

# 2015-2016

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL ANNUAL REPORT



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## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

ABN 82 726 507 500

28 October 2016

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 2015-2016 New South Wales Aboriginal Land Council Annual Report.

We commend this report to you.

Yours sincerely,

Roy Ah-See  
Chairperson  
NSW Aboriginal Land Council

Anne Dennis  
Deputy Chairperson  
NSW Aboriginal Land Council

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## CHAIRPERSON'S WELCOME



Over the past 12 months the voice of Aboriginal people in NSW was stronger than it has been for many years.

We saw a significant increase in land claims determined, flexed our economic muscle, turned out in greater numbers for the NSWALC election, forged a stronger, more productive relationship with government and at year's end saw one of our own elected to the Federal Parliament.

It was a big year for Land Rights and a big year for our mob's continuing struggle to achieve self-determination.

In the past year, 146 land claims were granted by the Minister. This was well above the average of 52 per year for the past half decade.

However, we also need to be able to transform these gains from Land Rights into an independent economic base for our people. For this reason, NSWALC introduced an Early Stage Investment Loans program that will offer loans of up to \$500,000 to Local Aboriginal Land Councils and related business entities for business enterprises. A key barrier for Local Aboriginal Land Councils starting or growing a business is a lack of start-up capital. By funding early-stage business operations, we will help attract capital from other sources.

Economic opportunities for Aboriginal people are also beginning to flow from NSWALC's involvement in the resources industry. Our joint venture resources company, Paradigm was awarded licences to explore for graphite, diamonds and rare earth, with drilling having commenced for graphite near Nyngan in western NSW.

One of the best examples of the health of our Land Rights movement was the increased turnout for the NSWALC Council elections in October 2015, with seven and a half percent more people voting in this election than the previous one in 2011. The election saw a new Councillor elected - Charles Lynch in the Northern Region, replacing Tom Briggs who retired after many years service.

The strengthening of our movement has coincided with an improvement in our relationship with the State Government following the appointment of Aboriginal Affairs Minister, Leslie Williams and Lands Minister Niall Blair. Minister Williams has facilitated greater access to the Premier and other Ministers and Minister Blair has begun to work through the backlog of land claims that had built up under his predecessors.

At the Federal level, more Aboriginal people were preselected for winnable seats in the 2016 election than ever before, including here in NSW where at the end of the reporting period Linda Burney was set to become the first Aboriginal woman elected to the House of Representatives.

On the national stage, I was pleased to attend a national Aboriginal National Leaders Forum in Darwin and the National Native Title Conference the following day. At the Leaders Forum, NSWALC reached out to Land Councils throughout Australia to establish a new national voice. Despite the significant differences in the Land Rights models in States and Territories, Aboriginal organisations across these jurisdictions share common goals.

We plan to continue developing this national Land Rights peak body in the coming year, just as we plan to become more active in the push to secure constitutional recognition and a treaty or treaties for Aboriginal peoples.

In Darwin, the CEO and I also visited the Aboriginal owned Rusca Training Academy and Civil Works Complex. The academy prepares Aboriginal people for careers in the civil, mining and construction industries. The visit was very important in shaping my thinking about how we can best drive economic development opportunities for our mob here in NSW.

But while there was much to celebrate in 2015-16, the year was also marked with sadness with the loss of two giants of the Land Rights movement, Kevin Cooke and TIGA Bayles who were both former Chairs of NSWALC. Our condolences go out to their families and many friends as they do to all other Aboriginal people who lost loved ones this past year.

None of what we achieved this year would have been possible without the pioneering work of Land Rights legends like Cookie and TIGA. But neither would it be possible without our committed Land Rights network. On behalf of Council, thank you to all LALC members as well as Board members and staff for all of your efforts.

Thank you also to our NSWALC staff and my fellow Councillors, particularly our Deputy Chairperson, Anne Dennis, my predecessor as Chairperson, Craig Cromelin and our new Councillor, Charles Lynch for your work.

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

A handwritten signature in black ink, appearing to read 'Roy Ah-See'.

**Roy Ah-See**

Chairperson, NSWALC



2015-2016 has been a year of steady progress for the New South Wales Aboriginal Land Council (NSWALC) and the Local Aboriginal Land Council network.

On 1 July 2015, key amendments to the Aboriginal Land Rights Act and Regulations came into force, providing increased autonomy and self determination for Local Aboriginal Land Councils in their financial operations and planning. Members of Local Aboriginal Land Councils are now able to approve their own Community Land and Business Plans and budgets and have their annual reports and financial statements receipted and certified at the local level, consistent with the policy framework developed by NSWALC. This has been a positive development for the network and has led to greater ownership of activities by our membership.

In August 2015 the Statewide Conference was held in the Hunter Valley. Presentations were made by all nine regions and it was impressive to see the work undertaken across the network in terms of economic activity, employment opportunities and community development. It was notable that there was also a very strong emphasis on Culture, Land and Heritage in the presentations, reflecting our pride in our identity. The conference keynote speaker was Sir Tipene O'Regan from New Zealand, who shared insights into how Maori people address economic, community and social development. Special guest speaker Mr Owen Cole, Managing Director of Yepernye Pty Ltd in Alice Springs, provided the conference with insight into economic development activities and governance structures in Central Australia.

A conference highlight was the Elders and Youth Awards, for outstanding nominees from each of the nine regions. It was inspiring to celebrate the contribution of our Elders and the critical role they play in the network and heartening to see that we have such strong and committed young people who are getting involved in their Local Aboriginal Land Councils.

Elections for the NSWALC Governing Council were conducted by the NSW Electoral Commission on Saturday 31 October 2015. Voting is not compulsory and it was good to see a healthy more than seven percent increase in voter turnout compared to the 2011 elections. Of the 287

electoral staff who worked at polling booths throughout NSW, 198 were Aboriginal people. Results were declared in November and a new Council has been elected for a four year term. Cr Roy Ah-See from Sydney Newcastle Region has been elected Chair and Cr Anne Dennis from North West Region is Deputy Chair.

The new Council has shown strong commitment to progressing economic development, positive engagement with Government and ongoing, regular regional forums to ensure that there is good two-way communication throughout the network.

The year also saw the appointment of new Corporate Committee Chairs and members. It is rewarding to note that NSWALC has been able to attract high calibre individuals to assist with Investments, Finance, Audit and Risk, Governance and Economic Development. I take this opportunity to thank Corporate Committee members for their invaluable contributions, many on a pro bono basis.

Our core business at NSWALC is Land Rights—and resolving outstanding land claims continues to be a critical part of our activities. To this end, NSWALC continues to work with the NSW Government to develop a framework to achieve more timely resolution of claims, many of which have a long history, including the backlog of claims which numbers approximately 29,000.

NSWALC also continues to prudently manage the statutory account, which exists to benefit future generations in perpetuity. Growth in 2015-16 has not been as strong as in the previous nine years, reflecting increased turbulence in the global economic environment.

I would like to thank the Councillors, the Local Aboriginal Land Council network, staff of NSWALC and our Corporate Committee members for their efforts in improving the lives and opportunities of Aboriginal people in NSW.

Our members are our strength.

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

**Lesley Turner**

Chief Executive Officer



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

The ALRA provided a mechanism to make claims to limited classes of Crown land, and by providing a fund to support economic development, the purchase of land on the open market and self-determination through a network of representative land councils. The Statutory Investment Fund was established and resourced with an amount equal to 7.5 percent of land tax on non-residential land for a period of 15 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 30 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 a 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 appoints 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. One Councillor is 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.

An election for the current nine Councillors was conducted by the NSW Electoral Commission on 31 October 2015. It was contested by all but one of the Councillors elected in 2011.

The statewide poll resulted in the re-election of six Councillors, together with one first term Councillor and two who had previously served terms on Council.

At its first meeting on 18 November, the Council elected Sydney/Newcastle Councillor, Roy Ah-See as Chairperson and North West Councillor, Anne Dennis as Deputy Chairperson.

## 2015-2016 COUNCILLORS



### **Chairperson Roy Ah-See**

(Chairperson from 18 November 2015)

#### **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. Cr Ah-See has been a NSWALC Councillor since 2007 and was elected Deputy Chairperson in October 2013. He has a Bachelor of Arts in Social Welfare.



### **Deputy Chairperson Anne Dennis**

(Deputy Chairperson from 18 November 2015)

#### **North West Region**

Anne Dennis is a Gamilaraay woman from Walgett. Cr Dennis was a Board Member of Walgett LALC for more than 10 years and was appointed CEO of Walgett LALC in 2009. Cr Dennis is passionate about progressing LALCs towards independence and self-sufficiency through employment, better educational outcomes and social justice for Aboriginal people. Cr Dennis is one of two NSWALC Board Members of Paradigm Resources.



### **Councillor Craig Cromelin**

(Chairperson until 18 November 2015)

#### **Wiradjuri Region**

Craig Cromelin is a descendant of Ngilyampaa and Wiradjuri people. Cr Cromelin is a long-standing member and former Chair of the Murrin Bridge LALC. He also chaired the former Wiradjuri Regional Aboriginal Land Council. Cr Cromelin has been a NSWALC Councillor since 2007 and was Chairperson from October 2013 to October 2015. He is one of two NSWALC Board Members of Paradigm Resources. Cr Cromelin has spent most of his life in Murrin Bridge and has settled there with his family.



### **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. Cr Smith 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.



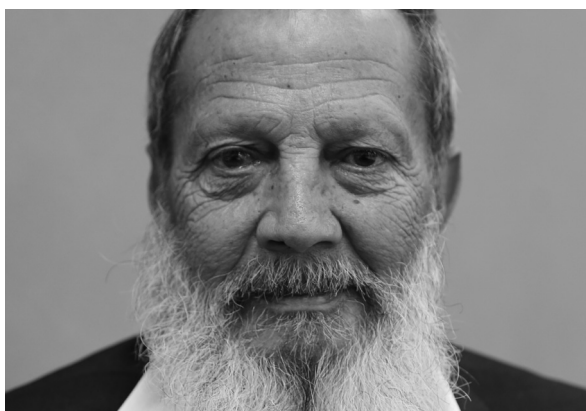
## 2015-2016 COUNCILLORS



**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. Cr Williams also worked at various levels of NSWALC for more than six years. Cr Williams has an Advanced Diploma in Community Management and a Certificate IV in Frontline Management.



**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. Cr Ryan is a current member of the Dubbo LALC and former Chairperson of both NSWALC and Dubbo LALC.

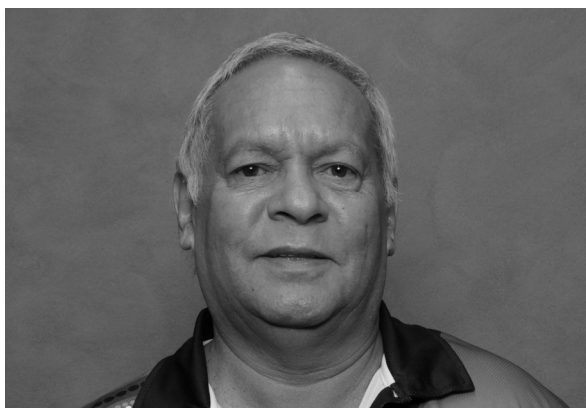


**Councillor Charles Lynch**

(from 31 October 2015)

**Northern Region**

A Gomeroi man born in Tamworth who has lived between Tamworth, Barraba and Quirindi all his life, Cr Lynch has been involved in the Land Rights network for more than 25 years in various capacities. He was elected to the NSWALC Council in 2015. Cr Lynch is a member of Nungaroo Local Aboriginal Land Council and is involved with the Tamworth Aboriginal Medical Service and Walhallow Murri Aboriginal Enterprise Corporation. Cr Lynch has a Diploma of Business, an Associate Diploma in Business (Accounting), a Graduate Certificate in Professional Accounting, is a Fellow of the Institute of Public Accountants and also has qualifications in Community Management and Property (Real Estate).



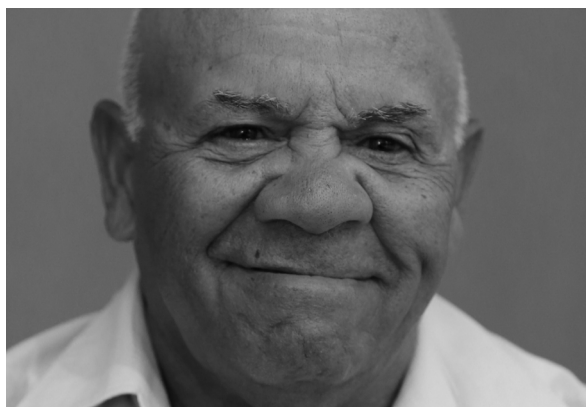
**Councillor Danny Chapman**

(from 31 October 2015)

**South Coast Region**

Elected in 2015, Cr Chapman is a Walbunga man from the Yuin nation with experience and knowledge of Native Title and Aboriginal Fishing Rights. A major part of Cr Chapman's education was learning how to fish and gather food from the sea and estuaries and he has advised government as Chair of the NSW Aboriginal Fishing Advisory Council. Cr Chapman has also served as Manager of NSW Native Title Services and has been involved in Aboriginal Affairs at State Government level for the past five years. Cr Chapman previously served on the NSWALC Council from 1992 to 1994 as the Treasurer and Councillor for the then Far South Coast region.

## 2015-2016 COUNCILLORS



**Councillor William Murray**  
(from 31 October 2015)

### **Western Region**

Cr Murray is a Nari Nari man with a long connection with the Land Rights movement. Originally from Balranald, Cr Murray lives in Wilcannia. He was elected in 2015 after serving previous terms on the Council. Cr Murray has also served as an Aboriginal and Torres Strait Islander Commission (ATSIC) Commissioner for Murdi Paaki Region.



**Councillor Tom Briggs**  
(until 31 October 2015)

### **Northern Region**

Tom Briggs is a member of the Gumbainggirr nation and has spent most of his life in the Armidale district. He is a member of the Dorrigo Plateau LALC. Cr Briggs worked with the Department of Education, Employment and Training for 20 years, primarily in the areas of human resources and training. He was Chairperson of the NSW Aboriginal Justice Advisory Council. Cr Briggs was first elected as a NSWALC Councillor in 1996. He retired at the October 2015 election.



**Councillor Neville "Jack" Hampton**  
(until 31 October 2015)

### **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. He continues to be a member of Nowra LALC and has a Bachelor of Adult Education. Cr Hampton served on the NSWALC Council until 31 October 2015.



**Councillor Des Jones**  
(until 31 October 2015)

### **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 he 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. Cr Jones served on the NSWALC Council until 31 October 2015.

# 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 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 nine 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.

## Deputy Chief Executive Officer

### Mr Malcolm 'Cal' Davis

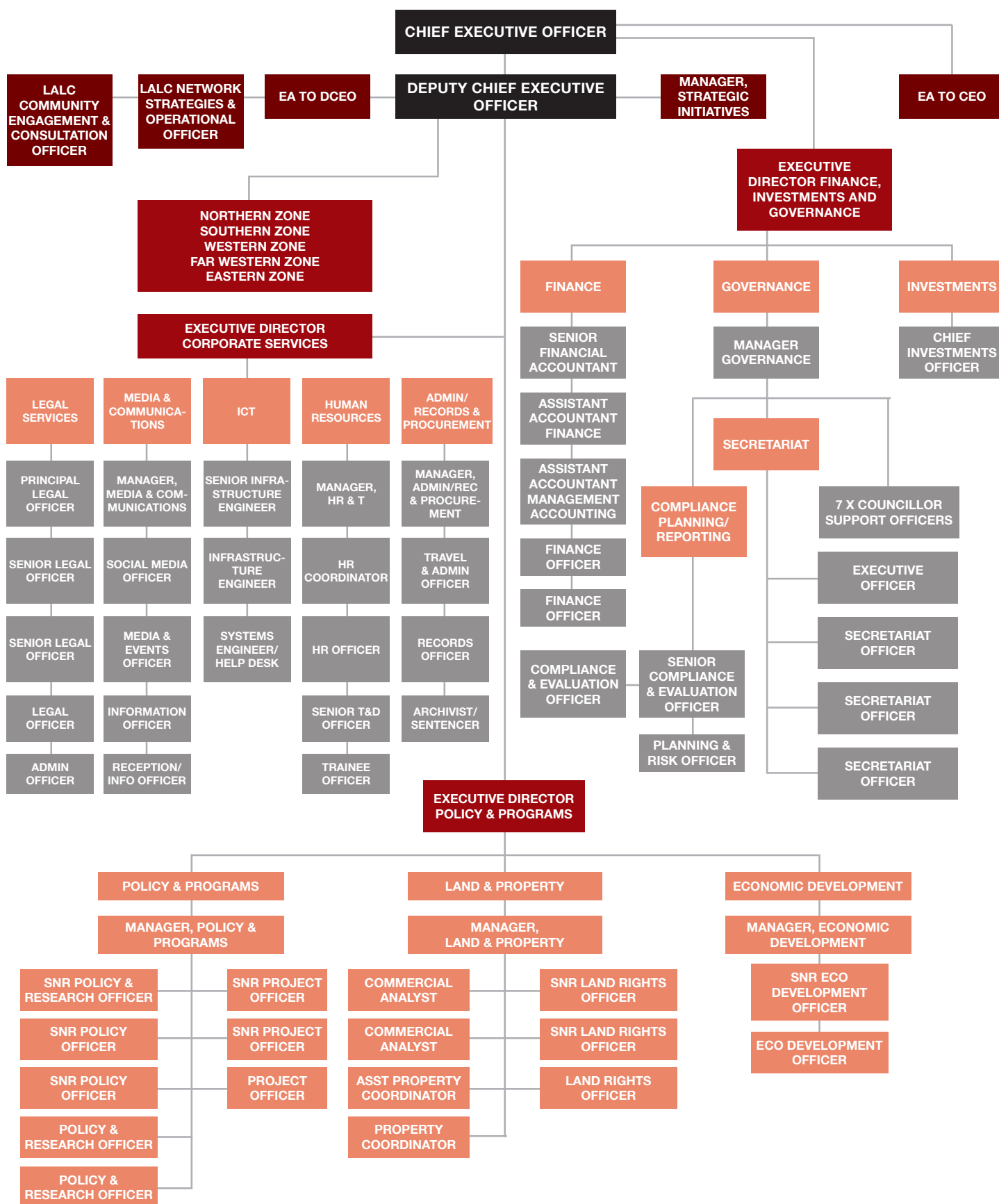
Malcolm 'Cal' Davis is a Dungutti man and has lived in Worimi Country (The Great Lakes) since his early childhood.

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 2016



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 reporting year began with amendments to the *Aboriginal Land Rights Act 1983* (ALRA) taking effect that gave Local Aboriginal Land Councils (LALCs) greater autonomy. As a result of these amendments, members of LALCs can now approve their own Community Land and Business Plans and budgets. They are also able to have their annual reports and financial statements certified at a local level.

In the first quarter of the 2015-16 reporting period, NSWALC staff were focused on preparing for the organisation's Statewide Conference and Council elections.

The NSWALC elections were held on Saturday 31 October, with seven and a half percent more people voting in this election than the previous one in 2011. The poll saw the re-election of six Councillors, together with one first term Councillor and two who had previously served terms on Council.

Two months earlier, the biennial Statewide Conference was held in the Hunter Valley, attended by 240 delegates drawn from the 120 Local Aboriginal Land Councils (LALCs) across NSW. Topics discussed included economic development, culture and heritage and healing.

The Conference was the venue for the public launch of NSWALC's joint venture resources company, Paradigm. By year's end Paradigm had been granted licences to explore for graphite, diamonds and rare earth minerals and had commenced drilling for graphite near Nyngan in central NSW.

Involvement in the resources industry was one of a number of areas where NSWALC sought to leverage the gains of the Land Rights movement into positive economic outcomes for Aboriginal people in NSW. Tourism and agricultural enterprises as well as a quarry were among the start up LALC owned businesses supported by NSWALC's Economic Development Policy during 2015-16.

At the conclusion of the 2015-16 year, NSWALC approved the next stage of its economic development strategy with the release of Early Stage Investment Loans. These loans of up to \$500,000 will be offered to LALCs and related business entities for business enterprises. The loans are designed to overcome a key barrier for LALCs starting or growing businesses - a lack of start-up capital. By funding early-stage business operations, NSWALC hopes to attract capital from other sources.

Finally and most significantly, the pace in which land was returned to NSW Aboriginal people quickened over the past year, with 146 land claims covering 2530 hectares being granted by the Crown Lands Minister. This was a significant increase over the average of 52 claims per year over the past five years.

## 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 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 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 relating to land and property matters;
- Assessing land dealing applications and preparing submissions to the Council of NSWALC;
- Financial and operational management of NSWALC's property portfolio;
- Operational management of 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 multiple 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 NSWALC's 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 2016.

### Claims lodged with the Registrar

In this reporting period a total of 1,765 land claims were lodged by Aboriginal Land Councils, 1,734 of these were lodged by NSWALC and 31 by Local Aboriginal Land Councils.

### Outstanding Aboriginal land claims as at 30 June 2016

At the end of this reporting period 29,289 land claims are awaiting a determination from the Crown Lands Minister. Of this number:

- 197 are land claims lodged between 10 June 1983 and 30 June 2000 with the oldest outstanding land claim being lodged on 20 September 1984.
- 520 land claims lodged between 01 July 2000 and 30 June 2005.
- 15,288 land claims lodged between 01 July 2005 and 30 June 2010.
- 13,282 land claims lodged between 01 July 2010 and 30 June 2016.

### Land claims granted

The Crown Lands Minister granted (in part or in full) 146 land claims during the reporting period. This is a significant increase in comparison to the number of claims determined as grants in recent years. For example, the average number of claims determined as grants or part-grants over the previous five years was 52 per year. The area of land granted during this financial year was approximately 2,530 hectares.

### **Land claims refused**

184 land claims were refused or part refused by the Crown Lands Ministers during the reporting period.

### **Land claims withdrawn**

237 land claims were withdrawn, either in full or in part, within the reporting period, due to NSWALC taking action to withdraw claims over land with potential contamination issues to mitigate the risk of remediation costs / liability.

## **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 LALCs claiming and/or being granted contaminated land the LPU has:

- Obtained details of land under claim with potential contamination risk from NSW Crown Lands;
- Identified that 466 properties were listed as being potentially contaminated are subject to an Aboriginal land claim, spread across 99 LALCs with the claims having been lodged by NSWALC, by NSWALC on behalf of the LALC or by the LALC in its own right;
- Taken action to withdraw claims NSWALC has lodged over potentially contaminated land;
- 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); and
- Established a Contaminated Lands Register so that land known to be potentially contaminated is not claimed in the future.

The LPU has prepared schedules and spatial images for all 99 LALCs which have potentially contaminated land under claim within their boundary. LPU will provide these schedules to LALCs for their consideration and will continue to liaise with LALCs to assist them to mitigate this risk and take withdrawal action where appropriate.

## **2015-2016 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 (by way of Aboriginal land claim, purchase, or other means).

Currently, there are approximately 5160 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 often 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 prior to taking action in relation to acquisition.

During the reporting period, NSWALC received approximately 134 enquiries from acquiring authorities and other third parties in relation to compulsory acquisition or proposed dealings over land under claim.

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 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**

In late 2015 NSWALC reviewed its Policy on the Assessment and Approval of LALC Land Dealings as required by section 113(3) of the ALRA every five years. The revised draft policy was referred to all LALCs for comment, and was then further amended in response to comments received. The new Policy was approved by the Minister for Aboriginal Affairs and was gazetted on 20 May 2016.

## **SCOPE AND APPROVAL OF LAND DEALINGS**

LALCs across the State continue to develop strategic plans for the utilisation of their lands 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 development applications;
- Disposal of land;

- Granting easements;
- Commercial leasing activities;
- Transfer of land and land swaps with local government and other parties;
- Head leasing of residential housing stock and entering into of funding agreements for upgrading existing facilities; and
- Acquisition of land / mortgage.

## **CERTIFICATES OF TITLE**

In NSW ownership of land is usually evidenced by a Certificate of Title. Without a Certificate of Title, owners cannot carry out land dealings 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 assisted LALCs to apply for over 110 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 \$136.30 per replacement Certificate of Title as well as any 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.

**LAND AND PROPERTY UNIT - NUMBER OF LAND DEALINGS DETERMINED BY THE NSWALC COUNCIL DURING THE CURRENT AND PREVIOUS 4 FINANCIAL YEARS**

	1 Jul 2011 – 30 June 2012	1 Jul 2012 – 30 June 2013	1 Jul 2013 – 30 Jun 2014	1 Jul 2014 – 30 Jun 2015	1 Jul 2015 – 30 Jun 2016
LALC land dealing with AHO	12	26	18	7	3
LALC other land dealings	23	23	22	25	22
NSWALC land dealings and other approvals	15	18	11	13	6
LALC land dealings non approvals	-	1	1	0	0
<b>Total</b>	<b>50</b>	<b>68</b>	<b>52</b>	<b>45</b>	<b>31</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**

	1 Jul 2011 – 30 June 2012	1 Jul 2012 – 30 June 2013	1 Jul 2013 – 30 Jun 2014	1 Jul 2014 – 30 Jun 2015	1 Jul 2015 – 30 Jun 2016
DACs issued	50	47	56	49	31
RACs issued	25	30	76	105	66
Statement of non-requirement	1	1	5	4	2
<b>Total</b>	<b>76</b>	<b>78</b>	<b>137</b>	<b>158</b>	<b>99</b>



## PROPERTY HOLDINGS AND MANAGEMENT

### ***33 Argyle Street, Parramatta - NSWALC Head Office***

33 Argyle Street is a NSWALC owned 10 storey commercial building in the Parramatta Central Business District in Western Sydney and is the organisation's chief operational base.

NSWALC leases the office space in the building which is not required by our organisation.

The overall rental income for 33 Argyle Street Parramatta was \$1,865,641.68 for the 2015 – 2016 financial year, including rent for the portion of the building which NSWALC itself occupies.

During this reporting period, NSWALC vacated the suite we previously occupied on the ground floor as a part of an overall refurbishment of NSWALC's office space and this ground floor suite is now vacant and being advertised to the market. Similarly, whilst a new tenant moved into a previously empty suite on Level 9, another was forced to vacate as NSWALC terminated the tenant's lease due to a default. This has resulted in the building's vacancy rate changing from 6.29 percent to 7.6 percent.

During the previous reporting period NSWALC underwent 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 11 percent less electricity in the current financial year when compared to the previous year. Furthermore the BMS has helped the building's NABERS Energy Rating increase from 1 star to 3 stars.

Additionally, in October 2015, two external parties independently approached NSWALC offering to purchase the building. Both purchase offers were in excess of \$30 million. However, due to the significance of the building within the NSWALC network, these offers were turned down and NSWALC resolved to keep the building.

As at 30 June 2016, the value of 33 Argyle Street is now \$20,300,000 + GST which is a \$3,000,000 increase from the previous valuation (\$17,300,000 + GST as at 30 June 2015).

Total repairs and maintenance expenditure during the reporting period was \$113,782.94 with total expenditure for the building being \$716,439.

This represents approximately a 26 percent decrease in repairs and maintenance expenditure from the previous reporting period. However the previous reporting period included 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.

## PROPERTY PORTFOLIO

Currently NSWALC has a property portfolio which consists of 120 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 transferred a number of land assets 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 LALCs or sold via commercial transactions reflective of market value. At the end of the current reporting period, NSWALC has one property which is in the process of being sold.

## RURAL PROPERTIES

Over the past year, following the successful transfers of Appin Station to Menindee LALC and Kaituna Uno and Calooma Nulty Springs to the North West Land Corporation, NSWALC continued its divestment of rural properties with the transfer of Barooga Karrai to Murrin Bridge LALC.

Some years ago LALCs in the Wiradjuri Region jointly decided the ownership of Barooga Karrai should transfer to Murrin Bridge LALC and following years of groundwork, the transfer was finalised on 25 September 2015. It is NSWALC's understanding that the property will be used for a variety of cultural and economic purposes.

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

## COMPLETED NSWALC LAND TRANSFERS TO LALCS (1 JUL 2015 - 30 JUN 2016)

LALC	Transaction Type	Property Folio/Description	Address/Name	NSWALC Council Approved	Date Registered
Murrin Bridge	rationalisation	"Barooga Karrai" being Lot 6138 DP 769375	Barooga Karrai	12-Dec-13	25-Sept-15
Murrin Bridge	rationalisation	"Barooga Karrai" Water Access Licence being WAL 2221	Barooga Karrai	12-Dec-13	20-Oct-15

As at 30 June 2016, NSWALC's property portfolio had a total value of \$36,781,300.

### 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).

Given the volume of transactions throughout the previous reporting periods, applications and approvals in this area have slowed. NSWALC approved a further two head leases and one funding agreement during the reporting period.

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

## 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 (PPU) is responsible for the advocacy work of the NSW Aboriginal Land Council (NSWALC) as well as managing key programs for the benefit of the Network and Aboriginal peoples in NSW.

The PPU provides advice in pursuit of social justice for Aboriginal people by promoting the principles, objectives and functions of the *Aboriginal Land Rights Act 1983* (ALRA). This includes monitoring government policies which may impact on Aboriginal people in NSW and the consequent provision of high-level strategic advice to the nine-member Council, the Chief Executive Officer and the Local Aboriginal Land Council (LALC) network.

Additionally, the PPU is responsible for administering NSWALC's programs including:

- Community Fund Grants;
- The Freddy Fricke Scholarship Scheme;
- The Funeral Assistance Grants Scheme;
- The Aboriginal Communities Water and Sewerage Program;
- The Subdivision Program; as well as
- Statewide and small regional grants.

In this reporting period the work of the PPU continued to focus on a range of significant policy and legislative reform areas including:

- The NSW Government's Crown lands review;
- Aboriginal culture and heritage law reform;
- Aboriginal cultural fishing and proposed regulation;
- The NSW Legislative Council Inquiry into Economic development in Aboriginal Communities; and
- The NSW Government's biodiversity legislation review.

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

The Unit also assisted with the organisation of the 2015 NSWALC Statewide Conference, helped promote the 2015 NSWALC elections and supported work to renew the NSWALC and NTSCORP (the Native Title Service Provider for Aboriginal Traditional Owners in New South Wales and the Australian Capital Territory) Memorandum of Understanding (MoU).

The PPU was also assisted by a number of university student interns from the Aurora Project and the University

of Technology Sydney.

## CULTURE AND HERITAGE REFORM IN NSW

Successive Ministers for the Environment and Heritage, Ministers 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 has actively 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.

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

## ABORIGINAL CULTURAL FISHING REGULATION

NSWALC has continued to work with NTSCORP Limited regarding a proposed State Government Regulation that would place restrictions on Aboriginal people's cultural fishing.

In late 2015 the NSW Department of Primary Industries (DPI) released a draft Regulation for consultation.

NSWALC and NTSCORP made a joint submission advising that the draft Regulations are unnecessary, inappropriate and an inadequate framework for Aboriginal cultural fishing in NSW. The submission was informed by concerns raised by the community during consultations held around the State last year.

NSWALC and NTSCORP have continued to raise concerns regarding the ongoing prosecution of Aboriginal cultural fishers and the proposed Regulation with the NSW Government.

During the reporting period the NSW Government had not advised whether or not it will proceed with the Regulation.

## ABORIGINAL LAND RIGHTS ACT 1983

During the reporting period NSWALC continued to work with the LALC Network and the NSW Government to implement amendments to the ALRA passed in late 2014. In this context the PPU provided policy advice to the NSWALC Council and Executive, played a central role in liaising and negotiating with the NSW Government and stakeholders as well as engaging with the LALC Network at regional forums.

## 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.

Throughout the review process NSWALC has sought to engage with the NSW Government to ensure that Aboriginal interests and LALCs are incorporated into the reforms.

The PPU has provided policy advice to the NSWALC Council and Executive, played a central role in liaising and negotiating with the NSW Government and stakeholders as well as engaging with the LALC Network at regional forums.

## 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.

NSWALC holds special consultative status with the United Nations Economic and Social Council (ECOSOC).

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

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. During this reporting period NSWALC did not send delegations in person, however, the PPU prepared a number of submissions and interventions that were submitted to forums held at the United Nations.

## MOU BETWEEN NSWALC AND NTSCORP

In August 2015 the NSWALC and NTSCORP Boards met and agreed to renew an MOU between the two organisations. On the 30 September 2015 a signing ceremony was held at NTSCORP's office.

The MOU identifies priority issues for both organisations to work together to achieve, including environmental protection, culture and heritage reform, promoting awareness and exploring ways to maximise land justice for Aboriginal people.

## NSWALC COMMUNITY FUND

The 2009 amendments to the 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 LALC 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 LALCs.

The Council developed the NSWALC Community Fund Policy in 2015 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 Policy was gazetted by the Minister for Aboriginal Affairs in March 2015.

The PPU administers all elements of the NSWALC Community Fund.

For the 2015 round, Council approved funding for the following projects totally up to \$600,000:

LALC	Project
Weilwan	Gulgambone Old Reserve Cultural Site
Baradine	Calooma Station - Restoration Project
Broken Hill	BHLALC Office Infrastructure Upgrade
Trangie	Trangie Cultural Centre for Education, History, Heritage and Healing and Trangie Information Centre
Amaroo	Land Management at Summervale Reserve
Anaiwan	Reconnect to Country - Old Bottom
Orange	Balandha - Shadforth Community access project
Dareton	Namatjira Reserve Land Management Program
Biraban	Biraban Aboriginal owned lands access diversion project
Wagonga	Paradise Point - Sharing Our Culture and Heritage Stage 2
Wellington	Purchase or Nanima Primary School to establish 'Nanima Education and Wellbeing Centre' and remove asbestos
Coonabarabran	Walking track to top of Forky Mountain for Sundance
Bega	Managing Our Lands-Access Control
Jubullum	Jubullum Village Roads Project

The application period for the 2016 funding round opened on 15 February and closed on 15 April 2016. Up to \$884,000 was made available for disbursement and eligible LALCs could apply for grants of up to \$50,000 for assistance with land acquisition or land management activities. Applications were received from 33 LALCs. Following a thorough assessment process conducted

by senior Aboriginal staff and independent Aboriginal assessors against the grant assessment criteria, Council resolved that 21 LALCs would be awarded grants in the 2016 round.

### **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 two Aboriginal students were granted scholarships. Scholarships were awarded to:

- Gumbaynggirr woman and University of New England nursing student, Maddison Smart.
- Gomeroi man and then University of New England Social Work student, Peter Prince.

Since 2002, 47 Aboriginal students have been awarded Freddy Fricke Scholarships.

### **NSWALC 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 2015-16 financial year a total of 401 grants were made at a total cost of \$618,357.62. These included 56 grants to members of a Funeral Insurance Fund that NSWALC operated from 1991 to 1994 and 345 grants to Aboriginal people who were not members of the Fund. Two former members of the Fund also elected to transfer their membership entitlements to a deceased Aboriginal person.

### **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) to develop a state-wide strategy aimed at addressing waste management issues in Aboriginal communities.

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.

### **ABORIGINAL COMMUNITIES WATER AND SEWERAGE PROGRAM**

In 2008 the NSW Government and 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 2015-16 reporting period is the eighth 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 achieves its aims through brokering and funding. Agreements are negotiated between the owner LALCs and the Local Council or other service providers to deliver services for the operation, maintenance and monitoring of water supply and sewerage services.

Since its launch in June 2008, the Program has assessed water and sewerage services at 61 eligible communities. These communities are managed by 49 LALCs.

Of the 61 eligible Aboriginal communities:

- 21 communities are being provided full service by a local water utility or local government.
- 31 have long term service agreements in place for local water utilities to provide full water and sewerage services equivalent to that in similarly located communities. Services in these communities have been improved to a satisfactory level through backlog works, emergency works and infrastructure upgrade works.
- Five 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 in similar positions.
- Services are yet to be agreed with local councils for three communities – Walhallow, Quambone and Gulargambone Mission. The Department of Primary Industries is hopeful that Liverpool Shire Council will agree to provide services for Walhallow. Services at Quambone and Gulargambone Mission are being



provided on an on-going basis. As they are very small communities it is unlikely that the Council will sign a long term agreement.

- Services at another community - Moonacullah are not proposed at this time, pending the resolution of housing issues in that community

As a result of this program, 61 Aboriginal communities with a population in excess of 6,000 people are now receiving water and sewerage services at a higher level than prior to the program. Since the commencement of the program, backlog maintenance, emergency repairs and special purpose works have been undertaken at 41 Aboriginal 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 to the infrastructure fund.

As of 23 March 2016, the Steering Committee had approved 28 infrastructure (capital) projects to be undertaken, with 17 having been completed. This has recently included a new pump station and sewer main bridge crossing at Wallaga Lake. Other projects completed over the life of the Program have included effluent irrigation at Baryulgil Square, water supply and sewerage systems at Namoi and a water treatment plant at Collarenebri.

Total program expenditure including the operation and maintenance program and the capital infrastructure program is \$44.06 million since July 2008. The 2015-16 expenditure for the Program will be \$8.4 million, which includes the State's contribution of \$6.5 million and NSWALC's contribution of \$1.9 million.

## SUBDIVISION

In June 2008, NSWALC entered into a partnership 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 Government contributing 50 percent each.

The program objective is to facilitate the subdivision of former reserves and missions in NSW. To assist in achieving the aims of the Subdivision Program, NSWALC engaged Arup Pty Ltd, a planning, engineering and technical specialist company.

Prior to the reporting period 27 surveys of former reserves had been completed. 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.

To date, six LALCs have made progress toward subdivision.

Four LALCs have lodged Development Applications with their local councils: Bowraville, Weilwan, Armidale and Forster. These Development Applications have now been approved with conditions of consent mainly relating to infrastructure upgrades. Two other LALCs are awaiting successful land dealing meetings to progress their Development Applications.

The Bowraville, Forster and Armidale Development Application consents have resulted in Local Government either accepting dedication of road reserves and water and sewerage pipes or indicating that if approved dedication will be acceptable to the Local Government. This is significant as it 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 working closely with the NSW Department of Planning and Environment and other Government agencies in order to seek funding for infrastructure upgrades and achieve planning reform.

## DISCRETIONARY GRANTS

In 2015-16 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 2015-16 were approved for the Aboriginal Rugby League Knockout, the NSW Aboriginal Golf Championships and Yabun festival. 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 or Deputy CEO. The approved grants in 2015-16 helped to sponsor the participation of young people in major sporting events including overseas competitions, assisted Aboriginal students to take part in overseas exchange programs, and supported a number of NAIDOC and other Aboriginal community activities.

## LOCAL GOVERNMENT - LGNSW

Local Government NSW held its annual conference from 19-21 October 2015. As an ordinary member of the association, NSWALC is entitled to nine votes. Seven Councillors attended the conference as well as the NSWALC CEO. The PPU provided support to the Councillors attending the conference with briefing notes and logistical arrangements.

## SUBMISSIONS AND PUBLICATIONS

Formal submissions represent an important part of the work of the PPU. Submissions produced in reporting period included:

- NSW Parliament Upper House Inquiry into Reparations for the Stolen Generations;
- NSW Parliament Upper House Inquiry into Regional planning processes in NSW;
- Review of the Australian & New Zealand Guidelines for Fresh and Marine Water Quality – Cultural and Spiritual Values chapter;
- NSW Invasive Species Plan 2015-22;
- The Draft Guidelines for the Economic Assessment of Mining & Coal Seam Gas Projects;
- NSW Biodiversity Reforms;
- Travelling Stock Reserves State Planning Framework 2016-19;
- Expanding exempt and complying development in NSW;
- NSW Coastal Management reforms;
- NSW Biosecurity Framework;
- Draft Exploration Code of Practice: Community Consultation;
- LGNSW Policy Review;
- Department of Prime Minister and Cabinet consultation on the Community Development Programme;
- Senate Inquiry into the Social Security Legislation Amendment (Community Development Program) Bill 2015;
- Office of Local Government – Fit for the Future – Development of the new Local Government Act – Phase 1 Consultation;
- NSW Upper House Inquiry into Economic Development in Aboriginal Communities
- Hawkesbury Shelf Marine Bioregion;
- Fisheries Management Amendment Bill 2015;
- Development of Aboriginal Cultural Fishing Regulations;
- Constitutional reform;
- UNPFII; and
- National Landcare Programme.

The Unit also updated a number of existing fact sheets and published new Fact Sheets on Accessing and Managing Country.

## WORKSHOPS, EVENTS AND MEETINGS

PPU staff presented on issues related to Aboriginal Culture and Heritage, the ALRA Review and the Crown lands review at a number of Councillors' Regional Forums. The PPU

also facilitated a number of meetings with Parliamentarians and attended the NSW Budget Lockup on 21 June 2016.

## ADDITIONAL POLICY ADVICE AND ASSISTANCE

During the reporting period the PPU responded to a large number of requests for policy advice and assistance via phone, email and mail from the LALC network and community members.

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; and
- Advice regarding the NSWALC Community Fund.

## ECONOMIC DEVELOPMENT

Launched in October 2014, the NSWALC Economic Development Policy, outlines the broad strategies and initiatives that NSWALC will pursue over a five year period to drive economic development towards wealth creation and wellbeing for Aboriginal people in NSW.

NSWALC has committed \$16 million over this timeframe to support these initiatives, with three strategic priorities identified:

1. Facilitation of Local Aboriginal Land Council (LALC) business enterprise: including the provision of support, skills and resources necessary to drive local and regional knowledge and initiatives into successful and sustainable businesses. This includes access to Business Development Grants, Early Stage Investment Loans and Equity Investment funding
2. Facilitation of Aboriginal employment in NSW: focused on coordinating and facilitating existing programs and service providers, to link members to services and employment opportunities
3. NSW Aboriginal Land Council business enterprise: continue to prudently manage and grow the statutory NSWALC Account including opportunities in the minerals and energy sector.

To drive the implementation of the Policy, an Economic Development Unit (EDU) was established just prior to the launch, in September 2014. The EDU helps LALCs develop their economic development initiatives.

A 12-month trial period (January to December 2015) was

implemented to test EDU processes and procedures. Council agreed that the trial period would focus on shortlisted proposals representing two LALC opportunities per region. 19 LALC ideas (two LALCs providing a joint submission) were shortlisted representing a variety of industry sectors including property, agriculture, tourism, land management, quarries and a potential cemetery.

In late 2015, Deloitte were engaged to conduct a performance review of the trial implementation period with outcomes to influence the wider policy rollout to the Network in the near future. Stakeholder feedback was also sought involving NSWALC's Economic Development Advisory Committee, Independent Assessment Panel, Zone Directors and Council.

This trial process has allowed the EDU to reflect on lessons learnt, which will also be incorporated into the rollout of the policy to the Network:

- The majority of the elements trialled proved successful:
  - o Role of EDU staff;
  - o Independent Assessment Panel;
  - o Industry experts not generic consultants;
  - o Low spend on initial assessments to get LALC ideas funding ready;
  - o Finding partner funders to match NSWALC's Early Stage Investment Loan;
  - o Department of Prime Minister and Cabinet, Indigenous Business Australia and Indigenous Land Corporation adopting similar models to NSWALC.
- Business development is the key market gap that NSWALC's program should fill. No other program successfully provides tailored, specific business development for LALC ideas
- There is a need for NSWALC to focus on capacity development in the roll out of the Policy.

As at 30 June 2016:

- 16 of the 19 LALC proposals were eligible and successful for Business Development Grant funding, with \$180,000 spent of \$332,000 approved.
- Two of the 19 LALC proposals were eligible and successful for Early Stage Investment Loan funding, with \$167,000 approved.
- Two LALC proposals are at the initial assessment stage.
- Five LALC proposals were developed through to the initial assessment stage, but deemed to have low likelihood of progression.
- Seven LALC proposals are in the detailed assessment stage.
- Three LALC proposals have progressed to funding stage.

- Two LALC businesses are operational.

Key shortlisted LALC highlights during 2015-16 include:

1. A start-up LALC tourism enterprise was launched involving implementation of a booking system, website and social media presence with paid tours now starting to commence.
2. The facilitation of an expert consultant allowed a LALC to increase its seed collection productivity by over 850 percent.
3. A LALC is expected to receive a grant from the Indigenous Land Corporation in excess of \$300,000 for infrastructure works where prior LALC direct applications were deemed insufficient.
4. A LALC property will be productively used once again, following a failed share-farm agreement some two years ago.
5. A shortlisted LALC was awarded a \$700,000 grant from the Department of Prime Minister & Cabinet.
6. A LALC-owned quarry is estimated to provide income of \$1.5 million over four years if the Development Approval is granted.
7. A LALC is anticipated to be awarded title within 12 months to an Indigenous Land Corporation-owned agricultural property worth in excess of \$4 million.

The Policy developed is also consistent with NSWALC's Strategic Plan 2013-2017. Strategic Priority 3, is "to drive economic development across the Land Rights Network to support the Aboriginal people of NSW to achieve greater economic independence". The progress of specific goals is outlined below:

- Goal 3.1: Activate our Economic Development Advisory Committee and develop an Economic Development Strategy
  - o The Economic Development Advisory Committee was created in September 2013, with meetings held on a quarterly basis.
  - o The Policy was approved by the Minister for Aboriginal Affairs in August 2014. Regular monitoring of and reporting to Council on the performance of this Policy occurs.
- Goal 3.2: Develop regional industry strategies for the Land Rights Network
  - o Discussions on progressing regional industry strategies have taken place with both Council and the Economic Development Advisory Committee.
- Goal 3.3: Develop the economic development and business management capabilities of LALCs
  - o A capacity development framework including training, connecting and sharing, mentoring, and Zone-based EDU roles is in the final stages of development and expected to be available for LALCs to access in 2016-17.

# OFFICE OF THE DEPUTY CEO

## RESOURCES DEVELOPMENT PROJECT

NSWALC's Resources Development Project is a key component of the organisation's Economic Development Policy.

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 primary vehicles for achieving these priorities are:

- NSWALC Resources, a holding company wholly owned by NSWALC to pursue commercial partnerships in the resources sector; and
- Paradigm Resources, a joint venture between NSWALC Resources and the Indigenous Energy Group (IEG).

The Directors of NSWALC Resources are:

- Craig Cromelin (Wiradjuri Region Councillor)
- Anne Dennis (North West Councillor); and
- Danny Chapman (South Coast Councillor)

The Directors of Paradigm Resources are:

- Aden Ridgeway (Independent Chair)
- Craig Cromelin (NSWALC Councillor 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)

After being incorporated under the Corporations Act 2001 in the last reporting period, Paradigm was publicly launched at the NSWALC Statewide Conference in August 2015.

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

In the previous reporting period the NSW Government extinguished NSWALC's eight tenement applications for Petroleum Special Prospecting Authorities and Petroleum Exploration Licenses along with those of 10 others.

This extinguishment coincided with the release on 13 November 2014, of the the NSW Government's Gas Plan. The Gas Plan set out a new regulatory and policy framework for petroleum exploration and production in NSW.

However, 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 and the Government made a public commitment to assist NSWALC in making applications under the new framework, and invited NSWALC to participate in the development of that framework.

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 made public a draft Strategic Release Framework for Coal and Petroleum Exploration. However, as yet no areas of the state have been assessed as suitable to be released for petroleum exploration.

## MINERALS EXPLORATION

The delay in implementing the NSW Government's Gas Plan and Strategic Release Framework led Paradigm Resources to pursue other resource development opportunities. In the last reporting period Paradigm applied for exploration licenses



under the *Minerals Act 1992* for graphite near Nyngan and diamonds near Wilcannia. These licenses were granted on 6 August 2015.

Exploratory drilling for graphite commenced in March 2016. Work on the diamonds project to date has been largely restricted to literature review and desktop studies. Test drilling for diamonds is expected to commence in July 2016.

In 18 January 2016, Paradigm Resources applied for a third exploration license: for rare metals near Temora. This license was granted by the Minister for Resources and Energy on 2 June 2016. By the end of the reporting period, exploration work on this project had not yet commenced.

## INVOLVEMENT OF ABORIGINAL BUSINESSES

A key objective of NSWALC's Resources Development Project is to create employment and economic opportunities for Aboriginal people. Opportunities that the exploration process is likely to provide for LALCs and local Aboriginal businesses include:

- Facilitation of community consultations;
- Cultural heritage surveys and related reports and recommendations for protection and management measures;
- Cultural heritage management and protection activities;
- Land holder access agreements - liaison, administration support, facilitation;
- Professional services (accounting and bookkeeping, company secretarial services);
- Material supply;
- Labour hire – machinery operators and drivers;
- Equipment and heavy machinery hire;
- Accommodation, cleaning and catering;
- Mechanical and maintenance services;
- IT and communications; and
- Security.

During the financial year, Paradigm Resources engaged a number of local Aboriginal businesses in relation to the Nyngan graphite project. The Bogan Aboriginal Corporation was hired for services involving cultural clearance, Colling Exploration, a small Aboriginal drilling company, was contracted for sample preparation and a storage space is being leased from the Nyngan LALC, for a monthly fee, on an ongoing basis.

## MINERALS COUNCIL OF NSW (NSWMC)

NSWALC has continued its membership of the Minerals Council of NSW (NSWMC) in this reporting period. A representative of NSWALC participates in the Exploration Committee of the NSWMC and also in the Community and Environment Network. Councillor Cromelin and staff attended

the Indigenous Procurement Forum in Newcastle on 6 April 2016. The annual forum is the centrepiece of the Steering Committee's work program and is designed to provide a forum for dialogue, communication and learning for Aboriginal businesses and the minerals industry to improve Aboriginal participation and success in procurement processes to supply goods and services to the minerals industry.

## 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.

## CONSULTATION

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

Prior to the graphite and diamonds exploration licenses being granted, Paradigm directors and relevant NSWALC Councillors met with the officers of the Nyngan and Wilcannia LALCs to provide a briefing on the licence applications and to gauge interest and support. The applications were positively received.

Following the licences being awarded, further information was provided to the LALCs and also to the relevant local government bodies.

At the end of the reporting period visits to the Young LALC were being arranged to discuss the rare metals exploration licence.

## NETWORK STRATEGIC AND OPERATIONAL SUPPORT

The general purpose, aims and functions of the Network Strategic and Operational Support (NSOS) Officer are to fulfil NSWALC's objectives as outlined in its Strategic Plan 2013-2017 and to develop a range of strategic and operational support services to the Local Aboriginal Land Council (LALC) Network with particular emphasis on the following areas:

- Work with a range of internal and external stakeholders to develop a range of options available to Zone Offices and LALCs to identify and address governance and operational issues in order to minimise the need to appoint an Administrator;
- Develop LALC Capacity Building initiatives that utilise and build positive relationships with external subject matter experts;



- Participate and support the operations of the Zone Directors' Forum, including providing policy and procedures development, support and secretariat;
- Undertake relieving and mentoring/support activities across the organisation as required by the DCEO and CEO.

The activities undertaken by the NSOS Officer were directed towards the following Strategic Priorities and associated Goals:

- Strategic Priority 2: Improving our Governance and Sustainability
- Goal 2.2: Maintain and enhance the financial and political sustainability of NSWALC and the land rights network.
- Strategic Priority 4: Supporting our People
- Goal 4.1: Support the development and maintenance of sustainable Community Benefit Schemes (CBSs)

## REVIEW OF OPERATIONS

During the reporting period, the following activities were undertaken:

### TOOMELAH/BOGGABILLA STEERING COMMITTEE (TBSC)

Over the course of the past 12 months the NSOS Officer represented NSWALC on the TBSC. This Committee is chaired by the Executive Principal of the Toomelah Public School and involves a range of government and non government organisations who deliver services to the Toomelah and Boggabilla communities. NSWALC was particularly involved in coordinating the delivery of a training program that saw community members work alongside a local contractor to undertake repair and maintenance to the internal stormwater system at Toomelah. During this program, 12 community members undertook a Certificate II training program in civil construction. The TBSC meets on a quarterly basis.

The NSOS Officer also participated in the Toomelah Army Aboriginal Community Assistance (AACAP) Program Coordinating Group. The AACAP provides Army personnel to undertake major infrastructure upgrades at targeted remote Aboriginal communities. The Toomelah community has been selected as the AACAP 2017 site. Over the course of the reporting period the NSOS Officer worked with the NSWALC Western Zone office, Department of Prime Minister and Cabinet, Aboriginal Affairs NSW and a range of other government and non-government agencies to liaise with the Toomelah community and to discuss a range of operational and logistical matters related to the roll out of the program in 2017. The Toomelah community supports the operation of the AACAP program.

## 2015 NSWALC ELECTION

On October 31 2015, members of LALCs across the state participated in a voluntary election to elect a Councillor from each of the nine NSWALC regions. The NSOS Officer participated in a NSWALC working group that worked closely with the Electoral Commission NSW to stage the election. The NSOS Officer liaised with NSWALC Zone Offices to provide advice to the Electoral Commission in relation to the preferred location for static and mobile polling booths. NSWALC adopted a strategy to increase the number of polling booths, both mobile and static to improve access for LALC members.

The 2015 NSWALC elections were participated in by 33 percent of LALC members, up from 25.5 percent in the 2011 election. This is considered an excellent result for a voluntary election.

## HOUSING

Over the course of the reporting period, the NSOS officer undertook a range of housing related matters. These included:

- Development of the NSWALC Policy on the Approval of LALC Community Benefit Schemes (Residential Accommodation). This included developing an application and assessment process and an approval monitoring system for use by Zone Offices when assessing applications for approval lodged by over 40 LALCs.
- Participation in the NSWALC/Aboriginal Housing Office (AHO) Officers' Group Forum that meets regularly to discuss a range of inter related housing matters.
- Representing NSWALC on the AHO convened (Housing Aboriginal Community Program) HACP Transfer Project Working Group. This group was established by the AHO to oversee the transfer of up to 600 HACP houses owned by the AHO to a range of Aboriginal Community Housing Providers (ACHPs), including LALCs. Advice was provided to the Group in relation to the operation of the ALRA and information about the project was distributed within NSWALC to ensure that Councillors and NSWALC staff were aware of the project.
- Participation in the NSWALC Internal Housing Working Group. This group was established by the CEO to consider a range of issues, including how NSWALC meets the challenges of a changing regulatory environment and possible changes to the quantum and delivery of funding for Aboriginal housing, at the same time as providing a level of stability and sustainability for the network and the members who live in LALC owned housing. The Internal Housing Working Group is led by the Deputy Chief Executive Officer (DCEO) and includes all Zone Directors. The group meets at least quarterly. To date, the work of the group has been focused primarily on the development of a Scoping Paper that identifies and considers a range of matters related to the changing environment that

impacts on LALC managed Aboriginal housing. During the reporting period, the NSOS Officer developed a Survey Questionnaire that has been sent to all LALCs that had head leased their residential accommodation houses to the NSW Aboriginal Housing Office. The results of this survey are in the process of being collated and analysed.

## **REVIEW OF THE NSWALC RISK ASSESSMENT SYSTEM**

During the reporting period the NSOS Officer led a small Working Group tasked with reviewing the risk assessment system (RAS) that is used by NSWALC to assess the governance, financial administration, property management and HR management of LALCs. The Review recommended merging the RAS and former Performance Improvement Planning system into a single RAS system and also recommended aligning the system with amendments to the ALRA. The recommendations were approved and the system was amended and relaunched for use in the fourth quarter of the reporting period.

## **REVIEW OF THE NSWALC LALC FUNDING PROCEDURES AND ASSOCIATED AGREEMENTS**

In the second half of the reporting period the NSOS Officer led a small internal working group to undertake a review of the NSWALC LALC Funding Procedures and Associated Agreements. This work was undertaken to simplify where possible the procedures and agreements and ensure they reflect the ALRA. The recommendations of the working group were accepted and the amended procedures and agreements will be in force for the 2016-2017 period.

## **REVIEW OF NSWALC ZONE OFFICE STRUCTURE AND FUNCTIONS**

During the period the NSOS Officer, under guidance of the CEO and DCEO, developed Terms of Reference for the Review of Zone Offices, undertook procurement of a suitably experienced consultant to undertake the Review and prepared a range of related reports for consideration by the CEO and DCEO. The outcomes of the Zone Review are still being finalised.

## **ATTENDANCE AT ZONE DIRECTOR FORUMS**

During the period the NSOS Officer also attended and participated in the regular Zone Director Forums. The purpose of the Zone Director Forum is to ensure that Zone Directors have the opportunity to meet on a regular basis to discuss a range of issues that impact on Zone Office operations directly and NSWALC more broadly.

# **STRATEGIC ADVICE AND NETWORK RELATIONS**

The LALC Community Engagement and Consultation Officer position (CECO) was established in January 2015 to provide strategic advice to Council and develop network relations. The position provides high level advice to Councillors on governance, strategic planning as well as stakeholder and political engagement. It also assists NSWALC business units with community facilitation and advice.

Functions of the CECO include:

- Non-voting participation in all Council meetings and workshops;
- Representing NSWALC at meetings with LALCs as well as other Aboriginal and non-Aboriginal organisations; and
- Coordinating NSWALC's participation in cultural and sporting events including the NSW Aboriginal Rugby League Knockout, where NSWALC sponsored all participating teams and supported the NITV broadcast.

In 2015-16, the CECO was the principal contact between NSWALC and the NSW Electoral Commission in relation to the 2015 NSWALC election as well as being the principal spokesperson for the election. The election of nine regional Councillors took place on October 31 2015. Voter turnout for the voluntary election was by 7.5 percent greater than for the previous election in 2011.

The CECO also worked with NSWALC's Legal Services Unit to strengthen the relationships between NSWALC, NTSCORP (the NSW Native Title service provider), Native Title claimants and Traditional Owners. A number of meetings were held with LALC and Native Title representatives to build community capacity and understanding around Native Title and to dispel myths surrounding how the Land Rights and Native Title regimes interact.

In June 2016 the CECO facilitated a meeting of Land Rights organisations from across Australia to discuss the establishment of a national peak Land Rights organisation. The organisation would coordinate advocacy on national issues including culture and heritage, economic development, education, health and justice. NSWALC Chairperson, Cr Roy Ah-See attended the meeting. A follow up meeting is planned for the next reporting period.

## **ZONE OFFICES**

### **NORTHERN ZONE**

The Northern Zone comprises 38 Local Aboriginal Land Councils (LALCs) within the following regions:

- North Coast (NC) Region (comprising 13 LALCs) 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, who retired at the October 31 NSWALC election, and then Councillor Charles Lynch.

### **Staffing**

The Northern Zone of NSWALC operated from offices in Coffs Harbour and Tamworth during the 2015-16 financial year. The Northern Zone Director is supported by a staff of eight. Throughout the financial year the Northern Zone office had a number of staff members acting in positions and although challenging, all staff have performed “above and beyond”. During the year several changes were made to the office staffing structure with all LALC Support Officer positions being removed and either upgraded to a senior level or modified. As a result of the restructure a number of staff members chose to move on from NSWALC and the Northern Zone would like to thank those staff members for their contribution.

The updated staffing restructure has resulted in an internal separation between governance and compliance matters and capacity development and business support. This will allow the Northern Zone to better target resources to meet specific LALC needs and create better internal efficiencies. These changes have come about by the Zone Review that was recently conducted on each of the Zone offices and the recommendations in relation to moving from compliance to support.

### **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 *Aboriginal Land Rights Act 1983* (ALRA). LCSU staff provided significant amounts of advice and support to LALCs in relation to the requirements of the ALRA 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 2015-16. They also provide significant ongoing advice and assistance to LALCs in relation to social housing management and other community benefit schemes.

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 LALC risk assessment assessments, along with LCSU staff. Although there have been recent policy and legislative changes in relation to financial reporting and budgeting this has not reduced the

workload for finance staff who continue to assess, advise and assist with these LALC and NSWALC functions.

### **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 reporting period a number of matters arose requiring significant zone resources including:

- Aboriginality and membership Issues;
- Legal and pecuniary interest matters;
- Native Title matters;
- Complaints handling and referrals;
- Dispute resolution and mediation;
- NSWALC’s Rates and Charges Program;
- Several land dealings including Development Applications and Property Vegetation Plans; and
- Employment matters.

### **Review Of Operations:**

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 |
| • Aboriginal Land Agreements                            | All regions |
| • NSWALC Policy Consultations                           | All regions |
| • Community Benefit Schemes (Residential Accommodation) | North Coast |
| • Procurement and NDIS                                  | Northern    |
| • 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, Williams and Lynch to stage a joint regional forum in Coffs Harbour during June 2016 as well as regional forums in each of their regions during 2015-16. Councillors Briggs and Lynch also held several Northern 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**

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

During the period three LALCs 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 2015-2016 financial year and resulted in all 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 follow the excellent outcomes achieved in the previous financial year. One pleasing trend is the reduction in LALC debts and improvement of LALC financial positions across the Northern Zone.

### **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.

During the period a review was conducted on the RAS and updates were made to the questions and risk weightings. This has had an initial impact on the risk ratings of the LALCs during the fourth quarter of 2015-16 as opposed to previous years. However, it is expected that risk ratings will reduce over time as LALCs get familiar with the new questions.

The graph on page 34 indicates that as at 30 June 2016:

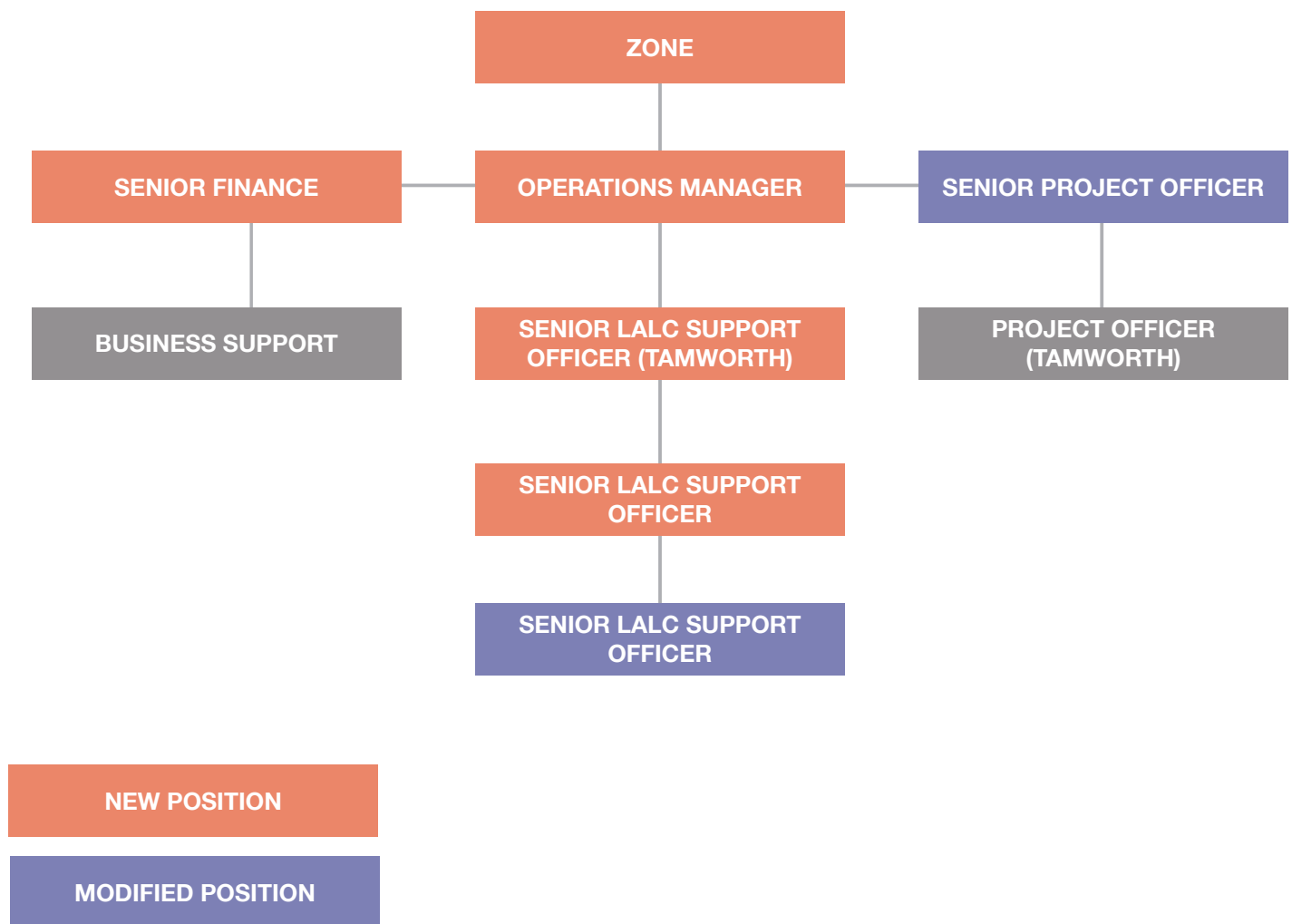
- 97.4 percent of LALCs in the Zone were in a funded category.
- There were 10.53 percent of LALCs in the High Risk Category, 39.47 percent in Medium Risk Category and 44.73 percent in the Low Risk Category.
- There were 23.68 percent in the High Risk Category, 57.89 percent in the Medium Risk Category and 15.79 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.

### **LALC BOARD ELECTIONS AND SUPPORT**

During the financial year all LALCs were required to hold annual meetings and elect new Boards. The Northern Zone acted as returning officer at each of the 38 LALC annual meetings and all LALCs have had new Boards elected. As a result of some LALCs electing the minimum number of Board Members at their annual meetings zone staff were called on to act as returning officers at several Board vacancy meetings in order to ensure that LALC Boards could continue to function.

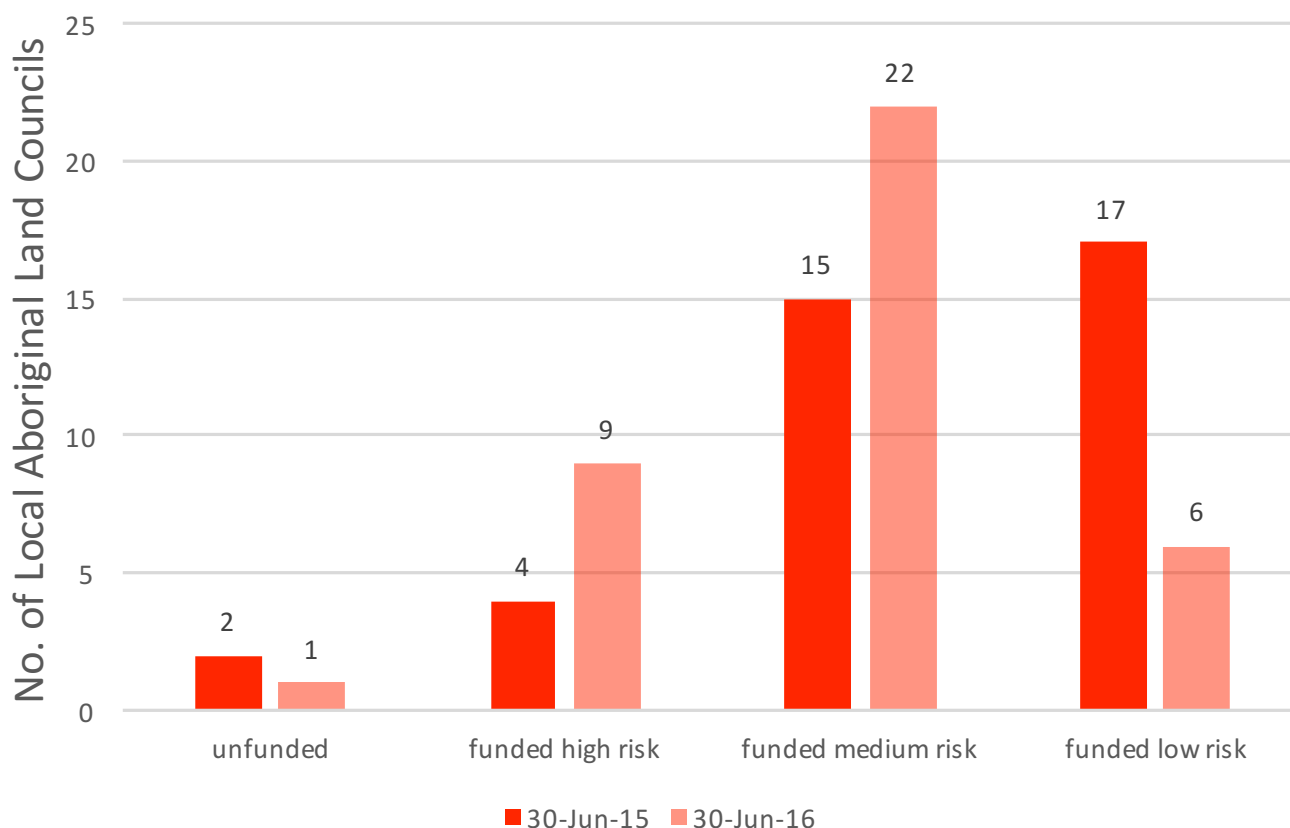
## NORTHERN ZONE STAFFING STRUCTURE 2015-2016



The updated staffing restructure has resulted in an internal separation between governance & compliance matters and capacity development & business support. This will allow the Northern Zone to better target resources to meet specific LALC needs and create better internal efficiencies. These changes have come about by the Zone Review that was recently conducted on each of the Zone offices and the recommendations in relation to moving from compliance to support.



## NSWALC Northern Zone Funding & Risk Categories



The graph indicates that as at 30 June 2016:

- 97.4 percent of LALCs in the Zone were in a funded category.
- There were 10.53 percent of LALCs in the High Risk Category, 39.47 percent in Medium Risk Category and 44.73 percent in the Low Risk Category.
- There were 23.68 percent in the High Risk Category, 57.89 percent in the Medium Risk Category and 15.79 percent in the Low Risk Category.

RISK ASSESSMENT SCORE	FUNDING CATEGORY	RISK CATEGORY	REPORTING REQUIREMENTS/FUNDS RELEASE	ASSESSMENT FREQUENCY
Below 50%	Unfunded	None applied	NA	NA
50% - 69%	Funded	High Risk	Bi Monthly financial reporting and Bi Monthly funding releases	Quarterly
70% - 89%	Funded	Medium Risk	Quarterly financial reporting and quarterly funds releases	Half Yearly
90% and above	Funded	Low Risk	Six monthly financial reporting and quarterly funds releases	Annually

## TRAINING AND WORKSHOPS

The Northern Zone conducted mandatory governance training for each of the 38 LALCs. The Northern Zone staff delivered governance training to 274 Board members plus a number of LALC staff and CEOs. The governance training package was amended prior to this reporting period. Feedback on the amended package has been positive overall and capacity amongst the Boards has grown considerably.

As a result of recent ALRA amendments, LALCs are now required to approve, reapprove or amend their Community Land and Business Plans (CLBPs) within nine months of the new Board being elected. The Northern Zone assisted in facilitating formal CLBP training in each of the three regions and in addition the Northern Zone has attended and facilitated several LALC planning workshops and provided support in the development and approval of LALC CLBPs.

The Northern Zone also ran a Community Benefit Scheme (Residential Accommodation) workshop in the North Coast to assist those LALCs that did not have current approval from NSWALC to continue to manage housing.

During the period the Northern Zone and Northern Region Councillor assisted in the development of a career planning tool for LALC Members. The project was jointly funded by TAFE New England and NSWALC and is aimed at identifying barriers to training and employment and better targeting training and career pathways. The career planning tool is expected to be trialed during the coming financial year with LALC Members and their families.

Northern Zone staff members attended a number of training sessions including Microsoft Office upgrade, emotional intelligence, risk management training, senior first aid and stress management.

A number of staff members are also undertaking their own accredited training during and after work hours including Certificate IV in Bookkeeping and Certificate IV in Project Management.

## NATIVE TITLE AND NSW ABORIGINAL LAND RIGHTS ACT INTERACTION

At present there are a number of Native Title discussions and consultations occurring throughout the Zone. Western Bundjalung and Wijabul Wia-bal claims continue to progress and the Northern Zone has assisted the NSWALC legal unit in running information sessions for LALC Boards and Members. A number of the LALCs affected have agreed to become respondents to the claim and other LALCs have chosen not to become respondents.

Several other claims exist within the Northern Zone boundary but are in their early stages including Byron Bay, 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. It is also important for LALCs to be aware of and deal with any potential conflicts that come about by competing Native Title and LALC interests. NSWALC's role is to ensure that all LALCs are acting in the best interests of their LALC Members.

## LOCAL DECISION MAKING (LDM) INITIATIVES

Local Decision Making (LDM) is an initiative under NSW Aboriginal Affairs' OHCRE program and designed to allow for self-governing mechanisms which allow for community to directly influence Government funding and programs. LALCs and NSWALC are involved as key stakeholders in this initiative and there are currently two, soon to be three, funded LDM bodies within the Northern Zone.

### *Regional Aboriginal Development Alliance (RADA)*

The North Coast and Mid North Coast regions are part of the Regional Aboriginal Development Alliance which was previously known as Many Rivers Coalition of Aboriginal Peak Organisations. There are two standing positions on the Board of RADA for LALC representatives and the NSWALC Northern Zone has been involved in facilitating the selection of those representatives and participating on the RADA development committee, the aim of which is to establish the RADA Board and ensure that it is operational.

RADA has since split into two separate regions (North Coast and Mid North Coast) and work is beginning on operationalising these Boards including selecting the representatives to sit on these Boards. Once the Boards are selected and the key governing documents have been developed, including the bodies' operating rule book, the Boards will then be in a position to negotiate formal accords with Government. Concerns have been raised by the groups on the level of funding for these groups to operate in order for them to truly participate in and be effective in what they have been set up to do.

### *Northern Region Aboriginal Alliance (NRAA)*

NRAA is made up of representatives from leading Aboriginal organisations in the Northern Region including the region's 14 LALCs. Northern Zone staff were heavily involved in facilitating planning and governance workshops and in aiding in the development an agreed structure for this body. LALCs are represented on NRAA by two LALC representatives selected by the Northern Region forum to act on the priorities and issues communicated by LALCs through the forum and Northern Region Councillor. Concerns have again been raised by the group on the level of funding for the group to be able to effectively participate in and implement what they have been established to achieve. NRAA are in the final stages of selecting a negotiator and facilitator to enable to LALC

to enter into a formal agreement or accord with the NSW Government.

## 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.

William Murray is the NSWALC Councillor for the Western Region. Prior to the October 31 2015 NSWALC election this position was held by Cr Des Jones.

Zone staff meet at regular intervals with Cr Murray to provide briefings on operational and strategic issues from a NSWALC, LALC and community perspective.

### HUMAN RESOURCES

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

In the last reporting period, the vacant positions of Finance Officer and LALC Support Officer were amalgamated to create the Senior Project Officer. The current structure supports NSWALC and the LALCs with social enterprise and 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 LALCs 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 on 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 identified through their Community Land and Business Plans.

### MONITORING AND COMPLIANCE

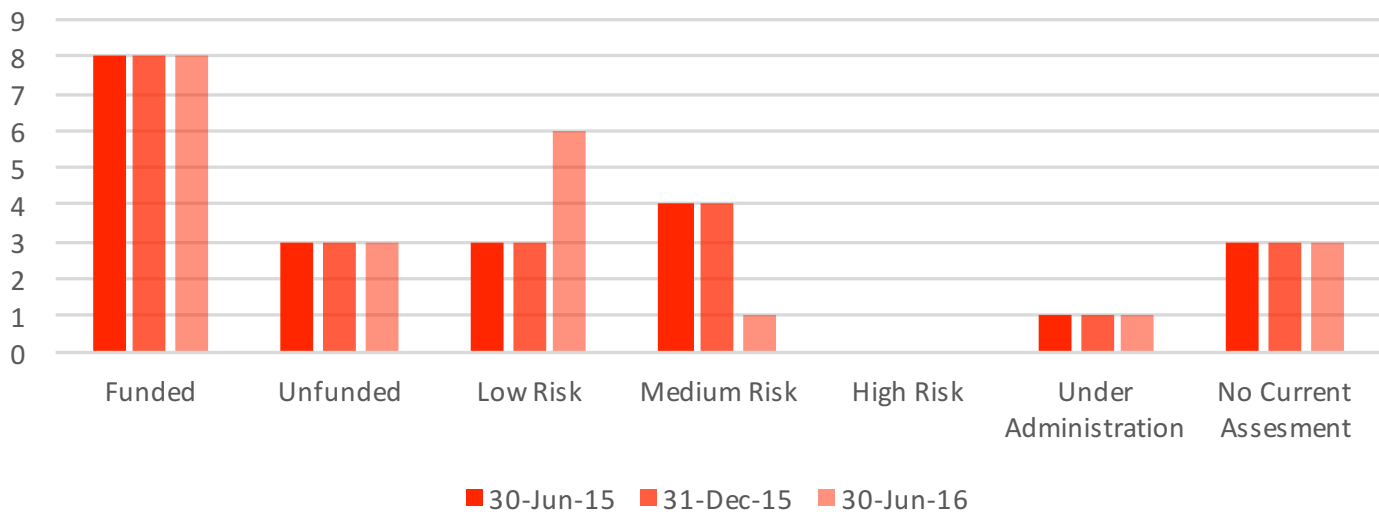
- NSWALC Risk Assessment System (RAS)

The Risk Assessment System (RAS) 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 overall LALCs' risk ratings and funding categories for the 2014-15 and 2015-16 years.

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

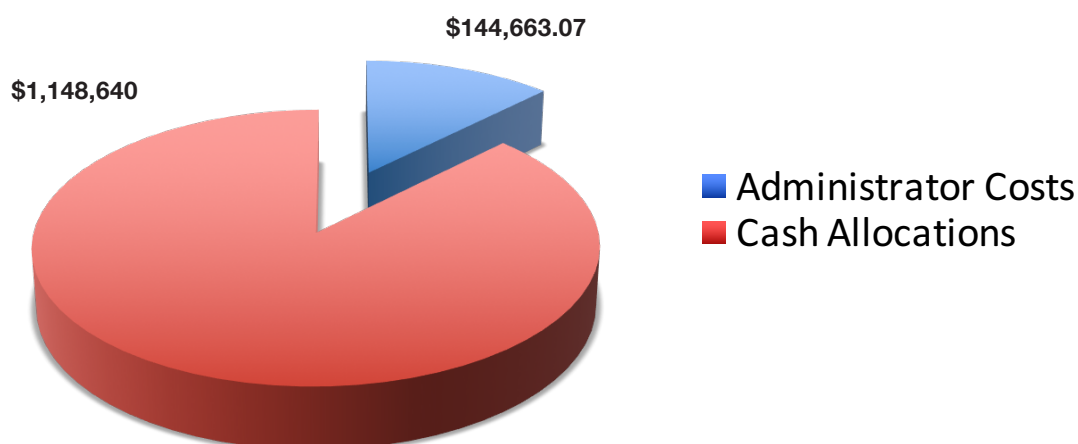
Western Region Funding Category Comparison 11 LALCs



## PAYMENTS TO LALCS

The NSWALC Council approved a total grant of \$1,148,640 for eight LALCs in the Far Western Zone. No payment for essential expenses was recorded while a LALC was in an unfunded category. 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 \$144,663.07 have been recorded for financial year ending 30 June 2016.

### Far Western Zone Allocations and Administrator Costs



The administrator's 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 ALRA.

## LALC DEBT

At the end of this reporting period, the level of LALC debt to NSWALC within the Zone was \$607,601.81. The affected LALCs have entered into Repayment Agreements and have made repayments in line with these agreements as at 30 June 2016.

## 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.

In June 2015, NSWALC approved a land dealing application by Dareton LALC for the sale of three vacant blocks of land. As of 30 June 2016 the three properties were on the market for sale.

## SOCIAL HOUSING

During the reporting period, Dareton LALC has engaged in a Plumbing Health Check Program. NSW Fair Trading has commenced health checks for Aboriginal housing providers and their tenants and the Master Plumbers Association NSW will conduct minor repairs. The program is designed for remote Aboriginal communities with limited access to tradespeople and delivers benefits including better health conditions for people living in rural or remote communities.

Dareton LALC is also involved in the NSW Health Habitat program, Housing for Health. This program will improve a number of plumbing and safety issues in the LALC's 47 social housing properties. This program will conclude in

June 2017.

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

The one remaining LALC is currently working with AHO, NSWALC and proposed service provider to establish an agreement for the LALC's Social Housing.

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 agreement with AHO		
Broken Hill		Approved through SHAPE	
Cobar		Approved through CBS	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
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 \$2.2 million 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 NSWALC and LALCs to come together and share information on important issues from a State, Regional and Local perspective.

During the reporting period two Regional Forums were held.

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

DATES	VENUE	FOCUS
29th-30th June 2015	Cobar	Crown lands, ALRA & Operational
6th March 2016	Broken Hill	Crown lands, ALRA Update

## LOCAL ABORIGINAL LAND COUNCIL ACTIVITIES

During the reporting period, LALCs were very active in supporting and delivering community activities. The following is a snapshot of some of these activities within various LALCs:

### *Broken Hill LALC*

Broken Hill LALC in partnership with Orange and Deniliquin LALCs have continued to successfully roll out the NSW Government funded Ability Links Program. The program has seen the employment of three Ability Links staff members in the LALC office who 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 and 64.

The same three LALCs were also successful with a further joint application that will provide an Ability Links service for young people aged eight years and under. The LALCs are engaging an additional staff member to service this program extension.

Broken Hill LALC was successful in the 2015 NSWALC Community Development Scheme. The LALC applied for a total of \$50,000 to convert an old garage into a meeting room. This project was completed within three months and the LALC now provides a meeting room facilities for stakeholders within the community for a small hire fee.

### *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 NSW Aboriginal Affairs have an informal partnership with Sydney University and its Rural and Remote Enterprise program. Post and under graduates have been helping assess 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 over time expand to another competitive store for the Wilcannia community.

Wilcannia LALC has engaged with NSWALC's Economic Development trial in order to help expand their goat harvesting enterprise on Weinteriga Station.

### *Menindee LALC*

The Menindee LALC has been successful with an Indigenous Advancement Strategy (IAS) grant. The LALC received approximately \$460,000 for the 2015-16 year. This funding has assisted 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 their Remote Jobs Community Program. 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.

### **Dareton LALC**

The Dareton LALC 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's "work for the dole" registered participants as the workforce. It is hoped that this project will ultimately lead to an employment outcome for a land maintenance team and housing maintenance team.

### **Mutawintji LALC**

Mutawintji LALC has engaged with NSWALC's Economic Development trial. The trial is aimed to assist Mutawintji LALC to restart its tourism enterprise.

## **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.

Eastern Zone Staff have participated in a number of internal and external learning and development opportunities during the reporting period, such as an Emotional Intelligence workshop, Office 2013 Upgrade-intermediate, Senior First Aid Cert, Cert IV Training Assessment Education, commencement of a Diploma of Project Management and completion of an Advanced Diploma of Management.

Over the last year the Eastern Zone Staff had the opportunity to work with other staff from other Zones at the NSWALC Zone Conference, held in March 2016. The main focus of the Zone Conference was to discuss the changes required to existing NSWALC policies resulting from amendments to the ALRA. The staff then worked together to prepare draft policies based on the ALRA amendments.

### **SUPPORT TO LALCS**

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

dealing matters, human resource functions and assistance with negotiations with government and other stakeholders.

Zone staff make frequent visits to LALCs to provide support on budgeting, releasing of grant funds and any financial performance monitoring and assistance required.

Zone staff also continued to work closely with the Governance Unit to deal with complaints made by LALC members in the Sydney/Newcastle region.

### **COMMUNITY BENEFIT SCHEMES**

The Zone has been providing assistance to a number of LALCs in the region regarding identified Community Benefit Schemes other than social housing. Once all LALCs have approved their Community Land and Business Plans the Zone Staff will then focus on any Community Benefits Schemes the LALCs may put forward.

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

The Zone has implemented the new RAS for LALCs and all assessments will be conducted within the necessary time frame. The Zone office maintains the Risk Assessment System for the 11 LALCs in the Sydney/Newcastle region. During the reporting period there were LALCs that changed funding categories to High Risk as a result of the new RAS. One LALC was unfunded as a result of the RAS, and the remaining LALCs are either in a High, Medium or Low Risk funding category.

### **BOARD ELECTIONS**

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

The Zone staff have conducted Governance Training with most Board Members in the Zone.

### **LALC TRAINING**

Zone staff continued to attend a range of workshops throughout the year designed to build the capacity of the LALCs. These included Fire Awareness Training and a Community Land and Business Plan workshop.

### **SOCIAL HOUSING**

A number of Community Benefits Scheme Residential Accommodation (CBS) (RA) pre assessments were conducted throughout the year. All LALCs within the Zone are either Social Housing Approval and Provider Evaluation approved, CBS (RA) approved, Provider Assessment and Registration System (Pars) approved or head leased with the Aboriginal Housing Office.

Eastern Zone was the first to have all their LALCs approved for social housing.

## **LAND DEALINGS**

Eastern Zone staff, in conjunction with NSWALC's Land and Property 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 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 past reporting period saw important information conveyed to the LALCs regarding the Crown Lands Review, current Land Claims, the ALRA amendments and NSWALC policy reviews.

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

Due to the new amendments all LALCs must have their CLBP amended and approved within nine months of their Board election. At this stage LALCs in the Eastern Zone are progressing satisfactory with this process.

## **NAIDOC**

The Zone received invitations from many LALCs in the region to celebrate NAIDOC with them. Zone staff celebrated NAIDOC at San Remo, East Lakes and West Lakes (Lake Macquarie), Wyong, Umina and Gosford.

## **ECONOMIC / COMMUNITY DEVELOPMENT**

There is a diverse range of LALC economic developments in the Sydney/Newcastle Region including sand extraction, residential estate developments, sand stone extraction, and sand dune adventure tours.

Community development projects such as Mindaribba LALC's Social Health and Learning Hub include a kindergarten day care, homework and training centre and gymnasium. Other projects include education focused mentoring, youth justice programs and family wellbeing support.

The National Aboriginal Health Strategy (NAHS) has been revitalised in the La Perouse Community. Three purpose built Elders' residential units as well as a complete refurbishment of two other residences and a series of

urgent health and safety repairs on many other homes.

The Sydney/Newcastle region received a number of applications for the NSWALC Economic Development program, 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 explored opportunities to develop land for a cemetery. The Biraban LALC development was paused due to the resignation of its CEO and Tharawal LALC did not have the required amount of land to proceed.

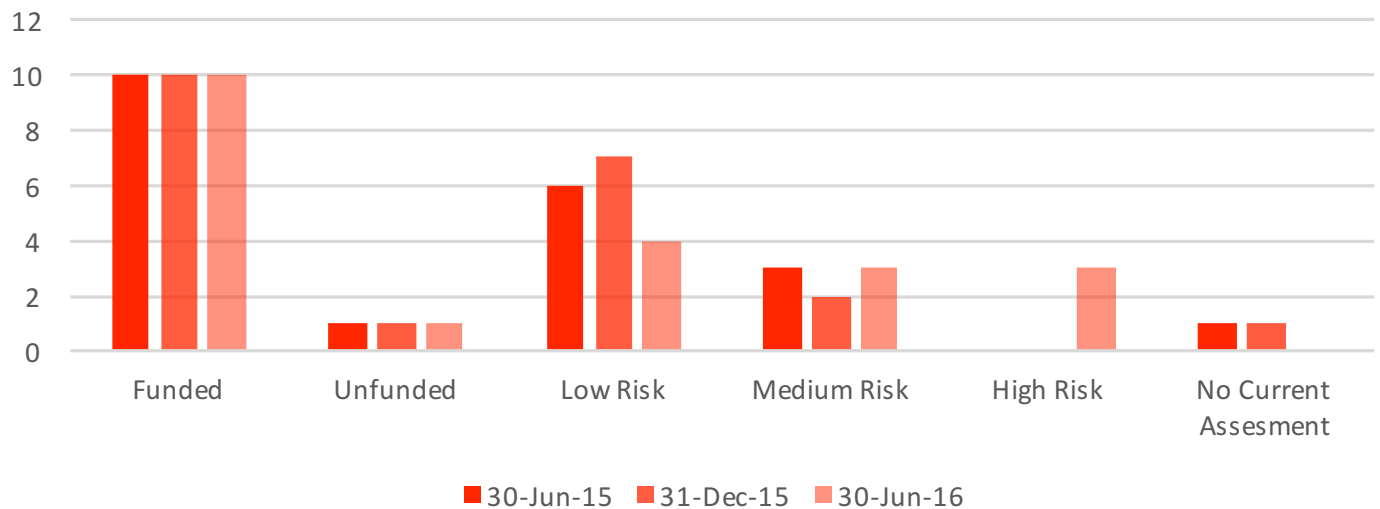
## **NATIVE TITLE**

The Eastern Zone still has a number of Native Title claims and information is being provided to LALCs about the implications of these.

## **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 2015.

## Eastern Region Funding Category Comparison 11 LALCs



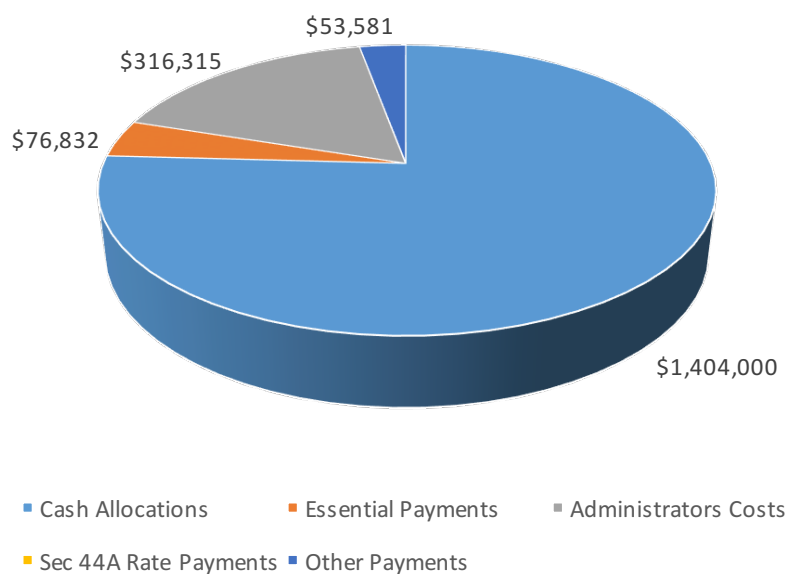
Currently one LALC has not been compliant throughout 2015-16 and is unfunded, one LALC came out of administration in November 2015 and is currently compliant and funded and the remaining nine LALCs are compliant and funded. The Zone assisted the LALCs to build capacity in all aspects of their operations 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 \$1,544,400. 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 was \$1,850,728.

### Eastern Zone Allocations & Expenses

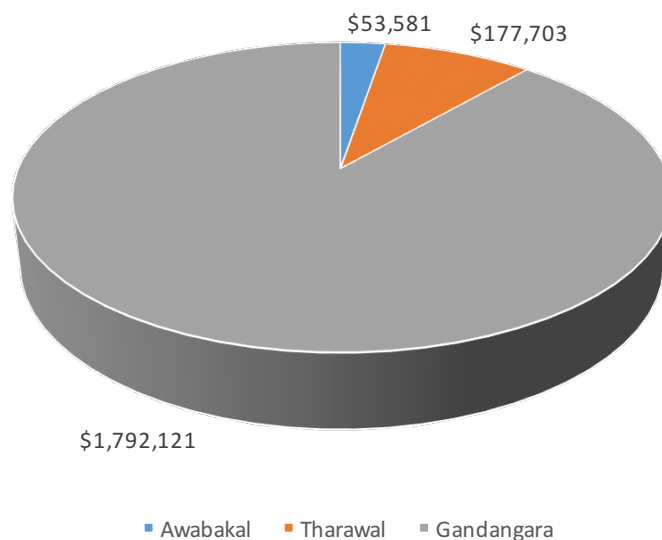


The graph above shows the dollar amount of each type of cash outgoings, and the percentage of each type of the total cash outgoings for the Zone to 30 June 2016. The total cash outgoings for the financial year is based on 10 LALC Allocations of \$1,404,000 one LALC's Essential Payments of \$76,832, administrator costs of \$316,315, and one LALC's investigator costs of \$53,581.

## LALC DEBT

The total LALC debt to NSWALC at the end of the reporting period stood at \$2,023,406. The total amount of debt has increased since the prior reporting period due to accumulation of administrator debt within one of the LALCs and investigator debt within one LALC.

Eastern Zone LALC Debt



## SOUTHERN ZONE

The Zone Office operates from the Canberra suburb of Fyshwick and continues to service 34 Local Aboriginal Land Councils (LALCs) within the boundaries of the South Coast and Wiradjuri Region:

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

Its purpose, aims and objectives are consistent with that of all Zone offices and are delivered in accord with the key objectives of NSWALC's Business and Corporate Plans.

The NSWALC elections were conducted in October 2015 and this resulted in the incumbent, Councillor Neville “Jack” Hampton, being succeeded by Councillor Danny Chapman for the South Coast Region. Councillor Craig Cromelin was re-elected as the Councillor for the Wiradjuri Region.

The Southern Zone meets each Councillor regularly to provide briefings on operational aspects of the Zone office and LALCs and any issue which may require the Councillor's attention.

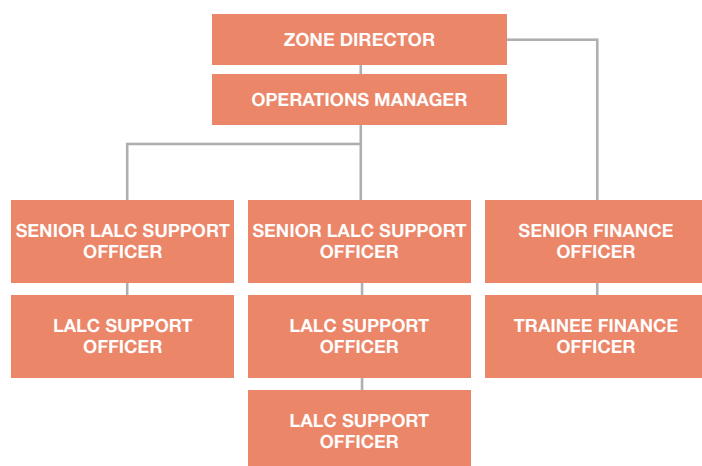
## ZONE STAFFING

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 service and support the 34 LALCs within the Zone.

The staffing structure for the reporting period was as follows:





## SUPPORT TO LALCS

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

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

As an example, the Zone Office has been providing support to Eden LALC, which is participating in the NSW Government's Solution Brokerage program to resolve a number of unmet objectives that were to be delivered under a Regional Forestry Agreement.

The Zone office is also providing support to Albury and District and Cummeragunja LALCs in order to help prepare them to engage in the Crown Lands Local Pilot Projects to test the Aboriginal Land Agreements frameworks.

The Southern Zone office is also assisting a number of LALCs that are impacted by a registered Native Title application in the western area of the Wiradjuri Region by facilitating information and discussion regarding a decision by each LALC as to whether to become a party to the Native Title application.

## REGIONAL FORUMS

Six Regional Forums were convened in the Southern Zone area during 2015-16:

- Wiradjuri Regional Forum, 6 July 2015, Wagga Wagga
- South Coast Regional Forum, 8-9 July 2015, Batemans Bay
- South Coast Regional Forum, 24-25 February 2016, Batemans Bay
- Wiradjuri Regional Forum, 9-10 March 2016, West Wyalong
- South Coast Regional Forum, 25-26 May 2016,

Mollymook

- Wiradjuri Regional Forum, 28-30 June 2016, Wagga Wagga

Common items presented at both the South Coast and Wiradjuri Regional Forums included information relating to the Independent Commission Against Corruption (ICAC), NSWALC's Resource Development Project, the ALRA amendments, Crown Lands review, local land pilots and the Aboriginal Land Agreements.

Additional presenters and topics at the South Coast Regional Forums included: the South East Local Land Services, NSW Aboriginal Affairs, the Department of Prime Minister and Cabinet and an update on cultural fishing matters.

Additional presenters at the Wiradjuri Regional Forums included: NSWALC Staff from the Economic Development and Policy Units, Mid Lachlan Aboriginal Housing Management Co-Operative, Aboriginal Housing Office, Recognise campaign and the Aboriginal Asbestos Awareness program.

The Regional Forums were also used as a vehicle to deliver training to LALCs during the period including: training related to Community Land and Business Plans (CLBPs), how to be an effective Chairperson and CEO as well as training on working with key stakeholders.

In March 2016, West Wyalong LALC on behalf of the Wiradjuri Region was the first to host a NSWALC Council meeting outside of the Parramatta offices. This meeting coincided with the divestment ceremony of Barooga-Karrai to Murrin Bridge LALC.

## LALC BOARD ELECTIONS

As 2015-16 was a NSWALC election year, the Southern Zone staff officiated as returning officers in 32 Board elections under delegation from the Office of the Registrar of the ALRA.

A total of 237 LALC Members were elected as Board Members, 114 now undertaking duties as LALC Board Members for the first time.

A majority of those elected were female (141). Male Board members now number 96.

## LALC TRAINING

As 2015-16 was an election year the Southern Zone delivered the Mandatory Governance Training to 30 of the 34 LALCs in the Zone.

A total of 119 board members from Wiradjuri region and 52 from the South Coast region completed the training.

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

WIRADJURI	MEMBERS COMPLETED	COMPLETION DATE
Albury & District LALC	10	9 February 2016
Bathurst LALC	5	14 April 2016
Brungle – Tumut LALC	9	16 February 2016
Cummeragunja LALC	7	21 May 2016
Cowra LALC	4	11 February 2016
Deniliquin LALC	7	21 April 2016
Griffith LALC	8	7 March 2016
Hay LALC	6	14 October 2015
Leeton & District LALC	6	5 March 2016
Moama LALC	7	24 March 2016
Murrin Bridge LALC	6	11 May 2016
Narrandera LALC	6	9 April 2016
Onerwal LALC	4	28 June 2016
Orange LALC	6	11 May 2016
Peak Hill LALC	4	13 April 2016
Pejar LALC	5	27 May 2016
Wagga Wagga LALC	7	22 March 2016
West Wyalong LALC	7	14 October 2015
Young LALC	5	14 October 2015

SOUTH COAST	NO. BOARD MEMBERS COMPLETED	COMPLETION DATE
Batemans Bay LALC	2	18 May 2016
Bega LALC	4	9 February 2016
Bodalla LALC	1	4 June 2016
Cobowra LALC	5	29 January 2016
Eden LALC	3	11 February 2016
Nowra LALC	8	21 April 2016
Merrimans LALC	5	17 February 2016
Mogo LALC	6	5 February 2016
Ngambri LALC	6	24 June 2016
Ulladulla LALC	7	17 May 2016
Wagonga LALC	5	27 May 2016

The Southern Zone office also conducted workshops to assist LALCs in the preparation for the 2016-17 LALC Funding Application process. Nine participants attended the training that focused on preparation of LALC budgets for the upcoming Financial Year.

## RISK ASSESSMENT SYSTEM

The Risk Assessment System (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 50 RAS assessments were conducted across the South Coast and Wiradjuri regions during the 2015-16 period.

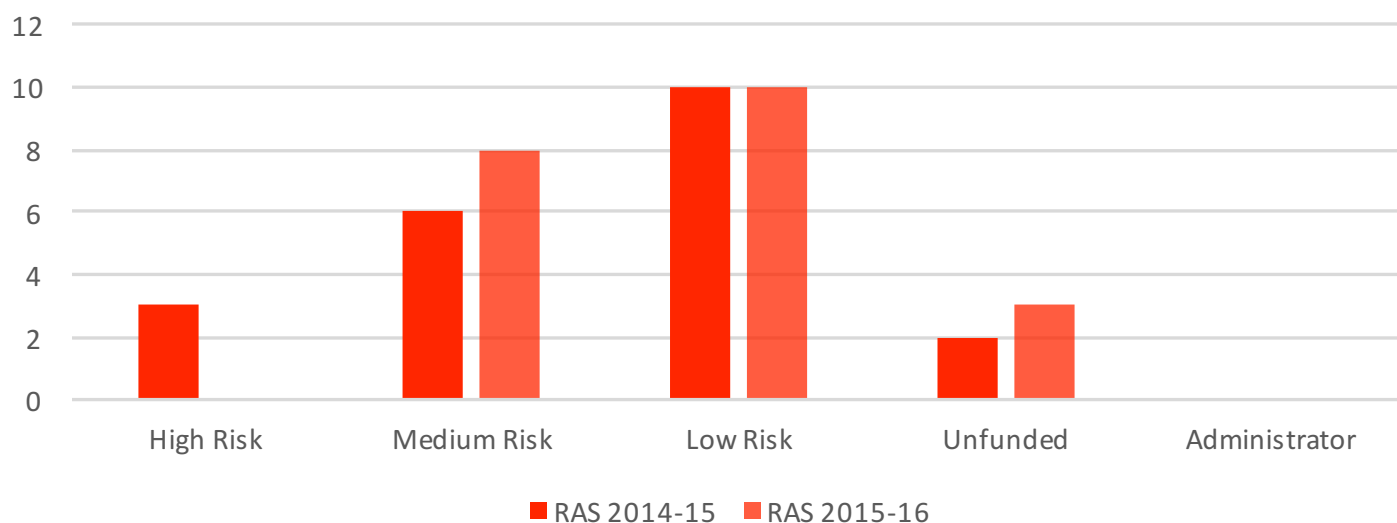
The following graphs outline LALC risk ratings achieved at the end of the period compared to the ratings achieved in 2014-15 financial year within the Wiradjuri and South Coast regions.

As demonstrated by the comparative data, there was a reduction in the number of LALCs located within the low risk and high risk categories in 2015-16 as opposed to 2014-15. The number of LALCs situated in the unfunded risk level and medium risk level increased.

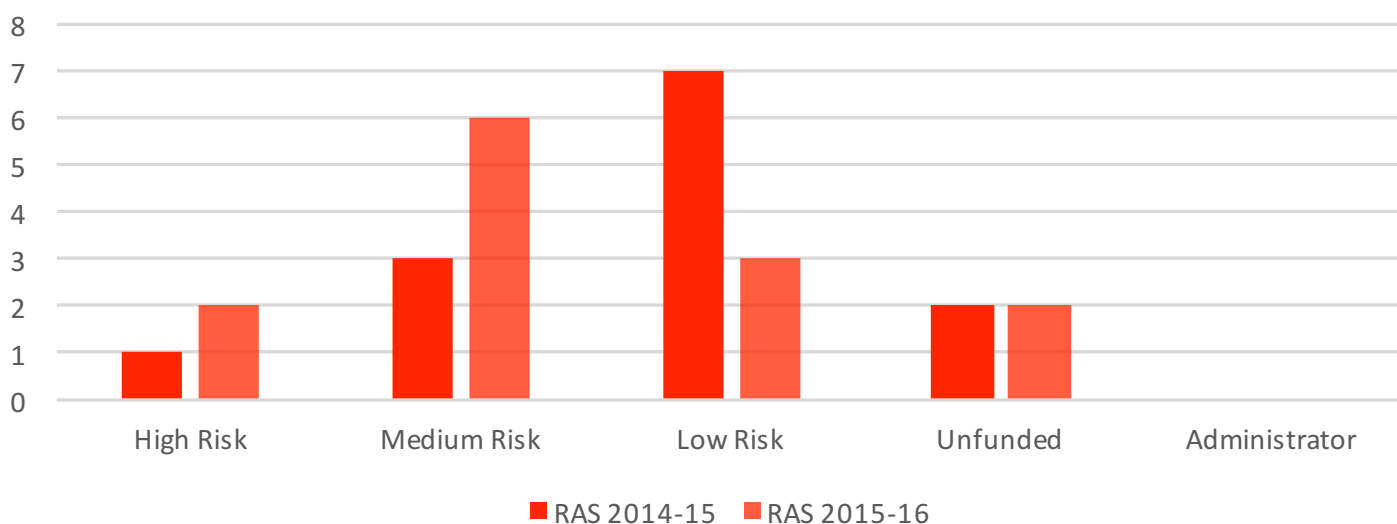
The below graphs provide an overarching comparison of LALC movements in terms of risk ratings across the 2015-16 period as opposed to the 2014-15 financial year for both the South Coast and Wiradjuri regions.

END OF FINANCIAL YEAR RISK RATING- WIRADJURI LALCS	2014-15	2013-14
High Risk: 50-69%	3	0
Medium Risk: 70-80%	6	8
Low Risk: 90-100%	10	10
Unfunded	2	3
Administrator	0	0
END OF FINANCIAL YEAR RISK RATING - SOUTH COAST LALCS	2014-15	2013-14
High Risk: 50-69%	1	2
Medium Risk: 70-89%	3	6
Low Risk: 90-100%	7	3
Unfunded	2	2
Administrator	0	0

## Wiradjuri Comparative Data



## South Coast Comparative Data



### LALC SOCIAL HOUSING ACTIVITY

Under the ALRA the provision of residential accommodation (including rental accommodation) is referred to as a Community Benefits Scheme (CBS). The ALRA says that a LALC may, in accordance with an approval of NSWALC, directly or indirectly, provide community benefits and provide, acquire, construct, upgrade or extend residential accommodation for Aboriginal people in its area. These schemes are referred to as a CBS (RA).

Within Southern Zone 17 LALCs were given conditional approval by NSWALC as CBS (RAs). Of the remaining 16 LALCs with CBS – RAs, two have gained approval under Social Housing and Provider Evaluation (SHAPE) to manage

their own housing and a further twelve LALCs have entered into Head Lease arrangements with the New South Wales Aboriginal Housing Office (AHO).

### COMMUNITY LAND & BUSINESS PLANS (CLBPS)

NSWALC Southern Zone LALCs have made progress on achieving their goals by strengthening action plans. Under current legislation out of the 34 LALCs in the Southern Zone area, seven were yet to provide a member approved CLBPs at the conclusion of the reporting period. NSWALC Southern Zone staff continue to work closely with these LALCs to provide member approved CLBPs in the next financial year.

## NSWALC'S ECONOMIC DEVELOPMENT PROGRAM

The Southern Zone office continued to facilitate the dissemination of information and policy advocacy in relation to NSWALC's Economic Development Program during 2015-16, which saw the trial period for the successful LALCs extended. Successful LALCs were:

### 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 2015-16 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:

- Murrin Bridge LALC -Transfer of Barooga Karra.
- Mogo LALC ALC 8006 Lot 12 Section 9 DP 755914 (identified as Lot 12 Section 9 DP 758168) at Broulee.
- Wagonga LALC - sale of Lots 1 & 2, Byrnes St, Nerrigundah – RAC.
- Eden LALC - Proposed sale of Lot 77 DP 756708, Numbla Vale and Lot 7300 DP 1163750, Jimenbuen.
- Griffith LALC - Proposed subdivision and development of "Three Ways" being former Reserve Lot 1222 DP 751709, Wiradjuri Pl, Griffith.
- Illawarra LALC - Proposed sale of 88 West Dapto Rd, Kembla Grange (Lot 323 DP 823189) and 86-88 Mittagong St, Welby (Lots 7 & 8 Sec 11 DP 759070).
- Jerrinja LALC - Proposed lodgement of development application to relocate demountable - part Lot 51 DP 755971.
- Leeton and District LALC - Proposed sale of Farm lots: 43 Toorak Rd, Leeton (Lot 867 DP 720242), Lot 1 Wattle Ave, Murrumbidgee (Lot 1 DP 821513) and 3-4 Wattle Ave, Murrumbidgee (Lots 3 and 4 DP 821513).
- Ulladulla LALC - Approval to grant an easement to Shoalhaven City Council over Lot 2 DP 1063393 & Lot 7306 DP1166723 (originally proposed now approved).
- Approved 4 consecutive leases to Vodafone over

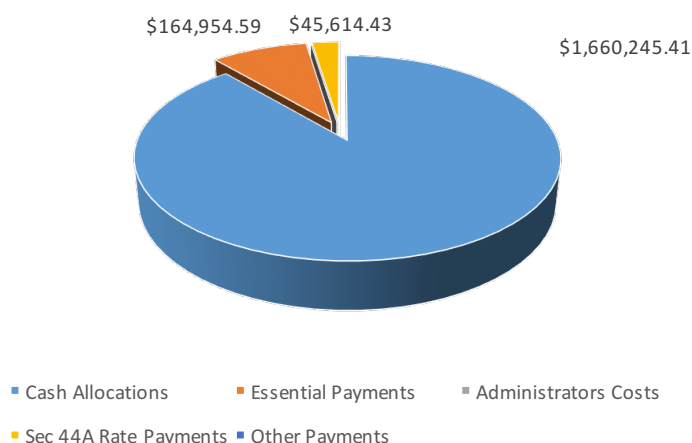
Mollymook - 210 Matron Porter Drive, Narrawallee (Lot 385 DP 45117).

## LALC FUNDING

The below graphs indicate the sum of funds by Region released under the terms and conditions of the 31 Funding Agreements offered and executed in 2015-16 and three Assistance Agreements, two of which were executed.

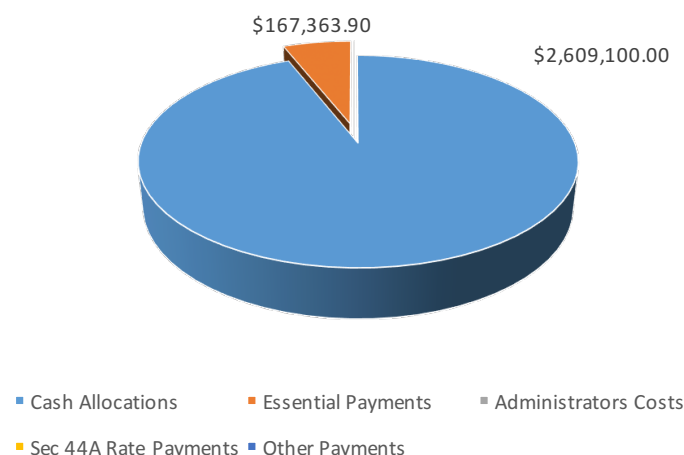
### SOUTH COAST REGION

South Coast Allocation & Expenses



### WIRADJURI REGION

Wiradjuri Region Allocation & Expenses



The above graphs also outline essential payment assistance provided by the Southern Zone to four LALCs, including payments to rating bodies to avoid S44A liability. Section 44A of the ALRA holds NSWALC responsible for outstanding rates and charges payments of LALCs if those charges are greater than 12 months old. 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 all of the LALCs mentioned above now have either a CEO or Acting 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 West 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.

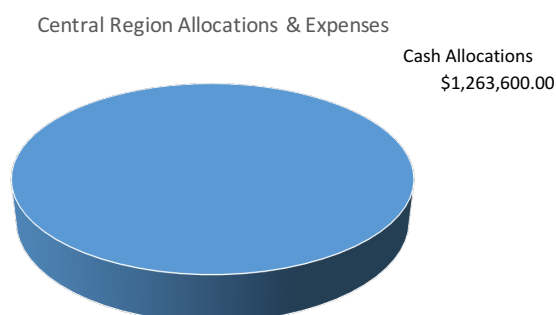
### STAFFING

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 Emotional Intelligence, First Aid, MicroSoft Office 2013, Finance, Effective Meetings and Corporate Governance Training.

In March 2016, Western Zone Staff also worked with staff from other Zones at a Zone Conference to review the ALRA amendments to existing NSWALC policies. In addition, staff prepared draft policies based on the ALRA amendments.

### COMPLIANCE AND FUNDING

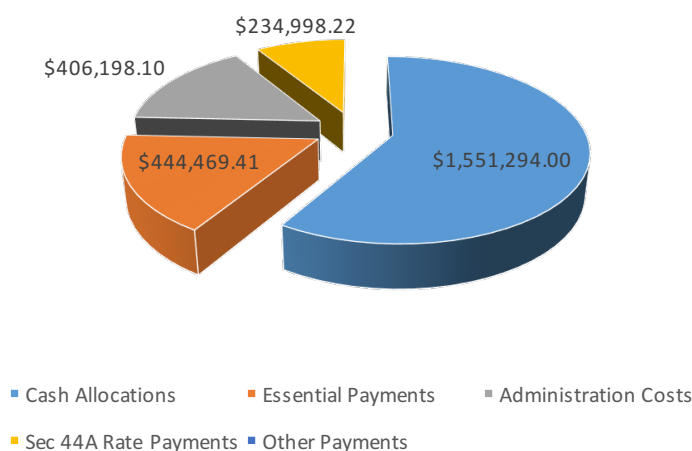
The NSWALC Compliance database enables NSWALC to determine whether a LALC has met their ALRA compliance responsibilities. Compliance with the ALRA is a critical consideration in providing funding to LALCs.



## NORTH WEST REGION ALLOCATION AND EXPENSES

In the North West Region, the LALC compliance database revealed that: approximately 59 percent of LALCs met all ALRA compliance requirements and received their cash allocations directly through a Funding Agreement; approximately 17 percent of LALCs received the cash allocation through an Assistance Agreement; approximately 15 percent of the LALCs' cash allocation was contributed to administrator's costs; and, approximately nine percent of the cash allocation was related to Section 44A Rate Payments

North West Region Allocations & Expenses

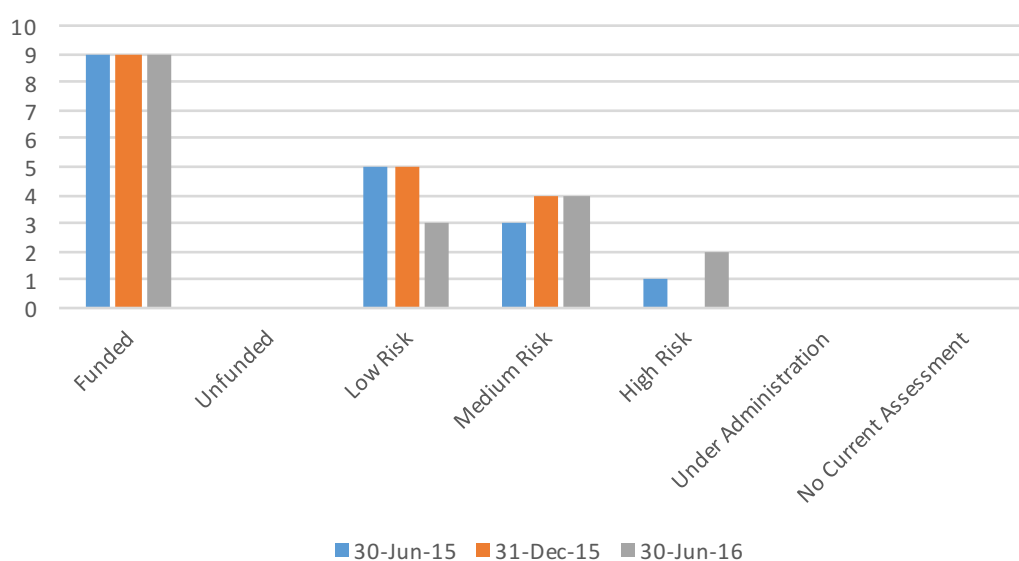


## RISK ASSESSMENT SYSTEM (RAS)

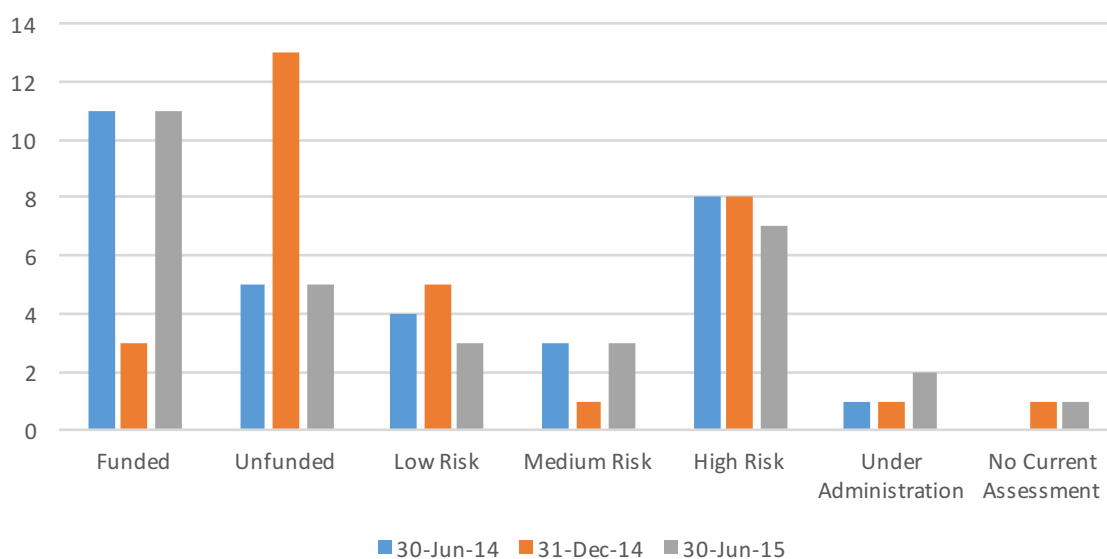
The Risk Assessment System is a risk management tool utilised by NSWALC to assess LALC operations in a number of critical areas. The RAS has been adopted as the primary risk assessment tool used by NSWALC to determine what risk category a LALC will fall into. This determination provides guidance as to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

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.

A number of capacity development initiatives were provided to LALCs during the reporting period. This included 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 give the elected representatives 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.

In addition, the Zone staff officiated as Returning Officers at all LALC elections and casual vacancy elections held across the regions in the reporting period.

### **LALC CEO TRAINING**

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

Training has been provided to LALCs in office administration, financial management, 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 were conducted during the reporting period. The forums are attended by representatives from LALCs in each Region.

Some of the topics covered in the Regional Forums were:

- ALRA amendments;
- Crown Lands Review;
- Aboriginal Land Agreements;
- Economic Development;

The forums also provided LALCs with an opportunity to voice concerns on issues of particular interest to them and 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 rollout 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 ECONOMIC AND COMMUNITY DEVELOPMENT INITIATIVES**

### ***North West Land Corporation***

The North West Land Corporation (NWLC) is a newly established LALC owned corporation comprising 17 LALCs of the North West Region of NSW as members/shareholders, targeting regional economic and social development, as well as 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 NWLC has been working to support LALCs in the North West Region with the following activities:

- Rural Properties Management – on behalf of the 17 LALCs of the North West Region, NWLC is managing three rural properties currently under lease.
- Calooma Restoration Project – NWLC has been working on behalf of the 17 LALCs of the North West Region to restore and improve Calooma Station. Restoration works are being conducted through a combination of funding from the NSWALC Community Development Fund, ANZ Bank and NWLC operational funds raised through both the rural properties leases and goat harvesting on the property. The aim for Calooma station is for this property to act as a hub for social, cultural and community engagement with regionally based enterprise activities sustaining the ongoing operating and maintenance costs of activities. The current restoration phase is focused on water security, with over 125,000L of rain and bore water storage capacity recently added to the site. The next stage, to be delivered in partnership with TAFE Western is to construct toilet and shower facilities on site.
- Goodooga LALC community store – NWLC has been working with Goodooga LALC for over two years and has recently been successful in securing funding from multiple sources to progress the business and redevelopment planning for the reopening of a community food store on Goodooga LALC land, in collaboration with Outback Stores as store operator, Goodooga LALC as land owner and NWLC as store owner. Ongoing funding has already been earmarked for this project by the Federal Government.

- Murrawarri LALC pop-up food store and native bush food plantation - NWLC, Murrawarri LALC and the University of Sydney Business School have been working in partnership to support the aspirations of the Enngonia community for access to fresh food in their community. A plan for a pop-up food store to operate from within the LALC building has been developed and further work has begun to turn this plan into a reality. Concurrently, native bush food experts have been engaged to review the potential for a commercial native food plantation on LALC land, with a very positive opportunity for commercial bush food farming under a purchasing contract already offered, and further planning currently underway.
- Collarenebri LALC funding auspicing – NWLC is supporting Collarenebri LALC's community run project to restore the Collymongle burial ground by managing the funding provided by Local Land Services on behalf of the LALC.

## GOVERNANCE UNIT

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

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

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

The Unit also provided support to six Council Workshops during the year. The Workshops considered and discussed a range of major issues including Native Title, Crown Lands, Aboriginal Land Agreements, NSWALC Funeral Fund, Strategic Plan and media and government relations.

A workshop on Directors' Duties was held on 15 February 2016 and facilitated by Indigenous Corporate Partners and a workshop on Leadership was held on 11 April 2016 and facilitated by ETM Perspectives.

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	12
Council Workshops	6
Audit & Risk Committee	5
Finance Committee	5
Governance Committee	1
Investment Committee	4
Economic Development Advisory Committee	2

During the year, new appointments were made to the following Committee Chair positions:

Finance Committee – Mr Jonathon Rea

Governance Committee – Mr Paul McNab

Investment Committee – Mr John Wilson

Economic Development Advisory Committee – Mr Jack Beetson

## INTERNAL AUDIT AND RISK MANAGEMENT

### Internal Audit

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

INTERNAL AUDITS COMPLETED DURING 2015/2016	FINDINGS
Management of the Investment Portfolio Drawdown Rule	2
Records Management	2
Economic Development	6

There were 10 findings with a range of recommendations.

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

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

The internal audit reviews identified: three People Issues, seven Process Issues and none for 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:

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>

Of the 10 findings, one was ranked significant risk; three ranked high risk; three medium risks; three low risks. One business improvement opportunity was also identified during the reviews.



## AUDIT AND RISK COMMITTEE

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

The Committee comprised Mr Garry Dinnie, the independent Chair, independent member, Ms Carolyn Walsh and Council representative, Councillor Charles Lynch.

Councillor Peter Smith 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).

NSWALC is obliged to publish an Internal Audit and Risk Management Statement for the 2015-16 Financial Year. This can be found at the end of this section.

## PLANNING AND RISK MANAGEMENT

The Governance Unit was involved in creating and implementing the Performance, Risk and Compliance system across NSWALC. This involved assessing each business unit and assessing the activities, risks and compliance obligations to ascertain the significant areas of focus for NSWALC.

Currently NSWALC is in the process of moving to automate the process to enhance the measuring capabilities of the operations of NSWALC.

## 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. NSWALC has no formal powers under the *Aboriginal Land Rights Acts 1983* (ALRA) to investigate the conduct of a Local Aboriginal Land Council (LALC), its Board members, 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). The NSWALC Complaints Policy and Procedures has been under review by the Governance Unit and a revised policy is expected to be released later in 2016.

## COMPLAINTS RECEIVED

The NSWALC recorded 117 complaints during the reporting period. The majority of complaints related to the conduct or operation of LALCs. 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	69
Eastern Zone Office	18
Far West Zone Office	0
Northern Zone Office	27
Southern Zone Office	3
Western Zone Office	0
TOTAL	117

## INDEPENDENT COMMISSION AGAINST CORRUPTION (ICAC)

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

## Internal Audit and Risk Management Attestation Statement for the 2015-2016 Financial Year for the New South Wales Aboriginal Land Council

I, am of the opinion that the New South Wales Aboriginal Land Council has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements	For each requirement, please specify whether compliant, non-compliant, or in transition
<b>Risk Management Framework</b>	
1.1 The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
<b>Internal Audit Function</b>	
2.1 An internal audit function has been established and maintained	Compliant
2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3 The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
<b>Audit and Risk Committee</b>	
3.1 An independent Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2 The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3 The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

### Membership

The chair and members of the Audit and Risk Committee are:

- Independent Chair, Mr Garry Dinnie, appointed 1 April 2015 until 31 March 2018
- Independent Member, Ms Carolyn Walsh, reappointed 1 April 2015 until 31 March 2017
- Non-independent Member, Councillor Charles Lynch, appointed 18 November 2015 until October 2019
- Non-independent Member (Alternate), Councillor Peter Smith, appointed 18 November 2015 until October 2019

Lesley Turner

Chief Executive Officer

(Sign and Date)



## ANNUAL REPORT

The Governance Unit is responsible for the management, production and publication of the NSWALC Annual Report. The report was drafted by the Media and Communications Unit.

The 2014-15 Annual Report was provided to the Minister for Aboriginal Affairs within the statutory timeframe.

## COMPLIANCE AND EVALUATION SECTION

The compliance and evaluation section is a part of the Governance Unit and its central function is to maintain comprehensive data on LALCs' compliance with the regulations and funding policies of NSWALC. Two major data bases, the Compliance and Funding database and the Risk Assessment System (RAS) database are maintained by the section.

The information maintained by the databases supports:

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

A database has been developed to monitor the operations of the LALC Community Benefit Scheme (Residential Accommodation) (CBS (RA)) policy either as operated by the LALCs independently themselves or assisted by an external real estate management. This data base has the ability to monitor the conditions that may have been attached to a LALC's approval for an independent operation of CBS (RA).

A further database is maintained to monitor the current list of NSWALC Accepted Auditors for the LALCs in accordance with relevant regulations. The ALRA requires each LALC to appoint its auditor from the list of auditors maintained by NSWALC.

The section also supports Councillors, management and Zone Offices in the 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;
- Permits and controls extended compliance requirements, if requested by a LALC and approved by NSWALC delegate;
- Automatically breaches the LALC for non-compliance;
- Automatically changes the Funding Category of a LALC;
- Automatically communicates with the RAS database every night to activate funding category changes in accordance with new risk assessment that may have been synchronised in RAS;
- 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 ALRA 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

The NSWALC Risk Assessment System (RAS) has been developed to assess the risk level of the LALCs in the network and to implement risk management plans that would eliminate or minimise the identified risks. The definition and category of the risks have been drawn from the LALC Management Support System application and it identifies LALC performance weakness 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 NSWALC.

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

An enhanced Risk Assessment System was deployed in April 2016. The RAS has been further simplified to incorporate the most important questions from the previous Performance Assessment System, thus one assessment system is now being used.

The combined assessment system has 47 questions with three different risk ranks and weightings of moderate risk (0.985), high risk (0.94) and extreme risk (0.89). The risk score is calculated on a multiplicative table.

On a start of each risk assessment, the RAS assumes that a LALC is 100 percent risk free. As soon as a question receives a negative response, the LALC's assessment score drops to weighting assigned to that question - 98.5 percent if the question is a moderate risk, 94 percent if the question is high risk or 89 percent if the question is an extreme risk.

The final score of a risk assessment determines the risk level of the LALC within one of the three risk levels in accordance with the LALC Funding Procedures:

Low Risk  $\geq 90\%$     Medium Risk  $\geq 70\%$  and  $< 90\%$     High Risk  $< 70\%$

Some multiplicative calculations are illustrated below:

NEGATIVE RESPONSES TO A SET OF QUESTIONS AS FOLLOWING	MULTIPLICATIVE WEIGHTINGS	CALCULATED SCORE IN PERCENTAGE	DETERMINED RISK LEVEL
1 moderate & 1 high risk	$0.985 \times 0.94$	92.59%	Low Risk Level
1 extreme risk	0.89	89.0%	Medium Risk Level
2 extreme & 1 high risk	$0.89 \times 0.89 \times 0.94$	74.45%	Medium Risk Level
2 extreme, 1 high & 1 moderate	$0.89 \times 0.89 \times 0.94 \times 0.985$	73.34%	Medium Risk Level
2 extreme & 2 high risk	$0.89 \times 0.89 \times 0.94 \times 0.94$	69.99%	High Risk Level

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.

## STATE-WIDE LALC FUNDING CATEGORY REPORT

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

In response to the removal of section 163 from the ALRA, 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 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 risk levels of the LALCs are determined by risk measurement of the LALCs under the Risk Assessment System. The RAS assessment determines the risk level and the frequency of cash allocations to the LALCs and financial reporting obligations of the LALCs.

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

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

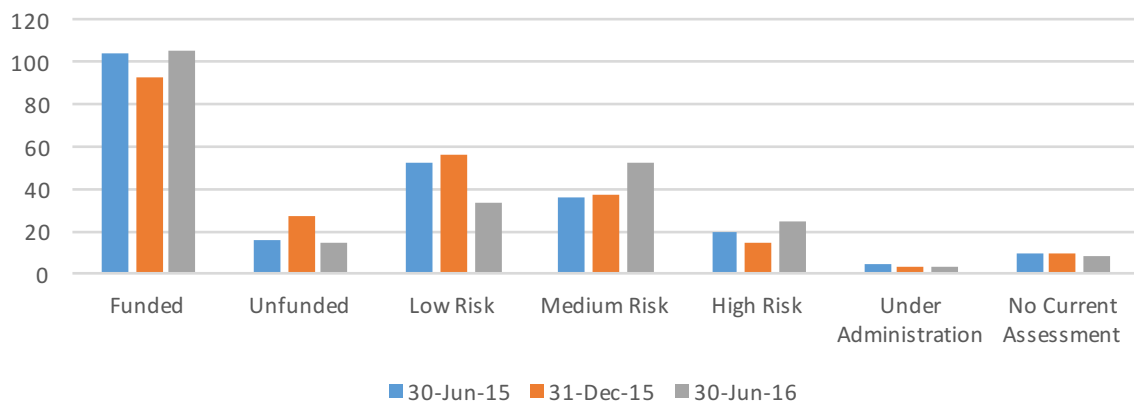
The LALCs, irrespective of their RAS ratings, must be in compliance with relevant regulatory requirements and the funding policy in order to receive any cash allocation. If a LALC is experiencing difficulties to clear the regulatory breach or achieve required RAS score then it is offered an Assistance 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.

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

The following column graph compares the number of LALCs in each funding category and risk level at the end of this financial year compared with their category at the same point last financial year and at the end of December 2015.



## Statewide Funding Category and 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

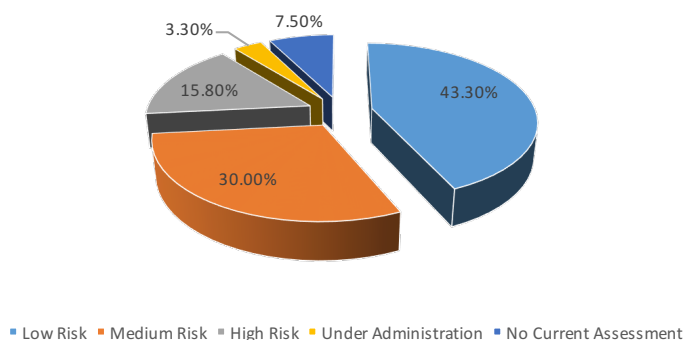
The number of LALCs in the funded category at the end of the financial year 30 June 2016 has increased by one from the end of the previous financial year i.e. 105 LALCs compared to 104 LALCs.

Four LALCs were under administration at the end of the last financial year and this count has decreased to three at the end of this financial year.

The following pie graphs compare the number of LALCs in RAS Risk Level at the end of this financial year 2016 and at the end of last financial year 2015.

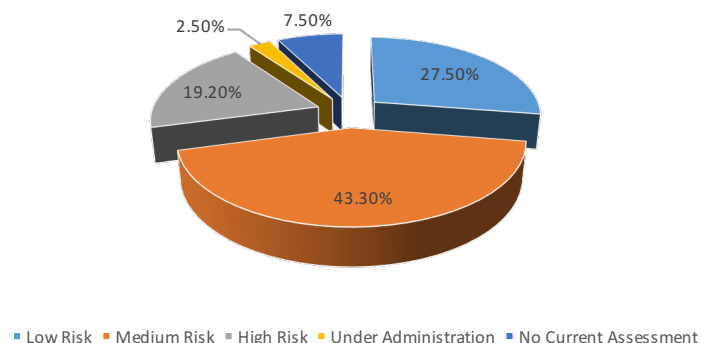
**GRAPH 2** - State-wide RAS Risk Level at the end of Last Financial Year – 30 June 2015

Statewide LALC Risk Level at 30 June 2015



**GRAPH 3** - State-wide RAS Risk Level at the end of this Financial Year – 30 June 2016

Statewide LALC Risk Level at 30 June 2016



The table below shows the movements in RAS risk level of the LALCs between financial year 30 June 2015 and financial year 30 June 2016.

CATEGORY	30 JUNE 2015	30 JUNE 2016	MOVEMENT
Low Risk Level	52	33	Decreased by 19
Medium Risk Level	36	52	Increased by 16
High Risk Level	19	24	Increased by 5
Under Administration	4	3	Decreased by 1
No Current Assessment	9	8	Decreased by 1
Total LALC	120	120	

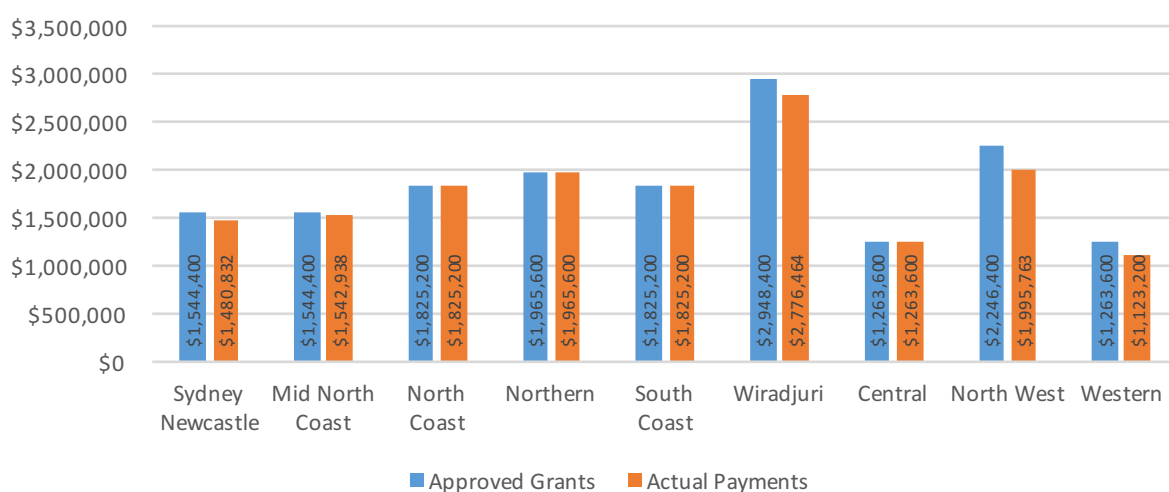
## STATEWIDE GRANT ALLOCATIONS REPORT

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

Council approved allocation grants to 117 Local Aboriginal Land Councils of \$140,400 each during the 2015-16 financial year, amounting to a total grant allocation of \$16,426,800.

### PAYMENTS AGAINST APPROVED GRANT OF \$16,426,800

Actual Cash Allocations and Essential Expenses Against  
Approved Grant by Region



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 agreement for the operation of their essential functions. However, essential payments may also be granted to unfunded LALCs without assistance agreement, if the payment is for protection or preservation of LALC assets or to avoid significant liabilities.

The annual grant for each LALC that remain unpaid at the end of the financial year is forfeited by the LALC, as a new annual grant is approved by the NSWALC Council for each LALC.

## DETAILS OF FUNDS GRANTED AND PAYMENTS TO EACH LALC

Financial Year Ending 30 June 2016

No.	Region	LALC	Approved Grant	Cash Payment	Essential Payments	Forfeited Grant
1	Sydney Newcastle	Awabakal	\$140,400.00		\$76,831.97	\$63,568.03
2	Sydney Newcastle	Bahtabah	\$140,400.00	\$140,400.00		\$0.00
3	Sydney Newcastle	Biraban	\$140,400.00	\$140,400.00		\$0.00
4	Sydney Newcastle	Darkinjung	\$140,400.00	\$140,400.00		\$0.00
5	Sydney Newcastle	Deerubbin	\$140,400.00	\$140,400.00		\$0.00
6	Sydney Newcastle	Gandangara	\$140,400.00	\$140,400.00		\$0.00
7	Sydney Newcastle	La Pouse	\$140,400.00	\$140,400.00		\$0.00
8	Sydney Newcastle	Metropolitan	\$140,400.00	\$140,400.00		\$0.00
9	Sydney Newcastle	Mindaribba	\$140,400.00	\$140,400.00		\$0.00
10	Sydney Newcastle	Tharawal	\$140,400.00	\$140,400.00		\$0.00
11	Sydney Newcastle	Worimi	\$140,400.00	\$140,400.00		\$0.00
12	Mid North Coast	Birpai	\$140,400.00	\$140,400.00		\$0.00
13	Mid North Coast	Bowraville	\$140,400.00	\$140,400.00		\$0.00
14	Mid North Coast	Bunyah	\$140,400.00	\$140,400.00		\$0.00
15	Mid North Coast	Coffs Harbour & District	\$140,400.00	\$140,400.00		\$0.00
16	Mid North Coast	Forster	\$140,400.00	\$140,400.00		\$0.00
17	Mid North Coast	Karuah	\$140,400.00	\$140,400.00		\$0.00
18	Mid North Coast	Kempsey	\$140,400.00	\$140,400.00		\$0.00
19	Mid North Coast	Nambucca Heads	\$140,400.00	\$140,400.00		\$0.00
20	Mid North Coast	Purfleet/Taree	\$140,400.00	\$140,400.00		\$0.00
21	Mid North Coast	Stuart Island				\$0.00
22	Mid North Coast	Thungutti	\$140,400.00		\$138,937.75	\$1,462.25

## DETAILS OF FUNDS GRANTED AND PAYMENTS TO EACH LALC

Financial Year Ending 30 June 2016

No.	Region	LALC	Approved Grant	Cash Payment	Essential Payments	Forfeited Grant
23	Mid North Coast	Unkya	\$140,400.00	\$140,400.00		\$0.00
24	North Coast	Baryulgil Square	\$140,400.00	\$140,400.00		\$0.00
25	North Coast	Birrigan Gargle	\$140,400.00	\$140,400.00		\$0.00
26	North Coast	Bogal	\$140,400.00	\$140,400.00		\$0.00
27	North Coast	Casino Boolangle	\$140,400.00	\$140,400.00		\$0.00
28	North Coast	Grafton Ngerrie	\$140,400.00	\$140,400.00		\$0.00
29	North Coast	Gugin Gudduba	\$140,400.00	\$98,983.12	\$41,416.89	-\$0.01
30	North Coast	Jali	\$140,400.00	\$140,400.00		\$0.00
31	North Coast	Jana Ngalee	\$140,400.00	\$140,400.00		\$0.00
32	North Coast	Jubullum	\$140,400.00	\$140,400.00		\$0.00
33	North Coast	Muli	\$140,400.00	\$140,400.00		\$0.00
34	North Coast	Ngulingah	\$140,400.00	\$140,400.00		\$0.00
35	North Coast	Tweed Byron	\$140,400.00	\$93,896.56	\$46,503.44	\$0.00
36	North Coast	Yaegl	\$140,400.00	\$140,400.00		\$0.00
37	Northern	Amaroo	\$140,400.00	\$140,400.00		\$0.00
38	Northern	Anaiwan	\$140,400.00	\$140,400.00		\$0.00
39	Northern	Armidale	\$140,400.00	\$140,400.00		\$0.00
40	Northern	Ashford	\$140,400.00	\$140,400.00		\$0.00
41	Northern	Coonabarabran	\$140,400.00	\$140,400.00		\$0.00
42	Northern	Dorrigo Plateau	\$140,400.00	\$140,400.00		\$0.00
43	Northern	Glen Innes	\$140,400.00	\$140,400.00		\$0.00
44	Northern	Guyra	\$140,400.00	\$140,400.00		\$0.00

## DETAILS OF FUNDS GRANTED AND PAYMENTS TO EACH LALC

Financial Year Ending 30 June 2016

No.	Region	LALC	Approved Grant	Cash Payment	Essential Payments	Forfeited Grant
45	Northern	Moombahlene	\$140,400.00	\$140,400.00		\$0.00
46	Northern	Nungaroo	\$140,400.00	\$140,400.00		\$0.00
47	Northern	Red Chief	\$140,400.00	\$94,494.00	\$45,905.52	\$0.48
48	Northern	Tamworth	\$140,400.00	\$140,400.00		\$0.00
49	Northern	Walhallow	\$140,400.00	\$140,400.00		\$0.00
50	Northern	Wanaruah	\$140,400.00	\$140,400.00		\$0.00
51	South Coast	Bateman's Bay	\$140,400.00	\$140,400.00		\$0.00
52	South Coast	Bega	\$140,400.00	\$140,400.00		\$0.00
53	South Coast	Bodalla	\$140,400.00	\$115,845.41	\$24,554.59	\$0.00
54	South Coast	Cobowra	\$140,400.00	\$140,400.00		\$0.00
55	South Coast	Eden	\$140,400.00	\$140,400.00		\$0.00
56	South Coast	Illawarra	\$140,400.00	\$140,400.00		\$0.00
57	South Coast	Jerrinja	\$140,400.00		\$140,400.00	\$0.00
58	South Coast	Merrimans	\$140,400.00	\$140,400.00		\$0.00
59	South Coast	Mogo	\$140,400.00	\$140,400.00		\$0.00
60	South Coast	Ngambri	\$140,400.00	\$140,400.00		\$0.00
61	South Coast	Nowra	\$140,400.00	\$140,400.00		\$0.00
62	South Coast	Ulladulla	\$140,400.00	\$140,400.00		\$0.00
63	South Coast	Wagonga	\$140,400.00	\$140,400.00		\$0.00
64	Wiradjuri	Albury & District	\$140,400.00	\$140,400.00		\$0.00
65	Wiradjuri	Bathurst	\$140,400.00	\$140,400.00		\$0.00
66	Wiradjuri	Condoblin	\$140,400.00	\$93,600.00		\$46,800.00



## DETAILS OF FUNDS GRANTED AND PAYMENTS TO EACH LALC

Financial Year Ending 30 June 2016

No.	Region	LALC	Approved Grant	Cash Payment	Essential Payments	Forfeited Grant
67	Wiradjuri	Cowra	\$140,400.00		\$72,949.15	\$67,450.85
68	Wiradjuri	Cummeragunja	\$140,400.00	\$140,400.00		\$0.00
69	Wiradjuri	Deniliquin	\$140,400.00	\$140,400.00		\$0.00
70	Wiradjuri	Griffith	\$140,400.00	\$140,400.00		\$0.00
71	Wiradjuri	Hay	\$140,400.00	\$140,400.00		\$0.00
72	Wiradjuri	Leeton & District	\$140,400.00	\$140,400.00		\$0.00
73	Wiradjuri	Moama	\$140,400.00	\$128,700.00		\$11,700.00
74	Wiradjuri	Murrin Bridge	\$140,400.00	\$140,400.00		\$0.00
75	Wiradjuri	Narrandera	\$140,400.00	\$140,400.00		\$0.00
76	Wiradjuri	Onerwal	\$140,400.00	\$140,400.00		\$0.00
77	Wiradjuri	Orange	\$140,400.00	\$140,400.00		\$0.00
78	Wiradjuri	Peak Hill	\$140,400.00	\$140,400.00		\$0.00
79	Wiradjuri	Pejar	\$140,400.00	\$140,400.00		\$0.00
80	Wiradjuri	Tumut Brungle	\$140,400.00	\$140,400.00		\$0.00
81	Wiradjuri	Wagga Wagga	\$140,400.00	\$140,400.00		\$0.00
82	Wiradjuri	Wamba Wamba	\$140,400.00		\$94,414.77	\$45,985.23
83	Wiradjuri	West Wyalong	\$140,400.00	\$140,400.00		\$0.00
84	Wiradjuri	Young	\$140,400.00	\$140,400.00		\$0.00
85	Central	Dubbo	\$140,400.00	\$140,400.00		\$0.00
86	Central	Gilgandra	\$140,400.00	\$140,400.00		\$0.00
87	Central	Mudgee	\$140,400.00	\$140,400.00		\$0.00
88	Central	Narromine	\$140,400.00	\$140,400.00		\$0.00

## DETAILS OF FUNDS GRANTED AND PAYMENTS TO EACH LALC

Financial Year Ending 30 June 2016

No.	Region	LALC	Approved Grant	Cash Payment	Essential Payments	Forfeited Grant
89	Central	Nyngan	\$140,400.00	\$140,400.00		\$0.00
90	Central	Trangie	\$140,400.00	\$140,400.00		\$0.00
91	Central	Warren Macquarie	\$140,400.00	\$140,400.00		\$0.00
92	Central	Weilwan	\$140,400.00	\$140,400.00		\$0.00
93	Central	Wellington	\$140,400.00	\$140,400.00		\$0.00
94	North West	Baradine	\$140,400.00	\$140,400.00		\$0.00
95	North West	Brewarrina	\$140,400.00	\$140,400.00		\$0.00
96	North West	Collarenebri	\$140,400.00	\$46,800.00	\$45,820.85	\$47,779.15
97	North West	Coonamble	\$140,400.00	\$140,400.00		\$0.00
98	North West	Goodooga	\$140,400.00	\$109,074.00	\$11,251.01	\$20,074.99
99	North West	Lightning Ridge	\$140,400.00	\$85,020.00	\$38,415.10	\$16,964.90
100	North West	Moree	\$140,400.00	\$140,400.00		\$0.00
101	North West	Mungindi	\$140,400.00	\$140,400.00		\$0.00
102	North West	Murrawari	\$140,400.00	\$140,400.00		\$0.00
103	North West	Narrabri	\$140,400.00	\$140,400.00		\$0.00
104	North West	Nulla Nulla	\$140,400.00	\$46,800.00	\$83,762.55	\$9,837.45
105	North West	Pilliga	\$140,400.00	\$140,400.00		\$0.00
106	North West	Toomelah	\$140,400.00		\$78,812.77	\$61,587.23
107	North West	Walgett	\$140,400.00	\$140,400.00		\$0.00
108	North West	Wee Waa	\$140,400.00		\$85,318.45	\$55,081.55
109	North West	Weilmoringle	\$140,400.00		\$101,088.68	\$39,311.32
110	Western	Balranald	\$140,400.00	\$140,400.00		\$0.00

## DETAILS OF FUNDS GRANTED AND PAYMENTS TO EACH LALC

Financial Year Ending 30 June 2016

No.	Region	LALC	Approved Grant	Cash Payment	Essential Payments	Forfeited Grant
111	Western	Broken Hill	\$140,400.00	\$140,400.00		\$0.00
112	Western	Cobar	\$140,400.00	\$140,400.00		\$0.00
113	Western	Dareton	\$140,400.00	\$140,400.00		\$0.00
114	Western	Ivanhoe	\$140,400.00			\$140,400.00
115	Western	Menindee	\$140,400.00	\$140,400.00		\$0.00
116	Western	Mutawintji	\$140,400.00	\$140,400.00		\$0.00
117	Western	Tibooburra	\$140,400.00	\$140,400.00		\$0.00
118	Western	Wanaaring				\$0.00
119	Western	Wilcannia	\$140,400.00	\$140,400.00		\$0.00
120	Western	Winbar				\$0.00
			\$16,426,800.00	\$14,672,413.09	\$1,126,383.49	\$628,003.42

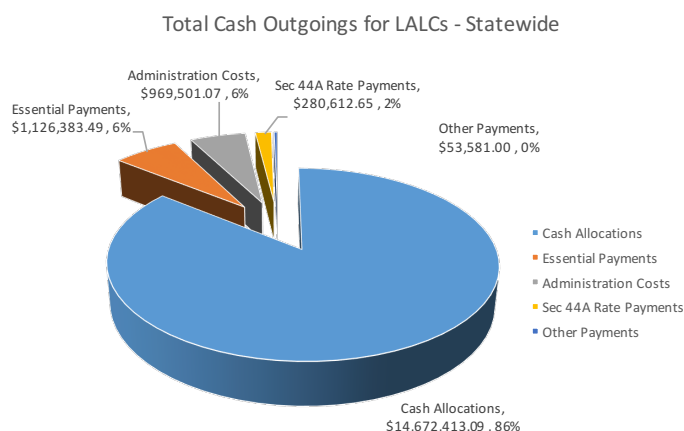
This table below shows summary of the payments against approved grant.

PAYMENT CATEGORY	AMOUNT	PERCENTAGE
Cash Allocations	\$14,672,413.09	89.32%
Essential Payments	\$1,126,383.49	6.86%
Forfeited Grants	\$628,003.42	3.82%
Approved Grants	\$16,426,800.00	100.00%

A total of \$1,126,383.49 has been paid for essential functions of 16 LALCs state-wide, while these LALCs were unfunded for being not in compliance with regulations.

## TOTAL OUTGOINGS FOR LALCS

This graph shows the total outgoings of \$17,102,491.30 to LALCs for the financial year ending 30 June 2016.



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 administrators' costs, rates and other payments from the relevant LALCs under debt recovery agreements.

## INVESTIGATION AND ADMINISTRATION OF ABORIGINAL LAND COUNCILS

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

The roles and responsibilities of NSWALC, the Minister, and the Registrar on interventions are set out in Part 11 of the ALRA. 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 NSW, four were under administration at the beginning of the financial year. One of those completed its administration period during the year leaving three LALCs under administration at the end of the financial year. Another LALC was subjected to a short administration period of three months during the financial year.

### Gandangara LALC Administrator

Mr Peter Hillig from Smith Hancock was appointed as administrator of Gandangara LALC in March 2014. The initial appointment was extended a number of times and the administration concluded on 19 November 2015 following the appointment of a new Chief Executive Officer and election of a new Board.

A total of \$316,315.16 has been recorded for Gandangara

LALC administration costs for the financial year ending 30 June 2016.

### Brewarrina LALC Administrator

The Minister appointed Mr Andrew Bowcher from RSM Bird Cameron Partners as administrator of Brewarrina LALC in May 2014. Due to the complexity of issues at the LALC, the administration was extended on a number of occasions with a final term to 12 August 2016.

A new Chief Executive Officer has been appointed and, subsequent to this report date, a new LALC Board was elected on 12 July 2016.

A total of \$256,198.10 has been recorded for Brewarrina LALC administration costs for the financial year ending 30 June 2016.

### Balranald LALC Administrator

The Minister appointed Mr Andrew Bowcher from RSM Bird Cameron Partners as administrator of Balranald LALC in November 2014. The administration has been extended a number of times and is due to be completed on 23 November 2016.

A new Chief Executive Officer has been appointed to the LALC and a Board Election has been scheduled for 30 September 2016.

A total of \$246,987.81 has been recorded for Balranald administration costs for the financial year ending 30 June 2016.

### Mungindi LALC Administrator

The Minister appointed Mr Andrew Hoholt from Hoholt Consulting as administrator of Mungindi LALC in April 2015. The appointment has currently been extended until 23 October 2016.

The Administrator has appointed a new acting Chief Executive Officer for the LALC and a new Board has also been elected.

A total of \$120,000.00 has been recorded for administration costs for the financial year ending 30 June 2016.

### Collarenebri LALC Administrator

The Minister appointed Mr Andrew Hoholt from Hoholt Consulting as administrator of Collarenebri LALC for a period of three months from 3 March 2016.

The administration concluded on 2 June 2016 following appointment of a new acting Chief Executive Officer and election of a new Board. A total of \$30,000 in costs was incurred for the 3 months administration period.

### ***Awabakal LALC Investigator***

Following an inquiry by the Registrar, the Minister appointed Mr Kelvin Kenney of Klein & Co as Investigator into the affairs of Awabakal LALC on 9 November 2015. Mr Kenney's term was extended on one occasion and he submitted a report to the Minister on 8 May 2016.

Total costs of \$53,581 are recorded for the investigation period.

## **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 in achieving strategic objectives and performing 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 Finance Unit has been undertaking an ongoing review of Treasury Circulars and Guidelines, Australian Accounting Standards and Interpretations as well as NSWALC 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 and to ensure the controls are implemented and adhered to.
- 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 thorough 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:

- o Accounting and timely payment to all suppliers for goods and services rendered;
- o Recording, monitoring of debts and debt collection;
- o Recording and reporting on investment;
- o Assets management - valuation, recording and control; and,
- o Responding to all finance related queries.

## **FINANCE UNIT ACHIEVEMENTS**

### ***1. Year End Accounts***

One of the significant achievements of the Finance Unit is a continuous improvement in the preparation of NSWALC's Year End Financial Report within the legislative timeframe and limited resources. The Financial Statements were prepared within the tight time frame, with the reduction in misstatements from 11 in 2011-2012 to zero in 2014-15 and 2015-16. The Statements also received an unqualified audit opinion from the NSW Auditor-General.

### ***2. Annual Budget***

The Finance 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***

Analytical management and investment reports were prepared to monitor, control and assess the performance of NSWALC.

### ***4. Cash Flow Management***

The Finance Unit has successfully managed the cash flow throughout the year within the planned withdrawal of investments to reduce excess cash balances in a low interest rate operating bank account and without facing any cash shortages.

### ***5. Expenditure Control***

The Finance 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 approved budget.

### ***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 Finance 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.



# INVESTMENT

New South Wales Aboriginal Land Council (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* (ALRA). For 15 years (1984 - 1998) the ALRA provided for guaranteed funding through the payment of an amount equivalent to 7.5 percent 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 Local Aboriginal Land Council (LALC) 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 \$629 million as at 30 June 2016, compared with a value of \$667 million at the end of the previous year. This represents a decrease of \$38 million in the value of the Fund over the reporting period.

## WHERE OUR MONEY GOES

A major component of NSWALC's annual budget is the direct funding to LALCs. This funding is delivered in a direct grant allocation of \$140,400 to each funded LALC to assist with its administrative costs.

Indirect funding to the Land Rights network accounts for a considerable amount of the balance. A drawdown of \$43.19 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 \$43.48 million. NSWALC supports LALCs that face difficulty meeting their financial and reporting obligations.

## 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 ALRA.

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 2016-2017 is 7.2 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 until 24 August 2015. Mr John Wilson was Chair for the remainder of the reporting period. Both Chairs performed this role in a pro bono capacity.

NSWALC Councillors Des Jones and Anne Dennis represented the Council until 24 August 2015. They were then succeeded by Councillors William Murray and Craig Cromelin, Councillor Murray continuing for the remainder of the meetings and Councillor Cromelin resigning on 18 May 2016. The Investment Committee held four meetings during the reporting period on 24 August 2015, 24 November 2015, 10 March 2016 and 2 June 2016.

## INVESTMENT DECISIONS

Significant investment decisions during the year included the appointment of Fund Managers Impax and Kleinwort Benson.

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 (%)
<b>Growth Assets</b>			
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
<b>DEFENSIVE ASSETS</b>			
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 as at June 2016.

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	√ 67.1 percent
Limit the probability of a negative return in any year to less than 20%	√ 18.2 percent

The portfolio has the following expected outcomes over 20 years:

Return: 7.70 percent pa

Risk: 9.70 percent pa

## INVESTMENT PERFORMANCE

The investment portfolio provided a return of 0.4 percent against a benchmark of 2.7 percent for the twelve months to June 30 2016. 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 2016					
	Quarter	Year	3 Years	5 Years	7 Years
	%	% pa	% pa	% pa	% pa
NSW ALC Fund	2.8	0.4	8.1	8.9	9.7
NSW ALC Fund Benchmark	2.5	2.7	7.9	8.2	8.4
Consumer Price Index + 4% pa	1.4	5.1	5.9	5.9	6.3
Australian Equities	3.8	5.3	9.3	8.7	9.5
S&P/ASX 300 (All Ords before 1/4/2000)	7.0	0.9	7.7	7.2	8.7
Excess Return Over Benchmark	-0.2	4.4	1.6	1.5	0.8
International Developed Equities (unhedged)	4.0	-1.8	13.3	13.7	12.8
MSCI World ex Aust (unhedged)	4.4	0.4	14.8	14.9	11.7
Excess Return Over Benchmark	-0.4	-2.2	-1.5	-1.2	1.1
Emerging Markets	7.1	-4.3	5.8	6.4	-
MSCI EM (Free) NET WHT	4.0	-9.2	5.4	3.5	-
Excess Return Over Benchmark	3.1	4.9	0.4	2.9	-

LONG TERM PERFORMANCE					
Returns to 30 June 2016					
	Quarter	Year	3 Years	5 Years	7 Years
	%	% pa	% pa	% pa	% pa
Total International Equities (including hedging)	2.7	-0.9	13.0	13.4	-
Composite International Equities BM	3.2	-1.7	7.6	11.8	-
Excess Return Over Benchmark	-0.5	0.8	5.4	1.6	-
Global Listed Property	2.4	9.7	12.5	-	-
FTSE EPRA/NAREIT Dev (HDG)	4.0	13.2	12.8	-	-
Excess Return Over Benchmark	-1.6	3.5	-0.3	-	-
Australian Fixed Interest	1.2	3.2	4.1	5.0	5.5
International Fixed Interest	0.5	2.0	3.9	5.4	5.9
Aggregate Fixed Interest	0.8	2.6	3.9	5.1	-
50% UBS Composite Bond All Mats, 50% Citigroup WGBI HDG AUD	2.9	8.4	7.0	7.3	-
Excess Return Over Benchmark	-2.1	-5.8	-3.1	-2.2	-
Australian Inflation Linked Bonds	-0.1	0.1	1.9	3.3	-
UBS Inflation Linked Bond Index	1.2	4.6	6.7	7.5	-
Excess Return Over Benchmark	-1.3	-4.5	-4.8	-4.2	-
Absolute Return	6.2	1.8	6.2	8.0	9.0
UBS Bank Bill	0.6	2.2	2.5	3.1	3.5
Excess Return Over Benchmark	5.6	-0.4	3.7	4.9	5.5
Diversified Fund of Hedge Funds	2.4	0.3	4.6	4.9	-
UBS Bank Bill	0.6	2.2	2.5	3.1	-
Excess Return Over Benchmark	1.8	-1.9	2.1	1.8	-

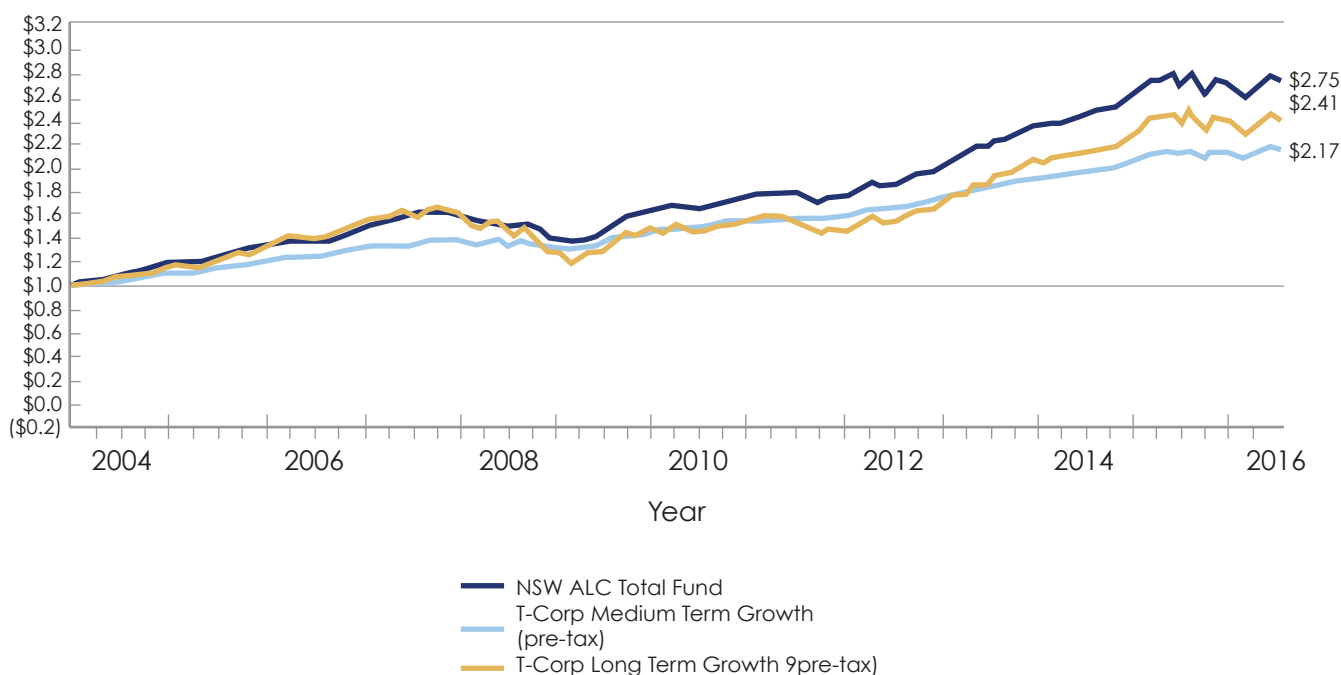


## PERFORMANCE AGAINST PEERS

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.

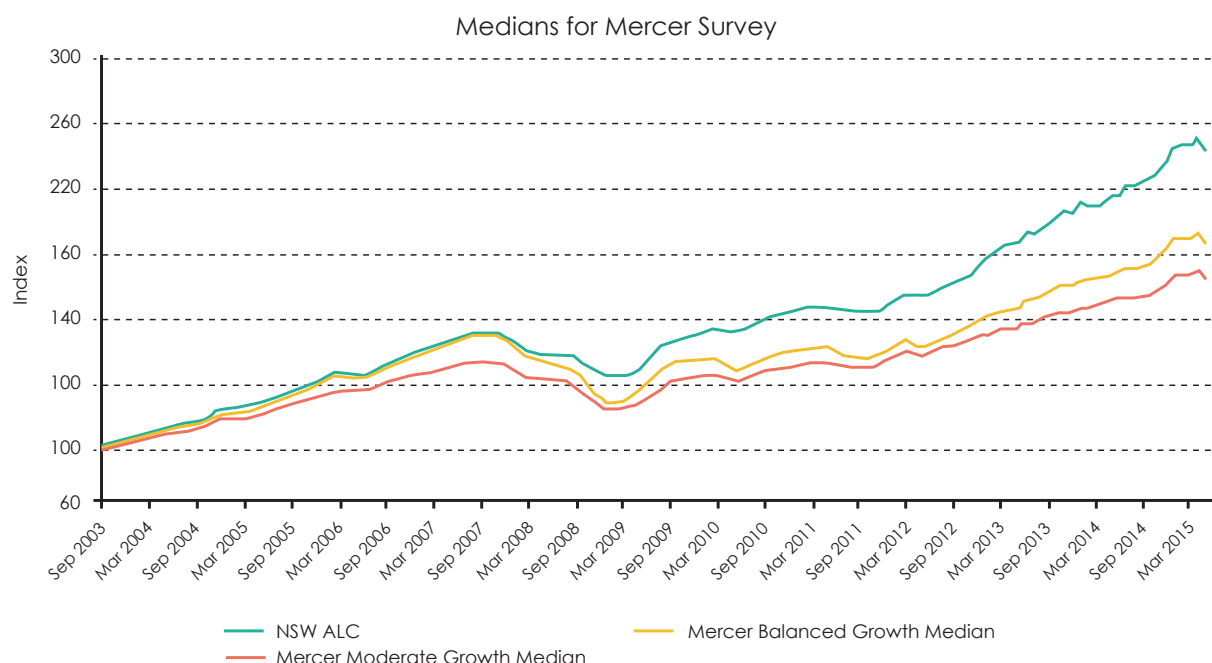
NSWALC's investment rationale is to promote diversity across asset class and across fund managers. This conflicts with the belief that the funds should be invested solely with the NSW Treasury Corporation. NSWALC's investment position is validated by this performance which clearly shows NSWALC's performance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

### GROWTH OF A DOLLAR 12 YEARS 6 MONTHS EDING JUNE 30,16



Returns as at 30 June 2016					
	Quarter	Year	3 Years	5 Years	10 Years
Total Fund	2.8	0.4	8.1	8.9	7.0
Fund Benchmark	2.5	2.7	7.9	8.2	6.5
T Corp Medium Term Growth (pre-tax)	1.9	2.3	5.8	6.5	5.6
T Corp Long Term Growth (pre-tax)	2.9	0.6	8.8	9.1	5.4

The table below compares the performance of the NSWALC portfolio against two Mercer median portfolios. This provides a comparison of the performance of NSWALC's portfolio against similar portfolios held by other institutions. NSWALC's portfolio has performed extremely well relative to its peers.



Returns as at 30 June 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 (LSU) goes to the core purpose of NSWALC, the return of land to the Aboriginal people of NSW. The LSU 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 *NSW Aboriginal Land Rights Act 1983* (ALRA).

The LSU's work during the reporting period included:

- Reviewing all land claim refusals in the reporting period, to assess whether they were correctly refused by the Ministers for Crown Lands.
- Close supervision of land claim appeals, Native Title proceedings 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 minor amendments to the ALRA by the *Statute Law (Miscellaneous Provisions) Act 2016*.
- Legal advice to the Council and NSWALC management about the operation of the ALRA, employment legislation (including negotiation of a new Enterprise Agreement for the staff of NSWALC) and workplace health and safety matters.
- Legal advice to NSWALC on a wide range of commercial, contractual and property 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 NSWALC's legal risk management issues.

During this reporting period, the LSU comprised a Principal Legal Officer, one Senior Legal Officer, three Legal Officers and one Administrative Assistant. The LSU also hosted four volunteer legal interns during the reporting period from the Aurora Project, which is run by the University of New South Wales.

## LEGAL MATTERS

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

The LSU continued to provide advice on the regulatory policies that have been, or are being, developed by NSWALC as a result of the amendments to the ALRA made pursuant to the *Aboriginal Land Rights Amendment Act 2014*.

As discussed further below, the LSU 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 ongoing Native Title proceedings, 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 budget expenditure as a percentage of its budget (excluding salaries and administrative expenses):

- NSWALC General advice 13.53%
- Land claims litigation (appeals where and claims have been refused) 68.47%
- Legal advice relating to Native Title (including Network Native Title) 16.22%
- NSWALC general litigation 1.30%
- Legal advice relating to mining 0.36%
- Network related legal expenses 0.12%

External Legal Costs 2015-16	
Category	\$
General and Land Claim review advice	109,897.41
Land claims litigation	556,232.53
General litigation	10,537.89
Network related legal expenses	964.89
Legal advice re: resources exploration	2914.30
Network related Native Title	131,789.12
Total	812,336.14

## **INSPECTIONS, APPEALS AND SETTLEMENTS**

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

### ***Land Claim File Inspections***

The LSU continues to review the Government's files relating to land claims that were refused by the Crown Lands Ministers (whether the claims were lodged by NSWALC or by LALCs). The purpose of these reviews is to ascertain whether the refusals were lawful and whether there are merits to appeal 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 received notice of 184 refusals or part refusals of land claims, and has (to date) reviewed 175 of the Minister's files in relation to those refusals or part refusals. This number is significantly higher than the last reporting period where there was only 41 claims refused or part refused by the Minister.

### ***Land Claims Litigation – Appeals and Settlements***

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

There were 298 land claims determined by the Minister during this reporting period, including 114 grants and 27 part granted and part refused. The ratio of grants to refusals is significantly up from previous years. Generally, the LSU is finding fewer instances where the Minister is incorrectly applying the law. As such, the number of appeals commenced during the period is down from previous years.

There were 15 land claim appeals commenced in the LEC during the reporting period.

Of the 15 appeals commenced in the LEC, six are ongoing (although the Minister has accepted NSWALC's settlement offer in two of these matters and final settlement is pending), and nine – being nine individual but related land claims – were discontinued based on the Minister's evidence.

At the Court of Appeal during the reporting period the NSWALC lost one appeal (Berrima Gaol) which it has appealed further to the High Court of Australia (set for hearing in October 2016), and has prepared its defense of the Minister's appeal of another matter (Moir Park & Awaba Street – set for hearing August 2016).

One appeal commenced in a previous reporting period was determined in the NSWALC's favour by the LEC during the reporting period. Two appeals commenced in the previous reporting period were 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. 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. After the Court of Appeal judgment was handed down this matter was remitted back to the LEC for the primary judge to consider further grounds of appeal not previously addressed. NSWALC was successful, and the land was ordered to be transferred to the Worimi Local Aboriginal Land Council

#### ***Berrima Gaol***

This land claim appeal is over land and gardens occupied by the former Berrima Gaol. NSWALC has appealed to the High Court of Australia over decisions from the LEC and the Court of Appeal.

It is anticipated that this appeal will consider important issues concerning lawful occupation of land and lawful authority to deal with the waste lands of the Crown.

### ***Key Land Claims - Settlements***

#### ***Claimed lands sold or transferred***

The LSU has, during the reporting period, continued to successfully settle three land claim appeals where land that is subject to an Aboriginal land claim has been sold or transferred by the Minister to a third party. In these instances, although the relevant LALC is unable to have the land transferred to it (because it is already vested in a third party), they have been able to be compensated for the fair market value of the claimed land.

## NATIVE TITLE

Native Title continues to be an area of increasing significance for the land council network as Native Title claims are increasingly being progressed to determination by the Federal Court in NSW.

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

1. NSWALC recognises that Native Title and Land Rights are both important systems that provide positive rights for, and advance the interests of, Aboriginal peoples.
2. NSWALC seeks to demonstrate leadership by being proactive in its approach to dealing with the interaction of Land Rights and Native Title in NSW.
3. NSWALC seeks to work respectfully, constructively and collaboratively with all Native Title claimants Native Title holders and NTSCORP and others to deliver the best of both systems to Aboriginal peoples, and to negotiate agreed positions wherever possible.
4. NSWALC recognises that Local Aboriginal Land Councils (LALCs) are autonomous bodies 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

including support and financial assistance in the form of funding external legal advice for the LALC throughout the Native Title determination process and general training on Native Title issues.

In line with the above Council resolution, the LSU has and continues to provide 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 part 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 solicitors 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 research to assist the external solicitors to provide advice to the LALCs.

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.

### ***Western Bundjalung***

NSWALC, Jana Ngalee, Baryulgil Square, Jubullum, Moombahlene, Grafton Ngerrie and Casino Boolangle LALCs are respondent parties to this claim. NSWALC remains actively involved in ongoing negotiations in this matter in order to assist our engaged solicitors to provide advice to the LALCs involved.

### ***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 we held an information session for the affected LALCs to provide them with information about how Native Title can affect LALCs so as to assist them to make a decision about whether to become respondent parties.



### **General Native Title work**

NSWALC has continued to provide Native Title training to LALCs and NSWALC staff and Councillors in the past year. Together with the National Native Title Tribunal, NSWALC ran a Native Title training day for Northern and Southern Zone staff, and is hoping to run the same training for Western and Far Western Zone staff in the coming months.

NSWALC continued to play an active role in building relationships with stakeholders working in native title in NSW, including NTSCORP, the State Government, National Native Title Tribunal and the Federal Court.

NSWALC also attended the National Native Title Conference in Darwin in June where NSWALC worked to raise the visibility of the NSW Land Rights regime.

## **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 other issues affecting Aboriginal peoples in New South Wales.

The Unit is staffed by a Manager, Senior Communications Officer, Social Media Officer, Media and Communications Officer, 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 and campaigns;
- Providing communications support to regional forums and hosted by NSWALC Councillors;
- Media monitoring;
- Management of social and digital media sites
- Media and communications skills training for Councillors and senior staff;
- Producing the monthly OurMob 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 Parramatta office.

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

### **ONLINE AND SOCIAL MEDIA**

The ourmob.org.au website and monthly online newsletter, OurMob remain core components of NSWALC's communications strategy. In the last reporting period 685 new subscribers were added to the newsletter, bringing the total to 1455.

Over the same period, NSWALC's social media presence also continued to increase. Likes to NSWALC's Facebook page more than doubled in 2015-16. The page added 5853 likes during this period out of a total of 10,847.

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

A total of 65 media releases and 55 network messages were drafted and distributed during the reporting period. This was a significant increase in activity over 2014-15, when 22 media releases and 23 network messages were drafted and distributed.

### **EVENTS**

The Media and Communications Unit supported NSWALC's sponsorship of the 2015 NSW Aboriginal Rugby League Knockout, held in Dubbo between 2 and 5 October. The Knockout is the largest annual gathering of Aboriginal people in NSW and is broadcast nationally on NITV. NSWALC maintained an information stand at the Knockout.

The Unit also produced materials about Land Rights and hosted stalls at the Yabun Festival held in Sydney on Survival Day.

### **TRAINING**

The Media and Communications Unit continued its program of media training with Councillors and senior staff. The media training was supplemented by government relations training delivered in cooperation with the Policy and Programs Unit.

### **2015 STATEWIDE CONFERENCE**

Media and Communications provided video content for the 2015 NSWALC Statewide Conference. Unit staff scripted,



filmed and produced stories about the achievements of LALCs that were showcased at the conference.

Twenty eight stories were completed, with LALCs from every region represented. These stories were subsequently used in the OurMob newsletter and used by NSWALC to publicise the achievements of Local Aboriginal Land Councils.

## 2015 NSWALC ELECTION

The Unit was responsible for the management, co-ordination and implementation of an information and awareness campaign to maximise the voting turnout of LALC members for the October 2015 NSWALC election.

NSWALC scripted, directed and filmed an election advertisement for distribution online and through NITV. Print and radio advertisements were also placed by the Unit and a range of merchandise such as posters and t-shirts were produced to encourage people to vote. Voter turnout at the voluntary election increased by 7.5 percent.

## INFORMATION AND COMMUNICATIONS TECHNOLOGY UNIT

The Information and Communications Technology Unit (ICT) provides the technology governance, advice and assistance to ensure the New South Wales Aboriginal Land Council's (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;
- Development and delivery of the ICT Strategy consistent 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 2,227 requests and incidents from Councillors, executives and staff.

## 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 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:

The Council approved an ICT Strategy 2015-2017 in April 2016, following endorsement by the NSWALC Audit and Risk Committee and the ICT Steering Committee.

The Strategy assists NSWALC ICT to better deliver services to the Land Council network and to support the capacity and capability of staff to carry out their duties and business operations efficiently and more effectively. The Strategy provides a basis and context for more detailed planning of specific investments by NSWALC in ICT which help the organisation achieve its overall goals.

In accordance with the Strategy program of works, ICT carried out asset stabilisation to ensure all existing ICT assets and services are up to an acceptable service level, and has moved into delivering a number of infrastructure improvement projects which aim to enhance efficiencies and effectiveness of ICT services and processes.

### ICT PROJECT DELIVERABLES:

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

- Upgraded mobile handsets for Head Office, Councillors and Zone Office staff;
- Upgraded laptop hardware for Head Office staff and deployed Microsoft Surface Pro hardware to increase mobility in the workforce;
- Deployed a new Cloud based Anti-Virus solution and installed a Mobile Device Manager to manage the security of mobile devices;
- Upgraded the email server to support the migration of mailboxes to the Cloud using Office 365;
- Deployed a new next generation firewall to support upgraded Internet connectivity for Head Office;
- Migrated all on premises mailboxes to Office 365;
- Upgraded Microsoft Office software for all staff from 2007 to 2013;
- Setup new Councillor Offices for Cr Chapman, Cr Lynch and Cr Murray including the installation of structured cabling and telecommunication services and relocated Cr Williams to new premises;
- Developed a suite of new ICT Policies – Acceptable Usage Policy, End User Policy, Information Security Policy, Mobile Device Policy, Asset Management Policy, Governance Policy, Service Management Policy and Procurement Policy;
- Developed an application inventory to discover business applications for the Business Continuity Plan and Disaster Recovery Plan. This included obtaining information about key business applications used by the organisation and creating an asset management roadmap;
- Developed a Disaster Recovery Plan to guide the NSWALC ICT Disaster Recovery Team in the effective recovery of ICT services in the event of a disaster; and
- Developed a Business Continuity Plan to ensure the continuity of critical business processes and the business operation after a significant disruption.

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

The Human Resources and Training (HR&T) Unit provides human resources, payroll, work health and safety and learning and development expertise for NSWALC. The Manager Human Resources and Training is supported by six staff members with the following functions and responsibilities:

- Payroll
- Human Resources
- Learning and Development
- Human Resources Assistant
- Records Management
- Fleet, procurement and travel management

The Operational Business Plan of the HR&T Unit is linked to the Strategic goals of NSWALC and is summarized 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;

3.3.1 Assist the Economic Development Unit to 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 20 recruiting assignments were filled, with five coming from internal expressions of interest.

#### *Organisation and Establishment Structure*

As required by the *NSW Aboriginal Land Rights Act 1983* (ALRA) the NSWALC organisation structure must be reviewed within 12 months of this election.

## **NSWALC Structure**

The current NSWALC structure has four business service groups: Council reviewed the NSWALC organisational structure in April 2016.

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

Zones, Policy and Programs and Corporate Services report to the Deputy CEO (DCEO).

Finance, Investments and Governance and the DCEO report to the CEO.

Policy and Programs comprises three Units:

- Policy and Programs;
- Land and Property; and
- Economic Development.

Corporate Services comprises five Units:

- Legal Services;
- Media and Communications;
- Information Communications Technology;
- Human Resources and Training; and
- Administration, Records and Procurement.

Finance, Investments and Governance comprises:

- Finance;
- Investment; and
- Governance

A review of all Zone Office structures took place in this reporting period. In May 2016 the Southern Zone was the first to commence recruitment for the new zone structure. Recruitment for other zones will commence in the next reporting year.

The members of the Executive are:

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

## **EMPLOYMENT CONDITIONS**

NSWALC has in place an Enterprise Agreement (EA) for 71 percent of the workforce. Negotiations for the next EA commenced in March 2016 and will continue beyond this

reporting period. All managers, the executive and other senior staff are employed under common law contracts.

## **PAYROLL AND SALARIES**

Throughout 2015-16, NSWALC continued with a phased roll out of the PayGlobal payroll and employee self service functionality.

In August 2015 the Electronic Self Service Kiosk was introduced to provide employees with online access to update personal information, as well as to view pay history, career progress, training and development and access pay slips. All staff received training in this application across August and September.

The new application also enables managers and employees to electronically submit and approve leave applications, track enquiries and view employee attendance.

A planned rollout of electronic timesheets compatible with the Self Service Kiosk has been delayed because of technology and process issues. This is currently being investigated by PayGlobal.

During 2015-16 NSWALC passed on salary entitlement increases determined under the NSWALC Enterprise Agreement, Senior Manager Salary Framework (SMSF) and the Statutory and Other Officers Remuneration Tribunal (SOORT).

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)**

The main focus of NSWALC's WH&S activities in 2015-16 involved:

- Completing and updating hazard reporting and inspections for all Zone and Head offices
- First aid training offered to all staff
- A revision of WH&S policies and procedures.

As required by Workplace Health and Safety legislation nominations were called for a new WH&S Committee in June 2016. The new committee's first meeting will take place in the next reporting period.

## POLICY REVIEW

During the year the HR&T Unit drafted new policies on anti bullying, workplace diversity and Equal Employment Opportunity. NSWALC's Working from Home policy was also reviewed.

## TRAINEESHIPS/INTERNSHIPS/WORK EXPERIENCE

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

## TRAINING

New South Wales Aboriginal Land Council's (NSWALC) Learning and Development program adheres to the requirements of the *NSW Aboriginal Land Rights Act 1983* (ALRA) to provide adequate training opportunities to NSWALC Councillors, Local Aboriginal Land Council (LALC) Board Members as well as staff members of both NSWALC and LALCs.

Training programs are focussed towards the following objectives:

- Improve business performance, productivity and efficiency;
- Improve current skills and knowledge of Councillors, Board Members and staff;
- Compliance with legal requirements;
- Organisational development (fostering of shared attitudes and values);
- Personal and professional development; and
- Increased morale.

## CAPACITY DEVELOPMENT PLAN

NSWALC's Capacity Development Plan draws together relevant components of the NSWALC Strategic and Business Unit plans 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 implementation of training initiatives.

## PROGRAMS AND ACHIEVEMENTS FOR 2015-16

During 2015-16 a number of training initiatives were implemented successfully, together with planning for additional quality training during the ensuing financial year:

## NSWALC COUNCILLORS' TRAINING

A Governance Workshop was held in February 2016, facilitated by Nicole Courtman of 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.

A Leadership Workshop was held in April 2016 facilitated by Duane Vickery of ETM Perspectives, with learning objectives that included:

- Leadership within the context of the NSWALC;
- Characteristics and qualities of successful leaders;
- Leadership styles;
- Adaptive Leadership;
- Leading in 'Two Worlds'; and
- Contextualising leadership within the NSWALC.

Feedback from participants' included:

### Governance

- Very informative
- Roles and responsibilities clearer post-Workshop
- Workshop provided an opportunity to reflect on the decision making skills
- Very well organised Workshop

### Leadership

- Awareness of leadership as a leader in Councillor role
- Help build leadership capacity
- Help in Decision making process
- Emphasis on "leading by example"
- Very well organised Workshop

## NSWALC STAFF TRAINING

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

### Short Courses

DATE	TRAINING
August 2015	Employee Self Service
September 2015	Risk Management Training for Senior Managers
October 2015	Risk Management Training for Executives
October 2015	Customer Relations and Complaints Handling
October/November 2015	First Aid Training

DATE	TRAINING
March 2016	Project Management Essentials
March 2016	Writing Well at Work
April 2016	Team Building Training
May/June 2016	Microsoft Office Upgrade Training
June 2016	Emotional Intelligence Workshop for Senior Managers
June 2016	Media & Crisis Management Training for Executives
June 2016	Emotional Intelligence Workshop for Executives

### Accredited Training

Five staff members (including two Aboriginal Staff members) have completed Certificate and Diploma courses including:

- Diploma of Management
- Advanced Diploma in Human Resources (HR)
- Diploma of HR
- Diploma of Project Management
- Certificate IV in Frontline Management
- Certificate IV in Accounting
- Certificate of Payroll

### Public Courses

Staff have also attended public courses that included topics such as: Payroll/Taxation, Having difficult conversations, Conflict and Mediation Management and Develop/Implement HR Policies.

TRAINING	STAFF ATTENDING
Employee Self Service	41
Risk Management Training	13
Customer Relations and Complaints	10
First Aid Training	41
Project Management Essentials	10
Writing Well at Work	10
Team Building Training	7
Microsoft Office Upgrade Training	62
Emotional Intelligence Workshop for Senior Managers	9
Media & Crisis Management Training for Executives	5
Emotional Intelligence Workshop for Executives	5

## TRAINING FOR LOCAL ABORIGINAL LAND COUNCILS

### Mandatory Governance Training for Local Aboriginal Land Council (LALC) Board Members

As required by the ALRA, NSWALC has been providing Governance Training to elected LALC Board Members. Following a review of the previous governance training package, a new training package was designed, developed and implemented. NSWALC Zone staff commenced using the new training package after the September 2015 LALC elections.

### OTHER LALC TRAINING

- As required by the ALRA and NSWALC Strategic Plan 2013-2017, training programs have been designed and delivered to LALCs. The following training sessions were held in the reporting period:

### Enhanced Governance Training For LALC Board Members

13 LALC board members participated in a five day In-house Governance Training program run by Tranby Aboriginal College. The aim is to have 110 board members complete this training over the next five years.

Feedback from the training included the following:

- Networking was excellent
- Course was very helpful
- Overall exceptional – culturally appropriate, healthy and friendly environment
- Would like to come back to Tranby for training
- Favourite part of training includes – Presentation, computer access, interaction between all the participants
- Training material and handouts very useful/important

### YEAR AHEAD

Training initiatives planned for the next reporting period include:

- Workplace Health and Safety Training
- Performance Planning Training
- Records Management Training.



## RECORDS AND ADMINISTRATION UNIT (RAU)

The Records and Administration Unit (RAU) provides records management and administrative services to the New South Wales Aboriginal Land Council (NSWALC). The primary clients of the RAU are the business units located at NSWALC's head office. However, the RAU also regularly assists Zone Offices, Councillors and their support staff. These services include:

1. Best practice acquisition of goods and services for all business units of NSWALC.
2. Compliance with all relevant legislation in respect of the following organisational functions:
  - a. Financial reporting (tendering and contracting);
  - b. Procurement and distribution of material and services;
  - c. Records-keeping and reporting requirements; and
  - d. Responses to requests for the disclosure of information.
3. Compliance with the relevant organisational policies and procedures in respect of the following activities:
  - a. Issue and use of corporate cards;
  - b. Travel;
  - c. Provision and maintenance of the NSWALC fleet; and
  - d. Records keeping.

The RAU ensures that NSWALC remains compliant with the following primary legislation:

- *Aboriginal Land Rights Act 1983 (ALRA)*
- *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*

### CHANGES TO THE STRUCTURE OF THE UNIT

During the 2015-2016 reporting period, staff worked to merge the RAU with the Human Resources and Training Unit. It is envisaged that the merger should be complete by January 2017.

### ADMINISTRATION FUNCTIONS

#### *Fleet Management*

The RAU manages fleet vehicles provided to Councillors, executive staff and Zone Offices. 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 RAU manages bookings and changes to travel arrangements for NSWALC staff and Councillors. This includes the hiring of vehicles and the issuing of Cabcharge vouchers.

#### *Corporate Purchasing Cards Management*

In the last reporting period this function was transferred to the Finance Unit.

#### *Procurement*

It is envisaged that this function will be located in the newly merged unit. Until the review is finalised the Acting Manager, Human Resource and Training will be responsible for any procurement within NSWALC.

Regular monitoring of procurement practices within NSWALC ensures the correct application of, and compliance with, procurement policies and procedures and relevant legislation.

#### *Mail*

The RAU arranges the collection and processing of incoming mail to NSWALC. All items, in-coming and out-going, are processed on the same day as their lodgment within the Unit.

Significant outgoing mail costs such as bulk mail-outs of material to the Local Aboriginal Land Council network are managed by regular consultation with the responsible business units.

By engaging in regular consultation the records management staff are able to tailor the mail-outs with use of specific mail products such as registered post and express post wherever possible.

#### *Tenders and Contracts Management*

A comprehensive Contract Register was previously maintained by the RAU Manager.

The register is monitored and input is sought from the relevant Business Units to ensure that the information is consistent and current. All necessary information as per the *GIPA Act 2009* (contracts exceeding \$150,000.00 Inc GST) is published on the NSWALC website on a regular basis.

Following the structural changes to the RAU, it is envisaged that this function will be transferred to either the Legal Services Unit or the Governance Unit.

#### *NSWALC and Associated Premises*

Responsibility for organising and maintaining the majority of services, utilities and ongoing maintenance for NSWALC accommodation and Councillors' Offices has now been transferred to the Land and Property Unit.



## RECORDS MANAGEMENT FUNCTIONS

### *Electronic Document Management System – HPRM*

The RAU is responsible for the provision of all record keeping services, training and materials to NSWALC.

In the previous reporting period NSWALC updated its dedicated electronic document management system, TRIM to HP Records Manager. NSWALC has now been using HP Records Manager for 12 months with no major operational issues reported from end users.

The RAU ensures that all records are registered, recorded electronically and managed in a secure manner. The RAU continues to conduct regular audits to ensure accurate holdings are maintained at Head Office, Zone Offices and the Government Records Repository (GRR).

Regular reviews are conducted to ensure compliance with current standards and best practices in the industry.

### *Archiving, Storage and Retrievals*

The RAU is responsible for:

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

## ACTIVITIES AND ACHIEVEMENTS IN 2015-2016

- Administration Fleet – The RAU managed a large turnover of fleet vehicles that occurred after the 2015 NSWALC elections.
- Contracts - A review of all NSWALC contracts was completed in November 2015. The review identified many areas for improvements in current practices. An electronic contract management database is planned to be introduced in 2016-2017 that will assist in streamlining the contract management process and automating some of the administrative task associated with the day to day management of the contracts.
- Head Office – The RAU continues to assist the Land and Property Unit with building management relating to NSWALC tenancy issues for 33 Argyle Street Parramatta.
- The RAU is working to identify better methods for storage of onsite material in the Loading Dock and associated areas
- Elections - The Records and Administration Unit staff provided support to all Business Units involved in the Board Elections in 2015

## RECORDS UNIT 2015-2016

- 215 boxes of archival material were lodged with GRR, 114 in October 2015 and 101 in September 2015.
- 31 boxes of archives were returned to GRR.
- 32 boxes of items were permanently retrieved from GRR.
- 14 boxes were retrieved from GRR.
- Over 3000 items were relocated to the RMU from Zones and head office units.
- Working with Deloitte, the Senior Records Officer undertook an Internal Audit of NSWALC Records Management over September and October 2015.
- Acting on a request from the executive of Biraban LALC the RAU arranged to return nine boxes of records belonging to the former Koopahtoo LALC.
- The RAU arranged the transfer of material from the former NSW Aboriginal Resource Centre Library to the Indigenous Services Branch of the State Library.
- The RAU conducted an annual audit of the Level Four filing room of NSWALC.

## STAFF DEVELOPMENT FOR RECORDS AND ADMINISTRATION UNIT ACTIVITIES

The RAU provides ongoing training and support for new and existing staff who utilise software packages such as HP Manager and the use of the web based Flexi Purchase program to reconcile their NAB Corporate Card transactions on a monthly basis.



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 which 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, access was provided to particular information, but with redactions, and some information was withheld. The information below relates to that application.

In the case of the second application, the application was still pending as of 30 June 2016.

### NUMBER OF REFUSED APPLICATIONS FOR SCHEDULE 1 INFORMATION – CLAUSE 7(C)

During the reporting period, NSWALC refused no formal access applications because the information requested was information referred to in Schedule 1 to the GIPA Act.

### STATISTICAL INFORMATION ABOUT ACCESS APPLICATIONS – CLAUSE 7(D) AND SCHEDULE 2

**TABLE A: NUMBER OF APPLICATIONS BY TYPE OF APPLICANT AND OUTCOME\***

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	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	0	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	1
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

\*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

**TABLE E: OTHER PUBLIC INTEREST CONSIDERATIONS AGAINST DISCLOSURE:  
MATTERS LISTED IN TABLE TO SECTION 14 OF THE ACT**

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	1
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

**TABLE F: TIMELINESS**

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	1
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	1

**TABLE G: NUMBER OF APPLICATIONS REVIEWED UNDER PART 5 OF THE ACT  
(BY TYPE OF REVIEW AND OUTCOME)**

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	0	0	0

\*The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

**TABLE H: APPLICATIONS FOR REVIEW UNDER PART 5 OF THE ACT (BY TYPE OF APPLICANT)**

	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

## **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.

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

During the year there were continuing discussions with the Ombudsman's Office on methods of improving and enhancing reporting by LALCs on PID complaints. The rate of reporting by LALCs has improved considerably.

# COUNCILLOR MEETING ATTENDANCE

SUMMARY OF COUNCILLOR ATTENDANCE AT BOARD METINGS, WORKSHOPS AND TRAINING AS REQUIRED BY LEGISLATION FROM 1 JULY 2015 TO 30 JUNE 2016													
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
2015-2016 FINANCIAL YEAR ATTENDANCES AT COUNCIL MEETINGS													
324th Extraordinary Council Meeting	1	10-Aug-15	0	0	1	1	1	1	1	1	1	7	Cr Ah-See LOA & Cr Briggs LOA
325th Council Meeting	1	25-Aug-15	1	0	1	1	1	1	1	1	1	8	Cr Briggs LOA Regional Business
325th Council Meeting	2	26-Aug-15	0	0	1	1	0	1	1	1	1	6	Cr Ah-See Sorry Business, LOA Cr Briggs Illness LOA, Cr Hampton Family LOA
326th Extraordinary Council Meeting	1	29-Sep-15	1	0	1	1	1	1	0	1	1	8	Cr Briggs LOA, Cr Ryan LOA
Total attendances for Council Meetings out of 4 days			2	0	4	4	3	4	3	4	4		
COUNCIL ELECTIONS HELD ON 31 OCTOBER 2015													
Meeting	No Meeting Days	Date	Cr Ah-See	Cr Lynch	Cr Cromelin	Cr Dennis	Cr Chapman	Cr Murray	Cr Ryan	Cr, Smith	Cr, Williams	Total	Comments
327th Council Meeting	1	18-Nov-15	1	1	1	1	1	1	1	1	1	9	
328th Council Meeting	1	7-Dec-15	1	1	1	1	1	1	1	1	1	9	
328th Council Meeting	2	8-Dec-15	1	1	1	1	1	1	1	1	1	9	
328th Council Meeting	3	9-Dec-15	1	1	1	1	1	1	1	1	1	9	
329th Council Meeting	1	12-Jan-16	1	1	1	1	1	1	1	1	1	9	
329th Council Meeting	2	13-Jan-16	1	1	1	1	1	1	1	1	1	9	
330th Council Meeting	1	16-Feb-16	1	1	1	1	1	1	1	1	1	9	
330th Council Meeting	2	17-Feb-16	0	1	1	1	0	1	1	1	1	7	Cr Ah-See Inter'l Engagement LOA, Cr Chapman LOA
331st Council Meeting	1	8-Mar-16	1	1	1	1	1	1	0	1	1	8	Cr Ryan LOA
332nd Council Meeting	1	12-Apr-16	1	1	1	1	1	1	1	1	1	9	
332nd Council Meeting	2	13-Apr-16	1	1	1	1	1	1	1	1	1	9	
333rd Council Meeting	1	21-Apr-16	1	1	1	1	1	1	1	1	1	9	
334th Council Meeting	1	9-May-16	1	1	1	1	1	1	1	1	1	9	
334th Council Meeting	2	10-May-16	1	1	1	1	1	1	1	1	1	9	
334th Council Meeting	3	11-May-16	1	1	1	1	1	1	1	1	1	9	
235th Extraordinary Council Meeting	1	15-Jun-16	1	1	1	1	1	1	1	0	1	8	Cr Smith LOA
Total attendances for Council Meetings out of 16 days			15	16	16	16	15	16	15	15	16		



**SUMMARY OF COUNCILLOR ATTENDANCE AT BOARD MEETINGS, WORKSHOPS AND TRAINING AS REQUIRED BY LEGISLATION FROM 1 JULY 2015 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
<b>2015/2016 FINANCIAL YEAR ATTENDANCES AT COUNCIL WORKSHOPS/TRAINING</b>													
Workshop	1	28-Jul-15	1	1	0	1	1	0	1	1	1	7	Cr Cromelin LOA Rep's NSWALC/Cr Jones LOA (Sorry)
Workshop	2	29-Jul-15	1	1	1	1	1	0	1	1	1	8	Cr Jones LOA (Sorry)
Total attendances for Workshops / Training out of 2 days			2	2	1	2	2	0	2	2	2		
<b>COUNCIL ELECTIONS HELD ON 31 OCTOBER 2015</b>													
Meeting	No Meeting Days	Date	Cr Ah-See	Cr Lynch	Cr Cromelin	Cr Dennis	Cr Chapman	Cr Murray	Cr Ryan	Cr, Smith	Cr, Williams	Total	Comments
Workshop / Training	1	17-Nov-15	1	1	1	1	1	1	1	1	1	9	
Training	1	15-Feb-16	1	1	1	1	1	1	1	1	1	9	
Workshop	1	22-Mar-16	1	1	1	1	1	1	1	1	1	9	
Workshop	2	23-Mar-16	1	1	1	1	1	1	1	1	1	9	
Training	1	11-Apr-16	1	1	1	1	1	1	1	1	1	9	
Workshop	1	12-May-16	1	1	1	1	1	1	1	1	1	9	
Total attendances for Workshops / Training out of 6 days			6	6	6	6	6	6	6	6	6		

## COUNCILLOR TRAVEL EXPENSES

COUNCILLOR TRAVEL EXPENSES FY 2015-16			
Councillor Name	Direct Travel Expenses	Accommodation and Meals Allowance	Total
S Ryan	4,175.90	13,493.35	17,669.25
P Smith	1,801.75	43,569.70	45,371.45
A Dennis	2,040.23	26,373.97	28,414.20
C Lynch	1,252.04	14,057.75	15,309.79
D Chapman	5,141.97	25,550.30	30,692.27
Roy Ah-see	5,836.57	35,601.62	41,438.19
W Murray	4,085.14	35,061.15	39,146.29
C Cromelin	8,371.11	53,826.35	62,197.46
T Williams	3,409.98	24,777.00	28,186.98
T Briggs (Former)	390.40	808.75	1,199.15
N Hampton (Former)	0.00	9,191.20	9,191.20
D Jones (Former)	757.96	8,695.45	9,453.41
Total	37,263.05	291,006.59	328,269.64

## OVERSEAS VISITS

The following overseas visits were undertaken by councillors and staff in the financial year 2015-16:

- 2-5 July 2015 – The then Deputy Chairperson, Cr Ah-See attended the International Convention of Alcoholics Anonymous in Atlanta, Georgia, the United States of America.
- 20-30 November 2015 - Cr Smith and Senior Project Officer, Phil Duncan attended the Joint Conference of the NZ Freshwater Science Society and Australian Society of Limnology in Upper Hutt, Wellington, New Zealand. Mr Duncan was a keynote speaker at the conference and the organising committee funded his travel, accommodation, meals and registration fee.
- 19-22 February 2016 - The Chairperson, Cr Ah-See, attended the Thailand Alcoholics Anonymous Conference in Pattaya, Thailand.

## PRIVACY AND PERSONAL INFORMATION PROTECTION

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

NSWALC is currently finalising 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 the Health Privacy Principles in the Health Records and Information Privacy Act 2002 (HRIPA).

## CONSULTANTS

CONSULTANTS FEES 2015-16		
Name of Consultants	Projects (\$50,000 & Above)	\$
Mercer Investments (Aust) Limited	Consulting for NSWALC Investments	330,634
Business Aspect Pty Ltd	ICT Strategic workshop	95,094
Total Amounts Paid > & = \$50,000		425,728

NO. OF PROJECTS (BELOW \$50,000)		
Management Services	8	
Information Technology	1	
Recruitment Services	2	
Total Number Of Projects (Below \$50,000)	11	185,083
Total All Consultants Fees		610,810

## GRANTS

GRANTS PAID - 2015-2016		
MAJOR GRANTS (> \$5,000 / EACH)		
Payee	Description	Amount
NSWALC Community Fund Account	NSWALC share to ComFund account for levies received from OSR	143,403
Barwon Aboriginal Corporation	NSW Aboriginal Rugby League Knockout Sponsorship 2015	75,000
Discretionary(Mindaribba, Metropolitan, LaPerouse, Darkinjung, Bahtabah, Awabakal, Worimi & Biraban LALCs)	Distribution of net proceeds of Sale - 66 Showground Rd, Gosford (\$62,500.00 Each LALC & Total 8 Payments)	500,000
Total Major Grants	23	718,403

MINOR GRANTS (<= \$5,000 / EACH)		
Payee	Description	Amount
Funeral Grants	Funeral Payment for Members & Non-members	618,358
Discretionary (Councillors)	Various grants - 82 grants	36,308
Discretionary (NSW Aboriginal Golf Incorporated)	Grants for NSW Aboriginal Golf Championship 2015-2016	5,000
Discretionary (Gadigal Information Service Aboriginal Corporation)	Grant for Yabun Festival 2016	5,000
Discretionary (Others)	Discretionary Payments (Total 4 Payments)	6,591
Total Minor Grants	485	664,666

### SUMMARY TOTAL OF GRANTS

Category	Number of Individual Paid Unit	Amount
Funeral Grants	401	618,358
NSWALC Community Fund Account	14	143,403
Discretionary grants	92	546,308
Barwon Aboriginal Corporation	1	75,000
Total All Grants Paid	637	1,303,068

## HUMAN RESOURCES

CATEGORY	% OF TOTAL STAFF				
	2011/12	2012/13	2013/14	2014/15	2015/16
Senior Managers Framework	NA	22	20.5%	24%	22.5%
Salary Group 8 Year 1 to Group 13 Year 3	NA	51.5%	53 %	51.5%	54.0 %
Salary Group 1 Year 1 to Group 7 Year 3	NA	19.5%	19%	16.5%	15.5%
Councillors	NA	7%	7.5 %	8%	8.0%

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

# EQUAL EMPLOYMENT OPPORTUNITY (EEO)

## STATISTICAL INFORMATION ON DIVERSITY TARGET GROUPS

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

EEO GROUP	% OF TOTAL STAFF <sup>1</sup>					
	Benchmark or Target	2011/12	2012/13	2013/14	2014/15	2015/ 16
Women	50%	48.0%	49.0%	51.5%	52.0%	52.0%
Aboriginal people and Torres Strait Islanders	26%	53.0%	52.0%	46.5%	48.0%	45.0%
People whose first language was not English	19%	10.0%	16.0%	27.0%	28.5%	24.0%
People with a disability	N/A%	7.5%	14.0%	14.0%	14.0%	13.5%
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

EEO TARGET GROUP			DISTRIBUTION INDEX <sup>2</sup>			
	Benchmark or Target	2011/12	2012/13	2013/14	2014/15	2015/ 16
Women	100	78	73	73	74	78
Aboriginal people and Torres Strait Islanders	100	78	81	77	79	80
People whose first language was not English	100	75	62	79	84	85
People with a disability	100	89	83	88	87	87
People with a disability requiring work-related adjustment	100	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.

## WORKERS COMPENSATION AND REHABILITATION 2015-2016

### WORK RELATED INJURY & ILLNESS

Number reported	9
Nature of Accidents	
Slips, Trips & Falls	0
Mental Health (anxiety, stress)	0
Cuts/Scratches	1
Motor Vehicle Accident	2
Ergonomics/Overuse	0
Sprain/Strain	3
Manual Handling	0
Bites	0
Sickness	3
Total	9

### WHERE INJURIES OCCURRED

Number reported	0
At the Workplace	4
On the journey to/from work	3
At work away from the normal workplace	2
Total	9

### WORKERS COMPENSATION CLAIMS

Claims brought forward from 2014/2015	0
New claims this period	1
Total	1
Claims status at 30.6.16	
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

### REHABILITATION

Cases brought forward from 2014/2015	0
New cases this period	1
Total	1
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 1 July each year. The base annual salary of a member of NSWALC prior to this increase was \$132,595. This new Determination set the base annual salary of a member of NSWALC at \$135,910 with consequential increases for the Chairperson (10%) and Deputy Chairperson (5%).

## PERFORMANCE AND NUMBER OF EXECUTIVE OFFICERS

	Current Year			Prior Year	
Executive Positions	No	Male	Female	Male	Female
SES 5	1	1			
SES 5 equivalent					
SES 4				1	
SES 4 equivalent					
SES 3	1	1		1	



## PERFORMANCE AND NUMBER OF EXECUTIVE OFFICERS

	Current Year			Prior Year	
Executive Positions	No	Male	Female	Male	Female
SES 3 equivalent					
SES 2	1	1			
SES 2 equivalent	1	1		2	
SES 1					
SES 1 equivalent	2		2		1

### **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

NSWALC has introduced a Human Resources Information System (HRIS) and in the last reporting period modified its employee starter form to better capture information including EEO and diversity data such as languages spoken and written, nationality and whether the employee has a disability which requires a workplace adjustment.

This information has been used to develop draft EEO and Diversity policies and begin work on a transition to retirement program. More flexible work practices have been implemented with a working from home policy and the ability for staff to purchase leave if they require more time at home on paid leave.

## ABORIGINAL EMPLOYMENT PLAN (AEP)

In the 2013-14 reporting period, NSWALC began implementing its Aboriginal Employment Plan (AEP) 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.

During this time Aboriginal employment within NSWALC increased by 1.5 percent. However, in the last reporting period Aboriginal employment declined by three percent. In 2016-17 NSWALC will review the AEP to identify the reasons for this decline and recommend strategies to return Aboriginal employment to growth.

## SENIOR STAFF AND EXECUTIVE REMUNERATION

Executive Positions	2014-15	2015-16
SES 5 or equivalent	NA	\$312,268
SES 4 or equivalent	\$286,100	
SES 3 or equivalent	\$241,372	\$248,256
SES 2 or equivalent	\$210,527	\$224,892
SES 1 or equivalent	\$180,468	\$174,299

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

2014-15	2015-16
9.9 percent	9.5 percent

# BUDGETS

The NSWALC Budget for 2015-16, as initially prepared together with the outcomes as at year end 2015-2016 is set out below:

BUDGET FY 2015-16			
	Main Budget FY 2015-16 \$'000	Revised Budget FY 2015-16 \$'000	Budget Variance FY 2015-16 \$'000
INTEREST INCOME	120	120	
INVESTMENT INCOME	55,013	55,013	
RENTAL INCOME	1,403	1,403	
SUNDRY INCOME	100	100	
TOTAL INCOME	56,636	56,636	
PAYMENT AS PER THE REQUIREMENT OF ALRA	(1,580)	(1,651)	(71)
CONTRACTUAL COMMITMENT BY NSWALC FOR COMMUNITY DEVELOPMENT	(2,250)	(2,077)	173
ALLOCATED TO NETWORK AND COMMUNITY	(18,582)	(18,429)	153
FIXED & VARIABLE EXPENSES FOR COUNCILLORS	(2,648)	(2,640)	8
COMMITTED OPERATIONAL EXPENSES	(14,029)	(15,103)	(1,074)
ESSENTIAL EXPENSES	(1,200)	(1,210)	(10)
OTHER OPERATING EXPENSES	(2,592)	(2,553)	39
NSWALC COMMERCIAL ACTIVITIES EXPENSES	(743)	(697)	46
NON CASH EXPENSES	(2,762)	(4,716)	(1,955)
TOTAL OPERATING COSTS	(46,385)	(49,076)	(2,691)
OPERATING SURPLUS	10,251	7,560	(2,691)

An outline of the budget for 2016-17 as endorsed by the NSWALC Council and the Minister for Aboriginal Affairs is as follows:

<b>BUDGET FY 2016-17</b>	
	Budget FY 2016-17 \$'000
INTEREST INCOME	85
INVESTMENT INCOME	47,383
RENTAL INCOME	1,425
SUNDRY INCOME	100
<b>TOTAL INCOME</b>	<b>48,993</b>
PAYMENT AS PER THE REQUIREMENT OF ALRA	(700)
CONTRACTUAL COMMITMENT BY NSWALC FOR COMMUNITY DEVELOPMENT	(2,000)
ALLOCATED TO NETWORK AND COMMUNITY	(19,156)
FIXED & VARIABLE EXPENSES FOR COUNCILLORS	(2,925)
ADMINISTRATIVE EXPENSES	(18,287)
LAND CLAIM EXPENSES FOR NETWORK	(1,050)
NSWALC COMMERCIAL PROPERTIES	(760)
NON CASH EXPENSES	(2,548)
<b>TOTAL OPERATING COSTS</b>	<b>(47,426)</b>
<b>OPERATING SURPLUS</b>	<b>1,567</b>

# INSURANCE

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

Insurance Company	Policy	Sum Insured \$'000
Allianz	Industrial Special Risks	40,000
Allianz	Special Risks	35,000
Allianz	Motor Vehicle	Market Value
Allianz	Public/Products Liability	50,000
QBE	Umbrella Liability	50,000
Lloyds	Directors & Officers	20,000
Accident & Health	Personal Accident	1,000
AFA	Journey Accident	500
Accident & Health	Corporate Travel	4,000
AFA	Voluntary Workers	500
Lloyds	Media Liability	5,000

# FINANCIAL STATEMENTS



## INDEPENDENT AUDITOR'S REPORT

### New South Wales Aboriginal Land Council

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of New South Wales Aboriginal Land Council (NSWALC), which comprise the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of NSWALC and the consolidated entity. The consolidated entity comprises NSWALC and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of NSWALC and the consolidated entity as at 30 June 2016, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report.

I am independent of NSWALC and the consolidated entity in accordance with the auditor independence requirements of:

- Australian Auditing Standards
- ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (the Code).

I have also fulfilled my other ethical responsibilities in accordance with the Code.

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



## The Councillors' Responsibility for the Financial Statements

The Councillors are responsible for preparing 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 are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councilors must assess the ability of NSWALC and the consolidated entity to continue as a going concern unless operations will be dissolved by an Act of Parliament or otherwise cease. The assessment must include, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

## Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A further description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>.

The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that NSWALC or the consolidated entity carried out their activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented.



Karen Taylor  
Director, Financial Audit Services

14 October 2016  
SYDNEY

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

YEAR ENDED 30 JUNE 2016

### STATEMENT BY THE COUNCILLORS

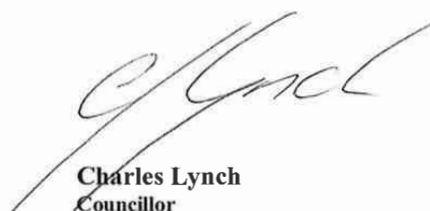
Pursuant to Section 41C of the Public Finance and Audit Act 1983, we state that in our opinion:

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 2016 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.



**Roy Ah-See**  
Chairperson



**Charles Lynch**  
Councillor

Date: 11 / 10 / 2016

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

		2016	2015
	Notes	\$'000	\$'000
<b>REVENUE</b>			
Investment Revenue	7	29,482	40,259
Grants and Contributions	8	1,991	40
Other Revenue	9	2,328	3,250
<b>Total Revenue</b>		<b>33,801</b>	<b>43,549</b>
<b>EXPENSES EXCLUDING LOSSES</b>			
Employee Related Expenses	12	14,297	13,617
Depreciation	24	641	613
Amortisation	25	106	116
Doubtful Debts and Debt Write Off	19(c)	2,431	-
Funding to LALCs	13	15,799	14,994
Grants	14	4,314	15,233
Impairment for Incidental Assets	23(b) & 37	266	63
Share of Net (Profit)/Loss of Associates and Joint Ventures Accounted for Using the Equity Method	37	189	42
Legal Expenses		812	827
Election Costs		772	-
Other Operating Expenses	15	6,225	6,432
Program Expenses	16	2,291	2,316
<b>Total Expenses Excluding Losses</b>		<b>48,143</b>	<b>54,253</b>
<b>Gain / (Loss) on Disposal of Property, Plant and Equipment</b>	10	274	(10)
<b>Other Gains / (Losses)</b>	11	(27,961)	25,851
<b>NET RESULT</b>		<b>(42,029)</b>	<b>15,137</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified to Net Result</b>			
Actuarial Gain/(Loss) on Defined Benefit Superannuation		(292)	(100)
Net Increment on Revaluation		3,771	3,546
<b>Total Other Comprehensive Income</b>		<b>3,479</b>	<b>3,446</b>
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE YEAR</b>		<b>(38,550)</b>	<b>18,583</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 2016

		2016	2015
ASSETS	Notes	\$'000	\$'000
<b>Current Assets</b>			
Cash and Cash Equivalents	17	9,159	4,229
Restricted Assets	18	3,748	4,126
Receivables	19	2,044	2,162
Financial Assets at Fair Value	20	604,227	644,984
Derivatives	21	83,430	102,137
Other Assets	22	18	17
Other Financial Assets	23(c)	70	69
Assets Held for Sale/Transfer to LALCs		342	3,498
<b>Total Current Assets</b>		<b>703,038</b>	<b>761,222</b>
<b>Non-Current Assets</b>			
Receivables	19	389	2,078
Other Financial Assets	23(a)	450	432
Other Financial Assets using the equity method	23(b) & 37	-	-
Property, Plant and Equipment	24	32,716	29,208
Intangible Assets	25	224	130
Artefacts	26	445	634
<b>Total Non-Current Assets</b>		<b>34,224</b>	<b>32,482</b>
<b>TOTAL ASSETS</b>		<b>737,262</b>	<b>793,704</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	28	5,043	5,478
Derivatives	29	84,227	102,253
Provisions	30	2,838	2,361
<b>Total Current Liabilities</b>		<b>92,108</b>	<b>110,092</b>
<b>Non-Current Liabilities</b>			
Provisions	30	703	611
<b>Total Non-Current Liabilities</b>		<b>703</b>	<b>611</b>
<b>TOTAL LIABILITIES</b>		<b>92,811</b>	<b>110,703</b>
<b>NET ASSETS</b>		<b>644,451</b>	<b>683,001</b>
<b>EQUITY</b>			
Reserves		27,018	25,415
Accumulated Funds		617,433	657,586
<b>TOTAL EQUITY</b>		<b>644,451</b>	<b>683,001</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 2016

	Accumulated Funds \$'000	Revaluation Reserve \$'000	Total \$'000
<b>Balance at 1 July 2015</b>	<b>657,586</b>	<b>25,415</b>	<b>683,001</b>
<b>Net Result for the year</b>	<b>(42,029)</b>	<b>-</b>	<b>(42,029)</b>
<b>Other Comprehensive Income:</b>			
Actuarial Gain/(Loss) on Defined Benefit Superannuation	(292)	-	(292)
Net Increment on Revaluation of Properties (Note 24)	-	3,960	3,960
Net Increment on Revaluation of Artefacts (Note 26)	-	(189)	(189)
Assets Disposed	2,168	(2,168)	-
<b>Total Comprehensive Income for the year</b>	<b>(40,153)</b>	<b>1,603</b>	<b>(38,550)</b>
<b>Balance at 30 June 2016</b>	<b>617,433</b>	<b>27,018</b>	<b>644,451</b>
<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/(Loss) on Defined Benefit Superannuation	(100)	-	(100)
Net Increment on Revaluation of Properties (Note 24)	-	3,546	3,546
Assets Disposed	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>

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 2016

	Notes	2016 \$'000	2015 \$'000
<b>Receipts</b>			
Sales and Rental Income		1,358	311
Interest and Investment Income		88	119
Community Development Levy Received		341	1,190
Grants and Contributions		1,995	44
Recovery of Rates and Administrators Cost Paid on behalf of LALCs		453	581
GST Received from ATO		2,357	2,523
Other		747	-
<b>Total Receipts</b>		<b>7,339</b>	<b>4,768</b>
<b>Payments</b>			
Employee Related Expenses		(14,031)	(13,416)
Community Development Levy Grants Paid		(356)	-
Grants and Subsidies		(1,383)	(1,607)
Funding to LALCs		(15,802)	(16,494)
Rates and Administrators Cost Paid on behalf of LALCs		(851)	(1,382)
Payment for Goods and Services		(13,661)	(9,652)
<b>Total Payments</b>		<b>(46,084)</b>	<b>(42,551)</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>33</b>	<b>(38,745)</b>	<b>(37,783)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Land and Buildings, Plant and Equipment	<b>10</b>	501	-
Proceeds from Sale of Financial Assets		43,185	37,487
Purchases of Property, Plant and Equipment		(389)	(564)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>43,297</b>	<b>36,923</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>4,552</b>	<b>(860)</b>
Opening Cash and Cash Equivalents		8,096	8,956
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>17&amp;18(a)</b>	<b>12,648</b>	<b>8,096</b>

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 2016

## 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 (Refer to Note 37 for more information).

The consolidated financial statements for the year ended 30 June 2016 have been authorised for issue by the Council on 11<sup>th</sup> October 2016.

## 2. BASIS OF PREPARATION

### (a) Basis of preparation of accounts

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 36.

### (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 2016 and determined its status as not-for-profit for financial reporting purposes, which is consistent with the prior year.

### (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
- 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

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.

# NEW SOUTH WALES ABORIGINAL LAND COUNCIL

## Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

### *(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)(iv) & 3(c)(vii)
- Note 7 – Investment Revenue
- Note 19 – Receivables
- Note 24 – Property, Plant and Equipment
- Note 25 – 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)(vii) & 3(d)(ii)
- Note 20 – Financial Assets at Fair Value
- Note 21 – Derivatives
- Note 23 – Other Financial Assets
- Note 30 – Provisions
- Note 35 – 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 2015. 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.

#### *(ii) Joint Venture*

NSWALC Resources Pty Ltd has a 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.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

### (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 Council, 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) (iv) for details.

##### (iv) Foreign currency gain and losses

During the year the Council held investments denominated in foreign currencies and transitional funds held in foreign currency as a result of moving funds between fund managers. Transactions in foreign currencies are translated to Australian dollar at exchange rates at the dates of the transactions. Monetary assets

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

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 Note 3 (c) (vii)

#### (iii) Maintenance expenses

Maintenance expenses are charged as stated in Note 3 (c) (vii)

#### (iv) Insurance expenses

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

#### (v) Funding expenses for Local Aboriginal Land Councils

Funding for Local Aboriginal Land Councils (LALCs) is charged to the profit and loss as per the agreed amount of allocation for the year in accordance with the funding agreement. If a LALC is in breach of the statutory requirements, only essential payments are made under assistance agreement. Essential payments are also paid to protect LALC assets or to avoid increasing higher liabilities.



## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

(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 assets 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. Hence, the Equity Accounting was not adopted and shares were revalued at one dollar as at 30 June 2016 (one dollar as at 30 June 2015).

(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 purposes.

(iii) Receivables

Receivables include other receivables and statutory debts (Refer to Note 5 (a) (ii)).

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 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 since the financial year 2010-11 and the movement in the allowance for impairment with the outstanding debt is disclosed in Note 19.

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

(iv) Investments

Investments are initially recognised at fair value plus transaction costs for those investments that are not at fair value through profit or loss. The Council determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

- *Fair value through profit or loss* - The Council subsequently measures investments classified as "held for trading" or designated upon initial recognition at fair value through profit or loss. 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.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

- *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.

- *De-recognition of financial assets and financial liabilities*

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Council transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the Council has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the Council has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Council's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(v) *Trust funds*

The Council received money in a trustee capacity for the Gumbaynggir Tribal Aboriginal Elders Corporation as set out in Note 34. 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 a custodial role in respect of these funds. Therefore, these funds are not recognised in the consolidated financial statements.



## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

#### (vi) Other assets

Other assets include superannuation assets and prepayments. Other assets are recognised on a cost basis.

If a surplus exists in the employer's interest in the defined benefit fund, the Council 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. The Council recognises this amount as a liability.

#### (vii) Property, Plant & Equipment

##### • Acquisitions of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Council. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

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 2014-2015) and above individually (or forming part of a network costing more than \$1,000) are capitalised.

##### • Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 14-1). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

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

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer Note 27 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 full revaluation of properties was completed on 30 June 2014 by independent registered valuers who are experienced in the respective regions of properties located. All significant properties are valued on the annual basis by the independent valuer.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

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 is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

- **Depreciation of Property, Plant and Equipment**

Depreciation is provided on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Council.

All material separately identifiable components of assets are depreciated over their respective useful lives.

Land is not a depreciable asset. Certain original artwork and collections have a long useful life and depreciation for these items cannot be reliably measured because the useful life and the net amount to be recovered at the end of the useful life cannot be reliably measured. In these cases, depreciation is not recognised. The decision not to recognise depreciation for these assets is reviewed annually.

The depreciation rates used for each class of depreciable assets for the estimated useful lives are:

<i>Class of Fixed Assets</i>	<i>Depreciation Rate</i>	<i>Useful Life</i>
Land is not depreciated		
Buildings*	3.33% – 5.00%	20 – 30 years
Motor Vehicles	20.00%	5 years
Computer equipment	33.33%	3 years
Other Equipment, Furniture and Fittings	20.00%	5 years

Useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

\* Fittings classified as buildings may have varying depreciation rates and useful lives (i.e. 20% Depreciation Rate and 5 years Useful Life).

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

- 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.

(viii) Artefacts

Artefacts include aboriginal artwork, sculptures carvings and painted rocks. These assets are not depreciated, but are revalued on a regular basis by an independent expert valuer. The valuation of these assets was completed on 30 June 2016. Any change in value is accounted for as explained in Note 26.

(ix) Leased assets

A distinction is made between finance leases which substantially transfer from the lessor to the lessee all the risks and rewards incidental to ownership of the leased assets and operating leases under which the lessor effectively retains all such risks and rewards.

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.

(x) Intangible assets

The Council recognises intangible assets only if it is probable that future economic benefits will flow to the Council and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the fair value as at the date of acquisition is capitalised in the fixed asset register.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Council's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Council's intangible assets are amortised using the straight line method over a period of three years.

In general, intangible assets are tested for impairment where an indicator of impairment exists. However, as a not-for-profit entity, the Council is effectively exempted from impairment testing.

(d) Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to the Council. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(ii) Employee Benefits and Other Provisions

- Salaries and Wages, Annual Leave and On-Costs

Liabilities for salaries and wages (including non-monetary benefits) and annual leave that are expected to be due wholly within twelve months of the reporting date are recognised and measured in respect of employees'



## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

services up to the reporting date at nominal amount 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 1.98% (3.01% in 2014-2015) 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 *Accounting for Superannuation* and NSWTC 15-09 *Accounting for Long Service Leave and Annual Leave*) to all employees using current rates of pay. These factors were determined based on approximate present value.

In respect of defined contribution schemes (i.e. Basic Benefit and First State Super), expense is calculated as percentage of the employees' salary. For the defined benefit schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

- Other Provisions

Other provisions exist when the Council has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A make good provision for the lease of the Zone and Councillor Offices is discounted at 1.59%, 1.55% and 1.65% (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 were no new Local Aboriginal Land Councils incorporated during the financial year (none in 2014-2015).

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

During the year ended 30 June 2016, the Council transferred properties to Murrin Bridge Local Aboriginal Land Council at carrying value. The net amount transferred after adjusting for the revaluation reserve is disclosed in the Statement of Profit or Loss and Other Comprehensive Income (See Note 14).

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.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

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.

(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 38 were in issue but not yet effective. NSW Treasury has mandated not to early adopt any of the new Standards / Interpretations through Treasury Circular NSWTC16-02 *Mandates of Options and Major Policy Decisions under Australian Accounting Standards* except for *AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*.

#### 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 20 and Note 27 for financial assets and non-financial assets at fair value.

(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) *Other receivables*

The fair value of other receivables is based on the net realisable value after considering any possible risks of impairment. All other receivables, after impairment, are expected to be received within a short period of time and considered as fair values.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

(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

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 Manager of 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 the 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 credit risk, liquidity risk and interest rate 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.



## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

(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 the credit rating of the banks and compliance with the Council's policies.

(ii) Receivables

The Council's exposure to credit risks is influenced mainly by the individual characteristics of each debtor. The Council has statutory debts and other debts.

- *Statutory debts*

The Council incurred significant amounts of debt as a result of the application of legislation for Local Aboriginal Land Councils. These debts are grouped as statutory debts and not categorised as financial instruments as per the NSW Treasury Policy and Guideline TPP08-1 *Accounting Policy: Accounting for financial instruments*. The Council assess the collectability of such debts on a case by case basis in accordance with Debtor Management Policy.

- *Other debts*

The Council is exposed to various concentrations of credit risk through other 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 Senior Financial Accountant, 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 the Council's investment consultant. The selection of asset classes into which the Council invests is researched and recommended by the 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 20, are managed by the Council in conjunction with the 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.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

The only line of credit the Council has is a corporate card facility of \$500,000 with the National Australia Bank.

During current and prior years, there were no defaults or breaches on any amounts payable to creditors. No assets have been pledged as collateral. The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and a current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW Treasury Circular (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 in 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 status, 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 2016

(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 within the investment framework approved by the Council 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 which mainly affects the Aboriginal community as part of the risk management strategy which includes political, culture and heritage, social, environmental and economic risks. 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 to comply with legislative requirements.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management and managers 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 the Council
- 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 to a minimum 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.

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

**Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016**

The Drawdown Rule is based on the following key elements:

- Previous drawdown
- Average asset value
- Long term spending rate

This rule was adopted on advice from the Council's former investment advisor, Towers Watson Australia Pty Ltd. The annual expected future draw down is equal to 70% draw down in previous year and 30% of the average asset value in previous year times the long-term spending rate. Therefore, drawdown for expenditure was 7.2% of the investment balance in 2015-16 (6.76% of the investment balance in 2014-15). The annual spending rate per the draw down rule is 4%.



**NEW SOUTH WALES ABORIGINAL LAND COUNCIL**  
**Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016**

	2016 <u>\$'000</u>	2015 <u>\$'000</u>
<b>7. INVESTMENT REVENUE</b>		
Interest	107	138
Dividends	31,645	42,618
Realised Gains/(Losses)	(2,270)	(2,497)
	<u>29,482</u>	<u>40,259</u>
<b>8. GRANTS AND CONTRIBUTIONS</b>		
Grants from Government and Non-Government Agencies	1,991	40
	<u>1,991</u>	<u>40</u>
<b>9. OTHER REVENUE</b>		
Rental Income	1,355	1,207
Rural Properties Other Income	5	75
Investment Managers Fees Rebates	615	738
Movement in Impairment (Note 19(c))	24	917
Legal Expenses Recovered	8	100
Value of Land Claimed	-	4
Other	321	209
	<u>2,328</u>	<u>3,250</u>

**10. 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>2016</b>				
Proceeds from Disposal		1	500	501
Written Down Value of Assets Disposed	-	(2)	(225)	(227)
Net Gain/(Loss) on Disposal and Write Off	-	(1)	275	274
	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)
Net Gain/(Loss) on Disposal and Write Off	(2)	(8)	-	(10)

	2016 <u>\$'000</u>	2015 <u>\$'000</u>
<b>11. OTHER GAINS/(LOSSES)</b>		
<b>CHANGES IN FAIR VALUE OF INVESTMENTS</b>		
Net change in fair value of Hedge Instrument	(798)	(116)
Net change in fair value of Financial Assets classified as held for trading	(27,163)	25,967
	<u>(27,961)</u>	<u>25,851</u>

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

	2016 <u>\$'000</u>	2015 <u>\$'000</u>
<b>12. EMPLOYEE RELATED EXPENSES</b>		
Salaries and Wages (Including Recreation Leave)	11,743	11,283
Superannuation Expenses	1,131	1,076
Leave Expenses	1,150	1,070
Workers' Compensation Insurance	273	188
	<u>14,297</u>	<u>13,617</u>
<b>13. FUNDING TO LOCAL ABORIGINAL LAND COUNCILS</b>		
Fully Funded	13,869	12,764
Partly Funded	804	1,173
Essential Expenses Paid for LALCs	1,126	1,057
	<u>15,799</u>	<u>14,994</u>
<b>14. GRANTS</b>		
Funeral Assistance	618	716
Community Development Levy	143	524
Properties Transferred to LALCs	2,932	13,751
Others	621	242
	<u>4,314</u>	<u>15,233</u>
<b>15. OTHER OPERATING EXPENSES</b>		
Audit Fees - The Audit Office of NSW	185	185
Audit Fees - Internal Auditor and Investigator	91	117
Consultants Fees	611	599
Enterprise and Farm Expenses	45	216
Motor Vehicle Expenses	576	540
Maintenance Expenses*	172	266
Travel Expenses and Meal Allowances	850	876
Insurance	286	290
Rent and Outgoings	709	601
Postage, Printing and Stationery	55	94
Contractor Fees	93	236
Electricity, Gas & Power	187	210
Telephone & Communications	281	314
Statewide Conference Expenses	381	-
Leased Property Other Expenses	144	120
IT Related Expenses	176	165
Photocopying Expenses	207	181
Staff Training, Development and Recruitment	264	258
Miscellaneous Expenses	912	1,164
	<u>6,225</u>	<u>6,432</u>

\* All maintenance work carried out by the external contractors and there is no employee related expenses included.



**NEW SOUTH WALES ABORIGINAL LAND COUNCIL**  
**Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016**

	2016	2015
	<u>\$'000</u>	<u>\$'000</u>
<b>16. PROGRAM EXPENSES</b>		
Share of Contribution to Water and Sewerage Infrastructure Program*	2,077	1,655
Subdivision Project**	214	661
	<u>2,291</u>	<u>2,316</u>

Note:

\*The Council paid 50% share of its contribution in relation to operation, maintenance and monitoring of water and sewerage services for Aboriginal Communities. The payment was made to the New South Wales Office of Water who manages the project as per the agreement between New South Wales State Government and the Council.

\*\*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.

	2016	2015
	<u>\$'000</u>	<u>\$'000</u>
<b>17. CASH AND CASH EQUIVALENTS</b>		
Cash at Bank and in Hand	8,823	3,900
Funeral Fund - Cash at Bank	336	329
	<u>9,159</u>	<u>4,229</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 18(a)).

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 35.

	2016	2015
	<u>\$'000</u>	<u>\$'000</u>
<b>18. RESTRICTED ASSETS</b>		
<b>a. Restricted Assets - Cash</b>		
Subdivision Project - Cash at Bank	154	517
Community Development Levy - Cash at Bank	3,269	3,284
Wallung Trust - Cash at Bank	65	65
	<u>3,488</u>	<u>3,866</u>
<b>b. Restricted Assets - Property</b>		
Wallung Trust - Property*	260	260
	<u>260</u>	<u>260</u>
<b>TOTAL RESTRICTED ASSETS</b>	<u>3,748</u>	<u>4,126</u>

Note \*: In April 2016, The Council entered into a contract to sell the "Wallung Trust" property at Kempsey. The settlement is expected to be on or before 1 August 2016 (120 days settlement). The net proceeds of sale will be divided equally between the LALCs in the "Wallung Trust". 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 2016

	2016	2015
	<u>\$'000</u>	<u>\$'000</u>
<b>19. RECEIVABLES</b>		
<b>a) Current</b>		
Debtors	264	377
Statutory Debts from LALCs	259	143
Prepayments	421	825
Franking Credit Rebates	1,100	817
	<u>2,044</u>	<u>2,162</u>
<b>b) Non-Current</b>		
Statutory Debts from LALCs	4,861	4,127
Less: Allowance for Impairment	(4,472)	(2,049)
	<u>389</u>	<u>2,078</u>
<b>c) Movement in the allowance for impairment</b>		
Balance at 1 July	2,049	3,284
Amounts written off during the year	-	(318)
Increase/(Decrease) of provision during the year	2,431	(505)
Decrease in allowance due to repayment of debt	(8)	(412)
Balance at 30 June	<u>4,472</u>	<u>2,049</u>
<b>Represented by:</b>		
Non-Current	4,472	2,049
	<u>4,472</u>	<u>2,049</u>
	<b>2016</b>	<b>2015</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
<b>20. FINANCIAL ASSETS AT FAIR VALUE</b>		
Australian Fixed Income	36,892	37,928
Australian Equities	76,686	83,488
International Equities	193,492	223,414
Emerging Markets	40,422	44,232
Global Listed Property Trusts	36,782	37,593
Hedge Fund	103,314	103,032
International Fixed Income	40,376	39,867
Absolute Return Funds	36,713	36,071
Inflation - Linked Bond	32,205	32,174
Cash Fund	7,345	7,185
	<u>604,227</u>	<u>644,984</u>

Refer to Note 35 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 2016**

	2016	2015
	<u>\$'000</u>	<u>\$'000</u>
<b>21. DERIVATIVES (ASSETS)</b>		
Foreign Currency Forward Contracts	83,430	102,137
	<u>83,430</u>	<u>102,137</u>

Refer to Note 35 for further information regarding fair value measurements, credit risk, liquidity risk and market risk arising from financial instruments.

	2016	2015
	<u>\$'000</u>	<u>\$'000</u>
<b>22. OTHER ASSETS</b>		
Superannuation Assets	18	17
	<u>18</u>	<u>17</u>

	2016	2015
	<u>\$'000</u>	<u>\$'000</u>
<b>23. OTHER FINANCIAL ASSETS</b>		
(a) Mortgages	450	432
	<u>450</u>	<u>432</u>
(b) Other Incidental Asset		
Shares in Paradigm	560	105
- Increase/(Decrease) in value using equity accounting	(243)	(42)
- Provision for impairment of shares	(317)	(63)
	<u>-</u>	<u>-</u>

**Movement of Other Incidental Asset**

Balance at 1 July	-	-
Additional Investments	455	105
Increase/(Decrease) in value using equity accounting	(189)	(42)
Provision for impairment of shares	(266)	(63)
Balance at 30 June	<u>-</u>	<u>-</u>

(c) Investment Term Deposits		
Term Deposits	70	69
	<u>520</u>	<u>501</u>

Refer to Note 35 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 2016

### 24. 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 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>
<b>At 30 June 2016 - fair value</b>						
Gross carrying amount	21,750	10,719	1,922	6	20	34,417
Accumulated depreciation and impairment	-	(36)	(1,659)	(6)	-	(1,701)
<b>Net Carrying Amount</b>	<b>21,750</b>	<b>10,683</b>	<b>263</b>	<b>-</b>	<b>20</b>	<b>32,716</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 2016</b>						
Net carrying amount at 1 July 2015	18,506	10,222	138	-	342	29,208
Additions	-	54	117	-	20	191
Capitalised/Reclassified	-	231	111	-	(342)	-
Disposal	-	-	(2)	-	-	(2)
Transfer to LALCs	(2,551)	(381)	-	-	-	(2,932)
Properties Held for Sale and Transfer to LALCs	2,551	381	-	-	-	2,932
Revaluation Movement	3,244	716	-	-	-	3,960
Depreciation expense	-	(540)	(101)	-	-	(641)
<b>Net Carrying Amount at 30 June 2016</b>	<b>21,750</b>	<b>10,683</b>	<b>263</b>	<b>-</b>	<b>20</b>	<b>32,716</b>

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

### 24. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land	Building	Plant and Equipment	Motor Vehicle	Work in Progress	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>At 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	Building	Plant and Equipment	Motor Vehicle	Work in Progress	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Year ended 30 June 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 2016

	2016	2015
	<u>\$'000</u>	<u>\$'000</u>
<b>25. INTANGIBLE ASSETS</b>		
Gross carrying amount	1,804	1,616
Accumulated amortisation and impairment	(1,580)	(1,486)
<b>Carrying amount</b>	<u><b>224</b></u>	<u><b>130</b></u>

**Reconciliation**

Net carrying amount at 1 July 2015	130	103
Additions	200	145
Written-off	-	(2)
Amortisation	(106)	(116)
<b>Carrying amount at 30 June 2016</b>	<u><b>224</b></u>	<u><b>130</b></u>

**26. ARTEFACTS**

Carrying value at 1 July 2015	634	634
Revaluation Increment/(Decrement)	(189)	-
<b>Carrying value at 30 June 2016</b>	<u><b>445</b></u>	<u><b>634</b></u>

Artefacts were revalued in June 2016 by an independent specialised valuer. There are no additions and write off during the year.

**27. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS**

**(a) Fair value hierarchy**

				Total
	Level 1	Level 2	Level 3	Fair Value
	\$'000	\$'000	\$'000	\$'000
<b>2016</b>				
<b>Property, plant and equipment</b>				
Land and buildings (Note 18(b), 24)	-	32,693	-	32,693
Artefacts (Note 26)	-	445	-	445
	<u>-</u>	<u>33,138</u>	<u>-</u>	<u>33,138</u>
<b>2015</b>				
<b>Property, plant and equipment</b>				
Land and buildings (Note 18(b), 24)	-	28,989	-	28,989
Artefacts (Note 26)	-	634	-	634
	<u>-</u>	<u>29,623</u>	<u>-</u>	<u>29,623</u>

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 2016

### (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. Income Approach– this approach converts future amounts (eg cash flows or income and expenses) to a single current (ie discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

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.

	2016 <u>\$'000</u>	2015 <u>\$'000</u>
<b>28. PAYABLES</b>		
Accrued Salaries, Wages and On-Costs	188	408
Creditors	1,251	1,457
Community Development Levy	3,268	3,284
Funeral Fund - Refundable Contributions	336	329
	<u>5,043</u>	<u>5,478</u>

Details regarding credit risk, liquidity risk and market risk including maturity analysis of the above payables are disclosed in Note 35.

### 29. DERIVATIVES (LIABILITIES)

Foreign Currency Forward Contracts	84,227	102,253
	<u>84,227</u>	<u>102,253</u>

Refer to Note 35 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 2016

	2016 <u>\$'000</u>	2015 <u>\$'000</u>
<b>30. PROVISIONS</b>		
<b>Current Employee benefits and related on-costs</b>		
Provision for Annual Leave-Long Term	1,216	1,174
Provision for Long Service Leave - Long Term	710	564
Provision for Unfunded Superannuation (refer to Note 30(a))	816	505
	<u>2,742</u>	<u>2,243</u>
<b>Other Current Provisions</b>		
Provision for Make-Good	21	43
Provision for Legal Appeal	75	75
	<u>96</u>	<u>118</u>
	<u>2,838</u>	<u>2,361</u>
<b>Non-Current Employee Benefits</b>		
Provision for Long Service Leave	615	536
	<u>615</u>	<u>536</u>
<b>Other Non-Current Provisions</b>		
Provision for Make-Good	88	75
	<u>88</u>	<u>75</u>
	<u>703</u>	<u>611</u>
<b>Aggregate Employee Benefits and Related On-Costs</b>		
Provisions - Current	2,742	2,243
Provisions - Non Current	615	536
Accrued Salaries and Wages (refer to Note 28)	188	408
	<u>3,545</u>	<u>3,187</u>
<b>Movements in provisions (other than employee benefits)</b>		
Movements in each class of provision during the financial year, other than employee benefits are set out below:		
<b>Provision for Make-Good</b>		
Carrying amount at 1 July	118	123
Additional/(Reduced) Provisions	(9)	(5)
<b>Carrying amount at 30 June</b>	<u>109</u>	<u>118</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 2016

### (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 30/06/2016

Discount rate	1.99% pa
Contribution tax rate	15%
Salary increase rate (excluding promotional increases)	2.50% 2016/2017 to 2018/2019 ; 3.50% 2019/2020 and 2020/2021; 3.00% pa 2021/2022 to 2025/2026; 3.50% pa thereafter.
Rate of CPI increase	1.50% 2015/2016; 1.75% 2016/2017; 2.25% 2017/2018; 2.50% pa thereafter
Pensioner mortality	The pensioner mortality assumptions are as per the 2015 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report available from the trustee's website. The report shows the pension mortality rates for each age.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

### Reconciliation of the present value of the defined benefit obligation - 2016

	SANCS 30-Jun-16 \$'000	SSS 30-Jun-16 \$'000	Total 30-Jun-16 \$'000
Present value of partly funded defined benefit obligation at beginning of the year	(3)	1,369	1,366
Interest cost	-	41	41
Actuarial (gains)/losses	-	296	296
Benefits paid	-	(57)	(57)
Taxes, premiums & expenses paid	-	4	4
Present value of partly funded defined benefit obligation at end of the year	(3)	1,653	1,650

### Reconciliation of the fair value of Fund assets - 2016

	SANCS 30-Jun-16 \$'000	SSS 30-Jun-16 \$'000	Total 30-Jun-16 \$'000
Fair value of Fund assets at beginning of the year	17	864	881
Interest income	1	25	26
Actual return on Fund assets less interest income	-	1	1
Benefits paid	-	(57)	(57)
Taxes, premiums & expenses paid	-	4	4
Fair value of Fund assets at end of the year	18	837	855

### Reconciliation of the assets and liabilities recognised in Statement of Financial Position - 2016

	SANCS 30-Jun-16 \$'000	SSS 30-Jun-16 \$'000	Total 30-Jun-16 \$'000
Present value of partly funded defined benefit obligation at end of year	(3)	1,653	1,650
Fair value of Fund assets at end of year	(18)	(837)	(855)
<b>Subtotal</b>	(21)	816	795
Net liability/(Asset) recognised in balance sheet at end of year	(21)	816	795

### Expense recognised in Statement of Comprehensive Income - 2016

	SANCS 30-Jun-16 \$'000	SSS 30-Jun-16 \$'000	Total 30-Jun-16 \$'000
<b>Components Recognised in Income Statement</b>			
Net Interest	(1)	15	14
<b>Defined benefit cost</b>	(1)	15	14

### Amounts recognised in other comprehensive income - 2016

	SANCS 30-Jun-16 \$'000	SSS 30-Jun-16 \$'000	Total 30-Jun-16 \$'000
Actuarial (gains)/losses on liabilities	-	296	296
Actual return on Fund assets less Interest income	-	(1)	(1)
	-	295	295

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

### 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	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>	(20)	505	485
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>	(1)	16	15

### 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	(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 2016**

**31. COMMITMENTS**

	<b>2016</b>	<b>2015</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>Operating Leases Payables</b>		
Future Non-Cancellable Operating Lease Rentals not Provided for and Payable:		
Not later than one year	751	712
Later than one year and not later than five years	467	512
<b>Total (Including GST)</b>	<b><u>1,218</u></b>	<b><u>1,224</u></b>

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 (\$111K in 2014-2015) has been included in the total above.

	<b>2016</b>	<b>2015</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>Operating Leases Receivables</b>		
Future Non-Cancellable Operating Lease Payments not Received and Receivable:		
Not later than one year	860	1,054
Later than one year and not later than five years	1,037	1,506
<b>Total (Including GST)</b>	<b><u>1,897</u></b>	<b><u>2,560</u></b>

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 \$172K (\$233K in 2014-2015) has been included in the total above.

**32. CONTINGENT ASSET/LIABILITY**

	<b>2016</b>	<b>2015</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>Contingent liabilities</b>		
Legal Claims	-	40
	<b><u>-</u></b>	<b><u>40</u></b>

Note:

In the case of New South Wales Aboriginal Land Council v The Minister administering the Crown Lands Act (Proceedings 370478 of 2014 - BERRIMA), there is an order that NSWALC pay the Minister's costs of the appeal. NSWALC has appealed the Berrima Court of Appeal decision to the High Court of Australia. If we are successful in the High Court we will seek an order dismissing the Court of Appeal orders, and a further order that the Minister pay for NSWALC's costs for the appeals to the High Court and the NSW Court of Appeal. If we are unsuccessful in the High Court, it is highly likely that we will be ordered to pay the Minister's costs of that appeal as well.



## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

### 33. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET SURPLUS

	2016	2015
	<u>\$'000</u>	<u>\$'000</u>
<b>Operating Surplus/(Deficit) from Ordinary Activities</b>	(42,029)	15,137
Investment earnings	(29,990)	(40,042)
Unrealised (gains)/losses	27,961	(25,851)
Depreciation & amortisation	747	729
Allowance for impairment	266	63
Land claims at fair value	-	(4)
Superannuation actuarial (gain)/loss directly charged to accumulated funds	15	17
Unrecognised revenue/(expenses) - Community Development Levy	(15)	1,190
Non cash items adjustment - GST	29	84
Reversal of prior years impairment	(24)	(917)
(Gain)/ loss on sale of non-current assets	(274)	10
Properties transferred at fair value	2,932	13,751
<b>Other Changes in Assets and Liabilities in respect of Ordinary Activities</b>		
Increase/ (decrease) in leave and other provisions	258	149
Increase/ (decrease) in provisions for doubtful debts	2,431	(1,232)
Decrease/ (increase) in receivables	(1,020)	(526)
Decrease/ (increase) in other financial assets	(17)	(18)
Decrease/ (increase) in prepayment	404	(481)
Increase/ (decrease) in creditors	(419)	145
Decrease/ (increase) in inventories	-	13
<b>Net Cash Inflows/(Outflows) from Ordinary Activities</b>	<u><u>(38,745)</u></u>	<u><u>(37,783)</u></u>

### 34. LIABILITY AS TRUSTEE

The Council acts as trustee for the Gumbaynggir Tribal Aboriginal Elders Corporation.

The movement in the Trust bank account is:

	2016	2015
	<u>\$'000</u>	<u>\$'000</u>
Opening balance at 1 July	160	143
Add: Receipts	17	17
<b>Closing balance at 30 June</b>	<u><u>177</u></u>	<u><u>160</u></u>

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

### 35. 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 the Council invested through a number of fund managers as recommended by the Investment Consultant.

#### (a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
			2016	2015
Class:			\$'000	\$'000
Cash and cash equivalents	17,23 (c)	N/A	9,229	4,298
Restricted cash and cash equivalents	18 (a)	N/A	3,488	3,866
Receivables <sup>1</sup>	19	Loans and receivables	104	174
Financial assets at fair value	20,21	Investment at fair value through profit or loss – classified at held for trading	687,657	747,121
Other financial assets	23 (a)	Loans and investments not for trading	450	432

Financial Liabilities	Note	Category	Carrying Amount	Carrying Amount
			2016	2015
Class:			\$'000	\$'000
Payables <sup>2</sup>	28	Financial liabilities measured at amortised cost	5,043	5,478
Financial liabilities at fair value	29	Hedged instruments at fair value through profit or loss – classified at held for trading	84,227	102,253

#### 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 2016

### 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	2016 Total \$'000
Financial assets at fair value				
Managed funds	390,979	213,247	-	604,226
Derivatives - Assets	-	83,430	-	83,430
	<b>390,979</b>	<b>296,677</b>	<b>-</b>	<b>687,656</b>
Financial liabilities at fair value				
Derivatives - Liabilities	-	84,227	-	84,227
	<b>-</b>	<b>84,227</b>	<b>-</b>	<b>84,227</b>
	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>2015 Total \$'000</b>
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>

### (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 2.17% (2.67% in 2014-2015), while over the year the weighted average interest rate was 2.32% (2.61% in 2014-15) on a weighted average balance during the year of \$7.34M (\$7.17M in 2014-15). None of these assets are past due or impaired.

#### (ii) Receivables – Debtors

The Council does not have significant receivable balances from debtors. All debtors are recognised as amounts receivable at balance date. Collectability of 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. The evidence includes past experience, and current and expected changes in economic conditions. No interest is earned on debtors.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

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>2016</b>			
< 3 months overdue	2	2	-
> 3 months overdue	102	102	-
<b>2015</b>			
< 3 months overdue	114	114	-
> 3 months overdue	60	60	-

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>2016</b>			
< 3 months overdue	-	-	-
> 3 months overdue	450	450	-
<b>2015</b>			
< 3 months overdue	-	-	-
> 3 months overdue	432	432	-

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 2016

### (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 Amount \$'000	Non-interest Bearing \$'000	< 1 yr \$'000	1-5 yrs \$'000	> 5 yrs \$'000
<b>2016</b>					
Payables	4,707	4,707	4,707	-	-
Funeral Fund-Contributions Refundable	336	336	-	-	336
Financial Liabilities at fair value	84,227	84,227	84,227	-	-
	<b>89,270</b>	<b>89,270</b>	<b>88,934</b>	<b>-</b>	<b>336</b>
<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>

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

### (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\$127.76M as at 30 June 2016. (\$152.25M as at 30 June 2015).

#### (ii) Interest rate risk

	Carrying Amount \$'000	-1% Profit \$'000	Equity \$'000	+1% Profit \$'000	Equity \$'000
<b>2016</b>					
<b>Financial assets</b>					
Cash and cash equivalents	9,229	(92)	9,137	92	9,321
Restricted cash and cash equivalents	3,488	(35)	3,454	35	3,523
Financial assets at fair value	687,657	(6,877)	680,780	6,877	694,534
Other financial assets	450	(4)	445	4	454
<b>Financial liabilities</b>					
Financial liabilities at fair value	84,227	(842)	83,385	842	85,069
<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

#### (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	2016 \$'000	2015 \$'000
Short-term facility	Cash, money market instruments	Up to 1.5 years	92,659	106,435
Strategic cash facility	Cash, money market and other interest rate instruments	Up to 3 years	604,227	644,984

The selection of funds for investment is based on the research carried out on various critical success factors of each fund manager by the Council's investment consultant. The performance of investment fund managers is continually monitored by investment consultant who reports on a regular and exceptional basis to Chief Investment Officer, the Investment Committee and the Council.



## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

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 2016 \$'000	Percentage Spread %	Actual rate return 30 June 2016 %	Carrying value as at 30 June 2015 \$'000	Percentage Spread %	Actual rate return 30 June 2015 %
Australian Equities	77,785	12.87	5.30	83,488	12.94	5.53
International Equities	192,694	31.87	(2.95)	223,414	34.64	20.77
Global Listed Property	36,782	6.08	9.73	37,593	5.83	11.97
Australian Fixed Income	36,892	6.10	3.17	37,928	5.88	5.48
International Fixed Income	40,376	6.68	2.02	39,867	6.18	5.11
Inflation-linked Bond Fund	32,205	5.33	0.10	32,174	4.99	1.12
Absolute Returns	36,713	6.07	1.78	36,071	5.59	0.71
Fund of Hedge Fund	103,314	17.09	0.27	103,032	15.96	4.52
Emerging Markets	40,422	6.69	(4.33)	44,232	6.86	17.17
Cash Fund	7,345	1.21	2.23	7,185	1.11	2.60
Term Deposit	70	0.01	2.11	69	0.01	2.73
	<b>604,598</b>	<b>100.00</b>	<b>0.43</b>	<b>645,053</b>	<b>100.00</b>	<b>11.01</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
Total Portfolio of Investments as at 30 June 2016	604,598	2.10%	38,659	643,259	(38,659)	565,939
Total Portfolio of Investments as at 30 June 2015	645,053	2.10%	42,925	687,978	(42,925)	602,128

(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 2016.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

### 36. PARENT ENTITY FINANCIAL INFORMATION

	2016	2015
	<u>\$'000</u>	<u>\$'000</u>
Current Assets	703,038	761,222
Non-Current Assets	34,224	32,482
<b>Total Assets</b>	<b>737,262</b>	<b>793,704</b>
Current Liabilities	92,108	110,087
Non-Current Liabilities	703	611
<b>Total Liabilities</b>	<b>92,811</b>	<b>110,698</b>
Reserves	27,018	25,415
Retained Earnings	617,433	657,591
<b>Profit/(Loss) for The Period</b>	<b>(42,029)</b>	<b>15,142</b>
<b>Other Comprehensive Income</b>	<b>3,479</b>	<b>3,446</b>

### 37. SUBSIDIARIES AND JOINT VENTURES

	Percentage of interest 2016	Percentage of interest 2015	Principal Place of Business	Relationship	Balance Date
NSWALC Resources Pty Ltd	100.00%	100.00%	Australia	Subsidiary	30-Jun
Paradigm Resources Pty Ltd	50.00%	50.00%	Australia	Joint Venture	30-Jun

#### (a) Investments in Subsidiary

NSWALC Resources Pty Ltd	2016	2015
	<u>\$'000</u>	<u>\$'000</u>
Total Assets	565	106
Share Losses due to equity Accounting	(243)	(42)
Impairment for value of shares	(317)	(63)
Total Liabilities	(5)	(6)
<b>Net Assets</b>	<u>-</u>	<u>(5)</u>
 Total Revenue	 460	 105
Total Expense	-	5
Impairment of value of shares	(266)	(63)
Share of Loss due to Equity Accounting	(189)	(42)
<b>Total Comprehensive gain/(Loss)</b>	<u>5</u>	<u>(5)</u>

The Resources P/L started to invest in the joint venture company Paradigm for mining exploration in 2014-15 financial year. The exploration and development of resources such as natural gas is a speculative activity that involves a degree of financial risk.

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

### Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

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 2016. In 2015-16 NSWALC paid audit fees of \$5000 (Excl GST) on behalf of the Resources P/L (\$5000 in 2014-15).

The carrying value of shares in the accounts of Resources P/L and the consolidated financial statement of the Council were reduced to \$329,000 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 2016 in both Resources P/L and the consolidated financial statement of the Council.

#### (b) Investments in Joint Ventures

<b>Paradigm Resources Pty Ltd</b>	<b>2016</b>	<b>2015</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Total Assets	657	192
Total Liabilities	23	66
<b>Net Assets</b>	<b>634</b>	<b>126</b>
<b>Investments accounted for using equity method</b>	<b>317</b>	<b>63</b>
 Total Revenue	 4	 -
Total Expense	382	84
<b>Total Comprehensive gain/(Loss)</b>	<b>(378)</b>	<b>(84)</b>
<b>Share of Joint Ventures' net profit/(loss) recognised</b>	<b>(189)</b>	<b>(42)</b>

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). There is no other business partner in Paradigm. The Council granted \$105,000 in the 2014-15 financial year 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. The Council has also granted \$455,000 in the 2015-16 financial year to Resources P/L to invest in Paradigm as 50% of equity holding. There being 1,120,000 ordinary shares issued by Paradigm as at 30 June 2016 at \$1 each.

### 38. CHANGES TO ACCOUNTING STANDARDS

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting period. The Council did not early adopt these Accounting Standards and Interpretations that are not yet effective except for *AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*.

<b>Standard/Interpretation /Interpretation</b>	<b>Date of issue</b>	<b>Financial Reporting Periods ( beginning on or after)</b>
AASB 9 <i>Financial Instruments</i> (2014)	17 December 2014	1 January 2018
AASB 14 <i>Regulatory Deferral Accounts</i>	17 June 2014	1 January 2016
AASB 15 <i>Revenue from Contracts with Customers</i>	12 December 2014	1 January 2018
AASB 16 <i>Leases</i>	23 February 2016	1 January 2019

## NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Notes to and forming part of the Consolidated Financial Statements for the year ended 30 June 2016

AASB 1056 <i>Superannuation Entities</i>	5 June 2014	1 July 2016
AASB 1057 <i>Application of Australian Accounting Standards</i>	24 July 2015	1 January 2016
AASB 2014-1 <i>Amendments to Australian Accounting Standards (Part D: Consequential Amendments arising from AASB 14)</i>	17 June 2014	1 January 2016
AASB 2014-3 <i>Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations</i>	11 August 2014	1 January 2016
AASB 2014-4 <i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation</i>	11 August 2014	1 January 2016
AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i>	12 December 2014	1 January 2018
AASB 2014-6 <i>Amendments to Australian Accounting Standards – Agriculture: Bearer Plants</i>	12 December 2014	1 January 2016
AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>	17 December 2014	1 January 2018
AASB 2014-9 <i>Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements</i>	23 December 2014	1 January 2016
AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	23 December 2014	1 January 2018
AASB 2015-1 <i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle</i>	21 January 2015	1 January 2016
AASB 2015-2 <i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101</i>	28 January 2015	1 January 2016
AASB 2015-5 <i>Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception</i>	30 January 2015	1 January 2016
AASB 2015-6 <i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</i>	31 March 2015	1 July 2016
AASB 2015-7 <i>Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities</i>	8 July 2015	1 July 2016
AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	22 October 2015	1 January 2017
AASB 2015-9 <i>Amendments to Australian Accounting Standards – Scope and Application Paragraphs</i>	11 November 2015	1 January 2016
AASB 2015-10 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128</i>	22 December 2015	1 January 2016
AASB 2016-1 <i>Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses</i>	24 February 2016	1 January 2017
AASB 2016-2 <i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i>	23 March 2016	1 January 2017
AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	May 2016	1 January 2018
AASB 2016-4 <i>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i>	June 2016	1 January 2017

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.

### 39. EVENT AFTER THE BALANCE DATE

SEFA fulfilled all the requirements under the funding agreement of the grant provided by the Commonwealth Government. As at 27 July 2016, the remaining portion of the grant was vested which resulted in an increment of \$5.9 million in the equity balance of SEFA. This is likely to impact the value of shares after the balance date.

### End of Audited Financial Statement



## INDEPENDENT AUDITOR'S REPORT

### NSWALC Resources Pty Ltd

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of NSWALC Resources Pty Ltd (the Company), which comprise the statement of financial position as at 30 June 2016, 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.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 30 June 2016, 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* (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report.

I am independent of the Company in accordance with the auditor independence requirements of:

- Australian Auditing Standards
- ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (the Code).

I have also fulfilled my other ethical responsibilities in accordance with the Code.

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



## **The Directors' Responsibility for the Financial Statements**

The Directors are responsible for preparing 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 Directors determines is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors must assess the Company's ability to continue as a going concern unless the Company will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must include, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

## **Auditor's Responsibility for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A further description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Company carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented.



Karen Taylor  
Director, Financial Audit Services

14 October 2016  
SYDNEY





## **NSWALC RESOURCES PTY. LTD.**

A.C.N. 602 043 274

Financial Report for the Year Ended 30 June 2016

**FINANCIAL REPORT**

**For the Year Ended 30 June 2016**

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## DIRECTOR'S REPORT

The Directors of NSWALC Resources Proprietary Limited (the Company) submit herewith the Financial Statements of the company for the year ended 30 June 2016. In order to comply with the provisions of the *Corporations Act 2001*, the director's report is as follows:

### Directors

The names of the directors of the company at the date of the report are:

Mr Craig Ernest Cromelin (Appointed on 26<sup>th</sup> September 2014)

Ms Anne Dennis (Appointed on 26<sup>th</sup> September 2014)

Mr Danny Chapman (Appointed on 21<sup>st</sup> July 2016)

The directors are Councillors of New South Wales Aboriginal Land Council (NSWALC). The directors do not hold any shares or options in the company or any other related companies. No remuneration was paid by the company to the directors.

### Principal Activities

The company's principal activities are to hold shares in Paradigm Resources Pty Ltd (Paradigm).

### Review of Operations

The operating result for the year ended 30 June 2016 was a gain of \$5,000. The gain arose after adopting equity accounting to incorporate 50% share of the loss from the joint venture company Paradigm. The gain was due to the reversal of audit fees that were paid by NSWALC. The company impaired the fair value of the shares it holds in Paradigm as at 30 June 2016 to one dollar.

### Changes in State of Affairs

During the year, the company purchased additional 455,000 shares at \$1.00 each and continues to hold 50% of the ordinary share capital in Paradigm. There were no other significant changes in the company's state of affairs.

### Subsequent Events

There is no known event after the balance date.

### Future Developments

The company may hold shares in other resources development companies in the future.

### Dividends

No dividend has been paid or declared since incorporation and the directors did not recommend the payment of a dividend in respect of the reporting year.

### Indemnification of officers

During or since the end of the year the company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred

## NSWALC RESOURCES PTY. LTD.

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by such an officer or auditor. In addition, the company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

### Company Secretary

Ms Sally Skyring has resigned from the position of the company secretary of NSWALC Resources Pty Ltd on 20<sup>th</sup> April 2016.

### Service Agreement

The directors of the company continue as directors, as long as they are councillors of NSWALC or until the directors are removed in the Annual General Meeting or in Extra Ordinary Shareholder's meeting by NSWALC as the shareholder of the company.

### Environmental Regulations

The company is not subject to any particular or significant environmental regulations under a law of the Commonwealth or of a State or Territory.

### Non-Audit Services

During the year the Auditor-General of New South Wales, as the company's auditor, did not perform any other non- audit service to the company.

Signed in accordance with a resolution of the directors made pursuant to s.298 (2) of the *Corporations Act 2001*.

On behalf of the Directors



Director

SYDNEY,  
11 Oct 2016

## STATEMENT BY MEMBERS OF BOARD

Pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983* and in accordance with a resolution of the members of the Board of Directors of NSWALC Resources Pty Ltd, we declare on behalf of the Board of Directors that in our opinion:

1. The accompanying financial statements and notes exhibit a true and fair view of the financial position of NSWALC Resources Pty Ltd as at 30 June 2016 and the transactions for the year then ended.
2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983* and its accompanying regulations.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or materially inaccurate.

Dated at Parramatta this 11 Oct 2016

Signed in accordance with a resolution of the Board of Directors.

Name: Craig Cromain  
Director (Chair)

Signed [Signature]

Name: Danny Chapman  
Director

Signed [Signature]

## DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of NSWALC Resources Pty Ltd we state that:

1. the attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 30 June 2016 and the results of its operations and transactions of the Company for the year then ended;
2. the financial statements and notes have been prepared in accordance with the provisions of the *Corporations Act 2001*;
3. the financial statements and notes have been prepared in accordance with Australian Accounting Standards and Interpretations;
4. we are not aware of any circumstances which would render any particulars included in the financial reports to be misleading or inaccurate; and
5. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

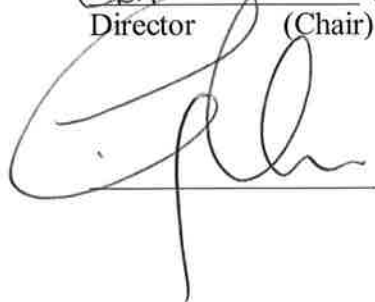
Dated at Parramatta this 11 Oct 2016

Signed in accordance with a resolution of the Board of Directors.

Name:

Craig Gorman  
Director (Chair)

Signed



Name:

Danny Chapman  
Director

Signed





**INDEPENDENT AUDITOR'S REPORT**

**NSWALC RESOURCES PTY LTD**

(Signature)  
Karen Taylor  
Director, Financial Audit Services

October 2016  
SYDNEY

# NSWALC RESOURCES PTY. LTD.

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
<b>Revenue</b>			
Grant from NSWALC	9	455,000	105,000
Reverse prior year accrual		5,000	-
<b>Total Revenue</b>		<b>460,000</b>	<b>105,000</b>
<b>Expenses</b>			
Audit expenses	6	-	5,000
Share losses due to equity accounting	13 & 14	189,270	53,917
Impairment of investment	13 & 14	265,730	51,083
<b>Total Expenses</b>		<b>455,000</b>	<b>110,000</b>
<b>Profit/(Loss) From Ordinary Activities Before Income Tax Expense</b>		<b>5,000</b>	<b>(5,000)</b>
Income tax expense relating to ordinary activities		-	-
<b>Profit/(Loss) From Ordinary Activities After Income Tax Expense</b>		<b>5,000</b>	<b>(5,000)</b>
Other comprehensive income/(losses)		-	-
<b>Total Comprehensive income/(losses) for the period</b>		<b>5,000</b>	<b>(5,000)</b>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# NSWALC RESOURCES PTY. LTD.

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
<b>Current Assets</b>			
Cash and cash equivalent	5	5,002	2
GST receivable		-	500
<b>Total Current Assets</b>		<b>5,002</b>	<b>502</b>
<b>Non-Current Assets</b>			
Investment in Joint Venture	13 & 14	560,000	105,000
Share losses due to equity accounting		(243,187)	(53,917)
Provision for impairment of investment		(316,813)	(51,083)
<b>Total Non-Current Assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets</b>		<b>5,002</b>	<b>502</b>
<b>Current Liabilities</b>			
Audit fee payable	6	-	5,500
Payable to NSWALC		5,000	-
<b>Total Current Liabilities</b>		<b>5,000</b>	<b>5,500</b>
<b>Total Liabilities</b>		<b>5,000</b>	<b>5,500</b>
<b>Net Assets</b>		<b>2</b>	<b>(4,998)</b>
<b>Equity</b>			
Contributed equity	4	2	2
Retained earnings		-	(5,000)
<b>Total Equity</b>		<b>2</b>	<b>(4,998)</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2016**

	Contributed Equity	Retained earnings	Total Equity
	\$	\$	\$
<b>Balance at 1 July 2015</b>	<b>2</b>	<b>(5,000)</b>	<b>(4,998)</b>
Issued capital	-	-	-
Comprehensive income/(loss)	-	5,000	5,000
<b>Balance at 30 June 2016</b>	<b>2</b>	<b>-</b>	<b>2</b>
Issued capital	2	-	2
Comprehensive income/(loss)	-	(5,000)	(5,000)
<b>Balance at 30 June 2015</b>	<b>2</b>	<b>(5,000)</b>	<b>(4,998)</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>Cash Flows From Operating Activities</b>			
Grant from New South Wales Aboriginal Land Council	9	455,000	105,000
NSWALC funding for bank account		5,000	-
<b>Net cash flows provided by operating activities</b>		<b>460,000</b>	<b>105,000</b>
<b>Cash Flows From Investing Activities</b>			
Payment for investment in Paradigm	9	(455,000)	(105,000)
<b>Net cash flows used in investing activities</b>		<b>(455,000)</b>	<b>(105,000)</b>
<b>Net Increase/(Decrease) in Cash Held</b>		<b>5,000</b>	<b>-</b>
<b>Opening Cash and Cash Equivalents</b>		<b>2</b>	<b>2</b>
<b>Closing Cash and Cash Equivalents</b>		<b>5,002</b>	<b>2</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 1. GENERAL INFORMATION

NSWALC Resources Pty Ltd (the Company) is a proprietary company incorporated on 26 September 2014 in Australia. The Company owns 50% of shares in Paradigm Resources Pty Ltd (Paradigm P/L). The Company's parent entity is the New South Wales Aboriginal Land Council (NSWALC). The address of its registered office and principal place of business are as follows:

33 Argyle Street  
Parramatta, NSW, 2150

The company explores the potential for commercial mining in the future.

### 2. BASIS OF PREPARATION

#### *(a) Basis of preparation*

The 'general purpose financial report' has been prepared in accordance with the recognition and measurement requirements specified by all 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 Direction.

#### *(b) Basis of measurement*

The financial report has been prepared on the basis of historical cost and except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

#### *(c) Going Concern*

The directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. NSWALC has undertaken to financially support the entity to ensure it can operate as a "going concern". Accordingly they continue to adopt the going concern basis in preparing the financial report.

#### *(d) Accrual Basis*

The company prepared its statement of profit and loss and other comprehensive income and its statement of financial position on an accrual basis.

### 3. SIGNIFICANT ACCOUNTING POLICIES

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) *Revenue Recognition*

Revenue is measured at the fair value of consideration contribution received or receivable. The company recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity.

All grants received are recognised as income.

(b) *Expense Recognition*

All expenses incurred on an accrual basis are recognised as expenditure for the year to the extent that the company has benefited by receiving goods or services and the expenditure can be reliably measured.

(c) *Assets*

(i) *Cash and Cash Equivalents*

Cash on hand and in banks are stated at their principal amounts.

(ii) *Receivables*

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

(iii) *Other Financial Assets*

Other financial assets in the joint venture entity are measured at fair value.

- *Joint Venture* NSWALC Resources Pty Ltd has a 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 NSWALC Resources Pty Ltd using the equity method of accounting.



- *Equity Accounting* The 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.

(iv) *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.

(d) *Liabilities*

(i) *Accounts Payable*

Liabilities for trade creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

(e) *Income Tax*

The company is in the process of applying for tax-free status as it is fully owned by NSWALC, which is a public benevolent institution (PBI) under the *Income Tax Assessment Act 1997*. Consequently, the directors consider that no income tax is payable.

(f) *Goods and Services Tax*

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### 4. CONTRIBUTED EQUITY

	2016	2016
	Shares	\$
NSWALC	2	2
	2015	2015
	Shares	\$
NSWALC	2	2

#### 5. CASH AND CASH EQUIVALENT

	2016
	\$
Cash and cash equivalent	5002
	2015
	\$
Cash and cash equivalent	2

#### 6. REMUNERATION OF AUDITORS

The audit fee for the company for the year ended 30 June 2016 is \$5,500 (For the period ended 30 June 2015 was \$5,500) including GST. The audit fee has been paid by NSWALC.

#### 7. DIRECTORS' REMUNERATION

The names of the directors of the company since incorporation until the end of the year are:

Craig Ernest Cromelin  
Anne Dennis

Aggregate income paid or payable, to directors of NSWALC Resources Pty Ltd from the company \$Nil. The Directors of the Company are Councillors of NSWALC and as such they are remunerated by NSWALC. They perform their duties as Directors of NSWALC Resources as part of their duties as Councillors of NSWALC.

## 8. RETAINED EARNINGS

	2016	2015
	\$	\$
Retained Earnings balance at end of period	-	(5,000)

## 9. RELATED PARTY DISCLOSURES

### (a) Directors' Remuneration and Retirement Benefits

Details of directors' remuneration are disclosed in Note 7 to the financial Statements.

### (b) Transactions With Other Related Parties

Other related parties include:

- Parent entity – New South Wales Aboriginal Land Council
- Joint Venture entity - Paradigm Resources Pty Ltd

The company received a grant of \$455,000 from NSWALC to purchase shares in the joint venture company Paradigm Pty Ltd. This grant received was disclosed in the Statement of Profit or Loss and Other Comprehensive Income. The company received secretarial and accounting services free of charge from NSWALC.

## 10. SEGMENT INFORMATION

The company operates in one geographic segment being Australia.

## 11. EMPLOYEE INFORMATION

The number of employees as at the end of the year was Nil.

## 12. NOTES TO THE STATEMENT OF CASH FLOWS

### (a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash Balance : \$ 5002

### 13. SHARES IN JOINT VENTURE

<b>Paradigm Resources Pty Ltd</b>	<b>2016</b>	<b>2015</b>
Total Assets	656,487	205,086
Total Liabilities	22,860	102,919
<b>Net Assets</b>	<b>633,627</b>	<b>102,167</b>
<b>Investments accounted for using equity method</b>	<b>316,814</b>	<b>51,083</b>
 Total Revenue	 3,991	 213
Total Expense	382,531	108,046
<b>Total Comprehensive gain/(Loss)</b>	<b>(378,540)</b>	<b>(107,833)</b>
<b>Share of Joint Ventures' net profit/(loss) recognised</b>	<b>(189,270)</b>	<b>(53,917)</b>

Paradigm was established in November 2014 as a joint venture company between NSWALC Resources P/L and Indigenous Energy Group Pty Ltd (ACN 167 002 404).

In the financial year 2015-16, Resources P/L invested \$455,000 (\$105,000 in 2014-15) as 50% of equity holding in Paradigm Resources Pty Ltd. There being 1,120,000 ordinary shares issued by Paradigm at \$1.00 each.

### 14. IMPAIRMENT OF INVESTMENT

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Shares in Paradigm	560,000	105,000
- Increase/(Decrease) in value using equity accounting	(243,187)	(53,917)
- Provision for impairment of shares	(316,813)	(51,083)
Carrying amount of shares in Paradigm	-	-

### 15. EVENT AFTER THE BALANCE DATE

There is no known event after the balance date.

**End of Audited financial statements**

# 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		
MRCAP0	Many Rivers Coalition of Aboriginal Peak Organisations		
NAHS	National Aboriginal Health Strategy		
NGO	Non-government Organisation		
NRCAP0	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		

## NSW ABORIGINAL LAND COUNCIL

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