

The Minister was considering the report at the close of the reporting period.

Wellington Local Aboriginal Land

Council

The Minister appointed Mr Andrew Bowcher from RSM Bird Cameron as administrator at Wellington Local Aboriginal Land Council for a period of six months from December 2, 2010.

The appointment followed the LALCs failure to cause proper accounts and records to be kept in relation to all its operations.

The LALC had also failed to furnish satisfactory financial statements and documents to its Auditor in accordance with Division 2 Part 8 of the ALRA.

The Minister approved three further extensions of six months for the administration to December 1, 2012.

Cobowra Local Aboriginal Land Council

The Minister appointed Mr David Mansfield from Moore Stephens as administrator at Cobowra Local Aboriginal Land Council for a period of six months from September 17, 2012.

The decision to appoint an administrator was taken on the grounds the LALC had breached s158 (1) of the ALRA and concerns that funds, and other property, were not being properly applied or managed pursuant to s 222 (1)(d) of the ALRA.

The appointment was further supported by a range of issues identified by the NSWALC's Southern Zone office.

The Minister approved a six month extension to the appointment in March 2013.

The extension was approved to allow Mr Mansfield to complete his terms of reference by September 2013.

Social Housing Schemes

The NSWALC is obliged by law to consider applications by LALCs that wish to operate their existing social housing schemes.

A LALC may not operate an existing social housing scheme beyond 30 June 2014 unless it has sought and gained the approval of the NSWALC.

The NSWALC developed a Policy on the Approval of LALC Social Housing Schemes (Rental Accommodation) to ensure the land rights network comply with these obligations.

The policy was then used to develop a tool for the assessment of existing social housing schemes.

This is known as the Social Housing Assessment and Provider Evaluation (SHAPE) Guide.

At the end of the reporting period nine LALCs had been approved to continue to operate their social housing schemes.

However, the NSWALC and LALCs faced considerable uncertainty in this area during the financial year due to the statutory review of the ALRA.

The review has foreshadowed a reduction in the duplication of assessments conducted by NSWALC and those deemed necessary by the NSW Government's Aboriginal Housing Office under its Build and Grow Strategy for Aboriginal Community Housing.

It is hoped the uncertainty over assessment and funding arrangements can be resolved over the course of the new reporting period.

Community Land and Business Plans

Each LALC is also required by law to prepare and adopt a Community, Land and Business Plan.

Failure to do so, or a substantial failure to comply with an approved CLBP, is considered a substantial breach of the requirements of the ALRA.

At the end of the reporting period, 43 LALCs had approved current plans and 62 LALC plans were due for renewal.

Eight LALC plans awaited the approval of the NSWALC at the end of the financial year.

Discretionary Grants

The NSWALC approved a limited number of grants in the 2012/13 financial year as part of a specific community benefit scheme for state-wide discretionary grants.

These included grants to the Aboriginal Rugby League Knockout, the Aboriginal Golf Day and the Saltwater Freshwater and Yabun festivals.

Details of these grants can be found later in this report.

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

It advises the land rights network on the prospect and availability of funds from these sources, and others, through its website.

Council had called for the development of a grants policy to guide decision making on discretionary grants during the next financial year.

This was expected to be developed early in the new reporting period.

The Funeral Assistance Grants Scheme

The NSWALC has been providing funeral assistance grants to support bereaved Aboriginal families for over a decade.

The scheme is uncapped, with the NSWALC responding to the demand for funeral assistance from year to year.

A two year contribution of \$200,000 to the “funding pool” was made by the NSW Government through Aboriginal Affairs NSW (AANSW) in 2011.

This enabled the NSWALC to increase contributions to each funeral by an amount of \$300.

As a result, members of the original NSWALC Funeral Fund were granted \$5,300 to assist with funeral costs. Non-members were granted \$1,300

The contribution from AANSW was fully expended during the reporting period.

It was not renewed.

This forced the NSWALC to reduce the funeral grants to their original levels of \$5000 to contributors to the original insurance scheme and \$1000 to non-members.

A total of 526 grants were made during the reporting period at a total cost of \$816,116.

These included 71 grants to members of the original Funeral Fund and 455 grants to non-members.

The cost of funerals, and the financial impact on bereaved families, is high.

Loss is often unexpected and, as is frequently the case for many Australians, financial provision for the cost of funerals has not been made.

The NSWALC’s commitment to contributing to the cost of the funerals for Aboriginal people any review of its expenditure must be conducted with sensitivity and an appreciation of its value to bereaved families.

The NSWALC continues to review the options for the financing and improved administration of the Funeral Assistance Grants Scheme with this basic principle in mind.

Freddie Fricke Scholarships

Once the EEF was discontinued the PMU was able to focus greater attention on the Freddie Fricke Scholarship Scheme that it conducts with the assistance of the Charities Aid Foundation (CAF).

Two Aboriginal tertiary students Jake Witchard (University of Technology) and Kendall Draper (University of Canberra) were the scholarship winners in 2013.

Each received a scholarship to the value of \$10,000.

The Unit was in negotiations with a new management team at CAF as the reporting period ended.

These are aimed at improving the administration of the Freddy Fricke Scholarship Scheme.

A key objective is to increase a student’s flexibility in spending scholarship funds so that their individual needs and requirements are met sufficiently to support them in the completion of their studies.

Local Government

The NSW Local Government Association and the Shires Association of NSW amalgamated during the reporting period.

The new association is known as Local Government NSW (LGNNSW).

The NSWALC is an “ordinary” member of the new association.

This allows the NSWALC full voting rights at the association’s annual conference.

NSWALC will exercise nine votes rather than the 27 votes it exercised before the amalgamation. However the NSWALC retains a significant bloc of votes as a member of LGNSW.

Zone Offices

The NSWALC Zone offices have become an integral part of NSWALC's interface with the land rights network, particularly with the elected Boards and staff of Local Aboriginal Land Councils, key stakeholders, and with the wider Aboriginal community and the general public.

The activities of each Zone office are set out below.

All Zone offices reported that many of their normal activities were again augmented in this reporting period by the need to assist the land council network implement ongoing changes to their structure and operations and NSWALC funding policies.

The legislative changes arose, as noted in this space last year, from the significant amendments to ALRA which came into effect on July 1, 2007, and subsequently, which were primarily designed to improve the structure, representation, and governance of LALCs.

Section 61 of the ALRA requires each LALC to have a Board consisting of not less than five, and not more than 10 members.

Section 64 of the ALRA states a Chairperson and Deputy Chairperson of the Board are to be elected from among the Board members at the first meeting of the Board after its election.

These provisions replaced the previous LALC Office Bearer structure, which provided for LALC members to elect a Chairperson, Secretary and Treasurer.

The LALC Board structure is designed provide even greater transparency and accountability for members, and improve opportunities for representation on the Board.

Section 78A of the ALRA also requires a LALC to employ a member of staff to exercise the functions of the Chief Executive Officer.

Section 80 requires appointments to the staff of a LALC, and promotions for members of staff, to be merit based.

These provisions are coupled with mandatory training requirements, the legislative requirement upon Local Aboriginal Land Councils to develop Community Land and Business Plans and Community Benefit schemes, including Social Housing Schemes, and new land dealing provisions.

The amendments also made significant consequential changes to LALC membership rights.

Much of the work in effectively communicating these changes to the land rights network has continued to fall to Zone office staff in this reporting period.

The further series of amendments flowing from the Aboriginal Land Rights Amendment Bill 2013, which is expected to be passed into law in the first half of the new reporting period, will again have a significant impact on the operations of LALCs and their interaction with the NSWALC.

Northern Zone

PURPOSE, AIMS AND FUNCTIONS

The general purpose, aims and functions of the Northern Zone during this reporting period were primarily focused on the key objectives in the Northern Zone Operational Plan 2010-2012.

This is linked to the NSWALC Community Land and Business Plan.

The key objectives are:

- 1 Advocacy and Rights
- 2 Strong Leadership and Governance
- 3 Productive and Meaningful Partnerships
- 4 Community Health and Well-Being
- 5 Land, Cultural Heritage and Environmental Management
- 6 Community Development and Planning.

LOCAL ABORIGINAL LAND COUNCILS IN THE

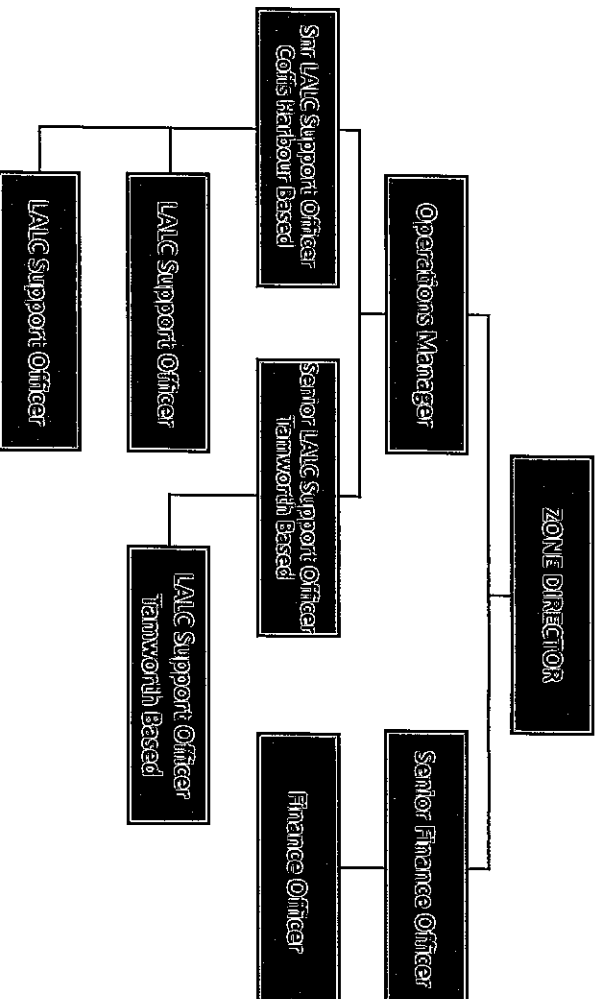
ZONE

During the reporting period, the Northern Zone comprised thirty eight Local Aboriginal Land Councils:

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

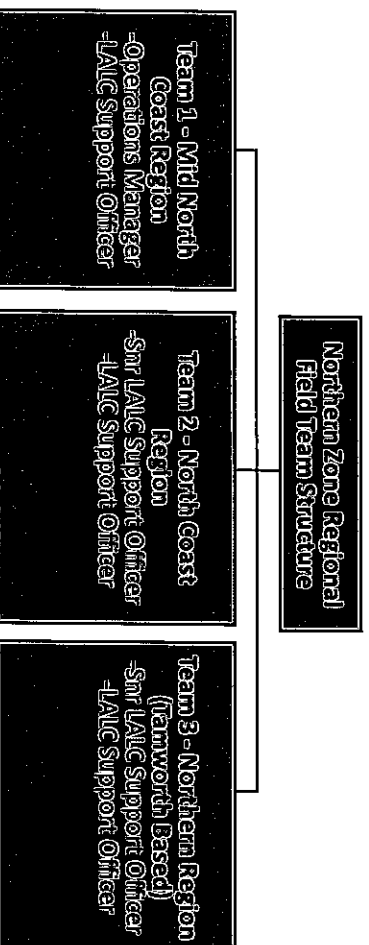
HUMAN RESOURCES

The staffing structure of the Northern Zone during the reporting period is depicted below:



It conducted its operations from offices in Coffs Harbour and Tamworth.

The Tamworth office is staffed by a Senior LALC Support and a LALC Support Officer who work exclusively with LALCs located in the Northern Region.



Achievements and Review of Operations

The reporting period resulted in another year of outstanding achievements and operations by the LALCs in the North Coast, Mid North Coast and Northern Regions assisted by Northern Zone office staff.

ZONE SUPPORT TO LALCS

LALC Support Unit staff have primary responsibility for day to day dealings with LALCs on a broad range of issues including general governance, housing management, land claims and dealings and assisting LALCs to fulfil their responsibilities under the Act.

LCSU staff also provided significant amounts of advice and support to LALCs during the reporting period in relation to the requirements of the Act and Regulations, operational matters, planning, preservation and protection of Aboriginal culture and heritage, land dealing matters, human resource functions and assistance with negotiations with government and other stakeholders.

They also provide significant ongoing advice and assistance to LALCs in relation to social housing management and NSWALC's policies and the requirements of the ALRA in relation to LALC management of social housing.

A major component of this work is undertaken in partnership with staff from the NSW Aboriginal Housing Office-- the primary funders of Aboriginal housing in NSW.

These meetings provide an opportunity for LALC members to obtain information in relation to the AHO "Build and Grow" strategy, along with NSWALC's Social Housing Policy and related guidelines.

Finance Unit staff provide support to LALCs on budgeting, financial management systems and controls, release of NSWALC grant funds, processing of "essential payments" along with LALC financial performance monitoring and assistance.

They also make frequent visits to LALCs to assist them in financial management as well as assisting LCSU staff to undertake regular risk assessments.

The Finance Unit also provided internal services to ensure the efficient and effective operations of the Northern Zone office.

Zone staff undertook comprehensive risk assessments of all LALCs during the reporting period in line with NSWALC policy and procedures.

The LALC Management Support System (LMSS) was used to undertake the assessments.

The LMSS is a diagnostic tool.

It assesses LALC performance across five operational areas and gives each LALC a score out of a possible 100% which, in turn, gives the LALC a risk rating.

It also produces a management support plan.

This is achieved by extracting data from the LMSS assessment where it is identified a LALC is not reaching a minimum performance level.

This information forms the basis of a support plan and identifies actions required by NSWALC to assist the LALC and actions required to be undertaken by the LALC to address the identified areas of deficiency.

Further details of LALC performance in this regard can be found below.

COMPLIANCE MONITORING AND ASSISTANCE
Local Aboriginal Land Councils have many and varied responsibilities under the ALRA.

A major focus for the Northern Zone Office since its establishment has been to assist LALCs with their compliance reporting as required by the ALRA.

It is pleasing to report no Administrators were appointed to LALCs within the Zone during the reporting period.

This is the fourth consecutive year all LALCs have conducted their operations without such intervention.

This is a significant achievement given the statutory compliance obligations LALCs must observe.

It can be attributed to the hard work of LALC Boards, CEO's and Northern Zone staff.

LALC AUDIT RESULTS

The audited 2012-13 financial statements were received during the reporting period for 37 of 38 LALCs.

All but one was unqualified.

The related management letters again reflected improved internal control and financial management procedures.

They are a testament to the work of LALC Boards and CEO's and follow the excellent outcomes reported in this space last year.

RISK BASED FUNDING POLICY AND LMSS RISK ASSESSMENT PROCESSES

This reporting period was the fourth year since the implementation of NSWALC's risk based funding policy, including the LALC Management Support System.

As noted earlier, LALCs are categorised as Funded or Unfunded based on their compliance with the ALRA and their most recent LMSS assessment score.

A LALC with an LMSS score of less than 50% is deemed by NSWALC to fall into an unfunded category.

Based on the LMSS assessment score, each LALC is then assigned a risk category according to the result in the following manner:

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

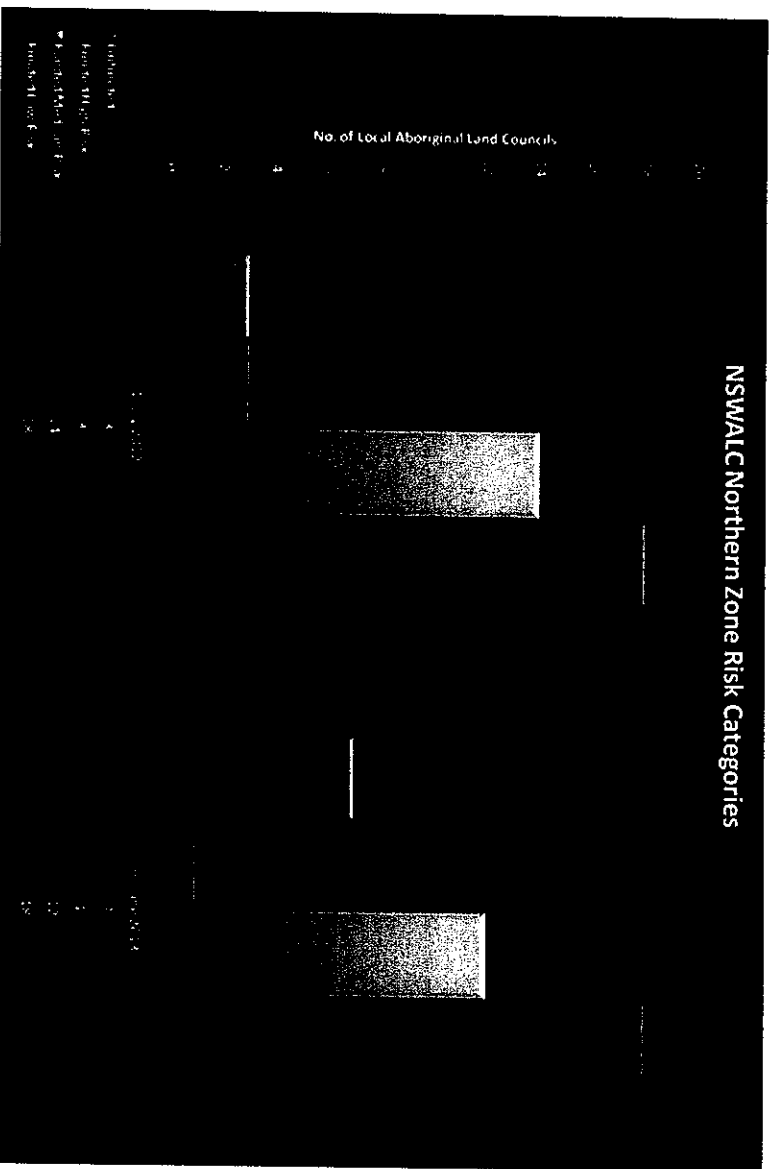
The funding and risk category of each LALC then guides the terms and conditions attached to a Funding Agreement offered by the NSWALC to a Funded LALC.

Apart from the LMSS assessment process, if a LALC breaches a section of the NSW Aboriginal Land Rights Act that prevents NSWALC from providing funds directly to that LALC, then the LALC automatically falls into the Unfunded category.

The LALC does not return to a funded category until the legislative breach has been cleared.

The graph below shows the status of LALCs in the Northern Zone as at the beginning of the reporting period and also at the end of the reporting period.

- The graph indicates the following:
- As at 1/7/12, 92.1% of LALCs in the Zone were in a funded category.
 - As at the 30/6/13 there were 81.6% of LALCs in a funded category with seven LALCs in an unfunded category. The majority of these LALCs returned to a funded category within a relatively short period of time.
 - On the 1/7/12 there were 7.1% of LALCs in the High Risk Category, 38.8% in Medium Risk Category and 47.4% in the Low Risk Category.
 - On the 30/6/13 there were 2.6% in the High Risk Category, 31.6% in the Medium Risk Category and 47.4% in the Low Risk Category.



LALC CAPACITY BUILDING INITIATIVES

Zone staff attended numerous LALC Board and members meetings to provide ongoing information, guidance and support for Board and LALC members on the requirements of the ALRA.

LALC BOARD CASUAL VACANCY ELECTIONS:

During the reporting period Northern Zone staff acted as Returning Officers for numerous casual vacancy elections to LALC Boards. The most common cause of the vacancies was the resignation of Board members.

LALC BOARD MEMBER GOVERNANCE TRAINING

Northern Zone staff also conducted numerous Board member Governance Training workshops.

They provided an opportunity for newly elected LALC Board members to undertake mandatory governance training required by the ALRA.

MYOB TRAINING FOR NORTHERN REGION LALCS

The Northern Region LALCs have an MOU with the New England Institute of TAFE which is linked to the Northern Region LALC Partnership Agreement.

During the reporting period TAFE operated a MYOB training course for the 14 LALCs in the region.

Participants are making great headway on the completion of the course.

It will result in significant increases in the capacity of the participating LALCs to manage their computer based accounting processes.

TRAINING NEEDS ANALYSIS FOR LALC STAFF

Northern Zone staff met with 37 of 38 LALCs during the period and completed a training needs analysis for the LALC CEO and in some instances, other LALC staff.

This information will be used by the NSWALC to inform a network wide Capacity Development Plan.

REGIONAL PARTNERSHIP AGREEMENTS AND ALLIANCES

Regional Partnership agreements and alliances continued to play an important role for LALCs in the Mid North Coast and Northern Regions during the reporting period.

NORTHERN REGION LALC PARTNERSHIP AGREEMENT

A Regional Partnership Agreement (RPA) has been successfully negotiated between the 14 Northern Region LALCs and NSWALC Councillor Tom Briggs with NSW and Australian Government agencies through their relevant Ministers.

The RPA is underpinned by a Regional Economic Development Strategy and Implementation Plan which was developed by the LALCs.

A schedule of agreed actions forms part of the RPA.

The initial focus of the RPA is on increasing Aboriginal employment outcomes within the Northern Region.

It seeks to reduce barriers to employment for Aboriginal people.

The Warra-Li Resource Unit Inc. Aboriginal Corporation (formally the Rations Exchange Technical Resource Unit) has been established by the 14 LALCs to coordinate, facilitate and deliver some of the strategies and actions documented in Schedule 1 of the agreement.

Australian Government agencies provide funding and support for the delivery of a range of these and other strategies and actions.

A Regional Partnership Committee meets regularly to monitor progress.

The Committee comprises a number of Australian and NSW Government agency representatives, delegates from the 14 LALCs, Councillor Briggs and Northern Zone staff.

Good progress was made on a range of governance and capacity building initiatives during the reporting period.

These included a Leadership Workshop, Elders Gathering, and training delivered to LALCs.

A Youth Leadership Initiative is currently being planned.

Work is also underway to negotiate Aboriginal Employment Strategies with several regional industries.

Further schedules will be negotiated with government during the next reporting period for inclusion in the RPA.

MANY RIVERS AGREEMENT

The NSWALC is a formal signatory to this Regional Partnership Agreement.

NSWALC Councillors Smith and Williams from the Mid North Coast are active participants on the Regional Partnership Committee (RPC) which has been formed to review the strategy and focus of the agreement.

Representatives from LALCs in the Mid North Coast and North Coast Regions are also active participants in the RPC.

A review of employment and enterprise development strategies in the RPA led to a change in strategy and focus when the initial implementation failed to deliver the anticipated development of employment and enterprise initiatives.

The strategy is now focused on forming relationships with major mainstream employers within the RPA boundaries in a bid to increase Aboriginal employment opportunities.

Meanwhile, LALCs and individual members continue to investigate the establishment of other viable enterprises.

Good progress has been made in the area of Aboriginal cultural heritage promotion.

This has occurred primarily through the operations of the Saltwater Freshwater organisation---an operational arm of LALCs in the Mid North Coast Region.

THE SALTWATER FRESHWATER ALLIANCE

This Alliance is made up of LALCs from the Mid North Coast Region and Arts Mid North Coast.

As reported previously, it was established in 2009 to conduct a range of arts based cultural activities.

These are documented in a regional arts and culture strategy, Foundations For Our Future.

The 2012-13 reporting period was one of significant activity for the Alliance.

SALTWATER FRESHWATER FESTIVAL

The Saltwater Freshwater Festival is emblematic of the work carried out within the Alliance and a showcase for its projects.

It is a catalyst for a number of emerging regional Aboriginal cultural practitioners, performers and artists to step up, develop their capacity, and work and perform with professional prominent acts such as Coloured Stone, Buddy Knox and the Medics.

Each Australia Day it is held in a different town on the Mid North Coast.

The 2013 Festival was held in Taree, after a wash-out in 2012.

More than 3,500 people enjoyed an array of activities, workshops, performances, panel discussions, food and markets, all focused around Aboriginal culture.

Revivals of NSW dance, canoe building, weaving and textile arts brought new works and stories this year.

The Alliance believes the legacy of the Festival will be long felt in Taree.

It was a celebration of Biripi community and culture in the heart of their town.

Many local young people volunteered to work on the festival, shared their totems and art, and discovered the pride and commitment of helping create something greater than themselves.

The Alliance also reports a new conversation in the community around Eldership and protocols of culture and country.

A range of musicians, dancers, weavers, artists, Elders, cultural workers and community leaders were recognised for their talent and knowledge and discovered their capacity to take on a challenge.

Other projects run by Saltwater Freshwater in the 2012-13 year included:

- Saltwater Freshwater Stories (launched in October 2012)
- Saltwater Freshwater Stitching Workshops
- Saltwater Freshwater Dance project (choreographing a new Mid North Coast of NSW dance work)
- Birpai Canoes
- Saltwater Freshwater Dance & Cultural Camp
- National Aboriginal Design Agency.

INDIGENOUS PROTECTED AREAS

Aboriginal people have managed their country for tens of thousands of years.

Many continue to do so through the declaration of Indigenous Protected Areas over Aboriginal land or sea.

These are formal agreements with Government to promote bio-diversity and cultural resource conservation.

Indigenous Protected Areas deliver more than environmental benefits.

Managing Indigenous Protected Areas helps Aboriginal communities to protect their significant cultural values for future generations and receive spin-off health, education economic and social benefits.

A number are in operation in the Northern Region.

An IPA operates on lands owned by the Glen Innes LALC known as The Willows.

The LALC purchased The Willows in 1987 after a successful application to the NSWALC.

The IPA was declared in March 2010

The Glen Innes LALC is now implementing a Plan of Management for the IPA.

A number of LALC members undertook traineeships in land management and allied industries on the property during the reporting period.

The Guyra LALC also have an IPA over two parcels of LALC owned land.

The LALC have established a separate entity to undertake land management and conservation activities on these lands.

Up to 12 local Aboriginal people are now employed through this important project.

The Nambucca Heads LALC continued to operate an IPA known as the Gumma Indigenous Protected Area which was declared in November 2011.

The LALC have established a Gumma IPA Advisory Committee.

It works closely with other stakeholders in the management of the IPA and the nearby Gaagal Wangaan National Park.

During the reporting period an IPA was declared over lands owned by the Jall LALC near Wardell.

The Ngyinya Jaragoonat IPA covers approximately 1000 hectares of land owned by the LALC and a Plan of Management is being implemented.

OTHER REGIONAL ACHIEVEMENTS:

North Coast Region

- Ngulingah LALC (Lismore) will receive funding of \$2.8M over the next 5 years to continue a Working on Country Program that focuses on restoring the biodiversity and traditional knowledge related to land and sites in the Nimbin Rocks area.
- Birrigan Gargle LALC (Yamba) received NSWALC approval to enter into a land dealing joint venture with an external partner to jointly develop LALC owned land at Iluka. The project will deliver about 164 residential housing

lots at Iluka over the course of the next 10 years. Further reports are required prior to a development application being lodged with the Clarence Valley Council. The project will generate employment opportunities for LALC members and an income stream from the sale of developed lots to the joint venture partners. Bogal (Coraki) and Grafton Ngerrie LALC received housing management accreditation from the NSW Aboriginal Housing Office (PARS) • FAHCSIA approved the transfer of housing assets from Malabuglimah Aboriginal Corporation to the Jana Ngalee LALC that is also located at the village of Malabuglimah. This transfer has resulted in a significant increase in the LALCs land and asset holdings;

- The North Coast Region LALC CEO's Forum continued to meet during the reporting period.

Mid North Coast Region

- Five of 11 LALCs achieved housing management accreditation with the AHO (PARS);
- Four of 11 LALCs have entered into head lease agreements with the AHO under the Build and Grow program. These LALCs obtained NSWALC approval to enter into the head leases as required under the ALRA.
- Coffs Harbour and District LALC opened a homework centre in the LALC offices. The establishment and operation of the homework centre is supported by Leightons Contractors.
- Nambucca Heads and Unkya LALCs formally joined as parties to the Gumbayngirr Native Title Claim. The LALCs were assisted by the Zone office and the NSWALC Legal Services Unit.
- Forster LALC worked in partnership with Native Title claimants (the Lakari Worimi Native Title Claim) to assist in settling a native title claim. This resulted in land being granted to the FLALC via the ALRA provisions and the Lakari claimant group also being granted land in settlement of their native title claim.
- Eight LALCs in the Mid North Coast region form the Wallung Trust. During the period the Trust disbursed funds to those LALCs and the remaining asset (a building in Kempsey) was put up for sale. The sale proceeds will be shared amongst the member LALCs.
- Kempsey LALC were granted title to an ex-quarry through the ALRA land claims process. The claim was initially refused but was granted after the refusal was appealed by the NSWALC on behalf of the KLALC.

Northern Region

- Several land claim refusals were appealed by LALCs in the Northern Region with the assistance of the the NSWALC Legal Services Unit. These successful appeals (Goomalee/ Armidale LALC and Limbri/Tamworth LALC) established valuable legal precedents for the land rights network;
- Tamworth LALC established a partnership with Back Tracks to operate a program targeting young people at risk of disengaging with the education system or coming into contact with the justice system. The program provides mentoring, training in rural skills and focuses on skills development and improvements in self esteem. The partnership of the LALC and Back Tracks have successfully negotiated a lease over an LLC owned property known as Trelawney Station located at Somerset, some 45 kilometres from Tamworth. The program is targeting young persons from the Tamworth, Gunnedah, Quirindi and Walhollow communities. The program is gaining support from a number of government and non government agencies;
- The Ashford LALC continued to operate an art gallery and cultural museum from their premises at Ashford;
- Coonabarabran LALC raised finance to purchase a commercial building within the township. The LALC intends to locate their offices in this new building and to generate income from leasing office space to local organisations and businesses;
- The Red Chief LALC at Gunnedah successfully operated a cultural program that culminated in the production of a ceremonial cloak made from possum skins;
- Guyra and Tamworth LALCs have scored 100% in their LMSS assessments;
- The following LALCs attained AHO PARS accreditation: Tamworth, Wanaruah, Red Chief, Moombahlene and Guyra;
- The Red Chief LALC received approval from the NSWALC to continue to manage their social housing scheme as required under the ALRA.
- The following LALCs received members and NSWALC approval to enter into housing head lease arrangements with the AHO: Coonabarabran, Amaroo and Armidale;

Southern Zone

This Zone Office operates from Queanbeyan, servicing a total of 34 Local Aboriginal Land Councils within its boundaries.

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

The Zone boundaries encompass two NSWALC regions:

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

Mr. Neville "Jack" Hampton and Mr. Craig Cromelin are the duly elected NSWALC Councillors for the South Coast and Wiradjuri Regions.

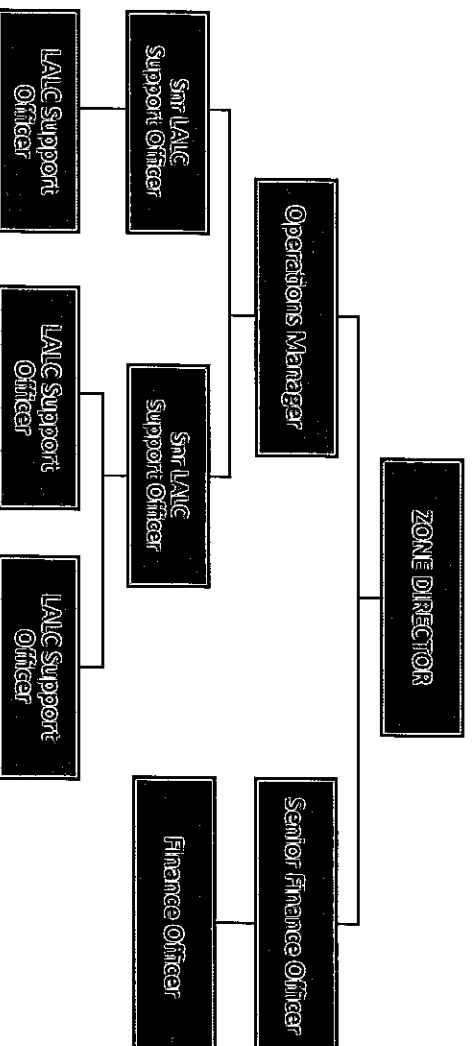
Southern Zone staff meet regularly with each Councillor to provide briefings on operational aspects of the Zone office and LALCs and any issue which may require the Councillors attention.

ZONE STAFFING

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

The Zone office is made up of two operational units, the LALC Support Unit and Finance Unit which work interdependently to provide efficient and effective service and support to the 34 LALCs within the Zone.

The staffing structure for the reporting period was as follows:-



The Zone office was successful in recruiting, Mr. Wesley Fernando to the position of Senior LALC Support Officer.

SUPPORT TO LALCS

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

This includes providing advice in relation to general operational matters, to preservation and protection of Aboriginal culture and heritage, land dealings matters, human resource matters, and providing assistance with negotiations with government on a range of issues.

All staff have a responsibility to deliver accurate and timely advice to assist LALCs to meet their responsibility under the Aboriginal Land Right Act (as amended) and NSWALC Policies.

REGIONAL ADVISORY COMMITTEE FORUMS

Three Regional Forums were convened in the Southern Zone area during 2012/13.

- Wiradjuri Regional Advisory Committee Forum, 12 & 13 September 2012, Wagga Wagga
- Wiradjuri Regional Advisory Committee Forum, 10 & 11 April 2013, Wagga Wagga
- South Coast Regional Advisory Committee Forum, 29 & 30 May 2012, Wagga Wagga

Participants were presented with information relating to services and programs that could benefit LALC operations and LALC membership.

These included presentations from Social Enterprise Finance Australia, NSW Office of Water, Department of Education, Employment and Workplace Relations, Aboriginal Housing Office and the Australian Indigenous Leadership Centre.

Participants discussed the Aboriginal Land Rights Act (ALRA) Review, the Ministerial Task Force consultations, Sustainability of the land rights network, the NSWALC Investment Fund, the Draft NSWALC Strategic Plan 2013-2017 and the NSWALCs Mining Exploration Licence Applications.

Discussions were also held on developments relating to the land claims appeal process and determinations, LALC training needs, Community Land & Business Plans, and the NSWALC Social Housing Approval and Provider Evaluation (SHAPE) policy, the LALC Management Support System and the NSWALCs Policy and Procedures on Local Aboriginal Land Council Funding and Financial Obligations.

STRATEGIC PLAN CONSULTATIONS

Two forums were also held during the reporting period to seek feedback from LALCs on the draft NSWALC Strategic Plan 2013-2017.

- South Coast Regional Forum, 5 October 2012, Batemans Bay
- Wiradjuri Regional Forum, 8 October 2012, Wagga Wagga

LALC BOARD ELECTIONS

The reporting period did not cover a full LALC Board election year.

As a result the staff in the Southern Zone was only required to assist with conducting casual vacancy elections as they arose.

A total of sixteen casual vacancy elections were held in the reporting period.

They resulted in the election of 33 new Board members--18 females and 15 males.

LALC TRAINING

Southern Zone staff continued to focus on the internal governance training of LALCs in 2012-13.

A total of 10 Board Members throughout both Wiradjuri and South Coast regions completed the online governance training on an individual basis.

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

Wiradjuri	No. Board Members completed	Completion date
Orange	1	3rd August 2012
Wagga Wagga	1	2nd September 2012
Condobolin	1	5th September 2012
Brungle Tumut	2	12th November 2012, 6th May 2013
Onerwal	1	16th October 2012

South Coast	No. Board Members completed	Completion date
Merrimans	1	12th July 2012
Cobowra	1	17th July 2012
Batemans Bay	1	31st July 2012
Mogo	1	5th April 2013

The Southern Zone office also conducted workshops to assist LALCs in the preparation for the 2013-2014 Budget Application process.

A total of fifteen participants attended the budget training which is provided each year to LALC CEO's.

Indigenous Leadership training was also conducted by the Australian Indigenous Leadership Centre.

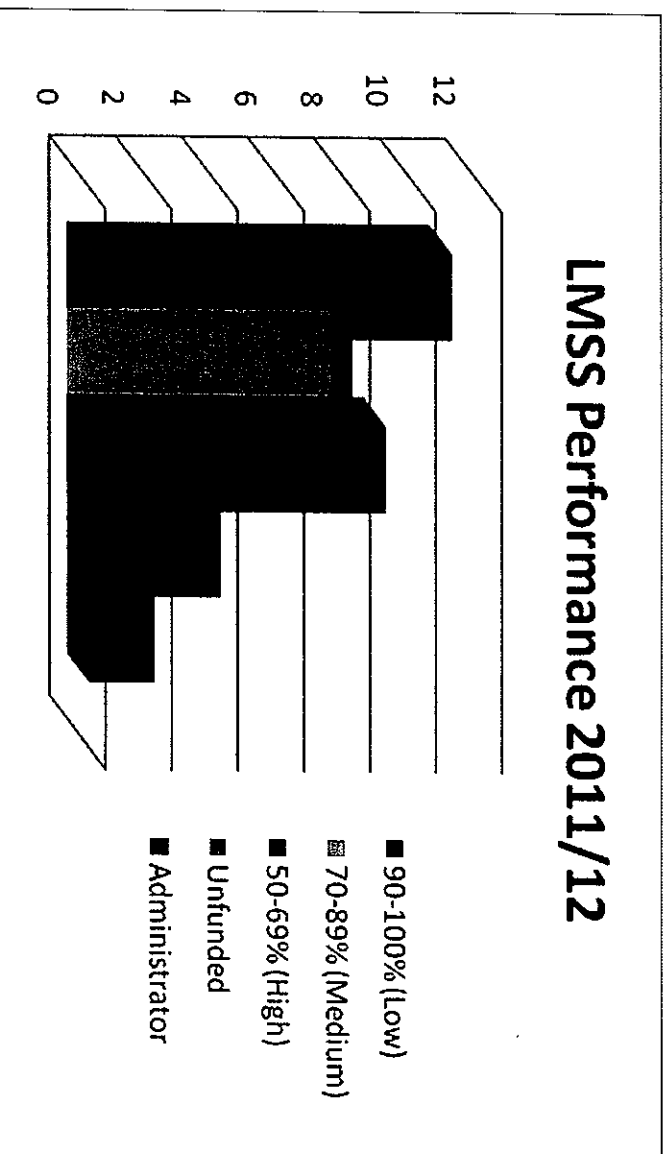
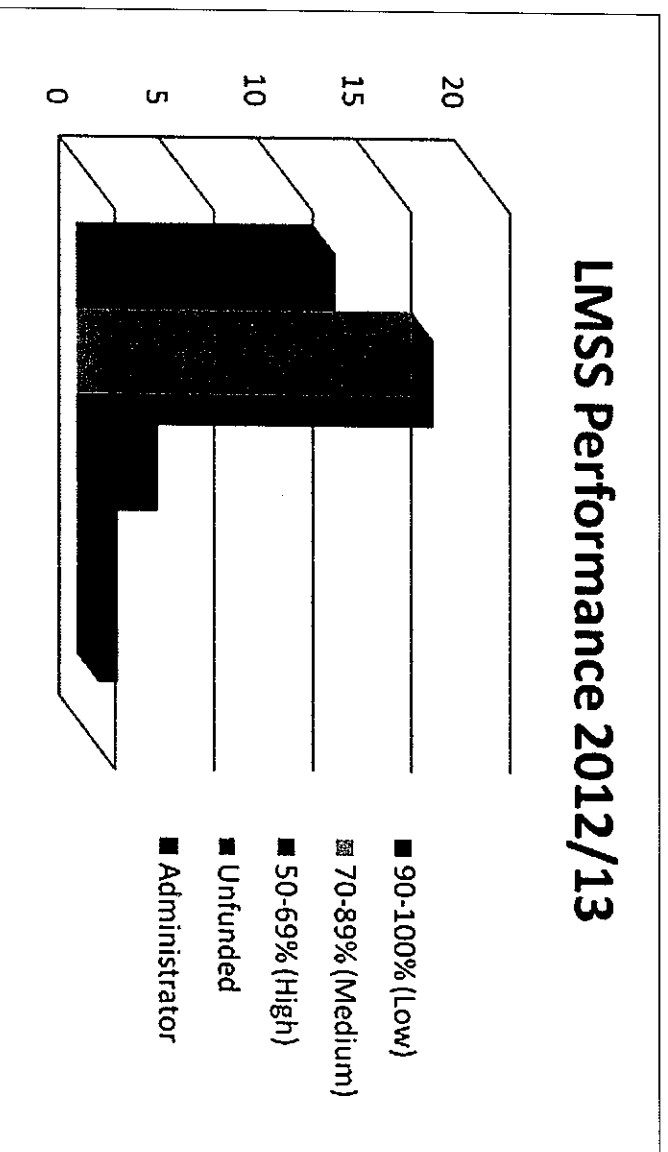
The training was held on the 22nd of May 2013.

Ten participants from both the Wiradjuri and South Coast regions attended and the feedback was positive.

LALC MANAGEMENT SUPPORT
 As noted earlier the LALC Management Support System (LMSS) program promotes an effective level of compliance by LALCs with the ALRA, the funding policy and the individual funding agreement.

The LMSS acknowledges that different LALCs pose different levels of risks to the network.

The following graphs outlines LALC risk ratings achieved in the 2011-2012 & 2012-13 financial years, within the Wiradjuri and South Coast regions utilising the LMSS:



Significant results were achieved within both the South Coast Region and the Wiradjuri region in the 2012/13 financial year.

A total of 73 LMSS assessments were conducted with LALCs in both regions in the 2012/13 financial year.

The chart below provides an overarching comparison of LALC movements in terms of risk rating over the 2011/12 – 2012/13 financial years.

End of Financial Year Risk Rating - South Coast LALC's	2011-12	2012-13
High Risk: 50-69%	4	1
Medium Risk: 70-80%	3	7
Low Risk: 90-100%	3	2
Unfunded	3	2
Administrator	0	1
End of Financial Year Risk Rating- Wiradjuri LALC's	2011-12	2012-13
High Risk: 50-69%	6	2
Medium Risk: 70-80%	6	9
Low Risk: 90-100%	8	10
Unfunded	0	0
Administrator	1	0

The Southern Zone works collectively with LALCs to adapt to the environment of change to meet compliance requirements whilst maintaining LALC operations.

LALC SOCIAL HOUSING ACTIVITY

The Southern Zone continued to finalise assessments of SHAPE applications for LALCs seeking NSWALC approval during the reporting period.

The Southern Zone staff also attended LALC members meetings to provide detailed information and support in relation to NSWALC Social Housing Approval and Provider Evaluation (SHAPE) to all LALCs who are considering the future management of their Social Housing Schemes.

Information workshops on SHAPE were provided to LALCs in conjunction with staff from New South Wales Aboriginal Housing Office on the AHO's "Build and Grow" Strategy.

Southern Zone received a total of fourteen pre-assessments from LALCs in 2012/13.

Of these, three applications graduated to final assessment with one LALC receiving NSWALC approval under SHAPE during the reporting period.

A number of LALCs were still considering their options in relation to the ongoing management of their social housing scheme at the end of the reporting period.

COMMUNITY LAND AND BUSINESS PLANS

All but two of the 34 Southern Zone LALCs had NSWALC Approved Community Land and Business Plans in place during this reporting period.

Twelve had expired, with two receiving member and NSWALC approval for revised plans.

The remainder were reviewing their plans. These were expected to be completed and approved by December 2012.

One of the others LALCs had submitted its CLBP to NSWALC for approval. The remaining LALC is expected to have its plan completed during 2013/14.

Nine CLBP's are scheduled to expire during the next reporting period.

Those LALCs are currently reviewing their plans in order to seek NSWALC approval.

LAND CLAIMS, DEALINGS AND MANAGEMENT

A priority for the Southern Zone office during 2012/13 was assisting and guiding LALCs, in conjunction with NSWALC Commercial Unit, with the Land Dealings process in relation to Head Leasing of LALC Social Housing Scheme to the Aboriginal Housing Office (AHO).

During the reporting period the Southern Zone provided advice and support to the following LALCs who successfully held land dealing decisions in relation to Head Leasing proposals:

Batemans Bay LALC – Approved by NSWALC, February 2013

Griffith LALC – Approved by NSWALC, June 2013

Murrin Bridge LALC – Approved by NSWALC, December 2013

Young LALC – Approved by NSWALC, May 2013

The Southern Zone also provided guidance to LALCs who are considering Head Leasing to AHO but did not submit a proposal to their members at the time the reporting period ended.

In addition to Land Dealings decisions regarding Head Lease the Southern Zone continued to provide advice and support to LALCs throughout the reporting period to with regards to the following successful Land Dealings decisions:

Eden LALC – Land Dealings
Proposed grant of easement and land swap with the State Government to correct conveyancing errors by the State Govt

Ngambri LALC – Land Dealings
Multi lot residential subdivision and development in Lowe Street, Queanbeyan.

Young LALC – Land Dealings
Lease to NBN Co.

The Southern Zone also provided support to LALCs throughout 2012/13 with regards to identifying, protecting and preserving culture and heritage within their boundaries and secure areas of land through successful land claims. The following Land Claims were successfully appealed by NSWALC on behalf of the following LALCs in the Southern Zone area during the reporting period:

Wamba Wamba LALC

The Land and Environment Court (LEC) issued consent orders on 31 May 2013 settling a land claim appeal in favour of Wamba Wamba LALC in relation to a parcel of land reserved for “public pound” adjacent to the Wamba Wamba reserve.

Nowra LALC

On 5 April 2013 the LEC made orders settling a land claim appeal known as ‘Budgong’ over two large parcels of land covering 240 hectares near Bugong Road near the Shoalhaven River in Nowra on behalf of Nowra LALC. Nowra LALC claimed the land on 23 March 2000 and the Minister refused the claim in February 2011.

West Wyalong LALC

On 15 March 2013 the LEC made orders upholding NSWALC’s appeal of ALC 15509 over Lot 7002 in DP1127140 to be transferred to West Wyalong LALC.

The Minister refused this claim on the grounds that the claimed lands were lawfully used and occupied under licences for grazing.

The NSWALC appealed the Minister’s refusals because the lands were reserved for Trigonometrical (ALC15509) and Public Recreation (ALC 8248 & 8249) purposes, and asserted that the grazing licences were, therefore, not lawful.

Cobowra LALC

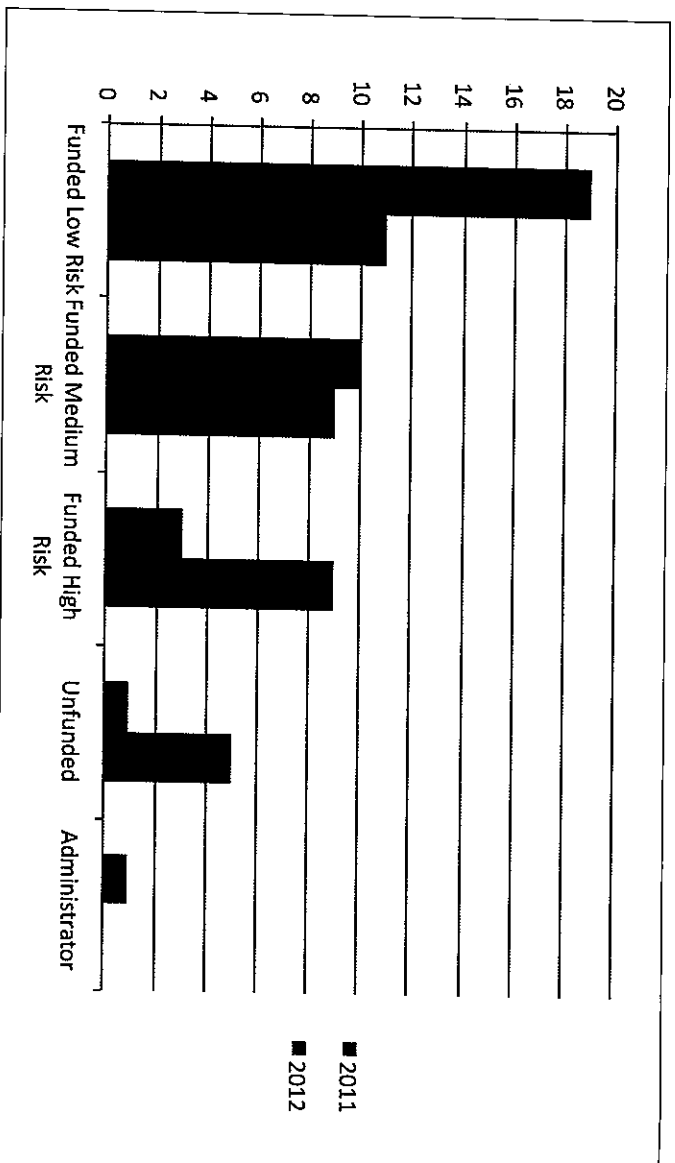
The LEC upheld NSWALC’s appeal of ALC 7484 which was lodged by NSWALC over land on Lake Turross, on the Princes Highway, on 14 February 2006.

The Minister for Crown Lands refused a small part of ALC 7484 on 12 October 2011 for the reason that when the claim was lodged the land was lawfully used and occupied pursuant to a Crown licence for activities related to commercial oyster farming.

MONITORING AND COMPLIANCE

A total of thirty three Funding Agreements and four Assistance Agreements were offered to LALCs during the reporting period.

The status of LALC funding categories are outlined in table below:



The graph represents comparative funding between the 2011/2012 financial year and the prior reporting period.

It demonstrates a decrease in the number of both low and medium risk rated LALCs and an increase in the number of high risk rated and unfunded LALCs.

This is considered a reflection of the deployment of the new version of the LALC Management Support System during the reporting period and an increase in the number of LALCs unable to elect a Board.

The Southern Zone office developed and implemented a strategy during the current reporting period to make operational payments to three LALCs with ongoing audit qualification issues.

Two were assisted under the discretionary power of the delegate under the Funding Policy.

This involved providing assistance agreements to each LALC to enable payments of operational expenditure, and also to assist each LALC in recruiting Chief Executive Officers and/or the election of Board members, this in turn assisted with the resolution of outstanding compliance matters.

Southern Zone staff provided intensive support to all LALCs during the reporting period to resolve issues.

As a result the LALC that was under an administrator now has an elected Board in place.

It was expected to return to a funded position early in the new reporting period.

Another unfunded LALC under an assistance agreement was also expected to return to a funded category early in the 2013-2014 period.

Western Zone

The Western Zone office covers a large area of New South Wales.

Its administrative reach extends from Toomelah and Boggabilla in the north, Bourke in the west and to Mudgee in the east.

The purpose, aims and functions of the Western Zone are focused on implementing the objectives of the NSWALC Corporate Plan, through the Western Zone Operational Plan.

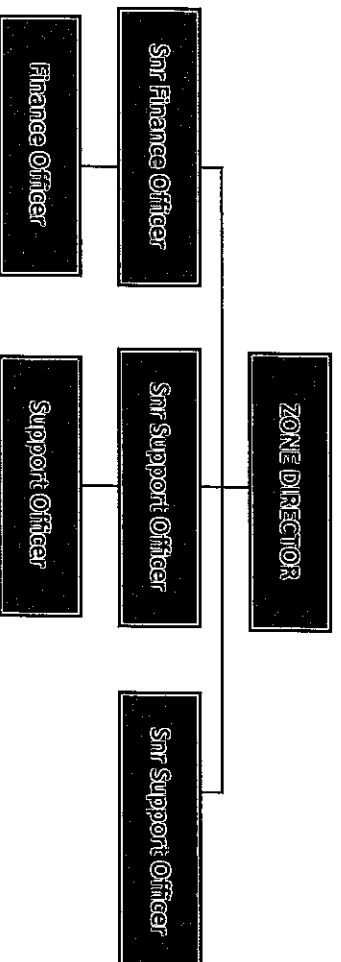
There are 25 Local Aboriginal Land Councils within two regions (Central - 9; and, North West - 16). Councillor Stephen Ryan represents the Central Region; and Councillor Anne Dennis, the North Western Region.

The Zone Office Staff, under the leadership of Director, Tony Sutherland, worked closely with the two NSWALC Councillors throughout the reporting period.

The staff also provided regular and extended outreach services to LALCs in the Western Zone during the reporting period.

HUMAN RESOURCES

The staffing structure is depicted below:



SUPPORT TO LALCS

Zone staff members have responsibility for delivering two primary, and at times, competing roles to LALCs.

The first is to monitor LALC compliance with their responsibilities under the ALRA.

The second is to provide support and advice to LALCs to assist with capacity development.

MONITORING AND COMPLIANCE

The NSWALC utilises two key monitoring and compliance processes:

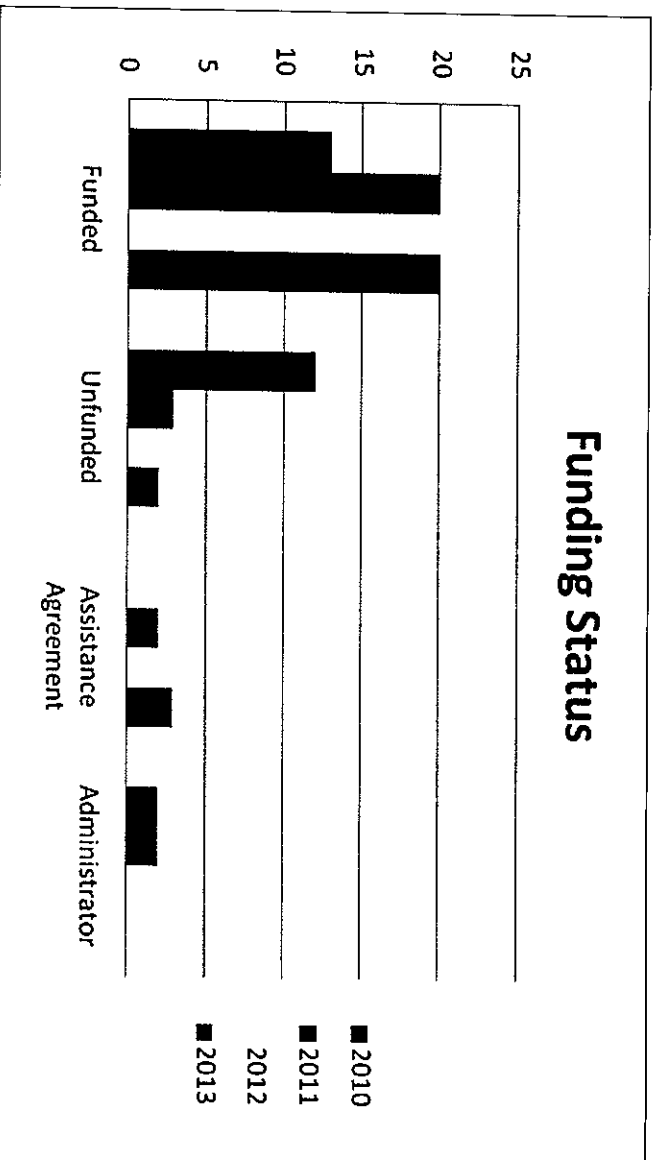
1. The LALC Compliance database; and
2. The LALC Management Support System

These tools enable the NSWALC to determine whether a LALC has met their compliance responsibilities; and, have a performance / risk rating that allows the NSWALC to provide funds to LALCs in a legal and responsible manner.

Compliance and Funding Status

The Western Zone staff provides monitoring and support to LALCs to assist them meet their responsibilities and obligations under the Aboriginal Land Rights Act (1983).

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

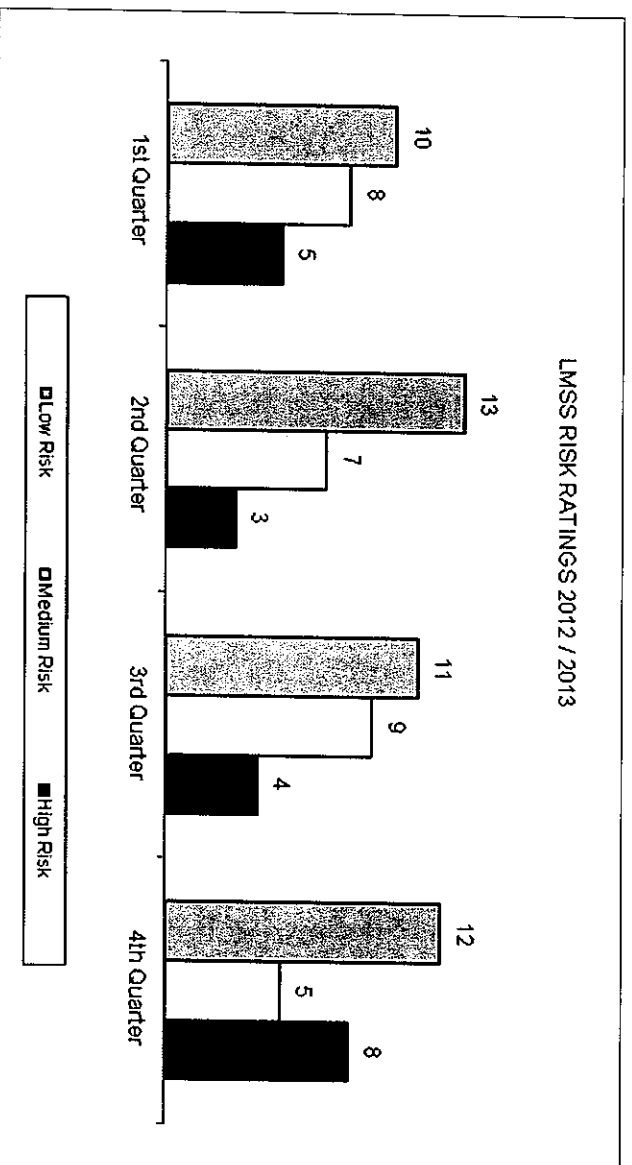


- A total of twenty funding agreements and three assistance agreements were offered to LALCs during the reporting period.

LALC MANAGEMENT SUPPORT SYSTEM

As noted earlier in this report, the LALC Management Support System (LMSS) is a risk and performance tool utilised by the NSWALC to assess LALC operations in a number of critical operational areas.

LMSS risk assessments for the Western Zone are depicted below.



The graph shows a considerable and overall improvement in performance and the mitigation of risk areas.

It should be noted the decrease in medium risk LALCs and the subsequent increase in the number of high risk LALCs in the fourth quarter were predominately a result in the changeover of LALC staff.

It is anticipated that the number of high risk LALCs will reduce in the next quarter as new staff become more familiar with LALC operations.

SUPPORT AND CAPACITY DEVELOPMENT

A number of capacity development initiatives were provided to LALCs during the reporting period.

These included the provision of mandatory governance training to LALC Board members and operational training to LALC CEO's.

Western Zone staff and the NSWALC Training and Development Unit conducted a number of workshops to provide this training to new Board Members.

Zone staff also acted as returning officers during mandatory LALC Board and casual vacancy election.

Significant training was also provided to LALC CEO's in many operational areas.

This training has been provided in conjunction with LMSS assessments, or if necessary, in between assessments for LALCs that need more intensive assistance.

Training has been provided to LALCs in the following areas:

1. Office Administration;
2. Property Management;
3. Financial Management;
4. Human Resource Management; and
5. Governance

The provision of training and other capacity building initiatives has resulted in significant improvement in operational performance and ALRA compliance.

REGIONAL FORUMS

A number of Regional Forums were conducted during the reporting period and were attended by representatives from Local Aboriginal Land Councils in each Region.

The forums provided information about NSWALC's Social Housing application and assessment processes and provided LALCs with an opportunity to voice concerns on issues of particular interest to them. They are also a valuable opportunity to share information.

WATER AND SEWERAGE

As noted earlier, the NSWALC and the NSW Government have combined to fund the Aboriginal Communities Water and Sewerage Program to ensure the water and sewerage services in Aboriginal communities are operated and maintained to the standard normally provided in the wider community.

As a result of an extensive consultation and infrastructure / service review, fourteen Water and Sewerage Management Plans have been developed across this region.

The development of these plans is crucial to ensure the water and sewerage infrastructure requirements in each community are met.

Zone staff continues to monitor the roll out of the program and work with LALCs and the New South Wales Office of Water to resolve issues as required.

COMMUNITY LAND AND BUSINESS PLANS

Over the past four years, the Western Zone has been largely focused on monitoring and compliance, early intervention through LMSS and, capacity building.

As a result, LALC governance and operational performance has improved considerably; and, this now provides an opportunity to focus on improving communities in the Western Zone through economic development.

This focus on economic development was underpinned by a review of all LALC CLBP's.

It identified that 20 out of 25 LALC CLBP's were either expired or about to expire.

The Western Zone successfully sought support from DEEWR to engage a consultant to provide training to all LALC boards and CEO's to enable them to: