



Department of Indigenous Affairs

Annual Report
2007/08



Department of
Indigenous Affairs



DISCLAIMER

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STATEMENT OF COMPLIANCE

THE HON. DR KIM HAMES 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 2008.


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



Patrick Walker
Director General
22 September 2008

GLOSSARY OF TERMS

AAD	Aboriginal Affairs Department
AAPA	Aboriginal Affairs Planning Authority
AASB	Australian Accounting Standards Bureau
ABS	Australian Bureau of Statistics
ACMC	Aboriginal Cultural Materials Committee
AHELP	Aboriginal Heritage E-Lodgment Project
AHRU	Aboriginal Heritage Research Unit
AIFRS	Australian Equivalents to International Financial Reporting Standards
ALT	Aboriginal Lands Trust
ANU	Australian National University
BMIEA	Burrup and Maitland Industrial Estates Agreement
COAG	Council of Australian Governments
CSCIA	Cabinet Standing Committee on Indigenous Affairs
DAIP	Disability Access and Inclusion Plan
DCP	Department of Child Protection
DEC	Department of Environment and Conservation
DGGIA	Directors General Group on Indigenous Affairs
DGGIAK	Directors General Group on Indigenous Affairs (Kimberley)
DHW	Department of Housing and Works
DIA	Department of Indigenous Affairs
DoIR	Department of Industry and Resources
DotAG	Department of the Attorney General
DoTaRS	Department of Transport and Regional Services (Cth)
DPC	Department of the Premier and Cabinet
DPI	Department for Planning and Infrastructure
DSC	Disability Services Commission
DTF	Department of Treasury and Finance
DYC	Derbarl Yerrigan Committee
EDRMS	Electronic Document Records Management System
EEO	Equal Employment Opportunity
EOC	Equal Opportunity Commission
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs (Commonwealth)
GESB	Government Employees Superannuation Board
GESBS	Government Employees Superannuation Board Scheme
GLSC	Goldfields Land and Sea Council
GSM	Government Services Manager
GSS	Gold State Superannuation Scheme
GST	Goods and Services Tax
HISM	Heritage Inventory Study Methodology
ICC	Indigenous Coordination Centres (Commonwealth)
ICGP	Indigenous Community Governance Project
IEHCC	Indigenous Environmental Health Coordinating Committee
ILUA	Indigenous Land Use Agreement
IM	Information Management
INSTEP	National Seniors Partnership Volunteer Group
IPA	Indigenous Protected Areas
KIC	Kimberley Interpretive Centre
KLC	Kimberley Land Council
KRI	Kimberley Ranger Initiative
MAGA	Mapping and Gap Analysis



MCA	Ministerial Council of Australia
MCATSIA	Ministerial Council of Aboriginal and Torres Strait Islander Affairs
MFPF	Multifunction Police Facility
MOBS	Managing Our Business Services
MoU	Memorandum of Understanding
MSO	Management Support Officer
NAIDOC	National Aborigines and Islanders' Day Observance Committee
NRM	Natural Resource Management
NDT	Northern Development Taskforce
NTRB	Native Title Representative Body
ONT	Office of Native Title
ORAC	Office of the Registrar of Aboriginal Corporations
OSH	Occupational Safety and Health
OSHPAG	Occupational Safety and Health Policy and Advisory Group
PALS	Partnership Acceptance Learning Sharing (schools-based Reconciliation initiative)
PMP	Place Management Program
RAESP	Remote Area Essential Services Program
RAP	Reconciliation Action Plan
RKP	Record Keeping Plan
RPA	Regional Partnership Agreement
SIIF	State Indigenous Investment Framework
SRA	Shared Responsibility Agreement
SRO	State Records Office
SWALSC	South West Aboriginal Land and Sea Council
TEE	Tertiary Entrance Examination
UIG	Urgent Issues Group
WAIFS	Western Australian Indicator Frameworks System
WSS	West State Superannuation Scheme



OVERVIEW

One of the key challenges for the Department of Indigenous Affairs (DIA) in 2007/08 was to capitalise on the opportunities presented by a new and reinvigorated mandate, to improve the lives and lifestyles of Indigenous Western Australians.

Following the completion of a functional Review, on 30 August 2007, the former Premier of Western Australia, the Hon Alan Carpenter MLA, charged the agency with leading the development of State Indigenous policy, targeting improvement in Indigenous employment outcomes and the development of transparent measures to ensure strategic outcomes are met. He also reiterated DIA's responsibilities in the specific statutory roles of land, heritage and culture.

While restructuring to address this reinvigorated mandate, DIA continued to focus on driving better outcomes for Indigenous Western Australians by:

- Improving the coordination across State Government to enhance service delivery via more effective and efficient programs;
- Collaborating with the Commonwealth to contribute to the Council of Australian Governments' Indigenous Reform Agenda; and
- Providing a strategic and rapid response to communities in crisis.

During 2007/8, endeavours to improve the coordination of Indigenous programs and services was undertaken through the Cabinet Standing Committee on Indigenous Affairs, the Directors' General Group on Indigenous Affairs (DGGIA) and the Directors' General Group on Indigenous Affairs Kimberley. As a consequence DIA has been working with the Department of Treasury and Finance (DTF) and the Department of the Premier and Cabinet (DPC) to develop a draft State Plan for Indigenous Affairs, with clearly articulated outcomes regarding engagement, governance mechanisms and standards in Indigenous communities.

DIA also worked on developing Western Australia's contribution to the Council of Australian's Government's (COAG) Reform Agenda, coordinating the implementation of the Bilateral Agreement and developing the Strategic Investment Framework which aims to maximise the State's investment in Indigenous programs and services.

On 25 February 2008 the Coroner of Western Australia, Mr Alistair Hope, released his findings into the 22 alcohol and drug related deaths of Indigenous people in the Kimberley (the Hope Report). Coroner Hope raised again the many issues impacting on the Indigenous communities in the Fitzroy Valley.

DIA coordinated the State Government's response to the Hope Report under the direction of the DGGIA and the Minister for Indigenous Affairs. Additionally DIA implemented a number of measures to assist Indigenous communities in crisis. These included establishing the position of Government Services Coordinator, Fitzroy Crossing, and providing funding to external organisations in the East Kimberley to enable the appointment of:

- A Government Services Coordinator in Oombulgurri;
- Governance Support in Oombulgurri, Kalumburu and Warmun and
- A Community Capacity Builder in Balgo.



The department is also continuing to lead Reconciliation in Western Australia through:

- The provision of support to other Government agencies in the development of their Reconciliation Action Plans;
- Delivering cultural awareness training to Government and non-government agencies across Western Australia;
- Providing reconciliation grants for key initiatives;
- Managing the Partnership, Acceptance, Learning and Sharing (PALS) program - which this year has been expanded to include the delivery of a PALS Ambassador workshop and a series of regional workshops – to encourage a deeper understanding and respect between Indigenous and Non-Indigenous Western Australians.

During the year, DIA also delivered the Report on the Government Control of Aboriginal Monies, Western Australia, 1905 –1972, a significant step towards Reconciliation. In May 2007 the former State Government also established the Stolen Wages Taskforce to examine the extent of Government control over the income and entitlements of Aboriginal people in Western Australia. The Taskforce was requested to provide advice and recommendations on future policy options.

The department acknowledges the contribution made by the Aboriginal Lands Trust (ALT) and the Aboriginal Cultural Material Committee (ACMC) in supporting its work. I extend a sincere thanks to all members of both bodies for discharging their responsibilities in accordance with DIA's statutory requirements.

I also acknowledge the commitment and dedication of Ms Jackie Tang, who acted in the position of Director General, for most of the reporting period. I also wish to acknowledge the support of all staff and applaud their steadfastness in seeking to improve outcomes for Indigenous people, in a year characterised by significant change and challenges.

I look forward to working with our new Minister, the Hon Dr Kim Hames MLA, all staff and all of our stakeholders, to truly make difference in the forthcoming year.



Patrick Walker
Director General
22 September 2008



DEPARTMENT OF INDIGENOUS AFFAIRS' STRATEGIC PLAN 2006-2010

VISION

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

MISSION

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.

STRATEGIC OBJECTIVES

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

DIA's strategic objectives are:

- To lead and influence the development of policy, planning and improved delivery of services to Indigenous people in Western Australia;
- To promote Reconciliation and respect for Indigenous history, heritage and culture; and
- To manage and protect places of significance to Indigenous people in Western Australia and manage the 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; and
- 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 and 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.

To build links between goals, desired outcomes and services, DIA works with Indigenous people, local, State and Commonwealth 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 Western Australia.



HIGHLIGHTS OF THE YEAR 2007/08

RECONCILIATION

- Developed a Reconciliation Action Plan (RAP) and provided a leadership role to coordinate government agencies in their development of their respective plans.
- Conducted nine cultural awareness training sessions in four regional locations and DIA central office. The training course was extended to other Government agencies and the corporate sector in the regions.
- Supported 17 Reconciliation initiatives statewide with \$160,350 of funding.
- Completed the report on the issue of Stolen Wages and reported to the Minister for Indigenous Affairs on policy options.

POLICY

- Developed the State Indigenous Reform Package.
- Facilitated and supported the DGGIA and the Directors General Group on Indigenous Affairs (Kimberley) (DGGIAK) and Cabinet Standing Committee on Indigenous Affairs (CSCIA).
- Worked in partnership with the Departments of the Premier and Cabinet and Treasury and Finance to participate in the COAG reform agenda.
- Completed statewide consultation regarding the establishment of the Western Australian Indigenous Advisory Council.
- Developed the Indigenous languages plan.
- Developed and implemented the *Safer Communities Safer Children* model used in Western Australian communities where there is a high number of disclosures of child abuse.
- Developed a State Plan for Indigenous Affairs, with clearly articulated outcomes regarding engagement, governance mechanisms and standards in communities.
- Formulated a response to the Hope Report for consideration by the Minister and possible submission to Cabinet.
- Coordinated the Kimberley Interagency Working Group leading to implemented outcomes and policy changes in the areas of child sexual abuse, alcohol management and housing planning.
- Improved outcomes for residents of Beagle Bay in areas of essential, municipal and housing services and stabilised governance systems through the development of a reference group.



HERITAGE AND CULTURE


- Secured \$40,000 matching funding from BHP Ravensthorpe Nickel Operations for the Mt Ridley Rock Art project. The South Coast Natural Resources Management to provide another \$40,000.
- Corporate Executive endorsed the Aboriginal Heritage E-lodgment project (AHELP) prototype e-lodgment web interface application project to streamline lodgment of Section 18 applications and the preparation of business plan.
- Assessed approximately 6000 files under the restricted archives project, a joint initiative between DIA, the Office of Native Title and the State Records Office.
- Hosted a three-day workshop for heritage professionals, focused on practical heritage management issues, information standards and reporting for statutory applications of the *Aboriginal Heritage Act*.
- Prosecuted the Westralia Airports Corporation under the *Aboriginal Heritage Act 1972* for damage to a heritage site.

LAND

- Commenced the Dampier Peninsula Land Use Plan following DIA's successful business case of this requirement to the Department of Planning and Infrastructure (DPI).
- Completed a review of the ALT strategic plan.
- Signed a MoU with the Department of Housing and Works (DHW).
- Secured \$300,000 funding for joint DIA/Kimberley Land Council (KLC) Kimberley Ranger Initiative (KRI).
- Transferred and signed agreements for nine properties - seven properties to Esperance Noongar Aboriginal Corporation for the purposes of establishing sustainable agricultural enterprises and two properties to the Parriman family for residential purposes in Broome.
- Acquired a block of land for the establishment of a memorial park for the Noongar warrior, Yagan.
- Priority approval given by the ALT for the leasing of a block at Oombulgurri for the construction of a Multifunction Police Facility (MFPF).
- Issued 29 entry permits for mining and exploration purposes across the ALT estate, following consultation with resident Indigenous communities and native title interest holders.
- Processed and approved 55 development applications for housing and infrastructure development proposals on the ALT estate, following consultation with resident Indigenous communities and native title interest holders.
- Issued 3365 transit permits for the ALT estate.
- Employed an Indigenous trainee in the Land branch in 2007/08. The traineeship was designed by DIA to ensure a broad range of personal and practical skills were developed. The traineeship involved study towards a Certificate III in Business and Administration, completed in June 2008.

REGIONAL OPERATIONS

- Signed an MoU with the Commonwealth Government for a contribution of \$20 million for the construction, over three years, of MFPFs in Blackstone, Burringurrah and Looma and for visiting officers' accommodation at Bidyadanga.
- Created the position of Government Services Coordinator, Fitzroy Crossing.
- Provided funding to external organisations in the East Kimberley for:
 - Governance Support – Oombulgurri, Kalumburu and Warmun;
 - Community Capacity Builder – Balgo;
 - Government Services Manager – Oombulgurri;
 - Wunan Foundation working with the community councils at Oombulgurri, Kalumburu and Warmun; and
 - A Community Capacity Builder working at Balgo where a new council has been elected.
- Coordinated the State's involvement in the continued implementation of the Port Hedland, East Kimberley and Ashburton/Roebourne Regional Partnership Agreements (RPA).
- Contributed to the restructure of the East Kimberley RPA to better reflect local needs and constraints.
- Concluded the three-year Ngaanyatjarra RPA centring on the Ngaanyatjarra Lands and began negotiations on a new agreement.
- Committed to the Wiluna partnership to renegotiate and restructure the Wiluna RPA to reflect the wishes of the local community as well as mining and Local Government interests.
- The Hedland RPA exceeded its employment targets.
- Provided a total of \$175,000 to fund Mapping and Gap Analysis (MAGA) projects in the South-West region; the Wheatbelt region; and the joint Shires of Laverton and Leonora. The draft Leonora/Laverton MAGA was completed in March 2008.
- Supported Indigenous patrols operating in 19 locations throughout the State.
- Provided assistance and support to the Derbarl Yerrigan Committee for the reburial of Yagan's Kaat in partnership with the City of Swan and other key stakeholders.
- Assisted in capacity development and governance support with Burringurrah and Mungullah communities. These activities were supported by the National Seniors Partnership Volunteer Program (INSTEP) which has supplied volunteers in the Murchison/Gascoyne region since April 2008. This partnership between DIA, the communities and INSTEP will continue in 2008/09.
- Formed the Broome Indigenous Visitors Strategy Steering Committee and completed the subsequent survey.
- Commenced the Balgo Capacity Builder initiative. This included the establishment of the Balgo Advisory Council and identification of training needs.

- 
- Commenced, and part-funded, the Derby Visitors Accommodation Study to address the needs of community visitors to Derby.
 - Worked with the Yandeyarra community to establish a 10-year plan whereby Yandeyarra (Mugarinya) is planning towards a sustainable and more vibrant community.
 - Commenced two community profile projects in Roebourne and the Western Desert, following the successful Hedland MAGA.



OPERATIONAL STRUCTURE

The department

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

Under the *Aboriginal Affairs Planning Authority Act 1972*, DIA is responsible for advising Government on the adequacy, implementation and coordination of services to Indigenous people in Western Australia. DIA 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 Indigenous people play a key role in policy development. DIA's seven regional offices are the front line of this community collaboration process.

Additionally, under the *Aboriginal Affairs Planning Authority Act 1972*, DIA supports the work of the ALT, a body comprising Indigenous people, that holds almost 12 per cent 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 manages the physical and built environment of the estate, which is home to more than 15,000 Indigenous Western Australians.

Under the *Aboriginal Heritage Act 1972* DIA works with Indigenous people to protect and manage places of significance. DIA also provides advice to the public and private sectors and the community about Indigenous heritage management and maintains a Register of Aboriginal Sites. DIA 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, DIA works with developers to ensure that Indigenous heritage and engagement with Indigenous people is built into development planning processes. The ACMC, comprising 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 *Aboriginal Affairs Planning Authority Act 1972* provides for the existence of the Aboriginal Affairs Planning Authority. It was abolished on 31 October 1994 to make way for the then new Aboriginal Affairs Department. The department was renamed the Department of Indigenous Affairs, effective on 1 July 2001.

Administered legislation

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

- The *Aboriginal Affairs Planning Authority Act 1972* deals with the consultation, planning and coordination of services to Indigenous people and the adequacy of those services. The *Aboriginal Affairs Planning Authority Act 1972* also establishes the ALT, which has operational functions related to land.
- The *Aboriginal Heritage Act 1972* details specific responsibilities related to the management and protection of heritage sites.
- The *Aboriginal Communities Act 1979* enables Indigenous people to establish by-laws that govern conduct and access on community lands.



Other key legislation impacting on DIA's activities

Auditor General Act 2006

Contaminated Sites Act 2003

Disability Services Act 1993

Equal Opportunity Act 1984

Financial Management Act 2006

Freedom of Information Act 1992

Industrial Relations Act 1979

Minimum Conditions of Employment Act 1993

Occupational Safety and Health Act 1984

Public Sector Management Act 1994

Salaries and Allowances Act 1975

State Records Act 2000

State Supply Commission Act 1991

Native Title Act 1993

Mining Act 1979

Aboriginal and Torres Strait Islander Heritage Protection Act 1984

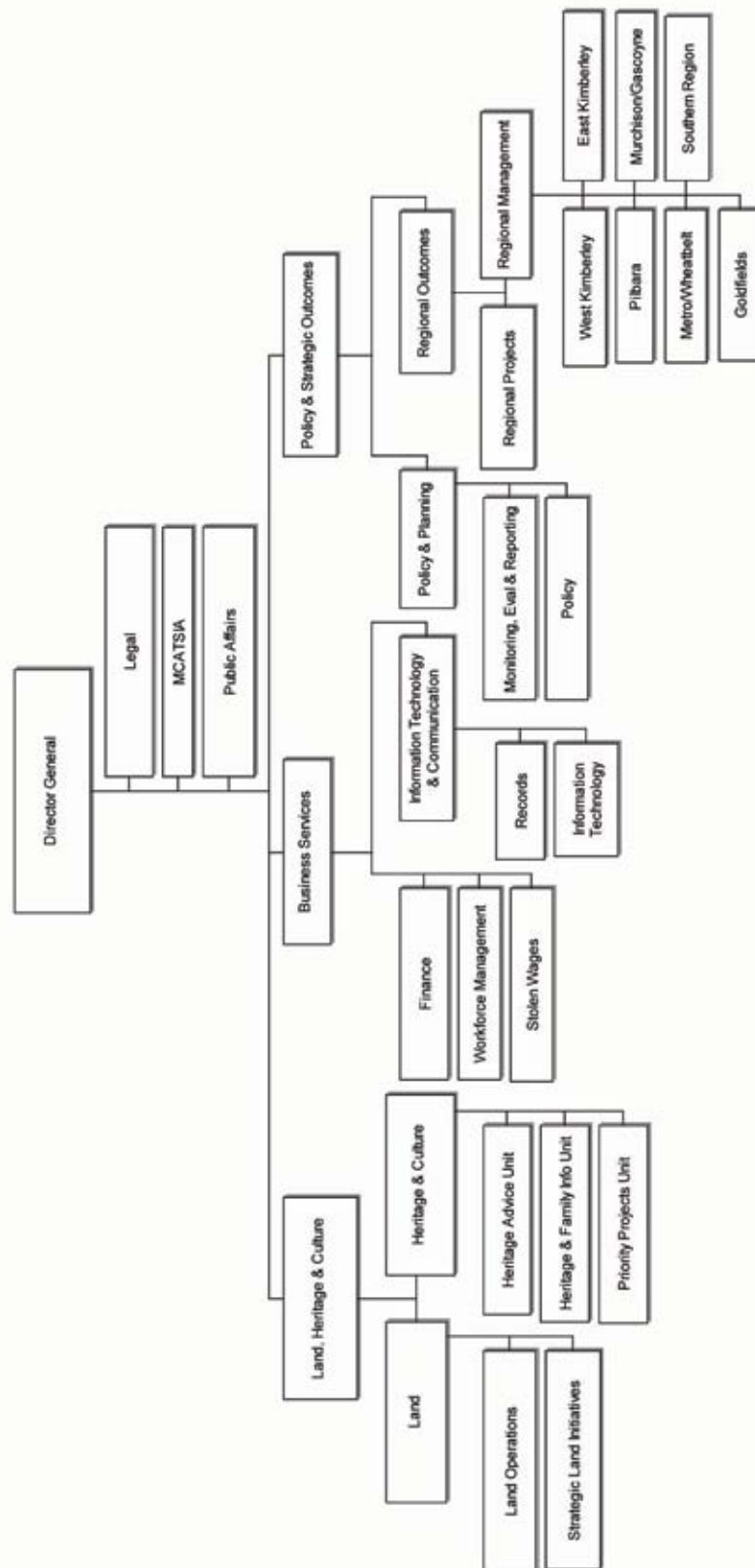
Key clients

DIA's key clients are Western Australia's 58,711 Indigenous people (as recorded in the 2006 Census), comprising 3.0 per cent 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.

Key stakeholders

- Western Australian Indigenous People;
- State Government agencies;
- Commonwealth Government agencies;
- Local Governments;
- Indigenous organisations and communities;
- Industry, business and industry bodies;
- Native Title Representative Bodies;
- Tertiary and other educational bodies; and
- Non-government and voluntary organisations.

Organisational structure





PERFORMANCE MANAGEMENT FRAMEWORK

Links between goals, desired outcomes and services

DIA works with Indigenous people, Local, State and Commonwealth agencies, as well as non-government organisations, to identify the key issues affecting Indigenous people, to 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;
- Lifestyle and the environment;
- Regional development; and
- Governance and public sector improvement.

The Better Services goal, which best reflects the majority of DIA's work is the State Government's goal of enhancing the quality of life and well-being of all people throughout Western Australia through 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	1. Support to Partnerships, Partnering Initiatives 2. Information and Advice.

Changes to outcome-based management framework

DIA's outcome-based management framework did not change during 2007/08

Shared responsibilities with other agencies

DIA did not share any responsibilities with other agencies in 2007/08.



CORPORATE GOVERNANCE

The Minister for Indigenous Affairs is the Minister responsible for DIA, which supports the ALT and the ACMC.

The Aboriginal Lands Trust

The *Aboriginal Affairs Planning Authority Act 1972* establishes the ALT, a body comprised of Indigenous people, appointed by the Minister for Indigenous Affairs.

The Aboriginal Affairs Planning Authority (AAPA) holds a significant amount of land in Western Australia including 81 reserves and nine freehold blocks. The 81 proclaimed reserves are subject to special protection under Part III of the *Aboriginal Affairs Planning Authority Act 1972*

Under Section 24 of the *Aboriginal Affairs Planning Authority Act 1972*, 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 under Section 27 of the 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 estate comprises 336 properties with a range of different tenures including 264 Crown Reserves, 59 freehold blocks, seven special purpose leases and six pastoral properties. Most Western Australian Indigenous communities reside on the ALT estate.

Entry to proclaimed reserves is controlled under Section 31 of the *Aboriginal Affairs Planning Authority Act 1972*. It is an offence for a person to enter a proclaimed reserve without an entry permit. 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, tourists and visitors seek permits for recreational purposes and mining and exploration companies seek them 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 from exploration and mining activities on proclaimed reserves. These monies are a percentage of mining rents and royalties collected by the Government. Monies are used to fund projects that contribute to increased 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 2007/08 ALT members are:

- Ron (Doc) Reynolds, Chair;
- Gordon Cole;
- Leslie Cook;
- Kevin Giles;
- Betty Logan;
- Susan Murphy; and
- Edna O'Malley.



In 2007/08 the ALT held two full meetings, during which it considered and made 19 resolutions about the use, management and divestment of ALT-held lands. These included approvals for leases, land transfers, community by-laws, land use developments, mining entry permits and grant funding.

In mid-2007 the ALT began an evaluation of achievements against its 2004-07 strategic plan. The evaluation has identified a number of outcomes that will indicate the directions the ALT should take and offer substantial framework and focus in the development of a new strategic plan.

Aboriginal Cultural Material Committee

The ACMC is the specialist heritage advisory body to the Minister for Indigenous Affairs established under the *Aboriginal Heritage Act 1972*. 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 and the other stakeholders on all State Indigenous heritage matters.

The ACMC held 11 meetings in 2007/08. In October 2007 the ACMC spent three days in the Goldfields area, holding its monthly meeting in Kalgoorlie, as well as going on site visits. The committee held information sessions with local community groups and industry representatives.

Over the 12-month period the ACMC dealt with approximately 103 Section 18 Notices. Under section 16 of the Act, the ACMC considered four applications for purposes of research and investigation in consultation with local Indigenous community groups.

In 2007/08 the ACMC members, are:

- Mr Ken Ninnette - Chairperson;
- Mr Michael Robinson, Specialist Anthropologist;
- Ms Violet Drury;
- Ms Jean Boladeras;
- Mr Alec Tucker;
- Ms Pearl Gordon; and
- Mr Peter Francis.

Ex-officio membership of the ACMC includes:

- The Director General of the Department of Indigenous Affairs;
- The Chief Executive Officer of the Western Australian Museum; and
- An authorised Land Officer within the Department for Planning and Infrastructure.

AGENCY PERFORMANCE REPORT ON OPERATIONS





DIRECTORATE STATE STRATEGY AND POLICY IMPLEMENTATION

OVERVIEW

The directorate leads the development of Indigenous planning and co-ordination and policy across Government and is charged with assessing the effectiveness of State Government Indigenous initiatives to ensure they maximise outcomes for Indigenous people.

Additionally, the directorate addresses Indigenous issues of national significance through COAG, the Ministerial Council for Aboriginal and Torres Strait Islander Affairs (MCATSIA) and other national processes.

It undertakes these responsibilities through the provision of strategic policy, information and advice to promote the economic, social and cultural advancement of Indigenous people. In addition, it provides coordination and advice on issues impacting on remote and town-based communities and partners with key agencies and forums to progress agreed priority actions.

POLICY COORDINATION

Bilateral Agreement on Indigenous Affairs

DIA and the Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) jointly coordinate the implementation of the Bilateral Agreement on Indigenous Affairs. The agreement - signed by the Prime Minister and the Premier of Western Australia in July 2006 - aims to improve and streamline services to Indigenous people. It has six key outcome areas:

- Law and order and safe places for people;
- Skills, jobs and opportunities;
- Healthy and strong people;
- Sustainable environmental health and infrastructure;
- Land, sea and culture; and
- Strong leadership and governance.

During 2007/08, DIA has worked with relevant State agencies to establish six Senior Officer Groups. These groups address each of the agreement's key outcome areas. To date, four of the Senior Officer Groups have produced action plans, subsequently endorsed by DGGIA. The remaining two groups continue to develop their plans. The Senior Officer Groups report to the DGGIA quarterly on progress against the plans.



Cabinet Standing Committee on Indigenous Affairs

CSCIA was established in October 2007.

CSCIA works collaboratively with DGGIA and DGGIAC. During the year CSCIA has approved the progression of a number of Indigenous reform initiatives and given DIA the task of leading the development, monitoring progress and evaluating the success of these initiatives. Initiatives include:

- The *Safer Communities Safer Children* model used in Western Australian Indigenous communities where there is a high number of disclosures of child abuse;
- The development of the first draft of a State plan for Indigenous Affairs, with clearly articulated outcomes regarding engagement, governance mechanisms and standards in communities;
- The development of a project framework to determine where investment of Government budget and services, including beyond essential services, will be directed; and
- A response to the Hope Report for consideration by the Minister and possible submission to Cabinet.

CSCIA meets on a quarterly basis.

Directors General Group on Indigenous Affairs

The Director General of DIA chairs and provides secretariat and policy support for DGGIA. The group meets quarterly and in the past 12 months has coordinated and addressed the immediate, medium and longer-term resource and service-delivery requirements of Indigenous people. In particular, DGGIA managed the implementation of the Bilateral Agreement on Indigenous Affairs with the Commonwealth Government and provided advice to CSCIA on a range of reform initiatives

Directors General Group on Indigenous Affairs (Kimberley)

DGGIAC was established to address the rapid escalation of child sex abuse disclosures and subsequent investigations in the Kimberley region.

On the 23 July 2007, the Cabinet Standing Committee on Law and Order tasked DIA with the responsibility of coordinating the State Government's response. CSCIA endorsed *Safer Communities Safer Children* in October 2007 as the model to be used in communities where there is a high level of disclosures of child sexual abuse and DGGIAC was formed to monitor and evaluate progress. The Director General of DIA chairs DGGIAC and provides secretariat and policy support. DGGIAC meets every month.

Other initiatives DGGIAC progressed during the reporting period were:

- A permanent police presence in Kalumburu, Oombulgurri and Balgo.
- The establishment of permanent, full-time, positions for Child Protection Workers in Kalumburu, Oombulgurri and Balgo.
- The delivery of Protective Behaviours and Resiliency programs in all Government schools in the affected communities. Protective behaviours programs teach children good decision-making in their interactions with other people and how to keep themselves safe. Resiliency programs teach children how to cope with stresses in their lives and to learn from their experiences rather than be overwhelmed by them.
- The availability of support and counselling services to all victims and their families.



CONTRIBUTION TO INDIGENOUS POLICY DEVELOPMENT

Council of Australian Governments Indigenous reform

DIA is working in partnership with DPC and DTF on the state's contribution to various aspects of the COAG's Indigenous Reform Agenda, particularly the four national Indigenous reform proposals being developed:

- Indigenous early childhood;
- Remote service delivery and workforce planning;
- Economic participation and active welfare; and
- Family and community safety.

During 2008/09, DIA's focus will be on the development of the remote service delivery and workforce planning model. The department is also developing a baseline report, which describes the status of Indigenous outcomes in Western Australia relative to targets set in the COAG reform agenda.

Policy advice and information

As well as providing advice to the Minister for Indigenous Affairs on a wide range of issues affecting Indigenous people in Western Australia, in 2007/08, the department made substantial submissions to a number of formal inquiries and research projects with the potential to impact on Indigenous Western Australians. Two of the most notable included submissions to:

- The Local Government Advisory Board's inquiry into Local Government Service Delivery to Indigenous Communities; and
- The Legislative Assembly's Community Development and Justice Standing Committee inquiry into Collaborative Approaches in Government.

The department also supported internal and external stakeholders with information to assist them to inform Indigenous policy and program development.

For example, the directorate provided:

- Demographic profiles to support the South-West MAGA;
- Data to support place management development in East Kimberley Indigenous communities;
- Data on Western Australian Indigenous communities to assist the Taskforce on Essential Services to Indigenous Communities; and
- Baseline data to assist in the preparation of regional partnership agreements.

Ministerial Council for Aboriginal and Torres Strait Islander Affairs

Since February 2008 the Western Australian Minister for Indigenous Affairs has chaired MCATSIA and will hold this position for the next two years. Western Australia, through DIA, also manages the secretariat that supports the operation of MCATSIA.

One of MCATSIA's key projects, the Populations Project, undertaken through the Centre for Aboriginal Economic Policy Research of the Australian National University, examines changing population trends and further analyses the dynamics of population change to provide a focus for public policy and attention. It follows an initial research project, which identified the emergence of demographic hot spots.



There are four separate, but related, projects in this research study:

Project 1 will identify the regional trends and rates of changes in the relative socio-economic status of Indigenous people since the 1980s.

Project 2 will conduct household surveys in selected areas to measure and better understand Indigenous population movements to regional centres. Halls Creek has been selected as one of the areas to be surveyed. Other proposed sites are Cairns, Townsville, Alice Springs, Mildura and Port Augusta.

Project 3 will provide more detail on Indigenous population dynamics in city neighborhoods – Sydney, Melbourne, Brisbane, Adelaide and Perth.

Project 4 will undertake case studies of selected regional towns through detailed analysis of census and administrative data to better understand the population dynamics and to better quantify and project service delivery needs.

There is now sufficient material from the project to inform public policy development.

For example, data produced by the research project on regional trends and urban Indigenous population dynamics is now being used to inform the development of COAG Indigenous reforms and in the current Commonwealth Grants Commission review process.

To utilise the material being produced by the project in a timely manner a formal Discussion Paper series will be published to speed up the publication and dissemination of research findings from the project. The first discussion paper *Locations of Indigenous Population Change: What Can We Say?* was published in June 2008. It is expected that approximately 12 discussion papers will be published in the next 12 months.

SPECIFIC POLICY INITIATIVES

Aboriginal languages policy

In August 2007, the Minister for Indigenous Affairs agreed for DIA to lead the development of an Indigenous language policy for Western Australia. This policy will clarify the Government's commitment to supporting the recognition, preservation and maintenance of languages important to Aboriginal people in Western Australia, and set out the roles individuals, communities and Government will play.

As an initial step, DIA engaged Associate Professor Graham McKay, of Edith Cowan University, to develop a discussion paper. This paper formed the basis of a consultation forum held in Perth on 23 June 2008. Representatives attended the forum from key Government departments, Aboriginal Language Centres from across Western Australia, non-government agencies and academics with relevant expertise in this area. The discussion points and ideas from the forum are being considered in the drafting of the policy. Further consultation on the draft policy will be required. The department is aiming to present the policy document to the Minister before the end of the 2008/09 financial year.

MONITORING AND EVALUATION

The State Indigenous Investment Framework project

In October 2007, CSCIA endorsed a proposal for DIA and the Department of Treasury and Finance (DTF) to scope the work required to provide a detailed report of the State Investment in Indigenous outcomes in Western Australia. The State Indigenous Investment Framework (SIIF) project is a refinement of that proposal and aims to measure the current and projected investment and identify performance improvements needed for the delivery of services to Indigenous people.

During the year DIA also established a project team to plan and develop the SIIF project in consultation with DTF. The project has several stages, with the first stage of program identification and measuring service delivery investment in a selected region due for completion in early 2009.



Western Australia Indicators Framework System

The Western Australia Indicator Framework System (WAIFS), initiated and developed through DIA, has gained considerable interest and support nationally, from other states and at the highest level of the Australian Bureau of Statistics (ABS). WAIFS is an essential tool for DIA's enhanced role in whole-of-government planning, monitoring and evaluation.

WAIFS is a web-based software system that automates and formalises the ad hoc and time-consuming process of updating State Government indicator frameworks.

In 2008, DIA undertook preliminary work to expand WAIFS to include the Department of the Attorney General's (DotAG) indicator framework for the Aboriginal Justice Agreement and various other frameworks from the Department for Communities (Women's Report Card, Indigenous Women's Report Card, Family and Domestic Violence framework). This will see the system providing access to seven frameworks and more than 250 different performance measures from three different Government departments.

This body of work represents the first phase of the implementation of WAIFS and concludes two years of DIA's investment in the WAIFS project. The second phase of WAIFS will see improvements to the website, taking it from the prototype stage into production. A business case for WAIFS is being prepared to identify the range of stakeholders (current and potential) and their expectations, make more explicit the functionalities envisaged from WAIFS, and what roles and responsibilities are expected, as well as to explore options to meet these expectations.

Indigenous multi-lateral budget monitoring

Government has allocated \$84,786,000 to various State Government departments for a range of Indigenous specific initiatives in the 2006/07 and 2007/08 financial years and in the forward estimates for 2008/09 to 2010/2011.

In the reporting period an accountability framework was developed to ensure that improvements in Indigenous outcomes are realised. The accountability framework also provides the platform for advice to Government to ensure better-targeted funding allocations in the future.

DIA has now developed the statement of outcomes and suggested performance measures, which will be the basis for reporting by funded agencies.



DIRECTORATE REGIONAL OPERATIONS

OVERVIEW

The Regional Operations Directorate delivers core services in land, heritage and culture and coordinates services in the regions to support Indigenous social and economic development. Regional Operations also provides a key point of engagement with the Western Australian Indigenous community. The directorate comprises seven regional offices, a project team and a regional support unit in Perth Office for the implementation of the Government's strategic objectives. Regional Offices are in Albany, Midland, Geraldton, Kalgoorlie, South Hedland, Broome and Kununurra. DIA's regional network is focused on achieving sustainable and strong Indigenous communities.

In broad terms DIA regional offices' role is to:

- Build partnerships across Government and non-Government sectors to enhance services to Indigenous people;
- Coordinate and facilitate activity in priority locations and at selected Indigenous communities ensuring Indigenous engagement and participation;
- Support governance issues and capacity-building initiatives;
- Undertake community safety initiatives such as supporting Aboriginal Community patrols; and
- Support land and heritage initiatives.

With its regional presence, Indigenous staff in regional areas and knowledge of Indigenous communities, DIA is a key point of engagement for Government and other agencies.

REGIONAL INITIATIVES, PARTNERSHIPS AND AGREEMENTS

Regional partnerships

Regional Partnership Agreements (RPA) are a Commonwealth instrument to provide targeted assistance to Indigenous people for employment and other requirements. RPAs are delivered through a process of cooperation and are not legally binding on the parties that form the partnerships. DIA is the principal coordinator of the state's involvement in RPAs, linked to Indigenous people and their communities.

In 2007/08 a number of partnerships continued or were formed with Government and non-government partners. These include:

- The Ngaanyatjarra RPA, signed on 12 August 2005 and concluded on 30 June 2008, provided a strategic approach for joint innovative action with the Commonwealth Government and other Indigenous linked partners to jointly work on service delivery and planning outcomes to support the 12 Ngaanyatjarra Lands communities.
- The RPA attached to the trial sites flowing from the MoU between the Minerals Council of Australia and the Commonwealth Government was signed in June 2005. The MoU created a set of high-level principles to work with Indigenous people to build sustainable, prosperous communities.

- Under the agreement the partners achieved:
 - New capacity resourcing for Indigenous organisations to expand their commitments to work-readiness training;
 - Expanded Indigenous employment opportunities through work readiness training. For example, in 2007/08 the Port Hedland RPA trained and placed 147 long-term unemployed Indigenous people into employment, which exceeded the original targets of the agreement;
 - More effective business links for Indigenous enterprises with industry in the Pilbara;
 - New resources to the Wunan Foundation to support on-the-job training for Indigenous youth entering the building industry under the East Kimberley RPA; and
 - Resources for the Wunan Foundation's walkaway program to provide training and experience for remote community members who had no experience in full-time work.

Mapping and gap analysis

The purpose of a MAGA is to identify any gaps, duplications or shortcomings in the provision of services, programs, housing and infrastructure to Indigenous people and communities. This enables Government agencies to better design and target their services to meet the needs of the community. In 2007/08, DIA has provided \$175,000 to fund MAGA projects in the South-West and Wheatbelt regions; and the joint Shires of Laverton and Leonora. The Laverton/Leonora MAGA was completed. The South-West MAGA was commenced and significantly advanced and the Wheatbelt MAGA is due to be completed by December 2008.

The reburial of Yagan's Kaat (head) project

In partnership with the City of Swan and other key stakeholders, DIA provided assistance and support to the Derbarl Yerrigan Committee (DYC) for the reburial of Yagan's Kaat. The reburial of Yagan's Kaat started as a community-driven project, managed by the DYC.

The Noongar people consider Yagan to be a warrior and a hero who, in the 1830s, demonstrated a true commitment to Reconciliation.

The DYC was established in 1997 to search for the site of Yagan's grave and repatriate Yagan's Kaat from England. The project is of high cultural and spiritual significance to Noongar people.

STRATEGIC INTERVENTION

Western Australian Strategic Interventions Package

The Western Australian Strategic Interventions Package is a jointly funded Commonwealth/State project, supporting a range of initiatives to improve the living conditions of Indigenous people throughout Western Australia.

The package aims to provide new housing, employment and training facilities and associated accommodation for Indigenous people in Western Australia's remote Indigenous communities and town-based reserves.

DIA is responsible for the overall management of the Strategic Interventions Package. During 2007/08 the department worked with the relevant State agencies to deliver the associated projects in collaboration with FaHCSIA.



The Strategic Interventions Package comprises:

- Kalumburu strategic intervention;
- Halls Creek support project – East Kimberley housing;
- Wyndham Ngnowar Aerwah Seven Mile rehabilitation service;
- BoysTown community housing project;
- Wiluna education and vocational training complex;
- Pilbara transition to work accommodation facilities;
- Mainstreaming East Kimberley town-based communities;
- Urgent water quality upgrades;
- Bidyadanga strategic intervention; and
- Home ownership to create wealth project.

Improved policing in very remote areas program - Multifunctional Police Facilities

In 2007/08, an MoU was signed between DIA, representing the state, and FaHCSIA representing the Commonwealth.

The \$20 million package from the Commonwealth provides for the construction of MFPFs over three years at Burringurrah, Looma, Blackstone (changed from Wingellina) and visiting officers' accommodation at Bidyadanga.

The establishment of the MFPFs has allowed for police to stabilise communities and provide safety for other Government agencies to provide their core services. The co-location of police and other agencies also enables a coordinated response to family violence and child abuse issues.

DIA, with overall program management responsibility, has entered into an agreement with Western Australian Police Service to further manage the project.

Fitzroy Crossing

During 2007/08, DIA created the position of Government Services Coordinator at Fitzroy Crossing for a 12-month period to progress issues in collaboration with the local community and service providers. The coordinator was appointed in October 2007 to undertake community consultations and develop an appropriate service delivery model, and provide lead agency coordination of an operational response in the Fitzroy Valley through DGGIA.

This included:

- Establishing reference groups and committees, and responding accordingly to community priorities (current response and future commitments);
- Conveying the decisions and aspirations of the community to Government and other stakeholders;
- Ensuring all stakeholders are well informed of all recommendations and decisions made affecting the Fitzroy Valley and communities;
- Providing a liaison point between the community, service providers and government; and

- Ensuring that all service delivery in the Fitzroy Valley meets the guiding principles of *Safer Communities Safer Children* and operates in the best interests of the whole community.

The Fitzroy Crossing Government Services Coordinator will be reappointed for a two-year contract during 2008/09.

Oombulgurri

The Oombulgurri Community is accessible only by boat or air. In the 1990s, Oombulgurri had a population of more than 200 people. The current population is estimated at 60 people. Since March 2005 there has been a gradual decline in the governance and overall stability of the community.

DIA has responded to this situation at Oombulgurri by developing a joint DIA/Indigenous Coordination Centre Oombulgurri Recovery and Intervention Plan and by the appointment of an Oombulgurri Government Services Manager (GSM) in February 2008.

The GSM's role is to ensure agencies work cooperatively so that residents have a standard of housing, infrastructure, essential and municipal services that provide a safe environment, improved health outcomes and quality of life. DIA is the lead agency in coordinating the GSM project.

The Oombulgurri community has also been the subject of a Coronial Investigation into five deaths. Throughout 2007/08, attempts have been made by DIA to negotiate a revised Liquor Agreement with the Oombulgurri Association Incorporated to reduce the consumption of alcohol within the community. These attempts have been unsuccessful.

Aboriginal Community Patrols Program

DIA is the program manager for the Aboriginal Community Patrols Program, initiated in response to the Recommendations of the Royal Commission into Aboriginal Deaths in Custody (1992).

The patrols aim to reduce contact between Indigenous people and the criminal justice system. They respond to individuals at risk of harming themselves or others, and seek to refer individuals to appropriate services. Clients of the patrol service are taken to a safe environment.

During 2007/08, 19 patrols operated in Western Australia. New service agreements were negotiated with service providers through to 2010. Significant achievements included the establishment of new patrols in Halls Creek and Wiluna and the provision of verbal judo training to all regional patrols to increase their interpersonal skills in handling clients.

In 2007/08 DIA also conducted a strategic review of the patrols program. Review recommendations included updating operational procedures and statistical reporting and wider promotion of the patrol service. LotteryWest provided funding for the purchase of six new patrol vehicles.



RECONCILIATION INITIATIVES AND REPRESENTATION

Reconciliation Action Plans

In 2007 Reconciliation Australia launched an initiative challenging Government, business and industry to formalise their commitment to overcoming Indigenous disadvantage through the implementation of Reconciliation Action Plans (RAPs). In May 2007, the Minister for Indigenous Affairs announced that all Western Australian Government agencies were to develop RAPs by the end of 2007 and that DIA was to facilitate this process.

A RAP is a tool to assist organisations build positive relationships between Indigenous and non-Indigenous Australians. It is a public contribution towards the national effort to close the 17-year life expectancy gap between Indigenous and non-Indigenous people.

DIA assisted 75 per cent of all State Public Sector Agencies to complete the first phase of their RAP project requirements.

PALS

The Partnership, Acceptance, Learning, Sharing (PALS) program is a partnership between DIA and BHP Billiton to encourage school students to learn about Reconciliation and to spread the message to their communities.

Participation in the program in 2008 has increased 100 per cent from 2007, with projects submitted ranging from breakfast clubs to living libraries to gardens.



DIRECTORATE LAND, HERITAGE AND CULTURE

DIRECTORATE OVERVIEW

The Land, Heritage and Culture Directorate of DIA performs a critical role in leading and influencing the State Government's delivery of services to achieve positive change for Indigenous Western Australians.

The directorate's responsibilities include promotion, reconciliation and respect for Indigenous history, heritage and culture; management of and protection of places of significance to Indigenous people in Western Australia; and the management and transfer of the Aboriginal Lands Trust estate.

Core business

Land, Heritage and Culture Directorate focuses on three areas that are essential to improving the lives of Indigenous Australians:

1. Support for statutory boards

The development and maintenance of effective and appropriate support to the ALT and the ACMC that enables them to exercise their statutory responsibilities and provide leadership in Indigenous land, heritage and cultural matters.

2. Indigenous land management and transfer

For Aboriginal people, the land and sea represent the spiritual and cultural connection with their past. They are also essential to achieving sustainable economic and cultural outcomes. The Land, Heritage and Culture Directorate works with Indigenous Western Australians and other stakeholders to address land issues and realise opportunities through the land transfer and management programs.

3. Advancement of Indigenous heritage and culture

Protection, management and promotion of heritage and culture are responsibilities of the Land, Heritage and Culture Directorate. This is achieved through administration of legislative responsibilities and working in partnership with Indigenous Western Australians to maintain their heritage and culture.

LAND BRANCH OVERVIEW

Land is fundamental to Indigenous identity and underpins the cultural and spiritual life of Indigenous people.

In the broader context, having the control, management and use of land, in conjunction with access to and involvement in the organisation of land and sea resources, can enhance potential for the development of enterprise opportunities and wealth creation for Indigenous people.


DIA works in partnership with Indigenous people, Government agencies, local councils, native title representative bodies and community organisations to facilitate the divestment of control and management of land held by the ALT back to Indigenous Western Australians. The Land branch supports the functions of the ALT. It also provides specialist and strategic advice to stakeholders on all matters relating to the management and divestment of the ALT estate.

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

Estate management

The Land branch provides quality and timely advice to Government agencies, Ministers and community members on a broad range of ALT estate management matters.

DIA administered the ALT estate in accordance with statutory requirements and ALT policies, and in cooperation with other Government agencies and stakeholders. This included DIA paying statutory fees, meeting Local Government requirements such as firebreaks and vermin/pest control and complying with legislation such as the *Contaminated Sites Act 2003*.



Significant progress has been made on the statutory requirement for a contaminated sites audit of the ALT estate to the satisfaction of the Department for Environment and Conservation (DEC). This reporting includes the completion of preliminary screening and verification of more than half of the estate and reports for areas that require further investigation.

The on-line application and processing system for transit permits for the ALT estate, developed and introduced in 2006/07, enabled standard transit applications to be processed more efficiently. In 2007/08 there were 3633 transit permits issued by DIA for access to the ALT estate.

Capacity development

DIA provided advice on, and, approved 55 land use and development applications for telecommunications and essential services infrastructure, community and staff housing, community facilities and Government service infrastructure for Indigenous communities. DIA also provided advice on planning issues associated with community layout plans and Local Government and individual community matters.

DIA identified, prioritised and addressed risks across the ALT estate. These ranged from the removal of dangerous buildings, infrastructure and materials to targeted responses to issues around the delivery of Government services. Through its residual capital works funding, DIA arranged for the repair and upgrading of sewerage systems and the provision of fencing for security and stock control.

Land acquisition and transfer

The ALT transferred nine parcels of land (seven rural blocks near Esperance, two residential blocks in Broome) and acquired a block of land. The Land branch also assessed and made recommendations to the ALT for a number of leases on its estate for staff housing, community health facilities, power stations and MFPFs .

MAJOR PROJECTS

Pastoral governance

A dedicated, Perth-based officer has provided assistance to Aboriginal organisations managing pastoral or farming operations on the ALT estate. Similar requests for assistance from organisations not on the ALT estate were considered and provided.

Strategic land information management review

A review is underway to assess the information needs, existing processes and resourcing requirements relating to the management of ALT properties and associated systems. The review focuses on ALT and Land branch requirements and how this affects the requirements of other work areas within the department.

Water debt management

Negotiations with the Water Corporation substantially reduced the level of water debt for a number of communities on the ALT Estate. Policies and procedures have now been implemented to ensure that water usage and any water debt in communities on the ALT estate is minimised.

Indigenous protected areas and the Kimberley Ranger Initiative

Through the placement of a dedicated officer in the West Kimberley Regional Office, DIA, in partnership with the KLC (under an MoU), continues to consolidate and develop the Kimberley network of Indigenous Protected Areas (IPAs). Increased funding from the Commonwealth IPAs and Working on Country programs has also enabled the continuation of the KRI. There are now eight formalised ranger groups in operation under the auspice of the KRI, and funding and partnership support from participating agencies and organisations has increased.



Bungarun Cemetery memorial

DIA completed the Bungarun (the former Derby Leprosarium) Cemetery memorial project. This included upgrading the cemetery's facilities, the construction of a new car park and improved signage. Also formal arrangements were negotiated and completed for the placement of a caretaker to secure and maintain the facility.

Maku Stadium, Kalgoorlie

DIA funded and managed the repair and upgrade of Maku Stadium. Formal arrangements were negotiated with the Goldfields Land and Sea Council (GLSC) to establish a caretaker on-site to assist in securing and maintaining the stadium.

Mogumber Farm, formerly Moore River Settlement

In June 2007, ALT gave in-principal approval of a short-term lease for up to two years to the South West Aboriginal Land and Sea Council (SWALSC) as an interim step to the sustainable divestment of Mogumber. DIA continues to negotiate with SWALSC and other stakeholders on proposals for the cultural, social, commercial and environmental future of Mogumber Farm.

Wilson's Patch, Kalgoorlie

In partnership with the Goldfields Land and Sea Council (GLSC), DIA funded and managed an extensive clean-up of a significant ALT property in the Goldfields region known as Wilson's Patch. The clean-up included the demolition and removal of a number of derelict buildings, the removal of geodesic domes and the removal of car bodies and other debris.

PARTNERSHIPS

DIA recognises the importance of building a stronger working relationship with stakeholders through arrangements based on engagement, negotiation, planning and co-ordination of services in order to achieve sustainable social and economic outcomes for Western Australian Indigenous people.

During the financial year an MoU with DHW was signed. It targets the building and the management of housing stock on the ALT Estate as a precursor to the establishment of new formal public housing management arrangements for Aboriginal communities on the Estate. Work has significantly progressed on identifying the amendments required to State legislation to provide for these new arrangements.

The review and renegotiation of ALT's existing MoU with the Native Title Representative Bodies has commenced. This includes development of a new partnership agreement with the Ngaanyatjarra Land Council. These will be finalised in the coming year and will complement the existing MoUs.

DIA will continue to initiate, negotiate and build strategic partnerships with all stakeholders in its aim to achieve a sustainable future for all Western Australian Indigenous people.



HERITAGE AND CULTURE BRANCH OVERVIEW

A key responsibility of DIA is the protection, preservation, promotion and management of Aboriginal heritage and culture. The department's Heritage and Culture branch undertakes this responsibility through administration of the *Aboriginal Heritage Act 1972*, including:

- The application to use land assessment and approval process under Section 18;
- A monitoring and compliance system on conditional consents issued under Section 18;
- An investigation, monitoring and compliance system for reported allegations of site disturbances Section 17;
- Undertaking the functions of the Register of Aboriginal Sites;
- Support for the APMC; and
- Operation of the Aboriginal History Research Unit (AHRU).

Better Aboriginal heritage protection and management priority outcome

During 2007/08, Heritage and Culture branch drafted an administrative policy and procedures guideline for review and endorsement by the State Solicitors Office. Once completed, the guideline aims to provide greater clarity and transparency of DIA advice and APMC decision-making, including a set of policy position statements on a range of issues.

The guideline and policy position statements address issues relating to:

- The purpose of the *Aboriginal Heritage Act 1972*;
- The application of Regulation 10 of the Aboriginal Heritage Regulations 1974 and more generally applications to use land;
- The Section 18 application assessment process, particularly addressing time limits, completeness and operation of DIA stop-the-clock process;
- Site assessments, particularly the Section 5C assessments;
- APMC consent decisions;
- Consultation, including on matters relating to the *Native Title Act 1993* and Native Title claimant groups;
- Empowering Aboriginal people in the development approvals process;
- Ministerial delegations; and
- APMC Members, DIA staff, subcontractors and agents.



KEY HERITAGE PROTECTION AND MANAGEMENT INITIATIVES

Aboriginal Heritage E-Lodgment Project

DIA Corporate Executive and the ACMC endorsed the prototype for an e-lodgment application web interface, with built-in workflow process and reporting systems, for the AHELP. This is an online service for lodging Section 18 applications that incorporates process, standards and data quality improvements

Registration of Aboriginal sites

DIA undertakes the registration, preliminary assessment and mapping of all Aboriginal sites reported to it. There are 25,234 registered sites on the Aboriginal heritage management systems. More than 13,000 site files were upgraded under the Site file format upgrade project. During the year, the GIS Section 18 land dataset was completed and the Section 18 land maps are being created as part of the Section 18 advice to the ACMC.

During 2007/08:

- 1162 new sites were registered and 7854 sites were updated to reflect new information;
- 46,503 site searches were undertaken by external clients via the internet;
- 3917 internal site searches were completed for external clients; and
- 308 new heritage survey reports were lodged with the department.

During the year a more efficient and standardised approach for addressing reports and investigations of alleged site disturbances was also developed and implemented. Consistent with the *Aboriginal Heritage Act 1972* new forms were developed to facilitate an increase in standard monitoring and reporting.

Northern Development Taskforce

Departmental officers participated in Northern Development Taskforce (NDT) activities in the Burrup Peninsula/ Dampier Archipelago and the West Kimberley. In relation to the Burrup, progress was made on a number of commitments made through the NDT and/or the Burrup and Maitland Industrial Estate Agreement (BMIEA), including:

- DIA commissioned a consultancy to undertake a Heritage Inventory Study Methodology Report (HISMR) to determine appropriate methodology for heritage surveys over the conservation areas and unallocated Crown land on the Burrup Peninsula and Dampier Archipelago. The report, due in December 2008, will identify areas that have the highest priority for surveying. DIA completed a first draft of an Aboriginal Heritage Management Plan incorporating feedback from key state agencies and industry. Initial consultations with the Aboriginal community began in May 2008. When finalised, the plan will form part of the negotiations for the Commonwealth/State approvals bilateral agreement in relation to the National Heritage listing of the Dampier Archipelago;
- A draft Terms of Reference was developed for the Burrup Coordinating Committee. It is envisaged the committee will coordinate project proposals under the conservation agreements with industry and other State research projects, to ensure that the HISMR inventory studies are coordinated and will have an oversight role for the implementation of the Aboriginal Heritage Management Plan; and
- At an operational level, DIA provided advice and assistance to the Department of Industry and Resources (DoIR) and development proponents about the conduct of heritage surveys over the industrial lands. DIA also advised DEC and the Murujuga Aboriginal Corporation on identification and management of Indigenous heritage issues on conservation areas and monitored and investigated allegations of site disturbances.



COLLABORATION AND ENGAGEMENT

Canning Stock Route Aboriginal sites research project

DIA partnered with the Australian National University (ANU), Western Desert Lands Aboriginal Corporation, KLC, DEC, Landgate, nationally renowned archeological consultants and a range of Indigenous groups in a significant project focusing on the management and interpretation of Aboriginal sites and related dreaming (the Jukurrpa) along the Canning Stock Route. This project involves the development of a management plan to protect the cultural and environmental Aboriginal values along the stock route and to educate the public about these values.

Heritage training

Training and education programs have been delivered throughout the South-West to various community and Government stakeholders during 2007/08. Training has included site identification, recording and management techniques. DIA has also:

- Conducted a workshop for DIA and DEC staff with a view to developing graffiti management techniques and assessing the feasibility of developing graffiti management training; and
- Provided heritage training and support to DEC staff, including Indigenous staff targeted for appointment as Honorary Heritage Wardens, under the *Aboriginal Heritage Act 1972*. Three staff passed their heritage training assessment and await appointment by the Minister as Honorary Heritage Wardens.

Working heritage workshop

DIA hosted a three-day workshop for heritage professionals, focused on practical heritage management issues, information standards and reporting for statutory applications of the *Aboriginal Heritage Act*. The workshop included nationally renowned speakers from Queensland, Victoria, New South Wales as well as Western Australia. More than 100 people attended the workshop, including anthropological and archaeological consultants, academics, industry heritage workers, natural resource management professionals, Government officers, representatives from native title representative bodies and students.

Aboriginal History Research Unit

AHRU operates through a range of partnerships with other agencies and organisations and has two primary work programs: the Aboriginal family history program and the archive program.

During 2007/08 AHRU assessed approximately 6000 files under the restricted archives project, a joint initiative between DIA, the Office of Native Title and the State Records Office, that began in January 2007.

Staff documented processes and procedures and developed an index database to assist new staff.

During 2007/08 AHRU staff also participated in:

- Kimberley's Stolen Generation Aboriginal Corporation events;
- Quiarading's Centenary event;
- DIA Cultural Awareness training Midland;
- NAIDOC event in Langford;
- Badjaling reunion events; and
- Geraldton and Meekatharra REDRESS events.



DIRECTORATE BUSINESS AND STRATEGIC SERVICES

OVERVIEW

The directorate provides strategic business and management services to support the operations of the department in fulfilling its statutory obligations. Services provided include administration and finance, workforce management, legal, information management and planning services.

Additionally the directorate has supported internal customers with administrative support to undertake the departmental restructure and also led the project examining Stolen Wages.

KEY ACHIEVEMENTS

Strategic and business planning

During the year, strategic and business planning has been maintained within the context of a prolonged functional review and an environment of significant change in Indigenous Affairs at Commonwealth and State Government level.

Strategic Directions 2006-2010, prepared in 2006, outlines the department's vision, mission and purpose. A process of review is planned to re-position the directions of the department following the completion of the functional review and to complement COAG reforms in Indigenous Affairs. Workshops, planned for early in the new financial year, will facilitate this process.

In 2007/08, Corporate Executive has undertaken a review of the strategic risks to DIA's business and has adopted mitigation strategies to address issues at operational level.

Finance and Administration branch

The Finance and Administration branch guides the department's financial management and budget requirements. Significantly, in 2007/08 the branch also provided advice to Corporate Executive on financial performance, particularly with regard to the estimated costs of restructuring the department to meet its new mandate.

Other significant activities undertaken during the year included:

- Meeting the Auditor General's end-of-year audit of financial statements;
- Completion of compliance audits for the State Supply Commission; and
- Completion of internal audit reviews.

Workforce management

The 2007/08 financial year was again characterised by higher levels of staff turnover, similarly reflected in other agencies and industry across the board. Labour market conditions have enabled the employee base to exercise high levels of mobility, particularly given the opportunities provided within a booming resources sector – the failure of the General Agreement 4 to be resolved prior to year-end has also been a factor.

As a result of DIA's new direction, and its implications for staff, workforce management focused on providing strategic advice to the Corporate Executive team to facilitate smooth transition in relevant key result areas.

Total training expenditure was \$153,190 for the year (approximately \$1000 per employee). In addition to meeting costs for training courses, the organisation has sponsored staff attendances at conferences, seminars and workshops and other scholarship initiatives. Other significant activities and key outcomes include:

- Successful completion (and retention) of one of the Indigenous trainees engaged in the 2006/07 intake – Corporate Executive commitment to the maintenance of the Indigenous traineeship program for 2008/09;

- Executive commitment to progress the recruitment of an Indigenous graduate under the Graduate Recruitment Program (subject to the department effectively operating under a revised structure and service delivery model – post functional review); and
- Development and implementation of the employee wellness program. This program focused on a range of well-being initiatives and provided staff with activities such as yoga, weight loss programs, stress management, corporate sports challenges and educational presentations (healthy eating, vitality). Support for, and participation in, program initiatives was extremely high, and the program will be maintained and varied (based on employee feedback) for 2008/09, to further encourage participation across the workforce.

Information Management

The Information Management branch ensures appropriate information services and resources are available to support the department's business needs.

To achieve this the branch plans and provides:

- Records management.
- IT equipment, infrastructure and security.
- Business information systems (development and support) including DIA websites, intranet and geographic information systems.

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

- Addressing more than 3700 IT service requests, (up 13 per cent from last year with 100 per cent of user survey feedback being acceptable or better);
- Providing improved logon password security and an upgraded firewall;
- Replacing desktop and laptop computers under the agency's hardware renewal program;
- Deploying internet protocol telephony in the Broome office;
- Significant planning with respect to systems for heritage information, including building a prototype system; and
- Submitting the agency's Record Keeping Plan to the State Records Office as part of compliance under the *State Records Act*, including the revised Retention and Disposal Schedule.

Records Management

The *Freedom of Information Act 1992*, which came into effect on 1 November 1993, created a general right of access to documents held by State and Local Government agencies. The DIA Information Statement is available on the DIA website. It is the aim of the department to make information available promptly, for the least possible cost, and wherever possible documents are provided outside the Freedom of Information process.

Freedom of Information applications for 2007/08

DIA received six applications for access to agency records under the *Freedom of Information Act 1992*. All applications were processed within the stipulated deadlines as set out in the act. The agency received one application for external review within this period.



Electronic records keeping

DIA's Electronic Document Record Management System (EDRMS) is the primary document store for all incoming correspondence. All DIA officers have access to the DIA EDRMS.

Legal

The Legal branch undertakes all the department's legal work and provides day-to-day advice to the department, the Minister, the ALTt and the ACMC.

The Legal branch also carries out the administration of the *Aboriginal Communities Act 1979*. The year saw:

- 26 visits to Aboriginal communities to workshop existing community bylaws or to present information on making bylaws;
- An ongoing review of the current bylaws to identify their effectiveness and discrepancies;
- Ongoing assistance was provided to communities that have requested bylaws and alcohol controls; and
- An external consultant appointed to review the Act and to prepare a draft discussion paper, which will form the basis for consultation with key stakeholders.

Legal support and advice was provided to the Heritage and Culture and Land branches which included:

- A successful prosecution under the *Aboriginal Heritage Act 1972* against Westralia Airports Corporation for damage to a heritage site. On 12 December 2007 the company was convicted of breaching Section 17 of the *Aboriginal Heritage Act 1972* for excavating, damaging or otherwise altering the site and was fined \$10,000 and ordered to pay the costs of the prosecution; and
- Undertaking a practices and procedures project which involved the review and streamlining of administrative processes in the Act and the Heritage and Culture branch and the development of case management and practice directions and preparation of policies for publication.


Stolen Wages

In May 2007, the Government established a Stolen Wages Taskforce to examine and prepare advice and policy options relating to the nature and extent of stolen wages in Western Australia.

The taskforce included representatives from DIA, DPC, DTF and the Departments of Culture and the Arts, Communities, Child Protection, and the Minister for Indigenous Affairs' Policy Officer. In addition, six Aboriginal and Torres Strait Islander advisors were engaged by the taskforce to provide cultural and ethical guidance and support to ensure the cultural integrity of the taskforce's work.

The term Stolen Wages refers to wages, savings, entitlements and other monies that Aboriginal and Torres Strait Islander people may have had controlled by Government in Western Australia between 1905 and 1972. These controls occurred during times where Government policy and administrative practice allowed extensive controls over the lives, employment and money of many Aboriginal people.

In accordance with the taskforce's terms of reference, a project team undertook archival research to understand the nature and scope of Government controls of Aboriginal people's money in Western Australia, including policy analysis for the development of options to address the issue.



Extensive public consultation involved 62 community meetings with Aboriginal people in 58 towns and communities throughout the State. Over 500 written and oral submissions were also received. Consultations were also undertaken with Aboriginal organisations, State and Commonwealth Government agencies and other relevant groups.

The information provided about the systems of Government controls over Aboriginal people's money and the impact of the system on Aboriginal people's lives, assisted the taskforce to understand the nature and extent of the issue in Western Australia and to shape recommendations and policy options for the Government to consider.

The completed report of the taskforce has been submitted to the Minister for Indigenous Affairs for consideration before submission to Cabinet.



SIGNIFICANT ISSUES AND TRENDS

- The reform agenda of COAG, in cooperation with Western Australia, will provide an opportunity for leadership and the foundation for achieving real and sustainable improvements to Indigenous outcomes with clear targets and goals.
- The State's strong resource economy requires an appropriate balance between protection of Indigenous heritage and demand for access to land for development and community infrastructure. The department has a legislative responsibility for the protection of Indigenous heritage and is achieving this balance through the participation of Indigenous people in decision making and by monitoring compliance to decisions granted under the *Aboriginal Heritage Act 1972*.
- The Commonwealth Government's formal apology to the Stolen Generations has created a greater appreciation of Indigenous history, heritage and culture and has led to the development and implementation of reconciliation initiatives. This will be a key focus in ensuring that the richness of Indigenous heritage is respected and that issues arising from past policies are addressed.
- Following completion of the functional review process, a reform agenda to re-position the department's role has commenced. This renewed focus will see a significant leadership role for the agency, strengthening the mandate and outcome areas of Indigenous specific services and a commitment to deliver appropriate services to Indigenous Western Australians by harnessing investment and implementing accountability mechanisms.
- Western Australia's Indigenous population is estimated at about 60,000 people and makes up 3 per cent of the State's total population. The Indigenous population is a relatively young population compared with the State's non-Indigenous population. About half of the Indigenous population is 25 years or younger, compared with 33 per cent of the non-Indigenous population.
- Western Australia's Indigenous population is also culturally diverse. Some 15 per cent of the population speaks an Indigenous language. More than 50 different Indigenous languages were recorded in the 2006 census.
- Indigenous Western Australians are also more geographically dispersed than non-Indigenous Western Australians, with almost one-quarter (24 per cent) of the population living in the most remote parts of Western Australia, compared with just one per cent of the State's non-Indigenous population.
- Another distinct feature of Western Australia's Indigenous population is that some 17,000 people are estimated to live in discrete Aboriginal communities. There are an estimated 280 discrete communities in Western Australia ranging from small outstations to large town-sized settlements. This is significant when one considers that the number of Indigenous people living in the Perth metropolitan region is close to 30,000.
- This diverse range of social and economic needs and geographic dispersal of Indigenous people in the State requires 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 for Indigenous Western Australians are significantly worse than those for the average Australian. On average Indigenous Western Australian men die 19 years earlier than their non-Indigenous counterparts. The figure for Western Australian Indigenous women is 16 years.
- Some progress is being made in improving rates of Indigenous infant mortality, with the rate decreasing from 16.9 deaths per 1000 live births in 1998-2000 to 12.9 deaths per 1000 live births in 2004-2006. This rate is still very high compared with the non-Indigenous rate of 4.5.
- 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 per cent in 2002 to 16.9 per cent in 2004/05.
- Overcrowding has worsened with the proportion of Indigenous people living in overcrowded houses increasing from 25.1 per cent in 2002 to 28.8 per cent in 2004/05.
- Apparent educational retention rates are improving. Indigenous students staying in school to Year 10 has increased from 90 per cent in 2002 to 97 per cent in 2006. The retention rate to Year 12 increased from 25 per cent to 31 per cent for the same period.
- In 2007, results from Year 3, Year 5 and Year 7 benchmark testing still showed Indigenous students having significantly lower literacy and numeracy achievement rates than non-Indigenous students.
- The rate of imprisonment for Indigenous males increased from 4,463 per 100,000 adult population in 2002 to 6339 in 2006, a 20 per cent increase. Likewise the imprisonment rate for Indigenous women increased from 366 to 631 per 100,000 adult population, a 34 per cent increase.
- There has been some reduction in juvenile detention rates, with rates decreasing from 623 per 100,000 juvenile population in 2001 to 555 per 100,000 juvenile population in 2005. However, this is still significantly higher than the non-Indigenous juvenile detention rate, with the latest data showing the Indigenous rate to be 44 times more than the non-Indigenous rate.

DISCLOSURES AND LEGAL COMPLIANCE

Substantive equality

DIA is one of six program partners progressing the policy framework on substantive equality across State Government agencies. The department developed a report on the implementation of the policy framework for substantive equality and through the various levels of this framework has established a substantive equality structure within the organisation.

The substantive equality framework identifies systemic barriers that may impact on Indigenous peoples lives when developing policies, procedures and any major initiatives for Indigenous people. The aim of this policy framework is to minimise the impact of these systemic issues on Indigenous people.


The substantive equality policy enhances the strategic outcomes of both DIA and the State Government and is closely aligned with DIA's RAP.

The PALS program, a school-based initiative promoting Reconciliation among students and their communities, has been the test case for the department's substantive equality strategic plan. All activities carried out for PALS comply with the policy framework's requirements.

Disability access

As per legislative requirements, DIA has begun implementing a disability access and inclusion plan, covering the period 2007-2011. The supporting implementation plan covers a range of strategies to address six key outcomes for public authorities, with progress to date against these outcomes 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;
 - Creation of linkages between the Disability Access and Inclusion Plan and other guiding plans for DIA including the sustainability action plan, strategic workforce plan and branch business plans; and
 - Development of links with Disability Services Commission Local Area Coordinators 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;
 - Access audit being undertaken of all the department's buildings and facilities; and
 - 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:
 - Partial progress has been made towards ensuring that all documents carry a notation regarding availability in alternative formats; and
 - A review and upgrade of DIA website is planned 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:
 - Further disability awareness training for staff in regional offices was not achieved in 2007/08, however this is now planned for 2008/09 and facilitators have been sourced; and
 - Work is being done towards the development of 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:
 - The review of existing complaint mechanisms to ensure the needs of people with disabilities are met has yet to be completed. This will be progressed for the 2008/09 year.
 - (vi) People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority:
 - Maintenance was done on the 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 opportunity 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 2007/08.

Indigenous employment increased marginally (in a tight labour market) to 34.87 per cent of DIA workforce, with the agency retaining a steady number of employees with a disability, or from culturally diverse backgrounds.

Other significant achievements for the year include one of the participating trainees under Indigenous Traineeship intake from the previous year completing his training and staying on with the department.

DIA Executive committed to progressing the recruitment of an Indigenous graduate under the graduate recruitment program (subject to the department effectively operating under a revised structure and service delivery model – post-functional review).

The department is committed to meeting the objectives and targets of its strategic workforce plan (2006-2011) to ensure sustained improvement in equity and diversity outcomes for the organisation and the broader community.

Staffing indicators	2004/05	2005/06	2006/07	2007/08
Number of staff employed*	145	146	163	176
Number of staff on secondment from DIA	8	7		
Percentage of staff of Aboriginal or Torres Strait Islander background	29.65%	30.82%	33.74%	34.87%
Number of staff who have a disability	6	7	6	6
Number of staff from culturally different backgrounds**	12	16	16	14
Number of staff < than 25 years of age (youth)	N/A	4	14	6

Note: base establishment of permanent employees is 132. Fluctuations relate to temporary contract positions for specific short-term projects.

* This figure (for 2008/09) is based on actual head count 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).

Occupational safety and health

The department's Occupational Safety and Health Policy and Advisory Group (OSHAPAG) provides coverage across all directorates and regions within DIA. Key achievements for the year included:

- Provision of senior first aid training for OSHAPAG members, fire wardens and regional office staff (including refresher training);
- Roll-out and expansion of the department's wellness program;
- Access to 4WD training for regional staff;
- Periodic and on-demand ergonomic assessments for staff;
- Commencement of a review of all the agency's occupational safety and health policy; and
- Statutory training and ongoing development of all occupational safety and health representatives.

Advertising

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.

Expenditure with advertising agencies (Marketforce Productions)	\$73,770
Expenditure with market research agencies (Estill & Associates)	\$15,132
Expenditure with polling agencies	\$0
Expenditure with direct mail agencies	\$0
Expenditure with direct mail agencies advertising agencies	\$0
TOTAL EXPENDITURE	\$88,902



Record keeping

DIA's Record Keeping Plan (RKP) sets out the matters about which records are to be created by the organisation and how it is to keep these records. The RKP comprises documents which, when assessed as a whole, provide an accurate reflection of the record-keeping program within DIA. Documents referenced in the DIA RKP comprise the DIA record disposal authority and its record keeping policies and procedures. DIA submitted the evaluation of its record keeping system and its revised record keeping plan to the State Records Office in 2008. The revised plan included;

- The revised DIA retention and disposal schedule; and
- The revised DIA records management policy including electronic document records management.

The Coordinator of Corporate Information facilitates records management training for DIA Management Support Officers (MSO) and records branch officers. Record keeping procedure manuals are provided to these officers.

The employee induction program addresses staff record keeping roles and responsibilities. The Co-ordinator of corporate information arranges training for all staff in record keeping. The evaluation of the efficiency and effectiveness of DIA record keeping training programs has been reviewed as part of the revised RKP.

Corruption prevention

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.

The department has 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 refresher training is available to ensure the currency of that knowledge – particularly where staff changes have occurred. Departmental staff have participated in forums facilitated and presented through DPC and the Office of the Public Sector Standards Commissioner.

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.

DIA has a commitment to the elimination of corruption and misconduct in the workplace. To support 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 equal employment opportunity, 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 maintains 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.

Sustainability

In 2004/05 DIA completed its Sustainability Action 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. During 2007/08, DIA has continued to implement actions in line with those committed to in the plan.

Compliance with Public Sector Management Act Section 31(1)

In the administration of the Department of Indigenous Affairs, I have complied with the:

(1) Public Sector Standards in Human Resource Management; the Western Australian Public Sector Code of Ethics; and DIA 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.

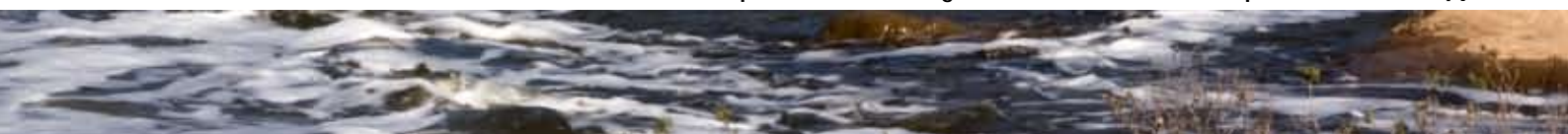
(3) The applications made for breach of standards review and the corresponding outcomes for the reporting period are:


Number lodged	1
Number of breaches found including details of multiple breaches per applications	0
Number still under review	0



Patrick Walker
Director General
Department of Indigenous Affairs
22 September 2008

FINANCIAL STATEMENTS





CERTIFICATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

HON DR KIM HAMES, MLA
Minsiter for Indigenous Affairs, Health.

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 2008. The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and (any other relevant written law).



Patrick Walker
Accountable Officer
22 September 2008

AUDITOR'S OPINION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008



Auditor General

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 2008

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 2008, 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.

AUDITOR'S OPINION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

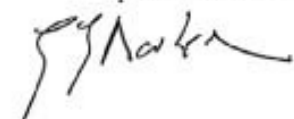
Department of Indigenous Affairs

Financial Statements and Key Performance Indicators for the year ended 30 June 2008

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 2008 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 2008.



GLEN CLARKE
ACTING AUDITOR GENERAL
23 September 2008

CERTIFICATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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 2008 and the financial position as at 30 June 2008.

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.



Patrick Walker
Accountable Officer

22 September 2008



George Kessar
Chief Financial Officer

22 September 2008



CERTIFICATION OF PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2008

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 2008.



Patrick Walker
Accountable Officer
22 September 2008

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 (\$'000)	2007 (\$'000)
COST OF SERVICES			
Expenses			
Employee benefit expenses	6	14,209	11,552
Supplies and services	7	5,829	5,045
Depreciation and amortisation expense	8	242	186
Accommodation expenses	9	1,638	1,324
Grants and subsidies	10	5,405	7,903
Capital user charge	11	-	96
Loss on disposal of non-current assets	15	1	15
Other expenses	12	480	486
Total cost of services		27,804	26,607
Income			
Revenue			
Commonwealth grants and contributions	13	245	355
Other revenue	14	892	1,067
Total revenue		1,137	1,422
NET COST OF SERVICES		26,667	25,185
INCOME FROM STATE GOVERNMENT			
Service appropriations	16	24,678	26,276
Liabilities assumed by the Treasurer	16	572	0
Resources received free of charge	16	204	112
Total income from State Government		25,454	26,388
SURPLUS/(DEFICIT) FOR THE PERIOD		(1,213)	1,203

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

BALANCE SHEET AS AT 30 JUNE 2008

	Note	2008 (\$'000)	2007 (\$'000)
ASSETS			
Current assets			
Cash and cash equivalents	26	46	877
Restricted cash and cash equivalents	17	780	544
Receivables	18	815	1,297
Amounts receivable for services	19	230	418
Other current assets	18	137	247
Total current assets		2,008	3,383
Non-current assets			
Restricted cash cash equivalents	17	200	145
Amounts receivable for services	19	158	20
Plant and equipment	20	1,047	774
Total non-current assets		1,405	939
TOTAL ASSETS		3,413	4,322
LIABILITIES			
Current liabilities			
Payables	22	451	374
Provisions	23	1,851	1,621
Other current liabilities	24	42	47
Total current liabilities		2,344	2,042
Non-current liabilities			
Provisions	23	574	584
Total liabilities		2,918	2,626
Net assets		495	1,696
Equity	25		
Contributed equity		1,181	1,169
Reserves		184	184
Accumulated surplus/(deficiency)		(870)	343
Total equity		495	1,696
TOTAL LIABILITIES AND EQUITY		3,413	4,322

The balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 (\$'000)	2007 (\$'000)
Balance of equity at start of period		1,696	482
CONTRIBUTED EQUITY	25		
Balance at start of period		1,169	1,169
Capital contribution		12	0
Balance at end of period		1,181	1,169
RESERVES			
Asset Revaluation Reserve			
Balance at start of period		184	173
Gains / (losses) from asset revaluation		-	11
Balance at end of period		184	184
ACCUMULATED SURPLUS			
Balance at start of period		343	(860)
Surplus/(deficit) for the period		(1,213)	1,203
Balance at end of period		(870)	343
Balance of equity at end of period		495	1,696
 Total income and expense for the period (a)		 (1,213)	 1,203

- (a) The aggregate net amount attributable to each category of equity is: deficit \$1,213,000 plus gains from asset revaluation for the period Nil. (2007: surplus \$1,203,000; gains from asset revaluation \$11,000).

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 (\$'000)	2007 (\$'000)
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		24,310	25,978
Capital contributions		12	-
Holding account drawdowns		418	440
Net cash provided by State Government		<u>24,740</u>	<u>26,418</u>
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(13,353)	(11,501)
Supplies and services		(5,733)	(5,179)
Grants and subsidies		(5,404)	(7,902)
Accommodation		(1,470)	(1,425)
Capital User Charge		-	(96)
GST payments on purchases		(1,399)	(1,447)
GST payments to taxation authority		(735)	(77)
Other Payments		(420)	(455)
Receipts			
Grants and contributions		1,295	937
GST receipts on sales		156	101
GST receipts from taxation authority		2,270	1,135
Other receipts		-	-
Net cash used in operating activities	26	<u>(24,793)</u>	<u>(25,909)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current physical assets		-	-
Purchase of non-current physical assets		(487)	(241)
Net cash used in investing activities		<u>(487)</u>	<u>(241)</u>
Net increase in cash and cash equivalents		(540)	268
Cash and cash equivalents at the beginning of the period		<u>1,566</u>	<u>1,298</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	26	<u>1,026</u>	<u>1,566</u>

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 2008

	Support to Partnerships, Partnering Initiatives		Information and Advice		Total	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
COST OF SERVICES						
Expenses						
Employee benefit expenses	8,289	8,470	5,920	3,082	14,209	11,552
Supplies and services	3,400	3,699	2,429	1,346	5,829	5,045
Depreciation and amortisation expense	141	136	101	50	242	186
Accommodation expenses	956	971	682	353	1,638	1,324
Grants and subsidies	3,153	5,795	2,252	2,108	5,405	7,903
Capital user charge	-	71	-	25	-	96
Loss on disposal of non-current assets	1	11	-	4	1	15
Other expenses	280	356	200	130	480	486
Total cost of services	16,220	19,509	11,584	7,098	27,804	26,607
Income						
Commonwealth grants and contributions	143	260	102	95	245	355
Interest revenue	-	-	-	-	-	-
Other revenue	520	782	372	285	892	1,067
Total income other than income from State Government	663	1,043	474	379	1,137	1,422
NET COST OF SERVICES	15,557	18,467	11,110	6,718	26,667	25,185
INCOME FROM STATE GOVERNMENT						
Service appropriations	14,396	19,267	10,282	7,009	24,678	26,276
Liabilities assumed by the Treasurer	334	-	238	-	572	-
Resources received free of charge	119	82	85	30	204	112
Total income from State Government	14,849	19,349	10,605	7,039	25,454	26,388
Surplus/deficit for the period	(708)	882	(505)	321	(1,213)	1,203

The schedule of income and expenses by service should be read in conjunction with the accompanying notes.

SUMMARY OF CONSOLIDATED ACCOUNT APPROPRIATIONS AND INCOME ESTIMATES FOR THE YEAR ENDED 30 JUNE 2008

	2008 Estimate (\$,000)	2008 Actual (\$,000)	(\$,000)	2008 Actual (\$,000)	2007 Actual (\$,000)	Variance (\$,000)
DELIVERY OF SERVICES						
Item 80 Net amount appropriated to deliver services	21,971	24,505	2,534	24,505	26,112	(1,607)
Amount Authorised by Other Statutes						
- Salaries and Allowances Act 1975	164	173	9	173	164	9
Total appropriations provided to deliver services	22,135	24,678	2,543	24,678	26,276	(1,598)
CAPITAL						
Item 160 Capital Contribution	12	12	-	12	-	12
GRAND TOTAL	22,147	24,690	2,543	24,690	26,276	(1,586)
Details of Expenses by Service						
Support to Partnerships, Partnering Initiatives	16,573	16,220	(353)	16,220	19,509	(3,290)
Information and Advice	6,104	11,584	5,480	11,584	7,098	4,486
Total Cost of Services	22,677	27,804	5,127	27,804	26,607	1,197
Less total income	(502)	(1,137)	(635)	(1,137)	(1,422)	285
Net Cost of Services	22,175	26,667	4,492	26,667	25,185	1,482
Adjustments (a)	(40)	(1,989)	(1,949)	(1,989)	1,091	(3,080)
Total appropriations provided to deliver services	22,135	24,678	2,543	24,678	26,276	(1,598)
Capital expenditure						
Purchase of non-current physical assets	480	487	7	487	241	246
Adjustments for other funding sources	(468)	(475)	(7)	(475)	(10)	(465)
Capital contribution (appropriation)	12	12	-	12	231	(219)

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

Note 30 Explanatory statement provides details of any significant variations between estimates and actual results for 2008 and between the actual results for 2007 and 2008.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. 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 mainly funded by Parliamentary appropriation supplemented by contributions from other Government and non-government agencies towards joint projects involving Indigenous issues.

The financial statements encompass all funds through which the department controls resources to carry on its functions.

2. 2. Australian equivalents to International Financial Reporting

General

The department's financial statements for the year ended 30 June 2008 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 Bureau (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 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 early adopted by the department for the annual reporting period ended 30 June 2008.

3. 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 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 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 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

(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 of the transaction.

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 2008

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 2007-2008 Budget Statements, the department retained \$1.173 million in 2008 (\$1.422 million in 2007) from the following:

- Grants and subsidies;
- 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 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 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) Property, plant and equipment and infrastructure

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 \$1000 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Subsequent measurement

After recognition as an asset, the department uses the revaluation model for works of art. Works of art are carried at fair values. Works of art are not depreciated as historically they appreciate over time.

All other items of 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 (excluding leasehold improvements)	8 years
Leasehold Improvements	Over the remaining term of lease
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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

(h) 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 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.

(i) Leases

The department holds operating leases for head office and a number of branch office buildings. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties

(j) Financial Instruments

In addition to cash and cash equivalents, the Department has two categories of financial instruments:

- Loans and Receivables; and
- Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents.
- Restricted cash and cash equivalents
- Receivables
- Amounts receivable for outputs

Financial Liabilities

- Payables

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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.

(l) Accrued salaries

The accrued salaries suspense account (see note 17 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 24 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 its the net fair value.

(m) 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.

(n) 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(j) 'Financial Instruments' and note 18 Receivables.

(o) 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 (i) Financial Instruments and note 22 Payables.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

(p) 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 23 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 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), 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). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulated schemes. The department makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee (Administration) Act, 1992*. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS Schemes

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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

(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. Refer to Note 12, Other Expenses and Note 23, Provisions.

(q) **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; and
- (b) Defined contribution plans - Employer contributions paid to the GSS (concurrent contributions), the West State Superannuation Scheme (WSS), and the GESB Super Scheme (GESBS).

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. See Note 16. 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

(r) Resources received free of charge or for nominal cost

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

(s) Comparative figures

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

(t) Support provided to AAPA/Aboriginal Lands Trust

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

When the Aboriginal Affairs Department (now called 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 2007/08, this support, on a service basis, has been estimated at approximately \$838,000.

4. Judgements made by management in applying accounting policies.

The judgements that have been made in the process of applying accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

Operating lease commitment

The department has entered into a commercial lease and has determined that the lessor retains all the significant risks and rewards of ownership of the property. Accordingly, the lease has been classified as an operating expense.

Leasehold improvements

The department capitalises Leasehold Improvements where significant economic benefit is obtained.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

5. 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 2007 that impacted on the department:

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 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]). This standard requires new disclosures in relation to financial instruments and while there is no financial impact, the changes have resulted in increased disclosures, both quantitative and qualitative, of the department's exposure to risks, including enhanced disclosure regarding components of the department's financial position and performance, and changes to the way of presenting certain items in the notes to the financial statements.

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 and which may impact the department but are not yet effective. Where applicable, the department plans to apply these standards and Interpretations from their application date:

Title	Operative for reporting periods beginning on/after
AASB 101 Presentation of Financial Statements (September 2007). This standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The department does not expect any financial impact when the Standard is first applied.	1 January 2009
Review of AAS 27 Financial Reporting by Local Governments, 29 Financial Reporting by Government Departments and 31 Financial Reporting by Governments. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:	
AASB 1004 'Contributions' (December 2007)	1 July 2008
AASB 1050 'Administered Items' (December 2007)	1 July 2008
AASB 1051 'Land Under Roads, (December 2007)	1 July 2008
AASB 1052 'Disaggregated Disclosures' (December 2007)	1 July 2008

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137] (December 2007) 1 July 2008

Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities (December 2008) 1 July 2008

The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and existing topic-based Standards and Interpretation. These requirements remain substantively unchanged. The new and revised Standards make some modifications to disclosures, otherwise there will be no financial impact.

Changes in Accounting Estimates

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

	2008 (\$'000)	2007 (\$'000)
6. Employee benefits expense		
Wages and Salaries (a)	11,742	9,921
Superannuation - defined contribution plans (b)	1,087	887
Superannuation - defined benefit plans (c) (d)	572	0
Long service leave (e)	85	46
Annual leave (e)	171	74
Other related expenses	552	624
	14,209	11,552

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component.

(b) Defined contribution plans include West State, GESB and GSS (contributions paid)

(c) Defined benefit plans include pension scheme and GSS (pre-transfer benefit)

(d) An equivalent notional income is also recognised (see note 16 'Income from State Government')

(e) Includes a superannuation contribution component

Employment on-costs such as workers' compensation insurance are included at Note 12 Other Expenses. The employment on-costs liability is included at note 23 Provisions.

Staff travel \$646,000 (to Note 7), workers compensation \$58,000K (to Note 12) and employee on costs \$207,000 (to Note 12) were incorrectly reported as employee benefits expense in 2007. This has been corrected and the 2007 figures re-stated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

7. Supplies and services	2008 (\$'000)	2007 (\$'000)
Communications	322	322
Services and contractors	3,207	2,718
Consumables	418	301
Operating leases	588	626
Repairs and maintenance	116	92
Electricity and water	61	64
Travel	945	770
Other	172	152
	5,829	5,045

The 2007 figures were corrected and re-stated. Building Maintenance \$162,000 transferred from Repairs & Maintenance to Note 12. Staff travel \$646,000 transferred from employee benefits (Note 6) to travel. \$124,000 transferred from consumables and other to travel for non-staff travel. Within supplies & services there was a \$27,000 transfer from other to consumables.

8. Depreciation and amortisation expense

Depreciation

Plant and equipment	61	41
IT equipment	181	145
	242	186

9. Accommodation expenses

Lease rentals	1,564	1,222
Repairs and maintenance	28	50
Other	46	52
	1,638	1,324

10. Grants and subsidies

Recurrent

Grants to non-government agencies	4,120	4,435
Transfers/contributions to other agencies	1,285	3,468
	5,405	7,903

11. Capital user charge

Capital user charge	-	96
	-	96

The charge was a levy applied by the Government for the use of its capital. The final charge was levied in 2006/07.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 (\$'000)	2007 (\$'000)
12. Other expenses		
Bad Debts	4	12
Doubtful debts expense	(2)	2
Building Maintenance.	137	162
Employment on-costs (a)	296	265
Other (b)	45	45
	480	486

(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 23 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 33 Remuneration of auditor.

The 2007 figures were corrected and re-stated. Building maintenance \$162,000 transferred from repairs & maintenance (Note 7). Workers compensation \$58,000 and employee on costs of \$207,000 transferred from employee benefits (Note 6)

13. Commonwealth grants and contributions

MCATSIA funding (a)	55	55
Gordon funding (b)	-	291
Family violence funding (c)	190	-
Other	-	9
	245	355

(a) The department assumed responsibility for the administration of the MCATSIA during 2003/04. MCATSIA was previously administered, through a secretariat, by the NSW State Government. The funding received during the year was 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. A total balance of unspent funds of \$331,000 comprising of Commonwealth and other funding for MCATSIA existed as at 30 June 2008. See also Note 14 Other Revenue and Note 17 Restricted Cash and Cash Equivalents.

(b) Funding received from the Commonwealth contributing to programs implemented as a result of the Gordon Inquiry. Funding fully expended as at 30 June 2008.

(c) These funds were received for a ongoing Family Violence grant program within Aboriginal communities. This amount was unspent at 30 June 2008.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 (\$'000)	2007 (\$'000)
14. Other Revenue		
Contributions from State Government agencies	226	332
Other contributions		
Contributions for special projects	213	267
Miscellaneous Revenue	329	373
Revenues from non-operating activities		
Government Vehicle Scheme	25	26
Staff housing contributions	95	68
Other		
Other	4	1
	<u>892</u>	<u>1,067</u>
15. Net loss on disposal of non-current assets		
<u>Proceeds of disposal of non-current assets</u>		
IT equipment	-	-
Plant & equipment	-	-
Artwork	-	-
	<u>-</u>	<u>-</u>
<u>Costs from disposal of non-current assets</u>		
IT equipment		1
Plant & equipment	1	13
Artwork	-	1
	<u>-</u>	<u>15</u>
	<u>1</u>	<u></u>
Net loss	<u>(1)</u>	<u>(15)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 (\$'000)	2007 (\$'000)
16. Income from State Government		
Appropriation received during the year :		
Service appropriations (a)	24,678	26,276
	<hr/>	<hr/>
The following liabilities have been assumed by the Treasurer during the financial year:		
Superannuation (b)	572	-
	<hr/>	<hr/>
Resources received free of charge (c)		
Determined on the basis of the following estimates provided by agencies:		
Crown Solicitor's Office		
- various legal advice	175	85
	<hr/>	<hr/>
Government Property Branch - Dept Housing & Works		
- property management services	29	27
	<hr/>	<hr/>
	204	112
	<hr/>	<hr/>
	25,454	26,388
	<hr/>	<hr/>

- (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.
- (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 GSS. (The notional superannuation expense is disclosed at note 6 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 (\$'000)	2007 (\$'000)
17. Restricted cash and cash equivalents		
Restricted Cash		
<u>Current</u>		
MCATSIA (a)	331	227
Western Desert Economic Opportunities (b)	4	3
PALS (c)	114	-
Heritage Management (d)	112	86
WAIFS Website (e)	70	-
Environmental Health Needs Committee (f)	149	-
Interagency Implementation (g)	-	196
Historic Research (h)	-	32
Total current	<u>780</u>	<u>544</u>
<u>Non-current</u>		
Accrued salaries suspense account (i)	200	145
Total non-current	<u>200</u>	<u>145</u>
	<u>980</u>	<u>689</u>

- (a) Funds held by the Department for the administration of MCATSIA.
- (b) Funds to undertake scoping of employment and economic development opportunities in the Western Desert region.
- (c) Projects involving indigenous heritage and culture within schools.
- (d) Funding to support various Heritage projects including development of a heritage management system.
- (e) Funding to develop the WAIFS Website.
- (f) Funding provided to manage the activities of the Environmental Health Needs Committee
- (g) Funding to support the findings of the Keating Review on interagency implementation issues.
- (h) Funding from ONT for restricted archive file assessments
- (i) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 (\$'000)	2007 (\$'000)
18. Receivables		
<u>Current</u>		
Receivables	335	542
Allowance for impairment of receivables	-	(2)
GST receivable	480	757
	815	1,297
<u>Other current assets</u>		
Prepayments	137	247
Total current	952	1,544

See also note 3(n) 'Receivables' and note 31 'Financial Instruments'

Reconciliation of changes in the allowance for impairment of receivables.

Balance at start of year	2	4
Doubtful debts expense recognised in the income statement	(2)	2
Amounts written off during the year	-	(4)
Amount recovered during the year	-	-
Balance at end of year	0	2

Aging of receivables past due but not impaired based on the information provided to senior management, at the balance sheet date

Not more than 3 months	3	83
More than 3 months but not more than 6 months	2	28
More than 6 months but less than 1 year	-	32
More than 1 year	1	12
	6	155

19. Amounts receivable for services

Current	230	418
Non-current	158	20
	388	438

Represents the non-cash component of service appropriations. See note 3(m) Amounts receivable for services (holding account). It is restricted in that it can be used only for asset replacement or payment of leave liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 (\$'000)	2007 (\$'000)
20. Plant and equipment		
Vehicles		
At cost	54	54
Accumulated depreciation	(54)	(54)
Total vehicles	0	0
Plant and equipment		
At cost	517	410
Accumulated depreciation	(264)	(220)
Total plant and equipment	253	190
Information technology equipment		
At cost	1,267	1,292
Accumulated depreciation	(817)	(1,032)
Total information technology equipment	450	260
	703	450
Works of art		
At cost	20	-
At fair value	324	324
Total works of art	344	324
Total plant and equipment	1,047	774

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:

	Vehicles	Plant & equipment	Information Technology equipment	Total
	\$'000	\$'000	\$'000	\$'000
<u>2007</u>				
Carrying amount at start of year	-	184	231	414
Additions	-	62	178	240
Disposals	-	(15)	(5)	(20)
Revaluation increments	-	-	-	-
Depreciation	-	(41)	(145)	(186)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Carrying amount at end of year	-	190	259	450
	Vehicles	Plant & Equipment	Information Technology Equipment	Total
	\$'000	\$'000	\$'000	\$'000
2008				
Carrying amount at start of year	-	190	260	450
Additions	-	124	372	496
Disposals	-	-	(1)	(1)
Revaluation increments	-	-	-	-
Depreciation	-	(61)	(181)	(242)
Carrying amount at end of year	-	253	450	703

21. Impairment of Assets

There were no indications of impairment to plant and equipment assets at 30 June 2008.

The department held no goodwill 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 2008 have either been classified as assets held for sale or written-off.

22. Payables

Current

	2008 (\$'000)	2007 (\$'000)
Trade payables	344	236
Accrued Salaries	93	85
Sundry Creditors	14	53
Total Current	451	374

See also note 3(o) Payables and Note 31 Financial Instruments

Trade payables of \$228,000 were incorrectly classified as accrued expenses in 2007. Correction made 2008. See also Note 24, Other Liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 (\$'000)	2007 (\$'000)
23. Provisions		
<u>Current</u>		
Employee benefits provision		
Annual leave (a)	863	732
Long service leave (b)	782	715
Purchased leave (c)	8	-
	<u>1,653</u>	<u>1,447</u>
Other provisions		
Employment on-costs (c)	198	174
	<u>198</u>	<u>174</u>
Total current provisions	<u>1,851</u>	<u>1,621</u>
<u>Non-current</u>		
Employee benefits provision		
Long service leave (b)	513	521
	<u>513</u>	<u>521</u>
Other provisions		
Employment on-costs (c)	61	63
	<u>61</u>	<u>63</u>
Total non current provisions	<u>574</u>	<u>584</u>
Total provisions	<u>2,425</u>	<u>2,205</u>

(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	703	673
More than 12 months after reporting date	160	58
	<u>863</u>	<u>731</u>

(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:

Within 12 months of reporting date	430	715
More than 12 months after reporting date	352	521
	<u>782</u>	<u>1,236</u>

(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 12 Other Expenses.

Movements in other provisions

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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

	2008 (\$'000)	2007 (\$'000)
<u>Employment on-cost provision</u>		
Carrying amount at start of year	236	224
Additional provisions recognised	24	12
Payments/other sacrifices of economic benefits	-	-
Unwinding of the discount	-	-
Carrying amount at end of year	<u>260</u>	<u>236</u>

24. Other liabilities

Current

Income received in advance	-	-
Unclaimed monies	2	1
Other	40	46
Total current	<u>42</u>	<u>47</u>

Trade payables of \$228,000 incorrectly classified as accrued expenses in 2007. Correction was made in 2008. See also Note 22, Payables.

25. Equity

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.

Contributed equity

Balance at start of year	1,169	1,169
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Contributions by owners

Capital contribution (a)	12	-
Total contributions by owners	<u>1,181</u>	<u>1,169</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

- (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.

	2008 (\$'000)	2007 (\$'000)
Asset revaluation reserve		
Balance at the start of the year	184	173
Net revaluation increments/(decrements):		
Works of art	-	11
Balance at the end of the year	<u>184</u>	<u>184</u>
Accumulated surplus/(deficit)		
Balance at the start of the year	343	(860)
Result for the period	(1,213)	1,203
Balance at the end of the year	<u>(870)</u>	<u>343</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 (\$'000)	2007 (\$'000)
26. Notes to the cash flow statement		
<u>Reconciliation of cash</u>		
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	46	877
Restricted cash and cash equivalents (see also Note 17)	980	689
Cash at the end of the financial year	<u>1,026</u>	<u>1,566</u>
<u>(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities</u>		
Net cost of services	(26,667)	(25,185)
Non-cash items:		
Depreciation	242	186
Bad debts expense	4	12
Doubtful debts expense	(2)	2
Superannuation expense	572	-
Resources received free of charge	204	112
Net (gain)/loss on sale of plant, equipment and vehicles	(1)	15
Other accrual adjustments		
<i>(Increase)/decrease in assets:</i>		
Current receivables (c)	206	(456)
Other current assets	110	-
<i>Increase/(decrease) in liabilities:</i>		
Current payables (c)	85	(340)
Current provisions	162	142
Other current liabilities	-6	(97)
Non-current provisions	(10)	(33)
Net GST receipts/(payments) (a)	292	(260)
Change in GST receivables/payables (b)	16	(7)
Net cash provided by/(used in) operating activities	<u>(24,793)</u>	<u>(25,909)</u>

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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

	2008 (\$'000)	2007 (\$'000)
27. 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	1,635	1,290
Later than 1 year and not later than 5 years	4,421	4,751
Later than 5 years	17	16
	<u>6,073</u>	<u>6,057</u>
Representing:		
Non-cancellable operating leases	<u>6,073</u>	<u>6,057</u>

These commitments are inclusive of GST

28. Contingent liabilities and contingent assets

The department had no contingent liabilities or contingent assets as at 30 June 2008.

29. Events occurring after reporting date

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

30. Explanatory statement

Significant variations between estimates and actual results for income and expenses as 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 2008.

Total appropriation provided to deliver services for the year

	2008 Estimate \$000	2008 Actual \$000	2008 Variation \$000
	22,135	24,678	2,543
Stolen Wages Taskforce			300
Gordon monitoring & evaluation			280
State replacement CDEP funding			519
COAG Indigenous intergenerational reforms			90
Ashburton Roebourne RPA			610
Delayed roll in shared services centre			480
Cost pressures, building rent & award increases			264
			<hr/> 2,543

Service Expenditure

Service 1 Support to partnerships, partnering initiatives -

	2008 Estimate \$000	2008 Actual \$000	2008 Variation \$000
	16,573	16,220	(353)

Service 2 information & advice

	2008 Estimate \$000	2008 Actual \$000	2008 Variation \$000
	6,104	11,584	5,480

Extra resources that became available during the financial year were utilised in service 2 as a result of an emphasis being placed on the review and re-structure of the department as well as a number of coronial enquiries associated with the Kimberley.

Capital Contribution

	2008 Estimate \$000	2008 Actual \$000	2008 Variation \$000
	12	12	0

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Total Revenue

2008 Estimate \$000	2008 Actual \$000	2008 Variation \$000
505	1,137	632

Increased revenue was a result of funding being received from outside agencies to fund special projects.

Significant variances between actuals for 2007 and 2008.

Total appropriation provided to deliver services for the year

	2008 Actual \$000	2007 Actual \$000	2008 Variation \$000
	24,678	26,276	(1,598)
Stolen Wages			300
Gordon Implementation			280
State Replacement CDEP Funding			519
State contribution to COAG			90
Ashburton Roebourne RPA			610
Multilateral Indigenous Provision			(2,073)
Dampier Archipelago			(330)
Delayed roll in Shared Services Centre			480
Increased costs			124
			0

Service Expenditure

	2008 Actual \$000	2007 Actual \$000	2008 Variation \$000
<u>Service 1</u>			
<u>Support to Partnerships, Partnering Initiatives</u>	16,220	19,509	(3,290)
<u>Service 2</u>			
<u>Information and Advice</u>	11,584	7,098	4,486

There is a significant change in the relationship to Service 1 and 2 between 2007 and 2008 as a result of significant resources being allocated to the departmental restructure as well as a number of coronial inquiries in the Kimberley.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Capital Contribution

2008 Actual \$000	2007 Actual \$000	2008 Variation \$000
12	0	12

The variance represents the fact that the Capital Program in 2007 was entirely funded from drawdowns from holding account whereas in 2008, a Capital contribution was required.

Total Revenue

2008 Actual \$000	2007 Actual \$000	2008 Variation \$000
1,137	1,422	(285)

The decrease in total revenue is a result of decreased revenue from outside agencies for special projects.

31. Financial Instruments

(a) Financial risk management objectives and policies

Financial Instruments held by the department are cash and cash equivalents, restricted cash and cash equivalents, receivables and payables. All of the department's cash is held in the public bank account (non interest bearing) including restricted cash. The department has limited exposure to financial risks. The department's overall risk management program focusses on managing the risks identified below.

Credit risk

Credit risk arises when there is a possibility of the department's receivables defaulting on their contractual obligations resulting in financial loss to the department. The department measures credit risk on a fair value basis and monitors risk on a regular basis.

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment, as shown in the table at Note 18.

Credit risk associated with the department's financial assets is minimal. Amounts receivable for services is from government (holding account). For receivables other than government, 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.

Liquidity risk

The department is exposed to liquidity risk through its trading in the normal course of business. liquidity risk arises when the department is unable to meet its financial obligations as they fall due.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Market Risk

The department does not trade in foreign currency and is not materially exposed to other price risks.

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

(b) Categories of financial instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows

	2008 (\$'000)	2007 (\$'000)
Financial Assets		
Cash and cash equivalents	46	877
Restricted cash and cash advances	980	689
Loans and Receivables (a)	335	542
Financial Liabilities		
Financial Liabilities measured at amortised cost	451	374

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

(c) Financial instrument disclosures

The following table details the exposure to liquidity risk and interest rate risk as at the balance sheet date. The department's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown on the following table. The table is based on information provided to senior management of the department.

The department does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The department does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

2008	Weighted average effective interest rate %	Non interest bearing \$'000	Total \$'000
Financial Assets			
Cash assets	-	46	46
Restricted cash assets	-	980	980
Receivables	-	335	335
		<u>1,361</u>	<u>1,361</u>
Financial Liabilities			
Payables	-	451	451
		<u>451</u>	<u>451</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2007	Weighted average effective interest rate %	Non interest bearing \$'000	Total \$'000
Financial Assets			
Cash assets	-	877	877
Restricted cash assets	-	689	689
Receivables	-	542	542
		<u>2,108</u>	<u>2,108</u>
Financial Liabilities			
Payables	-	374	374
		<u>374</u>	<u>374</u>

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.

32. 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:

\$	2008 (\$'000)	2007 (\$'000)
1 to 9,999	2	6
10,001 to 20,000	2	1
20,001 to 30,000	-	1
30,001 to 40,000	1	1
40,001 to 50,000	-	1
60,001 to 70,000	1	-
80,001 to 90,000	1	-
110,001 to 120,000	-	1
130,001 to 140,000	1	1
140,001 to 150,000	1	1
210,001 to 220,000	1	-

The total remuneration of senior officers is: 717 542

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 (\$'000)	2007 (\$'000)
33. 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

34. 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.

35. Supplementary financial information

Write-offs

During the financial year \$4,000 (2006: \$12,370) was written off the department's asset register under the authority of:

Approved by Director General

Bad debts

4	13
<u>4</u>	<u>13</u>

Losses through theft, defaults and other Causes

Losses of public money and public and other property through theft or default

-	1
<u>0</u>	<u>1</u>

Gifts of public property

Gifts of public property provided by the department

-	12
<u>0</u>	<u>12</u>

KEY PERFORMANCE INDICATORS

The desired outcome of DIA for 2007/08 was to achieve sustainable improvement in social, cultural and economic outcomes for Indigenous people. DIA reports achievement of this desired outcome, using auditable indicators of performance.

Method used to determine outcome effectiveness

DIA commissioned an independent research consultancy to evaluate its performance indicators for 2007/08 by conducting a census of key partners and reporting on its findings.

A telephone survey was conducted between 16 – 27 June 2008 using the same survey instrument as in previous years. It contained nine quantitative questions, aligned to the quality and performance indicators, and included the opportunity for respondents to provide qualitative feedback. The census population is closely targeted, containing key project partners who have worked with the DIA on initiatives over the year and who can provide a realistic assessment of the department's performance. In all, 213 responses were obtained from a database of 322 partners, yielding a response rate of 66.1 per cent.

Effectiveness indicators

DIA focuses its measures on what it can directly influence: building partnerships (service 1) and providing advice (service 2) that assists Indigenous communities and public sector agencies to deliver improved social, cultural and economic outcomes for Indigenous people.

SERVICE 1

Support to partnerships, partnering initiatives is the provision of support to partnerships involving Indigenous individuals, families, communities, and representatives participating with government, the private sector, community groups and others to achieve agreed priorities.

These partnering arrangements vary from being formal arrangements to immediate responses established when issues arise and from small to large bodies of work (which may not be identified in the department's work program). Because the amount of work varies between partnerships, the efficiency indicators are computed on the number of significant outputs generated and reflect an average cost.

This indicator measures the extent to which DIA's partners are satisfied with the support provided to achieve agreed outcomes in partnering initiatives.

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.

	2004/05	2005/06	2006/07	2007/08	Target
Extent to which parties in a sample of partnering arrangements indicate they have been assisted to achieve agreed outcomes, which contribute to government objectives.	61.2%	63.5%	43.3%	58.2%	55.0%
Percentage of sample reporting Agree or Strongly Agree (average responses)					
Number of respondents (including "don't know" "not relevant")	152	188	196	213	
Relevant client population for Indicator	296	354	313	322	
Response rate	51.3%	53.1%	62.6%	66.1%	

SERVICE 2

Information and Advice is the provision of information and strategic/tactical policy advice to Government, private sector companies, community organisations and individuals to enable them to deal more effectively with Indigenous matters.

Requests for information related to coordination activities, policy, land permits, site searches, family history, population information, planning and family history met through data systems.

Providing information involves the on-going operation of management and information systems to maintain the data and provide the service. Providing accurate advice involves on-going policy and strategy development in collaboration with partners.

This indicator measures the extent to which Indigenous and Government client groups are satisfied with the information and advice provided by DIA to assist them in dealing with Indigenous matters.

Indicator:

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

	2004/05	2005/06	2006/07	2007/08	Target
Extent to which users indicated the policy and/or advice assisted their decision making.	68.0%	57.4%	47.7%	62.9%	55.0%
Number of respondents (including "don't know" "not relevant")	152	188	196	213	
Relevant client population for Indicator	296	354	313	322	
Response rate	51.3%	53.1%	62.6%	66.1%	

Comment on DIA effectiveness indicator results

Client and user opinion of the performance of DIA in the 2007-08 year has shown a 33% improvement over the 2006/07 result.

In 2007/08 DIA undertook important consultations associated with the Stolen Wages project, establishment of an advisory council, continued to develop the Director General's group and progressed the strategic intervention package.

In addition DIA improved relationships with the Commonwealth through the Bi-Lateral agreement signed in July 2006; and implemented targeted interventions to substantially address particular communities in need.

The results also reflect external factors in the environment such as the National Apology to the Stolen Generations.

Clients again provided qualitative feedback. They identified that DIA is valued for its role and voice in furthering Indigenous issues; the quality of its staff; and its partnership / coordination approach. They also identified that DIA could be more effective if it had a more influential policy role, greater role clarity and increased resources.

Efficiency indicators - Department of Indigenous Affairs

While effectiveness indicators measure the extent to which DIA has achieved its desired outcome, another set of measures, efficiency indicators, relate to the relative cost of producing quantifiable units of output. 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.

Service 1: Support to partnerships, partnering initiatives

- 1.1 Aboriginal Lands Trust and other Indigenous land partnering and project initiatives
- 1.2 Heritage and Culture partnerships and project initiatives
- 1.3 Coordinating, cooperating, collaborating partnership and project initiatives

Service 2: Information and advice

- 2.1 Strategic and tactical policy advice
- 2.2 Formal requests from Government, Cabinet and Minister for information and policy advice, including resolutions of statutory land and sites committees
- 2.3 Requests for information met through data systems

SERVICE 1

	2004/05	2005/06	2006/07	2007/08	Target
Service 1.1 ALT and other Indigenous land partnering and project initiatives	\$178,396	\$68,460	\$84,744	\$69,952	\$75,668
Average cost per land partnering and project initiative.	The result reflects increased output activity.				
Service 1.2 Heritage and Culture partnerships and project initiatives	\$56,496	\$49,802	\$37,283	\$52,230	\$46,604
Average cost per heritage and culture partnership and project initiative.	The result reflects a decrease in outputs.				
Service 1.3 Coordinating, cooperating collaborating partnership and project initiatives	\$85,128	\$70,244	\$123,739	\$97,210	\$94,398
Average cost per coordinating, cooperating and collaborating partnership and project initiative.	Result is in line with expectations.				

SERVICE 2

	2004/05	2005/06	2006/07	2007/08	Target
Service 2.1 Strategic and tactical policy advice Average cost per unit of advice offered.	\$52,446	\$70,114	\$54,576	\$72,057	\$44,151
	Results reflect increased staffing introduced to progress functional review outcomes, strategic initiatives, and a new departmental structure and a change in workload in regional offices to provide strategic and tactical advice in response to local issues.				
Service 2.2 formal requests from government, Cabinet and Minister for information and policy advice, including resolutions of statutory land and sites committees (ALT, APMC) Average cost per request answered / recommendation made.	\$1,486	\$1,570	\$1,670	\$1,829	\$1,428
	The higher than targeted average cost reflects the reduced number of outputs due to reduced ALT Board meetings.				
Service 2.3 requests for information met through data systems Average cost per unit of information supplied.	\$100	\$64	\$43	\$44	\$53
	The result reflects the on-going heavy usage of DIA's computerised on-line services.				



DEPARTMENT OF INDIGENOUS AFFAIRS

CERTIFICATION OF PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2008

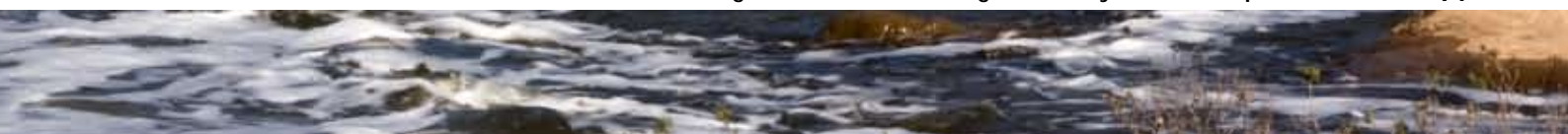
I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Indigenous Affairs' performance, and fairly represent the performance of the Department of Indigenous Affairs for the financial year ended 30 June 2008.



Patrick Walker
Director General
Department of Indigenous Affairs

22 September 2008

ABORIGINAL AFFAIRS PLANNING AUTHORITY ANNUAL REPORT 2007/08





CERTIFICATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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 ended 30 June 2008 and the financial position as at 30 June 2008.

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.



Patrick Walker
Director General
22 September 2008



George Kessar
Chief Finance Officer
22 September 2008



Auditor General

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 2008

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 2008, 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.

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>".

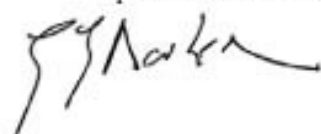
An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions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

The Aboriginal Affairs Planning Authority
Financial Statements and Key Performance Indicators for the year ended 30 June 2008

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of The Aboriginal Affairs Planning Authority at 30 June 2008 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 2008.



GLEN CLARKE
ACTING AUDITOR GENERAL
23 September 2008

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$'000	2007 \$'000
COST OF SERVICES			
Expenses			
Supplies and services	4	2,276	2,499
Depreciation expense	5	68	(94)
Grants and subsidies	6	9,394	787
Other expenses	7	4,016	482
Total cost of services		15,754	3,674
Income			
Revenue			
Commonwealth grants and contributions	8	11,306	33
Interest revenue	9	742	197
Other revenue	10	1,213	935
Total revenue		13,261	1,165
Total income other than income from State Government		13,261	1,165
NET COST OF SERVICES	20	2,493	2,509
INCOME FROM STATE GOVERNMENT			
Resources received free of charge	11	2,175	1,743
Total income from State Government		2,175	1,743
DEFICIT FOR THE PERIOD		(318)	(766)

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

BALANCE SHEET AS AT 30 JUNE 2008

	Note	2008 \$'000	2007 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	20	328	553
Restricted cash and cash equivalents	12	4,930	2,267
Receivables	13	710	66
Other current assets	14	246	44
Total current assets		6,214	2,930
Non-current assets			
Property	15	110,382	87,390
Total non-current assets		110,382	87,390
TOTAL ASSETS		116,596	90,320
LIABILITIES			
Current Liabilities			
Payables	17	98	2
Provisions	18	3,438	-
Total current liabilities		3,536	2
TOTAL LIABILITIES		3,536	2
NET ASSETS		113,060	90,318
EQUITY			
	19		
Contributed equity		1,593	1,348
Reserves		109,475	86,660
Accumulated surplus		1,992	2,310
TOTAL EQUITY		113,060	90,318

The balance sheet should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$'000	2007 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Supplies and services		(115)	(789)
Grants and subsidies		(9,394)	(787)
GST payments on purchases		(916)	(1,173)
GST payments to taxation authority		(2,260)	(38)
Other payments		(394)	(455)
		(13,079)	(3,242)
Receipts			
Grants and contributions		11,505	880
Interest received		540	201
Rent received		46	29
Other receipts		925	20
GST receipts on sales		1,155	1,054
GST receipts from taxation authority		1,346	187
		15,517	2,371
Net cash provided / (used) in operating activities	20	2,438	(871)
Net decrease in cash and cash equivalents		2,438	(871)
Cash and cash equivalents at the beginning of the period		2,820	3,691
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	20	5,258	2,820

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$'000	2007 \$'000
Balance of equity at the start of the period		90,318	77,920
Contributed equity	19		
Balance at the start of the period		1,348	1,014
Other contribution by owners		245	538
Distribution to owners		-	(204)
Balance at the end of the period		1,593	1,348
Reserves	19		
<u>Asset revaluation reserve</u>			
Balance at the start of the period		86,660	76,407
Correction of prior period error		-	(2,577)
Correction of 2007 error		-	(603)
Gains from asset revaluation		23,939	13,433
Balance at the end of the period		110,599	86,660
Accumulated surplus / (deficit)	19		
Balance at the start of the period		2,310	3,076
Deficit for the period		(318)	(766)
Balance at the end of the period		1,992	2,310
Balance of equity at end of period		114,184	90,318
Total income and expense for the period (a)		23,621	12,668

(a) The aggregate net amount attributable to each category of equity is : deficit \$318,000 plus gains from asset revaluation reserve of \$ 22,815,000 (2007: deficit \$766,000 plus gains from asset revaluation of \$13,434,000).

The statement of changes in equity should be read in conjunction with the accompanying notes.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. Australian equivalents to International Financial Reporting Standards

General

The authority's financial statements for the year ended 30 June 2008 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 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 2008.

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 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 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).



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

c) Reporting entity

The reporting entity comprises the authority and entities listed at note 26 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.

AAPA does not receive appropriations from Government.

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:

Interest

Revenue is recognised as the interest accrues.

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 undischarged as at the balance sheet date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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 \$1000 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 stated 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. Where the fair value of buildings is dependent on using the depreciated replacement cost, the gross carrying amount and the accumulated depreciation are restated proportionally

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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
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g) Impairment of assets

Property is 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 balance sheet date.

h) Property Holdings - Aboriginal Lands Trust

The operations of the 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 now titled the Department of Indigenous Affairs. At this date, assets (including land and buildings) and liabilities of the originating agencies were assumed by the Aboriginal Affairs Department 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 *Aboriginal Affairs Planning Authority 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 ALT were transferred to Aboriginal communities for no consideration. The land hand back process is expected to continue for the next five to 10 years.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

j) Financial instruments

In addition to cash and cash equivalent, the authority has two categories of financial instrument:

- Loans and Receivables, and
- Financial liabilities measured at amortised cost

These have been disaggregated into the following classes:

Financial Assets

- Cash and cash Equivalents
- Restricted cash and cash Equivalents
-

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 (and restricted cash and cash equivalent) assets comprise 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 against the allowance account. 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 at the amount payable 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

n) Provisions

Provisions are liabilities of uncertain timing and are recognised where there is a present legal 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 date. See Note 18, Provisions.

Restoration Costs

A provision is recognised where the authority has a legal or constructive obligation to undertake restoration work. Estimates are based on the present value of unexpected future cash outflows.

The authority has a liability under the *Contaminated Sites Act 2003* to rehabilitate affected parcels of land. Where contaminated sites have been identified and classified as contaminated - remediation required or it is probable that the site will be classified as contaminated - remediation required and a reliable estimate can be made of the cost of remediation of the site, a provision has been made. See Note 18, Provisions.

o) 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 income 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.

p) Support from Department of Indigenous Affairs

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

When the Aboriginal Affairs Department was established on 1 November 1994, it effectively took over the operations of its originating agencies, including the AAPA. Staff previously employed by the AAPA at that time were transferred to the Aboriginal Affairs Department. 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).

q) Comparative figures

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

r) Judgements made by management in applying accounting policies

Contaminated sites

The provision towards restorations costs of contaminated sites are treated as current liabilities as the Authority has reported these to the DEC in accordance with the *Contaminated Sites Act 2003* and has applied to the Contaminated Sites Management Account (CSMS) for funding to complete restoration works. If funds are provided, restoration works can be completed within 12 months from balance sheet date.

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 2007 that impacted on the authority:

1. AASB7 Financial Instruments: Disclosures (including consequential amendments in AASB 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, ASB 133, AASB139, AASB 1, AASB 4, AASB 1023 & AASB 1038]) This standard requires new disclosures in relation to financial instruments and while there is no financial impact, the changes have resulted in increased disclosures, both quantitative and qualitative, of the authority's exposure to risks, including enhanced disclosure regarding components of the Authority's financial position and performance, and changes to the way of presenting certain items in the notes to the financial statements.

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. Where applicable, the authority plans to apply these standards and Interpretations from their application date:

Title	Operative for reporting periods beginning on/ after
AASB 101 Presentation of Financial Statements (September 2007). This standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The authority does not expect any financial impact when the Standard is first applied.	1 January 2009
Review of AAS 27 'Financial Reporting by Local Governments', 29 Financial Reporting by Governments'. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Title

Operative for reporting
periods beginning on/
after

AASB 1004 Contributions (December 2007)

AASB 1050 Administered Items (December 2007)

AASB 1051 Land Under Roads (December 2007)

AASB 1052 Disaggregated Disclosures (December 2007)

AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137] (December 2007) 1

Interpretation 1038 "Contributions by Owners made to Wholly-Owned Public Sectors Entities (revised) (December 2007). 1

The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and existing topic-based Standards and Interpretation. These requirements remain substantively unchanged. AASB 1050, AASB 1051, and AASB 1052 only apply to government departments. The other Standards and Interpretation make some modifications to disclosures and provide additional guidance, otherwise, there will be no financial impact.

Changes in Accounting Estimates

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

	2008 \$'000	2007 \$'000
4. Supplies and Services		
Services and contracts		
- support from Department of Indigenous Affairs (1)	839	838
- other	1,418	905
Travel	14	37
Administration	5	719
	2,276	2,499

(1) See also Notes 2(n) and 11 'Resources Received Free of Charge'.

An amount of \$482,000 building maintenance incorrectly costed to Administration in 2007. Re-stated and transferred to Note 7, other expenses.

An amount of \$37,000 Travel incorrectly costed to Other Expenses, Note 7 in 2007. Reclassified to supplies and services.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$'000	2007 \$'000
5. Depreciation expense		
Buildings	68	(94)
An error was made with depreciation expense in 2007. See Note 19(a)		
6. Grants and Subsidies		
<u>Recurrent</u>		
Grants to organisations from		
- general funds	1,280	659
- Commonwealth funding	7,909	-
- mining rents & royalties funds	190	110
- intestate funds	15	18
	9,394	787
7. Other expenses		
Doubtful Debts	74	-
Building Maintenance	493	482
Provision for restorative cost of Contaminated Sites	3,438	-
Other Expenses (a)	11	-
	4,016	482
(a) Audit fees, see also Note 25, Remuneration of auditor.		
An amount of \$482,000 building maintenance incorrectly costed to Administration in 2007. Re-stated and transferred from Note 4, Supplies and Services.		
An amount of \$37,000 Travel incorrectly costed to Other Expenses, transferred to Supplies and Services Note 4.		
8. Commonwealth grants and contributions		
Multifunction Police Facilities	7,000	-
WA Strategic Intervention Package	4,306	-
Other	-	33
	11,306	33
9. Interest revenue		
Interest revenue - cash at bank	742	197

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$'000	2007 \$'000
10. Other revenue		
Department of Indigenous Affairs	-	500
Other State Government agencies	15	354
Rent	30	45
Intestate receipts	75	16
Royalties Received	850	-
Other	243	20
	1,213	935

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(o))	839	837
- Landgate (Land information and valuation)	1,336	906
	2,175	1,743

- (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 Authority shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or 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

Current

Mining rents and royalties (1)	1,125	651
Community facilities (2)	3,101	1,496
Regional Stores (3)	75	79
Special Purpose Grants (4)	524	-
Intestate Account (5)	101	37
CL Johnson Bequest (6)	2	2
H Drake-Brockman (7)	2	2
	4,930	2,267

Cash in these accounts is only to be used for -

- (1) Mining rents 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) Special purpose grants

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Funds received from outside organisations for defined projects.

- (5) Intestate account

Funds received from the Public Trustee for intestate estates.

- (6) CL Johnson Bequest

Assisting Aboriginal missionaries in Western Australia (see also Note 27).

- (7) H Drake-Brockman

Awarding a prize each year to the highest achieving Indigenous student (see Note 27).

	2008 (\$'000)	2007 (\$'000)
13. Receivables		
<u>Current</u>		
Receivables	90	43
Allowance for impairment of receivables	(74)	-
Goods and Services Tax (GST) receivable	694	23
	710	66

Reconciliation of changes in the allowance for impairment of receivables

Balance at start of year	-	-
Doubtful debts expense recognised in the income statement	74	-
Amounts written off during the year	-	-
Amounts recovered during the year	-	-
Balance at end of year	74	-
Credit Risk		

Aging of receivables past due but not impaired based on the information provided to senior management, at the balance sheet date:

Not more than 3 months	-	-
More than 3 months but less than 6 months	-	-
More than 6 months but less than 1 year	-	-
More than 1 year	-	-
	0	0

The allowance for impairment represents a number of invoices raised to collect rent on property that have been disputed by the tenants. It is likely that the Authority will not collect the full amount of rent and that agreement will be reached to accept a lesser amount.

14. Other current assets

Current

Accrued interest from bank	246	44
	246	44

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 (\$'000)	2007 (\$'000)
15. Property		
Land		
Freehold land	23,234	17,978
Reserves	56,799	41,990
Pastoral leases	789	789
Other leases	1,623	1,622
Other Land	-	9
At fair value (1)	82,445	62,388
Buildings		
At fair value (1)	28,515	25,512
Accumulated depreciation	(578)	(510)
	27,937	25,002
Total property	110,382	87,390

- (1) Land and buildings were revalued as at 1 July 2007 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2008 and recognised at 30 June 2008. In undertaking the revaluation, fair value was determined by reference to market values for land and buildings. For the remaining balance, fair value of land and buildings was determined on the basis of depreciated replacement cost. See Note 2(f) and (h)

Valuation Services, the Office of the Auditor General and DTF assessed the valuations globally to ensure that the valuations provided (as at 1 July 2007) were compliant with fair value at 30 June 2008.

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

	Freehold Land (\$'000)	Reserves (\$'000)	Pastoral Leases (\$'000)	Other Leases (\$'000)	Buildings (\$'000)	Total (\$'000)
<u>2008</u>						
Carrying amount at start of year	17,978	41,990	789	1,631	25,002	87,390
Additions	-	245	-	-	-	245
Disposals	(730)	(4)	-	-	(390)	(1,124)
Revaluation changes	5,986	14,568	-	(8)	3,393	23,939
Depreciation	-	-	-	-	(68)	(68)
Carrying amount at end of year	23,234	56,799	789	1,623	27,937	110,382
<u>2007</u>						
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)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Carrying amount at end of year	17,978	41,990	789	1,631	25,002	87,390
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16. Impairment of assets

There were no indications of impairment to property at 30 June 2008.

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 2008 have either been classified as assets held for sale or written off.

	2008 (\$'000)	2007 (\$'000)
17. Payables		
<u>Current</u>		
Trade payables	98	-
Accrued expenses	-	2
	98	2
 18 Provisions		
<u>Current</u>		
Contaminated Sites	3,438	-
	3,438	-
 Carrying amount at start of year	-	-
Additional provisions recognised	3,438	-
Payments/other sacrifices of economic benefit	-	-
Unwinding of discount	-	-
Carrying amount at end of year	3,438	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

This provision represents liabilities associated with restoration of contaminated land under the *Contaminated Sites Act 2003*. See Note 2 (n) and 2 (r)

19. 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

	2008 (\$'000)	2007 (\$'000)
Contributed equity		
Balance at start of year	1,348	1,014
Contributions by owners		
Transfer of net assets from other agencies	245	538
Distribution to owners		
Net assets transferred to Government	-	(204)
Balance at end of year	1,593	1,348

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

The *Aboriginal Affairs Planning Authority Act 1972* 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 adhoc nature and vary from year to year.

Reserves

Asset Revaluation Reserve

Balance at start of year	86,660	76,407
Corection of prior period error (a)	-	(2,577)
Gross revaluation (decrements)/increments:		
Land	20,546	17,505
Buildings	3,393	(4,675)
Less: Transfer of surplus on disposal	(1,124)	-
Balance at end of year	109,475	86,660

Accumulated surplus/(deficit)

Balance at start of year	2,310	3,076
Result for the period	(318)	(766)
Add: Transfer of surplus on disposal	1,124	-
Less: Distribution to government	(1,124)	-
Balance at end of year	1,992	2,310

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

(a) There was an error in the treatment of disposal of assets in the 2006 and 2007 years. The following changes have been effected to correct this.

Asset revaluation reserve reduced from \$76,406,000 to \$73,830,000.

Opening balance accumulated surplus from \$500,000 to \$3,076,000

Result for the period from (\$1,370,000) to (\$766,000)

Closing balance accumulated surplus changed from (\$870,000) to \$2,310,000.

	2008	2007
	(\$'000)	(\$'000)
20. Notes to the statement of cash flows		
Reconciliation of cash		
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	328	553
Restricted cash and cash equivalents (see note 12)	4,930	2,267
	5,258	2,820
Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	(2,493)	(2,509)
<u>Non-cash items:</u>		
Depreciation	68	(94)
Allowance for impairment of receivables	74	-
Resources received free of charge	2,175	1,744
<u>(Increase)/decrease in assets:</u>		
Receivables	(47)	(9)
Other assets	(202)	(5)
<u>Increase/(decrease) in liabilities:</u>		
Payables	96	2
Provisions	3,438	-
Net GST receipts/(payments)	(675)	-
Change in GST receivables/payables	4	-
Net cash used in operating activities	2,438	(871)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

21. 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 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 determined that there were 4 sites that met the criteria of a contaminated site under the Act. A provision of \$3,438,000 was made to meet the restoration cost of these contaminated sites (see Note 18). However, there are still another two sites that are currently under investigation to determine if they meet the criteria for contaminated sites.

Kalgoorlie Reserve: There is a known contamination on this site that has been reported under the Act. However, the level of the contamination is still being determined in conjunction with other government departments. A local mining company has indicated that they will clean up the site. A more formal commitment regarding this is currently being sought. There is a complicating factor regarding access from traditional people that still needs to be resolved. A value for this works in not yet available.

Norseman Reserve: There is a known contamination on this site that has been reported under the Act. A local mining company has removed the contaminated waste to their treatment facility and recontoured the site to blend with the surrounding area. The authority is awaiting confirmation from DEC that this remediation has been successful.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

22. 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 2007 and 2008:

Expenses

a) Supplies and services

2008 (\$'000)	2007 (\$'000)	Variation (\$'000)
2,276	2,499	(223)

The most significant increase in this area represents resources received free of charge from Landgate.

b) Grants and subsidies

2008 (\$'000)	2007 (\$'000)	Variation (\$'000)
9,394	787	8,607

The increase represents payments of \$8,000,000 from the Multifunction Police Facilities and the Western Australian Strategic Intervention Package funds received from the Commonwealth.

c) Other expenses

2008 (\$'000)	2007 (\$'000)	Variation (\$'000)
4,016	482	3,534

The increase represents the expense entry for recognising the provision for contaminated sites under the *Contaminated Sites Act 2003*.

Income

d) Commonwealth grants and contributions

2008 (\$'000)	2007 (\$'000)	Variation (\$'000)
11,306	33	11,273

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

The increase is a result of \$7,000,000 for Multifunction Police Facilities and \$4,300,000 for the Western Australian Strategic intervention package.

Income

e) Interest revenue

2008 (\$'000)	2007 (\$'000)	Variation (\$'000)
742	197	545

Significant increase in interest as a result of increasing interest rates and the \$11,000,000 in Commonwealth grants being untouched in the bank account for between 7 and 8 months.

f) Other revenue

2008 (\$'000)	2007 (\$'000)	Variation (\$'000)
1,213	935	278

The increase primarily reflects the collection of mining rents and royalties arrears less the non-continuance of the capital grant from DIA.

Revenues from State Government

g) Resources received free of charge

2008 (\$'000)	2007 (\$'000)	Variation (\$'000)
2,175	1,743	432

The increase represents additional services provided by Landgate for the year.

23. Financial Instruments

(a) Financial risk management objectives and policies

Financial instruments held by the authority are cash and cash equivalents, restricted 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

Credit risk arises when there is the possibility of the authority's receivables defaulting on their contractual obligations resulting in financial loss to the authority. The authority measures credit risk on a fair value basis and monitors risk on a regular basis.

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table below.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Credit risk associated with the authority's financial assets is minimal. For receivables, the authority trades only with recognised, creditworthy third parties. The authority has policies in place to ensure that it trades with organisations 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.

Provision for impairment of financial assets is calculated based on past experience and current and expected changes in client credit ratings., refer note 13 Receivables.

Liquidity Risk

The authority is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk arises when the authority is unable to meet its financial obligations as they fall due.

The authority has appropriate procedures to manage cash flows. The authority receives funding from activities on its land and for specific purposes from external organisations and manages forecasts to ensure that sufficient funds are available to meet its commitments.

Market Risk

The authority does not trade in foreign and is not materially exposed to other price risks. The authority does not borrow money to fund any of its operations. Other than as detailed in the Interest rate sensitivity analysis table below the authority is not exposed to interest rate risk. All funds held by the authority are housed in interest-bearing accounts.

(b) Categories of Financial Instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows:

	2008 (\$'000)	2007 (\$'000)
Financial Assets		
Cash and cash equivalents	328	553
Restricted cash and cash equivalents	4,930	2,267
Loans and receivables	336	87

The amount of receivables excludes GST recoverable from the ATO (statutory receivable)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Financial Liabilities

Payables

98

-

(b) Financial Instrument disclosures

Credit risk liquidity risk and interest rate risk exposures

The following table details the authority's exposure to interest rate risk, as at the balance sheet date. The authority's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown on the following table. The table is based on information provided to senior management of the authority.

The authority does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The authority does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

	Weighted average effective interest rate	Variable interest rate	Non interest bearing	Total
2008	%	(\$'000)	(\$'000)	(\$'000)
Financial assets				
Cash and cash equivalents	4.6%	328	-	328
Restricted cash and cash equivalents	4.6%	4,930	-	4,930
Receivables		-	90	90
Other assets		-	246	246
		5,258	336	5,594
Financial Liabilities				
Payables		-	98	98
		-	98	98

	Weighted average effective interest rate	Variable interest rate	Non interest bearing	Total
2007	%	(\$'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		-	43	43
Other assets		-	44	44
		2,821	87	2,907

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Financial Liabilities

Payables	-	-	-
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Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the authority's financial assets and liabilities at the balance sheet date on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

		-1% change		1% change	
	Carrying amount (\$'000)	Profit (\$'000)	Equity (\$'000)	Profit (\$'000) v	Equity (\$'000)
2008					
<u>Financial Assets</u>					
Cash and cash equivalents	328	(3)	(3)	3	3
Restricted cash and cash equivalents	4,930	(49)	(49)	49	49
Total increase / decrease		(52)	(52)	52	52
		-1% change		1% change	
	Carrying amount (\$'000)	Profit (\$'000)	Equity (\$'000)	Profit (\$'000)	Equity (\$'000)
2007					
<u>Financial Assets</u>					
Cash and cash equivalents	553	(6)	(6)	6	6
Restricted cash and cash equivalents	2,267	(23)	(23)	23	23
Total increase / decrease		(29)	(29)	29	29

Fair values

All financial assets and liabilities recognised in this 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 (\$'000)	2007 (\$'000)
24. Remuneration of senior officers		
<u>Remuneration</u>		
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:		
\$		
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.

25. Remuneration of the auditor

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

Auditing the accounts, financial statements and performance indicators.	11	12
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The expense is included in Note 7 Other Expenses

26. Related body

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

27. Special purpose accounts

Special purpose account section 16(1)(c) Financial Management Act 2006

C L 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 2008

	2008 (\$'000)	2007 (\$'000)
Opening balance	1,837	1,836
<u>Receipts:</u>		
Interest	-	1
<u>Payments:</u>	-	-
Closing balance	1,837	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 aggregate results in Western Australia.

Statement of Receipts and Payments for the year ended 30 June 2008

	2008 (\$'000)	2007 (\$'000)
Opening balance	1,541	2,304
<u>Receipts:</u>		
Interest	9	17
Total receipts	9	17
<u>Payments:</u>		
Annual prizes	-	(780)
Closing balance	1,550	1,541

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Intestate Trust Account

Purpose

To hold intestate funds so as to enable the AAPA to administer pursuant with section 35 of the *Aboriginal Affairs Planning Authority Act 1972*.

Statement of receipts and payments for the year ended 30 June 2008

	2008 (\$'000)	2007 (\$'000)
Opening balance	36,753	37,464
<u>Receipts:</u>		
Interest	4,104	2,811
Intestate Revenue	75,066	16,842
Total receipts	79,170	19,653
<u>Payments:</u>		
Intestate Disbursements	(14,965)	(20,364)
Total payments	(14,965)	(20,364)
Closing balance	100,958	36,753

These funds are held in Aboriginal Affairs Planning Authority Operating account with the Commonwealth Bank.

28. Events occurring after reporting date

There have been no material events occurring after 30 June 2008 as defined by the Australian Accounting Standard AASB 110.3.

29. Supplementary financial information

a) Write-offs

No amounts (2007 - nil) being debts due to the State or public property of the State, were written off during 2008.

b) Losses through theft, defaults and other causes

There were no losses written off during the 2008 financial year (2007 - nil).

c) Gifts of public property

There were no gifts of public property provided by the Authority during the 2008 financial year (2007 - nil).

d) Expenditure commitments

There are no outstanding expenditure commitments against the consolidated fund as at 30 June 2008 (30 June 2007 - nil).



ABORIGINAL AFFAIRS PLANNING AUTHORITY

CERTIFICATION OF PERFORMANCE INDICATORS

FOR THE YEAR ENDED 30 JUNE 2008

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 2008.



Patrick Walker
Director General
Aboriginal Affairs Planning Authority

22 September 2008

KEY PERFORMANCE INDICATORS - ABORIGINAL AFFAIRS PLANNING AUTHORITY

PERFORMANCE INDICATORS

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.

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.

Method used to determine outcome effectiveness

An independent research consultancy was commissioned to evaluate the AAPA performance by conducting a census of the same client organisations and using the same survey instrument as last year. The telephone survey was conducted between 1 - 19 July 2008. From a total of 20 clients, 19 interviews were conducted, giving an overall response rate of 95 %. The AAPA does not publish budget papers and the 2007/08 target is indicative.

AAPA	2006/07 Actual	2007/08 Actual	2007/08 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%	79%	75%
Number of respondents (including "don't know" "not relevant")	20	19	
Relevant client population for Indicator	20	20	
<i>Response rate</i>	100.0%	95%	

Comment on AAPA effectiveness indicator results

The result shows continuing satisfaction among the client group with the way the AAPA manages land on their behalf. 21 per cent of respondents felt the Authority was neither effective nor ineffective. No respondents reported the authority as ineffective.

Feedback collected during the survey related to the positive effect of involving traditional owners with their land.

- *"It has a lot of scope and I hope DIA continue to fund projects because it provides a wonderful opportunity to engage traditional owners in the care and management of their land."*
- *"Very good in making effective connection with people and their land."*
- *"Important for them and they look forward to going and doing projects on the land."*



Efficiency Indicators - Aboriginal Affairs Planning Authority

Efficiency Indicators	2006/07	2007/08	2007/08 Target
Service 1.1 Estate Management			
Average cost per hectare.	\$0.130	\$0.239	\$0.123

Comment on efficiency indicators results

This efficiency indicator measures the average cost per hectare spent managing and maintaining the estate. Costs include services received free of charge from DIA for administration of the estate and spending on maintenance of the estate.

The increased average cost per hectare is a result of the inclusion an accrual provision for contaminated site of \$3.438m (see note 7).

