative requirements.
- Facilitating an Internal and External Audit to ensure that the internal controls established are effective and adhered to.
- Providing necessary customer services in an efficient and timely manner to all internal and external stakeholders. This includes:
  - Accounting and timely payment to all suppliers for goods and services rendered;
  - Recording, monitoring of debts and debt collection;
  - Recording and reporting on investment;
  - Assets management - valuation, recording and control of its existence; and,
  - Responding to all finance related queries.

## FINANCE UNIT ACHIEVEMENTS

### 1. Year End Accounts

One of the significant achievements of the Unit is a continuous improvement in the preparation of NSWALC's Year End Financial Report within the legislative timeframe and limited resources. The Financial Report was prepared within the tight timeframe, with the reduction in misstatements from 11 in 2011-2012 to 1 in 2013-14. It also received an unqualified audit opinion from the NSW Auditor-General.

### 2. Annual Budget

The Unit prepared NSWALC's annual budget after performing an in-depth analysis of the organisation's operating activities. The NSWALC Executive, Finance Committee, Council and the Minister adopted the budget without amendments.



### 3. Monthly Management/Investment Reports

Analytically prepared management and investment reports were focus driven to monitor and control the resources and to assess the performance.

### 4. Cash Flow Management

The Unit has successfully managed the cash flow throughout the year within the planned withdrawal of investment without holding excess cash in a low interest rate operating bank account and without facing any cash shortages. The cash withdrawal from investments was reduced by \$3.9 million compared to that of the budgeted withdrawal without affecting the payments to creditors.

### 5. Expenditure Control

The Unit efficiently managed NSWALC's expenditure by identifying the cost drivers and closely monitoring them on a monthly basis to ensure expenditure was controlled within the Drawdown Rule. The unit successfully demonstrated the expenditure control when compared to the year-end results to that of the budget excluding the transfer of property to Local Aboriginal Land Councils.

### 6. Customer Services

The Finance Unit always focuses on customer service in a professional manner. It promptly responded to enquiries from internal and external customers in a timely basis without any complaints.

The Unit continues to educate all internal stakeholders that it can provide further services for financial evaluation and has the capability to provide all vital information for decision making rather than acting solely as a processing unit.

## INVESTMENT

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. The position reports directly to Council through the Executive Director Finance, Investments and Governance.

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 *NSW Aboriginal Land Rights Act 1983*. For 15 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 \$667 million as at 30 June 2015, compared with a value of \$633 million at the end of the previous year. This represents an increase of \$34 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 \$137,250 to each funded Local Aboriginal Land Council to assist with its administrative costs.

Indirect funding to the land rights network accounts for a considerable amount of the balance. A drawdown of \$37.49 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 \$43.59 million. Many LALCs face difficulty meeting their financial and reporting obligations. NSWALC supports those under-performing LALCs. This places additional burdens on its financial resources - and those that can be shared 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. 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; and
- 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	DOWNSIDE RISK 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.	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).
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.

Additionally during the year the Council adopted the following beliefs relating to Environmental, Social and Governance issues:

ESG	
INVESTMENT BELIEF	IMPLICATION
Environmental, social and governance (ESG) factors can impact investment risk and return, as well as the long term sustainability of Aboriginal land, culture and communities.	We require investment managers to identify and manage ESG risks and opportunities and will incorporate this into manager selection and monitoring.
Active ownership is important to creating sustainable investment returns and providing for current and future generations of Aboriginal people.	The Council is the ultimate owner of its invested assets. We require investment managers to exercise good stewardship, voting our shares and engaging with investee companies to drive sustainable value creation.
The impact of the Council's investments on Aboriginal people is important, and the Council will balance expected risk adjusted return against the positive or negative impacts on Aboriginal people	The Council's investment strategy is primarily focused on maximising risk adjusted investment returns over the long term. It may, on occasion, allocate capital to investments with a lesser expected financial return, where there is strong evidence of substantial benefits for Aboriginal people. It may also exclude investments where there is strong evidence of substantial negative impacts on Aboriginal people, provided the overall investment objective is not compromised.
Transparency is important to sustainable investing and is a pillar of good governance.	Transparency is important to sustainable investing and is a pillar of good governance.

It is against these beliefs that all investment decisions are evaluated. As a result of this process NSWALC has begun to divest itself of all holdings in Alcohol and Tobacco.

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 draw down is equal to 70 percent of the draw down in the previous year and 30 percent of the average asset value in the previous year times the long term spending rate. Therefore, the projected maximum drawdown for expenditure in 2015-2016 is 5.75 percent of the investment balance. This constraint on the draw down from NSWALC's investments will help to ensure that NSWALC is able to fund its activities in perpetuity.

## INVESTMENT COMMITTEE

The Investment Committee remains the primary source of all investment recommendations to the Council. Former NSW Deputy Premier, Treasurer and Minister for Aboriginal Affairs, Dr Andrew Refshauge, continued as the Independent Chairperson of the Investment Committee during the reporting period. He continued to perform this role in a pro bono capacity.

NSWALC Councillors Des Jones and Anne Dennis represented the Council. The Investment Committee held four meetings during the reporting period on 25 May 2015, 12 March 2015, 25 November 2014 and 28 August 2014.

## INVESTMENT DECISIONS

Significant investment decisions during the year included the appointment of Fund Managers Metrics Credit, Franklin Templeton, Goldman Sachs and Cooper Investors and the removal of Allan Grey, Alleron, Pimco, Mercer and Arnhem.

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

## RECOMMENDED MEDIUM TERM DYNAMIC POSITIONING

	SAA%	DYNAMIC POSITION RELATIVE TO SAA (%)	SAA AFTER DYNAMIC POSITIONING (%)
Growth Assets			
Australian Shares	12.0		12.0
Overseas Shares	28.0	4.0	32.0
Emerging Markets	5.0	1.0	6.0
Global Listed Property	5.0		5.0
Total Growth	50.0	5.0	55.0
DEFENSIVE ASSETS			
Australian Inflation Linked Bonds	7.5	-2.0	5.5
Diversified Fund of Hedge Funds	17.0		17.0
Absolute Return (Multi Strat)	6.0		6.0
International Fixed Interest	7.5	-1.0	6.5
Australian Fixed Interest	10.0	-2.0	8.0
Cash	2.0		2.0
Total Defensive	50.0	-5.0	45.0

NSWALC commissioned testing of the current strategic asset allocation against the return and risk tolerance statements using our asset consultants' capital market assumptions (June 2015).

STRATEGIC OBJECTIVE	CURRENT
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	√ 69.2%
Limit the probability of a negative return in any year to less than 20%	√ 17.2%

The portfolio has the following expected outcomes over 20 years:

Return: 8.00 percent pa

Risk: 9.61 percent pa

## INVESTMENT PERFORMANCE

The investment portfolio provided a return of 11 percent against a benchmark of 9.3 percent for the 12 months to June 30, 2015. The table below details the investment in each asset class of the portfolio and its performance against the appropriate benchmark.

LONG TERM PERFORMANCE				
Returns to 30 June 2015				
	Quarter	Year	3 Years	5 Years
	%	% pa	% pa	% pa
NSW ALC Fund	-0.9	11.0	13.7	10.6
NSW ALC Fund Benchmark	-1.6	9.3	11.6	9.3
Consumer Price Index + 4% pa	1.6	5.6	6.4	6.4
Consumer Price Index + 5% pa	1.9	6.3	7.3	7.4
Australian Equities	-4.8	5.5	15.8	9.6
S&P/ASX 300 (All Ords before 1/4/2000)	-6.5	5.6	14.7	9.4
Excess Return Over Benchmark	1.7	-0.1	1.1	0.2
International Developed Equities (unhedged)	0.5	24.7	25.5	16.5
MSCI World ex Aust (unhedged)	-0.1	25.2	26.1	15.4
Excess Return Over Benchmark	0.6	-0.5	-0.6	1.1
Emerging Markets	-0.4	17.2	11.5	-
MSCI EM (Free) NET WHT	0.1	16.5	14.2	5.7
Excess Return Over Benchmark	-0.5	0.7	-2.7	-

## LONG TERM PERFORMANCE

Returns to 30 June 2015

	Quarter	Year	3 Years	5 Years
	%	% pa	% pa	% pa
Total International Equities (including hedging)	0.4	20.5	20.7	-
Composite International Equities BM	0.1	18.6	22.7	-
Excess Return Over Benchmark	0.3	1.9	-2.0	-
Global Listed Property	-6.6	12.0	16.4	-
FTSE EPRA/NAREIT Dev (HDG)	-6.7	9.9	15.2	-
Excess Return Over Benchmark	0.1	2.1	1.2	-
Australian Fixed Interest	0.7	5.5	4.6	5.4
International Fixed Interest	1.0	5.1	5.3	6.0
Aggregate Fixed Interest	0.9	5.2	4.8	
50% UBS Composite Bond All Mats, 50% Citigroup WGBI HDG AUD	-1.8	5.6	5.5	
Excess Return Over Benchmark	2.7	-0.4	-0.7	
Australian Inflation Linked Bonds	0.5	1.1	3.0	-
UBS Inflation Linked Bond Index	-4.1	6.6	4.9	-
Excess Return Over Benchmark	4.6	-5.5	-1.9	-
Absolute Return	-2.7	0.7	5.9	-
UBS Bank Bill	0.6	2.6	2.9	-
Excess Return Over Benchmark	-3.3	-1.9	3.0	-
Diversified Fund of Hedge Funds	0.0	4.5	8.0	-
UBS Bank Bill	0.6	2.6	2.9	3.6
Excess Return Over Benchmark	-0.6	1.9	5.1	-

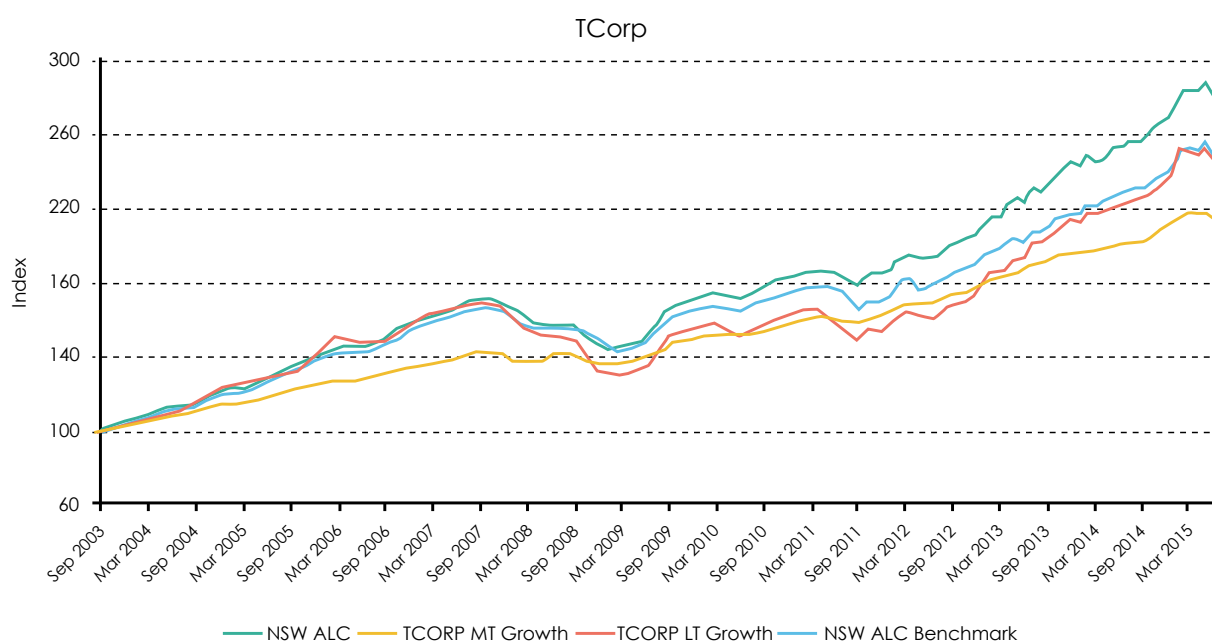


## PERFORMANCE AGAINST PEERS

The following table compares the performance of the NSWALC portfolio against two TCorp Investment portfolios with comparable investment objectives. These are run by the New South Wales Treasury Corporation.

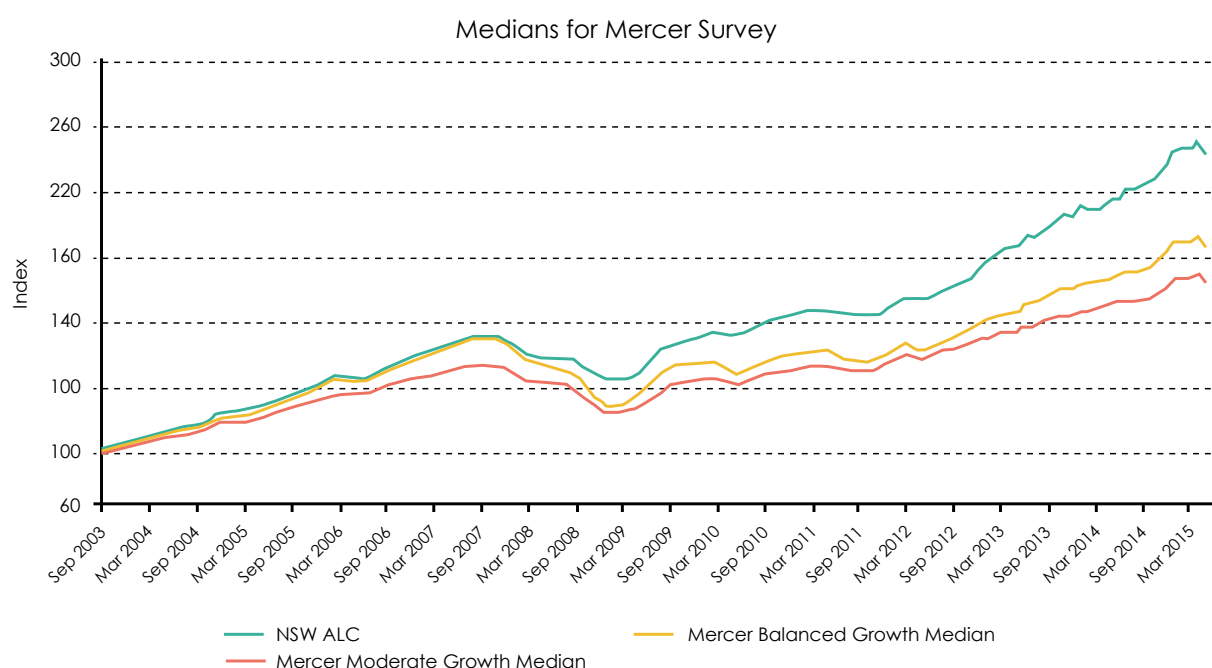
NSWALC's investment rationale is to promote diversity across asset class and across fund managers. This conflicts with the belief that the funds should be invested solely with the NSW Treasury Corporation. NSWALC's investment position is validated by this performance which clearly shows NSWALC's performance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

Returns to 30 June 2015					
	Quarter	Year	3 Years	5 Years	10 Years
Total Fund	-0.9	11.0	13.7	10.6	8.3
Fund Benchmark	-1.6	9.3	11.6	9.3	7.4
T Corp Medium Term Growth (pre-tax)	-1.0	7.4	8.7	7.4	6.2
T Corp Long Term Growth (pre-tax)	-2.0	12.8	15.7	10.6	7.0



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 to 30 June 2015					
	Quarter	Year	3 Years	5 Years	10 Years
Total Fund	-0.9	11.0	13.7	10.6	8.3
Fund Benchmark	-1.6	9.3	11.6	9.3	7.4
Mercer Moderate Growth Median (pre-tax)	-1.1	7.4	9.6	8.0	5.9
Mercer Moderate Growth Upper Quartile (pre-tax)	-0.4	10.0	12.2	10.7	9.4
Mercer Balanced Growth Median (pre-tax)	-1.6	9.2	12.2	9.0	6.1
Mercer Balanced Growth Upper Quartile (pre-tax)	-0.7	13.1	15.7	12.5	10.6



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

## LEGAL SERVICES UNIT (LSU)

The work of the Legal Services Unit goes to the core purpose of NSWALC, the return of land to Aboriginal people in 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 carried out 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 drafting of the *Aboriginal Land Rights Amendment Bill 2014*.
- 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 coordination of referrals of legal matters to external law firms on a pro bono basis through Justice Connect.
- Overseeing all of the NSWALC's legal risk management issues.

During this reporting period, the Unit comprised a Principal Legal Officer, two Senior Legal Officers (with one of these positions vacant for half of the reporting period), two Legal Officers and one Administrative Assistant. The Unit was assisted by paralegals for periods and also by five volunteer legal interns during the from the Aurora Project of the University of New South Wales.

## 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 provided advice on the *Aboriginal Land Rights Amendment Act 2014* that resulted from the required review of the Act that by the Minister for Aboriginal Affairs pursuant to section 252A. The LSU also provided advice on the regulatory policies that have been developed by NSWALC as a result of those amendments.

As discussed further below, the Unit continues to review all land claim refusals and manage land claim appeals in the Land and Environment Court (LEC) and the Court of Appeal.

The LSU has also carried out a significant amount of work to support LALCs involved in the three Native Title determinations that were made in the reporting period, as well as providing training to NSWALC staff and LALCs about Native Title generally.

The LSU has provided legal advice to the various NSWALC Units on a wide range of matters, including 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.

## EXTERNAL LEGAL COSTS

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

• Legal Expenses – NSWALC LSU account	0.95%
• NSWALC General advice	12.02%
• Land claims litigation (appeals where land claims have been refused)	56.00%
• Legal advice relating to native title (including Network native title)	19.77%
• Other network related litigation	1.16%
• Legal advice relating to mining	10.10%

## 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 Land and Environment Court (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 were lodged by NSWALC or LALCs). The purpose of these reviews is to ascertain whether the refusals were lawful or 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 41 claims refused or part refused by the Ministers. This number was significantly lower than other reporting periods as a result of the extremely slow rate of land claim determinations by the Crown Lands Minister.

### LAND CLAIMS LITIGATION – APPEALS AND SETTLEMENTS

NSWALC provides support to the network by managing and funding appeals against the Ministers' refusals of land claims.

There were only 58 land claims determined by the Minister during this reporting period. As such, the number of appeals commenced during the period is down from previous years.

Six land claim appeals were commenced in the LEC during the reporting period. In addition, the NSWALC commenced an appeal (Berrima) against an LEC judgment to the NSW Court of Appeal.

Of the six appeals commenced in the LEC, four are ongoing, one was discontinued based on the Minister's evidence, and one was settled (Oberon) in favour of NSWALC.

The Court of Appeal matter is ongoing.

Five appeals commenced in previous years were determined by the Courts during the reporting period. Four were decided in favour of the land councils (including one from the Court of Appeal), and one was decided against the land council (Berrima). Three appeals commenced in previous years were settled in favour of the land councils during the reporting period, including a claim over the former Parramatta Gaol. One appeal commenced in the previous reporting period was discontinued based on the evidence filed by the Minister.

The network's success rate in litigation continues to be high – over 80 percent 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 continues to

enable NSWALC to make more strategic and informed decisions about appeals.

## KEY LAND CLAIMS - LITIGATION

### *Nelson Bay*

The Nelson Bay claim (*NSW Aboriginal Land Council v Minister Administering the Crown Lands [2014] NSWCA 377*) relates to a 7.8 hectare block of semi-rural land located near Nelson Bay. The NSWALC successfully appealed the decision from the Land and Environment Court that the land was, in the opinion of the Crown Land Minister, needed as residential lands.

Importantly the Court of Appeal accepted the NSWALC's assertion that the relevant opinion must be held personally by the Minister and not by his agents or delegates. This is a very important decision because, had the Crown been successful in arguing that the opinion of a Departmental officer was sufficient, this would have significantly broadened the scope for the Minister to refuse land claims on this ground.

### *Moonbi*

The Moonbi claim (*NSW Aboriginal Land Council v Minister Administering the Crown Lands Act [2014] NSWLEC 188*) involved three land claims over several parcels of land within, and adjacent to, Moore Creek near Tamworth lodged by NSWALC on 13 December 2010.

The key legal issue in this case has arisen in a number of other cases and turns on whether the fact that the State of NSW is the registered proprietor of the land at the date of claim means the land is claimable, regardless of whether that may have been placed there in error.

The Court held that the name recorded as the registered proprietor is paramount in determining the proprietor of that land. Therefore, where the State is recorded as the registered proprietor, by virtue of section 42 of the Real Property Act, it has the effect that the land will be free of any other interest claimed on the land and therefore may be claimable.

## KEY LAND CLAIMS - SETTLEMENTS

### Parramatta Gaol

Parramatta Gaol (*Deerubbin Local Aboriginal Land Council v Minister Administering the Crown Lands Act, LEC matter 30827 of 2013*) was an appeal of the Minister's refusal of a claim over Parramatta Gaol. The Minister refused the claim on the grounds the land was lawfully used and occupied in accordance with the reserve for gaol and communication facilities, however the appeal was ultimately settled by the Minister transferring the bulk of the land to Deerubbin LALC.

### Oberon

The Oberon claim (*NSWALC v Minister Administering the Crown Lands Act, LEC matter 30623 of 2014*) involved five parcels of Crown land sold to the Oberon City Council. However, the Crown Lands Minister did not comply with the Crown Lands Act and therefore the sale of the land was unlawful. Given that the land had already been transferred to a third party, the appeal was settled by the Minister making a payment to the LALC for market value of the land claimed.

## NATIVE TITLE

Native Title is an area of growing 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 (LALCs) 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 has 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 and how those lands may be affected. This support includes funding external legal advice for the LALC throughout the native title consent determination process and general training on native title issues.

In line with the above Council resolution, the LSU has provided extensive assistance to LALCs involved in the following native title matters:

### Barkandji

The Barkandji Native Title determination (*Barkandji Traditional Owners #8 v Attorney-General of New South Wales [2015] FCA 604*) area overlaps with the Broken Hill, Wilcannia, Dareton, Menindee and Mutawintji LALC areas, as well as parts of Wanaaring, Winbar, Ivanhoe and Balranald LALCs. NSWALC became actively involved in this claim in March 2014 and the matter was determined by the Federal Court on 16 June 2015.

The LSU provided information to LALCs affected by the Barkandji claim to assist them to consider whether they wished to be joined as respondents to the claim. NSWALC also engaged Chalk & Fitzgerald Lawyers to represent NSWALC and the LALCs in this matter, with the LSU acting as the agent of the LALCs to streamline the process of giving instructions to the external lawyers. LSU had the role of obtaining instructions from the LALCs, updating LALCs on progress, carrying out tenure research and analysis of hundreds of parcels of land and additional research to assist Chalk & Fitzgerald to provide advice to the land councils. LSU staff travelled to the far west zone several times to talk to LALCs about the Barkandji claim.



Due in part to the length of time it took to resolve this matter (18 years), we found that this claim led to tension and some misunderstanding about the outcomes of Native Title in the communities affected. An important part of NSWALC's role in this claim area was to correct some of these misunderstandings and educate LALCs about how this Native Title determination would affect their land and land claims.

This determination, along with Yaegl, was the first time that section 47A 'suppressed' native title was recognised on LALC owned properties. This type of native title will be determined to exist on six LALC owned properties in the Barkandji determination area, as agreed to by Dareton, Menindee and Wilcannia LALCs.

### **Yaegl**

The Yaegl # 2 Native Title determination *Yaegl People #1 #2 v Attorney General of New South Wales [2015] FCA 647* overlaps with the Yaegl and Birrigan Gargle LALC areas. NSWALC, Yaegl and Birrigan Gargle LALCs joined as respondent parties to this native title claim in the last 10 months of the claim.

Again, the LSU provided information to the LALCs to assist them to consider whether they wish to be joined as respondents to the claim. NSWALC then engaged Chalk & Fitzgerald as legal representatives for NSWALC and the LALCs. The LSU found that one of the most difficult concepts to explain to the Boards of the LALCs was the issue of the operation of section 47A *Native Title Act 1993* (Cth) 'suppressed' Native Title over the land that the LALC owns. LSU met with each LALC four times to explain the operation of this provision. The Native Title claim group and the LALCs' Boards eventually reached agreement about which parcels of land section 47A would operate over. In this matter there was significant cross over between the LALCs' Board members and the Native Title claim group and this community cohesion greatly assisted with the decision making process.

The Yaegl # 2 proceedings highlighted the need for LALCs to become involved in the Native Title process early and for the LSU to engage with the LALCs at an early stage in order to allow time for meetings to be held and decisions to be made.

### **Western Bundjalung**

NSWALC, Jana Ngalee, Baryulgil Square, Jubullum, Moombahlene, Grafton Ngerrie and Casino Boolangle LALCs are respondent parties to this claim. Again, NSWALC has engaged Chalk & Fitzgerald as the legal representative of NSWALC and the LALCs in this matter.

NSWALC has analysed the tenure material provided by the State for Western Bundjalung to assist Chalk & Fitzgerald to provide advice to the LALCs involved. It has also held two information sessions with LALC representatives.

### **New claims**

In line with Council's resolution that NSWALC provide

advice to LALCs whose boundaries overlap with new Native Title claims, when the Scott Franks Native Title claim was registered an information session was held for the affected LALCs to provide them with information about how Native Title may affect them so as to assist them to make a decision about whether to become respondent parties.

### **General Native Title work**

NSWALC has also been focused on providing Native Title training to LALCs and NSWALC staff in the past year. NSWALC has provided Native Title information sessions at the Western Region, North Coast and South Coast Regional Forums. Together with the National Native Title Tribunal, we ran a Native Title training day for Eastern Zone staff. We are planning to provide this training to the other four Zones in the coming months.

At the behest of NSWALC, the Federal Court organised a Native Title user group meeting in February 2015. This forum brought together various bodies with an interest in native title to learn about the interaction between Land Rights and Native Title and to discuss Land Councils' role in Native Title claims going forward.

## **MEDIA AND COMMUNICATIONS**

The Media and Communications Unit was formed in August 2014 and replaced the former Media and Marketing Unit.

The Unit is responsible for protecting and enhancing NSWALC's reputation and promoting the objectives of the Land Council and the broader land rights network.

It aims to raise the profile of the NSWALC 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 is staffed by a Manager, Social Media Officer, Journalist / Editor, Information Officer, Receptionist and part time Communications Adviser.

The Unit's formal functions and responsibilities include:

- Providing strategic advice and briefings on media and communications issues to Councillors, Local Aboriginal Land Councils and senior staff;
- The development and implementation of communications strategies in support of major NSWALC initiatives;
- Providing communications support to regional forums hosted by NSWALC Councillors
- Media management and monitoring;

- Media and communications skills training for Councillors and senior staff;
- Producing the monthly *Our Mob* newsletter, video stories about land rights, media releases, network messages, social media posts and speeches;
- Organising public and internal events and promotional activities;
- Producing NSWALC publications, posters, flyers and online services; and
- Providing receptionist services for NSWALC's head office.

Activities performed by the Media and Communications Unit during the reporting period included:

### **ONLINE AND SOCIAL MEDIA**

A review of NSWALC's communications activities saw Council adopt a new online communications strategy in June 2014. A key part of this strategy was the development of a new website, [ourmob.org.au](http://ourmob.org.au) and monthly online newsletter, *Our Mob*, *Our Land Council*, *Our Future*, both launched in July 2014. The online newsletter currently has 875 subscribers.

Over the same period, NSWALC's social media presence also increased. NSWALC's Facebook page had 341 likes on 1 July 2014. This had increased to 4994 likes by 30 June 2015.

### **MEDIA RELEASES AND NETWORK MESSAGES**

A total of 22 media releases and 23 network messages were drafted and distributed during the reporting period.

### **EVENTS**

The Media and Communications Unit supported NSWALC's sponsorship of the 2014 NSW Aboriginal Rugby League Knockout, held in Newcastle from 3 to 6 October. The Knockout is the largest annual gathering of Aboriginal people in NSW and is broadcast nationally on NITV. NSWALC had an information stand at the Knockout and Councillors were interviewed throughout the television coverage.

The Unit also produced materials about land rights and hosted stalls at the Yabun and Saltwater Freshwater Festivals held in Sydney and Coffs Harbour on 26 January.

### **TRAINING**

The Media and Communications Unit worked with Premier Communications to carry out media training with all Councillors and the CEO. Two Councillors also received public speaking training conducted by the Unit.

### **CROWN LANDS RALLY**

The Media and Communications Unit worked with the Policy Unit and LALCs to organise a rally outside NSW Parliament House in opposition to the Government's proposed *Crown*

*Lands Amendment (Public Ownership of Beaches and Coastal Lands) Bill*. The Bill would have seen hundreds of Aboriginal land claims retrospectively extinguished, some dating back as far as two decades. Around 300 LALC members and their supporters attended the rally, which was addressed by a number of Parliamentarians. The Government listened to NSWALC's concerns and withdrew the Bill.

### **FREEDOM RIDE RE-ENACTMENT**

The Media and Communications Unit supported the 50th Anniversary re-enactment of the Freedom Ride, organised by the University of Sydney, NSWALC and the Charles Perkins Trust. NSWALC staff travelled with the re-enactment to Dubbo, Walgett, Moree, Bowraville and Kempsey, with LALCs helping to organise local events along the way.

### **2015 STATEWIDE CONFERENCE**

By the end of the reporting period, Unit staff had travelled across NSW to film stories about the achievements of LALCs to be showcased at the NSWALC Statewide Conference. Twenty eight stories were completed, with LALCs from every region represented.

### **2015 NSWALC ELECTION**

By the end of the reporting period, the Unit had commenced planning to support the 2015 NSWALC election, to be held in October 2015. The Unit will be responsible for the management, co-ordination and implementation of an information and awareness campaign to maximise the voting turnout of LALC members for the election.

## **INFORMATION AND COMMUNICATIONS TECHNOLOGY UNIT**

The Information and Communications Technology Unit (ICT) provides the technology governance, advice and assistance to ensure NSWALC's efficient and effective operations. The ICT Unit is supported by three staff.

The Unit is responsible for:

- Systems and analysis to enable 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; and
- 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 1,976 requests and incidents from Councillors, executives and staff.

Monthly performance reports are delivered 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;
- Completed requests by location;
- Number of requests resolved per capita;
- Number of requests received versus resolved;
- Average resolution time per request type;
- Number and type of outages compared to previous month; and
- Security metrics compared to previous month.

### **ICT STEERING COMMITTEE:**

The ICT Steering 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 bimonthly 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:**

A revised ICT Strategy 2015 - 2017 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; and
- Technology trends.

The Strategy will also identify actions to be taken to underpin the delivery of the NSWALC Strategic Plan, to share information and knowledge resources and unlock economic and social value. The Strategy provides an implementation plan for the future to guide service delivery, NSWALC ICT investment and to assist in the delivery of more efficient business operations.

### **ICT PROJECT DELIVERABLES:**

The following projects were completed during the reporting period. The ICT Unit:

- Virtualised five production application servers to minimise the data centre foot print and reduce power costs in preparation for a migration towards a Cloud Computing Platform and Services.
- Implemented centralised patch management software to address the automated distribution of updates, hotfixes and service packs for Microsoft products.
- Upgraded records management software to meet the demands of the organisation and provide the next generation of scalable electronic document and records management software to employees.
- Upgraded Payroll software to address corrections, improve software stability and add additional modules to allow for web based employee self service and automated flex sheets.
- Audited and renewed network hardware service contracts with suppliers to ensure equipment is supported by manufacturers and service contracts are strategically aligned.

- Migrated the alc.org.au website to a new hosting provider to improve service reliability, uptime and reduce monthly hosting expenditure.
- Designed a new Standard Operating Environment (SOE) and deployed new laptop hardware for Councillors and Zone Office staff.
- Assisted the Economic Development Unit with the deployment of Customer Relationship Management (CRM) software to assist with departmental processes by using collaboration and granular reporting of all activities that are pertinent to management.
- Upgraded accounting software to address reporting bugs, user functionality and account specific authorisations. Migrated account reporting services to a new platform.
- Performed a telecommunications review to assess current service plans and provide recommendations for cost-reduction and improving account efficiencies. Reviewed network architecture and upgraded Wide Area Network (WAN) connectivity for Eastern Zone Office.

## HUMAN RESOURCES AND TRAINING UNIT (HR&T)

The Human Resources and Training (HR&T) Unit provides generalist human resources, work health and safety and learning and development expertise for NSWALC.

The Unit comprises a Manager and four staff members with the following functions and responsibilities:

- Payroll;
- Generalist Human Resources;
- Learning and Development; and
- Human Resources Assistant – Trainee

The Operational Business Plan of the HR&T Unit is linked to the strategic goals of NSWALC and is summarised below:

2.1.4 Continue corporate governance / professional development training for NSWALC staff, including strategic decision-making;

2.1.5 Continue mandatory governance training for LALCs and regularly monitor and review its effectiveness;

2.1.6 Design and deliver additional governance training modules for LALCs to further develop strategic decision-making capabilities;

2.3.2 Review the Organisational Establishment structure to ensure staffing resources are aligned to deliver the strategic priorities;

2.3.3 Identify strategies to improve service delivery of

HR&T functions;

2.3.4 Review employee benefits, remuneration levels, conditions of employment and implement approved employment actions; and

3.3.1 Facilitate training across the network in economic development and business management, including business innovation, entrepreneurship and risk management

## HUMAN RESOURCES

### *Recruitment*

During the reporting period 30 recruiting assignments were filled, with 12 coming from internal expressions of interest.

This included the recruitment of NSWALC's Deputy CEO, which commenced in June 2014 and culminated with the appointment of Malcolm "Cal" Davis in August of that year.

### *Organisation and Establishment Structure*

Following his appointment in May 2014, the new CEO sought the Human Resources Unit's assistance to review NSWALC's organisational structure. This new structure was announced in August 2014.

### *New Structure*

The members of the Executive comprise:

- CEO
- DCEO
- Executive Director of Policy and Programs
- Executive Director of Finance, Investments and Governance
- Executive Director of Corporate Services

The new structure has four business service groups:

- Zones
- Policy and Programs
- Corporate Services
- Finance, Investments and Governance

Zones, Policy and Programs and Corporate Services report to Deputy CEO

Finance, Investments and Governance and the DCEO report to CEO

Policy and Programs comprise three Units

- Policy and Programs
- Land Rights and Commercial
- Economic Development

Corporate Services comprise five Units

- Legal Services



- Media & Communications
- Information Technology
- Human Resources and Training
- Administration, Records and Procurement

Finance, Investments and Governance comprise

- Finance
- CIO
- Compliance, Planning and Reporting
- Secretariat
- Council Support Officers

There was no change to Zone offices in this reporting period.

## EMPLOYMENT CONDITIONS

NSWALC has in place an Enterprise Agreement for 66 percent of the workforce. This will be re-negotiated in June 2016. All senior managers and executive are employed under common law contracts.

## PAYROLL AND SALARIES

In 2010 NSWALC committed to a phased roll out of the PayGlobal payroll and employee self service functionality. It comprised the following phases:

Phase 1: Electronic Self Service Kiosk-employee online access to update personal information, view pay history, career progress, training and development and access pay slips online.

Phase 2: Managers and employees submit and process leave applications, track enquiries and view employee attendance.

Phase 3: Rollout of Electronic Timesheets compatible with Self Service Kiosk.

A review of the project undertaken with the new HR Manager confirmed the project was near completion and will be rolled out in the next reporting year. It was agreed in May 2015 the following steps will be put in place to bring this project to completion:

- A final 'bug fix' will occur before July 30 2015.
- An up skilling workshop will occur with the HR team before July 30 2015.
- HR&T will run info/skilling workshops for staff and managers over the first 2 weeks of August 2015.
- The roll out of Employee Self Service will occur in the next reporting period.

During the 2014-2015 financial 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 (WH&S)

In accordance with the Workplace Health & Safety legislation, NSWALC's 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 of hazard reporting and inspections for all Zone and Head offices; and
- 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 in the 2014-2015 period.

The following table summarises the status of all recommendations from the May 2013 Work Health and Safety Compliance Assessment:

STATUS AS AT JULY 2014	RISK RATING OF ASSOCIATED FINDING				
	Low	Medium	High	Total	%
Completed – within original target date	2	1	2	5	25%
Completed – outside original target date	1	5	7	13	65%
Closed	1	0	1	2	10%
Total	4	6	10	20	100%

## POLICY REVIEW

During the year the HR&T Unit undertook a review of significant policies.

A new Code of Conduct was endorsed by the NSWALC Council in October 2014 and approved by the Registrar in February 2015. This will be disseminated to all staff in the early part of the next reporting period.

The Performance Agreement Planning Assessment process and forms were reviewed and training for all staff and managers in the new system will commence in the next reporting period.

## TRAINEESHIPS/INTERNSHIPS/WORK EXPERIENCE

NSWALC continues to engage Interns in the Policy and Programs and Legal Units. 16 opportunities were also offered during the year at both the Head Office and Zone offices.



## TRAINING:

NSWALC Training focusses on the development of personnel within NSWALC and the LALC network through continuing education.

Training aims to continuously improve those individual and collective competencies within the NSWALC that assist the organisation to achieve its strategic objectives.

NSWALC's learning and development objectives are:

- Two way benefit – Staff and Council development
- Goal Oriented
- Aligned to position descriptions/duties
- Multi-faceted and flexible
- Recognition of maturity and growth
- Diversity

NSWALC's Training program adheres to the legislative requirements of s.65 and s.107 of the *Aboriginal Land Rights Act (ALRA), 1983* to provide adequate training opportunities to NSWALC Councillors and staff as well as LALC personnel.

### 1. CAPACITY DEVELOPMENT PLAN

NSWALC's Capacity Development Plan draws together elements of the NSWALC Strategic and Business Unit plans which are relevant to capacity building of NSWALC Councillors and staff, as well as Board Members and staff of Local Aboriginal Land Councils (LALCs). The Plan requires Learning and Development staff to provide an outline of all training to take place and the delivery strategies associated with each training initiative.

Training Needs requirements form the basis of identifying training priorities and the implementation of training initiatives.

### 2. PROGRAMS AND ACHIEVEMENTS FOR 2014-15

The 2014-15 Financial Year was a very busy period for NSWALC Human Resources & Training Unit. A number of training initiatives were implemented successfully, together with planning for additional quality training during the ensuing financial year.

#### NSWALC COUNCILLORS' TRAINING

- Two Councillors attended the Indigenous Women's Leadership Summit in August 2014, facilitated by Liquid Learning at Darling Harbour, Sydney.
- Eight Councillors attended a Governance Workshop, held in June 2015, facilitated by Indigenous Corporate Partners. Topics included roles and responsibilities of councillors, a framework for best practice decision-making, managing conflicts of interest and risk management strategies.
- Seven Councillors attended a Leadership Workshop facilitated by Five Grants Consulting with learning objectives that included leadership styles, building trust and confidence, effective interpersonal skills and

commitment to ethical practices.

Feedback was sought from participants who found the Governance Workshop to be, "very informative" and "well organised," with "roles and responsibilities clearer post-Workshop."

The Leadership Workshop was considered to be an "excellent presentation" and "very well organised."

#### NSWALC STAFF TRAINING

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

##### Short Courses

DATE	TRAINING
August 2014	Communication and Negotiation Skills
September and December 2014	Microsoft Outlook Training
November 2014	Facilitation Skills, North Zone and West Zone Staff
December 2014	Top 10 Administration Skills
February 2015	Relationship Management Training
June 2015	Leadership Skills

##### Accredited Training

Six staff members have completed Diploma of Management courses run by BSI Learning Institute.

Ten staff members were also enrolled in various accredited courses through training provider, Develop My Skills during the reporting period.

Through the NSW Government's Smart and Skilled program, staff have been enrolled to undertake the following courses:

- Certificate IV in Accounting
- Certificate IV in Project Management
- Certificate IV in Book Keeping
- Diploma of Project Management
- Diploma of Human Resources

##### Public Courses

Staff have also attended public courses that included topics such as property development, women in not for profit leadership and policy writing.

Participants' feedback included the following about the courses:

- Communication & Negotiation Skills Training was informative and gave the participant skills to identify and deal with conflict

- Excellent trainer and Outlook topics were very relevant to the work
- Recommend facilitation skills training for all senior staff
- Leadership skills – very good introduction to Leadership
- Great start to get thinking of how to manage and lead a team

## TRAINING FOR LOCAL ABORIGINAL LAND COUNCILS

As required by s107 of the *Aboriginal Land Rights Act* (ALRA), 1983 and in line the NSWALC Strategic Plan 2013-2017, training programs have been designed and delivered to Local Aboriginal Land Councils (LALCs).

### **Business Skills towards entrepreneurship for LALCs**

NSWALC's Strategic Plan 2013-17 identified Economic Development as one of its five key strategies. To align with this strategy, NSWALC partnered with Indigenous Business Australia (IBA) to facilitate Business Workshops for LALCs in 2014-15.

During the reporting period workshops were held in Broken Hill and Armidale. Twenty people participated representing 12 LALCs.

### **Enhanced Governance Training For LALC Board Members**

NSWALC entered into an agreement with Tranby Aboriginal College to provide a five-day in-house governance course for selected LALC Board Members. 22 participants will attend per year with an aim to provide training to 110 Board members over five years.

The first session was held for 13 LALC board members from 1 to 5 September 2014 at Tranby College, Glebe. A post training evaluation indicated that at the completion of the training participants understood the regulatory and financial responsibilities required of a Board member.

### **Governance Training Package**

Following a review of the previous NSWALC governance training package, a new training package was developed and completed in June 2015. The package is an e-course which has the capacity to work online and offline. The training contents are mapped to one Unit of the Certificate IV in Business (Governance). The governance package will be rolled out following the September 2015 LALC elections.

### **Finance Workshop for LALC Board Members**

Facilitated by Indigenous Corporate Partners, this one day workshop was designed for LALC board members to improve their understanding of LALC financial issues and

enable them to make more informed decisions.

Nine workshops were facilitated across the regions as at the end of the 2014-2015 financial year. 69 participants representing 31 LALCs attended the workshops.

### **Governance/Finance Workshop**

A two-day workshop facilitated by Indigenous Corporate Partners was held for Trangie LALC Board Members. The Workshop was well received by the Board Members who provided very positive feedback. Comments included:

- *Finance workshop would be a great benefit to all Board of Directors of Land Councils.*
- *Very easy to understand & board members present were all interested & interactive throughout the training*
- *Using participants local LALC's financials made the workshop more realistic.*
- *Good learning environment and meeting people from other land councils*
- *Opportunity to identify & assist with issues for Board members.*

### **Employment & Workplace Training**

Five Grants Consulting facilitated a one day training session for LALC staff on employment and workplace training. The training aimed to give participants an understanding of human resources administration (including Recruitment and Payroll), employee entitlements (including salary sacrificing and leave entitlements), records management and workplace health and safety (including workplace bullying).

Seven training sessions had been conducted in regional locations as at the end of financial year 2014-2015. 47 LALCs participated with 73 participants attending the workshops.

## RECORDS AND ADMINISTRATION UNIT (RAU)

The Records and Administration Unit provides administrative and records-keeping services, primarily to the Business Units located at NSWALC's Head Office. The Unit also assists Zone Offices, Councillors and their support staff. These services include:

- Best practice 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:
  - o Tendering and contracting out;
  - o Procurement of goods and services;
  - o Records-keeping; and

- o 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:
  - o Use of purchasing cards;
  - o Travel arrangements;
  - o Fleet operations; and
  - o Records keeping.

The Records and Administration Unit also ensures that NSWALC remains compliant with following primary legislation:

- *Aboriginal Land Rights Act 1983*
- *NSW State Records Act 1998*
- *Privacy and Personal Information Protection Act 1988*
- *Government Information (Public Access) Act 2009 (GIPA)*
- *Public Finance and Audit Act 1983*

## **FLEET MANAGEMENT**

The Records and Administration Unit manages all vehicles provided to NSWALC Councillors and staff. This includes monitoring the usage of the vehicle and associated costs, and ensuring that vehicles are replaced in a timely and cost effective manner.

## **TRAVEL**

The Records and 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**

To facilitate a more efficient procurement process for goods and services the NSWALC utilises Corporate Purchasing cards. The Records and Administration Unit manages all facets of the corporate card; including ordering, issuing and cancellation of cards as well as monitoring the usage of the cards.

## **PROCUREMENTS**

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

## **TENDERS AND CONTRACTS MANAGEMENT**

A comprehensive Contract Register is maintained by the Records and 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 Act 2009 (contracts exceeding \$150,000 including GST) are published on the NSWALC website.

The Records and Administration Unit has a role in the process

of managing Requests For Tender. All applications are secured by the Records Officer, who also records Tender Submissions upon receipt.

## **NSWALC AND ASSOCIATED PREMISES**

The Records and Administration Unit is responsible for organising and maintaining the majority of services, utilities and ongoing maintenance for NSWALC accommodations and Councillors' offices.

## **RECORDS MANAGEMENT FUNCTIONS**

### ***Record-Keeping***

The Records and Administration Unit is responsible for the provision of all record keeping services, training and materials to the organisation. NSWALC recently updated its dedicated Electronic Document Management System, TRIM to HP Manager with training sessions expected to be offered throughout 2015-2016.

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

### ***Archiving, Storage and Retrievals***

The Records and Administration Unit is responsible for:

- The physical control of all files in secured areas;
- Creation of files for various business units;
- A dedicated facility for vital records;
- Archiving and sentencing of files as per required practices and in accordance with NSWALC's Functional Disposal Authority (FDA);
- Retrieval of records from off-site storage when required;
- Disposal and destruction of records as per legislative requirements.

### ***Mail***

The Records and Administration Unit is responsible for the daily processing of incoming mail to NSWALC. All items are processed on the 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.

The Records and Administration Unit comprises of four staff members:

- Manager, Administration, Records and Procurement
- Travel and Administration Officer
- Senior Records Officer
- Archives and Disposal Officer

## MAJOR ACTIVITIES

Major activities completed by the Records and Administration Unit during the reporting period were:

- Fleet – A large turnover of fleet vehicles is expected at the end of 2015. Throughout 2014 the Zone Offices changed over their vehicles.
- Contracts - A review of all NSWALC contracts was completed in November 2014. The review identified many areas for improvements in current practices. An electronic contract management database is anticipated in 2015-2016. This would streamline the contract management process and seek to automate some of the functionality surrounding day-to-day management of the contracts.
- Assisted the Property Management Unit with the refurbishment of NSWALC's Head Office, 33 Argyle Street Parramatta.
- The Records and Administration Unit continues to assist with the management of storage and disposal in the loading dock and associated areas
- Regional Forums - The Records and Administration Unit staff provide necessary support to the Councillor Support staff at these events
- State Wide Conference - The Records and Administration Unit have provided assistance and support with the logistics associated with planning the State Wide Conference 2015

## RECORDS UNIT

- Archives lodged with GRR : 185 total - 78 (July 2014) 107 (Sept 2015)
- Archives returned to GRR :67
- File transfers to RMU in 2015 – Due to operational units, the NSWALC Board moving within 33 Argyle Street building and Southern Zone relocating their office there were very large numbers of file transfers in the period February to June – around 3,000 items were moved to RAU
- Zones; Western and Southern sent consignments of LALC records and local administrative records to Head Office. Northern Zone are in the process of preparing a consignment
- RAU had the compactus formerly located on Level 4 relocated to the Box Room in the Basement – it has been very useful in storing the hard-copy collection of Board Minutes for the period 1983-2007
- Manger RAU has been negotiating with Grace Records Management about the possible movement of our entire boxed records to their Storage Centre at Campbelltown
- TRIM records management software replaced by latest version of HP Records Manager in January 2015 – Records Officer issued updated User Manual for users
- RAU undertook weeding of NSW Resource Centre Library

in preparation for transfer of assets to the Mitchell Library

- Annual Audit of Level 4 Filing Room

## STAFF DEVELOPMENT FOR RECORDS AND ADMINISTRATION ACTIVITIES

The Records and Administration Unit continues to train new and existing staff regarding use of current software packages such as HP Manager and the use of the web based Flexi Purchase program which is utilized for reconciliation of the NAB Corporate Card.

## THE YEAR AHEAD

In the coming year the Records and Administration Unit will continue to focus on the areas of governance and the implementation of the Strategic Plan as well as support for the NSWALC election in October 2015.

The Records and Administration Unit will continue to provide support to the Local Aboriginal Land Council network and community members regarding implementation of the changes to the ALRA (1983) effective 1 July 2015.

In addition, the Records and Administration Unit will provide background support and advice to various Business Units and projects as required.

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.

## OBLIGATIONS UNDER THE *GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009*

### REVIEW OF PROACTIVE RELEASE PROGRAM - CLAUSE 7(A)

NSWALC has undertaken an assessment of current policies and procedures that can be made publicly available. The NSWALC Right to Information Policy and the Agency Information Guide have also been reviewed.

### NUMBER OF ACCESS APPLICATIONS RECEIVED – CLAUSE 7(B)

The NSWALC received a total of two formal access applications during the reporting period. Both applications were deemed valid. In the first application 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 and an amended application was received. The decision was to provide access to particular information, but with redactions. Access was refused to one document pursuant to clause 4 of the table to section 14 of the GIPA Act.

There were no records held in the case of the second application and NSWALC returned the application fee to the applicant.

### 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	1	0	0	0	0
Members of the public (other)	0	1	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	1	0	0	0	0
Access applications (other than personal information applications)	0	1	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

\*A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

The total number of decisions in Table B should be the same as Table A.

TABLE C: INVALID APPLICATIONS	
Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	0
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
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

**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	1
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)	1
Not decided within time (deemed refusal)	0
Total	2

**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

**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

## **OBLIGATIONS UNDER THE *PUBLIC INTEREST DISCLOSURES ACT 1994* (THE PID ACT)**

The PID Act sets out the system under which people working within the NSW public sector (including individuals who are engaged as contractors), can make complaints about the functioning of the public sector in a way that minimises the risk of reprisal.

Complaints made under the PID Act are often referred to as “whistleblower” complaints.

The NSWALC received no PID complaints during the current reporting period.

Officers of the Governance Unit had discussions with the Ombudsman’s Office on methods of improving and enhancing reporting by LALCs on PID complaints.

# COUNCILLOR MEETING ATTENDANCE

SUMMARY OF COUNCILLOR ATTENDANCE AT BOARD MEETINGS, WORKSHOPS AND TRAINING AS REQUIRED BY LEGISLATION FROM 1 JULY 2014 TO 30 JUNE 2015													
Key:	LOA Medical	LOA Sorry Business	LOA Regional Business	LOA Representing NSWALC / Absent W/out Leave/Teleconference Unable to connect									
Meeting	No Meeting Days	Date	Cr Ah-See	Cr Briggs	Cr Cromelin	Cr Dennis	Cr Hampton	Cr Jones	Cr Ryan	Cr, Smith	Cr, Williams	Total	Comments
2014/2015 Financial Year Attendances at Council Meetings													
312th Extraordinary Council Meeting	1	8-Aug-14	1	0	1	1	1	1	1	1	1	8	
313th Council Meeting	1	19-Aug-14	1	1	0	1	1	1	1	1	1	8	Cr Cromelin LOA illness
313th Council Meeting	2	20-Aug-14	1	1	0	1	1	1	1	1	1	8	
314th Extraordinary Council Meeting	1	29-Sep-14	1	1	1	1	1	1	1	1	1	9	
315th Meeting Council Meeting	1	28-Oct-14	1	1	1	0	1	1	1	1	1	8	Cr Dennis LOA Regional business
315th Council Meeting	2	29-Oct-14	1	1	1	0	1	1	1	1	1	8	
315th Council Meeting	3	30-Oct-14	1	1	1	0	1	1	1	1	1	8	
316th Council Meeting	1	8-Dec-14	0	1	1	1	1	1	1	1	1	8	
316th Council Meeting	2	9-Dec-14	1	1	1	1	1	1	1	1	1	9	
316th Council Meeting	3	10-Dec-14	0	1	1	1	1	1	1	1	1	8	
317th Extraordinary Council Meeting	1	22-Jan-15	1	1	1	1	1	1	1	1	1	9	
318th Extraordinary Council Meeting (Teleconference)	1	13-Feb-15	0	1	1	1	1	1	0	1	1	7	Cr Ah-See & Cr Ryan LOA Sorry Business
319th Council Meeting	1	24-Feb-15	1	0	1	1	1	1	1	1	1	8	Cr Briggs LOA Illness
319th Council Meeting	2	25-Feb-15	1	0	1	1	1	1	0	1	1	7	Cr Briggs & CR Ryan LOA Illness
319th Council Meeting	3	26-Feb-15	0	0	1	1	1	1	0	1	1	6	Cr Briggs & CR Ryan LOA Illness & Cr Ah-See Sorry Business
320th Extraordinary Council Meeting	1	26-Mar-15	1	1	1	1	1	0	0	1	1	7	Cr Jones (Sorry), Cr Ryan (FaCs) LOA
321st Council Meeting	1	21-Apr-15	1	1	1	1	1	1	1	1	1	9	
321st Council Meeting	2	22-Apr-15	1	1	1	1	1	1	0	1	1	8	
321st Council Meeting	3	23-Apr-15	1	1	1	1	1	1	1	1	1	9	
322nd Extraordinary Council Meeting	1	27-May-15	1	1	1	1	1	0	1	1	1	8	Cr D Jones Illness LOA
322nd Extraordinary Council Meeting	2	28-May-15	1	1	1	1	1	0	1	1	1	8	
323rd Council Meeting	1	16-Jun-15	1	1	1	1	1	0	1	1	1	8	Cr Jones LOA Regional business
323rd Council Meeting	2	17-Jun-15	1	1	1	1	1	1	1	1	1	9	
323rd Council Meeting	3	18-Jun-15	0	1	1	1	1	1	1	1	1	8	Cr Ah-See LOA Sorry business
Total attendances for Council Meetings out of 24 days			19	20	22	21	24	20	19	24	24		

# SUMMARY OF COUNCILLOR ATTENDANCE AT BOARD MEETINGS, WORKSHOPS AND TRAINING AS REQUIRED BY LEGISLATION FROM 1 JULY 2014 TO 30 JUNE 2015

Key:	LOA Medical	LOA Sorry Business	LOA Regional Business	LOA Representing NSWALC / Absent W/out Leave/Teleconference Unable to connect									
Meeting	No Meeting Days	Date	Cr Ah-See	Cr Briggs	Cr Cromelin	Cr Dennis	Cr Hampton	Cr Jones	Cr Ryan	Cr, Smith	Cr, Williams	Total	Comments
2014/2015 Financial Year Attendances at Council Workshops/Training													
Council Workshop	1	14-Jul-14	1	1	1	1	1	1	1	1	1	9	
Council Workshop	2	15-Jul-14	1	1	1	1	1	1	1	1	1	9	
Council Workshop	3	16-Jul-14	1	1	1	1	1	1	1	1	1	9	
Council Training	1	29-Sep-14	0	1	1	1	1	1	0	1	1	7	Cr Ah-See & Cr Ryan LOA
Council Workshop	1	20-Nov-14	1	1	1	1	1	1	1	1	1	9	
Council Workshop	2	21-Nov-14	1	1	1	1	1	1	1	1	1	9	
Council Workshop	1	20-Jan-15	1	0	1	1	1	1	1	1	1	8	*Cr Briggs LOA
Council Workshop	2	21-Jan-15	1	1	1	1	1	1	1	1	1	9	
Council Workshop	3	22-Jan-15	1	1	1	1	1	1	1	1	1	9	
Council Workshop	1	25-Mar-15	1	0	1	1	1	0	0	1	1	6	Cr Briggs, Cr Jones Cr Ryan LOA
Council Workshop	2	26-Mar-15	1	1	1	1	1	0	0	1	1	7	Cr Jones (Sorry), Cr Ryan (FaCs) LOA
Council Training	1	20-Apr-15	1	0	1	0	1	1	1	1	1	7	Cr Briggs, Cr Dennis LOA
Council Training	1	28-May-15	1	1	1	1	1	1	1	1	1	9	
Council Workshop	1	10-Jun-15	1	0	1	1	1	1	1	1	1	8	
Council Workshop	2	11-Jun-15	1	0	0	1	1	1	1	1	1	7	
Total attendances for Workshops/ Training out of 15 days			14	10	14	14	15	13	12	15	15		

## COUNCILLOR TRAVEL EXPENSES

COUNCILLOR TRAVEL EXPENSES			
Councillor Name	Direct Travel Expenses	Accommodation and Meals Allowance	Total
S Ryan	20,286.39	22,859.36	43,145.75
P Smith	2,975.71	46,819.33	49,795.04
A Dennis	1,956.24	33,956.09	35,912.33
T Briggs	3,344.22	15,820.30	19,164.52
N Hampton	77.23	32,893.30	32,970.53
R Ah-See	2,252.03	35,163.63	37,415.66
D Jones	2,894.47	32,486.68	35,381.15
C Cromelin	16,825.12	76,424.44	93,249.56
T Williams	7,777.62	35,116.10	42,893.72
Total	58,389.03	331,539.23	389,928.26

## OVERSEAS VISITS

No overseas visits were undertaken by councillors or staff in the financial year 2014-15.

## PRIVACY & PERSONAL INFORMATION PROTECTION

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 will also shortly finalise 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* (HRIPA).

## CONSULTANTS

CONSULTANTS FEES 2014-15		
Name of Consultants	Projects (\$50,000 & Above)	\$
Mercer Investments (Aust) Limited	Consulting for NSWALC Investments	323,680
Cox Inall Ridgeway	Communication & Stakeholder engagement	82,617
Total Amounts Paid > & = \$50,000		406,297



NO. OF PROJECTS (BELOW \$50,000)		
Management Services	11	
Information Technology	1	
Recruitment Services	1	
Organisational Review	1	
Total Number Of Projects (Below \$50,000)	14	192,440
Total All Consultants Fees		598,737

## GRANTS

GRANTS PAID - 2014/2015		
MAJOR GRANTS (> \$5,000 / EACH)		
Payee	Description	Amount
NSWALC Community Fund Account	NSWALC share to ComFund account for levies received from OSR	523,985
Newcastle Yowies Sports Association	Nomination Fees - 2014 NSW Aboriginal Rugby League Knockout	81,000
Discretionary (Lloyd McDermott Rugby Development Team Inc)	2014 Coffs Harbour Ella 7s Tournament and Hong Kong 10s Tournament	20,000
Discretionary (Bowraville LALC)	Sponsorship to assist in the Freedom Rides Anniversary events in February 2015	15,600
Discretionary (Shade 4 Hire)	Grant to support 2015 Tent Embassy	5,984
Total Major Grants	5	646,569
MINOR GRANTS (<= \$5,000 / EACH)		
Payee	Description	Amount
Funeral Grants	Funeral Payment for Members & Non-members	715, 548
Cultural gathering 2014 Grant	Travel Reimbursement for staff to attend - 39 LALCs	66,881
Discretionary (Councillors)	Various grants - 70 grants	36,006
Discretionary (NSW Aboriginal Golf Incorporated)	Grants for NSW Aboriginal Golf Championship 2014	5,000
Discretionary (Gadigal Information Service Aboriginal Corporation)	Grant for Yabun Festival 2015	5,000
Discretionary (Others)	Discretionary Payments (Total 4 Payments)	6,591
Total Minor Grants	632	835,026

### SUMMARY TOTAL OF GRANTS

Category	Number of Individual Paid Unit	Amount
Funeral	517	715,548
NSWALC Community Fund Account	1	523,985
Discretionary	79	94,181
Newcastle Yowies Sports Association	1	81,000
Cultural gathering travel reimbursement - 39 LALCs	39	66,881
Total All Grants Paid	637	1,481,595

## HUMAN RESOURCES

CATEGORY	% OF TOTAL STAFF			
	2011/12	2012/13	2013/14	2014/15
Senior Managers Framework	NA	22 %	20.5%	24%
Salary Group 8 Year 1 to Group 13 Year 3	NA	51.5%	53 %	51.5%
Salary Group 1 Year 1 to Group 7 Year 3	NA	19.5%	19%	16.5%
Councillors	NA	7%	7.5 %	8%

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.

# WORKFORCE DIVERSITY

## STATISTICAL INFORMATION ON DIVERSITY TARGET GROUPS

Table 1. Trends in the Representation of Diversity Target Groups

DIVERSITY GROUP			% OF TOTAL STAFF <sup>1</sup>			
	Benchmark or Target	2010/11	2011/12	2012/13	2013/14	2014/15
Women	50%	47.5%	48.0%	49.0%	51.5%	52.0%
Aboriginal people and Torres Strait Islanders	26%	54.5%	53.0%	52.0%	46.5%	48.0%
People whose first language was not English	19%	6.0%	10.0%	16.0%	27.0%	28.5%
People with a disability	N/A%		7.5%	14.0%	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%	3.0%

Table 2. Trends in the Distribution of Diversity Target Groups

DIVERSITY TARGET GROUP			DISTRIBUTION INDEX <sup>2</sup>			
	Benchmark or Target	2010/11	2011/12	2012/13	2013/14	2014/15
Women	100	N/A	78	73	73	74
Aboriginal people and Torres Strait Islanders	100	N/A	78	81	77	79
People whose first language was not English	100	N/A	75	62	79	84
People with a disability	100	N/A	89	83	88	87
People with a disability requiring work-related adjustment	100		100	100	100	100

<sup>1</sup> Excludes casual staff

<sup>2</sup> A Distribution Index of 100 indicates that the centre of the distribution of the Diversity groups across salary levels is equivalent to that of other staff. Values less than 100 mean that the Diversity 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 Diversity group is less concentrated at lower salary levels. A distribution index based on a Diversity 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 and 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 gender, 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 Diversity target group members to attend.

There are a number of activities conducted by Diversity 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.

## WORKFORCE DIVERSITY STRATEGIES

During the next reporting period, NSWALC plans to introduce a Human Resources Information System (HRIS).

This will be used to capture information on the organisation's employees such as languages spoken and written, nationality, education and qualifications.

During 2015-16 this information will be used to prepare supporting and targeted policies, programs and training to our diverse workforce. This will include the development of an EEO and diversity policy, a transition to retirement program, flexible work practices and collegiate learning lunches where staff studying can seek assistance from staff who have already completed the same course or subject. Managers will also receive training on motivating the different generations working at NSWALC.

## ABORIGINAL EMPLOYMENT PLAN (AEP)

In the last reporting period, NSWALC began implementing its Aboriginal Employment Plan (AEP). An Aboriginal Employment Committee was established and the senior roles of three Executive Directors and five Zone Directors were made Aboriginal identified positions from the time that new vacancies occur in these positions.

Three Aboriginal staff completed Diploma of Management courses and of the NSWALC staff undertaking short courses in areas including communication and negotiation, facilitation, leadership, MS Outlook and administration, 58 percent were Aboriginal.

During this time Aboriginal employment within NSWALC increased by 1.5 percent.

## WORKERS COMPENSATION AND REHABILITATION 2014-2015

### WORK RELATED INJURY & ILLNESS

Number reported	8
Nature of Accidents	
Slips, Trips & Falls	1
Mental Health (anxiety, stress)	1
Cuts/Scratches	3
Motor Vehicle Accident	1
Ergonomics/Overuse	1
Sprain/Strain	
Manual Handling	1
Bites	
Sickness	
Total	8

### WHERE INJURIES OCCURRED

Number reported	8
At the Workplace	7
On the journey to/from work	1
At work away from the normal workplace	0
Total	8

Claims brought forward from 2013/2014	0
New claims this period	1
Total	1

## WORKERS COMPENSATION CLAIMS

Claims status at 30.6.15	
Claims finalised	1
Claims declined/under investigation	0
Liability accepted & claim continuing	0
Provisional Liability	0
Total	1
Open claims carried forward to 2014/2015	0

Cases brought forward from 2013/2014	0
New cases this period	1
Total	1

## REHABILITATION

Cases completed	1
Cases continuing & carried forward to 2015/2016	0
Total	1

## 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 requires the Tribunal to make a determination of the remuneration paid to office holders on and from October 1 each year. 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 \$132,595 with consequential increases for the Chairperson (10 percent) and Deputy Chairperson (5 percent).

## NUMBER OF SENIOR STAFF AND EXECUTIVE

	Current Year			Prior year	
Executive Positions	No	Male	Female	Male	Female
SES 4	1	1	0	1	0
SES 3	1	1	0	1	0
SES 2 or equivalent	2	2	0	0	1
SES 1 or equivalent	1		1		

## SENIOR STAFF AND EXECUTIVE REMUNERATION

Executive Positions	2013-14	2014-15
SES 4	\$258,000.00	\$286,100.00
SES 3	\$208,500.00	\$241,372.00
SES 2 or equivalent	\$194,467.00	\$210,527.00
SES 1 or equivalent		\$180,486.00

## PERCENTAGE OF TOTAL EMPLOYEE-RELATED EXPENDITURE ON SENIOR STAFF AND EXECUTIVE

2013-14	2014-15
5.89 percent	9.9 percent



## BUDGETS

The NSWALC Budget for 2014-2015 was initially prepared in May 2014 and was revised in February 2015. The Budgets are set out below.

BUDGET FY 2014-15			
	Main Budget FY 2014-15 \$'000	Revised Budget FY 2014-15 \$'000	Budget Variance FY 2014-15 \$'000
INTEREST INCOME	184	184	
INVESTMENT INCOME	51,433	51,433	
RENTAL INCOME	1,714	1,714	
SUNDRY INCOME	43	43	
<b>TOTAL INCOME</b>	<b>53,374</b>	<b>53,374</b>	
AUDIT FEES	(315)	(340)	(25)
BAD AND DOUBTFUL DEBTS	(750)	(1,470)	(720)
COMPUTER EXPENSES	(254)	(254)	
CONSULTANT FEES	(712)	(767)	(55)
DEPRECIATION AND AMORTISATION	(1,540)	(669)	871
EMPLOYEE EXPENSES	(13,544)	(14,359)	(815)
FUNDING OF LOCAL ALC	(15,472)	(15,372)	100
GRANTS EXPENSE	(1,135)	(16,420)	(15,285)
INSURANCE	(424)	(424)	
LEGAL EXPENSE	(1,000)	(1,000)	
MOTOR VEHICLE EXPENSES	(582)	(575)	7
OTHER EXPENSES	(6,155)	(6,588)	(433)
PROPERTY LEASING EXPENSES	(700)	(700)	
REPAIRS AND MAINTENANCE	(159)	(234)	(75)
RURAL PROPERTIES EXPENSES	(74)	(150)	(76)
<b>TOTAL OPERATING COSTS</b>	<b>(42,816)</b>	<b>(59,322)</b>	<b>(16,506)</b>
<b>OPERATING SURPLUS</b>	<b>10,558</b>	<b>(5,948)</b>	<b>(16,506)</b>

\* Note: The council approved to transfer regional agricultural properties and some Ex-Koompahtoo LALC properties valued at \$15 million to the relevant LALCs

An outline of the budget for 2015-16 as endorsed by the NSWALC Council and the Minister for Aboriginal Affairs is as follows:

<b>BUDGET FY 2015-16</b>	
	Budget FY 2015-16 \$'000
INTEREST INCOME	120
INVESTMENT INCOME	55,013
RENTAL INCOME	1,403
SALES/ OTHER INCOME - RURAL PROPERTIES	26
SUNDRY INCOME	74
<b>TOTAL INCOME</b>	<b>56,636</b>
AUDIT AND INVESTIGATION FEES	(350)
BAD AND DOUBTFUL DEBTS	(400)
COMPUTER EXPENSES	(312)
CONSULTANT FEES	(873)
DEPRECIATION AND AMORTISATION	(800)
EMPLOYEE EXPENSES	(15,312)
FUNDING OF LOCAL ALC	(15,700)
GRANTS EXPENSE	(1,105)
INSURANCE	(437)
LEGAL EXPENSE	(1,010)
MOTOR VEHICLE EXPENSES	(438)
OTHER EXPENSES	(8,855)
PROPERTY LEASING EXPENSES	(697)
REPAIRS AND MAINTENANCE	(44)
RURAL PROPERTIES EXPENSES	(53)
<b>TOTAL OPERATING COSTS</b>	<b>(46,385)</b>
<b>OPERATING SURPLUS</b>	<b>10,251</b>

## 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.

## INSURANCE

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

Insurance Company	Policy	Sum Insured \$'000
QBE	Industrial Special Risks	\$49,069
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
CGU	Yamba Homes	\$500 each

# 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 NSWALC or the consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of the 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 any other information, that 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 role by the possibility of losing clients or income.



Karen Taylor  
Director, Financial Audit Services

30 September 2015  
SYDNEY

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

YEAR ENDED 30 JUNE 2015

### STATEMENT BY THE COUNCIL MEMBERS

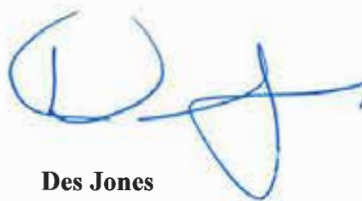
Pursuant to Section 41C of the Public Finance and Audit Act 1983, we state that in our opinion:

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 2015 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 2015* 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: 29/09/2015

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

		2015	2014
	Notes	\$'000	\$'000
<b>REVENUE</b>			
Sale of Goods and Services	7	1	638
Investment Revenue	8	40,259	35,077
Grants and Contributions	9	40	87
Other Revenue	10	3,249	3,245
<b>Total Revenue</b>		<b>43,549</b>	<b>39,047</b>
<b>EXPENSES EXCLUDING LOSSES</b>			
Employee Related Expenses	13	13,617	13,412
Depreciation	26	613	813
Amortisation	27	116	190
Doubtful Debts and Debt Write Off		-	1,306
Funding to Local Aboriginal Land Councils	14	15,014	14,879
Grants	15	15,233	7,410
Impairment for Incidental Assets	25(b) & 39	63	-
Share of net (profit)/loss of associates and joint ventures accounted for using the equity method.	39	42	-
Legal Expenses		827	1,083
Other Operating Expenses	16	6,412	7,644
Program Expenses	17	2,316	3,007
<b>Total Expenses Excluding Losses</b>		<b>54,253</b>	<b>49,744</b>
<b>Gain / (Loss) on Disposal of Property, Plant and Equipment</b>	11	(10)	268
<b>Other Gains / (Losses)</b>	12	25,851	39,653
<b>NET RESULT</b>		<b>15,137</b>	<b>29,224</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that will not be reclassified to net result</i>			
Actuarial gain on defined super		(100)	34
Net increment on revaluation		3,546	6,472
<b>Total Other Comprehensive Income</b>		<b>3,446</b>	<b>6,506</b>
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE YEAR</b>		<b>18,583</b>	<b>35,730</b>

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

		2015	2014
ASSETS	Notes	<u>\$'000</u>	<u>\$'000</u>
<b>Current Assets</b>			
Cash and Cash Equivalents	18	4,229	5,803
Restricted Assets	19	4,126	3,413
Receivables	20	2,162	1,589
Biological Assets	21	-	13
Financial Assets at Fair Value	22	644,984	615,056
Derivatives	23	102,137	48,798
Other Assets	24	17	15
Assets Held for Sale/Transfer to LALCs		3,498	-
<b>Total Current Assets</b>		<b>761,153</b>	<b>674,687</b>
<b>Non-Current Assets</b>			
Receivables	20	2,078	410
Other Financial Assets	25(a)(c)	501	482
Other Financial Assets using the equity method	25(b) & 39	-	-
Property, Plant and Equipment	26	29,208	43,109
Intangible Assets	27	130	103
Artefacts	28	634	634
<b>Total Non-Current Assets</b>		<b>32,551</b>	<b>44,738</b>
<b>TOTAL ASSETS</b>		<b>793,704</b>	<b>719,425</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	30	5,478	4,134
Derivatives	31	102,253	48,214
Provisions	32	2,361	2,062
<b>Total Current Liabilities</b>		<b>110,092</b>	<b>54,410</b>
<b>Non-Current Liabilities</b>			
Provisions	32	611	597
<b>Total Non-Current Liabilities</b>		<b>611</b>	<b>597</b>
<b>TOTAL LIABILITIES</b>		<b>110,703</b>	<b>55,007</b>
<b>NET ASSETS</b>		<b>683,001</b>	<b>664,418</b>
<b>EQUITY</b>			
Reserves		25,415	26,084
Accumulated Funds		657,586	638,334
<b>TOTAL EQUITY</b>		<b>683,001</b>	<b>664,418</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Accumulated Funds <u>\$'000</u>	Revaluation Reserve <u>\$'000</u>	Total <u>\$'000</u>
<b>Balance at 1 July 2014</b>	<b>638,334</b>	<b>26,084</b>	<b>664,418</b>
<b>Net Result for the year</b>	<b>15,137</b>	<b>-</b>	<b>15,137</b>
<b>Other Comprehensive Income:</b>			
Actuarial gain on defined super	(100)	-	(100)
Net increment on revaluation	-	3,546	3,546
Assets transferred to Local Aboriginal Land Council	4,215	(4,215)	-
<b>Total Comprehensive Income for the year</b>	<b>19,252</b>	<b>(669)</b>	<b>18,583</b>
<b>Balance at 30 June 2015</b>	<b>657,586</b>	<b>25,415</b>	<b>683,001</b>
<b>Balance at 1 July 2013</b>	<b>608,471</b>	<b>20,217</b>	<b>628,688</b>
<b>Net Result for the year</b>	<b>29,224</b>	<b>-</b>	<b>29,224</b>
<b>Other Comprehensive Income:</b>			
Actuarial gain on defined super	34	-	34
Net increment on revaluation	-	6,472	6,472
Properties transferred to Local Aboriginal Land Council	605	(605)	-
<b>Total Comprehensive Income for the year</b>	<b>29,863</b>	<b>5,867</b>	<b>35,730</b>
<b>Balance at 30 June 2014</b>	<b>638,334</b>	<b>26,084</b>	<b>664,418</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

		2015	2014
	Notes	<u>\$'000</u>	<u>\$'000</u>
<b>Receipts</b>			
Sale of Goods and Services		311	1,007
Interest and Investment Income		119	146
Community Development levy received		1,190	708
Grants and Contributions		44	87
Recovery of Rates and Administrators Cost Paid on behalf of LALCs		581	1,102
GST Received from ATO		2,523	2,434
Other		-	306
<b>Total Receipts</b>		<u><b>4,768</b></u>	<u><b>5,790</b></u>
<b>Payments</b>			
Employee Related Expenses		(13,416)	(13,492)
Grants and Subsidies		(1,607)	(1,988)
Funding to LALCs		(16,494)	(15,388)
Rates and Administrators Cost Paid on behalf of LALCs		(1,382)	(1,599)
Payment for Goods and Services		(9,652)	(11,959)
<b>Total Payments</b>		<u><b>(42,551)</b></u>	<u><b>(44,426)</b></u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>35</b>	<u><b>(37,783)</b></u>	<u><b>(38,636)</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Land and Buildings, Plant and Equipment	11	-	1,099
Proceeds from Sale of Financial Assets		37,487	36,087
Purchases of Property, Plant and Equipment		(564)	(231)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<u><b>36,923</b></u>	<u><b>36,955</b></u>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>(860)</b>	<b>(1,681)</b>
Opening Cash and Cash Equivalents		8,956	10,637
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>18&amp;19</b>	<u><b>8,096</b></u>	<u><b>8,956</b></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 Consolidated Financial Statements for the year ended 30 June 2015

## 1. REPORTING ENTITY

New South Wales Aboriginal Land Council (the Council) is a Statutory Body constituted by the *Aboriginal Land Rights Act 1983*. The Council is a not-for-profit entity (as profit is not its principal objective).

The Council, as a reporting entity, comprises the entity under its control that is NSWALC Resources Pty Ltd (Resources P/L). Resources P/L was incorporated on 26 September 2014 and is a wholly-owned subsidiary of the Council (please refer to Note 39 for more information). Resources P/L invested \$105,000 as 50% of equity holding in Paradigm Resources Pty Ltd (Paradigm) in the financial year 2015.

The consolidated financial statements for the year ended 30 June 2015 have been authorised for issue by the Council on 29<sup>th</sup> September 2015.

## 2. BASIS OF PREPARATION

### (a) Basis of Preparation

The consolidated 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*, the *Public Finance and Audit Regulation 2015* and Treasurer's Directions; and
- the *New South Wales Aboriginal Land Rights Act 1983* and its Regulation.

The consolidated financial statements incorporate the financial information of the Council and Resources P/L. The financial information of the Council as a parent entity has been stated in Note 38.

### (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 Consolidated 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 2015 and determined its status as not-for-profit for financial reporting purposes.

### (d) Basis of measurement

The consolidated 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 Consolidated Financial Statements for the year ended 30 June 2015

### (e) *Functional and presentation currency*

These consolidated 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 consolidated 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 consolidated 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 2014. As a result, the Council has determined that its accounting policies and disclosures in relation to the presentation of these consolidated financial statements are appropriate.

### (h) *Principles of consolidation*

#### (i) *Controlled entities*

NSWALC Resources Pty Ltd is a wholly owned subsidiary of the Council and was incorporated on 26 September 2014. NSWALC Resources Pty Ltd was fully consolidated from the date of incorporation. Accounting policies of the company are consistent with that of the council. Consolidated financial statements were prepared after eliminating all inter entity transactions. The financial year of Resources P/L is the same as the Council's.

# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

## Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

### (ii) *Joint Venture*

NSWALC Resources Pty Ltd has joint venture in Paradigm Resources Pty Ltd with Indigenous Energy Resources Pty Ltd each having equal shareholding. The investment in Paradigm Resources Pty Ltd is accounted for in the NSWALC Resources Pty Ltd using the equity method of accounting which is then consolidated with the financial statements of the Council.

### (iii) *Equity Method*

Equity method of accounting is one where the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. After application of equity method accounting, the Council determines the fair value of the investment by applying the principles stated in the AASB 139 Financial Instruments: Recognition and Measurement. Any reduction in values is recognised as impairment loss in the consolidated financial statements of the Council.

## 3. SIGNIFICANT ACCOUNTING POLICIES

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

#### (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.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

(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 Consolidated 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 Consolidated 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 include salaries and wages for the year, workers compensation insurance premium for the year, 9.50% defined contribution incurred for employees under defined contribution scheme and amounts nominated by the fund managers in respect of defined benefit schemes. Annual leave and long service leave expenses are charged as stated in Note 3 (d) (ii).

(ii) Depreciation expenses

Depreciation expenses are charged as stated in 3 (c) (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.



## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

#### (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. The fair value of SEFA share as at 30 June 2015 is 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.

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 owned and operated 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

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

combination of profit making purposes including: marketed and sold for food; used for future plantings; and fodder for livestock.

As part of transfer of assets, all grains held at the beginning of the financial year were handed over to the North West Land Corporation. Kaituna Uno and Calooma Nulty Springs farms were transferred in November 2014. No biological assets were held by the Council as at 30 June 2015.

#### (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 Consolidated 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 Consolidated 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 Consolidated Statement of Profit or Loss and Other Comprehensive Income. However, interest calculated using the effective interest method and dividends are recognised in the Consolidated 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 Consolidated 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 Consolidated 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.



## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

- *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 received money 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 consolidated 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.

(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 2013-2014) and above individually (or forming part of a network costing more than \$1,000) are capitalised.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

- 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.

Revaluation increments are credited directly to the asset revaluation reserve, except to the extent that it reverses a revaluation decrement 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 increment is credited to the Statement of Profit or Loss and Other Comprehensive Income to the extent of the decrement previously charged. A decrement 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.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

- 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.

(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 on a straight-line basis over the lease term.

(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.



## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

Where an asset is acquired at no or nominal cost, the fair value as at the date of acquisition is capitalised in the fixed asset register.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Council's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Council's intangible assets are amortised using the straight line method over a period of three years.

In general, intangible assets are tested for impairment where an indicator of impairment exists. However, as a not-for-profit entity, the Council is effectively exempted from impairment testing.

#### (d) *Liabilities*

##### (i) *Payables*

These amounts represent liabilities for goods and services provided to the Council. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

##### (ii) *Employee Benefits and Other Provisions*

###### • *Salaries and Wages, Annual Leave and On-Costs*

Liabilities for salaries and wages (including non-monetary benefits) and annual leave that 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 3.01% (2013-2014 3.54%) 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.

###### • *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 14-05, 15-09) 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.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

- 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 2.01%, 2.05% and 2.32% (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 2013-2014).

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

During the year ended 30 June 2015, the Council transferred properties to Biraban Local Aboriginal Land Council, Mindaribba Local Aboriginal Land Council, Wagonga Local Aboriginal Land Council and North West Land Corporation 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).

Expected sale and transfer of properties within next twelve months are classified as Properties Held for Sale and Transfer to LALCs under current assets.

(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 Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated 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*.

(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.

# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

## Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

### (j) *New Australian Accounting Standards issued but not yet effective*

At the date of authorisation of the consolidated financial statements, the Standards and Interpretations listed in Note 40 were in issue but not yet effective. NSW Treasury has mandated not to early adopt any of the new Standards / Interpretations through Treasury Circular NSWTC15-03 *Mandates of Options and Major Policy Decisions under Australian Accounting Standards*.

## 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 Council 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).

The Council 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



## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

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 Executive Director Finance, Investments and Governance (ED/FIG) 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 Management Governance reports to the Audit and Risk 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 and Risk 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 Manager of 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 and Risk 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

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

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.

- *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 Senior Financial Accountant (SFA) 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 a short period of time. Credit risk exposure is reported in the monthly aged analysis report. The SFA, 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 \$500,000 with the National Australia Bank.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

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 (NSWTC11/12 *Payment of Accounts*). If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. NSWTC11/12 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.



## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

(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.

(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 and Risk 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 (SAA) - to generate revenue and mitigate risks relate to investments.
- b) Drawdown Rule – as a guide to control operating expenditure.

SAA has been implemented and is closely monitored by the Investment Committee and the Council.

The Drawdown Rule is based on the following key elements:

## **NEW SOUTH WALES ABORIGINAL LAND COUNCIL**

**Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015**

- 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 6.76% of the investment balance in 2014-15 (6.04% of the investment balance in 2013-14). The spending rate is to be reduced from 4.2% to 4% in 2015-16 financial year.

# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

	2015 <u>\$'000</u>	2014 <u>\$'000</u>
<b>7. SALE OF GOODS AND SERVICES</b>		
Rural Properties Crop and Cattle Sales	1	316
Tracker Advertising Income	-	285
Tracker Subscriptions Income	-	23
K2 Greenies Project	-	14
	<u>1</u>	<u>638</u>
<b>8. INVESTMENT REVENUE</b>		
Interest	138	175
Dividends	42,618	29,287
Realised Gains/(Losses)	(2,497)	5,615
	<u>40,259</u>	<u>35,077</u>
<b>9. GRANTS AND CONTRIBUTIONS</b>		
Grants from Government and Non-Government Agencies	40	87
	<u>40</u>	<u>87</u>
<b>10. OTHER REVENUE</b>		
Rental Income	1,207	1,292
Rural Properties Other Income	74	109
Investment Managers Fees Rebates	738	853
Movement in Impairment	917	699
Legal Expenses Recovered	100	73
Value of Land Claimed	4	-
Other	209	219
	<u>3,249</u>	<u>3,245</u>

## 11. GAIN/(LOSS) ON DISPOSAL/WRITE OFF OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Intangible Assets <u>\$'000</u>	Plant and Equipment <u>\$'000</u>	Land and Building <u>\$'000</u>	Total <u>\$'000</u>
<b>2015</b>				
Written Down Value of Assets Disposed	(2)	(8)		(10)
<b>Net Gain/(Loss) on Disposal and Write Off</b>	<u>(2)</u>	<u>(8)</u>	<u>-</u>	<u>(10)</u>
	Intangible Assets <u>\$'000</u>	Plant and Equipment <u>\$'000</u>	Land and Building <u>\$'000</u>	Total <u>\$'000</u>
<b>2014</b>				
Proceeds from Disposal	-	-	1,105	1,105
Written Down Value of Assets Disposed	-	(1)	(830)	(831)
Commission on Disposal	-	-	(6)	(6)
<b>Net Gain/(Loss) on Disposal</b>	<u>-</u>	<u>(1)</u>	<u>269</u>	<u>268</u>



**NEW SOUTH WALES ABORIGINAL LAND COUNCIL**  
**Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015**

	2015 <u>\$'000</u>	2014 <u>\$'000</u>
<b>12. OTHER GAINS/(LOSSES)</b>		
<b>CHANGES IN FAIR VALUE OF INVESTMENTS</b>		
Net change in fair value of Hedge Instrument	(116)	583
Net change in fair value of Financial Assets classified as held for trading	25,967	39,070
	<u>25,851</u>	<u>39,653</u>
<b>13. EMPLOYEE RELATED EXPENSES</b>		
Salaries and Wages (Including Recreation Leave)	11,283	11,295
Superannuation Expenses	1,076	1,045
Leave Expenses	1,070	959
Workers' Compensation Insurance	188	113
	<u>13,617</u>	<u>13,412</u>
<b>14. FUNDING TO LOCAL ABORIGINAL LAND COUNCILS</b>		
Fully Funded	12,764	13,390
Partly Funded	1,173	984
Essential Expenses Paid for LALCs	1,057	505
Capacity Building for LALCs	20	-
	<u>15,014</u>	<u>14,879</u>
<b>15. GRANTS</b>		
Funeral Assistance	716	784
Community Development Levy	524	377
Properties Transferred to LALCs	13,751	5,422
Others	242	827
	<u>15,233</u>	<u>7,410</u>

# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
<b>16. OTHER OPERATING EXPENSES</b>		
Audit Fees - The Audit Office of NSW	185	180
Audit Fees - Internal Auditor and Investigator	117	220
Consultants Fees	599	617
Enterprise and Farm Expenses	216	716
Motor Vehicle Expenses	540	573
Maintenance Expenses*	266	464
Travel Expenses and Meal Allowances	876	1,017
Insurance	290	341
Rent and Outgoings	601	773
Postage, Printing and Stationery	94	271
Contractor Fees	236	416
Electricity, Gas & Power	210	242
Telephone & Communications	314	241
Statewide Conference Expenses	-	2
Leased Property Other Expenses	120	127
IT Related Expenses	165	114
Photocopying Expenses	181	200
Staff Training, Development and Recruitment	258	179
Miscellaneous Expenses	1,144	951
	<b>6,412</b>	<b>7,644</b>

\* 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*	1,655	1,800
Subdivision Project**	661	1,207
	<b>2,316</b>	<b>3,007</b>

Note:

\*The Council paid 50% share of its contribution in relation to operation, maintenance and monitoring of water and sewerage services for Aboriginal Communities. The payment was made to the New South Wales Office of Water who manages the project as per the agreement between New South Wales State Government and the Council.

\*\*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 Consolidated Financial Statements for the year ended 30 June 2015

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
<b>18. CASH AND CASH EQUIVALENTS</b>		
Cash at Bank and in Hand	3,900	5,481
Funeral Fund - Cash at Bank	329	322
	<u>4,229</u>	<u>5,803</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 is 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.

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
<b>19. RESTRICTED ASSETS</b>		
Subdivision Project - Cash at Bank	517	993
Community Development Levy - Cash at Bank	3,284	2,095
Wallung Trust - Cash at Bank	65	65
Wallung Trust - Property*	260	260
	<u>4,126</u>	<u>3,413</u>

Note \*: 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.

# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

	2015 <u>\$'000</u>	2014 <u>\$'000</u>
<b>20. RECEIVABLES</b>		
<b>a) Current</b>		
Trade Debtors	377	332
Statutory Debts (Local Aboriginal Land Council)	143	94
Prepayments	825	343
Franking Credit Rebates	817	822
	<u>2,162</u>	<u>1,591</u>
Less: Allowance for Impairment	-	(2)
	<u><b>2,162</b></u>	<u><b>1,589</b></u>
<b>b) Non-Current</b>		
Statutory Debts (Local Aboriginal Land Council)	4,127	3,651
Loans on Demand (Local Aboriginal Land Council)	-	41
	<u>4,127</u>	<u>3,692</u>
Less: Allowance for Impairment	(2,049)	(3,282)
	<u><b>2,078</b></u>	<u><b>410</b></u>
<b>Movement in the allowance for impairment</b>		
Balance at 1 July	3,284	2,978
Amounts written off during the year	(318)	(288)
Increase/(Decrease) of provision during the year	(505)	1,293
Decrease in allowance due to repayment of debt	(412)	(699)
Balance at 30 June	<u><b>2,049</b></u>	<u><b>3,284</b></u>
<b>Represented by:</b>		
Current	-	2
Non-Current	<u>2,049</u>	<u>3,282</u>
	<u><b>2,049</b></u>	<u><b>3,284</b></u>
<b>21. BIOLOGICAL ASSETS</b>		
Grain and Other Rural Stock	-	13
	<u>-</u>	<u><b>13</b></u>
<b>Reconciliation of carrying amounts of livestock</b>		
Carrying Amount at 1 July	-	275
Decrease due to Sales	-	(275)
<b>Carrying amount at 30 June</b>	<u><b>-</b></u>	<u><b>-</b></u>

# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
<b>22. FINANCIAL ASSETS AT FAIR VALUE</b>		
Australian Fixed Income	37,928	37,461
Australian Equities	83,488	79,863
International Equities	223,414	216,778
Emerging Markets	44,232	37,751
Global Listed Property Trusts	37,593	33,575
Hedge Fund	103,032	98,573
International Fixed Income	39,867	36,418
Absolute Return Funds	36,071	35,817
Inflation - Linked Bond	32,174	31,818
Cash Fund	7,185	7,002
	<u>644,984</u>	<u>615,056</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	102,137	48,798
	<u>102,137</u>	<u>48,798</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	17	15
	<u>17</u>	<u>15</u>

## 25. OTHER FINANCIAL ASSETS

(a) Mortgages	432	415
	<u>432</u>	<u>415</u>
(b) Other incidental Asset		
Shares in Paradigm	105	-
- Increase/(Decrease) in value using equity accounting	(42)	-
- Provision for impairment of shares	(63)	-
	<u>-</u>	<u>-</u>
(c) Investment Term Deposits		
Term Deposits	69	67
	<u>501</u>	<u>482</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 Consolidated Financial Statements for the year ended 30 June 2015

## 26. PROPERTY, PLANT AND EQUIPMENT

	Land \$'000	Building \$'000	Plant and Equipment \$'000	Motor Vehicle \$'000	Work in Progress \$'000	Total \$'000
<b>At 30 June 2014 - fair value</b>						
Gross carrying amount	30,666	12,291	3,298	196	75	46,526
Accumulated depreciation and impairment	-	-	(3,222)	(195)	-	(3,417)
<b>Net Carrying Amount</b>	<b>30,666</b>	<b>12,291</b>	<b>76</b>	<b>1</b>	<b>75</b>	<b>43,109</b>
<b>At 30 June 2015 - fair value</b>						
Gross carrying amount	18,506	10,222	1,912	12	342	30,994
Accumulated depreciation and impairment	-	-	(1,774)	(12)	-	(1,786)
<b>Net Carrying Amount</b>	<b>18,506</b>	<b>10,222</b>	<b>138</b>	<b>-</b>	<b>342</b>	<b>29,208</b>

### Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

	Land \$'000	Building \$'000	Plant and Equipment \$'000	Motor Vehicle \$'000	Work in Progress \$'000	Total \$'000
<b>Year ended 30 June 2015</b>						
Net carrying amount at 1 July 2014	30,666	12,291	76	1	75	43,109
Additions	4	-	76	-	342	422
Capitalised/Reclassified	140	(140)	75	-	(75)	-
Disposal	-	-	(8)	-	-	(8)
Transfer to LALCs	(12,244)	(1,502)	(5)	-	-	(13,751)
Properties Held for Sale and Transfer to LALCs	(3,117)	(381)	-	-	-	(3,498)
Revaluation Movement	3,057	490	-	-	-	3,547
Depreciation expense	-	(535)	(77)	(1)	-	(613)
<b>Net Carrying Amount at 30 June 2015</b>	<b>18,506</b>	<b>10,222</b>	<b>138</b>	<b>0</b>	<b>342</b>	<b>29,208</b>

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

	<b>Land</b>	<b>Building</b>	<b>Plant and Equipment</b>	<b>Motor Vehicle</b>	<b>Work in Progress</b>	<b>Total</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>At 30 June 2013 - fair value</b>						
Gross carrying amount	31,954	14,222	3,673	215	-	50,064
Accumulated depreciation and impairment	-	(2,941)	(3,514)	(213)	-	(6,668)
<b>Net Carrying Amount</b>	<b>31,954</b>	<b>11,281</b>	<b>159</b>	<b>2</b>	<b>-</b>	<b>43,396</b>
<b>At 30 June 2014 - fair value</b>						
Gross carrying amount	30,666	12,291	3,298	196	75	46,526
Accumulated depreciation and impairment	-	-	(3,222)	(195)	-	(3,417)
<b>Net Carrying Amount</b>	<b>30,666</b>	<b>12,291</b>	<b>76</b>	<b>1</b>	<b>75</b>	<b>43,109</b>

### Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

	<b>Land</b>	<b>Building</b>	<b>Plant and Equipment</b>	<b>Motor Vehicle</b>	<b>Work in Progress</b>	<b>Total</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>Year ended 30 June 2014</b>						
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)
<b>Net Carrying Amount at 30 June 2014</b>	<b>30,666</b>	<b>12,291</b>	<b>76</b>	<b>1</b>	<b>75</b>	<b>43,109</b>

# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

	2015 \$'000	2014 \$'000
<b>27. INTANGIBLE ASSETS</b>		
Gross carrying amount	1,616	1,512
Accumulated amortisation and impairment	(1,486)	(1,409)
<b>Carrying amount</b>	<b>130</b>	<b>103</b>
<b>Reconciliation</b>		
Net carrying amount at 1 July 2014	103	370
Additions	145	65
Written-off	(2)	-
Transfer to LALC	-	(143)
Amortisation	(116)	(189)
<b>Carrying amount at 30 June 2015</b>	<b>130</b>	<b>103</b>

## 28. ARTEFACTS

Carrying value at 1 July 2014	634	634
<b>Carrying value at 30 June 2015</b>	<b>634</b>	<b>634</b>

Artefacts were revalued in June 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
<b>2015</b>				
Property, plant and equipment				
Land and buildings (Note 19, 26)	-	28,989	-	28,989
Artefacts (Note 28)	-	634	-	634
	-	29,623	-	29,623
<b>2014</b>				
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 the three levels during the periods.

# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

## (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.

The majority of land and building assets are valued using market evidence with adjustment for condition, location, comparability, etc and therefore are categorised as Level 2.

The property at 33 Argyle Street Parramatta is valued using income approach (capitalising rental income) and therefore is categorised as Level 2 as well.

### *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.

	2015 <u>\$'000</u>	2014 <u>\$'000</u>
<b>30. PAYABLES</b>		
Accrued Salaries, Wages and On-Costs	408	386
Creditors	1,457	1,332
Community Development Levy	3,284	2,094
Funeral Fund - Refundable Contributions	329	322
	<u>5,478</u>	<u>4,134</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	102,253	48,214
	<u>102,253</u>	<u>48,214</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 Consolidated Financial Statements for the year ended 30 June 2015

	2015 <u>\$'000</u>	2014 <u>\$'000</u>
<b>32. PROVISIONS</b>		
<b>Current Employee benefits and related on-costs</b>		
Provision for Annual Leave-Long Term	1,174	1,069
Provision for Long Service Leave - Long Term	564	520
Provision for Unfunded Superannuation (refer to Note 32(a))	505	388
	<u>2,243</u>	<u>1,977</u>
<b>Other Current Provisions</b>		
Provision for Make-Good	43	10
Provision for Legal Appeal	75	75
	<u>118</u>	<u>85</u>
	<u>2,361</u>	<u>2,062</u>
<b>Non-Current Employee Benefits</b>		
Provision for Long Service Leave	536	484
	<u>536</u>	<u>484</u>
<b>Other Non-Current Provisions</b>		
Provision for Make-Good	75	113
	<u>75</u>	<u>113</u>
	<u>611</u>	<u>597</u>
<b>Aggregate Employee Benefits and Related On-Costs</b>		
Provisions - Current	2,243	1,977
Provisions - Non Current	536	484
Accrued Salaries and Wages (refer to Note 30)	408	386
	<u>3,187</u>	<u>2,847</u>

**Movements in provisions (other than employee benefits)**

Movements in each class of provision during the financial year, other than employee benefits are set out below:

**Provision for Make-Good**

Carrying amount at 1 July	123	123
Additional Provisions Recognised	-	-
<b>Carrying amount at 30 June</b>	<u>123</u>	<u>123</u>

Provision for make-good has been provided for the leased offices by the Council at the end of the lease terms.



# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

## Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

### (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 30/06/2015

Discount rate	3.03% pa
Contribution tax rate	15%
Salary increase rate (excluding promotional increases)	2.50% 2015/2016 to 2018/2019 ; 3.50% 2019/2020; 3.00% pa 2021/2022 to 2024/2025; 3.50% pa thereafter
Rate of CPI increase	2.50% pa 2015/2016; 2.75% 2016/2017 & 2017/2018; 2.50% pa thereafter
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 Consolidated Financial Statements for the year ended 30 June 2015

## Reconciliation of the present value of the defined benefit obligation - 2015

	SANCS 30-Jun-15 \$'000	SSS 30-Jun-15 \$'000	Total 30-Jun-15 \$'000
Present value of partly funded defined benefit obligation at beginning of the year	(2)	1,272	1,270
Interest cost	-	44	44
Actuarial (gains)/losses	(1)	100	99
Benefits paid	-	(54)	(54)
Taxes, premiums & expenses paid	-	8	8
Present value of partly funded defined benefit obligation at end of the year	(3)	1,370	1,367

## Reconciliation of the fair value of Fund assets - 2015

	SANCS 30-Jun-15 \$'000	SSS 30-Jun-15 \$'000	Total 30-Jun-15 \$'000
Fair value of Fund assets at beginning of the year	15	818	833
Interest income	1	28	29
Actual return on Fund assets less interest income	1	65	66
Benefits paid	-	(54)	(54)
Taxes, premiums & expenses paid	-	8	8
Fair value of Fund assets at end of the year	17	865	882

## Reconciliation of the assets and liabilities recognised in Statement of Financial Position - 2015

	SANCS 30-Jun-15 \$'000	SSS 30-Jun-15 \$'000	Total 30-Jun-15 \$'000
Present value of partly funded defined benefit obligation at end of year	(3)	1,370	1,367
Fair value of Fund assets at end of year	(17)	(865)	(882)
<b>Subtotal</b>	<b>(20)</b>	<b>505</b>	<b>485</b>
Net liability/(Asset) recognised in balance sheet at end of year	(20)	505	485

## Expense recognised in Statement of Comprehensive Income - 2015

	SANCS 30-Jun-15 \$'000	SSS 30-Jun-15 \$'000	Total 30-Jun-15 \$'000
<b>Components Recognised in Income Statement</b>			
Net Interest	(1)	16	15
<b>Defined benefit cost</b>	<b>(1)</b>	<b>16</b>	<b>15</b>

## Amounts recognised in other comprehensive income - 2015

	SANCS 30-Jun-15 \$'000	SSS 30-Jun-15 \$'000	Total 30-Jun-15 \$'000
Actuarial (gains)/losses on liabilities	(1)	100	99
Actual return on Fund assets less Interest income	(1)	(65)	(66)
	(2)	35	33

# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

## 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)
<b>Subtotal</b>	<b>(16)</b>	<b>388</b>	<b>372</b>
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
<b>Components Recognised in Income Statement</b>			
Net Interest	-	15	15
<b>Defined benefit cost</b>	<b>-</b>	<b>15</b>	<b>15</b>

## 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 Consolidated Financial Statements for the year ended 30 June 2015

**33. COMMITMENTS**

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
<b>Operating Leases Payables</b>		
Future Non-Cancellable Operating Lease Rentals not Provided for and Payable:		
Not later than one year	712	814
Later than one year and not later than five years	512	773
Total (Including GST)	<u>1,224</u>	<u>1,587</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 \$111K (\$144K 2013-2014) has been included in the total above.

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
<b>Operating Leases Receivables</b>		
Future Non-Cancellable Operating Lease Payments not Received and Receivable:		
Not later than one year	1,054	1,077
Later than one year and not later than five years	1,506	1,451
Total (Including GST)	<u>2,560</u>	<u>2,528</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 \$233K (\$230K 2013-2014) has been included in the total above.

**34. CONTINGENT ASSET/LIABILITY**

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
<b>(a) Contingent assets</b>		
Legal Claims	-	100
	<u>-</u>	<u>100</u>

There is no known contingent asset at the balance date.

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
<b>(b) Contingent liabilities</b>		
Legal Claims	40	-
	<u>40</u>	<u>-</u>

There is a Minister's cost that may result in a liability for NSWALC in relation to Court of Appeal Proceeding 37048 of 2014(Berrima) that are expected to be \$40,000.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

### 35. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET SURPLUS

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
<b>Operating Surplus/(Deficit) from Ordinary Activities</b>	15,137	29,224
Investment earnings	(40,042)	(34,933)
Unrealised gains	(25,851)	(39,653)
Depreciation & amortisation	729	1,002
Allowance for impairment	63	13
Land claims at fair value	(4)	-
Superannuation actuarial (gain)/loss directly charged to accumulated funds	17	15
Unrecognised Revenue - Community Development levy received	1,190	-
Non cash items adjustment - GST	84	86
Reversal of prior years impairment	(917)	(699)
(Gain)/ loss on sale of non-current assets	10	(268)
Properties transferred at fair value	13,751	5,422
Other non cash transactions	-	(1,026)
 <b>Other Changes in Assets and Liabilities in respect of Ordinary Activities</b>		
Increase/ (decrease) in leave and other provisions	149	(5)
Increase/ (decrease) in provisions for doubtful debts	(1,232)	1,293
Decrease/ (increase) in receivables	(526)	(29)
Decrease/ (increase) in other financial assets	(18)	(18)
Decrease/ (increase) in prepayment	(481)	(19)
Increase/ (decrease) in creditors	145	592
Decrease/ (increase) in inventories	13	367
<b>Net Cash Inflows from Ordinary Activities</b>	<u><u>(37,783)</u></u>	<u><u>(38,636)</u></u>

### 36. LIABILITY AS TRUSTEE

The Council acts as trustee for the Gumbaynggir Tribal Aboriginal Elders Corporation.

The movement in the Trust bank account is:

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
Opening balance at 1 July	143	127
Add: Receipts	17	16
<b>Closing balance at 30 June</b>	<u><u>160</u></u>	<u><u>143</u></u>

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

### 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 2015 \$'000	Carrying Amount 2014 \$'000
<b>Class:</b>				
Cash and cash equivalents	18,25	N/A	4,298	5,870
Restricted cash and cash equivalents	19	N/A	3,866	3,153
Receivables <sup>1</sup>	20	Loans and receivables	174	176
Financial assets at fair value	22,23	Investment at fair value through profit or loss – classified at held for trading	747,121	663,854
Other financial assets	25	Loans and investments not for trading	432	415

Financial Liabilities	Note	Category	Carrying Amount 2015 \$'000	Carrying Amount 2014 \$'000
<b>Class:</b>				
Payables <sup>2</sup>	30	Financial liabilities measured at amortised cost	5,478	4,072
Financial liabilities at fair value	31	Hedged instruments at fair value through profit or loss – classified at held for trading	102,253	48,214

#### 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).



## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

### 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 \$'000	Level 2 \$'000	Level 3 \$'000	2015 Total \$'000
Financial assets at fair value				
Managed funds	296,015	348,867	-	644,882
Derivatives - Assets	-	102,137	-	102,137
	<b>296,015</b>	<b>451,004</b>	<b>-</b>	<b>747,019</b>
Financial liabilities at fair value				
Derivatives - Liabilities	-	102,253	-	102,253
	<b>-</b>	<b>102,253</b>	<b>-</b>	<b>102,253</b>
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2014 Total \$'000
Financial assets at fair value				
Managed funds	265,728	349,328	-	615,056
Derivatives - Assets	-	48,798	-	48,798
	<b>265,728</b>	<b>398,126</b>	<b>-</b>	<b>663,854</b>
Financial liabilities at fair value				
Derivatives - Liabilities	-	48,214	-	48,214
	<b>-</b>	<b>48,214</b>	<b>-</b>	<b>48,214</b>

### (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 2.67% (2.81% in 2013-2014), while over the year the weighted average interest rate was 2.61% (2.68% in 2013-14) on a weighted average balance during the year of \$7.17M (\$6.99M in 2013-14). None of these assets are past due or impaired.

#### (ii) Receivables – trade debtors

The Council does not have significant receivable balances from trade debtors. All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures were established to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Council will not be able to collect all amounts due.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

The evidence includes past experience, and current and expected changes in economic conditions.  
No interest is earned on trade debtors.

The only financial assets that are past due or impaired are listed below:

	Total <sup>1,2</sup> \$'000	Past due but not impaired <sup>1,2</sup> \$'000	Considered impaired <sup>1,2</sup> \$'000
<b>2015</b>			
< 3 months overdue	114	114	-
> 3 months overdue	60	60	-
<b>2014</b>			
< 3 months overdue	117	117	-
> 3 months overdue	17	15	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 <sup>1,2</sup> \$'000	Past due but not impaired <sup>1,2</sup> \$'000	Considered impaired <sup>1,2</sup> \$'000
<b>2015</b>			
< 3 months overdue	-	-	-
> 3 months overdue	432	432	-
<b>2014</b>			
< 3 months overdue	-	-	-
> 3 months overdue	456	415	41

### 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 Consolidated Financial Statements for the year ended 30 June 2015

### (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
<b>2015</b>					
Payables	5,149	5,149	5,149	-	-
Funeral Fund-Contributions Refundable	329	329	-	-	329
Financial Liabilities at fair value	102,253	102,253	102,253	-	-
	<b>107,731</b>	<b>107,731</b>	<b>107,402</b>	<b>-</b>	<b>329</b>
<b>2014</b>					
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	-	-
	<b>52,286</b>	<b>52,286</b>	<b>51,964</b>	<b>-</b>	<b>322</b>

# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

## (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\$152.25M as at 30 June 2015. (\$98.4M as at 30 June 2014).

### (ii) Interest rate risk

	Carrying Amount \$'000	-1% Profit \$'000	Equity \$'000	+1% Profit \$'000	Equity \$'000
<b>2015</b>					
<b>Financial assets</b>					
Cash and cash equivalents	4,298	(43)	4,255	43	4,341
Restricted cash and cash equivalents	3,866	(39)	3,828	39	3,905
Financial assets at fair value	747,121	(7,471)	739,650	7,471	754,592
Other financial assets	432	(4)	428	4	436
<b>Financial liabilities</b>					
Financial liabilities at fair value	102,253	(1,023)	101,230	1,023	103,275
<b>2014</b>					
<b>Financial assets</b>					
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
<b>Financial liabilities</b>					
Financial liabilities at fair value	48,214	(482)	47,732	482	48,696

### (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	2015 \$'000	2014 \$'000
Short-term facility	Cash, money market instruments	Up to 1.5 years	106,435	54,667
Strategic cash facility	Cash, money market and other interest rate instruments	Up to 3 years	644,984	615,056

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

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.

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 2015 \$'000	Percentage Spread %	Actual rate return 30 June 2015 %	Carrying value as at 30 June 2014 \$'000	Percentage Spread %	Actual rate return 30 June 2014 %
Australian Equities	83,488	12.94	5.53	79,863	12.98	17.64
International Equities	223,414	34.64	20.77	216,778	35.24	20.46
Global Listed Property	37,593	5.83	11.97	33,575	5.46	16.01
Australian Fixed Income	37,928	5.88	5.48	37,461	6.09	3.56
International Fixed Income	39,867	6.18	5.11	36,418	5.92	4.62
Inflation-linked Bond Fund	32,174	4.99	1.12	31,818	5.17	4.66
Absolute Returns	36,071	5.59	0.71	35,817	5.82	16.84
Fund of Hedge Fund	103,032	15.96	4.52	98,573	16.02	9.35
Emerging Markets	44,232	6.86	17.17	37,751	6.14	5.56
Cash Fund	7,185	1.11	2.60	7,002	1.14	2.67
Term Deposit	69	0.01	2.73	67	0.01	2.94
	<b>645,053</b>	<b>100.00</b>	<b>11.01</b>	<b>615,123</b>	<b>100.00</b>	<b>13.31</b>

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
Investments as at 30 June 2015	645,053	2.10%	42,925	687,978	(42,925)	602,128
Investments as at 30 June 2014	615,123	2.10%	40,954	656,077	(40,954)	574,169

(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 2015.



# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

## 38. PARENT ENTITY FINANCIAL INFORMATION

	2015	2014
	<u>\$'000</u>	<u>\$'000</u>
Current Assets	761,222	674,754
Non-Current Assets	32,482	44,671
<b>Total Assets</b>	<b>793,704</b>	<b>719,425</b>
Current Liabilities	110,087	54,410
Non-Current Liabilities	611	597
<b>Total Liabilities</b>	<b>110,698</b>	<b>55,007</b>
Reserves	25,415	26,084
Retained Earnings	657,591	609,110
<b>Profit for The Period</b>	<b>15,142</b>	<b>29,224</b>
<b>Other Comprehensive Income</b>	<b>3,446</b>	<b>6,505</b>

## 39. SUBSIDIARIES AND JOINT VENTURES

	Percentage of interest 2015	Percentage of interest 2014	Principal Place of Business	Relationship	Balance Date
NSWALC Resources Pty Ltd	100.00%	-	Australia	Subsidiary	30-Jun
Paradigm Resources Pty Ltd	50.00%	-	Australia	Joint Venture	30-Jun

### (a) Investments in Subsidiary

	Total Assets \$'000	Share Losses due to equity Accounting \$'000	Impairment for value of shares \$'000	Total Liabilities \$'000	Net Assets \$'000
<b>2015</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
NSWALC Resources Pty Ltd	106	(42)	(63)	6	(5)

	Total Revenue \$'000	Total Expense \$'000	Impairment of value of shares \$'000	Share of Loss due to Equity Accounting \$'000	Total Comprehensive gain/(Loss) \$'000
<b>2015</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
NSWALC Resources Pty Ltd	105	5	63	(42)	(5)

The Resources P/L invested in the joint venture company Paradigm for mining exploration. The exploration and development of resources such as natural gas is a speculative activity that involves a degree of financial risk.

The inter entity transactions between the Council and Resources P/L were eliminated during consolidation which resulted in creation of incidental assets in the consolidated financial statements of the Council as at 30 June 2015.



## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015

The carrying value of shares in the accounts of Resources P/L and the consolidated financial statement of the Council were reduced to \$63,000 by applying the equity accounting as per the accounting standards. Due to the uncertainty of the revenue stream from this investment and lack of marketability, the carrying value of the investment was impaired to one dollar which represents the fair value as at 30 June 2015 in both Resources P/L and the consolidated financial statement of the Council.

#### (b) Investments in Joint Ventures

	Total Assets \$'000	Total Liabilities \$'000	Net Assets \$'000	Investments accounted for using equity	Total Revenue \$'000	Total Expense \$'000	Profit \$'000	Share of Joint Ventures' net profit recognised \$'000
<b>2015</b>								
Paradigm Resources Pty Ltd	192	66	126	63	0	84	(84)	(42)

Paradigm was established in November 2014 as a joint venture company between Resources P/L and Indigenous Energy Group Pty Ltd (ACN 167 002 404). The Council granted \$105,000 to invest in Resources P/L so as to acquire 50% of share capital of Paradigm being 105,000 fully paid ordinary shares at \$1.00 each. There being 210,000 ordinary shares issued by Paradigm.

The Council has committed in the 2015/2016 budget to provide \$443,000 as grant to Resources P/L to invest in Paradigm.

#### 40. CHANGES TO ACCOUNTING STANDARDS

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 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 2018);
- AASB 14 Regulatory Deferral Accounts (1 January 2016);
- AASB 15 Revenue from Contracts with Customers (1 January 2017);
- AASB 1056 Superannuation Entities (1 July 2016);
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (1 January 2018);
- AASB 2014-1 Amendments to Australian Accounting Standards (Operative Dates: Part D - 1 January 2016; Part E - 1 January 2018);
- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11] (1 January 2016);
- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138] (1 January 2016);
- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 (1 January 2017);
- AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants [AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141] (1 January 2016);
- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) (1 January 2018);
- AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)] (1 January 2015);
- AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128] (1 January 2016);
- AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associates or Joint Venture [AASB 10 & AASB 128] (1 January 2016);
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012 – 2014 Cycle [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140] (1 January 2016);

## **NEW SOUTH WALES ABORIGINAL LAND COUNCIL**

**Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2015**

- AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049] (1 January 2016); and
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality (1 July 2015).

The possible impact of these Standards in the period of initial application is still being assessed, and not known at the date of the financial statements.

### **42. 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	OCSG	Office of Coal Seam Gas
AEP	Aboriginal Employment Plan	OEH	Office of Environment & Heritage
AEU	Aboriginal Employment Unit	PAN	Proposed Acquisition Notice
AHO	Aboriginal Housing Office	PELA	Petroleum Exploration Licence Application
ALRA	Aboriginal Land Rights Act	PID	Public Interest Disclosures
BMS	Building Management System	PMU	Program Management Unit
CAF	Charities Aid Foundation	PPIPA	Privacy and Personal Information Protection Act
CFI	Carbon Farming Initiative	PPU	Policy and Programs Unit
CLBP	Community Land and Business Plan	PSPA	Petroleum Special Prospecting Authority
DoLG	Department of Local Government	RALC	Regional Aboriginal Land Council
DPI	Department of Primary Industries	RAS	Risk Assessment System
ECOSOC	United Nations Economic and Social Council	RAU	Records and Administration Unit
EDU	Economic Development Unit	RDP	Resource Development Project
EMRIP	Expert Mechanism on the Rights of Indigenous Peoples	RJCP	Remote Jobs Community Program
FaHCSIA	Department of Families & Housing, Community Services and Indigenous Affairs	RPA	Regional Partnership Agreement
GIPA	Government Information Public Access	SHAPE	Social Housing and Provider Evaluation
HR&T	Human Resources and Training	SIOP	Statement of Investment Objectives Policy
IBA	Indigenous Business Australia	SRLUP	Strategic Regional Land Use Policies
ICAC	Independent Commission Against Corruption	UNPFII	United Nations Permanent Forum on Indigenous Issues
ICT	Information & Communications Technology	VG	Valuer General
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		
LPU	Land and Property 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		

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