



OUR LAND OUR MOB OUR FUTURE

ANNUAL REPORT 2018-19

Part 1 of 2



NEW SOUTH WALES ABORIGINAL LAND COUNCIL

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31 October 2019

The Hon. Don Harwin, MLC
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 2018-2019 New South Wales Aboriginal Land Council Annual Report.

We commend this report to you.

Yours sincerely



Anne Dennis
Chairperson



Charles Lynch
Deputy Chairperson

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Chairperson's welcome

.....

I feel honoured to be writing my first welcome as Chair of NSWALC, and very proud to be one of only two women who have held the position. To have the confidence of Council, to be their collective voice for the important work NSWALC is doing, is a privilege.

It's been an amazing year; busy but very productive. I've been on Council now for eight years and, over this time, I've seen some real changes. Council has worked hard to set and maintain sound governance practices, effective policies and clear strategies, within NSWALC and throughout the network of land councils, to underpin all that we do. We've also made real progress in implementing Council's Strategic Plan 2018-22. Land rights and supporting LALCs is core business and, as part of this, we are focusing on building education, employment, economic and housing opportunities for Aboriginal people. These changes have been supported by a CEO who has the strategies and leadership to bring Council's vision to fruition.

As a peak body for Aboriginal people in NSW, I've seen our engagement with government improve. NSWALC is leading the way in forging bi-partisan relationships so that changes of government can't tear down what we've built. That's an important step. We've developed real opportunities through collaborative policy development across the network, like the *Dubbo Statement* on water rights, that provide more effective communication and utilise people power. Through our advocacy and the re-establishment of the Council of Peak Aboriginal Organisations (CAPO), we also now provide a state and national voice to governments on behalf of Aboriginal people.

While we call ourselves 'Aboriginal', the reality is, there is a great amount of diversity among our peoples. In my region alone there are seven nations, all with their own language, traditions and stories that are entirely connected to land and Country. You can't just pick up the Murrawarri language and move it to the east coast. It's that diversity, those connections to

land and Country, that make us who we are as individuals and communities. But that diversity often perplexes governments because they're not dealing with one nation of Aboriginal people.

NSWALC represents nine regions and 120 LALCs across NSW, from Sydney-Newcastle to Broken Hill. Our regions are diverse, and land and services are not equitable across the state. In places like Western region, where people are living in drought, with few or no employment opportunities, a lack of services etc., the concerns and needs of communities are very different compared to the Coffs Harbour region.

What these diverse communities have in common is the land council network. For over 40 years it's provided the foundation that's enabled us to grow our capacity and our voice. Our land councils are achieving great success.

At a national and international level, the land council network is unique. No other Aboriginal or Indigenous group, anywhere in the world, has achieved what we have, in terms of the Land Rights Act and reclaiming our land to use and develop for the benefit of our people. The land rights network provides the structure to do this. It shows how it can be done in the rest of Australia, and for all Indigenous peoples whose land has been taken.

Now, it's also about building on what we have achieved, taking it to the next level, and making the most of the network and the land that we've reclaimed to improve education, economic and employment outcomes for Aboriginal people.

Key initiatives of Council like the Yarpa Business Hub, the Aboriginal Fishing Fund, the Culture and Heritage program, and employment of Community and Development Officers to support LALCs and drive economic opportunities have the capacity to effect real change on the ground. They provide the foundation, as the land rights network has, to grow our capacity and determine our own future.

We have the solutions. We know what is best for our communities because we have the network in place. As a collective, land councils provide a voice to us, to government and other stakeholders on behalf of all Aboriginal people, not just members. Now, we have to be heard. We can only do that by coming together, and building mutually-respectful partnerships that value who we are and what we can contribute to the local economy and the nation. We can't do it alone.

Some of our greatest achievements this year show just how much is possible when we come together and work in partnerships. Our When the River Runs Dry campaign brought all affected river communities together, Aboriginal and non-Aboriginal, to demand action on the state of our waterways. As a result of the Beyond Survival gathering, together with CAPO, we secured a NSW Premier's Priority for Aboriginal students completing their HSC while maintaining their cultural identity, and a direct line to the Premier for input into its implementation. It also put protection of Aboriginal culture and heritage, centre-stage. These are not small achievements.

While sometimes progress may seem slow, I often say to land council members, what was it like 10 years ago? Where were you 20 years ago? Council's key initiatives will take some time to bear fruit, they need nurturing and incubation, but our kids will reap the benefits from them as we have from the land rights movement. When you look at the timeline for Aboriginal people, it takes a long time to effect change, whether that's 30 or 100 years. But we've never ceded sovereignty and, after 40-60,000 years, we're not going anywhere. We continue to build on the shoulders of giants.

For a long time, our focus has been on reclaiming our land. Now, it's also about how we use that land to maximise opportunities. Council's role is to continue to support land councils to build capacity, and to put policies firmly in place with government to provide those opportunities, particularly for our young people.

In a year of many changes, I want to acknowledge my fellow Councillors. Their ability to remain focused, and not lose sight of our goals provides the stability we need to continually move forward. Likewise, the members of our land councils, who turn up to meetings, day-in, day-out, and provide stability and direction within their communities. They do an amazing job. They don't give up on their communities and really believe in the power of the network and its collective voice, whether they're in Goodooga or Western Sydney. They keep working together, with very limited resources, growing through the wider network and more young people coming into the organisation. I also want to thank our CEO and staff for their continued commitment and support to Council and Councillors; they enable what we do.

I'm passionate about my people, and love the work that I'm doing. My hope, in the coming year, is to see our Mob really come together and work for a brighter future for all Aboriginal people in NSW – to take our rightful place in the community, the state, and across Australia.



From the Chief Executive Officer

.....

Looking back on the past year, it's been significant in terms of changes and achievements, but the stand-out theme is one of increased capacity and influence through collaboration.

To capitalise on NSWALC's internal resources we strengthened the focus on collaboration between our 130 staff, which is vital to implementing Council's key priorities.

We are continuing to improve on how we deliver our core activities, as well as pursue new strategic priorities under NSWALC's Strategic Plan 2018-2022, which maps out a path to financial viability and service sustainability for our land council network. This included establishing the Yarpa Business Hub, NSWALC Employment and Training (**NET Limited**), and NSWALC Housing Ltd (**NHL Limited**), to address two of the major hurdles Aboriginal people face – economic opportunity and access to housing.

It's also been a year of consolidation. NSWALC has undergone some major structural changes in the past year but we've now bedded those down and entered the next phase, which is to integrate existing and new functions across the organisation.

A key focus for NSWALC has been lodging new land claims under the ALRA on behalf of LALCs. Additional staffing and implementation of a mapping capability means we're able to better identify land that is claimable, in a more timely way. The mapping tool also allows us to identify if land is contaminated or if there are other issues that need to be considered. Consequently, we've seen a significant rise in land claims, with 2018-19 being a record year for lodgements. We also saw a slight increase in the number of claims granted compared with the previous year.

All of this progress, however, is marred by our continued concern with the backlog of claims. Successful claims are still also well-short of what we would expect given the government's obligations under the ALRA. We've continued our advocacy to government to ensure it deals with the backlog, and fulfils its obligation to act in good faith and recognise our right to claim Crown land.

Capitalising on the land we've reclaimed for the benefit of our land councils and their communities is a high priority. As part of the Strategic Plan we're now also working with LALCs, we're looking at collaborating with commercial partners to bring economic opportunities and development to some of our most disadvantaged communities.

Implementing the Council's Aboriginal Culture and Heritage program has been another important part of our work this year. As Aboriginal people, our culture and heritage are as intrinsic to our identity as our land and water. And we've been keenly focused on making it an equal priority, particularly for communities affected by desecration or proposed development of significant cultural sites.

Establishment of the Aboriginal Fishing Fund is also a major achievement. The \$5-million fund provides economic opportunities for Aboriginal people in commercial fishing and we're currently advertising for, and reviewing, expressions of interest for funding. More importantly, given we still have significant battles around traditional subsistence fishing, it recognises the cultural link that many communities have with fishing and offers an opportunity to make that link economically viable.

Remembering that none of what we have achieved would be possible without the foundations laid by our Elders; the wisdom, guidance and clear direction provided by successive Councils; and the collaboration of Aboriginal people in land councils across NSW, I would like to acknowledge all of the members, past and present, of our great and strong land council network, and the important role they play in sustaining, strengthening and growing that network. Unfortunately, this year, we lost a number of our significant Elders and leaders, and it would be remiss of me not to acknowledge their contribution and their passing.

I also want to acknowledge our current Council, who have provided a much-needed stabilising influence throughout the year. They have kept us grounded when all around us was changing. As a result, LALCs have largely embraced the changes the organisation has undergone over the past 12 months with implementation of the Strategic Plan. They have acknowledged that, while we need to continue doing core business, there are some new priorities we must address to deliver the outcomes that will strengthen and secure our three greatest assets: our culture and heritage; the land we've re-acquired; and our people. The new initiatives, begun in 2018 and fully-implemented this year, signify that we're well into the third wave of the land rights system, and focused on delivering opportunities and outcomes from those three greatest assets.

Finally, but certainly not last, I want to thank the staff at NSWALC for their continued commitment and adaptability, and the Executive team for their sound leadership.

Looking forward, 2019-20 promises to be another year of change. A new Council will be elected in November 2019, and we'll be focused on being agile in order to accommodate the priorities and ambitions of the new Council. But we also want to aim for stability, particularly around the major priorities of the Strategic Plan, which will run until 2022. It's a sound and ambitious plan, and there's significant value in continuing to deliver the outcomes that will secure a prosperous and healthy future for all Aboriginal people in NSW.

About us



NSW ABORIGINAL LAND COUNCIL

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

The ALRA provides a mechanism to make claims on limited classes of Crown Land. It also provides 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 (the SIF) was established as part of the ALRA, and resourced for 15 years with an annual amount equal to 7.5 per cent of land tax on non-residential land. All government contributions to the SIF ceased in 1998. Since then, NSWALC has managed the SIF on behalf of Aboriginal people of NSW.

Over the past 30 years, capital growth has enabled NSWALC to cover its own operational costs, as well as a network of 120 local Aboriginal land councils (LALCs), from a proportion of the SIF's earnings.

The specific functions of NSWALC, as set out in section 106 of the ALRA are:

- land acquisition
- oversight of LALCs
- policy and advice
- administration of statutory accounts
- Aboriginal culture and heritage
- financial stewardship.

OUR CLIENTS

NSWALC's principal clients are the network of 120 LALCs, and the 25,000 Aboriginal people who are their members. LALCs manage and

deliver a range of support services to their communities at a local level including housing, employment, training, culture and heritage, property acquisition and management.

The aim of the LALC structure is to achieve 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 for strategic planning and management of community affairs at a local level.

COUNCIL STRUCTURE

NSWALC Councillors are elected by eligible voting members of LALCs to serve a four-year term. One Councillor is elected to represent each of the nine regions in NSW. The elected Council then appoints a Chairperson and Deputy Chairperson for a two-year term, after which, they are eligible for re-election.

The statutory positions of Councillor are established under the ALRA. The role of each Councillor is to:

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

Subsequently, Council elected Sydney-Newcastle Councillor Roy Ah-See as Chairperson and North West Councillor

Anne Dennis as Deputy Chairperson. Both were re-elected unopposed at the biennial elections for the Chairperson and Deputy Chairperson positions in 2017.

At the end of this reporting period Cr Ah-See notified Council of his intention to resign as Chairperson and Sydney-Newcastle Councillor, to take effect from 30 June 2019.

OUR COUNCILLORS 2018-19



Councillor Roy Ah-See (Chairperson) : Sydney-Newcastle Region

Roy Ah-See is a Wiradjuri man, born-and-raised on Nanima Reserve near Wellington, and is a voting member of the Darkinjung LALC. He holds a Bachelor of Arts in Social Welfare, and has worked at the NSW Aboriginal Housing Office (AHO), as a Policy Officer in various government departments, at NSWALC, and in the non-government sector. First elected to Council in 2007, Cr Ah-See was appointed Deputy Chairperson in 2013 and Chairperson in 2015. He is also a Co-Chair of the Prime Minister's Indigenous Advisory Council and a Board member of Indigenous Business Australia. Cr Ah-See resigned from his positions as NSWALC Chairperson and Sydney-Newcastle Councillor on 30 June 2019.



Councillor Anne Dennis (Deputy Chairperson) : North West Region

Anne Dennis is a Gamilaraay woman from Walgett. She was a Board member of Walgett LALC for more than 10 years, and was appointed as Chief Executive Officer (CEO) in 2009. Cr Dennis is passionate about LALCs progressing towards independence and self-sufficiency through employment, better educational outcomes and social justice for Aboriginal people. She is one of two NSWALC Board members of Paradigm Resources. A former teacher, Cr Dennis is a life member of the NSW Aboriginal Education Consultative Group.



Councillor Danny Chapman : South Coast Region

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 his 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. He was elected in 2015, but previously served as NSWALC Treasurer and Councillor for the then Far South Coast region from 1992 to 1994. He is a member of the NSWALC Economic Development Advisory committee.



Councillor Craig Cromelin : Wiradjuri Region

Craig Cromelin is a descendant of Ngiyampaa and Wiradjuri people. He is a long-standing member and former Chair of the Murrin Bridge LALC, and 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.



Councillor Charles Lynch : Northern Region

Cr Lynch is a Gomeroi man who was born in Tamworth and has lived between Tamworth, Barraba and Quirindi all his life. He has been involved in the land rights network for more than 25 years in various capacities, is also a member of Nungaroo LALC and a Board member of the Tamworth Aboriginal Medical Service. Cr Lynch is a Fellow of the Institute of Public Accountants and a graduate of the Australian Institute of Company Directors. He was elected to Council in 2015 and is a member of NSWALC's Audit and Risk, and Finance committees.



Councillor William Murray : Western Region

Cr Murray is a Nari Nari man with a long connection to the land rights movement. Originally from Balranald, Cr Murray now lives in Wilcannia. He was elected in 2015 after serving previous terms on Council, and has also served as a Councillor with Aboriginal and Torres Strait Islander Commission (ATSIC) for the Murdi Paaki Region. He is a member of NSWALC's Investment and Finance committees.



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 member of the Dubbo LALC and former Chairperson of both NSWALC and Dubbo LALC. He also served as a Councillor with ATSIC for the Binaal Billa Region.



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, Investment, and Governance committees, is the NSWALC representative on the Police Aboriginal Strategic Advisory Council, the Aboriginal Fishing Advisory Committee and the Office of Environment and Heritage (OEH) Aboriginal Cultural Heritage Advisory Committee, as well as being a board member of Dunghutti Elders.

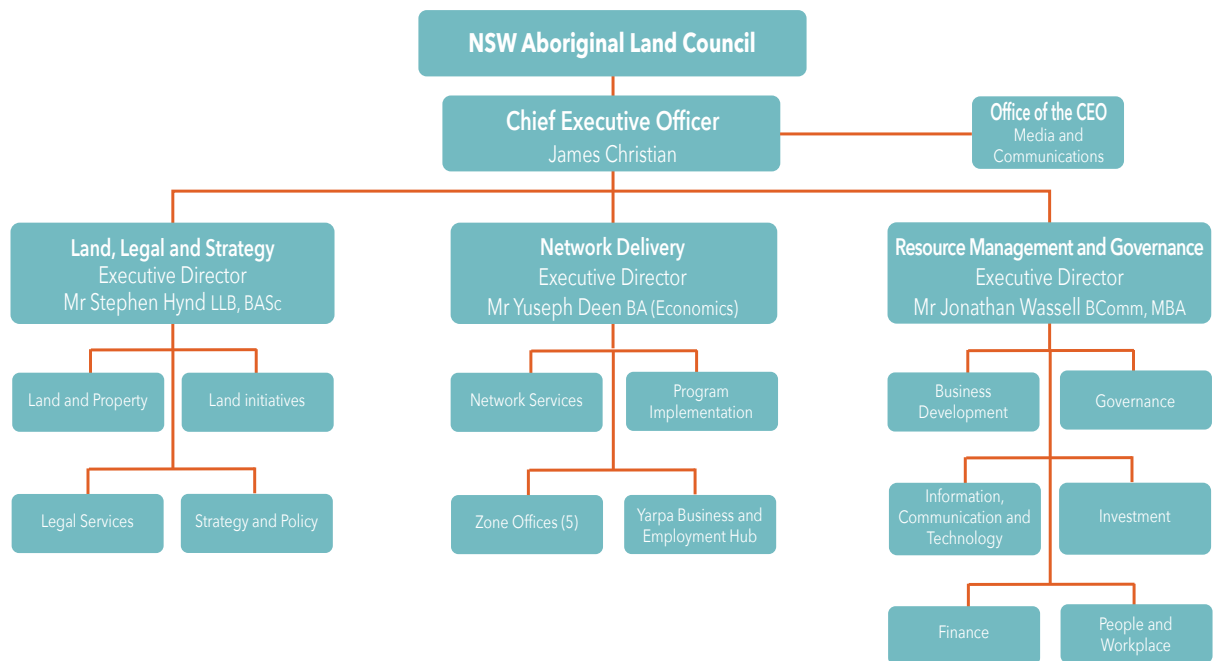


Councillor Tina Williams : North Coast Region

Tina Williams is from Widjabul Wiabul country of the Bundjalung nation. She is a long-term member of Ngulingah LALC, where she was Executive Secretary and then Coordinator for a number of years. Cr Williams has been involved in the land rights network for more than 20 years. She also worked at various levels of NSWALC for 11 years. Cr Williams sits on the NSWALC Governance and Economic Development Advisory committees. She has an Advanced Diploma in Community Management and a Certificate IV in Frontline Management.

ORGANISATIONAL STRUCTURE

Figure 1: Organisational chart.



Chief Executive Officer

James Christian is a Wiradjuri man from the Riverina area. He was appointed CEO of NSWALC in May 2017.

Mr Christian has extensive experience in the public sector at federal and state level.

Before joining NSWALC, he served as National Group Manager, Disability, Employment and Carers at the Australian Government Department of Social Services. In NSW, he led Aboriginal Affairs, was Deputy Director-General of the Department of Ageing, Disability and Home Care, and CEO of the AHO.

In 2011 Mr Christian received a Public Service Medal for outstanding service in improving opportunities for economic participation and employment of Aboriginal people.

Head Office

NSWALC's head office is located in Parramatta. Contact details are listed below.

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NSWALC Strategic Plan 2018–2022

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The NSWALC Strategic Plan 2018–2022 (the Strategic Plan) reflects the purposes of the ALRA to:

- provide for Aboriginal land rights and representative LALCs
- vest land in those Councils through claim and acquisition
- provide for community benefits.

The Strategic Plan provides the foundation on which to make the visions and aspirations of NSWALC a reality.

It also reflects the objectives of NSWALC to improve, protect and foster the best interests of Aboriginal persons within NSW.

Successive Councils of NSWALC have nurtured the SIF over the past 35 years. Since government contributions ceased 20 years ago, it has grown continuously, and has resourced the operations of NSWALC and its network of 120 LALCs. The current Council and its successors have a responsibility to continue the stewardship.

Effective stewardship of the SIF alone cannot deliver our long-term vision for Aboriginal people. The Council of NSWALC has needed to make decisions, recognising that:

- diversification of our economic activities with new enterprises is needed to deliver integration with, and a fair share of the NSW economy
- the SIF needs to be an exemplar of our self-determination – it is Aboriginal money – managed by Aboriginal people for the benefit of future generations of Aboriginal people
- the SIF can be a driver for NSWALC and LALC initiatives but its overwhelming purpose must be as a long-term, beneficial resource for all Aboriginal people in NSW, and it must continue to grow as an inheritance for future generations.

Our Strategic Plan Supplement identifies our strategies for the financial year for achieving the five long-term objectives and goals of our Strategic plan 2018–2022.

With the second annual Strategic Plan Supplement, the Council of NSWALC is building and shaping our strategic agenda. We will sharpen our business-as-usual operations, and refine and add to our emerging business activities.

Our five-year-stretch targets (stretch targets) remain deliberately high; we are determined to see our people and our efforts driven by high expectations.

This annual report measures outcomes against the Strategic Plan Supplement strategies and highlights achievements against our stretch targets.



What we will achieve

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OUR DESTINATION

Beyond survival, to a future in which the Aboriginal people of NSW are culturally rich, politically strong, economically self-reliant, and live our lives to their full potential.

OUR PURPOSE

We are a democratically-elected voice to empower all Aboriginal peoples.

We provide strong leadership, support and advocacy for Aboriginal land rights, and the Aboriginal people of NSW.

OUR VALUES

- Inclusiveness, diversity and respect to guide us in our decisions and actions
- Culturally-strong leadership
- Self-determination by Aboriginal peoples
- The power of Aboriginal land rights to unify Aboriginal peoples and to strengthen partnerships.

OUR GOALS

The goals we will advance through the Strategic Plan are:

1. Secure our land and water rights
2. Protect our culture and heritage
3. Pursue economic independence, prosperity and security for our peoples
4. Support our people
5. Secure our future

Strategic goals



1

SECURE OUR LAND AND WATER RIGHTS

Securing the return of land to Aboriginal people, and ensuring access to their lands and waters is the core business of NSWALC.

As Aboriginal people, our lands and waters are central to our being. Land and water are essential to the spiritual, social, cultural and economic survival of our communities. We must ensure that lands and waters are well managed to protect the vital importance they have to Aboriginal people.

What we aim to achieve with this goal

We will maximise:

- the amount of land and water that is in Aboriginal ownership, control and management
- the social, cultural and economic outcomes from our lands and waters.

Our stretch targets will:

- increase the Aboriginal Land Rights Estate by 20 per cent
- Increase the amount of water in Aboriginal control by 20 per cent.

STRATEGY 1

NSWALC will continue to maximise the return of land to Aboriginal peoples through the lodgement of land claims and supporting Aboriginal Land Agreements (ALAs).

Land claims

During the reporting period, NSWALC:

- assessed 496 land claim determinations
- appealed land claim refusals where appeal is merited
- participated in and supported seven ALA negotiations
- assisted LALCs in the settlement of Native Title claims in their areas.

Our land

NSWALC lodged a total of 3232 land claims during 2018–2019. This more than doubled the land claims lodged in the previous financial year (1500).

182 land claims were granted, up from 105 in the previous year.

Aboriginal Land Agreements

NSWALC supported the following LALCs in the preparation for, and negotiation of, ALAs in the NSW Government's Land Negotiation Program:

- Nungaroo Local Aboriginal Land Council
- Tamworth Local Aboriginal Land Council
- Orange Local Aboriginal Land Council
- Young Local Aboriginal Land Council
- Metro Local Aboriginal Land Council
- La Perouse Local Aboriginal Land Council
- Darkinjung Local Aboriginal Land Council.

Negotiations have involved the NSW Government and relevant local governments looking at both Crown land and land claims in broad negotiation areas.

Through the negotiation of a discrete ALA, NSWALC secured the return of 50 ha of residentially-zoned land, providing a significant economic development opportunity for a regionally-located LALC.

NSWALC undertook a series of advocacy actions relating to land rights, land claims and access to Crown lands (refer to Goal 4, page 25).

STRATEGY 2

NSWALC will develop a network-wide land and water asset management strategy.

Land asset management strategy

NSWALC is committed to the development of a land asset management strategy. During the reporting period we:

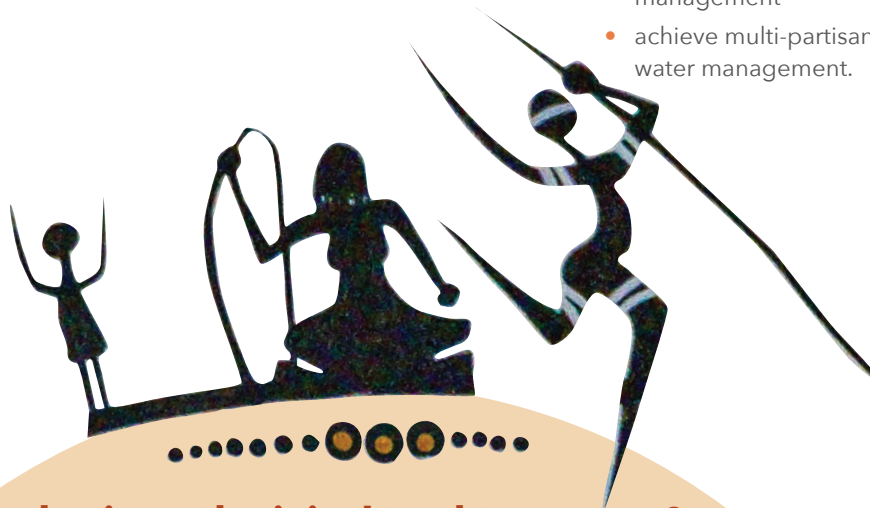
- finalised the Commercial Development Plan
- identified use cases/projects following extensive land use searches
- identified pilot projects
- worked with specialist consultants to finalise feasibility studies for pilot projects.

Water Rights Strategy

In 2018-19 Council approved and began the implementation of the NSWALC Water Rights Strategy (Water Rights Strategy).

The Water Rights Strategy aims to:

- raise awareness of issues faced by Aboriginal people in NSW in relation to access to water for social, cultural, economic and environmental purposes
- build broad-based public support for improvements to water governance and management
- achieve multi-partisan support for reforms to water management.



What is an Aboriginal Land Agreement?

Section 36AA of the ALRA was amended in 2015 to make provision for ALAs. ALAs provide a flexible and voluntary mechanism for negotiations between the Minister for Crown Lands and one or more LALCs to resolve land claims, and other outcomes that may include:

- the transfer of unclaimed Crown or other government land
- financial or other consideration
- access and joint management arrangements
- binding undertakings by LALCs to withdraw claims or not to claim specified lands.

With implementation of the Water Rights Strategy, NSWALC continues to advocate for Aboriginal people's water rights through engagement with state and federal governments, relevant industry groups and Aboriginal communities.

Specifically, we have advocated for:

- an Australian Government Royal Commission into the management of the Murray-Darling Basin
- a state-level special inquiry to address the mismanagement of the Murray-Darling Basin
- improved accountability and transparency in water governance, management and planning
- formal roles for Aboriginal people and LALCs in water governance and management
- restoration of over-allocated resources to environmentally sustainable levels
- action on stopping water theft
- access to safe, clean water for all Aboriginal communities
- increased water allocations to LALCs for social, cultural and economic purposes
- protection of our rivers, lakes wetlands and other cultural sites.

Saving the Murray-Darling Basin

In early 2019 the nation was shocked by images of tens of thousands of fish killed in the Menindee Lakes of far western NSW.

But the fish kills were no surprise to the Aboriginal communities who live along the Murray, Darling and Barwon Rivers. For these communities, bathing-in and drinking putrid water is a daily reality.

To urge governments to act on the dire state of the river system, NSWALC worked with local Far West land councils to host the 'When the River Runs Dry' day of action.

In Walgett, mourners carried a coffin to the dry bed of the Barwon, signifying the imminent death of the river.

Marches and rallies were also held at Dubbo, Menindee, Wilcannia, Dareton and Bourke calling for a federal Royal Commission into the management of the Murray-Darling Basin and a suspension of water trading in the Barwon-Darling River system.

DUBBO STATEMENT

Water is life. No human-made law can overrule natural lore,
no human-made law can overrule spiritual lore. They are eternal principles.
There are limitations on human intelligence. Our spiritual lore governs nature.
Scientists only discover, they don't create. You can't discover what was never created.

Not all change is an improvement. Not all change is advancement.

Not all change is progress.

The Darling River is a result of violating nature's lore.

Natural lore can never be overruled by human law.

Any law government makes has to line up with two lores
– natural lore and spiritual lore.

Any government that thinks they are smarter than
natural lore or spiritual lore will surely fail.

Generations have been destroyed.

Change can develop or destroy.

We also:

- prepared correspondence and submissions to key state and federal parliamentarians and stakeholders
- developed and distributed information sheets and a LALC action pack on water rights
- developed written submissions for:
 - the Productivity Commission's Assessment on the Murray-Darling Basin Plan
 - Great Artesian Basin Strategic Management Plan
 - review into the Murray-Darling Basin crisis, including the Academy of Science Fish Kill Investigation
 - the Australian Freshwater Study.
- delivered interventions on Aboriginal Water Rights at the United Nations Permanent Forum on Indigenous Issues (UNPFII) in New York.

In January 2019, NSWALC organised the joint Western, North West and Central regional forum, which focused on communities impacted by the continuous degradation of the Murray-Darling Basin. We supported the drafting of the *Dubbo Statement*, which has been the principle guiding document used to advocate on water issues.

STRATEGY 3

NSWALC will continue to review land claim refusals and pursue appeals where appropriate.

NSWALC continues to identify land claim refusals deemed appropriate for appeals. This process ensures that the ALRA is correctly applied for the benefit of LALCs and the broader Aboriginal community.

To determine if the Crown Lands Minister's refusal of an Aboriginal land claim is lawful, and to ascertain if there are any suitable grounds to appeal a refusal to the Land and Environment Court (LEC), NSWALC reviews all land claim refusals by the Minister. This process usually requires NSWALC to inspect the Minister's departmental files. Where a refusal is appealed to the LEC, we manage the appeal process on behalf of the claimant LALC.

Land claims

519 refused/part refused

496 reviewed by NSWALC

1 appeal finalised (by Court determination)



Native Title

The complex interaction between the *Native Title Act 1993* (Native Title Act) and the ALRA means that LALCs' interests in lands can be affected by a Native Title claim in its area.

NSWALC continues to support the LALC network to become respondent parties to Native Title claims in their area, and to seek negotiated agreements for the recognition, or otherwise, of Native Title rights and interests on their lands in ways that create the best outcomes for all Aboriginal people in NSW.

STRATEGY 4

NSWALC will implement the GIS Mapping Tool rollout to all LALCs.

NSWALC is continuing work to improve the current tool with more accurate and timely data, in addition to other improvements.

Where possible, NSWALC worked with LALCs to ensure local knowledge informed the land claims process. We continue to work with LALCs throughout the network to develop a strategy that provides the most effective results through the land claim process.

New technology triples land claims

Technology originally developed in Canada for use in forestry has dramatically increased the number and accuracy of Aboriginal land claims in NSW.

Since introducing an online Geographic Information System (GIS) tool in mid-October 2018, LALCs have lodged more than 800 claims across the state.

Prior to introduction of the GIS tool, NSWALC averaged around 80 claims per month on behalf of Aboriginal people. Since its introduction, claims have more than tripled, to over 250 per month.

The GIS tool has also improved the quality of land claims. By using the information available in the GIS tool, LALC staff can build a complete picture of each parcel of land and make an informed decision about lodging a land claim. For example, the tool can quickly and easily identify if the land is contaminated or subject to a Native Title claim.

The GIS mapping tool has been made available to all 120 LALCs across NSW, and can be accessed from any computer, tablet or phone with an internet connection.



2

PROTECT OUR CULTURE AND HERITAGE

As Aboriginal peoples, we are the inheritors of the oldest living culture in the world. Our culture and heritage are intrinsic to our survival as distinct, self-determining peoples. We cannot create a secure future for our descendants unless our culture and heritage is protected.

What we aim to achieve with this goal

We will maximise achievement of the culture and heritage priorities of our members and broader Aboriginal communities in ways that:

- secure, protect and celebrate Aboriginal culture and heritage (ACH)
- empower future generations to understand their culture and heritage
- enable future generations to draw on their culture and heritage to make their lives better and more fulfilling.

Our stretch targets will support the enactment and implementation of stand-alone ACH legislation that provides a role for LALCs.

STRATEGY 1

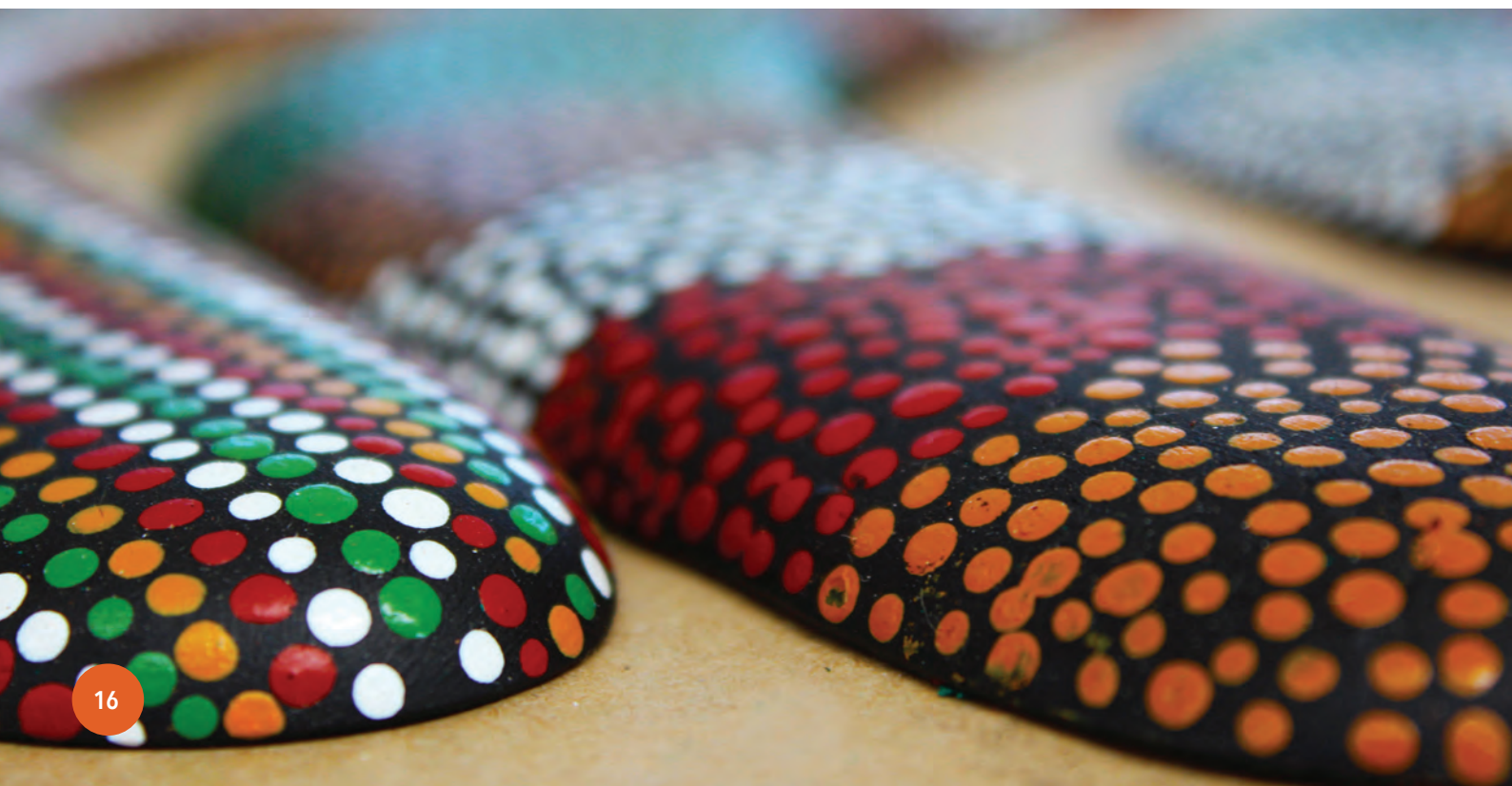
NSWALC will continue to advocate for culture and heritage legislation that:

- builds on Aboriginal land rights

- provides proper protection for ACH
- gives control and decision-making to Aboriginal peoples.

NSWALC provided advocacy on culture and heritage issues by:

- advocating its position to build on the Aboriginal land rights network and strengthen protections for Aboriginal cultural heritage in response to the draft Aboriginal Cultural Heritage Bill
- working with NTSCORP to jointly advocate for Aboriginal cultural fishing rights
- delivering interventions on Aboriginal languages at the UNPFII in New York
- preparing written submissions to:
 - IP Australia – seeking improved protections for Aboriginal people’s knowledge and cultural rights
 - NSW Environment Protection Authority (NSW EPA) – raising concerns with forestry approvals
 - NSW Forest Monitoring and Improvement Program – Natural Resource Commission
- developing NSWALCs Aboriginal Culture and Heritage (ACH) Plan.





STRATEGY 2

Develop a program to support proactive culture and heritage projects.

Aboriginal culture and heritage underpins every aspect of NSWALC's work.

During the reporting period, NSWALC developed an ACH Plan for implementation in 2019-20. An Aboriginal Culture and Heritage Project Committee (ACH Project Committee) has also been established to provide support and governance to the ACH Plan. The ACH Project Committee comprises representatives from various NSWALC business units and zone offices. Members of the ACH Project Committee will provide advice and insight into the implementation of the ACH Plan.

The ACH Plan will ensure that ACH across the land rights network is managed with an overarching framework that protects and promotes our rich history. The ACH Plan aims to:

- provide leadership and support to NSWALC and LALCs in the management of ACH across the network
- reduce the unacceptable level of damage and destruction of Aboriginal heritage sites in NSW
- increase LALCs capacity to respond to urgent and immediate threats to ACH, particularly threats to Aboriginal sites
- build the profile of the LALC network as well-governed organisations with capacity to manage and protect Aboriginal heritage sites
- promote and assist LALCs and the land rights network to become protectors and managers of their ACH
- build the capacity of LALCs to develop partnerships with key organisations such as local government to protect Aboriginal heritage sites
- assist LALCs to gain more control and access to ACH
- promote awareness, knowledge transfer and pride in ACH among local Aboriginal communities and the network generally
- provide outcome-focused programs that promote positive initiatives within the land council network and provide benefits to members
- provide training, development and education to LALC ACH/Site Managers on legislation/regulations that enable them to protect and manage their ACH responsibilities
- develop a register of best practice in ACH management and share information with the land rights network
- support strategic initiatives by LALCs in line with functions under the ALRA.



PURSUE ECONOMIC INDEPENDENCE AND PROSPERITY FOR OUR PEOPLE

Restoring economic independence and prosperity to Aboriginal communities is essential to our survival as a distinct, self-determining people.

What we aim to achieve with this goal

Our broad aim with this goal is to create opportunities to grow economic prosperity and independence for Aboriginal people and for LALCs through:

- an increased capability to undertake or be part of business ventures, and generate employment and training opportunities for Aboriginal people
- diversification of our business activities in order to provide greater prosperity to our future generations.

We will continue to pursue the priorities of our Economic Development Policy, targeting three new priority areas that are essential to enhancing the economic wellbeing of Aboriginal people. We will establish:

- an employment services, training and brokerage capability
- an Aboriginal housing capability
- a land development and construction capability.

Our stretch targets will link people with opportunities - to help our people get jobs and get better jobs - by connecting Aboriginal people with the employment opportunities created by government procurement targets including those for the Western Sydney City Deal.

Our development and construction strategy will establish a capability to unlock the potential of another of our key assets, our land, by commencing residential subdivision projects.

The stretch targets for our housing strategies are to:

- increase the Aboriginal community housing stock by a target of 300 new dwellings through participation in the NSW Government and Social and Affordable Housing Fund (SAHF)
- increase the community controlled Aboriginal community housing supply by 4500 through transfer of existing sector stock
- develop longer-term management solutions for the Aboriginal community housing sector by establishing the first Tier 1 Aboriginal Community Housing Provider in NSW.

STRATEGY 1

NSWALC will continue to implement the NSWALC Economic Development Policy to support LALCs to pursue economic development opportunities.

LALC Business Enterprise Program

The review of NSWALC's economic development initiatives was finalised during 2018-19.

Economic Development Policy

NSWALC implemented the recommendations of the review of the Economic Development Policy, including revising the operation of our Economic Advisory Committee to better meet NSWALC's business needs, and drafting a new Economic Development Policy 2019-2024. We also identified LALC economic development opportunities that involve LALC land.

During the reporting period, the following LALCs accessed the LALC Business Enterprise Fund:

- Central region – regional feasibility opportunities engagement
- Mutawintji – tourism enterprise
- Amaroo – opportunity shop/traditional foods cafe
- Bowraville – property development feasibility
- Tharawal – highest and best-use property engagement
- West Wyalong – highest and best-use property engagement
- Coffs Harbour and District – tourism glamping opportunity.

Several other LALC's were provided with NSWALC support, assistance and referrals, but not funding specifically.

We also continued implementation of the Capacity Development Plan throughout 2018–19. Development of a LALC-only access web portal incorporating skills development and training, case studies, facts sheets, key contacts and a discussion forum is anticipated to be live online during 2019–20.

NSWALC advocacy

NSWALC continued to advocate to governments for implementation of specific economic development strategies that support the Aboriginal land rights network and recognise the network as the key vehicle for economic development. This advocacy involved:

- working with the Australian Government to implement a NSWALC Aboriginal Fishing Fund that will provide Aboriginal people in NSW with economic opportunities in the commercial fishing sector including wild harvest fishing, aquaculture and charter fishing
- providing advice to the NSW Government on their Aboriginal Prosperity Outcomes Framework, OCHRE initiatives, Social Impact Investment and Aboriginal Procurement policies
- presenting at various economic development forums and conferences including the National Indigenous Economic Development Forum in Darwin and the World Indigenous Forum in New Zealand

Land councils deliver fresh food to Goodooga

Access to fresh food is something many city people take for granted, but it's been a different story for the outback community of Goodooga in far north NSW.

Goodooga has been without any fresh food for more than a decade, after its only general store shut down, forcing residents to make a 150-kilometre round trip to buy their groceries.

In May 2019, the Australian Government announced that a new store would be built on land owned by the Goodooga LALC.

The government, NSWALC, ILSC, Outback Stores and the Regional Enterprise Development Institute all contributed to the \$2.8 million needed to build the store.

The North West Land Corporation, established by 17 LALCs to create economic development opportunities on Aboriginal land, will own the store.

- submitting advice to the Australian Government on the revised Close the Gap Policy and the addition of new measures including measures relating to land, economic prosperity and independence
- providing advice to the Australian Government on the Community Development Program Bill
- providing submissions to the Indigenous Land and Sea Corporation (ILSC) on their new national and regional strategies.

STRATEGY 2

NSWALC will continue to implement the NSWALC Economic Development Policy to explore opportunities in the resource development sector.

The Western Basins Project was our core focus for 2018–19. The project aims to secure petroleum exploration title(s) in western NSW, and facilitate the transfer of these titles to Paradigm Resources, in accordance with the Shareholders Agreement.

In August 2018, NSWALC narrowed our focus to securing petroleum exploration acreage, and pursuing economic and employment opportunities for surrounding Aboriginal communities.

NSWALC continues to encourage the NSW Government for release of petroleum exploration titles in Western NSW to enable NSWALC and Aboriginal communities to become active participants in the resources market.

STRATEGY 3

Land development and construction capability

NSWALC will establish NSWALC land development and construction capability and commence a pilot development project.

In April 2018, Council endorsed a proposal to establish a land development and construction capability. During the reporting period NSWALC continued to develop the most effective corporate structure for the delivery of NSWALC's land development capability.

NSWALC continues to identify appropriate parcels of land, and willing LALCs, to participate in a pilot program, which will commence during the 2019-20 financial year.

STRATEGY 4

Aboriginal housing capability

NSWALC, in conjunction with the NSW Government and one or more LALCs, will provide community benefits in relation to social and affordable housing:

- NSWALC will establish NSWALC Housing in order to obtain registration as a Tier 1 Community Housing Provider under the National Regulatory System
- NSWALC will bid for funding from the NSW Government Social and Affordable Housing Fund
- NSWALC will pursue transfer of existing community housing stock from the NSW Government.

NSWALC worked throughout 2018-19 towards the establishment of its new Aboriginal housing capability to provide community benefits in relation to social and affordable housing. A key element in this work was the development of NSWALC's first strategy on Aboriginal housing in consultation with the LALC network. NSWALC started a process of consultation workshops, beginning with a three-region forum at Tamworth this year. The consultation process will conclude in 2019 and a final strategy will be approved by NSWALC Council.

Establishment of NSWALC Housing Ltd

During the reporting period NSWALC established NSWALC Housing Ltd (NHL Limited), a new, not-for-profit subsidiary company, limited by guarantee. An interim Board has been appointed and charged with recruiting a permanent, skills-based Board. NHL Limited will be developed as an asset for the entire LALC network and, more broadly, to benefit the Aboriginal peoples of NSW. Council intends NHL Limited to quickly acquire the full capabilities needed to take advantage of housing growth opportunities, working respectfully with existing Aboriginal housing organisations, and to ensure that the Aboriginal housing sector takes full advantage of funding offered by government.

This year, as a key step, NSWALC progressed work and discussions with the Office of the Registrar of Community Housing to commence registration of NHL Limited as a provider under the National Regulatory System for Community Housing. This will enable NHL Limited to participate in growth opportunities and demonstrate its capacity to manage a range of risks.

Our stretch targets included establishing the first Tier 1 Aboriginal Community Housing Provider in NSW. Discussions with the Office of the Registrar communicated this intention and set out the capabilities NSWALC is drawing on to set-up NHL Limited, establishing the basis for the Registrar to assign NHL Limited to an appropriate registration tier and scoping the pathway for the registration process. NSWALC will complete its application for registration by the end of 2019.

NSWALC bid for funding from the NSW Government's SAHF

Our stretch targets for housing included increasing the Aboriginal community housing supply by a target of 300 new dwellings through participation in SAHF. In line with this target, NSWALC assembled and led a consortium that was shortlisted to develop a detailed proposal in the SAHF Phase 2 procurement process. We achieved shortlisting by engaging the services of top-tier commercial advisors, legal advisors, financiers and construction partners, and working closely with a range of LALCs. The consortium also secured commitments from four Tier 1 CHPs to delivery property and tenancy management services across a range of regional areas in the early period of the SAHF contract, while NHL Limited develops its internal capabilities as a Tier 1 provider.

Preparation of the SAHF Phase 2 Bid included extensive analysis and mapping of the land council network property holdings by NSWALC and its construction partner to identify the potential of these assets to support residential property development in areas of housing demand.

NSWALC also developed and delivered an engagement strategy that facilitated the concessional contribution of land by participating LALCs for the duration of the SAHF Program (25 years after the initial period of construction).

As a result of this work, the final SAHF Phase 2 Bid proposed that a portfolio of new social and affordable housing be developed across five high-demand locations around NSW. Developments would be built on land owned by NSWALC or participating LALCs, would operate as social and affordable housing for a period of 25 years, and would then revert to the ownership of LALCs and their members. The proposal would have provided new, quality housing, on Country, for 100 Aboriginal households, personalised supports for tenants and their families, jobs and enterprise opportunities for local Aboriginal people, and long-term financial benefit to LALCs.

Although NSWALC's proposal was one of only seven short-listed applicants, unfortunately our application did not result in a funding contract. This work, however, yielded a valuable resource that will underpin NSWALC's housing and development work.

NSWALC continued to build on the partnerships and knowledge base it established through the NSW Government's SAHF Phase 2 Bid to explore alternative strategies and ensure the value potential of the Bid is delivered. These included convening discussions with the NSW Government, and also with possible consortia under other programs, to explore alternative sources for initial portfolio establishment and for proposed housing development projects.

Transfer of existing community housing stock

Our stretch targets included increasing the community-controlled Aboriginal community housing supply by 4500 through transferral of existing stock. Following the conclusion of the SAHF bid process, NSWALC has continued to pursue discussions with the NSW Government, and to advocate with the AHO, for transfer of existing community housing stock from the NSW Government.

This included lodging a formal submission as part of the AHO consultation on its new Aboriginal social housing strategy. NSWALC's advocacy for the AHO to renew its commitment to the transfer of stock led to the implementation plan for the strategy including a clear target for increasing the stock under community control. NSWALC will continue to seek coordinated sector planning and sequencing of reforms.

NSWALC Home Ownership Project

NSWALC's Aboriginal Home Ownership Project focuses on using existing research and knowledge to develop suitable options for increasing home ownership participation rates. The Aboriginal Home Ownership Project will consider recommended options for home ownership, suited to the LALC network and Aboriginal peoples in NSW, through potentially viable home ownership models such as:

- community land trusts
- shared equity schemes
- rent-to-buy schemes.

NSWALC is engaging independent expertise in banking, finance and housing to build on and apply existing research, and enable it to pilot one or more practical home ownership solutions that deliver on NSWALC's strategic goals and increase rates of home ownership for Aboriginal peoples.

Building a future

NSWALC partnered with the Australian Government in establishing Yarpa, the NSW Indigenous Business and Employment Hub, to create Aboriginal job opportunities and enhance Aboriginal business development.

The initial focus of the Yarpa Hub will be to target opportunities emerging out of new infrastructure projects in the growth corridor of Greater Western Sydney.

Currently, Aboriginal people account for just 1 per cent of the NSW construction workforce. By lifting this to 3 per cent, the Yarpa Hub aims to create more than 2000 jobs for Aboriginal people over the next few years.

Plans for the Yarpa Hub were discussed at an Indigenous Business Breakfast held in December 2018, which was attended by representatives from major businesses including Lend Lease, Commonwealth Bank, Deloitte, Westpac and Honeywell.

The Yarpa Hub is the first of its kind and has been designed and delivered by NSWALC as part of the Australian Government's Indigenous Business Sector Strategy.

In March 2019, NSWALC Council, Ability Options and Olympus Solutions endorsed a proposal for direct transfer of the Vocational Training and Employment Centre (VTEC) contract, currently held by Olympus Solutions, to NSWALC, or a NSWALC-owned subsidiary, from 1 July 2019.

Australian Government approval of the transfer is pending. This will constitute the first service delivery contract held by NSWALC Employment and Training.

Services are currently provided in the Greater Sydney, Blue Mountains, Illawarra and Southern Highlands regions, and NSWALC will consider strategies to expand the service coverage area in the future.

Together with work on Australian Government-funded employment services, we continued to develop the detailed business case and modelling that will enable NSWALC Employment and Training to enter into joint ventures in the training, employment placement and labour hire industries.

Yarpa Indigenous Business and Employment Hub

The Yarpa Indigenous Business and Employment Hub (Yarpa Hub or Yarpa) was officially launched by NSWALC in July 2018.

Yarpa is the first hub to be established under the Australian Government's Indigenous Business Sector Strategy. It has been established to assist Aboriginal businesses and job seekers to build their capabilities, and capitalise on the numerous opportunities arising through the Western Sydney City Deal and investment in major infrastructure projects across NSW. Originally operating from NSWALC headquarters in Parramatta, the Yarpa relocated to a co-working space in Liverpool in May 2019.

The Yarpa Hub has established key partnerships with service providers that complement its service offering including:

- Indigenous Business Australia (IBA)
- Supply Nation
- Many River Microfinance
- KPMG
- Commonwealth Bank of Australia
- TAFENSW
- University of New South Wales
- Gilbert and Tobin
- Accor Hotels.

STRATEGY 5

NSWALC will develop employment services, training and employment brokerage capacity by:

- building on its partnership with Olympus Solutions to deliver employment services
- opening the Western Sydney Indigenous Business and Employment Hub to support Indigenous business and job-seekers
- completing exploratory work in relation to the provision of community benefits through a training and employment brokerage capability
- considering options identified in training and employment brokerage capability and implement a preferred approach.

NSWALC Employment and Training Ltd

During the year, NSWALC established NSWALC Employment and Training Ltd (NSWALC Employment and Training), a new, not-for-profit subsidiary company, limited by guarantee. An interim Board has been appointed and charged with recruiting an independent, skills-based Board.

These service providers will offer one-on-one advice, information sessions, workshops, and pro bono/low bono services to Aboriginal businesses. Yarpa will continue to work with them to ensure that services offered are culturally appropriate and relevant.

Aboriginal businesses can build their capabilities, and streamline access to various services and support through the Yarpa Hub. Yarpa Hub Coaches can provide advice on:

- accounting and finance
- legal
- procurement and contracts
- marketing and communications
- ideation/start-up
- growth support
- networking and mentoring
- grants and lending.

Creating change

The Yarpa Hub works with businesses through:

- building a relationship to gain respect and understanding
- identifying needs, and areas of improvement to build capacity and capability
- developing an action plan to provide a pathway to success
- connecting Aboriginal businesses to opportunities through new and existing relationships
- regular follow-ups and check-ins
- training and development workshops.

Creating connections

Yarpa engaged with 39 businesses since its launch in 2018–19:

- 14 were in need of support and advice
- 12 of those are currently engaging regularly with a Hub Coach and other Yarpa staff
- 16 were connected through Supply Nation
- 7 are well-established, successful businesses that have potential to add value to Yarpa's services through mentoring and leadership.

STRATEGY 6

NSWALC will establish an Aboriginal Fishing Fund (the Fund) to assist first-time Aboriginal entrants into the fishing industry.

At the end of the 2017-18 financial year NSWALC was successful in securing a \$5-million grant from DPM&C to develop the Fund, which will support Aboriginal people to enter the commercial fishing sector.

In 2018-19 we worked with the DPM&C on a disbursement model to ensure it will achieve sustainable economic outcomes for Aboriginal communities in NSW. Aboriginal peoples and entities will be able to apply for loans and grants to fund existing or start-up Aboriginal fishing businesses in the wild harvest, aquaculture and/or charter fishing industries.

During implementation of the Fund, NSWALC established a NSWALC Fishing Advisory Council (FAC), which consists of five members and two NSWALC Councillors. Members were selected for their experience and knowledge of the commercial fishing industry, and Aboriginal communities and business.

Throughout development, NSWALC consulted with LALCs - at the Statewide Conference, a series of regional forums, and via telephone and face-to-face consultations with existing Aboriginal fishers. We also consulted with the NSW Government, IBA and ILSC.

4

SUPPORT OUR PEOPLE

Ensuring the social wellbeing of Aboriginal people goes hand-in-hand with the achievement of Aboriginal land rights and economic independence. Social wellbeing, re-acquiring our land, and securing economic independence is essential. We must also ensure that securing access to our lands and waters, as well as compensation for past wrongdoings, does not absolve governments of the need to provide the services to Aboriginal people that are our inalienable rights as citizens.

What we aim to achieve with this goal

Our broad aim under this goal is to enable the growth of social wellbeing, security and employment for Aboriginal people. There are actions we can take to achieve this but we also need to focus on ensuring equitable access to the resources and opportunities, including employment opportunities, that are available to others in the community, and that delivery of equitable access recognises Aboriginal culture and values.

In pursuing this goal, we will continue to:

- advocate for the rights of our people
- build the capacity of our members and the broader Aboriginal communities of NSW
- provide support for our people in need.

Our stretch targets will continue to support our people's pursuit of opportunities in education, sport and culture, as well as providing aid during difficult times by offering direct grant funding to communities, totalling \$23 million.

STRATEGY 1

NSWALC will continue to represent and advocate for the interests and rights of Aboriginal people in NSW.

International advocacy

In 2018-19 NSWALC attended the United Nations Expert Mechanism on the Rights of Indigenous Peoples and the United Nations Permanent Forum on Indigenous Peoples, where we advocated for the rights and interests of Aboriginal peoples within the Aboriginal land rights network and nationally. NSWALC delivered interventions focused on the following key themes:

- free, prior and informed consent
- implementation of the United Nations Declaration on the Rights of Indigenous Peoples
- water rights and climate change
- protection of Aboriginal knowledges and Aboriginal data sovereignty
- protection and promotion of Aboriginal languages
- rights to remain on Country
- removal of Aboriginal children from family and Country
- rights to safe and secure housing
- the need for a national representative advocacy body
- the increasing criminalisation of Aboriginal people with a disability
- the role and value of Aboriginal parliamentarians, particularly female parliamentarians
- the *Uluru Statement from the Heart*.



Domestic advocacy

During 2018-19 NSWALC responded to a large number of requests from the LALC network and community members for advocacy, and policy advice and assistance.

We also continued to monitor key government policies and legislation. Specific issues and initiatives that NSWALC engaged in include:

- supporting participation of the NSW Coalition of Aboriginal Peak Organisations (NSW CAPO) in the National Coalition of Aboriginal Peak Organisation's partnership with the Council of Australian Governments on a new Closing the Gap framework
- preparing various submissions and advocacy in relation to Aboriginal people's burial rights
- preparing a submission to the Special Commission of Inquiry into the drug 'Ice'
- preparing submissions to the Productivity Commission's Overcoming Indigenous Disadvantage Report, Indigenous Expenditure Report and Indigenous Evaluation Strategy
- providing advice and advocating for the interests of Aboriginal peoples in the Crown Land Management Act 2016
- providing advice and advocating for the interests of Aboriginal peoples in the Crown Lands Community Engagement Strategy
- providing submissions in relation to Travelling Stock Reserves - Draft Plan of Management
- providing submissions in support of reforms to the NSW planning system, including the Aboriginal Lands State Environmental Planning Policy, to allow LALCs to maximise social, cultural and economic outcomes on their lands
- providing submissions in response to the Native Title Amendment Bill.

Aboriginal Communities Water and Sewerage Program

Since the inception of the Aboriginal Communities Water and Sewerage Program (ACWSP), co-founded by the NSW Government and NSWALC in 2008, service delivery agreements for the operation, maintenance and monitoring of water supply and sewerage services have been negotiated between the Department of Planning, Industry and Environment, LALCs and local governments or other service providers.

As at 30 June 2019, of the 62 eligible Aboriginal communities:

- 21 communities are being provided full service by a local water utility or local council as part of a wider community water and sewerage system
- 37 communities have a five-year, long-term service agreement in place for local councils and/or local water utilities or a private company to provide full water and sewerage services equivalent to that in similarly located communities
- Nil communities have received services through interim service arrangements
- One community does not receive services, except in emergencies, until housing issues are resolved
- Three communities are very small and, because of their size, it's unlikely that long-term service agreements will be negotiated, however, they are provided with maintenance of water and sewerage services on an 'as needs' basis by respective local councils and/or local water utilities, and water services at all three communities are considered to be operated and maintained satisfactorily, with water quality test results indicating that the water meets the required Australian Drinking Water Guidelines for the parameters tested.

As at 30 June 2019, 62 Aboriginal communities with a population in excess of 6000 people now receive water and sewerage services at a higher level than prior to the ACWSP. In addition, capital works, backlog maintenance, emergency repairs and special purpose works have been approved at 43 Aboriginal communities, and 19 infrastructure (capital) projects have been completed.

Since July 2008 total program expenditure, including the operation and maintenance program and the capital infrastructure program, was \$59.7 million as at 30 June 2019. The 2018-19 joint programmatic expenditure of \$2.9 million is well below the long-term average annual expenditure. NSWALC's contribution for the period was \$1.4 million (exc. GST)

Aboriginal Communities Waste Management Program

The Aboriginal Communities Waste Management Program (ACWMP) is led by the NSW EPA in collaboration with NSWALC. The program is delivered in three stages:

- Stage 1: Expression of Interest (EOI)
- Stage 2: Development of Community Rubbish Management Plans (6–12 months)
- Stage 3: Implementation of plans to improve waste-related infrastructure and delivery of waste management services, and a clean-up of rubbish in communities.

In 2018–19, following the assessment of EOIs, 14 communities have been successfully chosen for Round 2 of the ACWMP (Table 1).

Table 1: Communities participating in Round 2 of the ACWMP.

Discrete Community	LALC
Baryulgil Square	Baryulgil LALC
Bellwood	Nambucca Heads LALC
Brungle	Brungle Tumut LALC
Cabbage Tree Island	Jali LALC
Namatjira Ave and New Merinee	Dareton LALC
New Burnt Bridge	Kempsey LALC
Purfleet	Purfleet Taree LALC
Red Rock Camp	Coffs Harbour and District LALC
Roseby Park Orient Point	Jerrinja LALC
Summervale	Amaroo LALC
Toomelah	Toomelah LALC
Walhallow Reserve	Walhallow LALC
Wongala Estate	Coffs Harbour and District LALC

Subdivision Project

In conjunction with the Australian Government, NSWALC's Subdivision Project investigated the subdivision of land in discrete NSW Aboriginal communities. A number of significant barriers to subdivision in these communities became apparent, however, under the project, four LALCs lodged development applications with their local councils that were approved, with conditions, mainly relating to infrastructure upgrades. The Subdivision Project concluded in September 2018.

Roads to Home Program

On 14 March 2019, the NSW Government announced that, if it is re-elected, \$55 million would be spent on a new Roads to Home Program. This would initially target 10 Aboriginal communities over five years, and would involve upgrades to roads, stormwater and drainage, kerbs and footpaths, street and public-space lighting, and power and telecommunications. The 10 communities proposed for participation in the program are:

- Bellwood Reserve, Nambucca
- Bowraville, Bowraville
- Cabarita, Forster
- Gingie Mission, Walgett
- Gulargambone Top, Weilwan
- La Perouse Mission, La Perouse
- Namoi Reserve, Walgett
- Narwan Village, Armidale
- Three Ways, Griffith
- Wallaga Lake Koori Village, Merrimans.

Statewide Conference Elder and Youth Awards

Sydney-Newcastle

Jennifer McEwen - Elder
Kentan Proctor - Youth

Mid North Coast

Aunty Anne Edwards - Elder
Lachlan Skinner - Youth

North Coast

Aunty Rita Torrens - Elder
Fiona Vesper - Youth

Northern

Uncle Cecil Briggs - Elder
Tom Briggs - Elder
Tyler Stackman-Green - Youth
Hollie Taggart - Youth

South Coast

Aunty Lois Sutherland - Elder
Treigh Stewart - Youth

Wiradjuri

Val Keed - Elder
Robert Carroll - Elder
Ben Kemp - Youth

Central

Lesley Ryan - Elder
Di Smith - Elder

North Western

Harold 'Tomo' French - Elder
Peter Prince - Youth

Western

Maureen O'Donnell - Elder
Melanie Mitchell - Youth

STRATEGY 2

NSWALC will hold a statewide conference to connect the network with ideas and developments to enhance Aboriginal land rights.

Statewide Conference 2018 - Beyond Survival

The 2018 Statewide Conference was held at the Crowne Plaza Hunter Valley, Lovedale on the 12-15 November 2018. Approximately 215 LALC members attended the conference.

The agenda included discussion panels on the *Uluru Statement from the Heart*, on reacquiring lands and unfinished business, Aboriginal water rights and the Aboriginal housing sector, as well as presentations from the NSW Minister for Aboriginal Affairs, the Federal Minister for Indigenous Affairs, the NSW Shadow Minister for Aboriginal Affairs, and the Registrar of the ALRA.

There were presentations from each of the nine NSWALC regions, as well as breakout sessions on ACH, economic development, Makarrata and agreement making, and the ALRA.

Special international guests included Grand Chief Edward John, Hereditary Chief and Grand Chief of the Tl'azt'en Nation and Political Executive of the Canadian First Nations Summit, and Wendy Grant-John, Councillor and former Chief of the Musqueam Nation, who spoke about Canadian perspectives on the United Nations Declaration on the Rights of Indigenous Peoples.

The conference was streamed live via Facebook, with streaming and videos reaching more than 33,000 people, and generating more than 1000 comments, reactions and shares.



STRATEGY 3

NSWALC will review the provision of financial assistance to Aboriginal students undertaking university studies.

Freddy Fricke Scholarship

The Freddy Fricke Scholarship was placed on hold during the reporting period after NSWALC reviewed its efficacy, and ways to improve its sustainability and the scope of financial assistance to potential recipients. An updated and improved version of the Scholarship will be launched in 2019-20.

STRATEGY 4

NSWALC will continue to provide grants to less advantaged LALCs for land acquisition and land management purposes.

NSWALC Community Fund

The NSWALC Community Fund (NCF) was placed on hold during 2018-19 following an independent, comprehensive review on improving the economy, efficiency and effectiveness of the NCF Program. The review was based on experience, and available qualitative and quantitative data collated from the program since 2015.

An improved NCF Program will be re-opened in 2019-20, after consultations with the LALC network.

STRATEGY 5

As part of its Community Benefit Scheme (CBS), NSWALC will continue to provide funeral assistance grants to support bereaved Aboriginal families.

NSWALC Funeral Fund

NSWALC has been providing funeral assistance grants to support bereaved Aboriginal families for over a decade. The scheme is uncapped and responds to the demand for funeral assistance from year-to-year.

A Funeral Insurance Fund (FIF) was established in 1991-1992. Membership of the FIF was open to all NSW Aboriginal people, and members were required to pay an annual membership fee. The FIF was closed in February 1994, however, given members had paid fees in the expectation that they would receive assistance with funeral expenses, NSWALC determined that members who were financial at the time the FIF closed were entitled to a funeral grant of up to \$5,000.

NSWALC has also since determined that, under the NSWALC Funeral Fund (NFF), any NSW Aboriginal person is able to apply for a grant of up to \$1000 to assist with funeral costs.

All applications to the NFF are automatically and carefully checked against the membership list of the FIF, and the scheme is operated under strict criteria. Approved grants are paid directly to funeral service providers.

In 2018-19 a total of 434 grants were made at a cost of \$654,815. This included 47 grants to former members of the FIF and 378 grants to Aboriginal people under the NFF. Nine former members of the FIF also elected to transfer their membership entitlements to a deceased Aboriginal person.

STRATEGY 6

Regional grants

NSWALC will continue to make available small regional grants in each NSWALC region in accordance with the Community Benefits Scheme and approved budget for the following purposes:

- for assisting Aboriginal peoples to participate in arts, craft and sporting activities
- to encourage participation in and the maintenance of contemporary and traditional cultural life of the Aboriginal community
- for promoting understanding of and respect for Aboriginal culture
- for supporting personal development opportunities for Aboriginal people
- for supporting the health and wellbeing of Aboriginal people in NSW.

Regional grants are recommended by Councillors and approved by the NSWALC Executive.

In 2018-19 NSWALC approved a Community Benefits Scheme to provide small regional grants totalling \$90,000. There were 163 grants approved (total \$89,442), which provided financial assistance to 109 individuals and 54 community organisations. Grants were used to:

- support the participation of Aboriginal people in sporting events and activities (55 per cent),
- promote understanding and respect for Aboriginal culture (21 per cent)
- assist Aboriginal people with health and wellbeing (10 per cent)
- support personal development (9 per cent)
- support NAIDOC and other Aboriginal community activities (5 per cent).

From Taree to the top of the world

A NSWALC discretionary grant helped two North Coast girls travel from Taree to the Everest Base Camp in Nepal.

Iesha Gundy-Clark and Asha Clarke, both members of the Purfleet-Taree LALC, were invited by the Police and Community Youth Clubs (PCYC) NSW to join its November 2018 Everest Base Camp trek.

The girls were selected for their contributions to the community including volunteering to support younger children at their local PCYC club.

Although the PCYC funded part of the girls' costs, support from NSWALC was essential to enable them to make the trip of a lifetime.

Iesha and Asha flew to Kathmandu and trekked for 13 days to reach the Mount Everest Base Camp.

They explored the mountains and valleys around Mt Everest, rested in Nepalese teahouses, learnt about the traditions and cultures of the Sherpa people, and also raised funds for PCYC programs to support disengaged young people.

STRATEGY 7

Statewide grants

NSWALC will make statewide grants available for organisations and events that:

- have statewide Aboriginal participation
- are of statewide significance for Aboriginal people
- support and promote Aboriginal culture and sporting achievement.

This year, NSWALC approved a Community Benefits Scheme to provide support for statewide events totalling \$232,727.

Grants for statewide events in 2018-19, across two application rounds, were approved for:

- NSW Aboriginal Rugby League Knockout
- Tamworth Aboriginal Cultural Showcase
- Carwoola Aboriginal Elders Gathering
- Yabun Festival
- Combined Countries Survival 9s
- Kari Cultural Netball Knockout
- Saltwater Freshwater Festival
- 21st Anniversary Handback of Mutawintji National Park
- Women's Legal Services NSW Indigenous Women's Legal Program
- Australian Indigenous Football Championships
- Lloyd McDermott Rugby Ella 7s.





5 SECURE OUR FUTURE

We have stewardship responsibilities to ensure that a stronger system is handed to the next generation.

The other goals of this Strategic Plan are essential to providing Aboriginal people with a pathway to a secure future but they are not sufficient. We need to underpin our Strategic Plan with actions that are prudent and future orientated.

What we aim to achieve with this goal

We will build confidence that the long-term future for NSWALC and the LALC network is secure, and that it will continue to deliver for future generations of Aboriginal peoples. To do this we will:

- continue to grow and exercise responsible stewardship of the SIF
- work to achieve a Treaty or Treaties for Aboriginal people
- continue to engage our youth and membership
- continue to support and foster a culture and system of good governance and improvement
- develop a compliance and regulatory framework that actively recognises and responds to performance.

Our stretch targets will keep us focused on providing the next generation with:

- a fully-engaged and high-capacity membership that continues to increase by 5 per cent every five years
- a sustainable, self-regulating system that rewards performance
- a SIF approaching \$1 billion.

STRATEGY 1

NSWALC will advocate for and consult on establishing a Treaty process in NSW.

NSWALC has undertaken a number of actions in support of a Treaty/Treaties, including:

- participation in the NSW CAPO;
- organisation of the Beyond Survival March on 9 August 2018, the International Day of the Worlds Indigenous Peoples, calling for a Makarrata, a Voice and Truth telling

- presentation of NSWALC's position relating to Treaty and Constitutional reforms including:
 - submissions to the Federal Joint Select Committee on Constitutional Recognition relating to Aboriginal and Torres Strait Islander Peoples
 - participation in a Treaty panel discussion at NSW Parliament House in October 2018
- participation in the Uluru Dialogue in Cairns for the second anniversary of the *Uluru Statement from the Heart*.

STRATEGY 2

NSWALC will continue to exercise responsible stewardship of the NSWALC Statutory Investment Fund.

Investments

NSWALC's management of the SIF through its Investment Committee has resulted in:

- a 5.3 per cent return on investment, which continues to outperform T-Corp and other leading fund managers
- ensuring best-practice governance of the SIF, and the structures and information that support it.

The Investment Committee held five meetings during the reporting period and formed a sub-committee to deal with the specific task of tendering asset consulting services to NSWALC. The sub-committee met twice during the year. An internal appraisal of the Investment Committee found its performance and practices to be sound.

The considerations of the Investment Committee are framed around the investment beliefs of the Council, and the risk and return characteristics of the SIF, as determined by the Council. We evaluate all investment decisions on the basis of their impact on Aboriginal people. As a result, NSWALC has divested all holdings in alcohol and tobacco.

Statutory Investment Fund

The NSWALC SIF was established under the ALRA. For 15 years (1984–1998) the ALRA provided guaranteed funding to NSWALC, equivalent to 7.5 per cent of land tax on non-residential land in NSW, as compensation for land lost by Aboriginal peoples. During this period, half of the fund was available for land acquisition and administration. The remainder was held in a statutory account to build a capital fund that would provide future resources.

Total funds allocated were \$537 million. Of this amount, \$268.5 million was deposited in the SIF. Over the first 15 years of NSWALC's existence the capital accumulated and, in December 1998, when the land tax payments ceased, it was valued at \$281 million. Since then, NSWALC and the LALC network have been self-funded.

Real return objective

Invest to have a >66 per cent probability of achieving a return objective of the Consumer Price Index (CPI) plus 4 per cent over five-year rolling periods.

Downside risk objective

Limit the probability of a negative return in any given year to <20 per cent.

Principles used in investment evaluation

The SIF is a perpetual means of providing for future Aboriginal generations.

The SIF'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).

Investing in a mixture of things will minimise the risk impact if one of them goes wrong.

The SIF should be well diversified in a variety of different asset classes (i.e., not have all its eggs in one basket).

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 incorporate this into manager selection and monitoring.

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.

The Council is committed to acting transparently ourselves and expects transparency on ESG issues from the managers we invest with and the companies we invest in. We request regular ESG reporting from our investment managers, and encourage them to request such reporting from the companies they invest with.

The technical aspects relating to investment decisions are provided through the combined advice of the external asset consultant, NSWALC's Executive, and the Investment Committee. In addition, the drawdown rule adopted by the Council provides a formal process for managing NSWALC liabilities.

In calculating the projected drawdown, the drawdown rule factors-in the previous drawdown, average asset value and long-term spending rate. The annual future drawdown is equal to 70 per cent of the drawdown in the previous year, and 30 per cent of the average asset value in the previous year multiplied by the long-term spending rate. Therefore, the projected maximum drawdown for expenditure in 2019-20 is 9.9 per cent of the investment balance. The drawdown constraint on NSWALC investments ensures that it is able to fund its activities in perpetuity.

Investment decisions

Significant investment decisions during the year included the appointment of fund managers Ardea, Dexs, GPT and Jamison Coote, as well as the removal of Magellan, QIC and Bridgewater. We also reviewed our investment strategy, removing dynamic asset allocation (DAA) in favour of a new strategic asset allocation (SAA). The new SAA reflects the late market positioning of the portfolio, hence the down-weighting to overseas and emerging market shares, together with an increase to cash, and the reclassification of international fixed interest to absolute return (fixed interest).

In 2018-19 NSWALC's asset at 33 Argyle Street Parramatta was sold to realise profit from the investment and free-up capital. At the time of listing, the property was valued at \$28.98 million but was sold for \$40.80 million, realising \$11.82 million additional capital for investment in a less concentrated and higher-yield asset. The sale proceeds were invested in accordance with the SAA.

Table 2: Position of the SAA for asset classes at 30 June 2018 and 2019.

Asset class	SAA (%) 2018	SAA (%) 2019
Australian shares	11.0	14.0
Overseas shares (large cap)	24.2	24.2
Overseas shares (small cap)	2.8	2.8
Emerging markets	5.0	5.0
Unlisted property	10.0	10.0
Unlisted infrastructure	10.0	10.0
Australian Inflation Linked Bonds	5.0	5.0
Diversified Fund of Hedge Funds/ Multi Asset Fund	7.5	7.5
Absolute return (multi strat)	5.0	-
Absolute return (Fixed Interest)	-	10.0
International fixed interest	7.5	-
Australian fixed interest	10.0	6.5
Cash	2.0	5.0
Total	100	100

Modelling outcomes

NSWALC commissioned testing of the current SAA against the return and risk tolerance statements, using our capital market assumptions as at 30 June 2018. The results support the SAA.

Table 3: Modelling outcomes for the current SAA against strategic objectives.

Strategic objective	Current strategy (%)
Invest to have a >66 per cent probability of achieving a return of the CPI plus 4 per cent, over rolling five-year periods	68.0
Limit the probability of a negative return in any given year to <20 per cent	16.8

Table 4: Modelling outcomes for the current SAA against risk and return.

Portfolio expected outcomes	20 years (%pa)
Return	7.5
Risk	9.0

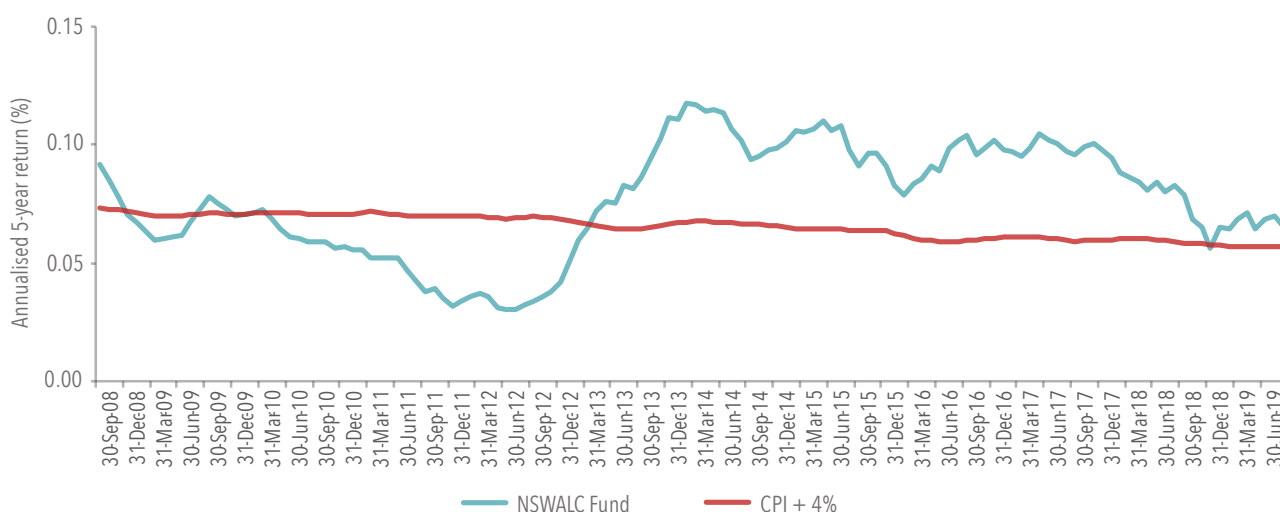
Investment performance

The investment portfolio provided a return of 5.3 per cent against a benchmark 5.0 per cent for the 12 months to 30 June 2019, and 6.8 per cent return against a benchmark of 5.6 per cent for the five years ended 30 June 2019. The SIF remains above its CPI + 4.0 per cent objective over all time periods (Table 5, Figure 2).

Table 5: Performance to benchmark, summary of total portfolio returns (net of fees) at 30 June 2019.

	1 month (%)	3 months (%)	1 year (%)	3 years (%)	5 years (%)	7 years (%)	10 years (%)
NSWALC Total Fund	2.7	2.7	5.3	7.7	6.8	9.1	9.1
CPI + 4%	0.5	1.6	5.7	5.9	5.7	6.0	6.2
Excess Return	2.2	1.1	(0.4)	1.8	1.1	3.1	2.9

Figure 2: Performance against benchmark of total portfolio returns (rolling five-year annualised returns, per cent) at 30 June 2019.



Performance against peers

NSWALC's investment rationale is to promote diversity across asset classes and fund managers, however, this is contrary to the belief that the funds should be invested solely with NSW Treasury Corporation. To ensure NSWALC's investment rationale is sound, the performance of its portfolio is compared to similar investment portfolios with comparable investment objectives.

When compared with two T-Corp investment portfolios held by NSW Treasury Corporation (Table 6, Figure 3), and two Mercer median portfolios held by other institutions (Table 7, Figure 4), NSWALC's investment position is validated by its portfolio's extremely good performance relative to that of its peers. The comparison clearly shows the NSWALC portfolio's performance to be less volatile and better performing over the different market cycles than either the T-Corp or Mercer investments.

Table 6: Performance against T-Corp, summary of total portfolio returns (net of fees) at 30 June 2019.

	1 month (%)	3 months (%)	1 year (%)	3 years (%)	5 years (%)	7 years (%)	10 years (%)
NSWALC Total Fund	2.7	2.7	5.3	7.7	6.8	9.1	9.1
T-Corp Long Term Growth (pre-tax)	3.3	4.5	9.0	10.1	8.7	11.0	9.5
T-Corp Medium Term Growth (pre-tax)	1.6	2.7	6.4	5.8	5.4	6.5	6.6

Figure 3: Performance against T-Corp, total portfolio returns against growth of a dollar at 30 June 2019.

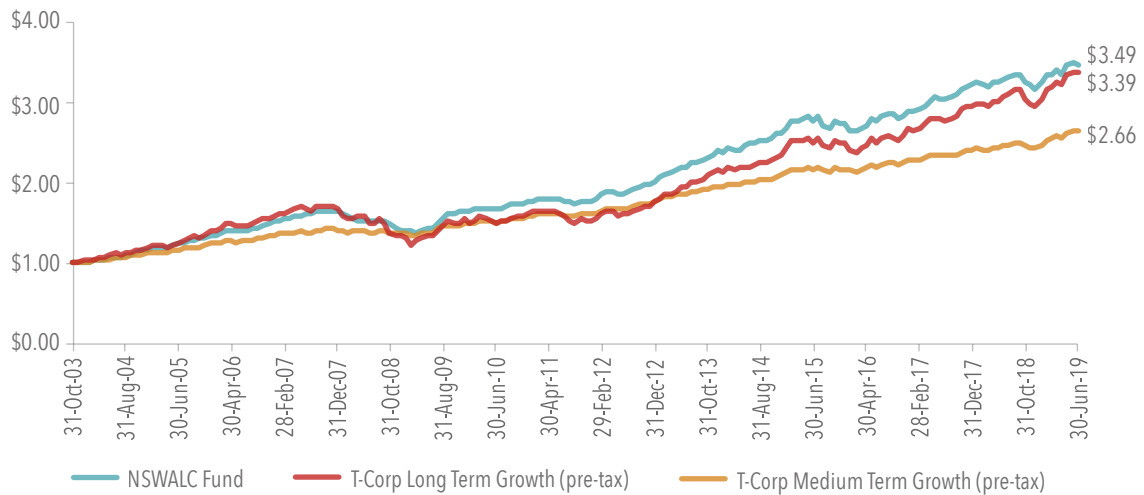
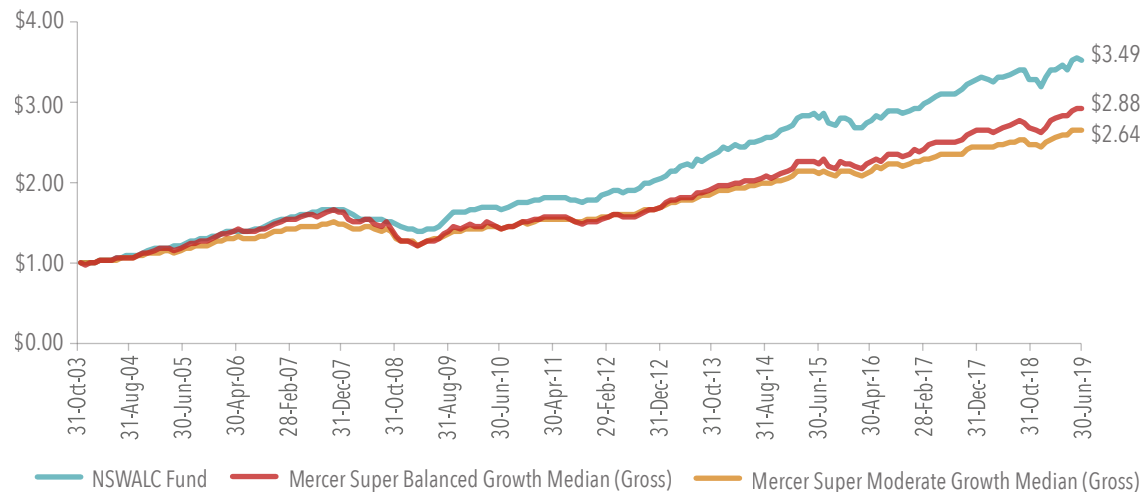


Table 7: Performance against Mercer, summary of total portfolio returns (net of fees) at 30 June 2019.

	1 month (%)	3 months (%)	1 year (%)	3 years (%)	5 years (%)	7 years (%)	10 years (%)
NSWALC Total Fund	2.7	2.7	5.3	7.7	6.8	9.1	9.1
Mercer Super Balanced Growth Median (Gross)	2.3	3.5	6.8	8.2	7.2	9.0	8.2
Mercer Super Balanced Growth Upper Quartile (Gross)	2.5	4.8	11.1	11.8	10.9	12.6	11.9
Mercer Super Moderate Growth Median (Gross)	1.7	2.8	5.9	6.6	5.9	7.3	7.2
Mercer Super Moderate Growth Upper Quartile (Gross)	1.9	3.3	8.6	8.9	8.5	9.8	10.0

Figure 4: Performance against Mercer, total portfolio returns against growth of a dollar at 30 June 2019.



STRATEGY 3

NSWALC will continue to provide support for the effective and efficient operation of LALCs.

Compliance and regulation

Throughout the year, NSWALC conducted a variety of activities to support LALCs, and foster a culture and system of good governance and improvement. These included:

- monitoring LALC compliance, particularly in relation to the ALRA, Risk Assessment System (RAS) and NSWALC regulatory policy
- preparation of various reports, internally and externally (Minister), regarding LALC compliance, regulation and performance
- monitoring LALC CBSs including CBS (Residential Accommodation) (CBS (RA))
- monitoring and maintenance of the NSWALC Compliance and Funding database, including governance training data, to support the work of zone offices.

Risk Assessment System

The NSWALC RAS has been developed to assess the operational risk level of each LALC

in the network and determine their funding category. The analysis of RAS results assists NSWALC to implement an appropriate risk management plan or issue a Performance Improvement Order (PIO) to eliminate or minimise the identified risks to the network.

In addition to categorisation of the funding and risk level, a LALC RAS score is used to determine the frequency of direct cash allocations from its approved grants and its financial reporting obligations.

By using a series of standard, objective questions for all LALCs, the RAS ensures fair and consistent operational results across the nine NSWALC regions.

The RAS has 47 questions with three different risk ranks and weightings of moderate risk (0.985), high risk (0.94) and extreme risk (0.89). There are 13 moderate-risk questions, 25 high-risk questions and nine extreme-risk questions. Extreme risks such as non-compliance with ATO liabilities or superannuation guarantee payments can impose an excessive burden on the entire network. The risk score is calculated on a multiplicative calculation as illustrated in Table 8.

Table 8: RAS risk score calculations.

Ranking of negative responses to a set of questions	Multiplicative weighting	Calculated score (%)	Determined risk level
1 moderate, 1 high risk	0.985×0.94	92.6	Low
1 extreme risk	0.89	89.0	Medium
2 extreme, 1 high risk	$0.89 \times 0.89 \times 0.94$	74.4	Medium
2 extreme, 1 high and 1 moderate risk	$0.89 \times 0.89 \times 0.94 \times 0.985$	73.3	Medium
2 extreme, 2 high risk	$0.89 \times 0.89 \times 0.94 \times 0.94$	70.0	High

At the start of each risk assessment, the RAS assumes a LALC is 100 per cent risk-free. When a question receives a negative response, the LALC's assessment score drops to the risk weighting assigned to that question, i.e., 98.5 per cent if the question poses a moderate risk, 94 per cent if the question poses a high risk or 89 per cent if the question poses an extreme risk.

The final score determines the risk level of the LALC within one of the three risk categories, in accordance with LALC funding procedures:

- low risk $\geq 90\%$
- medium risk $\geq 70\%$ and $< 90\%$
- high risk $< 70\%$.

This system is used by the zone offices to assess operational risk areas and identify any weaknesses that need to be improved and/or eliminated by the LALC.

If the weaknesses persist, NSWALC will intervene by issuing a PIO, appointing advisors, investigators and, eventually, administrators in order to achieve regulatory compliance.

Statewide LALC funding categories

The funding category of LALCs is based on their RAS score, compliance with the ALRA,

regulations and NSWALC's LALC Funding and Financial Obligations Policy (the funding policy). LALCs with a RAS score of ≥ 50 per cent are fully funded. Those in breach of compliance requirements or with a RAS score < 50 per cent are unfunded (Table 9).

In response to the removal of section 163 from the ALRA, NSWALC developed a new funding policy, which was approved by the Minister for Aboriginal Affairs. The existing RAS was also simplified and reissued to LALCs.

Table 9: LALC entitlements and responsibilities for each funding category.

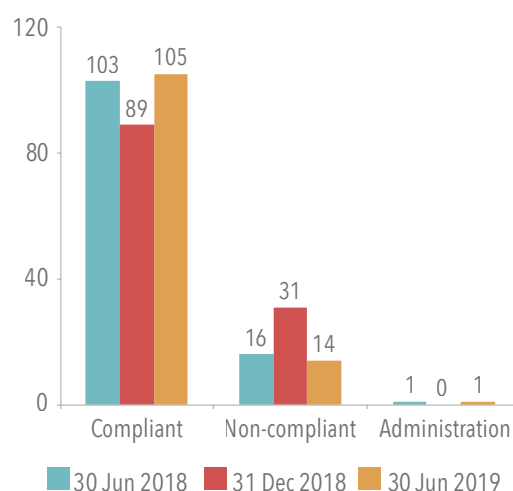
Risk level	RAS rating (%)	RAS assessment frequency	Basis of grant remittance	Financial report frequency
Funded low risk	≥ 90	Annual	Cash on quarterly basis	Half-yearly
Funded medium risk	$\geq 70 - < 90\%$	Half yearly	Cash on quarterly basis	Quarterly
Funded High Risk	$\geq 50 - < 70\%$	Quarterly	Cash on bi-monthly basis	Bi-monthly
Unfunded High Risk	< 50	Quarterly	Essential payments under assistance agreement, at discretion of NSWALC	

Regardless of their RAS ratings, LALCs must comply with relevant regulatory requirements and the funding policy in order to receive their grants in direct cash allocations. If a LALC experiences difficulty with clearing a regulatory breach or achieving a required RAS score, it is offered an assistance agreement, under which it can have essential operational expenses paid by NSWALC. 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 an assistance agreement.

LALCs that have an Administrator appointed by the Minister are treated in the same way as LALCs that are either funded or unfunded. They are offered a funding or assistance agreement, with grant releases made bi-monthly or quarterly. The Administrator reports in accordance with the terms of appointment issued by the Minister.

At 30 June 2019, statewide, 105 LALCs were in compliance and in the funded category. This is an increase of two compared with at 30 June 2018 and 16 compared with at 31 December 2018 (Figure 5).

Figure 5: The number of LALCs in each funding category as at 30 June 2019 (total 120), compared with 30 June and 31 December 2018.



Statewide RAS risk levels

Based on each LALCs current assessment, at the end of financial year 2019, statewide, there were:

- 63 (52 per cent) in the low-risk category, compared with 64 at 30 June 2018 and 62 at 31 December 2018
- 38 in the medium-risk category, compared with 32 at 31 December 2018
- 11 in the high-risk category, compared with 18 at 31 December 2018 (Figure 6).

The percentage of LALCs in each risk category, as at 30 June 2019, is shown in Figure 7.

Figure 6: Statewide LALC risk levels at 30 June and 31 December 2018, and 30 June 2019.

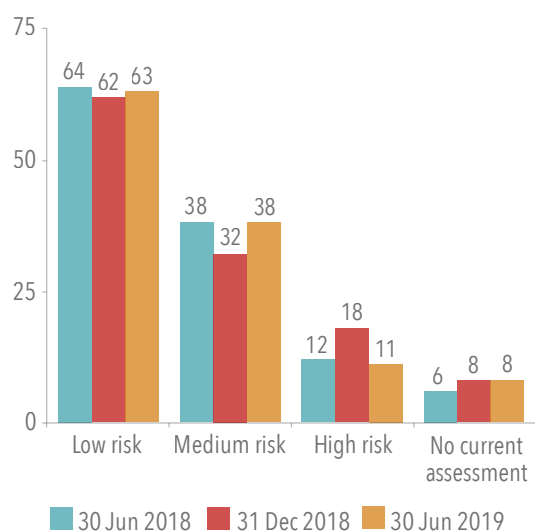
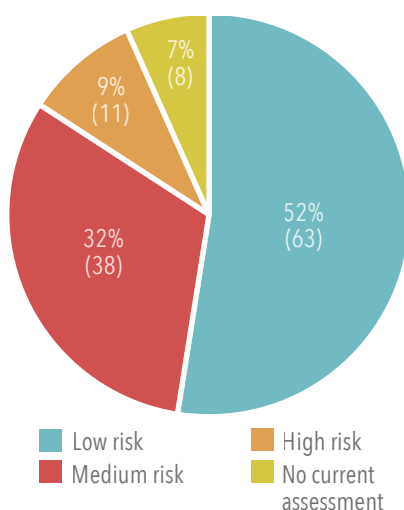


Figure 7: Statewide LALC risk levels (per cent of total) at 30 June 2019.



Performance Improvement Orders and advisors

NSWALC is responsible for the management of PIOs that are issued to LALCs, and for the appointment of advisors. During the reporting period, PIOs were issued and advisors appointed to the following LALCs.

Moree LALC (MLALC)

NSWALC actions:

PIO issued and advisor appointed.

Requirements of the PIO (with support from the advisor):

- deliver training to the Board in relation to a range of financial management processes and record keeping
- review and revise internal policies and procedures in relation to financial management and record keeping
- fulfil outstanding conditions of the MLALC conditionally-approved CBS(RA)
- address outstanding issues identified in the Risk Assessment Summary Case Management Plan
- review the MLALC Community Land and Business Plan.

Most actions were addressed with the assistance of the advisor, and remaining actions were subsequently addressed by the MLALC Board and CEO with support from the Western Zone Office.

Jerrinja LALC

NSWALC actions:

PIO issued and advisor appointed.

Requirements of the PIO (with support from the advisor):

- determine the extent of rental collection matters
- conduct an audit and review of all housing policies and strategies
- develop and adopt policies that will ensure it is able to pay its housing-related rates, as and when they fall due
- negotiate a housing management agreement with an accredited housing management body
- submit a revised CBS(RA) application seeking amended NSWALC approval as an 'assisted operator'.

The majority of actions have been addressed, with JLALC finalising negotiations with an external accredited housing management body.

Muli Muli LALC

NSWALC actions:

PIO issued and advisor appointed.

Requirements of the PIO (with support from the advisor):

- review the LALC CBS(RA) scheme and develop a completed application for NSWALC approval as either an independent or assisted operator
- hold outstanding annual meetings and table related documents to the members at those meetings
- provide NSWALC with outstanding annual financial statements and other documents as required by the NSWALC LALC Annual Financial Reporting Policy
- provide NSWALC with copies of member-receipted and Board-approved budgets as required by the NSWALC LALC Budgets Policy.

Good progress has been made to address the outstanding compliance issues. This work continues, as does NSWALC's consideration of Muli Muli LALC's residential accommodation scheme and its management.

Appointment of Administrators to LALCs

During 2018-19, interim Administrators were appointed to Ngulingah LALC (NLALC) and Mungindi LALC (MLALC). The Administrators were tasked with:

- implementing effective accounting and internal control procedures
- establishing practices and processes that promote transparent decision-making and accountable administration
- reporting reasonable allegations of misconduct or failure to disclose interests by officers or staff to the Registrar
- ensuring compliance with Division 2 of Part 8 of the ALRA
- overseeing the election of a Board and recruitment of a CEO

- reporting as necessary to the Independent Commission Against Corruption (ICAC), the Australian Taxation Office (ATO) or Police, as warranted.

NLALC's interim Administrator was appointed on 31 January 2019 and replaced by the appointment of a full-function Administrator on 15 February 2019. The period of administration concluded on 14 May 2019. MLALC's interim Administrator was appointed on 27 February 2019 and was replaced by a full-function Administrator on 9 May 2019.

A lengthy period of administration at Awabakal LALC (ALALC), which began in October 2016, was finalised in 2018-19. A number of extensions to the administration were granted following initial appointment of the Administrator and a further extension of one month was approved by the Minister in this financial year.

The Administrator resolved a number of outstanding legal matters concerning lands owned by ALALC, and its members also resolved to dispose of a major land asset. This has left ALALC in a sound financial position.

A new ALALC Board was elected prior to the retirement of the Administrator, and control was handed back to the members on 30 November 2018.

STRATEGY 4

NSWALC will continue to engage with members and youth through Our Mob and social media.

In 2018-19 NSWALC focused on the creation of digital content to increase engagement with members and build its audience. Greater attention was given to using NSWALC-owned social media properties to raise awareness of NSWALC activity and broaden the reach of key messages. This proved to be a successful strategy with month-on-month growth on owned channels such as Facebook and Twitter increasing at a consistent 10 per cent. Resources were also applied to emerging engagement platforms such as Instagram in order to lift NSWALC's appeal among a younger demographic. These activities align with a broader growth strategy that has identified youth as the next wave of members.

NSWALC also introduced new content formats at significant events to support the activity of various business units. This included LiveStreaming the 2018 Statewide Conference through NSWALC's Facebook page in order to give online access to members unable to attend.

This was supplemented by a live morning breakfast program, hosting a number of guests from community, NSWALC Executive and Council, as well as high-profile dignitaries and government officials.

Significant planning has also gone into the development of the new NSWALC website, which will consolidate NSWALC's public-facing communications and information tools, and replace the current platform that has served the organisation for the past 10 years. Under the new plan, to be unveiled in early 2020, the principles of Our Mob as a story-telling platform will be integrated into the NSWALC website.

NSWALC also established a Youth Advisory Committee, which achieved a significant social media presence throughout 2018-19. The committee provides advice to NSWALC on:

- the policy, programs and services that impact on young Aboriginal people
- current and emerging issues and concerns for young Aboriginal people
- issues impacting young Aboriginal people specific to local and regional contexts and opportunities
- strategies to increase the participation of young Aboriginal people in the Aboriginal land council system.





STRATEGY 5

NSWALC will implement the NSWALC Capacity Development Plan.

LALC capacity development

In 2018-19 a LALC Capacity Development Plan was developed and endorsed by the NSWALC Council, comprising the following key elements:

- LALC Board members' capacity development
- LALC staff members' capacity development.

Work also commenced on a review of the NSWALC Mandatory Governance Training Package that is delivered to all newly-elected Board members, and negotiations commenced with a statewide Registered Training Organisation to develop a bespoke training program for LALC CEO's, based on the core operational functions of a LALC. In addition, an internal Training Reference Group was established with all zone offices represented.

STRATEGY 6

Review the LALC compliance and regulatory framework in relation to performance.

NSWALC zone offices are one of the key mechanisms to ensure that LALCs foster a culture of good governance and improvement. They are supported with this through the facilitation of training, which includes Mandatory Governance Training for all elected Board members that covers eight key areas of governance. Other training provided by zone offices includes CEO inductions, specialised Chairperson and Deputy Chairperson training, finance and MYOB training, and Justice Connect training.

The review's terms of reference and scope have been developed, however, redeployment of resources means progress has been delayed. As such, the Capacity Development Plan is expected to be finalised in the 2019-20 reporting period.

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