

ANNUAL REPORT
DEPARTMENT OF
INDIGENOUS AFFAIRS
2006/07





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ISSN 1441-6409

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MICHELLE ROBERTS, MLA
MINISTER FOR INDIGENOUS AFFAIRS

In accordance with the requirements of Sections 61(1) of the *Financial Management Act 2006*, I hereby submit to the Minister for Indigenous Affairs for information and presentation to Parliament, the Annual Reports for the Department of Indigenous Affairs and the Aboriginal Affairs Planning Authority for the financial year ended 30 June 2007.

These Annual Reports have been prepared in accordance with the provisions of the *Financial Management Act 2006*.

Jackie Tang

ACTING DIRECTOR GENERAL

7 September 2007

DIRECTOR GENERAL'S OVERVIEW

To truly progress initiatives that will improve Indigenous peoples' quality of life, it is critical the Department of Indigenous Affairs (DIA) continues to engage Indigenous people in genuine partnerships. Indigenous people have consistently demonstrated their commitment to both address the complex problems being experienced in some of their communities and to maximise social and economic opportunities for all Indigenous Western Australians.

Equally, Government agencies must enhance the level of coordination and collaboration across delivery agencies to ensure Indigenous people, at the very least, receive an adequate level of service comparable to non-indigenous communities.

One of my first priorities since taking up the position of A/Director General has been to establish a Directors' General Group on Indigenous Affairs. This has a clear focus of ensuring coordination of Government activities and improving the delivery of services to Indigenous people. The Group also monitors progress of the Gordon Action Plan, oversees the operational response to child abuse in the East Kimberley and is addressing the six outcome areas for the Commonwealth and State Bilateral Agreement on Indigenous Affairs.

Another priority area for the Department in 2006/07 has been the development of an Indigenous Affairs Service Framework. This will be completed by the end of 2007 and is an essential tool in guiding and improving service delivery to Indigenous people across the state.

The responsibilities of the Department are diverse and complex. Key functional areas include heritage protection, estate management and co-ordination of Indigenous services across the State of Western Australia. All functions require an intense level of collaboration, coordination and real partnerships with Indigenous people and organisations.

In a period of significant change in Indigenous Affairs, genuine engagement and consultation with Indigenous people is the basis for authentic working partnerships and will remain the priority focus and key challenges going forward into the new year.

Reconciliation is at the heart of the State Government's commitment to relationships with Indigenous people, which are based on trust, respect, equity and inclusiveness. During the year the Government progressed Reconciliation by making it a requirement that all State Government agencies prepare Reconciliation Action Plans.

Developing the project scope and examining policy options for Stolen Wages, a practise that involved the withholding of wages and entitlements through policies and past legislative regimes, was further evidence of the strong commitment to Reconciliation.

DIA is taking a lead role in Reconciliation in Western Australia through practical activities, such as cultural awareness training and support and grants and educative programs that encourage a deeper understanding between Indigenous and non-Indigenous people. That role is also reflected in the Department's leadership approach to the strategic coordination that encourages Government Departments to work together to deliver improved services and better results to and for Indigenous people.



The experience, expertise and commitment of the Aboriginal Lands Trust (ALT) and the Aboriginal Cultural Material Committee (ACMC) is invaluable in supporting the work of the Department and I extend my sincere thanks to the ALT and ACMC for their continued professionalism and dedication in exercising their responsibilities.

I would also like to acknowledge the work of Amanda Cattermole and Lex McCulloch for their dedicated work whilst acting in the position of Director General for the various periods over the past twelve months.

In my short time in the agency, I have been impressed with the commitment of staff to deliver improved outcomes for Indigenous people and thank them for their continued enthusiasm to achieve this goal.

I am confident that in looking forward, the role of the Department can be strengthened to deliver significantly improved outcomes for Indigenous people.

Jackie Tang

ACTING DIRECTOR GENERAL

7 September 2007

GLOSSARY OF TERMS

AADAboriginal Affairs Department
AAPAAboriginal Affairs Planning Authority
AAPA ActAboriginal Affairs Planning Authority Act 1972
AASAustralian Accounting Standards Bureau
ACAAboriginal Communities Act 1979
ACESSCAboriginal Community Essential Services Steering Committee
ACMCAboriginal Cultural Materials Committee
AHAAboriginal Heritage Act 1972
AHRUAboriginal Heritage Research Unit
AIFRSAustralian Equivalents to International Financial Reporting Standards
ALTAboriginal Lands Trust
ATBCAboriginal Town Based Community
ATSIHPAAboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth)
BMIEABurrup and Maitland Industrial Estates Agreement
CAMsCommunications and Marketing
COAGCouncil of Australian Governments
DAIPDisability Access and Inclusion Plan
DCPDepartment of Child Protection
DECDepartment of Environment and Conservation
DHWDepartment of Housing and Works
DIADepartment of Indigenous Affairs
DOIRDepartment of Industry and Resources
DOTARSDepartment of Transport and Regional Services
DPCDepartment of the Premier and Cabinet
DSCDisability Services Commission
EDRMSElectronic Document Records Management System
EEOEqual Employment Opportunity
EOCEqual Opportunity Commission
FACSIADepartment of Families, Community Services and Indigenous Affairs
GESBGovernment Employees Superannuation Board
GESBSGovernment Employees Superannuation Board Scheme
GSSGold State Superannuation Scheme
GSTGoods and Services Tax
ICCIndigenous Coordination Centres
ICGPIndigenous Community Governance Project

GLOSSARY OF TERMS IEHCCIndigenous Environmental Health Coordinating Committee

IMInformation Management KISKimberley Interpretive Centre MAGA Mapping and Gap Analysis MCAMinisterial Council of Australia MCATSIAMinisterial Council of Aboriginal and Torres Strait Islander Affairs MOBS Managing Our Business Services MOUMemorandum of Understanding MSOManagement Support Officer NRMNatural Resource Management NTRBNative Title Representative Body ONTOffice of Native Title ORACOffice of the Registrar of Aboriginal Corporations OSHOccupational Safety and Health OSHPAGOccupational Safety and Health Policy and Advisory Group PALSPartnership Acceptance Learning Sharing PLBPriority Locations Branch PMPPlace Management Program

RPARegional Partnership Agreement

SCRIPTSouth Coast Regional Initiative Planning Team

SRAShared Responsibility Agreements

SROState Records Office

TEETertiary Entrance Examination

UIGUrgent Issues Group

RAESPRemote Area Essential Services Program

RKPRecord-Keeping Plan

WAIFSWestern Australian Indicator Frameworks System
WAIRCWestern Australian Indigenous Reference Committee
WAPSWestern Australian Police Service

WSSWest State Superannuation Scheme

DEPARTMENT OF INDIGENOUS AFFAIRS' (DIA) STRATEGIC PLAN 2006-2010

VISION

A society where there is equality, mutual respect and understanding between Indigenous and non-Indigenous people.

MISSION

To lead action that will enhance life opportunities for Indigenous people.

STRATEGIC OBJECTIVES

DIA's strategic objectives are targeted to achieve "A society where there is equality, mutual respect and understanding between Aboriginal and non-Aboriginal people".

DIA's strategic objectives are:

Lead and influence the development of policy, planning and improved delivery of services to Aboriginal people in Western Australia.

Promote reconciliation and respect for Indigenous history, heritage and culture.

Manage and protect places of significance to Indigenous people in Western Australia and manage the Aboriginal Lands Trust (ALT) estate.

To achieve these objectives, DIA:

- Fosters relationships that promote the State Government's Statement of Commitment to a New and Just Relationship with Indigenous people.
- Advises Government on the strategic management of its Indigenous affairs policies.
- Advises Government on its progress in achieving Indigenous affairs goals.
- Works with key agencies to achieve reforms in legislative, policy, and planning and budgeting systems.
- Promotes awareness and appreciation of Indigenous culture, history and contemporary issues.
- Delivers services in land, heritage and culture, community patrols and community engagement.
- Develops and promotes agreement and partnerships that address service inequities.

CORPORATE VALUES AND BEHAVIOURS

Values

Excellence, Integrity, Mutual Respect, Collaboration

Our Behaviours

We are committed to the personal and professional behaviours set out in:

- The Department of Indigenous Affairs Code of Conduct
- The Department of Indigenous Affairs Customer Service Charter

We believe in a work environment characterised by diversity, cultural awareness and safe and sustainable work practices.

Links between goals, desired outcomes and services

DIA works with Indigenous people, local, State and Federal agencies, as well as non-government organisations, to identify the key issues affecting Indigenous people, provide advice to Government and build the partnerships necessary to create sustainable change in the lives of the most disadvantaged citizens in the State.

DIA undertakes activities within each of the State Government's five key strategic goals:

- Better Services;
- Jobs and Economic Development;

DEPARTMENT OF INDIGENOUS AFFAIRS' (DIA) STRATEGIC PLAN 2006-2010

- · Lifestyle and the Environment;
- · Regional Development; and
- Governance and Public Sector Improvement.

The "Better Services" goal, which best reflects the majority of DIA work is the State Government's goal of "enhancing the quality of life and well-being of all people throughout Western Australia though the provision of high quality, accessible services".

Government Goal	Desired Outcome	Services
Better Services: - Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	Sustainable improvement in social, cultural and economic outcomes for Indigenous people.	 Support to Partnerships, Partnering Initiatives Information and Advice

Changes to desired outcomes, services, KPIs for the Aboriginal Affairs Planning Authority

In June 2007, the Outcome Structure Review Group approved indicators for the Aboriginal Affairs Planning Authority (AAPA). It had been accepted practice since 1986 for the AAPA to adopt the same indicators as DIA and that they be determined and reported as part of DIA indicators.

The AAPA is a statutory authority, where the Minister is the Authority. The AAPA employs no staff and all services are provided free of charge by DIA, as the Department charged with the responsibilities to administer the requirements of the *Aboriginal Affairs Planning Authority Act 1972* (AAPA Act). Most functions assigned under the AAPA Act are typically undertaken by DIA and would continue to be reported under the existing DIA measures. The new indicators deal with those specific and limited functions that are carried out under the AAPA Act.

Performance indicators of the AAPA, as approved by the Outcomes Structure Review Group are:

Approved Outcomes Based Management structure for the Aboriginal Affairs Planning Authority for 2006-07				
Government Local	Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.			
Agency level government desired outcome	The use and management of the land held by the ALT, or for which the ALT is in any manner responsible, accords with the wishes of the Aboriginal inhabitants of the area so far as that can be ascertained and is practicable.			
Key effectiveness indicator	Proportion of Aboriginal Organisations involved in Land Management who found the Authority's management of the land estate was in accordance with the wishes of its Aboriginal inhabitants.			
Service	Estate management (of ALT lands).			
Key efficiency indicator	Average cost per hectare of estate managed.			

HIGHLIGHTS FOR THE YEAR 2006/2007

STRATEGIC PURPOSE 1 - Lead and influence the development of policy, planning and improved delivery of services to Aboriginal Western Australia.

- Defined key concepts that form the basis for the development of a Whole of Government Framework for Indigenous Services.
- Led the development of the Western Australian Indicator Frameworks System (WAIFS) in partnership with the Australian Bureau of Statistics and the Department of the Attorney General.
- Convened a meeting of all relevant Western Australian Directors General to progress the six outcome areas of the Bilateral Agreement and commence the setting up of a State Co-ordinating Committee including both State and Commonwealth departments.
- Undertaken extensive work in the negotiation of the joint Strategic Intervention funding package with the Commonwealth Government.
- Provided more than \$1.831m funding to support twenty Indigenous Community Street Patrols by 18 service providers throughout Western Australia.
- Supported the development of Aboriginal Justice Agreements by identifying key Indigenous individuals and organizations to be involved in the development of plans, forums and the State Aboriginal Congress.
- Completed research on "A Homelessness Study in the East and West Kimberley," as part of the strategic commitment of the Kimberley Interagency Working Group.
- Commissioned a Town Reserves Options paper in the Pilbara to inform the Bi-lateral Agreement implementation.
- Partnered with the Department of Housing and Works (DHW), the Commonwealth Indigenous Coordination Centre (ICC) and the local community and employed a Government Services Coordinator to coordinate the delivery of essential, municipal and housing services to the residents in Beagle Bay.
- Assisted in the coordination of a whole-of-government response to issues of child abuse and social dysfunction in Halls Creek.
- Partnered with the City of Bunbury and funded a Community Project Officer to oversee and assist with the progress of the Indigenous community development initiatives.
- Strengthened the partnership with the Wunan Foundation to provide capacity building and governance training to selected communities in the East Kimberley.
- Developed Community Visitors Strategies for Port Hedland, Newman and Halls Creek to address the issues of homelessness, visitors and overcrowding.
- Developed the "Pathways to a Better Future" strategy.
- Convened an interagency planning workshop, which involved over sixty representatives from thirty-one State, Commonwealth and Local Government agencies.
- Undertook Mapping and Gap Analysis (MAGA) in the Western Desert and Roebourne and continued the implementation of existing MAGA sites in Wiluna, Derby and Port Hedland.
- Coordinated the State's position to sign both the Port Hedland and East Kimberley Regional Partnership Agreements.
- Co-ordinated the development and proclamation of two new sets of by laws for Warmun and Parnpajinya communities.



STRATEGIC PURPOSE 2 - Promote reconciliation and respect for Aboriginal history, heritage and culture.

- Funded 25 projects supporting various reconciliation initiatives throughout the State totalling \$96,053. Additionally 12 projects supporting various heritage initiatives were also funded totalling \$96,595.
- Completed the first phase of implementation of process and system improvements for the administration of the *Aboriginal Heritage Act 1972* (AHA) in accordance with the Keating Review.
- Undertook site surveys in the Stirling Range National Park Discovery Centre in consultation with Noongar stakeholders and commenced development of the associated Heritage Management Plan.
- Implemented the first phase in improving the administrative processes that support the AHA, the Aboriginal Cultural Material Committee (ACMC) and advice to stakeholders.
- Registered over 1,088 new Aboriginal sites during 2006/07 so that as at 30 June 2007 there were 24,293 registered Aboriginal sites.
- Received more than 55,000 Internet and 4000 manual enquiries relating to site searches and heritage survey reports.
- Undertook eight regional heritage planning workshops to identify priority heritage sites across the state.
- Developed 10 site-specific regional heritage project plans for specific heritage management activities.
- Partnered with the Great Southern Development Commission and the University of Western Australia to complete the Stirling Range Cultural Heritage Mapping project.
- Partnered with the South Coast Regional Initiative Planning Team (SCRIPT) to initiate a number of site based protection and management rehabilitation projects.
- Completed Stage 1 of the South Coast Heritage Assessment Project, which identified priority cultural heritage sites requiring protection or restoration following broad consultation with the Noongar community.
- Supported the Derbyl Yerrigan Committee with the planning phase of the Yagan Memorial Park.
- Commenced planning and discussions with Martu people regarding the Trotman's Cave and Nimijarra Highway Projects.
- Responded to 10 reports of skeletal material exposed through natural means or as a result of development
 activities. Actively involved community members throughout the State in ensuring appropriate
 management of exposed material through consultation for each re-burial project.
- Commenced the drafting of a Cultural Heritage Management Plan for the national heritage listed Dampier Archipelago.
- Appointed two DIA senior heritage officers to work on the national heritage listed Dampier Archipelago with an office co-located with the Department of Environment and Conservation in Karratha.
- In 2006/07 more than 300 individual requests for information were made under the archive program and more than 280 under the family history program.
- The Aboriginal History Research Unit (AHRU) provision of Aboriginal historical research has become a critical component in Native Title claim processes. In 2006//07, the State and the Native Title Representative Bodies (NTRBs) gained access to 1189 files for purposes of native title.
- Held six Family History workshops and displays throughout the State.
- Monitored the progress of the 125 initiatives of the Government Action Plan in response to the Gordon Inquiry and categorised them as integrated, completed, superseded or in progress.

HIGHLIGHTS FOR THE YEAR 2006/2007

- Developed and finalised a Cultural Awareness Training Package.
- Continued the successful partnership with BHP Billiton Iron Ore and enhanced school participation in the PALS Reconciliation Awards, which included the active participation of about 20,000 students from 100 schools in 2006.
- Undertook an evaluation of PALS, which was conducted among educators and students in participating schools and revealed that PALS was credited with positive changes in many areas.

STRATEGIC PURPOSE 3 - Manage and promote places of significance to Aboriginal people in Western Australia and manage the Aboriginal Lands Trust estate.

- Implemented the Looking after Country program successfully with 21 grants valued at \$296,000 awarded to Indigenous organisations across the State.
- Partnered with the Commonwealth Government Department of Environment and Water Resources and the State Department of Environment and Conservation to review the State's commitment to the Indigenous Protected Area program.
- Approved 77 land use development applications for the ALT estate in accordance with the ALT's Land Use and Development Policy in 2006/07.
- Assessed and made recommendations to the ALT for a further 17 leases/subleases on the ALT estate for various purposes.
- Developed and implemented an innovative 'online' application and processing system for 'transit' entry permits for the ALT estate.
- Issued 3365 transit permits for the ALT estate for the period.
- Issued 32 entry permits for mining and exploration purposes ('mining' entry permits) for ALT held lands in 2006/07.
- The ALT approved the transfer of an additional 11 properties. The deeds of transfer for nine properties in the Esperance region were signed by the ALT in June. The ALT has also agreed to sign the deeds of transfer for another two properties in Broome.
- Partnered with a number of the State's NTRBs and others with on-ground priority land and sea management projects under the auspices of Memoranda of Understanding (MOUs) between the NTRBs, DIA and the ALT.
- Established a partnership with the Kimberley Land Council to develop the Kimberley Ranger Initiative.



In the year ahead DIA will focus on improving outcomes for Indigenous people by improving coordination, collaboration and engagement. These fundamental principles are integral in the priority projects below.

- 1. Implement the Commonwealth and State Bilateral Agreement on Indigenous Affairs.
- 2. Develop the Indigenous Affairs Services framework the blueprint for action and the single coordinated Indigenous Affairs budget.
- 3. Participate in a national research project (sponsored by the Ministerial Council for Aboriginal and Torres Strait Islander Affairs) on understanding the changing Indigenous demographics and the implications for future public policy.
- 4. Implement targeted intervention strategies in locations such as Halls Creek and Kalumburu, aimed at improving governance, planning and service delivery.
- 5. Implement the State's commitments under Regional Partnership and other agreements.
- 6. Collaborate with regional organisations to foster opportunities addressing local issues around governance, capacity building, employment, economic development opportunities and youth.
- 7. Promote and facilitate the development of reconciliation Action Plans within the State Public sector.
- 8. Stolen Wages the State Government approved a Task Force to examine and prepare advice on future stolen wages policy options. The Task Force is required to report back to Cabinet with their findings by 30 June 2008.
- 9. Gordon Inquiry Action Plan monitoring and reporting complete the Phase One evaluation.
- 10. Strategic review of the ALT estate program.
- 11. Evaluate means to derive economic benefits from the ALT estate.
- 12. Continue the ALT's commitments under MOUs with NTRBs with regards to prioritised transfers, leasing and land management initiatives.
- 13. Undertake a strategic business review, and evaluate administrative processes in the Heritage and Culture branch in relation to advice and enforcement.
- 14. Develop and implement an improved assessment framework applicable to the *Aboriginal Heritage Act* 1972 and progress development of an online service for lodging section 18 applications, incorporating process improvements, standards and data quality improvements.
- 15. Manage Indigenous heritage on the Dampier Archipelago through completion of the archaeological surveys, development of a Heritage Management plan and supporting the Ranger program.
- 16. Promote awareness of Indigenous heritage and culture through priority initiatives and with local regional heritage initiatives.
- 17. Complete the Swan River Aboriginal Heritage Walk Trail.
- 18. Corporate Governance/Corporate performance/Project Management.

THE DEPARTMENT

DIA is a Western Australian Government agency established pursuant to the Public Sector Management Act 1994 (WA). In 1995, when the Department was created, it brought together the Department of Aboriginal Sites, the Aboriginal Affairs Planning Authority and a specialist land office in the Department of Premier and Cabinet. Today, the Department's role still reflects the work of these three bodies.

Under the AAPA Act the Department is responsible for advising government on the adequacy, implementation and coordination of services to Aboriginal people in Western Australia. The Department leads policy development on key issues affecting the lives of Indigenous Western Australians and cross-government strategies to improve program planning and coordination. It engages with the Indigenous community to ensure that Indigenous people play a key role in policy development. The Department's seven regional offices are the 'front line' of this community collaboration process.

Additionally, under the AAPA Act, the Department supports the work of the ALT, a body comprised of Indigenous people that holds almost 12% of the State on trust for Indigenous people in Western Australia. In addition to an ongoing responsibility to return the land to Indigenous people and groups, the ALT is required to manage the physical and built environment of the estate, which is home to more than 15,000 Indigenous Western Australians. In this time of prosperity it is unacceptable that so many Indigenous people experience substandard living conditions, and the ALT has commenced an audit of ALT land and infrastructure to build the case for greater resources, as well as seeking expressions of interest from the private sector to develop economic opportunities on the estate.

Under the AHA the Department works with Indigenous people to protect and manage places of significance. The Department provides advice to the public and private sectors and the community about Indigenous heritage management and maintains a Register of Aboriginal Sites. The Department also assists Indigenous families and native title parties to access information that may assist them in reuniting families or demonstrating their connections to country.

As part of the State's project approvals system, the Department works with developers to ensure that Indigenous heritage and engagement with Indigenous people is built into development planning processes. The ACMC, comprised of Indigenous and non-Indigenous heritage experts, provides advice to the Minister for Indigenous Affairs on the management of sites of significance in the development process.

Establishing Authority

The operation of the AAPA Act provides for the existence of the AAPA. It was abolished on 31 October 1994 to make way for the then new Aboriginal Affairs Department. The department was renamed Department of Indigenous Affairs (DIA, effective on 1 July 2001).

Administered Legislation

DIA is responsible for administering the following legislation that affects the well-being of Indigenous people.

The AAPA Act deals with the consultation, planning and coordination of services to Indigenous people, and the adequacy of those services. The AAPA Act also establishes the ALT, which has operational functions related to land.

The AHA details specific responsibilities related to the management and protection of heritage sites.

The Aboriginal Communities Act 1979 (ACA) enables Indigenous people to establish by-laws that govern conduct and access on community lands.

THE DEPARTMENT

Authority For Establishment Of Each Subsidiary

The operation of the AAPA Act provides for the continued existence of the Aboriginal Affairs Planning Authority as a body corporate, which the Minister alone constitutes, and which is required to produce an annual report.

The Aboriginal Affairs Planning Authority was abolished on 31 October 1994 to make way for the then new Aboriginal Affairs Department. The department was renamed Department of Indigenous Affairs (DIA), effective on 1 July 2001.

Key Clients

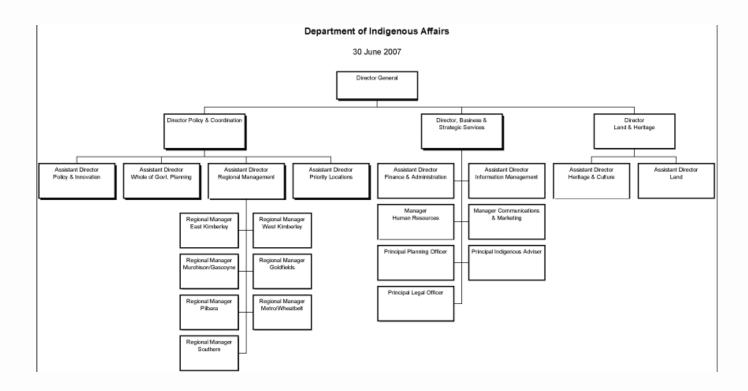
DIA's key clients are Western Australia's 58,711 Indigenous people (as recorded in the 2006 Census), comprising 3.0% of the State's population. There are about 25,000 Indigenous people living in the Perth metropolitan area and another 17,000 who live among the State's 270 regional and remote communities. The remainder live in regional centres.

Key Stakeholders

- Western Australian Indigenous People
- State Government agencies
- Commonwealth Government agencies
- Local Governments
- · Indigenous organisations and communities
- · Industry, business and industry bodies
- NTRBs
- · Tertiary and other educational bodies
- · Non-government and voluntary organization

Organisational Structure

DIA, through its Director General, reports to the Minister for Indigenous Affairs, the Hon. Michelle Roberts MLA.



THE DEPARTMENT

DIA has 130 permanent staff covering Western Australia. In addition to Perth, DIA offices are located in seven major regional centres:

- Metropolitan/Wheatbelt (Midland);
- Southern (Albany);
- Goldfields (Kalgoorlie-Boulder);
- Gascoyne-Murchison (Geraldton);
- Pilbara (South Hedland);
- West Kimberley (Broome); and
- East Kimberley (Kununurra).

DIA has also placed officers in other locations, including Bungarun and Beagle Bay. These placements are designed to achieve specific objectives in partnership with the local Indigenous community.

Staffing Levels	2003-2004	2004-2005	2005-2006	2006-2007
Number of Staff Employed*	158	145	146	159
Number of Staff on secondment from DIA	8	8	7	6
Number of staff on secondment to DIA	5	5	2	7

Note: base establishment of permanent employees is 130. Fluctuations relate to temporary contract positions for specific short-term projects.

^{*} This figure (for 2006-07) is based on actual 'headcount' of employees, as opposed to the number of FTE staff



The Hon. Michelle Roberts MLA is the Minister responsible for DIA, which supports the ALT and the ACMC.

Aboriginal Lands Trust (ALT)

The AAPA Act establishes the ALT, a body comprised of Indigenous people, appointed by the Minister for Indigenous Affairs.

The AAPA holds a significant amount of land in WA including 83 reserves and nine freehold blocks. These include 81 'proclaimed reserves', which are subject to special protection under Part III of the AAPA Act.

Under section 24 of the AAPA Act, the day-to-day control and management of AAPA held lands has been conferred on the ALT, although the reserves remain vested in the AAPA by virtue of section 27 of the AAPA Act.

The primary function of the ALT is to acquire and hold land and to use and manage that land for the benefit of Indigenous people in accordance with their wishes.

Including the AAPA held lands, the ALT overall manages 341 properties, comprising of 265 reserves, 52 freehold blocks, seven general purpose leases and six pastoral leases. The estate covers approximately 27 million hectares of land and accounts for almost 12 per cent of land in the State.

Entry to 'proclaimed' reserves is controlled under section 31 of the AAPA Act. It is an offence for a person to enter a proclaimed reserve without having obtained an entry permit from the Minister for Indigenous Affairs. The permit system provides a mechanism to preserve the privacy of Indigenous communities and the heritage and cultural values of the land, to safeguard the natural environment and to enhance visitors' safety. In practice, permits are sought by tourists and visitors and by mining and exploration companies seeking entry for exploration and related purposes. Indigenous people, Members of Parliament or government officers on official business do not require entry permits.

The AAPA also holds limited funding that emanates from exploration and mining activities on proclaimed reserves. These monies are a percentage of mining rents and royalties collected by the Government from the use of these reserves for mining and exploration purposes. The monies are used to fund projects that contribute to increase and secure Indigenous land ownership; sustainable economic independence and development; the preservation of culture and tradition and/or social and environmental stability and well-being for Indigenous communities across Western Australia.

The 2006/07 six ALT Board members are:

Ron (Doc) Reynolds	Chairperson
Gordon Cole	
Leslie Cook	Member
Kevin Giles	Member
Betty Logan	Member
Susan Murphy	
Edna O'Malley	Member

In 2006/07 the ALT held six full Trust meetings, including one regional meeting in the East Kimberley.

Over those six meetings, the ALT considered and made 67 resolutions about the use, management and divestment of ALT held lands ranging from approvals for leases, land transfers, community bylaws, land use developments, mining entry permits and grant funding.

CORPORATE GOVERNANCE

These resolutions included the finalisation of four new policies on:

- Commercial use of the ALT estate:
- Local Government Charges on the ALT estate;
- · Water charges on the ALT Estate;
- · Burials on the ALT Estate.

In addition, the ALT completed a review of the ALT's Land Use and Development policy, recommitted to an agreement with DHW about development of housing and infrastructure on the ALT estate and agreed to the divestment of 11 properties.

The ALT also initiated a historic workshop with DHW in December with the view to developing a closer working relationship between DIA, ALT, DHW and the Aboriginal Housing and Infrastructure Committee. This group will work with a particular emphasis on improving housing management and service delivery to Indigenous communities. This has led to ongoing discussion about formal mechanisms to achieve these outcomes.

Stage one of the Bungarun (the former Derby Leprosarium) cemetery memorial project was also completed and a new on-line transit permit management system was launched.

Aboriginal Cultural Material Committee (ACMC)

The ACMC is the specialist heritage advisory body to the Minister established under the AHA. The functions of the ACMC include evaluating (on behalf of the community) the importance of places and objects that may be associated with Indigenous people, and providing advice to the Minister on all state Indigenous heritage matters.

Section 18 of the AHA establishes a process whereby an owner of any land who wishes to use the land in a way that may otherwise result in an offence under section 17 of the Act by possibly disturbing any Aboriginal site, may seek the consent of the Minister for that use. This is the Act's development approvals application process.

The landowner must submit a notice in writing to the ACMC, which the ACMC considers. The ACMC then provides the Minister with its recommendation as to whether the Minister should consent to the proposed use. The Minister, having regard to the general interest of the community, must decline, consent or grant consent subject to conditions.

Usually, if the Minster consents, conditions will be attached to the consent with which the owner must comply. An owner of land who is dissatisfied by the decision of the Minister may appeal to the State Administrative Tribunal.

ACMC Assessments

The ACMC held eleven meetings over the period 2006/2007. DIA and the ACMC continued to implement the programme of improvements to the operations, and in support, of the ACMC which were first introduced during 2005/06. The ACMC maintains its monthly meeting schedule.

The ACMC has again visited a regional centre during 2006/07. In October 2006 the ACMC spent two days in the Esperance area meeting local people, going on a cultural tour and visiting Mt Ridley.

Over the 12-month period approximately 105 section 18 Notices were put before the ACMC seeking development approval, 31% more than during 2005/06. The ACMC also requested DIA to undertake an archaeological survey of one area subject to a section 18 conditional consent. Under section 16 of the AHA, ten applications were considered by the ACMC for purposes of research and investigation in consultation with local Indigenous community groups.



ACMC Committee members

The ACMC farewelled Ms Violet Drury, from the Northampton area, in March 2007 who retired from the ACMC after serving as a member from 2002.

The current ACMC members, whose term will expire on 1 March 2008, include:

- Mr Charles Smith Chairperson
- Mr Aubrey Lynch Member
- Mr Morton Hansen Member
- Mr Michael Robinson Member Specialist Anthropologist
- Ms Lynette Lund Member
- Mr Kenneth Ninyette Member

Ex-officio membership of the ACMC also includes DIA's Acting Director General, Ms Jackie Tang; the Chief Executive Officer of the Western Australian Museum (delegated under the AHA to Dr Moya Smith, a well known archaeologist); and an authorised Land Officer within the Department for Planning and Infrastructure, Mr Ken McCracken.

DIRECTORATE: POLICY AND COORDINATION WHOLE OF GOVERNMENT PLANNING BRANCH

Overview

The Whole of Government Planning Branch has two key areas of responsibility:

- · Whole of Government planning at the State level.
- Influencing national policy and responding to Indigenous issues of national significance.

State planning involves putting in place mechanisms to enable a whole of government approach to service delivery aimed at improving Indigenous social and economic outcomes, including mechanisms for monitoring, evaluation and reporting. Central to this is the use of the Council of Australian Government's (COAG) Overcoming Indigenous Disadvantage Indicators (OID) framework to drive action and to measure the outcomes of these actions.

At the national level, the branch provides Western Australia's input to the development of policy responses to Indigenous issues of national significance through the Ministerial Council for Aboriginal and Torres Strait Islander Affairs (MCATSIA) and COAG.

KEY CHALLENGES 2006/2007

Engagement and consultation with Indigenous people continues to be a priority focus and key challenge going forward into the new year.

Outcomes

Whole of Government Framework For Indigenous Services

During the year, DIA defined the key concepts that will form the basis for the development of a *Whole of Government Framework for Indigenous services* (the Framework). A draft Framework expected to be released for consultation towards the end of 2007 will include:

- A commitment to achieving generational change in a phased approach spanning between 16 to 20 years.
- Use of an evidence-based approach addressing the causes of Indigenous disadvantage.
- Adoption of cost-effective interventions that provide greater rates of return for government expenditures.
- Implementation of place-based action initially focused on improving the resilience of children and youth within the context of their families and communities.

Western Australian Indicator Frameworks System (WAIFS)

During the year, DIA led the development of WAIFS in partnership with the Australian Bureau of Statistics and the Department of the Attorney General. This on-line facility provides access to key performance indicator frameworks of the Western Australian Government. It has been developed in response to the need for regional up to date statistical information to allow regular reporting against the OID framework. Not only will it reduce the cost of updating of indicator statistics for the *Overcoming Indigenous Disadvantage Western Australia* report, but this facility can also be progressively expanded to include other key performance frameworks of the State Government as a statistical resource to all State Government agencies.

Indigenous Affairs Multi-lateral Budget

In line with the Commonwealth Government's whole of government approach to Indigenous affairs, a multilateral budget process for funding Indigenous services was adopted by the Western Australian Government starting in 2006/07. The intention is to ensure that Government funds are utilised in the areas of most need and where the greatest returns from these resources are realised in terms of improved Indigenous outcomes.

DIA coordinated the submissions from various agencies and provided advice to the Minister for Indigenous Affairs on priority initiatives. This process has seen the allocation of some \$84 million, over the next five years, to specific priority initiatives including improving housing and infrastructure in Aboriginal Town Based Communities



ensure that funds are effectively applied and result in improved Indigenous outcomes.

COAG Indigenous Generational Reform

In July 2006, COAG committed to long-term generational reform and agreed to take action in those areas identified in the OID framework. DIA representation on the COAG Working Group provided significant input to the development of a "life course approach" adopted as the basis for the COAG generational reform strategy. During 2007/08 DIA will lead the identification of Western Australia specific initiatives that will complement the agreed national initiatives.

Influencing National Policy Through MCATSIA

DIA led the development of critical MCATSIA advice to COAG in relation to the National Reform Agenda and reporting on progress in implementing COAG's Indigenous frameworks. Specifically, MCATSIA's advice on the National Reform Agenda was to ensure that Indigenous specific strategies are identified and that outcomes, performance measures, and actions in jurisdictional Action Plans include identifiable Indigenous components. Advice was also provided to focus reporting on outcomes that make a real difference in the lives of Indigenous people.

DIA participated in a research project commissioned by MCATSIA to investigate, better understand and respond to emerging Indigenous demographic trends. The research highlights the locationally diverse and wide-ranging structural circumstances facing Indigenous peoples and policy makers as they attempt to raise Indigenous living standards. Policy responses should therefore be based on an examination of the structural underpinnings of disadvantage, which arise by virtue of location. The findings of the report have been provided to COAG by MCATSIA. These are now being considered in developing initiatives under COAG's commitment to Indigenous generational reform.

DIRECTORATE POLICY AND COORDINATION POLICY AND INNOVATION BRANCH

OVERVIEW

The Branch works in partnership with government agencies, Indigenous people and other stakeholders to overcome impediments and promote opportunities to address the socio-economic disadvantage of Indigenous people. This is achieved through:

- Strategic policy and program development in priority outcome areas.
- Partnering with key agencies to initiate action in response to identified needs and service gaps.
- Facilitating and/or participating in key committees and across government initiatives.
- Provision of information and advice to government and non-government stakeholders.

KEY CHALLENGES

DIA is the State Government agency responsible for implementing the Bilateral Agreement on Indigenous Affairs. Success with the implementation depends, however, on the sustained cooperation and commitment from a range of stakeholders including the Commonwealth Government, relevant state government agencies, local governments and Indigenous community members.

OUTCOMES

Bilateral Agreement on Indigenous Affairs

Since the signing of the Agreement with the Commonwealth Government in 2006, DIA has coordinated the establishment of key governance and administrative structures to drive its implementation and the key actions under the six outcome areas. Initiatives progressed include:

- In the priority area of sustainable environmental health and infrastructure, Governments have agreed to work toward achieving one level of service delivery for the provision of housing, infrastructure, and essential and municipal services to all Indigenous communities in Western Australia by 30 June 2008.
- In June 2007, DIA convened a meeting of all relevant Western Australian Directors General to progress the six outcome areas of the Bilateral Agreement and to commence the setting up of a State Co-ordinating Committee including both State and Commonwealth departments.
- A partnership has been formed with the Commonwealth Government, represented by the Department
 of Families, Community Services and Indigenous Affairs, the Shire of Halls Creek and DHW to progress
 potential new models of municipal service delivery with the communities of Balgo, Mulan, Billiluna and
 Ringers Soak.
- Extensive work has also been undertaken in the negotiation of the joint Strategic Intervention funding package with the Commonwealth Government.

POLICY ADVICE

DIA continues to provide an important coordinating role in the development of policy and services aimed at improving Indigenous environmental health - particularly in remote communities and town reserves. This work is being progressed through coordinating various initiatives such as the:

- Aboriginal Community Essential Services Steering Committee (ACESSC), which is chaired by DIA and oversees the Remote Area Essential Services Program (RAESP).
- Indigenous Environmental Health Coordinating Committee (IEHCC).
- Aboriginal and Remote Community Power Supply Program Steering Committee.
- State Mitigation Committee.
- · Housing and Infrastructure Bilateral Senior Officers Group.
- Aboriginal Town Based Communities Committee.

DIRECTORATE POLICY AND COORDINATION POLICY AND INNOVATION BRANCH

DIA has continued to work DHW and other State agencies to progress a review of Indigenous town based communities. DIA is a member of the ATBC Committee. The State Government became the sole provider of funding to these communities in mid-2007, with a budget of \$35.3 million allocated over the next four years through DHW.

INTERPRETER SERVICES

DIA has continued to coordinate funding on behalf of eight State Government agencies for the Kimberley Interpreting Service (KIS). Funding totalling \$120,000 was provided to KIS to finance its operations in 2006/07. DIA and the Mirima Council Aboriginal Corporation have signed a new service agreement to provide Indigenous interpreting services to the public, private and social sectors as part of this arrangement.

The three-year interagency funding arrangement for KIS expired on 30 June 2007. DIA has agreed to provide another \$150,000 to KIS to fund its operations in 2007/08 while other new funding arrangements for Indigenous interpreter services are negotiated

DIA is working with the Equal Opportunity Commission (EOC) and the Office of Multicultural Interests to provide advice to the State Government on future models for providing Indigenous interpreters' services across the State. The EOC has appointed a project officer to coordinate this work and DIA has provided funding to assist in regional consultations with key Indigenous and non-Indigenous stakeholders. This initiative will provide advice on proposed future models and funding implications for the provision of Indigenous interpreter services in Western Australia to the State Cabinet late in 2007.

INDIGENOUS COMMUNITY GOVERNANCE

DIA continued to support the Indigenous Community Governance Project (ICGP) - a partnership between the Centre for Aboriginal and Economic Policy Research at the Australian National University and Reconciliation Australia. The Northern Territory and Commonwealth Governments are also sponsoring the research. The 2006 research findings were presented to the ICGP International Advisory Committee meeting, which includes DIA representation, in November 2006. The research is assisting the Western Australian Government to identify the steps needed to progress Indigenous governance development, including working towards a comprehensive enabling framework for Indigenous governance capacity development.

DIRECTORATE POLICY AND COORDINATION REGIONAL COORDINATION AND ENGAGEMENT BRANCH

OVERVIEW

DIA's regional network has a focus on achieving sustainable and strong Indigenous communities. To achieve this Regional Offices assist with:

- Building of partnerships across government and non-government sectors to enhance services to Indigenous people.
- Coordinating and facilitating in priority locations and at selected Indigenous communities ensuring Indigenous engagement and participation.
- · Governance issues and capacity building opportunities.
- · Community safety initiatives.
- Supporting land and heritage initiatives.

The Branch comprises of a Regional Services Unit in Perth and seven regional offices for the implementation of the DIA's strategic objectives. Regional Offices are located in Albany, Midland, Geraldton, Kalgoorlie, South Hedland, Broome and Kununurra.

DIA's network of Regional Offices support the coordination of government services to attain sustainable Indigenous communities.

KEY CHALLENGES

- Community by-laws are becoming increasingly important to promote self-governance in Indigenous communities and help manage social issues on community lands. While there are now two new sets of Aboriginal Community By-Laws proclaimed at Warmun and Parnpajinya in 2006/07, a greater focus is required in the next financial year to increase both the effectiveness of existing by-laws and the number of communities with by-laws.
- Developing strategies to deal with interventions in Indigenous communities in crises that take into account cultural diversities, social and economic factors and individual circumstances within the differing communities.
- Ensuring comprehensive and ongoing collaboration across Government service providers.

OUTCOMES

Patrols

Indigenous Community Street Patrols intervene, mediate and where possible resolve potentially disruptive, dangerous, harmful or conflict situations in public places and on the street. The Patrols also divert people away from the criminal justice system. Patrols are run by Indigenous, community-based, not-for-profit organisations as a direct response to a range of local issues affecting Indigenous people and requiring immediate intervention.

- In 2006/07 DIA provided more than \$1.831m funding to support 20 Indigenous Aboriginal Community Street Patrols by 18 service providers throughout WA.
- DIA also commenced a strategic review of the Patrols to enhance greater effectiveness of service delivery.

Aboriginal Justice Agreement

The Western Australian Aboriginal Justice Agreement 2004 is a partnership framework jointly developed between the Western Australian justice-related portfolio agencies. The aim of the Agreement is to provide a statewide framework for improving justice-related outcomes for Indigenous people, guided by a set of agreed principles. It is expected that 25 of the 56 local plans and the ten Interim Regional Forums will be in place by 30 June 2008.

• During the year DIA continued to support this initiative by identifying key Indigenous individuals and organizations to be involved in the development of plans, forums and the State Aboriginal Congress.



DIA continued to support partnerships and strategies to provide better governance processes and improve capacity in selected Aboriginal communities.

A key strategy in 2006/07 was to support community action groups and local Indigenous reference groups
to achieve better outcomes for local towns. DIA's facilitation and consolidation roles have been a key
factor in reaching real benefits, particularly in the Wheatbelt and Southern region of the State. These
benefits include improved negotiation between Indigenous communities and local Government Authorities,
the development of heritage plans and developing a greater understanding and achievement of economic
benefits and opportunities for the local community.

Planning Pathways

Planning Pathways includes the development of a range of approaches and strategies to assist communities where a coordinated effort by government and other stakeholders is required to resolve local issues.

Projects undertaken in 2006/07 are:

- A Homelessness Study in the East and West Kimberley as part of the strategic commitment of the Kimberley Interagency Working Group.
- In the Dampier Peninsula, a multi-layered approach was adopted to work with communities to implement the recommendations of the Dampier Peninsula Access Management Plan and strengthen governance.
- Stirling Range National Park Discovery Centre Site surveys were carried out in consultation with Noongar stakeholders. The development of the Heritage Management Plan has also commenced.
- In the Pilbara, DIA commissioned a Town Reserves Options paper to inform the Bilateral Agreement implementation.

Communities in Crisis

Communities in Crisis is an intervention approach where a coordinated response is required to facilitate, mediate and broker solutions to enable communities to function more effectively.

- In Beagle Bay a community in the Dampier Peninsula north of Broome- a new way to deliver services has been reached. DIA, in partnership with DIA, the Commonwealth ICC and the local community employed a Government Services Coordinator to coordinate the delivery of essential, municipal and housing services to the residents.
- DIA is a member of the coordinating team developing a whole-of-government response to issues of child
 abuse and social dysfunction in Halls Creek. Housing shortages, alcohol and substance abuse, and lack of
 parenting support and skills are identified as central to overcoming Indigenous disadvantage in the town.
 The main focus of the Government's response has been to provide safe accommodation and support to
 children at risk an initiative developed in consultation with the Halls Creek community, the Shire of Halls
 Creek and State Government agencies.

Regional Partnerships

A number of partnerships continued or were formed with government and non-government agencies in 2006-2007. These include:

- A partnership formed with the City of Bunbury has seen a DIA funded Community Project Officer engaged to oversee and assist with the progress of the Indigenous community development initiatives.
- Continued partnership with the Wunan Foundation to provide capacity building and governance training to selected communities in the East Kimberley.
- The appointment of a Senior Project Officer servicing Halls Creek is currently developing strong working relationships with the Shire of Halls Creek.

DIRECTORATE POLICY AND COORDINATION REGIONAL COORDINATION AND ENGAGEMENT BRANCH

- The establishment of joint planning processes with the ICCs of Broome of the East and West Kimberley.
- Community Visitors Strategies developed for Port Hedland, Newman and Halls Creek to address the issues of homelessness visitors and overcrowding.
- The appointment of a Government Services Coordinator to Beagle Bay who is supervising the delivery of essential services to the community and finalising a service agreement with relevant agencies.

Regional Managers Forums

In order to successfully coordinate and strategically manage Indigenous issues and priority projects in the regions, inter-agency collaborative action and support is required. This is being achieved through Regional Managers Forums.

Indigenous-specific Regional Managers Forums, operating in Kalgoorlie, Port Hedland, Geraldton and the Kimberley and general Regional Manager Forums in the Metropolitan Wheatbelt, Great Southern and South West and East Kimberley provide a single point of contact for coordination of Indigenous issues in the regions.

• During 2006/07 DIA led the establishment of the Indigenous Economic Development Projects Focus Group, which the Department chairs, in the South West region of Western Australia. With membership from the Great Southern, Peel, South West and Wheatbelt Development Commissions, the Department of Industry and Resources (DOIR) and the Commonwealth's ICC, this group aims to develop an action plan that will lead to better employment and economic development opportunities.



The Priority Locations Branch (PLB) was established in February 2007 to enable the Department to concentrate resources to prescribed places/locations. This approach is mandated through a number of key policy documents, particularly the Bilateral Agreement on Indigenous Affairs Between the Commonwealth of Australia and the State of Western Australia 2006 - 2010..

The main areas of responsibility assigned to the PLB are:

- Focus on targeted locations such as Kalumburu through the Bilateral Agreement.
- Regional Agreements, including Regional Partnership Agreements (RPAs) such as those under the Minerals Council of Australia's (MCA) MOU with the Commonwealth Government.
- Place Management Program (Gordon Inquiry) implementation in the East Kimberley (including the COAG Trial Site), Metropolitan and Goldfields regions.
- MAGA Projects inclusive of project feasibility, document production and supporting the DIA regions to implement recommendations.
- Implementation of the Bilateral Economic Development portfolio area in conjunction with DOIR.

KEY CHALLENGES

- Ensuring the strategic and coordinated approach of DIA is able to effect partnerships with government, industry and the community.
- Building on the economic development and employment potential in the current economic boom.

OUTCOMES

Place Management Program

The Place Management Program (PMP) continued in the Goldfields, East Kimberley and Metropolitan regions, with Place Managers working in conjunction with stakeholders. Service agreements were progressed with the Wunan Foundation and Kullari Indigenous Women's Group. Funding of \$300,000 was allocated for three initiatives encompassing Balgo, Oombulgurri and Kalumburu. A further \$185,000 was allocated across the State from the PMP budget for Service Mapping projects in Laverton, the South West and the Wheatbelt regions.

Achievements from the PMP in the Metro include:

- The development of the "Pathways to a Better Future" strategy. This comprehensive and innovative strategy provides a framework for the delivery of early intervention and prevention programs that target the causal factors of Indigenous disadvantage.
- The convening of an interagency planning workshop, which involved over sixty representatives from thirtyone State, Commonwealth and Local Government agencies. Representatives included Indigenous and non-Indigenous managers, team leaders and operational staff.
- The ongoing development of a metropolitan wide network of Indigenous community leaders and spokespeople, together with the establishment of an Indigenous Community Consultative Forum.

In the East Kimberley major achievements for the Oombulgurri community include:

- The development of an Oombulgurri Intervention Plan that focuses on improved governance and service delivery.
- An Interim Government Service Delivery model negotiated with Oombulgurri Community, DHW and ICCs.
- A draft Memorandum of Understanding to improve service delivery and community administration developed and endorsed by DIA, DHW and ICC.
- Assisting with the negotiation of the lease of a community building for use by Western Australian Police Service (WAPS) as a police and warden base.
- Establishing a weekly interagency meeting between onsite service agencies and community council.
- Arranging a feasibility study of Oombulgurri Store.
- Supporting government agencies such as the WAPS, Department of Child Protection (DCP) and DHW with community engagement and negotiations.

DIRECTORATE POLICY AND COORDINATION PRIORITY LOCATIONS BRANCH

Likewise at the Kalumburu community, DIA has assisted with:

- Capacity building of the community council and Kalumburu senior staff.
- Facilitation of high-level negotiations relating to the 'Focus Community' under the Bilateral Agreement.
- The 'recovery response' following 'Operation Ochre' investigation into the sexual assaults.
- A strategic workshop, convened by the Commonwealth Government, to develop a sustainable future for the Kalumburu community.

In March 2007, State Cabinet agreed to a whole of government approach to development within the Halls Creek Shire, with DHW having lead agency status.

A Directors' General Group, chaired by the Director General of DHW, was established to coordinate the relevant State agencies at a strategic level. At the same time, Mr Peter Yu was appointed Chairman of a Project Management Committee, which coordinates activities at a local level.

The Project Management Committee established a Community Reference Group with significant Indigenous membership to inform and guide the process from the perspective of residents throughout the Halls Creek Shire. Meetings of the Community Reference Group are held monthly and involve participation by personnel from the relevant State Government agencies.

Overall, the State Government's commitment involves a \$36.6m package comprising:

- New dwellings for residents.
- · New dwellings for government staff
- · Refurbishment of existing houses.
- The establishment of two new hostels to protect children at risk.
- · Training schemes.
- The provision of normalized town services to four town camps.
- The amalgamation of the four town camps into the Halls Creek's town planning scheme.

During 2006/7 DIA staff provided support to these structures and worked closely with stakeholders to develop the capacity of the Community Reference Group.

With support from the Commonwealth Government, DIA has also made substantial progress in the following areas:

Council of Australian Government (COAG) Trial Site

In April 2002 the State and Commonwealth Governments agreed, as a trial, to adopt a cooperative whole-of-government approach to addressing Indigenous issues in up to ten sites around Australia. In Western Australia, the East Kimberley COAG site was established in early 2003 and launched at Billiluna in July 2003. The site area included the Tjurabalan communities of Balgo, Mulan, Ringers Soak and Billiluna. The East Kimberley COAG Trial Formative Evaluation 2006 report indicated mixed success for the trial.

However, the evaluation did highlight significant improvement in the coordination of government programs and services. This was largely attributed to the "Place Management" team based in Halls Creek. Key activities of the Place Management team have been the facilitation of the community engagement process, progression of community identified priorities and liaison with key government and non-government agencies.

During the 2006/07-year these activities included:

- The capital upgrade of the Billiluna, Mulan and Ringers Soak stores.
- The appointment of a nutritionist for one year in Billiluna.

DIRECTORATE POLICY AND COORDINATION PRIORITY LOCATIONS BRANCH The delivery of governance training by the Office of the Registrar of Aboriginal Corporations (ORAC)

- The delivery of governance training by the Office of the Registrar of Aboriginal Corporations (ORAC) (ongoing).
- The provision of youth equipment and youth activities via Commonwealth Shared Responsibility Agreements (SRAs).
- Improved airstrip lighting.
- The funding of cultural bush trips.
- Attendance by community women at a leadership forum in Canberra.
- A Tjurabalan boys' football team participating in the Ron Barrassi Football carnival in Canberra.
- Attendance by community leaders at a Sustainable Communities conference in Perth.

As of August 2007, the Commonwealth will be transferring responsibility for the trial communities from the Department of Transport and Regional Services (DOTARS) to the Department of Families, Community Services and Indigenous Affairs (FaCSIA). DIA will ensure there is an ongoing State commitment from its East Kimberley regional office in Kununurra.

Service Mapping

The MAGA projects report on service provision in particular locations to identify service gaps and areas for improvement. In the 2006/07, DIA undertook MAGAs in the Western Desert and Roebourne. Implementation of existing MAGA sites continued in Wiluna, Derby and Port Hedland.

Regional Partnership Agreements (RPAs)

Regional Partnership Agreements establish a framework for the way parties will work together on a regional basis to undertake agreed priority actions. The Ngaanyatjarra RPA was the first signed in Western Australia.

- During the year the MCA has implemented a MOU with the Commonwealth Government to improve employment and economic development opportunities for Indigenous people in mining regions. Six trial sites have been identified, four of which are located in Western Australia. The sites are located in the Pilbara, focusing on three action areas: Ashburton/Roebourne, Western Desert and Port Hedland.
- East Kimberley, centred on the operations at Argyle Diamond Mine.
- Southwest, focusing on Boddington and possibly Collie and Ravensthorpe.
- Wiluna.

Key initiatives in 2006/07 included:

- Coordination of the State's position to sign both the Port Hedland and East Kimberley Regional Partnership Agreements and, in conjunction with the ICC, leading their subsequent implementation. Funding of \$450,000 has been provided to support the implementation of these RPAs.
- Facilitation of the State's involvement in the negotiation of further MCA linked RPAs in Ashburton/ Roebourne, Western Desert, Wiluna and Boddington. It is anticipated that the signing of the Ashburton/ Roebourne agreement will occur in late 2007.
- An ongoing key role in the coordination of the Ngaanyatjarra RPA.

Reconciliation

DIA administers the Heritage and Reconciliation Grants program to fund local and regional projects that assist in promoting, protecting and recording Indigenous heritage and culture. The Grants program also encourages the development and strengthening of partnerships between the Indigenous and non-Indigenous communities that promote respect, awareness and understanding through reconciliation.

During 2006/07 some 25 projects, supporting various reconciliation initiatives throughout the State, were funded totalling \$96,053. Additionally, 12 projects, supporting various heritage initiatives, were also funded totalling \$96,595.

DIRECTORATE POLICY AND COORDINATION PRIORITY LOCATIONS BRANCH

DIA is also leading the way in developing a Reconciliation Action Plan. Reconciliation Australia last year launched an initiative challenging Government, businesses and industries to formalise their commitment to overcoming Indigenous disadvantage through the implementation of Reconciliation Action Plans.

In support of this initiative, the Hon Michelle Roberts MLA, Minister for Indigenous Affairs, announced in May 2007 that all State Government agencies would develop Reconciliation Action Plans prior to the end of 2007 in collaboration with DIA.

To lead this process, DIA's Reconciliation Action Plan will be complete in September 2007. DIA in conjunction with Reconciliation Australia will also assist other agencies by co-hosting two seminars for State agencies in October 2007.



OVERVIEW

Land is fundamental to Indigenous identity and underpins the cultural and spiritual life of many Indigenous people. In the broader context, having the use, management and control of land and access to and involvement in the organization of land resources can underpin the development of enterprise opportunities and wealth creation for Indigenous people.

DIA works in partnership with Indigenous people, Government agencies, local councils, community groups and other organisations to facilitate the divestment of control and management of land currently held by the ALT back to Indigenous Western Australians. The Land Branch supports the functions of the ALT.

ALT properties represent more than 27 million hectares, or 12 per cent of the State. Most of this land is in the form of reserves, with some areas of freehold and leasehold land.

KEY CHALLENGES 2006/2007

There are a number of challenges that need to be addressed to achieve the sustainable divestment of the land to Indigenous Western Australians.

These challenges include:

- The condition of the property.
- The economic viability of the property.
- People readiness (e.g. good governance and removal of institutional barriers).
- · Socio-political factors (e.g. reconciling traditional, historic and contemporary connections to the property).

The land transfer process can be a complex and resource-intensive process. In recognition of the structured investment required to progress the land transfer program, DIA has grouped its activities into three core operational functions: Estate Management, Capacity Development and Land Acquisition and Transfer. In addition, DIA provides specialist and strategic advice to local, State and Commonwealth Government agencies, non-government organisations and individuals on all matters relating to the management and divestment of the ALT estate.

OUTCOMES 2006/2007

Looking after Country grants

This program is a partnership between the ALT, the Indigenous Land Corporation and DIA. The program aims to:

- Fund on-ground land care and caring for country projects for Indigenous people.
- Provide incentives to Indigenous people, communities and landholders to become involved in Landcare and caring for country activities.
- Increase the capacity of Indigenous landholders to manage their lands in a sustainable manner and to deal with environmental issues on Indigenous Land.
- The Looking after Country program was successfully implemented in 2006/07 with 21 grants values at \$296,000 awarded to Indigenous organizations across the State.

Statutory Obligations

 Significant progress has been achieved on a 'contamination audit' of the ALT estate. This includes completion of preliminary screening and verification of nearly 50 per cent the estate and reports for areas determined as requiring further investigation.

DIRECTORATE LAND AND HERITAGE LAND BRANCH

State Policy

In 2006/07, DIA commissioned a scoping study on the development of a natural and cultural resource management strategy for Indigenous lands across the State. This will be completed by the end of 2007 after which time DIA will consult with the State Natural Resource Management Office and the Indigenous natural resource management (NRM) network to make plans for any next phase.

- DIA partnered with the State Natural Resource Management Office to develop a proposal for increasing Indigenous engagement in natural resource management in WA.
- DIA partnered with the Commonwealth Department of Environment and Water Resources and the State Department of Environment and Conservation to review the State's commitment to the Indigenous Protected Area program. With a commitment of a dedicated staff member to its West Kimberley Office in 2007/08, DIA aims to provide State Government support for the growth and development of its Indigenous Protected Area network in the Kimberley region.

Prioritised Risk Management

DIA has continued to be pro-active in tackling some of the highest priority identified risks across the ALT estate. These activities range from investment in the removal of dangerous buildings on the ALT estate through to targeted responses to issues around the delivery of Government services (e.g. housing, power, water, emergency services) to Indigenous people living on the ALT estate. Through its modest capital works program, DIA has successfully responded to 14 identified critical risk issues across the ALT estate in 2006/07.

Land Use and Development

- In 2006/07 DIA provided advice and assessed land use and development applications for the ALT estate, which includes telecommunications and essential service infrastructure, community and staff housing, community facilities (e.g. youth, art and telecentres) and Government service infrastructure (e.g. multifunction police facilities and power stations) for Indigenous communities. In addition, DIA also provided advice on economic development proposals (e.g. nature based caravan park, tourism and sandalwood harvesting proposals) and a mining industry group-housing proposal. A total of 77 land use development applications for the ALT estate were approved according to the ALT's Land Use and Development Policy in 2006/07.
- DIA continued to provide advice on various planning issues associated with the ALT estate, including the provision of advice on the development of the Department of Planning and Infrastructure's Community Layout Planning program, local government planning issues and individual community planning matters.

Leasing

• In 2006/07 DIA assessed and made recommendations to the ALT for a further 17 leases/sublease on the ALT estate for various purposes. These included individual and Government tenancies, and other service provider staff, community development, health and community safety support facilities, power stations and multifunction police facilities.

Entry Permits

- An innovative 'online' application and processing system for 'transit' entry permits for the ALT estate was developed and implemented during this financial year. The uptake of travellers applying for transit permits online is encouraging and the feedback indicates that the new system is 'user friendly' and has significantly reduced the time taken to receive approvals for standard transit permit applications.
- DIA issued 3365 transit permits for the ALT estate for the period.
- A total of 32 entry permits were issued for mining and exploration purposes ('mining' entry permits) for ALT held lands in 2006/07.



- DIA continues to provide quality and timely advice to government agencies, ministers and community on a broad range of ALT estate management matters.
- DIA (on behalf of the ALT) prepared a prioritised ALT estate remedial works program for the 2007/08 Government budget process.

Land Acquisition and Transfer Program

- Since the commencement of the Land Transfer program in 1999, the Government has completed the transfer of ownership of around 50 ALT/AAPA properties to Indigenous communities.
- In 2006/07 the ALT approved the transfer of an additional 11 properties. The deeds of transfer for nine properties in the Esperance region were signed by the ALT in June and the ALT has agreed to sign the deeds of transfer for another two properties in Broome.
- The transfer process for a number of other properties across the State has been progressed in partnership with the State's NTRBs through a MOU framework.

Land Capacity Development Program

- Memorandum of Understanding (MOU) Commitments In 2006/07, DIA continued to meet the ALT's
 commitments under MOUs with NTRBs, with regards to prioritized land transfers, leasing and land and sea
 management initiatives.
- In 2006/07, DIA continued its participation in the State's review into industry training for Aboriginal pastoralists as well as commencing an evaluation of the pastoral leases held by the ALT and the state of pastoral enterprises operating on those leases.
- For ALT properties with lower potential for economic development, DIA works with other partners to generate training and employment in land management for Indigenous people through various 'Caring for Country' initiatives.
- In 2006/07, DIA's Caring for Country initiatives included:
 - DIA successfully partnering with a number of the State's NTRBs and others with on-ground priority land and sea management projects under the auspices of MOUs between the NTRBs, DIA and the ALT (see 'MOU Commitments').
 - The Saltwater Country Project in the north Kimberley progresses a Kimberley-wide Indigenous Ranger program (with the Kimberley Land Council) and a natural and cultural resource management plan for Mogumber (South West Aboriginal Land and Sea Council). The Saltwater Country Project involves traditional owners identifying pressures on and articulating their values in relation to the natural and cultural resources of the north Kimberley coastal and marine environment, allowing for better planning and management in the future.
 - The emerging Kimberley Ranger Initiative aims to provide a sustainable Ranger training and employment framework for Indigenous people in the Kimberley to care for country. Through our partnership with the Kimberley Land Council in developing this initiative, four Kimberley Indigenous ranger groups have been successful in securing Commonwealth 'Working on Country' funding to support the employment of rangers' caring for country work. With a commitment of a dedicated staff member to its West Kimberley Office in 2007/08, DIA aims to build on the momentum of this partnership in order to ensure that the Kimberley Rangers are provided with effective strategic support.

DIRECTORATE LAND AND HERITAGE HERITAGE AND CULTURE BRANCH

OVERVIEW

DIA is responsible for the management of Indigenous heritage under the AHA. DIA also supports the ACMC, a specialist heritage advisory body to the Minister for Indigenous Affairs.

The AHA provides for the preservation, 'on behalf of the community', of places and objects that are of importance and significance for the Indigenous heritage of the State.

The Heritage and Culture Branch works to assist Indigenous people in the protection and management of Aboriginal sites, provides information to State Government agencies, Indigenous organisations and representative bodies relevant to Native Title claims and assists Indigenous people to trace their links with family.

KEY CHALLENGES

- During 2006/07 the resources boom and the development of the Dampier Archipelago has had a significant
 impact for Indigenous heritage. DIA continues to play a key role in managing the balance between
 developers' needs for access to land and protecting and preserving Aboriginal sites. This balance continues
 to drive process improvements. DIA will focus on delivering improved efficiencies to further reduce
 duplication for development applicants.
- Significant interest from various Indigenous communities from around the State, in ground-based site
 management activities and projects, is being reflected in the need for DIA to establish more and better
 partnerships to achieve aspirational goals. During 2006/07, tentative steps were made to engage NRM
 groups in ongoing partnerships for site management activities. This early work at collaborative efforts in
 better planning the allocation of resources and priorities will need to continue in order to reach mutually
 beneficial outcomes.
- Increased consultation and information provision has resulted in the improved reporting of potential site
 disturbances under the AHA. To address this challenge DIA allocated a full-time staff member to respond
 to these enquiries and reports. In addition, a standard approach for investigating site disturbances is being
 piloted.
- DIA is currently progressing its responsibilities under the Burrup and Maitland Industrial Estates Agreement (BMIEA). During 2006/07 DIA advised on surveys being conducted over the proposed industrial lands identified in the BMIEA. DIA is in the process of identifying suitable consultants to undertake heritage surveys of the non-industrial lands of the Dampier Archipelago. It is envisaged that these surveys will occur over a number of fieldwork seasons.

OUTCOMES

Aboriginal Heritage Act 1972

- DIA completed the first phase of implementation of process and system improvements in accordance with the Keating Review.
- 2006/2007 also saw the first full year of operation of the Internet-based Aboriginal Heritage Inquiry System launched in December 2005. The incorporation of the Aboriginal Heritage Survey Guidelines into the section 18 process has resulted in a more streamlined assessment procedure for landowners who require the consent of the Minister for Indigenous Affairs to use the land on which Aboriginal sites may exist. The introduction of the guidelines has resulted in improved information being submitted to the ACMC.

DIRECTORATE LAND AND HERITAGE HERITAGE AND CULTURE BRANCH • The first phase on improving the administrative processes that support the AHA, the ACMC and advice to

• The first phase on improving the administrative processes that support the AHA, the ACMC and advice to stakeholders was implemented. These improvements are now working sufficiently well for DIA to embark on the next phase of policy, system and process improvements.

Register of Aboriginal Sites

- As at 30 June 2007 there were 24,293 registered sites with more than 1,088 new sites registered during 2006/07. DIA has continued to improve the internal consistency, spatial accuracy and completeness of the information in the Register.
- During 2006/07 DIA also:
 - Continued to develop and implement the site assessment module of the Register in time for further planned developments during 2007/08.
 - Completed and updated data entry for all site assessments done by the ACMC between 2005 and 2007.
 - Completed the conversion of more than half the Aboriginal site files into the new more secure format and re-organized the secure storage room.
 - Continued to crosscheck the spatial data for all previously registered sites subject to Notices under section 18 of the AHA.
 - Received more than 55,000 Internet and 4000 manual enquiries relating to site searches and heritage survey reports.

Key Heritage Management Priorities During 2006/2007:

- DIA undertook eight regional heritage planning workshops to identify priority heritage sites across the State.
- Developed ten site-specific regional heritage project plans for specific heritage management activities.
- Partnered the Great Southern Development Commission and the University of Western Australia to complete the Stirling Range Cultural Heritage Mapping project. This Study documents the archaeological and ethnographic values of the Stirling Range National Park.
- Partnered with SCRIPT, to initiate a number of site-based protection and management rehabilitation projects including:
 - Assisting the Albany Heritage Reference Group Aboriginal Corporation to acquire the Lake Pleasant View site at Manypeaks through funding from the Indigenous Land Corporation under a three year lease agreement.
 - Developing a Management Plan for the Millyaenup Engravings Site at Scott River.
- Completed Stage 1 of the South Coast Heritage Assessment Project, which identified priority cultural heritage sites requiring protection or restoration following broad consultation with the Noongar community.
- Supported the Derbyl Yerrigan Committee with the planning phase of the Yagan Memorial Park. This focused on landscape designs and the layout plan.
- Commenced planning and discussions with Martu people regarding the Trotman's Cave and Nimijarra Highway Projects.
- Responded to ten reports of skeletal material exposed through natural means or as a result of development activities.

DIRECTORATE LAND AND HERITAGE HERITAGE AND CULTURE BRANCH

- Actively involved community members from throughout the State in ensuring appropriate management of exposed material through consultation for each re-burial project.
- Continued to advise landowners and development companies about proposed developments to ensure appropriate legal processes were followed in regard to section 16 and section 18 of the AHA.

Burrup Heritage Management Plan

During the year:

- DIA contracted a consultant to draft a Cultural Heritage Management Plan for the Dampier Archipelago.
 The first draft of the Cultural Heritage Management Plan for the Dampier Archipelago commenced. Initial comment is being sought from the Department of Environment and Water Resources prior to targeted consultation with key stakeholders and the Aboriginal community. When complete this Plan will form part of the Commonwealth/State approvals bilateral negotiations in response to the National Heritage Listing of the Dampier Archipelago.
- DIA progressed the tendering processes to engage contractors to undertake archaeological surveys of the conservation areas in the Dampier Archipelago. The cost of submitted tenders significantly exceeded available funding. The scale of the difference has led to further work and negotiations between interested parties.
- Two DIA senior heritage officers have been appointed to work on the Burrup with an office co-located with the Department of Environment and Conservation (DEC) in Karratha. There is ongoing participation in surveys and heritage management and training

Commonwealth Indigenous Heritage Legislation

• DIA has responsibility for responding on behalf of the Western Australian Government to applications made to the Commonwealth Minister for the Environment and Heritage pursuant to the Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth) (ATSIHPA) seeking protection for places of significance to Indigenous people. Those applications frequently challenge decisions made by the Western Australian Minister for Indigenous Affairs under the AHA. During 2006-07 no new applications were considered by the Department of the Environment and Water Resources under the ATSIHIPA for protection of Indigenous heritage in WA.

ABORIGINAL HERITAGE RESEARCH UNIT (AHRU)

DIA provides a research service through its Aboriginal History Research Unit (AHRU). The Unit has two primary work programs: the Aboriginal Family History service and the Archive program. The AHRU works through a range of partnerships with other agencies and organizations to add value to its services.

Aboriginal Family History Service

This service is designed to assist Indigenous people to trace family and lineage drawing upon a wide range of historical documents and databases. Indigenous staff assists other Indigenous people in dealing with the frequently traumatic circumstances in which their family history research occurs.

The family history database contains a large collection of personal cards and personal files relating to Indigenous people of Western Australia and their families. The cards were recorded and retained by the former Native Welfare Department. These records are critical in assisting Indigenous people to trace their family histories. Strict access rules apply to ensure that only direct family members can access this highly sensitive material.



The Daisy Bates Collection is also being provided to Indigenous people as part of the family history database. This collection contains data obtained from individual Elders (informants) and includes genealogies, languages, moieties and the totems of Indigenous families. Over the last five years the information contained in the archives and family history databases has become a critical component in Native Title claim processes.

• In 2006/07 more than 300 individual requests for information were made under the archive program and more than 280 under the family history program.

Archive Program

- DIA maintains responsibility for 16,000 archive files relating to the administration of the previous various State Aboriginal Departments since the 1880s. These records, an important part of Western Australia's history, contain information about missions, stations, patrol reports, removal of children, health and police records. The AHRU is responsible for the classification of each file and controls access to the collection for both general and native title research.
- The AHRU is also responsible for the examination and reclassification of 10,000 archive files in compliance with Section 15 of the *State Records (Consequential Provisions) Act 2000* (State Records Act). The majority of these archives are classified restricted and only available to the named individual or direct family members or to the legal representative of claimant groups. The State Records Act now redefines the restricted period of time from 100 years to 75 years. The Restricted Archives Project a joint initiative between DIA, the Office of Native Title (ONT) and the State Records Office (SRO) commenced in January 2007. It is envisaged that at least one third of the collection will become open to the public after the examination process has been completed. This will enable unrestricted access to files classified as "open" directly from SRO while DIA will only be responsible for access to "closed" files.

Partnerships

- The AHRU provision of Aboriginal historical research has become a critical component in Native Title claim processes. In 2006//07, the State and the NTRBs gained access to 1189 files for purposes of native title.
- An agreement signed with the South Australian Museum in 1996 provided DIA with access to the entire
 collection of records by Norman Tindale, who recorded a vast amount of journal information about the
 Indigenous tribes of Australia, including their terrain, environmental controls, distribution, limits and
 proper names. The collection also contains genealogies, which are cross-referenced with the photograph
 collection. This information is crucial for Native Title research.
- The AHRU also holds at least six workshops and displays throughout the State each year. The workshops provide communities with the opportunity to find out where their family records are held and how to gain access to the information.
- In addition, the unit provides information to the Public Trustee to assist in the identification of family members of Aboriginal persons who have died without a will and who fall within the intestacy provisions of the AAPA Act.

OVERVIEW

The Business and Strategic Services Directorate has two primary roles. The first is to implement strategic projects and services, such as secretariats to strategic projects, including the Government response to the Gordon Inquiry, legal support for all projects and operations and strategic communications, planning and reporting. The second key role is to provide support for the operational branches to enable them to conduct their business efficiently and effectively.

KEY CHALLENGES

- Human resource management due to the competitive nature of the employment market, particularly with respect to resources industry, resulting in vacancies and secondments.
- Sustaining quality IT support and application systems while implementing infrastructure and system improvements.
- Strategic planning and reporting in a period where the Department was under functional review.
- Communicating key initiatives with reduced levels of staff within the Communications and Marketing branch (CAMs).

OUTCOMES - STRATEGIC PROJECTS AND SERVICES

The Gordon Inquiry

In 2001, Putting the picture together, Inquiry into Response by Government Agencies to Complaints of Family Violence and Child Abuse in Aboriginal Communities (the Gordon Report) made 197 recommendations.

In response to this report the State Government prepared Putting People First: The Western Australian State Government Action Plan for Addressing Family Violence and Child Abuse in Aboriginal Communities (the Action Plan). The Action Plan outlined agency responses to the recommendations made in the Gordon Report. It found that many of the findings in the Gordon Report endorsed current directions and initiatives being pursued by agencies.

- During the year the Gordon Secretariat monitored the progress of the 125 initiatives and has categorised them as integrated, completed, superseded or in progress. As of May 2007, 71 initiatives (57%) have been completed or delivered and integrated into operations. A further 17 initiatives (14%) have been superseded by other initiatives or actions, and 37 initiatives (29%) are still in progress. Substantial achievements have occurred, including for those initiatives that are still in progress.
- A three-stage program of evaluation of the outcomes of the initiatives is currently underway to examine the impact of the Action Plan. The first phase will provide information to Government to ensure the policy, program and service delivery requirements of the Government's Response to the Gordon Inquiry remain appropriate and effective in the medium and longer terms. The second phase will progress evaluation of implementation to 30 June 2008 taking into account the recommendations of Phase 1. The final evaluation will assess implementation to 2012.

Ministerial Council for Aboriginal and Torres Strait Islander Affairs (MCATSIA)

DIA hosts the Secretariat for MCATSIA - a forum of Commonwealth, State and Territory Indigenous Affairs Ministers. The Secretariat provides administrative support to MCATSIA and its Standing Committee and offers support and advice on policy issues and projects of national significance.

• MCATSIA's strategic objective is to provide whole-of-government policy leadership to enable collaborative action resulting in measurable and improved outcomes for Indigenous Australians. This will be achieved

DIRECTORATE BUSINESS AND STRATEGIC SERVICES through collaborative approaches to identifying emerging trends and issues in Indigenous affairs by

through collaborative approaches to identifying emerging trends and issues in Indigenous affairs by providing informed advice about these to COAG.

 MCATSIA's work in 2006/07 focused on addressing Indigenous demographics issues, input into COAG's Indigenous affairs agenda and the identification of future areas for MCATSIA work.

Stolen Wages

In May 2007, the Government made a commitment to examine issues related to Stolen Wages and to identify what are the key policy issues and options that need to be considered in any reparation models.

The Government endorsed the establishment of a Taskforce, which includes representatives from the Departments of Indigenous Affairs, Communities, Child Protection, Premier and Cabinet, Treasury and Finance and Culture and the Arts and the Minister for Indigenous Affairs' Policy Officer.

The role of the Taskforce is to:

- Identify the scope and extent of the stolen wages issue by:
 - Determining relevant records and specialist advice required.
 - Undertaking analysis, seeking advice as required and formulating an appropriate research methodology.
 - Undertaking comprehensive and appropriate consultation with Indigenous people and communities, agencies and other parties on the scope and nature of the issues associated with moneys withheld from Indigenous people.
 - Conducting a number of case studies.
- Suggest policy options for going forward. Options could range from having no reparation scheme to alternative models for reparation schemes and identifying any administration issues.
- By the end of the 2006/07 financial year, the Taskforce had been established and met for the first time to agree on terms of reference, membership and resourcing arrangements. The Taskforce is required to report back to Cabinet by 30 June 2008. Substantial progress has also been achieved in establishing the Stolen Wages Project Team and it is expected this will be fully operational early in the new financial year.

Cultural Awareness Training

• During the year the Department finalised a Cultural Awareness Training Package, which has been requested by a range of Government agencies to better understand and communicate with their Indigenous stakeholders and clients. A pilot program enabled the Package to be fine-tuned and it is expected the program will be implemented for all departmental staff in the next financial year. Additionally, the Department will work with other service providers to assist them in implementing the program within their agencies.

Substantive Equality

• The Department nominated PALS School Reconciliation Awards - the flagship project for DIA's Enrich Program - as its substantive equality project. The initial screening impact assessment was carried out and a number of tasks were identified as requiring action. The departmental policy framework for the substantive equality report, which examined many aspects of the PALS Awards, is currently being finalised and the Department is identifying a new service area for the substantive equality framework for the year 2007/08.

Community By-laws

By-laws for Indigenous communities are design to promote Self-Governance and assist to manage social issues on Community properties.

• During the year, two new sets of by laws were proclaimed at Warmun and Parnpajinya communities. The Department recognises the value of by-laws in assisting to manage some of the social issues being experienced in Indigenous communities. The establishment of by-laws will be a priority focus in the new year.

OUTCOMES - BUSINESS SERVICES STRATEGIC PLANNING

- In November 2006 the Department finalized a new Strategic Plan for 2006-2011. This replaced the Statement of Corporate Intent 2002-2005. The Strategic Plan was developed after extensive consultation within DIA and places a greater focus on leading action that will enhance life opportunities for Indigenous people. It is anticipated the Strategic plan will have to be reviewed to incorporate outcomes of the Functional Review.
- The Managing our Business and Services (MoBs) was enhanced during the year to support the Department's quarterly review process and is now the prime tool with which the agency plans, budgets and monitors the progress of its work programs.

WORKFORCE MANAGEMENT

The 2006/07year was one characterized by a higher staff turnover than in previous years. While this trend was evident across all levels of the workforce, it was particularly significant where staff with experience and expertise in Indigenous affairs were in high demand for employment opportunities within a very robust resources sector. Key outcomes for the year included:

- Engagement of two Indigenous trainees in structured traineeship opportunities in the Perth Office.
- Continuation of the DIA Mentor Program, with a number of mentor/mentee relationships facilitated throughout the year.
- Executive commitment to the recruitment of an Indigenous graduate under the Graduate Recruitment Program (although the agency was unable to source a suitable candidate for 2006/07 year, given the highly competitive job market).
- Development and implementation of the Employee Wellness Program. This program focussed on a range of well-being initiatives, and provided staff with opportunities to be involved in activities such as yoga, weight loss programs, stress management, corporate sports challenges, and educational presentations (healthy eating, vitality, etc). Feedback for the Program to date has been extremely positive, and it is anticipated it will be further expanded in 2007/08 to provide an even broader range of initiatives to encourage increasing participation across the workforce.
- Workforce Development has continued to promote the value of ongoing training with total training expenditure of \$110 731 for the year (equating to almost \$700 per employee). In addition to meeting costs for staff participation at generic training courses, the organisation has sponsored staff attendances at conferences, seminars and workshops and other scholarship initiatives.
- The Department's Occupational Safety and Health Policy and Advisory Group (OSHPAG) continued in 2006/07. This group comprises of elected Occupational Safety and Health (OSH) representatives, providing coverage across all directorates and regions within DIA. Key achievements included:
 - Bi-annual inspections of all DIA worksites, including regional offices.
 - Delivery of workshops (based on the DIA Code of Conduct) educating staff on effectively dealing with violent and/or aggressive people.
 - Access to 4WD training for regionally based staff.
 - Provision of Senior First Aid training for OSHPAG members, fire wardens and regional office staff.
 - Expansion of the Department's Wellness Program.
 - Statutory training and ongoing development of all OSH representatives.
 - Ergonomic assessments for staff where required.

CAMS

During the year CAMs continued to support the operational areas with Communication Strategies, tools and promotional material. This included:

- Development and release of more than 25 media statements.
- Development of more than 40 briefing notes and speeches.
- Development and publication of 36 editions of Tarwangin.
- Publication of seven PALS (Partnership, Acceptance and Learning) newsletters.
- Over 20 articles for publications in specialist/industry publications.
- · Management of a wide range of events.
- Production of a wide range of DIA publications, advertisements and materials, including the annual report and DIA fact sheets and information kits.

Additionally, each month CAMs responds to more than 50 public inquiries and an average of 40 media inquiries.

Indigenous Walk Trail

Plans also continued on the development of the Indigenous walk trail to span from Heirrison Island to Kings Park, in Perth. The trail will act as a gateway to Western Australia's Noongar culture and heritage, creating an educational and cultural experience for everyone to experience. Interpretive signage, and public artworks will signpost the trail and significant Aboriginal sites along its route extending along the Swan River from Heirrison Island and Kings Park. Project expenditure in 2006/07 capped at \$57,850 for work required in developing detailed signage specification documentation and approvals through comprehensive consultation to enable installation of interpretive signage in the next project phase. Work continues on this phase in 2007/08.

PALS

Since its inception in 2004, the PALS (Partnership, Acceptance, Learning and Sharing) School Reconciliation Awards have successfully increased the understanding of Western Australian primary and secondary school students on Indigenous people and their heritage and culture, and provides the opportunity for these children to take part in reconciliation.

- In 2006/07, the successful partnership with BHP Billiton Iron Ore was maintained and enhanced school participation in the PALS project, which included the active participation of about 20,000 students from 100 schools during 2006.
- An evaluation of PALS conducted among educators and students in participating schools found that PALS
 was credited with positive changes in many areas. Of those consulted, 94 per cent said the projects had
 improved relationships with the Indigenous community; 88 per cent said the projects had improved student
 participation; 82 per cent said Indigenous culture and heritage had been built into school activities and 71
 per cent said there had been improvements by Indigenous parents of community members.

INFORMATION MANAGEMENT (IM)

During the year the IM branch continued to provide high quality services to staff and customers. Key achievements included:

- Some 3200 IT service requests were addressed.
- Significant planning occurred with respect to systems for Aboriginal Heritage and a Strategic Plan with respect to GIS systems.
- · Regional servers and IT equipment were upgraded.
- New Internet content management software was installed.
- Significant system upgrades of database and GIS software were carried out.
- · Security improvements were also implemented

RECORDS MANAGEMENT

In Records Management - Principle 6 - compliance to the State Records Act 2000 - states that the Annual Report should include evidence of DIA's work to maintain an efficient and effective record keeping system. Activities and decisions in 2006-2007 to support this include:

- A revised Retention and Disposal schedule has been submitted for approval in 2008.
- Records management training continued to be conducted. The Corporate Information coordinator arranges
 records management training for DIA management support officers (MSOs) and Records Branch officers.
 Records keeping procedure manuals are provided to MSOs and Records Branch officers.
- A process is being developed to evaluate the efficiency and effectiveness of the DIA records training program.
- The employee induction program addresses roles and responsibilities in compliance to the RKP. Records training programs for new officers are included in the induction process.

FINANCE AND ADMINISTRATION

During the year the branch continued to focus on improving the effectiveness of the accounting and financial managements services to better meet the needs of internal clients. In particular the continuous improvements were achieved in:

- The preparation of financial information to facilitate the discharge of statutory reporting obligations of the Department.
- Timely provision of advice concerning the financial implications of, and financial risks to, the agency's current and projected services.
- Development of strategic options for the future financial management and capability of the agency.
- Developing improved financial management skills within the agency.
- · Upgrading the accounting system.



There were 58,711 Indigenous people in Western Australia recorded in the 2006 Census, comprising 3.0% of the State's population.

There are about 25,000 Indigenous people living in the Perth metropolitan area and another 17,000 who live among the State's 270 regional and remote communities. The diverse range of social and economic needs and geographical dispersal of Indigenous people in the State require varied and specific policy and service delivery responses.

Key statistics describing the continuing disadvantage of Indigenous people reflect the complexity of Indigenous affairs and the urgent need for commensurate action. While there are areas showing some improvements, the gap between Indigenous and non-Indigenous people in Western Australia remains significant.

- Mortality rates among Indigenous males improved with the median age at death increasing from 46 years in 2000 to 53 years in 2005. However there is still a 24-year gap compared to the non-Indigenous male mortality rate.
- Continuing improvement in Indigenous infant mortality rate has been successively recorded in WA since 1998-2000 with rate of 16.9% gradually decreasing to 12.8% in 2003-05. However this rate is still very high compared to the non-Indigenous rate of 4.2%.
- Deterioration in homeownership The proportion of Indigenous people (aged 15 years and over) living in homes owned or being purchased by a household member has deteriorated from 20.9% in 2002 to 16.9% in 2004/05.
- Overcrowding has worsened with the proportion of Indigenous people living in overcrowded houses increasing from 25.1% in 2002 to 28.8% in 2004/05.
- Apparent retention rates are improving The apparent retention rate to Year 10 among Indigenous students increased from 90% in 2002 to 97% in 2006. The retention rate to Year 12 increased from 25% to 31% for the same period.
- Deterioration in literacy and numeracy Improvements in participation and retention rates have not resulted in consequent gains in numeracy and literacy levels. The proportions of Years 3, 5 and 7 Indigenous students passing the benchmarks for reading and numeracy have decreased from 2003 to 2005.
- Increase in imprisonment rates for Indigenous people The rate for Indigenous males increased from 4463 (per 100,000 adult population) in 2002 to 6339 in 2006 (20% increase). The imprisonment rate for Indigenous women increased from 366 to 631 (34%).
- Decrease in juvenile detentions rates The rate of Indigenous juvenile detention decreased from 623 per 100,000 in 2001 to 555 per 100,000 in 2005. However, this is still significantly higher in comparison to the non-Indigenous juvenile detention rate with latest data showing the Indigenous rate 44 times the non-Indigenous rate.

COMPLIANCE REPORTING

MINISTERIAL DIRECTIVES

No Ministerial Directives were received during the financial year.

OTHER FINANCIAL DISCLOSURES

Pricing Policies of Services Provided

DIA has no legislative provisions that enable the agency to charge for services; therefore there are no pricing policies.

Capital Works

Uncompleted Capital Works

The refit of leased premises in Broome commenced in June 2007. The estimated total cost of the project is \$200,000 and the expected cost to complete the project in September 2007 is \$200,000.

Employment and Industrial Relations Staff Profile

Category	FTE Count
Full-time permanent	114
Full-time contract	38
Part-time (as FTE)	5
On secondment	6
TOTAL	163

Staff Development

The Department has a dedicated Workforce Development portfolio within the Workforce Management branch, and co-ordinates an extensive range of personal and professional development opportunities, both within the Perth office, and the regions.

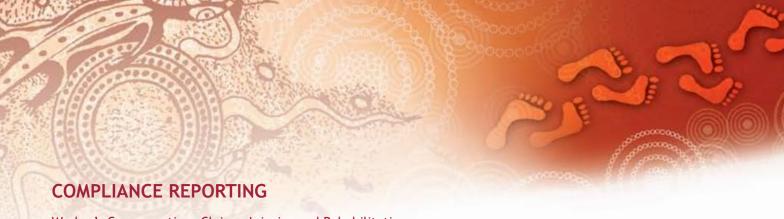
During 2006/07 the Department supported staff development through a range of learning opportunities including conferences and seminars, external training courses (both recognised training, and ad-hoc training), internal workshops, and scholarship arrangements. The average cost per employee for the year, was \$679.

Industrial Relations

Industrial arrangements for DIA staff during continue to be governed by the Public Service General Agreement.

A new Agreement was lodged for registration with the Western Australian Industrial Relations Commission in May 2006, with a date of effect of February 2006. Endorsement of the Agreement followed consultation with DIA staff and other government agencies.

Negotiations for the 2008 general agreement are expected to commence in the second half of 2007.



Worker's Compensations Claims, Injuries and Rehabilitation

During 2006/07, DIA had three workers' compensation claims lodged, with one claim subsequently withdrawn.

DIA has continued to focus on a pro-active approach to managing workplace health and safety through the OSHPAG and Employee Wellness program.

GOVERNANCE DISCLOSURES

Public Interest Disclosures

There were no declarations of public interest in 2006/07.

Contracts with Senior Officers

At the date of reporting, other than normal contracts of employment of service, no Senior Officers, or firms of which Senior Officers are members, or entities in which Senior Officers have substantial interests, had any interests in existing or proposed contracts with the Department and Senior Officers.

OTHER LEGAL REQUIREMENTS Advertising Electoral Act 1907, S175ZE

In compliance with section 175ZE of the *Electoral Act 1907*, the Department is required to report on expenditure incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

Details are as follows:

Expenditure with Advertising Agencies Marketforce Productions	\$95,520
Expenditure with Market Research Agencies Estill & Associates	\$15,127
Expenditure with Polling Agencies	\$0
Expenditure with Direct Mail Agencies	\$0
Expenditure with Media Advertising Agencies	\$0
TOTAL EXPENDITURE	\$110,647

Disability Access and Inclusion Plan Outcomes

In line with previous legislative changes, DIA has developed a Disability Access and Inclusion Plan, covering the period 2007-2011.

The supporting Implementation Plan covers a range of strategies to address the six key outcomes for public authorities, and initial progress towards these are outlined below -

(i) People with disabilities have the same opportunities as other people to access the services of, and any events organised by, a public authority

COMPLIANCE REPORTING

Creation of linkages between the DAIP (Disability Access and Inclusion Plan) and other guiding plans for DIA including the Sustainability Action Plan, Strategic Workforce Plan, and Branch Business Plans.

Development of links with DSC (Disability Services Commission) Local Area Co-ordinators in the regions, to improve access and inclusion.

(ii) People with disabilities have the same opportunities as other people to access the buildings and other facilities of a public authority

Scheduling of an access audit of all the Department's buildings and facilities.

Preparation of a submission to the Corporate Executive to facilitate the rectification of identified barriers.

(iii) People with disabilities receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it

Progress towards ensuring that all documents carry a notation regarding availability in alternative formats.

Upgrading the DIA website to include access improvements for people with disabilities.

(iv) People with disabilities receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority

Conducted Disability Awareness training for staff in Metropolitan offices (to be extended to regional areas through 2007).

Developing visual resources (posters and brochures) promoting the Department's commitment to access and inclusion for display to both staff and clients.

(v) People with disabilities have the same opportunities as other people to make complaints to a public authority

Commencing a review of existing complaint mechanisms to ensure the needs of people with disabilities are met.

(vi) People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority.

Maintenance of a register of disability organisations; care providers; and DIA staff who identify as having a disability, to advise on strategic issues regarding disability access and inclusion.

Equal Employment Opportunities Act Outcomes

The Department has continued to build on its workforce diversity initiatives, delivering some significant outcomes in terms of representation across different employee groupings in 2006/07.

Total Indigenous employment is up nearly 4% to just fewer than 35% of the DIA workforce, and the agency has underlined a commitment to the 'youth' cohort, increasing representation from just four employees in 2005/06 to 14 employees for the current year.



Other significant achievements for the year include the following:

- Engagement of two Indigenous trainees in structured traineeship opportunities in the Perth Office.
- Continuation of the DIA Mentor Program, with a number of mentor/mentee relationships facilitated throughout the year.
- Executive commitment to the recruitment of an Indigenous graduate under the Graduate Recruitment
 Program (although the agency was unable to source a suitable candidate for 2006/07 year in the highly
 competitive job market).

The Department is committed to meeting the objectives and targets of the DIA Strategic Workforce Plan (2006-2011) to ensure sustained improvement in equity and diversity outcomes for the organisation and the broader community.

Staffing Indicators	2003-2004	2004-2005	2005-2006	2006-2007
Number of Staff Employed*	158	145	146	163
Number of Staff on secondment from DIA	8	8	7	6
Number of staff on secondment to DIA	5	5	2	7
Percentage of staff of Aboriginal or Torres Strait Islander background	33.38%	29.65%	30.82%	33.74%
Number of staff who have a disability	0	6	7	6
Number of staff from culturally different backgrounds**	4	12	16	16
Number of staff younger than 25 years of age (youth)	N/A	N/A	4	14

Note: base establishment of permanent employees is 130. Fluctuations relate to temporary contract positions for specific short-term projects.

Occupational Safety And Health

The Department's Occupational Safety and Health Policy and Advisory Group (OSHPAG) continued in 2006/07.

This group comprises elected OSH representatives, providing coverage across all directorates and regions within DIA.

^{*} This figure (for 2006/07) is based on actual 'headcount' of employees, as opposed to the number of FTE staff

^{**} People born in countries other than those categorised by the Australian Bureau of Statistics as Main English Speaking (MES) countries (i.e. Australia, UK, New Zealand, South Africa, Canada, Ireland and USA).

COMPLIANCE REPORTING

The OSHPAG committee has developed and presented for Corporate Executive endorsement and OSH Work plan for 2007-2009.

Other key achievements for the year included:

- Bi-annual inspections of all DIA worksites, including regional offices.
- Delivery of workshops (based on the DIA Code of Conduct) educating staff on effectively dealing with violent and/or aggressive people.
- Access to 4WD training for regionally based staff.
- Provision of Senior First Aid training for OSHPAG members, fire wardens and regional office staff.
- Expansion of the Department's Wellness Program.
- Statutory training and ongoing development of all OSH representatives.
- Ergonomic assessments for staff where required.

The Employee Wellness Program has been embraced by staff, and is being expended to provide an even broader range of initiatives to encourage increasing participation across the workforce.



Public Sector Standards and Ethical Codes

Following a positive internal audit in 2006, the Department continued to work within a detailed policy and procedural framework to strive for compliance with the Standards for Human Resource Management in the Public Sector.

All staff in the Workforce Management Branch are conversant with the Standards, and ongoing refresher training is available to ensure the currency of that knowledge.

Policy review is undertaken in response to changes in legislation or other guiding principles, or on a periodic basis to ensure currency of internal policy.

The department has taken a pro-active approach to 'employee education' and during 2006/07 has delivered a series of workshops to staff in metropolitan offices on Professional Conduct and Acceptable Workplace Behaviour, which incorporated the requirements of the DIA Code of Conduct, EEO Policy, the Principles of Official Conduct, and other significant policy and procedures.

Compliance with Public Sector Management Act Section 31(1)

- 1. In the administration of the Department of Indigenous Affairs, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and our Code of Conduct.
- 2. I have put in place procedures designed to ensure such compliance and conducted appropriate internal assessments to satisfy myself that the statement made in 1 is correct.
- 3. The applications made for breach of standards review and the corresponding outcomes for the reporting period are:

Number lodged:	3
Number of breaches found, including details of	
multiple breaches per application:	0
Number still under review:	0

Jackie Tang Acting Director General

1 August 2007



Records Keeping Plans

The DIA Electronic Data Records Management System (EDRMS), implemented in 2005/06. It provides a seamless process giving access from all network computers to electronic documents in the database and maintains security and version control for documents. System support for EDRMS, induction, and ongoing training is coordinated through the DIA Records Branch. Further implementation to the current system in 2007/08 will include the development of Workflow functionality to assist core business processes.

DIA's RKP details how DIA should create and keep records. The RKP comprises documents which, when assessed as a whole, provide an accurate reflection of the DIA's record keeping program. Documents referenced in the RKP include the agency's Records Disposal Authority and record keeping policies and procedures.

Principle 6 - compliance to the State Records Act 2000 - states that the Annual Report should include evidence of the DIA's work to maintain an efficient and effective record keeping system. Activities and decisions in 2006-2007 to support this include the following:

- A revised Retention and Disposal schedule has been submitted for approval in 2008.
- Records management training is held within the agency. The Corporate Information coordinator arranges records management training for DIA management support officers (MSOs) and Records Branch officers. Records keeping procedure manuals are provided to MSOs and Records Branch officers.
- A process is being developed to evaluate the efficiency and effectiveness of the DIA RKP training program.
- The employee induction program addresses roles and responsibilities in compliance to the RKP. Records training programs for new officers are included in the induction process.

Freedom of Information Applications

DIA received 14 applications for access to agency records under the Freedom of Information Act 1992 in 2006/07. All applications were processed within the stipulated deadlines as set in the Act. DIA had one application go to Internal Review, and no applications went to External Review for DIA Freedom of Information decisions made within this period.

GOVERNMENT POLICY REQUIREMENTS

Corruption Prevention

DIA has a commitment to the elimination of corruption and misconduct in the workplace.

Supporting that commitment, the Department has taken the lead in developing and delivering a series of workshops to staff focusing on professional conduct and acceptable behaviour in the workplace.

The workshops focused on the principles of official conduct, and included the education of staff in ethical behaviour, unauthorised disclosure of confidential information, notification of suspected misconduct, and compliance with established DIA human resource policy such as EEO, Discrimination and Harassment, and bullying in the workplace.

The department has also undertaken a review of its Code of Conduct to reflect emerging issues such as Contact with Lobbyists, and integrates the Code of Conduct as a critical component of the Employee Induction program.

DIA continues to maintain links with other agencies to ensure access to relevant and current information around risk management, with particular regard to the areas of misconduct and corruption prevention.



Substantive Equality

PALS School Reconciliation Awards, which is the flagship, project for DIA's Enrich Program was nominated as the substantive equality project by the department. The initial screening impact assessment was carried out and a number of tasks were identified as requiring action. The departmental policy framework for its substantive equality report, which examined many aspects of the identified project area, is currently being finalised and the department is identifying a new service area for substantive equality framework for the year 2007/08.

Sustainability

In 2004/05 DIA completed its Sustainability Acton Plan 2005-2007. The plan identifies DIA's actions against the 40 commitments of the Sustainability Code of Practice, and incorporates the ongoing work of DIA in areas such as recycling, Energy Smart Government policy, procurement, equal opportunity, coordination of service delivery, partnership development, land management and transfer and heritage site management. The plan can be viewed on DPC's Sustainability website: www.sustainability.dpc.wa.gov.au.

DIA has been implementing actions in line with those committed in the plan and will continue to report progress on DPC's On-line Sustainability Reporting Systems.



FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007









HON MICHELLE ROBERTS MLA

Minister for Employment Protection; Housing and Works; Indigenous Affairs; Heritage; Land Information.

In accordance with section 66 of the Financial Management Act 2006, I hereby submit for your information and presentation to Parliament, the Annual Report of the Department of Indigenous Affairs for the financial year ended 30 June 2007. The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006 and (any other relevant written law).

Jackie Tang

Accountable Officer

28 August 2007

AUDITOR'S OPINION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007



INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

DEPARTMENT OF INDIGENOUS AFFAIRS FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2007

I have audited the accounts, financial statements, controls and key performance indicators of the Department of Indigenous Affairs.

The financial statements comprise the Balance Sheet as at 30 June 2007, and the Income Statement, Statement of Changes in Equity, Cash Flow Statement, Schedule of Income and Expenses by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

Director General's Responsibility for the Financial Statements and Key Performance Indicators

The Director General is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf".

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.



Department of Indigenous Affairs Financial Statements and Key Performance Indicators for the year ended 30 June 2007

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Department of Indigenous Affairs at 30 June 2007 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Department provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Department are relevant and appropriate to help users assess the Department's performance and fairly represent the indicated performance for the year ended 30 June 2007.

COLIN MURPHY AUDITOR GENERAL 14 September 2007



The accompanying financial statements of the Department of Indigenous Affairs have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2007 and the financial position as at 30 June 2007.

At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.

Jackie Tang

Accountable Officer

28 August 2007

George Kessaris

Chief Financial Officer

28 August 2007



I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Indigenous Affairs' performance, and fairly represent the performance of the Department of Indigenous Affairs for the financial year ended 30 June 2007.

Jackie Tang

Accountable Officer

28 August 2006

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 (\$'000)	2006 (\$'000)
COST OF SERVICES			
Expenses			
Employee benefit expenses	5	12,463	12,237
Supplies and services	6	4,561	4,733
Depreciation expense	7	186	232
Accommodation expenses	8	1,324	1,274
Grants and subsidies	9	7,903	4,847
Capital user charge	10	96	42
Loss on disposal of non-current assets	14	15	17
Other expenses	11	59	50
Total cost of services	_	26,607	23,432
Income			
Revenue			
Commonwealth grants and contributions	12	355	157
Other revenue	13	1,067	578
Total revenue	_	1,422	735
NET COST OF SERVICES		25,185	22,697
INCOME FROM STATE GOVERNMENT			
Service appropriation	15	26,276	22,314
Liabilities assumed by the Treasurer	15	-	42
Resources received free of charge	15	112	91
Total income from State Government	_	26,388	22,447
SURPLUS/DEFICIT FOR THE PERIOD	_	1,203	(250)

The Income Statement should be read in conjunction with the accompanying notes.

BALANCE SHEET AS AT 30 JUNE 2007

	Note	2007 (\$'000)	2006 (\$'000)
ASSETS			
Current Assets			
Cash and cash equivalents	25	877	335
Restricted cash assets	16	544	918
Receivables	17	1,297	688
Amounts receivable for services	18	418	440
Other current assets	17	247	140
Total Current Assets	_	3,383	2,521
Non-Current Assets			
Restricted cash assets	16	145	45
Amounts receivable for services	18	20	140
Plant and equipment	19	774	730
Total Non-Current Assets	_	939	915
TOTAL ASSETS	_	4,322	3,436
LIABILITIES			
Current Liabilities			
Payables	21	61	401
Provisions	22	1,621	1,479
Other current liabilities	23	360	457
Total Current Liabilities	_	2,042	2,337
Non-Current Liabilities	22	F0.4	447
Provisions	22	584	617
Total Liabilities	_	2,626	2,954
Net Assets		1,696	482
Equity	24		
Contributed equity		1,169	1,169
Reserves		184	173
Accumulated surplus/(deficiency)	_	343	(860)
Total Equity		1,696	482
TOTAL LIABILITIES AND EQUITY	_	4,321	3,436

The Balance Sheet should be read in conjuction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2007

	Note	2006 (\$'000)	2007 (\$'000)
Balance of equity at start of period	_	482	472
CONTRIBUTED EQUITY	24		
Balance at start of period		1,169	909
Capital Contribution		-	260
Balance at end of period		1,169	1,169
RESERVES Asset Revaluation Reserve Balance at start of period Gains/(losses) from asset revaluation		173 11 184	173 - 173
Balance at end of period	_	104	1/3
ACCUMULATED SURPLUS (RETAINED EARNINGS) Balance at start of period Surplus/(deficit) or profit/(loss) for the period Balance at end of period	_	(860) 1,203 343	(610) (250) (860)
Balance of equity at end of period	_	1,696	482
Total income and expenses for the period (a)	_	1,203	(250)

⁽a) The aggregate net amount attributable to each category of equity is: surplus \$1,203,000 plus gains from asset revaluation for the period \$11,000 (2006: deficit \$250,000)

 $\label{thm:conjunction} \mbox{The Statement of Changes in Equity should be read in conjunction with the accompanying notes. }$

CASH FLOWS STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 (\$'000)	2006 (\$'000)
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		25,978	22,023
Capital contributions		-	260
Holding account drawdowns		440	300
Net cash provided by State Government	_	26,418	22,583
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(12,542)	(11,786)
Supplies and services		(4,593)	(4,821)
Grants and subsidies		(7,903)	(4,847)
Accommodation		(1,425)	(1,180)
Capital user charge		(96)	(42)
GST payments on purchases		(1,447)	(1,212)
GST payments to taxation authority		(77)	-
Receipts			
Grants and contributions		937	817
GST receipts on sales		101	89
GST receipts from taxation authority		1,135	754
Other receipts	<u> </u>	-	137
Net cash used in operating activities	25	(25,910)	(22,091)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(241)	(270)
Net cash used in investing activities	_	(241)	(270)
Net increase/(decrease) in cash and cash equivalents		268	222
Cash and cash equivalents at the beginning of the period	_	1,298	1,076
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	25	1,566	1,298

The Cash Flow Statement should be read in conjunction with the accompanying notes.

SCHEDULE OF INCOME AND EXPENSES BY SERVICE FOR THE YEAR ENDED 30 JUNE 2007

	Support to Partnerships, Partnering Initiatives		Information and Advice		TOTAL	
	2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
COST OF SERVICES						
Expenses						
Employee benefit expenses	9,138	9,204	3,325	3,033	12,463	12,237
Supplies and services	3,344	3,559	1,217	1,174	4,561	4,733
Depreciation expense	136	174	50	58	186	232
Accommodation expenses	971	958	353	316	1,324	1,274
Grants and subsidies	5,795	3,645	2,108	1,202	7,903	4,847
Capital user charge	71	32	26	10	97	42
Loss on disposal of non-current assets	11	13	4	4	15	17
Other expenses	43	38	16	12	59	50
Total cost of services	19,509	17,623	7,099	5,809	26,607	23,432
Income						
Commonwealth grants and contributions	260	116	95	39	355	155
Other revenue	782	435	285	143	1,067	578
Total income other than income						
from State Government	1,042	551	380	182	1,422	733
NET COST OF SERVICES	18,467	17,072	6,719	5,627	25,185	22,699
INCOME FROM STATE GOVERNMENT						
Service appropriations	19,267	16,780	7,009	5,534	26,276	22,314
Liabilities assumed by the Treasurer	-	32	-	10	· -	42
Resources received free of charge	82	69	30	24	112	93
Total income from State Government	19,349	16,881	7,039	5,568	26,388	22,449
Surplus/(deficit) for the period	882	(191)	320	(60)	1,203	(250)

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

SUMMARY OF CONSOLIDATED FUND APPROPRIATIONS & INCOME ESTIMATES FOR THE YEAR ENDED 30 JUNE 2007

	2007 Estimate (\$'000)	2007 Actual (\$'000)	Variance (\$'000)	2007 Actual (\$'000)	2006 Actual (\$'000)	Variance (\$'000)
DELIVERY OF SERVICES						
Item 86 Net amount appropriated to deliver services Amount Authorised by Other Statutes	25,642	26,112	470	26,112	22,154	3,958
- Salaries and Allowances Act 1975	160	164	4	164	160	4
Total appropriations provided to deliver services	25,802	26,276	474	26,276	22,314	3,962
CAPITAL						
Item 132 Capital Contribution	-	-	-	-	260	(260)
GRAND TOTAL	25,802	26,276	474	26,276	22,574	3,702
Details of Expenses by Service Support to Partnerships,						
Partnering Initiatives	16,553	19,509	2,956	19,509	17,698	1,811
Information and Advice	6,344	7,098	754	7,098	5,837	1,261
Total Cost of Services	22,897	26,607	3,710	26,607	23,535	3,072
Less total income	(355)	(1,422)	(1,067)	(1,422)	(735)	(687)
Net cost of Services	22,542	25,185	2,643	25,185	22,800	2,385
Adjustments (a)	3,260	1,091	(2,169)	1,091	(486)	1,577
Total appropriations provided to deliver services	25,802	26,276	474	26,276	22,314	3,962
Capital Expenditure						
Purchase of non-current physical assets	490	241	(249)	241	270	(29)
Adjustments for other funding sources	(10)	(10)	-	(10)	(10)	-
Capital Contribution (appropriation)	480	231	(249)	231	260	(29)
· · · · · · · · · · · · · · · · · · ·						

⁽a) Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation.

Note 28 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2007 and between the actual results for 2006 and 2007.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

1. Departmental mission and funding

The Department's mission is: "To close the gap between the social, cultural and economic well-being of Indigenous and non-Indigenous people through strategic leadership of land, heritage and culture, and whole of government coordination of Indigenous issues."

The Department is predominantly funded by Parliamentary appropriation supplemented by contributions from other State government agencies towards joint projects involving Indigenous issues. The financial statements encompass all funds through which the Department controls resources to carry out its functions.

2. Australian equivalents to International Financial Reporting

General

The Department's financial statements for the year ended 30 June 2007 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Department has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the Australian Accounting Standards Board (AASB) and formerly the Urgent Issues Group (UIG).

Early adoption of standards

The Department cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been adopted early by the Department for the annual reporting period ended 30 June 2007

3. Summary of Significant accounting policies

(a) General statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The Financial Management Act 2006 and the Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.



(b) Basis of Preparation

The financial statements have been prepared in accordance with Accounting Standard AAS 29 'Financial Reporting by Government Departments' on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings and infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

(c) Reporting Entity

The reporting entity comprises of the Department only.

(d) Contributed Equity

UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities', requires transfers in the nature of equity contributions to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) have been designated as contributions by owners by (TI) 955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

(e) Income

Revenue recognition

Revenue is measured at fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Sale of Goods

Revenue is recognised from the sale of goods and disposal of assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

Rendering of Services

Revenue is recognised upon delivery of the service to the client or by reference to the stage of completion.

Interest

Revenue is recognised as the interest accrues.

Service Appropriations

Service Appropriations are recognised as revenues in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited into the Department's bank account or credited to the holding account held at Treasury.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Net Appropriation Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Department. In accordance with the determination specified in the 2006-2007 Budget Statements, the Department retained \$1.422 million in 2007 (\$0.735 million in 2006) from the following:

- · Grants and subsidies; and
- Other receipts; and
- GST input credits.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Department obtains control over the assets comprising the contributions which is usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased is not donated.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the balance sheet date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

(f) Plant and Equipment

Capitalisation / Expensing of assets

Items of plant and equipment costing \$1,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of plant and equipment costing less than \$1,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of plant and equipment are initially recognised at cost.

For items of plant and equipment acquired at no cost or for nominal consideration, the cost is their fair value at the date of acquisition.

Subsequent measurement

After recognition as an asset, the Department uses the cost model for all plant and equipment All plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses.



Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Plant and equipment 8 years
Office equipment 3 years
Motor vehicles 3 to 7 years

Works of art controlled by the Department are classified as property, plant and equipment. They are anticipated to have very long and indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and so no depreciation has been recognised.

(g) Impairment of Assets

Plant and equipment are tested for any indication of impairment at each balance sheet date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Department is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of the asset's fair value less cost to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated or where replacement cost is falling or where there is a significant change in the useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/ amortisation reflects the level of consumption or expiration of asset's future economic benefits to evaluate any impairment risk from falling replacement costs.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value as determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at each reporting date.

(h) Financial Instruments

The Department has two categories of financial instruments:

- Receivables (cash and cash equivalents and receivables); and
- Financial liabilities (payables).

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

(i) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents includes restricted cash and cash equivalents. These are comprised of cash on hand which are subject to insignificant risk of changes in value.

(j) Accrued Salaries

The accrued salaries suspense account (see note 16 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur in that year instead of the normal 26. No interest is received on this account.

Accrued salaries (refer note 23 'Other liabilities') represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not normally coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to the net fair value.

(k) Amounts Receivable for Services (Holding Account)

The Department receives appropriation funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account Receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement.

(I) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Department will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 3(h) 'Financial Instruments' and note 17 'Receivables''.

(m) Payables

Payables are recognised when the Department becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 3 (h) 'Financial Instruments' and note 21 'Payables'.

(n) Provisions

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet reporting date. See note 22 'Provisions'.



(i) Provisions - Employee Benefits

Annual Leave and Long Service Leave

The liability for annual and long service leave expected to be settled within 12 months after the end of the balance sheet date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the balance sheet date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance sheet date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Department does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Superannuation

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation Scheme (GSS Scheme), a defined benefit lump sum scheme also closed to new members. The Department has no liabilities for superannuation charges under the Pension or the GSS Schemes as the liability has been assumed by the Treasurer.

Employees commencing employment prior to 16 April 2007 who are not members of either the Pension or the GSS Schemes become non-contributory members of the West State Superannuation Scheme (WSS Scheme). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS Scheme). Both of these schemes are accumulated schemes. The Department makes concurrent contributions to GESB on behalf of employees in compliance with the Superannuation Guarantee (Administration) Act 1992 (Cth). These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS Schemes.

GESB makes all benefit payments in respect of the Pension and GSS Schemes, and is recouped by the Treasurer for the employer's share.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

(ii) Provisions - Other

Employment On-Costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when employment to which they relate has occurred. Employment on-costs are included as part of 'Other Expenses' and are not included as part of the Department's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

(o) Superannuation Expense

The following elements are included in calculating the superannuation expense in the Income Statement:

- (a) Defined benefit plans Change in the unfunded employer's liability (i.e. current service cost and, actuarial gains and losses) assumed by the Treasurer in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the GSS Scheme; and
- (b) Defined contribution plans Employer contributions paid to the West State Superannuation Scheme (WSS), GESB Superannuation Scheme (GESBS) and the equivalent of employer contributions to the GSS Scheme.

Defined benefit plans - in order to reflect the true cost of services, the movements (i.e. current service cost and, actuarial gains and losses) in the liabilities in respect of the Pension Scheme and the GSS Scheme transfer benefits are recognised as expenses directly in the Income Statement. As these liabilities are assumed by the Treasurer, a revenue titled 'Liabilities assumed by the Treasurer' equivalent to the expense is recognised under Income from State Government in the Income Statement.

The superannuation expense does not include payment of pensions to retirees, as this does not constitute part of the cost of services provided in the current year.

Defined contribution plans - in order to reflect the Department's true cost of services, the Department is funded for the equivalent of employer contributions in respect of the GSS Scheme (excluding transfer benefits). These contributions were paid to the GESB during the year and placed in a trust account administered by the GESB on behalf of the Treasurer. The GESB subsequently paid these employer contributions in respect of the GSS Scheme to the Consolidated Fund.

The GSS Scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, apart from the transfer benefit, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the agency to GESB extinguishes the agency's obligations to the related superannuation liability.

(p) Resources Received Free of Charge or for Nominal Value

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses as appropriate, at fair value.

(q) Comparative Figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.



(r) Support Provided to AAPA/Aboriginal Lands Trust

Decision making authority in respect of the Aboriginal land estate effectively resides with the Aboriginal Lands Trust (ALT), a body established under the auspices of the *Aboriginal Affairs Planning Authority Act 1972*.

When the Aboriginal Affairs Department (now titled the Department of Indigenous Affairs) was established on 1 November 1994 it effectively took over the operations of its originating agencies, including the Aboriginal Affairs Planning Authority (AAPA). Staff previously employed by the AAPA at that time were transferred to the AAD. As a consequence, administrative support for the AAPA and the ALT was provided by staff employed by the AAD. During 2006/07, this support, on a service basis, has been estimated at approximately \$1.171million.

4. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Department has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2006:

- AASB 2005-9 'Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132]' (Financial guarantee contracts). The amendment deals with the treatment of financial guarantee contracts, credit insurance contracts, letters of credit or credit derivative default contracts as either an "insurance contract" under AASB 4 'Insurance Contracts' or as a "financial guarantee contract" under AASB 139 'Financial Instruments: Recognition and Measurement'. The Department does not currently undertake transactions, resulting in no financial impact in applying the Standard.
- 2. UIG Interpretation 4 'Determining whether an Arrangement Contains a Lease' as issued in June 2005. This Interpretation deals with arrangements that comprise a transaction or a series of linked transactions that may not involve a legal form of a lease but by their nature are deemed to be leases for the purposes of applying AASB 117 'Leases'. At balance sheet date, the Department has not entered into any arrangements as specified in the Interpretation, resulting in no impact in applying the Interpretation.
- 3. UIG Interpretation 9 'Reassessment of Embedded Derivatives'. This Interpretation requires an embedded derivative that has been combined with a non-derivative to be separated from the host contract and accounted for as a derivative in certain circumstances. At balance sheet date, the Department has not entered into any contracts as specified in the Interpretation resulting in no impact in applying the Interpretation.

The following Australian Accounting Standards and Interpretations are not applicable to the Department as they have no impact or do not apply to not-for-profit entities:

AASB Standards and Interpretations 2005-1 'Amendments to Australian Accounting Standard' (AASB 139 - Cash flow hedge accounting of forecast intra-group transactions) 2005-5 'Amendments to Australian Accounting Standards [AASB 1 & AASB 139)' 2006-1 'Amendments to Australian Accounting Standards [AASB 121]' 2006-3 'Amendments to Australian Accounting Standards [AASB 1045]' 'Amendments to Australian Accounting Standards [AASB 134]' 2006-4 'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, 2007-2 AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]' - paragraph 9 UIG 5 'Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds' 'Liabilities arising from Participating in a Specific Market - Waste Electrical and UIG 6 Electronic Equipment' UIG 7 'Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies' UIG 8 'Scope of AASB 2'

Future impact of Australian Accounting Standards not yet operative

The Department cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Department has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued but are not yet effective. These will be applied from their application date:

- 1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Department's exposure to risks, enhanced disclosure regarding components of the Department's financial position and performance, and possible changes to the way of presenting certain items in the financial statements. The Department does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.
- 2. AASB 2005-10 'Amendments to Australian Accounting Standards (AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023, & AASB 1038)'. The amendments are as a result of the issue of AASB 7 'Financial Instruments: Disclosures', which amends the financial instrument disclosure requirements in these standards. The Department does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.

- 3. AASB 101 'Presentation of Financial Statements'. This Standard was revised and issued in October 2006 so that AASB 101 has the same requirements as IAS 1 'Presentation of Financial Statements' (as issued by the IASB) in respect of for-profit entities. The Department is a not-for-profit entity and consequently does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.
- 4. AASB 2007-4 'Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments (AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038)'. This Standard introduces policy options and modifies disclosures. These amendments arise as a result of the AASB decision that, in principle, all options that currently exist under IFRSs should be included in the Australian equivalents to IFRSs and additional Australian disclosures should be eliminated, other than those now considered particularly relevant in the Australian reporting environment. The Department of Treasury and Finance has indicated that it will mandate to remove the policy options added by this amending Standard. This will result in no impact as a consequence of application of the Standard. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2007.
- 5. AASB 2007-5 'Amendment to Australian Accounting Standard Inventories Held for Distribution by Not-for-Profit Entities (AASB 102)'. This amendment changes AASB 102 'Inventories' so that inventories held for distribution by not-forprofit entities are measured at cost, adjusted when applicable for any loss of service potential. The Department does not have any inventories held for distribution so does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2007.
- 6. AASB Interpretation 4 'Determining whether an Arrangement Contains a Lease [revised]'. This Interpretation was revised and issued in February 2007 to specify that if a public-to-private service concession arrangement meets the scope requirements of AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007, it would not be within the scope of Interpretation 4. At balance sheet date, the Department has not entered into any arrangements as specified in the Interpretation or within the scope of Interpretation 12, resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.
- 7. AASB Interpretation 12 'Service Concession Arrangements'. This Interpretation was issued in February 2007 and gives guidance on the accounting by operators (usually a private sector entity) for public-to-private service concession arrangements. It does not address the accounting by grantors (usually a public sector entity). It is currently unclear as to the application of the Interpretation to the Department if and when public-to-private service concession arrangements are entered into in the future. At balance sheet date, the Department has not entered into any public-to-private service concession arrangements resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

- 8. AASB Interpretation 129 'Service Concession Arrangements: Disclosures [revised]'. This Interpretation was revised and issued in February 2007 to be consistent with the requirements in AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007. Specific disclosures about service concession arrangements entered into are required in the notes accompanying the financial statements, whether as a grantor or an operator. At balance sheet date, the Department has not entered into any public to private service concession arrangements resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008. The following Australian Accounting Standards and Interpretations are not applicable to the Department as they will have no impact or do not apply to not-for-profit entities:
- 9. AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]. The amendments principally remove reference to expensing borrowing costs on qualifying assets as AASB 123 was revised to require such borrowing costs to be capitalised. The Department does not expect any financial impact when the standard is first applied. This standard is required to be applied to annual reporting periods beginning on or after 1 January 2009.

The following Australian Accounting Standards and Interpretations are not applicable to the Department as they will have no impact or do not apply to not-for-profit entities:

AASB Standards and Interpretations

AASB 1050	'Financial Reporting of General Government Sectors by Governments'
AASB 2070-1	'Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]'
AASB 2007-3	'Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]'
AASB 2007-7	'Amendments to Australian Accounting Standard [AASB 1, AASB 2, 'AASB 4, AASB 5, AASB 107 & AASB 128]'. This standard was issued on 28 June 2007 and applies to annual reporting periods beginning on or after 1 July 2007.
Interpretation 10	'Interim Financial Reporting and Impairment'
Interpretation 11	'AASB 2 - Group and Treasury Share Transactions'

Changes in Accounting Estimates

There were no changes in accounting estimates that will have an effect on the current reporting period.

	2007 (\$'000)	2006 (\$'000)
5. Employee benefits expense		
Wages and Salaries (a)	9,921	9,613
Superannuation - defined contribution plans (b)	886	869
Superannuation - defined benefit plans (c) (d)	-	42
Long service leave (e)	46	(93)
Annual leave (e)	74	256
Other Staff Expenses	1,535	1,537
Other related expenses (i)	1	13
	12,463	12,237

- (a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component
- (b) Defined contribution plans include West State and Gold State Shemes (contributions paid)
- (c) Defined benefit plans include Pension and Gold State Schemes (pre-transfer benefit)
- (d) An equivalent notional income is also recognised (see note 15 'Income from State Government')
- (e) Includes a superannuation contribution component

Employment on-costs such as workers' compensation insurance are included at note 11 'Other Expenses' The employment on-costs liability is included at note 22 'Provisions'.

	2007 (\$'000)	2006 (\$'000)
6. Supplies and services		
Communication	322	370
Services and contractors	2,718	2,785
Consumables	274	389
Operating leases	626	586
Repairs and maintenance	254	206
Electricity and water	64	117
Travel	-	-
Other	303	280
	4,561	4,733
7. Depreciation expense		
Motor vehicles	-	1
Plant and equipment	41	38
IT equipment	145	193
	186	232

8. Accomodation expenses	2007 (\$'000)	2006 (\$'000)
Lease rentals	1,222	1,191
Repairs and maintenance	50	26
Other	52	57
	1,324	1,274
9. Grants and subsidies		
Recurrent		
Grants to non-government agencies	4,435	4,587
Transfers/contributions to other agencies	3,468	260
	7,903	4,847
10. Capital User Charge		
Capital user charge	96	42
	96	42
		72

The charge was a levy applied by the Government for the use of its capital. In 2006-07, the final year in which the charge was levied, a single payment was made equal to the appropriation for 2006-07 less any adjustments relating to 2005-06.

11. Other expenses

Bad Debts	12	-
Doubtful debts expense	2	-
Employment on-costs (a)	-	8
Other (b)	45	42
	59	50

- (a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 22 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.
- (b) Audit fee, see also note 32 'Remuneration of auditor'.

	2007 (\$'000)	2006 (\$'000)
12. Commonwealth grants and contributions		<u>, </u>
MCATSIA funding (i)	55	55
Gordon funding	291	82
Other	9	20
	355	157
70		
13. Other revenue		
Contributions from State Government agencies		
Family History Service	32	-
Gordon Reporting	30	-
Heritage Management project	-	-
Keating Initiatives	105	125
Kimberley Interpreter Services	90	90
National Indicators	-	-
Community Partnership Initiative	-	-
Other	75	53
Other contributions		
Patrols	75	2
MCATSIA funding (i)	192	103
Other funding	373	101
Revenues from non-operating activities		
Government Vehicle Scheme	26	23
Staff Housing contributions	69	81
Other		
Other	1	-
	1,067	578

⁽i) The Department assumed responsibility for the administration of the Ministerial Council of Aboriginal and Torres Strait Islander Affairs (MCATSIA) during 2003/04. MCATSIA was previously administered, through a secretariat, by the NSW State Government. The funding received during the year was a combination of the balance of funds on hand and contributions from various States, Territories and the Commonwealth Government for the ongoing operations of the Council. Funds held for MCATSIA form part of Restricted Cash.

Plant and equipment Artwork 11 Artwork 11	TOR THE TEAR ENDED 30 SOILE 2007	2007 (\$'000)	2006 (\$'000)
IT equipment	14. Net gain (loss) on disposal of non-current assets		
Costs from Disposal of Non-Current Assets IT equipment Vehicles - 3 Plant and equipment Artwork It Artwork It Artwork It Artwork It I	Proceeds of Disposal of Non-Current Assets		
IT equipment Vehicles Plant and equipment Artwork Net gain/(loss) 15 17 15. Income from State Government Appropriation received during the year: Service appropriations (a) The following liabilities have been assumed by the Treasurer during the financial year: Superannuation (b) The following assets have been assumed from/(transferred to) other state government agencies during the financial year: (c) Information technology equipment (iii) Total assets assumed/(transferred) Resources received free of charge (c) Determined on the basis of the following estimates provided by agencies: Crown Solicitor's Office -various legal advice Government Property Office -property management services 112 91	IT equipment	-	-
Vehicles Plant and equipment Artwork 13 14 Artwork 1 1 - Net gain/(loss) 15 17 15.Income from State Government Appropriation received during the year: Service appropriations (a) 26,276 22,314 The following liabilities have been assumed by the Treasurer during the financial year: Superannuation (b) - 42 The following assets have been assumed from/(transferred to) other state government agencies during the financial year: (c) Information technology equipment (iii) Total assets assumed/(transferred) Resources received free of charge (c) Determined on the basis of the following estimates provided by agencies: Crown Solicitor's Office -various legal advice Government Property Office -property management services 27 23 112 91	Costs from Disposal of Non-Current Assets		
Plant and equipment Artwork 11 Artwork 11 Net gain/(loss) 15 17 15.Income from State Government Appropriation received during the year: Service appropriations (a) 26,276 22,314 The following liabilities have been assumed by the Treasurer during the financial year: Superannuation (b) - 42 The following assets have been assumed from/(transferred to) other state government agencies during the financial year: (c) Information technology equipment (iii) Total assets assumed/(transferred) Resources received free of charge (c) Determined on the basis of the following estimates provided by agencies: Crown Solicitor's Office -various legal advice Government Property Office -property management services 27 23 112 91	IT equipment	1	-
Artwork 1 Net gain/(loss) 15 15. Income from State Government Appropriation received during the year: Service appropriations (a) 26,276 22,314 The following liabilities have been assumed by the Treasurer during the financial year: Superannuation (b) 42 The following assets have been assumed from/(transferred to) other state government agencies during the financial year: (c) Information technology equipment (iii) Total assets assumed/(transferred) Resources received free of charge (c) Determined on the basis of the following estimates provided by agencies: Crown Solicitor's Office -various legal advice 85 68 Government Property Office -property management services 27 23 112 91	Vehicles	-	3
Net gain/(loss) 15 17 15.Income from State Government Appropriation received during the year: Service appropriations (a) 26,276 22,314 The following liabilities have been assumed by the Treasurer during the financial year: Superannuation (b) - 42 The following assets have been assumed from/(transferred to) other state government agencies during the financial year: (c) Information technology equipment (iii) Total assets assumed/(transferred) Resources received free of charge (c) Determined on the basis of the following estimates provided by agencies: Crown Solicitor's Office -various legal advice Sovernment Property Office -property management services 27 23 112 91	Plant and equipment	13	14
15. Income from State Government Appropriation received during the year: Service appropriations (a) The following liabilities have been assumed by the Treasurer during the financial year: Superannuation (b) The following assets have been assumed from/(transferred to) other state government agencies during the financial year: (c) Information technology equipment (iii) Total assets assumed/(transferred) Resources received free of charge (c) Determined on the basis of the following estimates provided by agencies: Crown Solicitor's Office -various legal advice Sovernment Property Office -property management services 27 23 112 91	Artwork	1	-
Appropriation received during the year: Service appropriations (a) The following liabilities have been assumed by the Treasurer during the financial year: Superannuation (b) The following assets have been assumed from/(transferred to) other state government agencies during the financial year: (c) Information technology equipment (iii) Total assets assumed/(transferred) Resources received free of charge (c) Determined on the basis of the following estimates provided by agencies: Crown Solicitor's Office -various legal advice Sovernment Property Office -property management services 27 23 112 91	Net gain/(loss)	15	17
Service appropriations (a) 26,276 22,314 The following liabilities have been assumed by the Treasurer during the financial year: Superannuation (b) - 42 The following assets have been assumed from/(transferred to) other state government agencies during the financial year: (c) Information technology equipment (iii) Total assets assumed/(transferred) Resources received free of charge (c) Determined on the basis of the following estimates provided by agencies: Crown Solicitor's Office -various legal advice Government Property Office -property management services 27 23 112 91	15. Income from State Government		
The following liabilities have been assumed by the Treasurer during the financial year: Superannuation (b) - 42 The following assets have been assumed from/(transferred to) other state government agencies during the financial year: (c) Information technology equipment (iii) Total assets assumed/(transferred) Resources received free of charge (c) Determined on the basis of the following estimates provided by agencies: Crown Solicitor's Office -various legal advice Sovernment Property Office -property management services 27 23 112 91	Appropriation received during the year:		
financial year: Superannuation (b) - 42 The following assets have been assumed from/(transferred to) other state government agencies during the financial year: (c) Information technology equipment (iii) Total assets assumed/(transferred) Resources received free of charge (c) Determined on the basis of the following estimates provided by agencies: Crown Solicitor's Office -various legal advice 85 Government Property Office -property management services 27 23 112 91	Service appropriations (a)	26,276	22,314
The following assets have been assumed from/(transferred to) other state government agencies during the financial year: (c) Information technology equipment (iii) Total assets assumed/(transferred) Resources received free of charge (c) Determined on the basis of the following estimates provided by agencies: Crown Solicitor's Office -various legal advice Solvernment Property Office -property management services 27 23 112 91			
government agencies during the financial year: (c) Information technology equipment (iii) Total assets assumed/(transferred) Resources received free of charge (c) Determined on the basis of the following estimates provided by agencies: Crown Solicitor's Office -various legal advice Solicitor office -property Management services 27 23 112 91	Superannuation (b)	-	42
Determined on the basis of the following estimates provided by agencies: Crown Solicitor's Office -various legal advice 85 68 Government Property Office -property management services 27 23 112 91	government agencies during the financial year: (c) Information technology equipment (iii)	-	
-various legal advice 85 68 Government Property Office -property management services 27 23 112 91	Determined on the basis of the following estimates provided by agencies:		
-property management services 27 23 112 91	-various legal advice	85	68
112 91			
	-property management services		23
26,388 22,447		112	91
		26,388	22,447

⁽a) Service appropriations are accrual amounts reflecting the full cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (b) The assumption of the superannuation liability by the Treasurer is a notional income to match the

- (b) The assumption of the superannuation liability by the Treasurer is a notional income to match the notional superannuation expense reported in respect of current employees who are members of the Pension Scheme and current employees who have a transfer benefit entitlement under the Gold State Superannuation scheme. (The notional superannuation expense is disclosed at note 5 'Employee Benefits Expense').
- (c) Where assets or services have been received free of charge or for nominal cost, the Department recognises revenues (except where the contributions of assets or services are in the nature of contributions by owners in which case the Department shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

	2007 (\$'000	2006 (\$'000)
16. Restricted Cash and cash equivalents		
Restricted cash		
<u>Current</u>		
MCATSIA (a)	228	262
Community Action Groups (b)	-	-
Western Desert Economic Opportunities (c)	3	16
Land Management (d)	-	5
PALS (e)	-	56
Grog Hotline (f)	-	3
Heritage Management (g)	86	102
Gordon - West Kimberley (h)	-	91
Language Services (i)	-	24
Remote Recruitment (j)	-	48
Community Partnership (k)	-	14
Financial Assistance to Patrols (l)	-	70
Interagency Implementation (m)	196	227
Historic Research (n)	32	-
Non-current		
Accrued salaries suspense account (o)	145	45
	689	963

- (a) Funds held by the Department for the administration of MCATSIA.
- (b) Funding to set up such groups within local indigenous communities (supported by other State Government agencies)
- (c) Funds to undertake scoping of employment and economic development opportunities in the Western Desert region.
- (d) Project linking indigenous land with the National Heritage Trust.

- (e) Projects involving indigenous heritage and culture within schools.
- (f) Contribution to the Grog Hotline facilitated by the Dept of Racing, Gaming, and Liquor.
- (g) Funding to support the development of a heritage management system.
- (h) Funds held for the Kimberley Indigenous Womens Aboriginal Corporation to address family domestic violence issues in the West Kimberley region.
- (i) Funds held for the Kimberley Interpreter Service, in conjunction with the WA Police Service.
- (j) Project funding provided by ATSIS in relation to remote recruiting workshops and reports.
- (k) Funding for project in conjunction with the Dept of Community Development.
- (l) Funding provided by BHP Billiton in relation to indigenous patrols in the Pilbara.
- (m) Funding to support the findings of the Keating Review on interagency implementation issues.
- (n) Funding from Office of Native Title for restricted archive file assessments.
- (o) Amount held in the suspense account is only to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

Non-Current

The non-current portion of Restricted Cash and cash equivalents was incorrectly stated as current in 2006. This has been corrected and the 2006 figures re-stated.

	2007 (\$'000)	2006 (\$'000)
17. Receivables		
Current		
Receivables	542	195
Allowance for doubtful debts	(2)	(4)
GST receivable	757	497
	1,297	688
Other Current Assets		
Prepayments	247	140
Total Current	1,543	828
See also note 3(l) 'Receivables' and note 30 'Financial Instruments'		
18. Amounts receivable for services		
Current	418	440
Non-current	20	140
	438	580

Represents the non-cash component of service appropriations. See note 3(j).

^{&#}x27;Amounts receivable for services (Holding Account)'. It is restricted in that it can only be used for asset replacement or payment of leave liability.

	2007 (\$'000)	2006 (\$'000)
19. Plant, equipment and vehicles		
Vehicles		
At cost	54	59
Accumulated depreciation	(54)	(54)
Total Vehicles	-	-
Plant and equipment		
At cost	410	371
Accumulated depreciation	(220)	(187)
Total plant and equipment	190	184
Information technology equipment		
At cost	1,292	1229
Accumulated depreciation	(1,032)	(998)
Total information technology equipment	260	231
	450	415
Works of art		
At fair value	324	315
Total works of art	324	315
Total plant and equipment	774	730

Land and building values in respect of Aboriginal land have been reported by the Aboriginal Affairs Planning Authority in its annual report.

Works of art were revalued in accordance with a valuation which was undertaken by an independent consultant, on the basis of current market value, as at June 2007.

Reconciliations of the carrying amounts of plant, equipment and vehicles at the beginning and end of the reporting period are set out below:

		Dlantand	Information	
	Vehicles	Plant and Equipment	Technology Equipment	Total
	\$'000	\$'000	\$'000	\$'000
<u>2007</u>				
Carrying amount at start of year	0	184	231	414
Additions	-	62	178	240
Disposals	-	(15)	(5)	(20)
Revaluation increments	-	-	-	-
Depreciation	-	(41)	(145)	(186)
Carrying amount at end of year	-	190	259	450
			Information	
		Plant and	Technology	
	Vehicles	Equipment	Equipment	Total
	\$'000	\$'000	\$'000	\$'000
<u>2006</u>				
Carrying amount at start of year	5	155	350	510
Additions	-	80	74	154
Disposals	(4)	(13)	-	(17)
Revaluation increments	-	-	-	-
Depreciation	(1)	(38)	(193)	(232)
Carrying amount at end of year	-	184	231	415

20. Impairment of Assets

There were no indications of impairment to plant and equipment assets at 30 June 2007.

The Department held no goodwill with an indefinite useful life during the reporting period and at balance sheet date there were no assets not yet available for use.

All surplus assets at 30 June 2007 have either been classified as assets held for sale or written-off.

	(\$'000)	(\$'000)
21. Payables		
<u>Current</u>		
Trade Payables	8	401
Sundry Creditors	53	-
Total current	61	401

See also note 3(m) 'Payables' and note 30 'Financial Instruments'

22. Provisions	2006	2007
<u>Current</u>	\$'000	\$'000
Employee benefits provision		
Annual leave (a)	732	686
Long service leave (b)	715	635
	1,447	1,321
Other provisions		
Employment on-costs	174	158
	174	158
Total current provisions	1,621	1,479
Non-current		
Employee benefits provision		
Long service leave (b)	521	551
	521	551
Other provisions		
Employment on-costs (c)	63	66
	63	66
Total non current provisions	584	617
Total provisions	2,205	2,096

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the balance sheet date. Assessments indicate that the actual settlement of the liabilities will occur as follows:

Within 12 months of reporting date	673	621
More than 12 months after reporting date	58	65
	732	686

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the balance sheet date. Assessments indicate that the actual settlement of the liabilities will occur as follows:

	2007 (\$'000)	2006 (\$'000)
Within 12 months of reporting date	715	635
More than 12 months after reporting date	521	551
	1,237	1,186

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included in note 11 'Other Expenses'.

Movements in Other Provisions

Movements in each class of provisions during the financial year, other than employee benefits, are set out below:

Employment on-cost provision

Carrying amount at start of year	224	203
Additional provisions recognised	12	21
Payments/other sacrifices of economic benefits	-	-
Unwinding of the discount	-	-
Carrying amount at end of year	236	224

Disclosure in accordance with AASB 1108-Accounting Policies, Changes in Accounting Estimates & Errors Non-Current Long Service Liability

The Non-Current Long Service Liability (b) for 2006 was overstated by \$92,000 (Reported \$643,000, Actual \$551,000). This overstated the Employment On Costs (c) by \$11,000 (Reported \$77,000, Actual \$66,000). This reduced Employee Benefit Expenses by \$103,000 (Reported \$12,340,000, Actual \$12,237,000) and the deficit by \$103,000 (Reported \$353,000, Actual \$250,000).

23. Other Liabilities

<u>Current</u>		
Accrued expenses	228	66
Accrued salaries	85	199
Income received in advance	-	189
Unclaimed monies	1	1
Other	46	2
Total Current	360	457



Equity represents the residual interest in the net assets of the Department. The Government holds the equity interest in the Department on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.

	2007 (\$'000)	2006 (\$'000)
Contributed Equity		
Balance at start of year	1,169	909
Contributions by Owners		
Capital contribution (a)	-	260
Total contributions by owners	1,169	1,169

(a) Capital Contributions (appropriations) and non-discretionary (non-reciprocal) transfers of net assets from other State government agencies have been designated as contributions by owners in Treasurers' Instruction TI 955 'Contributions by Owners Made to Wholly Owned Public Sector Entities' and are credited directly to equity.

Reserves Asset revaluation reserve

Balance at the start of the year Net revaluation increments/(decrements):	173	173
Works of art	11	-
Balance at the end of the year	184	173
Accumulated surplus/(deficit) (Retained Earnings)		
Balance at the start of the year	(860)	(610)
Result for the period	1,203	(250)
Balance at the end of the year	343	(860)

25. Notes to the Cash Flow Statement

Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flows Statement is reconciled to the related items in the Balance Sheet as follows:

2007

(\$'000)

2006

(\$'000)

	(+ 000)	(+ 555)
Cash and cash equivalents	877	335
Restricted cash and cash equivalents (see also Note 16)	689	963
Cash at the end of the financial year	1,566	1,298
(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activit	<u>ies</u>
Net cost of services	(25,185)	(22,697)
Non-cash items		
Depreciation	186	232
Bad Debts Expense	12	-
Doubtful debts expense	2	-
Superannuation expense	-	42
Resources received free of charge	112	91
Net (gain)/loss on sale of plant, equipment and vehicles	15	17
Other accrual adjustments	-	-
(Increase)/decrease in assets:		
Current receivables (c)	(456)	151
Other current assets	-	-
Increase/(decrease) in liabilities		
Current payables (c)	(340)	10
Current provisions	142	604
Other current liabilities	(97)	238
Non-current provisions	(33)	(400)
Net GST receipts/(payments) (a)	(9)	(4)
Change in GST receivables/payables (b)	(260)	(375)
Net cash provided by/(used in) operating activities	(25,910)	(22,091)

- (a) This is the net GST paid/received, ie cash transactions
- (b) This reverses out the GST in receivables and payables.
- (c) Note that the Australian Taxation Office receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

At the balance sheet date, the Department had fully drawn down on all financing facilities, details of which are disclosed in the financial statements.

	2007 (\$'000)	2006 (\$'000)
26. Commitments		
Lease commitments		
Commitments in relation to leases contracted for at the reporting date but not recognised in the financial statements are payable as follows:		
Within 1 year	1,290	1,217
Later than 1 year and not later than 5 years	4,751	426
Later than 5 years	16	164
	6,057	1,807
Representing:		
Non-cancellable operating leases	6,057	1,807
	6.057	1 807

27. Contingent liabilities and contingent assets

The Department had no contingent liabilities or contingent assets as at 30 June 2007.

28. Events occurring after reporting date

No information has become apparent since balance date which materially affects the financial statements.

29. Explanatory statement

Significant variations between estimates and actual results for income and expenses are presented in the financial statement titled 'Summary of Consolidated Fund Appropriations and Income Estimates' are shown below. Significant variations are considered to be those greater than 10% or \$200,000.

Significant variances between estimate and actual for 2007.

Total Appropriation Provided to Deliver Services for the Year

(Estimate 2006/07 \$25,802,000 Actual 2006/07 \$26,276,000) Variance \$474,000

The increase is reflected by the following items of new funding:

	<u>\$'000</u>
Shared Corporate Services delayed roll in	235
2006 CSA-related wage outcome	235
Salaries & Allowances Tribunal determination 2006	4
	474

Service Expenditure

Service 1 Support to Partnerships, Partnering Initiatives-

(Estimate \$16,553,000 Actual \$19,541,000) Variance \$2,989,000 The increase is reflected by the following items of new funding:

	<u>\$'000</u>
Allocation of Multilateral Pool funding by Minister	3,182
Net Revenue, redistribution of resources between outputs	(193)
	2,989

The variance reflects the allocation of the Indigenous Multilateral Funding Pool by the Minister.

Service 2 Information and Advice

(Estimate \$6,344,000, Actual \$7,147,000) Variance \$803,000

The increase is reflected by the following items of new funding:

	<u>\$'000</u>
Family History Service	32
Gordon Reporting	30
Keating Initiative	105
Net Revenue, redistribution of resources between outputs	636
	803

The variance reflects increased revenue and the redistribution of funds between outputs

Capital Contribution

(Estimate \$0 Actual \$0) Variance \$0

Total Revenue

(Estimate 2006/07 \$355,000 Actual 2006/07 \$1,422,000) Variance \$1,067,000

The increase is reflected by the following items of new funding:



	<u>\$'000</u>
Family History Service	32
Gordon Funding and Reporting	321
Keating Initiatives	105
Kimberley Interpreter Services	90
Patrols	75
Other Funding Initiatives not anticipated	474
	1,097

The variance reflected higher than expected collection from external parties for specific projects. These included funds received for the Kimberley Interpreter Services, Keating Initiatives and a general increase in miscellaneous revenue.

Significant variances between actual for 2006 and 2007

Total Appropriation Provided to Deliver Services for the Year (Actual 2006/07 \$26,276,000 Actual 2005/06 \$22,314,000) Variance \$3,962,000 The increase is reflected by the following items of new funding:

	<u>\$'000</u>
Nomination Dampier Archipelago to National Heritage List	400
Indigenous Multilateral Pool	3,382
Land Estate Environment Maintenance	(50)
Keating Fees and Charges	303
Gordon Implementation Unit	(268)
CSA Wage Outcome	235
Reposition Keating Escalation	(120)
Reposition CSA Wages Outcome	(141)
Management Initiated Redundancy DG	(203)
Costs Escalation & Accrual Adjustments	424
	3,962

Service Expenditure

<u>Service 1 Support to Partnerships, Partnering Initiatives - (Actual 2006/07 \$19,541,000 Actual 2005/06 \$17,573,000) Variance \$1,968,000</u> The increase is reflected by the following items of new funding:

	<u>\$'000</u>
Allocation of Multilateral Pool funding by Minister	3,182
Gordon Funding	(238)
Net Revenue, redistribution of resources between outputs	(976)
	1,968

The variance reflects the higher than expected funding from external parties to undertake specific projects.

Service 2 Information and Advice

(Actual 2006/07 \$7,147,000 Actual 2005/06 \$5,846,000) Variance \$1,301,000

The increase is reflected by the following items of new funding:

Net Revenue, redistribution of resources between outputs	\$ <u>7000</u> 1,301
	1,301

The variance reflects the higher than expected funding from external parties to undertake specific projects.

Capital Contribution

(Actual 2006/07 \$0 Actual 2005/06 \$260,000) Variance \$260,000

The variance reflects the fact that the total Capital Program was funded by drawdowns from the Holding Account.

Total Revenue

(Actual 2006/07 \$1,422,000 Actual 2005/06 \$735,000) Variance \$687,000

<u>\$'000</u> 321
32
75
428
856

The variance reflected the higher than expected collection from external parties for specific projects in 2006/07.

30. Financial Instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Department are cash and cash equivalents, receivables and payables. The Department has limited exposure to financial risks. The department's overall risk management program focuses on managing the risks identified below.

Credit risk

The Department trades only with recognised, creditworthy third parties. The Department has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Department's exposure to bad debts is minimal. There are no significant concentrations of credit risk.



Liquidity risk

The Department has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Cash flow interest rate risk

The Department is not exposed to interest rate risk because cash and cash equivalents and restricted cash are non-interest bearing and have no borrowings.

(b) Financial Instrument disclosures

Interest Rate Risk Exposure

The following table details the Department's exposure to interest rate risk as at the balance sheet date:

Restricted cash assets - 544 544 Receivables - 1,297 1,297 2,718 2,718 2,718 Einancial Liabilities Payables - 61 66 Weighted average effective interest rate bearing \$7000 5'000 5'000 Financial Assets Cash Assets - 335 335 Restricted cash assets - 918 918 Receivables - 688 688 1,941 1,944 Financial Liabilities Payables - 401 40	2007	Weighted average effective interest rate	Non interest bearing	Total	
Cash Assets - 877 877 Restricted cash assets - 544 544 Receivables - 1,297 1,297 2,718 2,718 2,718 Enancial Liabilities Payables - 61 6 Weighted average effective interest rate Non interest bearing \$700 5000 Financial Assets Cash Assets - 335 335 Restricted cash assets - 918 918 Receivables - 688 688 Input 1,941 1,947 Financial Liabilities Payables - 401 40			\$ 000	\$ 000	
Restricted cash assets - 544 544 Receivables - 1,297 1,297 2,718 2,718 2,718 Einancial Liabilities Payables - 61 66 Weighted average effective interest rate bearing \$7000 5'000 5'000 Financial Assets Cash Assets - 335 335 Restricted cash assets - 918 918 Receivables - 688 688 1,941 1,944 Financial Liabilities Payables - 401 40	Financial Assets				
Receivables - 1,297 1,297 2,718 2,718 2,718 Financial Liabilities Weighted average effective interest rate Non interest bearing 10 to	Cash Assets	-	87	77	877
Payables	Restricted cash assets	-	54	14	544
Financial Liabilities Payables - 61 66 Weighted average effective interest rate Non interest bearing total bearing total \$'000 Total \$'000 2006 \$'000 \$'000 Financial Assets Cash Assets - 335 335 Restricted cash assets - 918 918 Receivables - 688 688 1,941 1,947 Financial Liabilities Payables - 401 40	Receivables	-	1,29	97 1	,297
Payables - 61 67 Weighted average effective interest rate bearing \$70000 \$70000 \$7000 \$7000 \$7000 \$7000 \$7000 \$7000 \$7000 \$7000 \$7000 \$7000 \$7000 \$7000 \$70			2,71	18 2	,718
Weighted average effective interest rate Weighted average effective interest rate Dearing Tota	Financial Liabilities				
Weighted average effective interest rate Non interest bearing 5'000 Total 5'000 2006 \$'000 \$'000 Financial Assets Cash Assets - 335 335 Restricted cash assets - 918 918 Receivables - 688 688 Financial Liabilities - 401 407 Payables - 401 407	Payables	-		51	61
2006 S'000 S'000			6	51	61
2006 \$'000 <		Weighted average	Non intere	st	
Financial Assets Cash Assets - 335 335 Restricted cash assets - 918 918 Receivables - 688 688 Injustion of the properties of the p		effective interest rate		5	
Cash Assets - 335 335 Restricted cash assets - 918 918 Receivables - 688 688 1,941 1,947 Financial Liabilities Payables - 401 407	2006		\$'00	00 \$	'000
Restricted cash assets - 918 918 Receivables - 688 688 1,941 1,942 Financial Liabilities Payables - 401 402	Financial Assets				
Receivables - 688 688 1,941 1,942 Financial Liabilities Payables - 401 402	Cash Assets	-	33	35	335
Financial Liabilities 1,941 1,947 Payables - 401 407	Restricted cash assets	-	91	18	918
Financial Liabilities Payables - 401 407	Receivables	-	68	38	688
Payables - 401 407			1,94	1 1	,941
·	Financial Liabilities				
401 40	Payables	-	40)1	401
			40)1	401

Fair Values

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

31. Remuneration of senior officers

Remuneration

The number of senior officers whose total of fees, salaries, superannuation, non-monetary benefits and other benefits received for the financial year, fall within the following bands are:

	2007 (\$'000)	2006 (\$'000)
\$		
1 to 9,999	6	-
10,001 to 20,000	1	2
20,001 to 30,000	1	-
30,001 - 40,000	1	-
40,001 - 50,000	1	1
100,001 to 110,000	-	1
110,001 to 120,000	1	-
130,001 to 140,000	1	1
140,001 to 150,000	1	-
150,001 to 160,000	-	1

541,917

457,261

The total remuneration of senior officers is:

The total remuneration includes the superannuation expense incurred by the Department in respect to senior officers. No senior officers are members of the Pension scheme.

32. Remuneration of Auditor

Remuneration payable to the Auditor General for the financial year is as follows:

Auditing the accounts, financial statements and performance Indicators

45
45

33. Affiliated Bodies

During the course of the year the Department provided funding to various Government and non-Government agencies. Of the non-government organisations, it may have occurred during the financial year, that some of them would be defined as affiliated bodies under the terms of Treasurer's Instruction 951. Due to regulations imposed on grant recipients, financial acquittals are by the provision of a financial statement detailing expenditure of that particular grant only. The statement provided does not always disclose other income sources, and therefore the Department is not in a position to accurately determine which of the grant recipients are classified as an affiliated body.

SCHEDULE OF EXPENSES AND REVENUE BY SERVICE FOR THE YEAR ENDED 30 JUNE 2007

34. Supplementation by financial information

	2007 (\$'000)	2006 (\$'000)
Write-offs		
During the financial year \$12,870 (2006: \$3,000) was written off the Department's asset register under the authority of:		
Approved by Director General		
Bad Debts	13	-
	13	-
Losses Through Theft, Defaults and Other Causes		
Losses of public money and public and other property		
through theft or default	1	-
Amount recovered	-	_
	1	-
Gifts of Public Property		
Gifts of public property provided by the Department	12	3
	12	3

PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2007

The desired outcome of the Department of Indigenous Affairs (DIA) for 2006-07 was to achieve **sustainable** improvement in social, cultural and economic outcomes for Indigenous people.

DIA reports how well it achieved this desired outcome, using auditable indicators of performance. DIA focuses its measures on what it can directly influence - building partnerships and providing advices that assist Indigenous communities and the public and private sectors to deliver improved social, cultural and economic outcomes for Indigenous people.

METHOD USED TO DETERMINE OUTCOME EFFECTIVENESS

The DIA commissioned an independent research consultancy to evaluate its performance indicators for 2006-2007 by conducting a census of key partners and reporting on its findings.

The telephone survey was conducted between 12 - 20 March 2007 using the same survey instrument as had been used in previous years. The survey contained nine quantitative questions, aligned with quality and performance indicators, and included the opportunity to provide qualitative feedback. The census population was closely targeted, containing only key project partners. In all, 196 responses were obtained from a database of 313 partners, yielding a response rate of 62.6%.

EFFECTIVENESS INDICATORS - DEPARTMENT OF INDIGENOUS AFFAIRS

Indicator:

Extent to which parties in a sample of partnering arrangements indicate they have been assisted to achieve agreed outcomes, which contribute to government objectives.

This indicator measures the extent to which Indigenous client groups, Government and business, have moved from satisfaction with, to agreement that, DIA partnerships are effective. This is a direct measure of the effectiveness of DIA in coordinating and assisting the Indigenous, public and private sectors to deliver improved social, cultural and economic outcomes for Indigenous people.

Agreement that the partnership is effective in improving and sustaining social, economic or cultural outcomes for Indigenous people?

	2003-04	2004-05	2005-06	2006-07	Target
Percent of sample reporting "Agree" or "Strongly Disagree" (average responses)	65.1%	61.2%	63.5%	43.3%	65.0%
Number of respondents (including "don't know" "not relevant")	131	152	188	196	
Relevant client population for Indicator	196	296	354	313	
Reponse rate	66.8%	51.3%	53.1%	62.6%	



Indicator:

Extent to which users indicated the policy and or advice assisted their decision making.

This indicator measures the extent to which Indigenous and Government client groups are satisfied with the information and advice provided by DIA in dealing with Indigenous matters. This is another role DIA plays in assisting the Indigenous, public and private sector to deliver improved social, cultural and economic outcomes for Indigenous people.

DIA provides information and advice which assists you to deal more effectively with Indigenous matters?						
	2003-04	2004-05	2005-06	2006-07	Target	
Extent to which users indicated the policy and /or advice assisted their decision making.	63.6%	68.0%	57.4%	47.7%	65.0%	
Number of respondents (including "don't know" "not relevant")	131	152	188	196		
Relevant client population for Indicator	196	296	354	313		
Reponse rate	66.8%	51.3%	53.1%	62.6%		

Comment on DIA Effectiveness Indicator Results

Indigenous Affairs is a complex human services environment where there is much need and a large expectation of Government. The role of DIA is to deal with the complexities of people who are disadvantaged and working with three layers of government and a multitude of other non-government organisations.

The 20% and 10% decrease in the effectiveness indicators compared to 2005/6 is indicative of the general state of Indigenous Affairs in relation to health, housing, social stability and other measures as well the general challenges coordinating actions in remote areas. It is considered that the decline in indicators is influenced by the :

- Lack of effective engagement structures stemming from the abolition of Aboriginal and Torres Strait Islander Commission;
- Changing nature of and uncertainty of Commonwealth State funding arrangements;
- Prolonged functional review;
- Ambiguity and misunderstanding of DIA's role in relation to the Commonwealth;
- Dealing with communities in crisis and the need to bring parties together; and
- The impacts of staff turnover both at DIA and within client organisations has affected quality of on-going relationships and resulted in the survey having a resulted in a high proportion of neutral and no responses.

To address these issues, Government and the Department are:

- Implementing the Commonwealth/State Bi-Lateral agreement signed in July 2006;
- Implementing targeted interventions to substantially address particular communities in crisis;
- Developing an Indigenous Service framework to guide funding, strategy, and the coordinated action of agencies; and
- Bringing the functional review to a conclusion

PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2007

Although the KPIs have a downward trend, clients actually provided very positive qualitative feedback. They identified that DIA is valued for its technical knowledge; its role in furthering indigenous issues; the quality of its staff; and the quality of services and programs. They also identified that DIA could be more effective if it had a stronger policy role; was more influential and had increased staffing and resources.

It is considered that with completion of the functional review, improved Commonwealth - State collaboration and completion of targeted intervention on specific priority issues will see these indicators improve in the coming years.

1.5.1.2 EFFICIENCY INDICATORS - DEPARTMENT OF INDIGENOUS AFFAIRS

These indicators were introduced in 2001-2002, describing the key roles of DIA as "promoting the formation of partnerships between agencies and Indigenous communities" (service 1) and "providing information and advice to agencies" (service 2). The cost efficiency indicators reported here relate to the average cost per unit of producing quantifiable units of each service. All figures below are based on accrual costings.

Efficiency Indicators	2003-04	2004-05	2005-06	2006-07	2006-07 Target	
Service 1.1 ALT and other Indigenous land partnering and project initiatives.	\$72,821	\$178,396	\$68,460	\$84,744	\$93,325	
Average cost per land partnering and project initiative.	Result is in line with expectations.					
Service 1.2 Heritage and Culture partnerships and project initiatives.	\$191,212	\$56,496	\$49,802	\$37,283	\$98,199	
Average cost per heritage and culture partnership and project initiative.		the year sev			did not	
	\$118,580	\$85,128	\$70,244	\$123,739	\$65,165	
Service 1.3 Coordinating, cooperating, collaborating partnership and project initiatives Average cost per coordinating, cooperating and collaborating partnership and project initiative	In 2006/07 the department was required to acc the multi-lateral pooled funding of \$3,182,000 indicator. Performance for this is reported by o agencies. Without the multi-lateral pooled fund				0 in this other nding the d this ships that affects	



Efficiency Indicators	2003-04	2004-05	2005-06	2006-07	2006-07 Target
Service 2.1 Strategic and Tactical Policy advice.	\$32,519	\$52,446	\$70,114	\$54,576	\$68,053
Average cost per land partnering and project initiative.	Results refle				and a
Service 2.2 Formal requests from government, Cabinet and Minister for information and policy advice, including resolutions of statutons land and sites.	\$1,425	\$1,486	\$1,570	\$1,670	\$1,519
including resolutions of statutory land and sites committees (ALT, ACMC). Average cost per request answered/ recommendation made.	Result is in line with expectations.				
Service 2.3 Requests for information met through	\$125	\$100	\$64	\$43	\$77
Average cost per unit of information supplied.	The reducir continuing a Department	and increasi	ng utilisati	on of the	2











The accompanying financial statements of the Aboriginal Affairs Planning Authority have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2007 and the financial position as at 30 June 2007.

At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.

Jackie Tang

A/Commissioner for

Aboriginal Affairs Planning Authority

George Kessaris

Chief Financial Officer

28 August 2007

28 August 2007

INDICATION OF PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2007

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Aboriginal Affairs Planning Authority's performance, and fairly represent the performance of the Aboriginal Affairs Planning Authority for the financial year ended 30 June 2007.

Jackie Tang

A/Commissioner for

Aboriginal Affairs Planning Authority

28 August 2007





INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

THE ABORIGINAL AFFAIRS PLANNING AUTHORITY FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2007

I have audited the accounts, financial statements, controls and key performance indicators of The Aboriginal Affairs Planning Authority.

The financial statements comprise the Balance Sheet as at 30 June 2007, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

Commissioner's Responsibility for the Financial Statements and Key Performance Indicators

The Commissioner is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf".

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

The Aboriginal Affairs Planning Authority Financial Statements and Key Performance Indicators for the year ended 30 June 2007

Audit Opinion

In my opinion,

- the financial statements are based on proper accounts and present fairly the financial position of The Aboriginal Affairs Planning Authority at 30 June 2007 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Authority provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Authority are relevant and appropriate to help users assess the Authority's performance and fairly represent the indicated performance for the year ended 30 June 2007.

COLIN MURPHY AUDITOR GENERAL 14 September 2007

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 (\$'000)	2006 (\$'000)
COST OF SERVICES			
Expenses			
Supplies and Services	4	2,944	2,556
Depreciation expense	5	510	604
Grants and subsidies	6	787	7,598
Other expenses	7	37	147
Total cost of Services	_	4,278	10,905
Income			
Revenue			
Commonwealth grants and contributions	8	33	1,000
Interest	9	197	326
Other revenue	10	935	906
Total Revenue		1,165	2,232
Total Income other than Income from State Government	_	1,165	2,232
NET COST OF SERVICES	19	3,113	8,672
INCOME FROM STATE GOVERNMENT			
Resources received free of charge	11	1,743	1,947
Total Income from State Government	_	1,743	1,947
DEFICIT FOR THE PERIOD		(1,370)	(6,726)

The income statement should be read in conjunction with the accompanying notes.

BALANCE SHEET FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 (\$'000)	2006 (\$'000)
ASSETS			
Current Assets			
Cash and cash equivalents	19	553	990
Restricted cash and cash equivalents	12	2,267	2,701
Receivables	13	66	57
Other current assets	14	44	48
Total Current Assets	_	2,930	3,796
Non-Current Assets			
Property	15	87,390	74,124
Total Non-Current Assets	_	87,390	74,124
TOTAL ASSETS		90,320	77,920
LIABILITIES			
Current Liabilities			
Payables	17	2	<u>-</u>
Total Current Liabilities		2	-
NET ASSETS	_	90,318	77,920
EQUITY	18		
Contributed Equity		1,348	1,014
Reserves		89,840	76,406
Accumulated surplus/(deficit)		(870)	500
TOTAL EQUITY	_	90,318	77,920

The Balance Sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 (\$'000)	2006 (\$'000)
Balance of Equity at the start of the period		77,920	75,376
Contributed Equity	18		
Balance at the start of the period		1,014	1,014
Other contribution by owners		538	-
Distribution to owners		(204)	-
Balance at the end of the period		1,348	1,014
Reserves	18		
Asset Revaluation Reserve			
Balance at the start of the period		76,406	67,136
Gains from asset revaluation		13,434	9,270
Balance at the end of the period	_	89,840	76,406
Accumulated surplus/(deficit)	18		
Balance at the start of the period		500	7,226
Deficit for the period		(1,370)	(6,726)
Balance at the end of the period	_	(870)	500
Balance of equity at end of period	_	90,318	77,920
Total income and expense for the period (a)		12,064	2,544

⁽a) The aggregate net amount attributable to each category of equity is: deficit \$1,370,000 plus gains from asset revaluation reserve of \$13,434,000 (2005/06: deficit \$6,726,000 plus gains from asset revaluation of \$9,270,000)

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 (\$'000)	2006 (\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Supplies and services		(1,234)	(757)
Grants and subsidies		(787)	(7,598)
GST payments on purchases		(1,173)	(798)
GST Payments to taxation authority		(38)	(562)
Other Payments		(10)	-
		(3,242)	(9,715)
Receipts			
Grants and contributions		880	2,101
Interest received		201	323
Rent received		29	22
Other receipts		20	153
GST receipts on sales		1,054	256
GST receipts from taxation authority		187	673
		2,371	3,528
Net cash used in operating activities	19	(871)	(6,187)
Net decrease in cash and cash equivalents		(871)	(6,187)
Cash and cash equivalents at the beginning of the period		3,691	9,878
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIO	OD 19	2,820	3,691

The Cash Flow Statement should be read in conjunction with the accompanying notes.



1. Australian equivalents to International Financial Reporting Standards

General

The Authority's financial statements for the year ended 30 June 2007 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Authority has adopted, where relevant to its operations, new and revised Standards and Interpretations for their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

Early adoption of standards

The Authority cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Authority for the annual reporting period ended 30 June 2007.

2. Summary of significant accounting policies

a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land and buildings which has been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars rounded to the nearest thousand dollars (\$'000).

c) Reporting Entity

The reporting entity comprises the Authority and entities listed at note 24 'Related bodies'.

d) Contributed Equity

UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) have been designated as contributions by owners by (TI) 955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

The transfers of land received free of charge have been designated as contributed equity since 2002/03. In previous years, they were treated as Resources Received Free of Charge.

e) Income

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Grants, Contributions and Royalties

Revenue is recognised at fair value when the Authority obtains control over the assets comprising the contributions which is usually when the cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were discharged as at the balance sheet date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

f) Property

Capitalisation / Expensing of assets

Items of property costing over \$1,000 are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property costing less than \$1,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of property are initially recognised at cost.

For items of property acquired at no cost or for nominal consideration, the cost is their fair value at the date of acquisition.



Subsequent measurement

After recognition as an asset, the Authority uses the revaluation model for the measurement of land and buildings and the cost model for all other property. Land and buildings are carried at fair value less accumulated depreciation on buildings and accumulated impairment losses. All other items of property, are carried at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount. Where market evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e., the depreciated replacement cost, the gross carrying amount and the accumulated deprecation are restated proportionately.

Independent valuations of land and buildings are provided annually by the Western Australian Land Information Authority (Valuation Services) and recognised with sufficient regularity to ensure the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated useful life. Professional judgment by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are :

Buildings 50 years

g) Impairment of Assets

Property are tested for any indication of impairment at each balance sheet date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Authority is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at each reporting date.

h) Property Holdings - Aboriginal Lands Trust

The operations of the Aboriginal Affairs Planning Authority (AAPA), the Aboriginal Materials Preservation Fund and the Office of Traditional Land Use were effectively amalgamated on 1 November 1994 to form the Aboriginal Affairs Department (AAD - now titled the Department of Indigenous Affairs). At this date, assets (including land and buildings) the liabilities of the originating agencies were assumed by the AAD and as a consequence were reported on by that Department.

A review of the relationship between the various agencies performed in 1995/96 determined that the AAPA (by virtue of its relationship with the Aboriginal Lands Trust, a body established under the AAPA Act 1972 and which is the effective decision making body in respect of Aboriginal property) should more appropriately report on property holdings. Accordingly, since 1995/96, values in respect of property have been reported on by the AAPA.

i) Carrying Amount of Non-current Assets Disposed of

The program of handing land back to its original holders began in 1999/00. During the year, various properties administered by the Aboriginal Lands Trust were transferred to Aboriginal communities for no consideration. The land hand back process is expected to continue for the next five to ten years.

j) Financial Instruments

The Authority has two categories of financial instrument:

- Receivables (cash and cash equivalents, receivables); and
- Financial liabilities (payables).

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.



k) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents includes restricted cash and cash equivalents. These are comprised of cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value and bank overdrafts.

l) Receivables

Receivables are recognised and carried at original invoice amount less any allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Authority will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

m) Payables

Payables are recognised when the Authority becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

n) Resources Received Free of Charge or for Nominal Value

Resources received free of charge or for nominal cost that can be reliably measured are recognised as revenues and as assets or expenses as appropriate, at fair value.

The accounting treatment for land transferred to the Authority by other Government agencies was amended in 2002/03 in accordance with Treasurer's Instruction 955. Assets acquired are brought to account as "Contributions by Owner". In previous years, these transfers were shown as Resources Received Free of Charge.

o) Support from Department of Indigenous Affairs

Decision making authority in respect of the Aboriginal land estate effectively resides with the Aboriginal Lands Trust (ALT), a body established under the auspices of the Aboriginal Affairs Planning Authority Act 1972.

When the Aboriginal Affairs Department (AAD) - now titled the Department of Indigenous Affairs (DIA) - was established on 1 November 1994, it effectively took over the operations of its originating agencies, including the Aboriginal Affairs Planning Authority (AAPA). Staff previously employed by the AAPA at that time were transferred to the AAD. As a consequence, administrative support for the AAPA and the ALT is provided by staff employed by the DIA. These expenses were brought to account as Supplies and Services and as Resources Received Free of Charge for the first time in 2002/03 (see also Notes 4 and 11).

p) Comparative Figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

3. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Authority has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2006:

- 1. AASB 2005-9 'Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132]' (Financial guarantee contracts). The amendment deals with the treatment of financial guarantee contracts, credit insurance contracts, letters of credit or credit derivative default contracts as either an "insurance contract" under AASB 4 'Insurance Contracts' or as a "financial guarantee contract" under AASB 139 'Financial Instruments: Recognition and Measurement'. The Authority does not currently undertake these types of transactions, resulting in no financial impact in applying the Standard.
- 2. UIG Interpretation 4 'Determining whether an Arrangement Contains a Lease' as issued in June 2005. This Interpretation deals with arrangements that comprise a transaction or a series of linked transactions that may not involve a legal form of a lease but by their nature are deemed to be leases for the purposes of applying AASB 117 'Leases'. At balance sheet date, the Authority has not entered into any arrangements as specified in the Interpretation, resulting in no impact in applying the Interpretation.
- 3. UIG Interpretation 9 'Reassessment of Embedded Derivatives'. This Interpretation requires an embedded derivative that has been combined with a non-derivative to be separated from the host contract and accounted for as a derivative in certain circumstances. At balance sheet date, the Authority has not entered into any contracts as specified in the Interpretation resulting in no impact in applying the Interpretation.

The following Australian Accounting Standards and Interpretations are not applicable to the Authority as they have no impact or do not apply to not-for-profit entities:

AASB Standards and Interpretations	
2005-1	'Amendments to Australian Accounting Standard' (AASB 139 - Cash flow hedge accounting of forecast intragroup transactions)
2005-5	'Amendments to Australian Accounting Standards [AASB 1 & AASB 139]'.
2006-1	'Amendments to Australian Accounting Standards [AASB 121]'
2006-3	'Amendments to Australian Accounting Standards [AASB 1045]'
2006-4	'Amendments to Australian Accounting Standards [AASB 134]'
2007-2	'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1. AASB 117, AASB 118, AAASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]' - paragraph 9



AASB Standards and Interpretations

UIG 5	'Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds'.
UIG 6	'Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment'.
UIG 7	'Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies'
UIG 8	'Scope of AASB 2'

Future impact of Australian Accounting Standards not yet operative

The Authority cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Authority has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued but are not yet effective. These will be applied from their application date:

- 1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Authority's exposure to risks, enhanced disclosure regarding components of the Authority's financial position and performance, and possible changes to the way of presenting certain items in the financial statements. The Authority does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.
- 2. AASB 2005-10 'Amendments to Australian Accounting Standards (AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023, & AASB 1038)'. The amendments are as a result of the issue of AASB 7 'Financial Instruments: Disclosures', which amends the financial instrument disclosure requirements in these standards. The Authority does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.
- 3. AASB 101 'Presentation of Financial Statements'. This Standard was revised and issued in October 2006 so that AASB 101 has the same requirements as IAS 1 'Presentation of Financial Statements' (as issued by the IASB) in respect of for-profit entities. The Authority is a not-for-profit entity and consequently does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.

- 4. AASB 2007-4 'Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments (AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038)'. This Standard introduces policy options and modifies disclosures. These amendments arise as a result of the AASB decision that, in principle, all options that currently exist under IFRSs should be included in the Australian equivalents to IFRSs and additional Australian disclosures should be eliminated, other than those now considered particularly relevant in the Australian reporting environment. The Department of Treasury and Finance has indicated that it will mandate to remove the policy options added by this amending Standard. This will result in no impact as a consequence of application of the Standard. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2007.
- 5. AASB 2007-5 'Amendment to Australian Accounting Standard Inventories Held for Distribution by Not-for-Profit Entities (AASB 102)'. This amendment changes AASB 102 'Inventories' so that inventories held for distribution by not for profit entities are measured at cost, adjusted when applicable for any loss of service potential. The Authority does not have any inventories held for distribution so does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2007.
- 6. AASB Interpretation 4 'Determining whether an Arrangement Contains a Lease [revised]'. This Interpretation was revised and issued in February 2007 to specify that if a public-to-private service concession arrangement meets the scope requirements of AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007, it would not be within the scope of Interpretation 4. At balance sheet date, the Authority has not entered into any arrangements as specified in the Interpretation or within the scope of Interpretation 12, resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.
- 7. AASB Interpretation 12 'Service Concession Arrangements'. This Interpretation was issued in February 2007 and gives guidance on the accounting by operators (usually a private sector entity) for public-to-private service concession arrangements. It does not address the accounting by grantors (usually a public sector entity). It is currently unclear as to the application of the Interpretation to the Authority if and when public-to-private service concession arrangements are entered into in the future. At balance sheet date, the Authority has not entered into any public-to-private service concession arrangements resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.
- 8. AASB Interpretation 129 'Service Concession Arrangements: Disclosures



[revised]'. This Interpretation was revised and issued in February 2007 to be consistent with the requirements in AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007. Specific disclosures about service concession arrangements entered into are required in the notes accompanying the financial statements, whether as a grantor or an operator. At balance sheet date, the Authority has not entered into any public-to private service concession arrangements resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008. The following Australian Accounting Standards and Interpretations are not applicable to the Authority as they will have no impact or do not apply to not-for-profit entities:

9. AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]. The amendments principally remove reference to expensing borrowing costs on qualifying assets as AASB 123 was revised to require such borrowing costs to be capitalised. The Authority does not expect any financial impact when the standard is first applied. This standard is required to be applied to annual reporting periods beginning on or after 1 January 2009.

The following Australian Accounting Standards and Interpretations are not applicable to the Authority as they will have no impact or do not apply to not-for-profit entities:

and Interpretations	
AASB 1050	'Financial Reporting of General Government Se

AASB 1050	'Financial Reporting of General Government Sectors by Governments'
AASB 2007-1	'Amendements to Australian Accounting Standards arising from AASB Interpretation 11 [AASB2]'
AASB 2007-3	'Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB1023 &AASB 1038]'
AASB 2007 - 7	'Amendments to Australian Accounting Standard [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 & AASB 128]'. This standard was issued on June 28 2007 and applies to annual reporting periods beginning on or after 1 July 2007.
Interpretation 10	'Interim Financial Reporting and Impairment'
Interpretation 11	'AASB 2 - Group and Treasury Share Transactions'

Changes in Accounting Estimates

AASB Standards

There were no changes in accounting estimates that will have an effect on the current reporting period.

		2007 (\$'000)	2006 (\$'000)
4.	Supplies and Services		
	Services and contracts		
	- support from Department of Indigenous Affairs	(1) 838	1,009
	- other	905	938
	Administration	1,201	609
		2,944	2,556
	(1) See also Notes 2(n) and 11 'Resources Received Fre	ee of Charge'.	
5.	Depreciation Expense		
	Buildings	510	604
6.	Grants and Subsidies		
	Recurrent		
	Grants to organisations from		
	- general funds	659	4,493
	- other State & Govt agencie	s -	3,097
	- mining rents & royalties fu	nds 110	-
	- intestate funds	18	8
		787	7,598
7.	Other Expenses		
	Repayment of grants funding not expended	-	120
	Non-Staff Travel	37	27
		37	147
8.	Commonwealth Grants and Contributions		
	Regional community projects	-	1,000
	Other	33	<u>-</u>
		33	1,000
9.	Interest Revenue		
	Interest revenue - cash at bank	197	314

	2007 (\$'000)	2006 (\$'000)
10. Other Revenue		
Department of Indigenous Affairs	500	600
Other State Government agencies	354	262
Rent	45	22
Intestate receipts	16	19
Other	20	3
ti .	935	906
11.Income from State Government		
Resources Received Free of Charge		
Determined on the basis of the following estimates provided by agencies (1):		
- Department of Indigenous Affairs (see Note 2(n))	837	1,009
 Department of Land Information (land information and valuation) 	906	938
	1.743	1.947

(1) Where assets or services have been received free of charge or for nominal consideration, the Authority recognises revenues (except where the contributions of assets or services are in the nature of contributions by owners in which case the Department shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

12. Restricted cash and cash equivalents

C	u	r	r	e	n	t

Mining rents and royalties (1)	651	754
Community facilities (2)	1,496	1,833
Tjurabalan Stores (3)	79	73
Intestate Account	37	37
CL Johnson Bequest (4)	2	2
H Drake-Brockman (5)	2	2
	2,267	2,701

Cash in these accounts is only to be used for -

- (1) Mining and royalties
 Improvements to land held by the Authority, on which mining activity takes place.
- (2) Community facilities

 The provision of facilities, such as swimming pools, in certain regional communities.

- (3) Regional Stores Strategy
 A project to address the management and operation of regional stores.
- (4) CL Johnson Bequest assisting Aboriginal missionaries in Western Australia (see also Note 25).
- (5) H Drake-Brockman

 Awarding a prize each year to the highest achieving indigenous student (see Note 25).

	2007 (\$'000)	2006 (\$'000)
13. Receivables		
<u>Current</u>		
Receivables	43	1
Goods and Services Tax (GST)	23	56
	66	57
14. Other Current Assets		
<u>Current</u>		
Accrued Interest	44	48
	44	48
15.Property		
Land		
Freehold land	17,978	11,821
Reserves	41,990	31,818
Pastoral leases	789	285
Other leases	1,622	615
Other Land	9	-
At fair value (1)	62,388	44,539
Buildings		
At fair value (1)	25,512	30,189
Accumulated depreciation	(510)	(604)
	25,002	29,585
Total Property	87,390	74,124

⁽¹⁾ Freehold land and buildings were revalued as at 1 July 2006 by the Department of Land Information (Valuation Services). The valuations were performed during the year ended 30 June 2006 and recognised at 30 June 2007. The fair value of all land and buildings was determined by reference to market values and existing use. See also notes 2 (f) and (h).

Reconciliation of the carrying amounts of property at the beginning and end of the current financial year is set out below.

	Freehold Land	Reserves	Pastoral Leases	Other Leases	Buildings	Total
<u>2007</u>	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Carrying amount at						
start of year	11,822	31,818	285	615	29,584	74,124
Additions	-	538	-	9	-	547
Disposals	-	(204)	-	-	-	(204)
Revaluation changes	6,156	9,838	504	1,007	(4,072)	13,433
Depreciation	-	-	-	-	(510)	(510)
Carrying amount at end						
of year	17,978	41,990	789	1,631	25,002	87,390
<u>2006</u>						
Carrying amount at	0.202	20.004	7.4	202	24 205	45.450
start of year	9,303	28,884	74	802	26,395	65,458
Additions	1,600	-	-	-	-	1,600
Disposals	-	(1,600)	-	-		(1,600)
Revaluation changes	919	4,535	211	(187)	3,793	9,270
Depreciation	-	-	-	-	(604)	(604)
Carrying amount at end						
of year	11,822	31,818	285	615	29,584	74,124

16.Impairment of assets

There were no indications of impairment to property at 30 June 2007.

The Authority held no goodwill or intangible assets with an indefinite useful life during the reporting period and at balance sheet date there were no intangible assets not yet available for use.

All surplus assets at 30 June 2007 have either been classified as assets held for sale or written off.

17. Payables	(\$'000)	(S'000)
Current		
Accrued Expenses	2	-
	2	-

2007	2006
\$'000	\$'000

18. Equity

Equity represents the residual interest in the net assets of the Authority. The Government holds the equity interest in the Authority on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.

Contributed equity

Balance at start of year	1,014	1,014
Contributions by owners	-	-
Transfer of net assets from other agencies	538	-
Distribution to owners		
Net assets transferred to Government	(204)	-
Balance at end of year	1,348	1,014

Transfers of land - no charge (see Note 2(d))

The AAPA Act allows for the acquisition of unvested land where it has been shown to have been used by Aboriginal people. The land is transferred to the ALT free of charge and becomes part of the land transfer program. These transactions are of an ad hoc nature and vary from year to year.

Reserves

Asset Rev	luation	Reserve
-----------	---------	---------

76,408	67,137
17,506	5,477
(4,072)	3,793
89,842	76,407
500	7,226
(1,370)	(6,726)
(870)	500
	17,506 (4,072) 89,842 500 (1,370)

	2007 \$'000	2006 \$'000
19. Notes to the Statement of Cash Flows		
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:		
Cash and cash equivalents	553	990
Restricted cash and cash equivalents (see note 12)	2,267	2,701
	2,820	3,691
Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	(3,1113)	(8,672)
Non-cash items:		
Depreciation	510	604
Resources received free of charge	1,744	1,947
(Increase)/decrease in assets:		
Receivables	(9)	350
Other assets	(5)	(4)
Increase/(decrease) in liabilities		
Payables	2	(411)
Net cash used in operating activities	(871)	(6,187)

20. Contingent Liabilities and Assets

Contingent Liabilities

In addition to the liabilities included in the financial statements, the Authority has the following contingent liabilities:

Contaminated Sites

Under the Contaminated Sites Act 2003, the Authority is required to report known and suspected contaminated sites to the Department of Environment and Conservation (DEC). In Accordance with the Act, DEC classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated - remediation required or possibly contaminated - investigation required, the Authority may have a liability in respect of investigation or remediation expenses.

During the year the Authority reported 5 suspected sites to DEC. These have yet to be classified. There are 3 sites yet to be reported to DEC. The estimated costs to fix these 8 sites is estimated at \$3,339,233.

Insurance

The Authority currently has an insurance policy through Riskcover for some of the infrastructure on ALT held lands, but it does not include all infrastructure on ALT held lands. The value covered by insurance in 2007 was approximately \$26 million. Assets have been estimated to be worth \$701 million on ALT held land. Whilst the ALT does not have legal responsibility, if the assets remain uninsured and are damaged, the ALT does not have the capacity or funding to repair or replace these assets.

Legal advice is that the Authority is not obliged to provide insurance cover for fixed assets on ALT land. Once the government has made a policy decision on insuring buildings within Indigenous communities, the ALT policy would then need to be reviewed and based on providing coverage for those assets for which it has exclusive possession and those for which there are external covenants.

This issue is currently under review.

Contingent Assets

In addition to the assets included in the financial statements, the Authority has the following contingent asset:

Mining Rents & Royalties

A claim has been submitted to Department of Industry & Resources (DOIR) for royalties payable to AAPA relating to the period January 2003 to December 2006. DOIR will assess the amount due to AAPA and this amount will be taken up as a receipt at that time. There have been delays in calculating the amounts due as the formula is very complicated and AAPA rely on DOIR to advise what the payment will be.

21.Explanatory Statement

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10% or \$100,000. The Authority receives no appropriations from the Consolidated Account and therefore, comparison to estimates is not applicable.

Significant variances between actual results for 2006 and 2007.

Expenses

a) Supplies and services

Increase of \$388,000 (2007 \$2,944,000 - 2006 \$2,556,000)

The variance largely reflects the increase in resources received free of charge from the Department of Land Information.

b) Grants and subsidies

Decrease of \$6,811,000 (2007 \$787,000 - 2006 \$7,598,000)

This variance reflects decreased funding during the year. The payment of grant funding varies from year to year.

c) Carrying amount of non-current assets disposed of

No movement (2007 Nil - 2006 Nil)

The program of handing land back to its original holders began in 1999/00.



d) Other expenses

Decrease of \$110,000 (2007 \$37,000 - 2006 \$147,000)

The decrease is mainly due to the repayment of grant monies to the Department of Housing and Works relating to previous years.

Income

e) Commonwealth grants and contributions..

Decrease of \$967,000 (2007 \$33,000 - 2006 \$1,000,000)

The decrease reflects a reduction in Commonwealth funds received for projects during the year.

f) Other revenue

Increase of \$29,000 (2007 \$935,000 - 2006 \$906,000)

The increase reflects minor changes to grants and income received.

Revenues from State Government

g) Resources received free of charge

Decrease of \$204,000 (2007 \$1,743,000 - 2006 \$1,947,000)

The decrease is mainly the result of the value of services provided by the Department of Land Information - a reduction in maps and aerial photography services from last financial year.

22. Financial Instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Authority are cash and cash equivalents, receivables and payables. The Authority has limited exposure to financial risks. The Authority's overall risk management program focuses on managing the risks identified below.

Credit risk

The Authority trades only with recognised, creditworthy third parties. The Authority has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Authority's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

(b) Financial Instrument disclosures
Interest Rate Risk Exposure (see next page for table).

Interest Rate Risk Exposure

The following table details the Authority's exposure to interest rate risk, as at the reporting date:

	Weighted average effective interest rate	Variable interest rate	Non interest bearing	Total
2006/07	%	(\$'000)	(\$'000)	(\$'000)
Financial Assets				
Cash and cash equivalents	5.4%	553		553
Restricted cash and cash equivalents	5.4%	2,267		2,267
Receivables			66	66
Other assets			44	44
	_	2,821	110	2,930
Financial Liabilities			-	-
Payables	_ _		-	-
	Weighted average effective interest rate	Variable interest rate	Non interest bearing	Total
2005/06	%	(\$'000)	(\$'000)	(\$'000)
Financial Assets				,
Cash and cash equivalents	5.4%	990		990
Restricted cash and cash equivalents	5.4%	2,701		2,701
Receivables			57	57
Other assets			48	48
	_	3,691	105	3,796
Financial Liabilities	_			
Payables	-		0	0

Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values



23. Remuneration of Senior Officers

Remuneration

The number of senior officers whose total of fees, salaries, superannuation, non-monetary benefits and other benefits received for the financial year, fall within the following bands are:

\$	2007 (\$'000)	2006 (\$'000)
1 to 9,999	-	-
10,001 to 20,000	-	-
20,001 to 30,000	-	-
30,001 to 40,000	-	-
40,001 to 50,000	-	-
100,001 to 110,000	-	-
110,001 to 120,000	-	-
130,001 to 140,000	-	-
140,001 to 150,000	-	-
150,001 to 160,000	-	-
The total remuneration of senior officers is:	0	0

The total remuneration includes the superannuation expense incurred by the Department in respect of senior officers.

No senior officers are members of the Pension Scheme.

24. Remuneration of the Auditor

Remuneration to the Auditor General for the financial year is as follows: Auditing the accounts, financial statements and performance indicators.

12	11

25. Related Body

The Aboriginal Lands Trust (ALT) was deemed a related body by the Treasurer by virtue of Section 3(b) of the FMA 2006. The revenue, expenditures, assets and liabilities of the ALT have been included within the financial statements of the AAPA.

26. Special Purpose Accounts

Special Purpose Account section 16(1)(c) FMA

CL Johnson Bequest Trust Account

Purpose

To hold funds so as to enable the AAPA to administer in accordance with the bequest of the late Christian Larsen Johnson to the Department of Native Welfare (now abolished) for the benefit of Aboriginal Missionaries in Western Australia during illness.

Statement of Receipts and Payments for the year ended 30 June 2007

	2007 (\$'000)
Opening balance	1,836
Receipts:	
Interest	1
Payments:	
Closing balance	1,837

The funds are held in a savings account with the Commonwealth Bank.

Henrietta Drake-Brockman Trust Account

Purpose

To hold funds so as to enable the AAPA to administer, in accordance with the bequest of the late Henrietta Drake-Brockman, a prize annually in the form of books, apparatus, equipment, etc to the Aboriginal student (boy or girl) who achieves the highest Tertiary Entrance Examination (TEE) aggregate results in Western Australia.

Statement of Receipts and Payments for the year ended 30 June 2007

	2007
	(\$'000)
Opening balance	2,304
Receipts:	
Interest	17
Total receipts	17
Payments:	
Annual prizes	(780)
Closing balance	1,541

The funds are held in a savings account with the Westpac Bank.



Intestate Trust Account

Purpose

To hold funds so as to enable the AAPA to administer pursuant with section 35 of the AAPA Act.

Statement of Receipts and Payments for the year ended 30 June 2007

Δ.	2007 \$
Opening balance	37,464
Receipts:	
Interest	2,811
Intestate Revenue	16,842
Total Receipts	19,653
Payments:	
Intestate Disbursements	(20,364)
Total payments	(20,364)
Closing balance	36,753

27. Events occurring after reporting date

There have been no material events occurring after 30 June 2007 as defined by the Australian Standards AASB 110.3.

28. Supplementary financial information

a) Write-offs

No amounts (2006-nil) being debts due to the State or public property of the state were written off during 2007.

b) Losses through theft, defaults and causes

There were no losses written off during the 2007 financial year (2006-nil).

c) Gifts of public property

There were no gifts of public property provided by the Authority during the 2007 financial year (2006-nil).

d) Expenditure commitments

There are no outstanding expenditure commitments against Consolidated Funds as at 30 June 2007 (30 June 2006 - nil).

EFFECTIVENESS INDICATORS - ABORIGINAL AFFAIRS PLANNING AUTHORITY FOR THE YEAR ENDED 30 JUNE 2007

In June 2007, the Outcome Structure Review Group approved indicators for the Aboriginal Affairs Planning Authority (AAPA). It had been accepted practice since 1986 for the AAPA to adopt the same indicators as the DIA and that they be determined and reported as part of the DIA indicators. This year for the first time, results are provided under the new indicators.

As with the DIA performance survey, an independent research consultancy was commissioned to evaluate the AAPA performance by conducting a census of key partners and reporting against the new indicators. A new survey instrument was developed to collect information from which to determine performance results. The survey was conducted between 20 and 27 June 2007 and from a total of 20 clients on the DIA database, 20 interviews were conducted, giving an overall response rate of 100 %. The initial indicator was developed in 2007 and for this reason the 06/7 target is indicative.

Indicator:

Proportion of Aboriginal Organisations involved in Land Management who found the Authority's management of the land estate was in accordance with the wishes of its Aboriginal inhabitants.

The prime function provided by the AAPA (through the ALT), and is the "..use and management of the land held in trust in accordance with the wishes of the Aboriginal inhabitants...". This indicator assesses the effectiveness of the AAPA, through the ALT has been in furthering these legislative land management objectives.

AAPA	2006-07 Actual	2006-07 Target
Proportion of Aboriginal Organisations involved in Land Management who found the Authority's management of the land estate was in accordance with the wishes of its Aboriginal inhabitants.	73%	75%
Number of Respondants (including "don't know" "not relevant")	20	
Relevant client population for Indicator	20	
Response rate	100.0%	

Efficency Indicators - Aboriginal Affairs Planning Authority

Efficiency Indicators	2006-07	2006-07 Target
Service 1.1 Estate Management	\$0.130	\$0.123
Average cost per hectare of estate managed.	30.130	ŞU. 123



Comment on AAPA Effectiveness Indicator Results

Being the first year of the operation of the effectiveness indicators there are no comparative information. Survey results are pleasing. The mean and median scores were found to be over 4 (effective). 98% of responses were neutral or found the AAPA's management of their land on their behalf to be satisfactory.







